

28 February 2023

Subject Management's Discussion and Analysis for the year ended December 31, 2022 and changes in operating results more than 20% compared to the previous year. (Revised)

Attention The President
The Stock Exchange of Thailand

Wave Entertainment Public Company Limited (the "Company") would like to provide details of changes in the financial statement as shown in the year ended December 31, 2022 reviewed consolidated financial statements of the Company and its subsidiaries as follows:

Income Statement

	Year 2022		Year 2021		Changed	
	THB'mm	%	THB'mm	%	THB'mm	%
Revenue	286.10	100%	286.04	100%	0.06	0%
Cost	(247.97)	-87%	(214.29)	-75%	33.69	16%
Gross Profit	38.12	13%	71.75	25%	(33.63)	-47%
Other Revenues & Profit Sharing	10.87	4%	(572.66)	-200%	583.53	102%
Selling and admin expenses	(226.04)	-79%	(131.64)	-46%	94.40	72%
Financial cost	(13.96)	-5%	(22.96)	-8%	(9.00)	-39%
Tax	(0.06)	0%	(32.88)	-11%	(32.82)	-100%
Net Profit (Loss)	(191.06)	-67%	(688.38)	-241%	497.32	72%
Profit (Loss) from discontinued operations	125.26	44%	(4.38)	-2%	129.64	103%
Profit (Loss) for the year	(65.81)	-23%	(692.76)	-242%	626.96	91%

Revenue

With the easing of the coronavirus disease 2019 (COVID-19), the company's institute of language customers returned to use services in the Year 2022, especially in the 4th quarter as the education industry tends to grow rapidly. Moreover, the Company promoting new marketing method to sell online courses and normal courses in longer term. The Group has a revenue of 286.10 million baht and 286.04 million Baht respectively.

Cost

The total costs in the year 2022 equals to 247.97 million baht, an increase of 33.69 million baht or 16% compared to the previous year. Due to an increase in expense, for instance, utility expense, salary expense and rent expense that have been discounted during the coronavirus disease 2019 (COVID-19) epidemic in the past 2 years, these costs have now been adjusted as per usual. Also, the centers are now opening as usual. Therefore, the Company has gross profit only 38.12 million baht, a reduce of 33.63 million baht or 47% compare to the previous year.

Net Profit

In the year 2022, the Company has other revenues and profit sharing equals to 10.87 million baht compared to the previous year that there was a loss of 572.66 million baht, there is an increase of 583.53 million baht or 102% The Company has selling and admins expenses of 226.04 million baht, an increase of 94.40 million baht or 72% because of the increasing of marketing expenses and loan forgiveness for the subsidiary company that have been sold. However, the Company also has net gain from disposal of subsidiary company of 125.26 million baht. Moreover, the Company's financial cost is 13.96 million baht, a decrease of 9 million baht or 39% from the repayment of loan due and payable to financial institute. Therefore, the Company has net loss for the year equals to 65.81 million baht, a decrease of 626.96 million baht or 91% decrease compared to the previous year.

Balance Sheet

	Unit : Baht			
Balance Sheet	2022	2021	Change	Change%
Current Assets	845.83	230.43	615.40	267%
Non-Current Assets	364.13	646.80	(282.66)	-44%
Total Assets	1,209.97	877.23	332.74	38%
Current Liabilities	311.64	645.31	(333.67)	-52%
Non-Current Liabilities	30.64	101.65	(71.01)	-70%
Total Liabilities	342.29	746.96	(404.67)	-54%
Accumulated Loss	(310.21)	(1,008.61)	(698.40)	-69%
Equity	1,177.89	1,138.88	39.01	3%
Total Equity	867.68	130.27	737.41	566%
Total Liabilities and Equity	1,209.97	877.23	332.74	38%

Assets

The Company's total assets as of December 31, 2022 amounted to 1,209.97 million baht, an increase of 332.74 million baht or 38% increase from the increasing in Paid up share capital. However, the Non-Current assets is decreasing due to adjustment in assets type from current assets; Investment in associate to measurement of equity investment at fair value through profit or loss because there is a change in proportion of investment.

Liabilities

The Company had total liabilities of 342.29 million baht, a decrease of 404.67 million baht or 54% lower due to the payment to financial institution according to the objective of capital increase and the sales of Jeffer Restaurant Co., Ltd.

Equity

In the year 2022, According to the Extraordinary General Meeting of Shareholders No. 1/2022 passed a resolution approving the allocation of newly issued ordinary shares to the Company's existing shareholders in proportion to their shareholding (Right Offering), the total fund the Company receive is 765.33 million baht. However, according to the Company's net loss for the year 2022 equals to 65.81 million baht. Resulting the Company's shareholder's equity to 867.88 million baht, an increase of 737.51 million baht or 566% increase in the year 2022.

In addition, the shareholder's equity of the Company including the fund from the capital increase in the year 2022 is more than 50% of paid-up capital. Meanwhile, the Stock Exchange of Thailand is now processing consideration of the C sign lifted.

Lastly, the Company has aim to pursue the Carbon Credit business under Wave BCG Co., LTD. to become the leader in carbon credit business and to be the number 1 leader in the sustainable business, the Company has a plan to issue and offer debentures with a total amount not exceeding 1,000,000,000 baht with the approve from the Extraordinary General Meeting of shareholders.

Please be informed accordingly.

Yours sincerely,

- James Andrew Moore -

Mr. James Andrew Moore

Chief Executive Officer

Wave Entertainment Public Company Limited