

11 August 2022

Subject : Management's Discussion and Analysis for the six-month period ending 30 June 2022 operating results that varied more than 20% compared to the same period of 2021

To : The President of the Stock Exchange of Thailand

The Company would like to provide details of changes in Profit and Loss as shown in the six-month period ending 30 June 2022 reviewed consolidated financial statements of Wave Entertainment Plc. as follows:

Q2/2022

	Q2/2022		Q2/2021		Changed	
	THB'mm	%	THB'mm	%	THB'mm	%
Revenue	61.20	100%	77.90	100%	(16.70)	-21%
Cost	60.83	99%	57.42	74%	3.41	6%
Gross profit	0.37	1%	20.48	26%	(20.11)	-98%
Other Revenues & Profit Sharing	28.94	47%	10.88	14%	18.06	166%
Selling and admin expenses	(31.15)	-51%	(34.97)	-45%	(3.82)	-11%
Financial cost	(3.97)	-6%	(6.04)	-8%	(2.07)	-34%
Tax	(0.02)	0%	(0.00)	0%	0.02	n.a.
Net Profit (loss)	(5.83)	-10%	(9.65)	-12%	(3.82)	-40%

1H/2022

	1H/2022		1H/2021		Changed	
	THB'mm	%	THB'mm	%	THB'mm	%
Revenue	117.27	100%	158.60	100%	(41.33)	-26%
Cost	115.16	98%	124.27	78%	(9.11)	-7%
Gross profit	2.11	2%	34.33	22%	(32.22)	-94%
Other Revenues & Profit Sharing	146.33	125%	41.28	26%	105.05	254%
Selling and admin expenses	(139.38)	-119%	(72.07)	-45%	67.31	93%
Financial cost	(8.19)	-7%	(12.04)	-8%	(3.85)	-32%
Tax	(0.02)	0%	(0.00)	0%	0.02	n.a.
Net Profit (loss)	0.85	1%	(8.50)	-5%	9.35	110%

The outbreak of the Coronavirus Disease 2019 ("COVID-19") new variant still directly impacted the consumption and the Group's operations. The Company decided to close 2 service centers at Ladprao in November 2021 and at Maya Chiangmai in January 2022, resulting in the second quarter revenue of THB 61.20 million, a drop of THB 16.70 million or 21% down from the same period of last year and for the first half's was THB 117.27 million decreasing by THB 41.33 million or 26% compared to the same period of last year. The Group's total costs for the second quarter up a bit of THB 3.41 million or 6% over the same period of last year due to some of the costs that have been adjusted to normal since the beginning of 2022, while the first half dropped by THB 9.11 million or 7% compared to the same period of last year. As a result, Gross Profit of the group was THB 0.37 million, a decrease of THB 20.11 million or 98% down compared to the same period of last year and was THB 2.11 million dropped 94% for the first half, compared to the same period of last year due to drop of the significant revenue. Total selling and administrative expenses for the second quarter was at THB 31.15 million, a decrease of THB 3.82 million or 11% and was THB 139.38 million for the first half of this year, compared to the same period last year. This

amount was the special transaction from the write-off expense from loan that may not be reimbursed from a subsidiary company which was disposed during the period amount of THB 72.12 million and depreciation of THB 25.10 31.66 million.

In May 2022, the Company has reduced its share of investments in an associated company by less than 20%, forcing it to classify its investments in such company as financial assets measured at fair value. Such associated company's performance cannot be recognized in the Group's performance. This is in accordance with Thai Financial Reporting Standards No. 9 on financial instruments. Other revenues and profit share in the second quarter was the reversed expenditures transaction of THB 28.94 million since the repayment will not occur in the second quarter and in the six-month period amounted to THB 146.33 million, most of this amount was the profit for the period from discontinued operations in a subsidiary amounted of THB 125.26 million.

As of 30 June 2022, the Group's total assets were at THB 671.53 million, down by THB 205.70 million as well as the Group's total liabilities being down by THB 214.68 million from THB 746.96 million, mostly due to disposal on the subsidiary company. Equity owner of the parent is a bit up due to the recognition of profit in the first half of this year and other components of equity in an associated company decreased cause by disposition in Q1 2022.

To resolve the caution or "C" sign (the shareholders' equity is less than 50% of the paid-up capital) on the Company's securities, on August 5, 2022, the Board of Directors approved the company to increase its capital in the amount not exceeding Baht 5,934,068,140.50 from the registered capital of Baht 471,958,377.50 to the new registered capital of Baht 6,406,026,518 by issuing newly issued ordinary shares in the amount of not exceeding 11,868,136,281 shares at a par value each of Baht 0.50 for (i) the allocation of newly issued ordinary shares to the existing shareholders proportionate to their respective shareholding (Rights Offering) in the amount of not exceeding 7,852,617,010 shares at the subscription price of Baht 0.10 per a share, the allocation ratio is in the range of 1 – 1.25 existing ordinary shares per 10 newly issued ordinary share (ii) to accommodate the exercise of warrants to purchase ordinary shares of the Company No. 3 (WAVE-W3) ("**WAVE-W3**") in the amount of not exceeding 2,617,539,003 shares which will be allocated to the existing shareholders who subscribe and pay the newly issued shares proportionate to their respective shareholdings (Rights Offering) at the ratio of 3 newly issued ordinary shares to 1 unit of WAVE-W3 without consideration (1 unit of WAVE-W3 will be entitled to purchase ordinary shares at the price of Baht 0.15 per 1 share) and (iii) to accommodate the right adjustment of warrants to purchase ordinary shares of the Company No. 2 (WAVE-W2) ("**WAVE-W2**") in the amount of not exceeding 1,397,980,268 shares. The use of proceeds to invest in businesses related to Environmental, Social and Governance (ESG), partially debt repayment and working capital. This will be presented to the Extraordinary General Meeting of Shareholders on September 13, 2022 for further approval.

Please be informed accordingly,

Yours sincerely,

-Mr. Matthew Kichodhan-

Mr. Matthew Kichodhan

Chairman and CEO