

15 May 2020

Subject : Management's Discussion and Analysis for the first quarter 2020 operating results with variation greater than 20% compared to the same period of 2019

To : The President of the Stock Exchange of Thailand

The Company would like to provide details of changes in profit and loss of the first quarter 2020 interim consolidated financial statements of Wave Entertainment PLC as follows:

	Q1/2020		Q1/2019		Changed	
	THB'mm	%	THB'mm	%	THB'mm	%
Revenue Information by Segment						
Language institute	130.01	57%	142.70	52%	(12.69)	-9%
Restaurant	86.50	38%	133.73	48%	(47.23)	-35%
Entertainment	11.13	5%	-	-	11.13	n.a.
Total Revenue	227.64	100%	276.43	100%	(48.79)	-18%
Total Cost	130.61	57%	158.68	57%	(28.07)	-18%
Gross profit	97.03	43%	117.75	43%	(20.72)	-18%
Other Revenues & Profit Sharing	(4.50)	-2%	16.98	6%	(21.48)	-127%
Selling and admin expenses	(144.63)	-64%	(161.09)	-58%	(16.46)	-10%
Financial cost	(12.28)	-5%	(11.57)	-4%	0.71	6%
Taxes	0.25	0%	0.23	0%	0.03	13%
Loss for the period attributable to owners of the parent	(64.12)	-28%	(37.70)	-7%	26.42	70%

The outbreak of the Coronavirus Disease 2019 ("COVID-19"), situation which started in late 2019 and extended well into the year 2020 has adversely direct impacted the Group's operations due to mandatory closure decree in late March, resulting in the first quarter revenue of THB 227.64 million, reducing by THB 48.79 million or 18% down from the same period of last year. Details of each segment's revenues are:

- Language institute business has opened 2 new locations in the first quarter of the year, being Silom branch in January and Rayong branch in March. The COVID-19 impact especially in March has resulted in a revenue drop of THB 12.69 million, down 9% compared to the same period last year.
- Restaurant business took a direct hit from mandatory closure decree, causing a fall in revenue of THB 47.23 million, a 35% drop compared to the same period last year.
- Entertainment business has had a rise of THB 11.13 million from a production contract of a soap opera expected to be on-air within the second quarter.

The Group's total costs for the first quarter was at THB 130.61 million, a drop of THB 28.07 million or 18% over the same period of last year in line with the drop in business activities revenue. As a result, Gross Profit of the group was THB 97.03 million (43% of total revenue), a decrease of THB 20.72 million or 18% down compared to the same period of last year. Other revenue and profit sharing from associates was at THB -4.50 million, down by THB 21.48 million compared to the same period of last year due to the COVID-19 outbreak impact as well.

Total selling and administrative expenses for the first three-month were at THB 144.63 million, a decrease of THB 16.46 million or 10% compared to the same period last year due to strictly control. As a result of net loss under Owner of the Parent of THB 64.12 million, THB 26.42 million higher than the same period of 2019.

As of 31 March 2020, the Group's total assets were at THB 3,660.03 million, up by THB 279.61 million mostly from adoption of new financial reporting standards (leases standard (IFRS 16)), As a result of Right-of-use assets, net valued at THB 302.01 million which will be amortized by each quarter in accordance to IFRS16 "Leases" as well as the Group's total liabilities was up by THB 353.21 million, mostly due to the addition of leasing liability of THB 294.40 million also as a result of the IFRS16 adoption. Equity owner of the parent dropped due to recognition of loss in the first quarter.

Please be informed accordingly,

Yours sincerely,

-Mr. Matthew Kichodhan-

Mr. Matthew Kichodhan

Chairman and CEO