

L-WAVE 02/2567

Date. 29 February 2024

Subject Management’s Discussion and Analysis for the year ended December 31, 2023 and changes in operating results more than 20% compared to the previous year.

Attention The President

The Stock Exchange of Thailand

Wave Exponential Public Company Limited (the “Company”) would like to provide details of changes in the financial statement as shown in the year ended December 31, 2023 reviewed consolidated financial statements of the Company and its subsidiaries as follows:

Income Statement

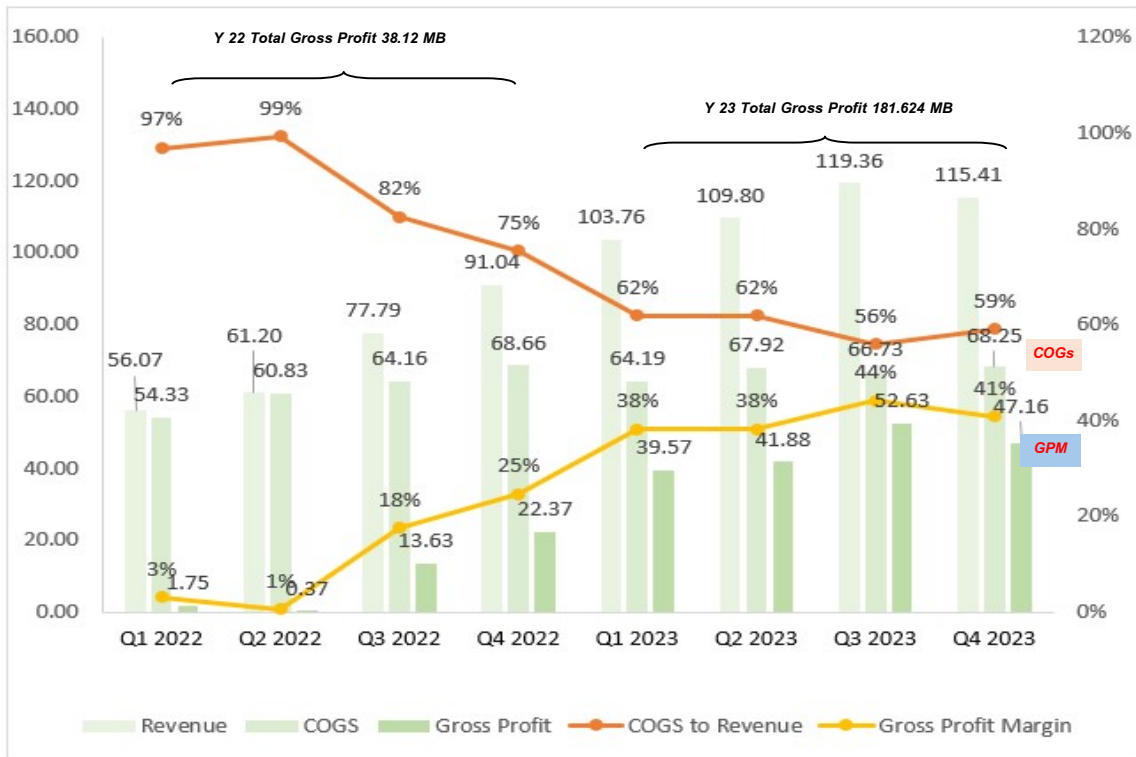
	Year 2023		Year 2022		Changed	
	Million	%	Million	%	Million	%
Revenues	448.33	100%	286.10	100%	162.23	57%
Cost	-267.09	-60%	-247.97	-87%	-19.12	-8%
Gross Profit	181.24	40%	38.13	13%	143.11	375%
Other Incomes (Expenses)	16.42	4%	5.83	2%	10.59	182%
Selling and Admins expenses	-214.51	-48%	-152.85	-53%	-61.66	-40%
Financial Cost	-3.46	-1%	-13.96	-5%	10.50	75%
Tax	-1.56	0%	-0.06	0%	-1.50	-2500%
Net Profit (Loss)	-21.88	-5%	-122.91	-67%	101.03	82%
Profit (Loss) from discontinued operation	1.57	0%	57.10	44%	-55.53	-97%
Profit (Loss) for the year	-20.32	-4%	- 65.80	-23%	45.49	69%

Revenues

In the fiscal year 2023, the company group recorded a revenue of 448.33 million Baht, marking an increase from the corresponding period of the previous year, which had a revenue of 286.10 million Baht. This signifies a rise of 162.23 million Baht or approximately 57%. The increase can be attributed to the adjusted pricing strategy, considering the overall societal conditions, and the positive adaptation post-COVID-19. The revenue rebounded significantly, constituting approximately 80% of the earnings in the fiscal year 2022, which marked the highest revenue at 545 million Baht. The primary source of income is derived from the language school business, Wall Street English Limited, including franchise operations in Vientiane, Laos, and Sriracha, Chonburi. This has led to a substantial initial profit increase of 181.24 million Baht, accounting for approximately 40% of the total revenue for the fiscal year 2023. In comparison to the fiscal year 2022, this represents a significant growth, considering it was 13% of the revenue in the fiscal year 2022.

Picture: Comparison of Revenues, COGs, and Gross Profit between Year 2023 and 2022

(Unit: Million)

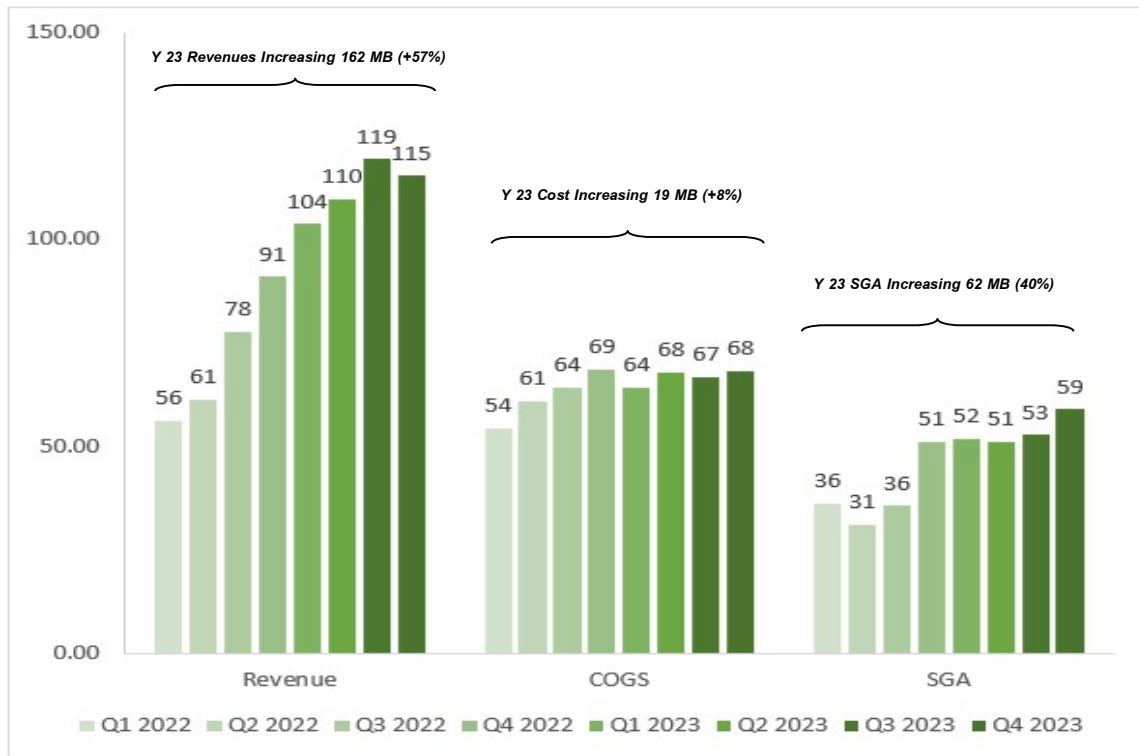


Picture: Quarterly Gross Profit comparison between Year 2023 and 2022

(Unit: Million)



Picture: Comparison of Revenues, COGs and Selling & Administrative between Year 2023 and 2022 (Unit: Million)



Cost

The company's total cost for the year 2023 amounted to 267.09 million Baht, an increase of 19.12 million Baht compared to the year 2022. This increase aligns with the proportionate growth in revenue. When comparing the cost-to-income ratio, the cost per revenue for the year 2023 is 60%, a decrease from the year 2022, where the cost was 87% of the revenue. The company's policy in managing and controlling these costs has been appropriate and efficient, resulting in a lower proportion of costs relative to the increased revenue. This has led to a growth in gross profit compared to the corresponding period of the previous year

Selling & Administrative

In the fiscal year 2023, the company incurred selling and administrative expenses totaling 214.51 million Baht, marking a increase of 40% compared to the corresponding period of the previous year, which amounted to 152.85 million Baht. This increase aligns with the proportionate growth in revenue. When comparing the Selling & Administrative-to-income ratio, the Administrative-to-income ratio per revenue for the year 2023 is 48%, a decrease from the year 2022, where the cost was 53% of the revenue, resulting in a lower proportion of Selling & Administrative-to-income relative to the increased revenue.

Specifically, the financial cost, in particular, decreased by 75%, leaving a remaining amount of 3.46 million Baht when compared to the corresponding period in 2022, where the financial cost was 13.96 million Baht. In the fiscal year 2023, the company utilized funds from the capital increase to fully settle all existing debts with financial institutions as originally intended

Net Profit

The net profit (loss) for the fiscal year 2023 resulted in a loss of -21.88 million Baht, a decrease of 82% compared to the corresponding period in 2022, where the loss amounted to -122.91 million Baht. The company demonstrated improved business performance, with a reduced loss of -101.03 million Baht.

Balance Sheet

Unit: Million

Balance Sheet	2023	2022	Changed	%
Current Assets	1,247.73	845.83	401.90	48%
Non-Current Assets	380.32	364.13	16.19	4%
Total Assets	1,628.05	1,209.96	419.09	35%
Current Liabilities	245.32	311.64	-62.68	-21%
Non-Current Liabilities	350.64	30.64	316.35	1,044%
Total Liabilities	595.96	342.28	253.68	74%
Accumulated Loss	309.89	310.21	-1.33	0%
Equity	1,341.98	1,177.89	164.08	14%
Total Equity	1,032.09	867.68	165.41	19%
Total Liabilities and Equity	1,628.05	1,209.96	419.09	35%

Assets

The company's total assets amount to 1,628.05 million Baht, an increase of 419.09 million Baht, representing 48% compared to the year 2022. This increase is attributed to the purchase of renewable energy certificates to support the implementation of the company's business plan. Additionally, there has been an increase in inventory from the previous year, totaling 689.24 million Baht.

Liabilities

The company has total liabilities amounting to 595.96 million Baht, an increase of 253.68 million Baht, representing 74%. This increase is due to additional liabilities from the purchase of renewable energy certificates as per advance agreements, coupled with deferred revenue from business operations, and payments for financial institution debts, trade payables, outstanding expenses, and other liabilities

Equity

The company's equity attributable to shareholders is 1,033.09 million Baht, an increase of 165.41 million Baht, representing 19%. Part of this increase is attributed to the conversion of warrants indicating the right to purchase ordinary shares of WAVE-W2 Company Limited, amounting to 89.60 million Baht

Please be informed accordingly.

Yours sincerely

-James Andrew Moore-

(Mr. James Andrew Moore)

Chief Executive Officer

Wave Exponential Public Company Limited