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(Translation)

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Subject Management's Discussion and Analysis

Operating results for the three-month period and nine-month period ended September 30, 2022

To The President

The Stock Exchange of Thailand

The operating results of Copperwired Public Company Limited and its subsidiary ("the Company") according to the consolidated financial statements for the three-month and nine-month period ended September 30, 2022 can be summarized below.

OPERATING RESULTS

	For the three-month period ended 30 September (Million Baht)		Increase (Decrease)	For the nine-month period ended 30 September (Million Baht)		Increase (Decrease)
	2022	2021		2022	2021	
Total revenue	1,628.02	721.04	125.79%	5,094.66	2,704.41	88.38%
Costs of sales of goods and services	1,393.15	611.66	127.77%	4,388.72	2,322.36	88.98%
Selling Expenses	161.85	64.64	150.39%	472.48	234.50	101.48%
Administrative expenses	57.95	38.36	51.07%	147.48	96.72	52.48%
Profit from operating activities	15.07	6.38	136.21%	85.99	50.83	69.17%
Finance costs	(4.04)	2.23	281.17%	24.58	6.92	254.69%
Profit before income tax expense	19.11	4.15	360.48%	61.41	43.91	39.85%
Tax expense	1.59	0.68	133.82%	12.95	8.50	52.35%
Profit for the period	17.52	3.47	404.90%	48.46	35.41	36.85%

During the 3rd quarter of 2022, revenue was 1,628.02 million baht, which increased by 125.79% from the same period of 2021, and net profit was 17.52 million baht, which increased by 404.90% from the same period of 2021.

For the 9-month period ending 30 September 2022, revenue was 5,094.66 million baht, which increased by 88.38% from the same period of 2021, and net profit was 48.46 million baht, which increased by 36.85% from the same period of 2021. For the 9-month period ending 30 September 2022 expenses relating to the acquisition of business and assets of IBIZ Plus Network Co., Ltd. amounted to 18.18 million baht (2021: nil) consisting of interest expenses on long-term loan of 5.08 million baht, interest expense on business acquisition payable of 4.37 million baht, and amortization of intangible assets of 8.73 million baht.

Revenue

As of 30 September 2022, the Company had 106 stores (30 September 2021: 46 stores) as follows:

- 24 .life (Dotlife) stores
- 23 Apple Brand stores (15 iStudio by copperwired, 7 U-store by copperwired, 1 Ai_ store)
- 4 iServe service centers
- 27 AIS Brand stores
- 19 Samsung Brand stores
- 9 Xiaomi Brand stores

Breakdown of revenue is as follow:

Revenue	For the three-month ended 30 September				For the nine-month ended 30 September			
	2022		2021		2022		2021	
	Million Baht	Percent	Million Baht	Percent	Million Baht	Percent	Million Baht	Percent
Sales	1,586.37	97.44	703.53	97.57	4,971.54	97.58	2,653.90	98.13
Services	23.99	1.48	10.67	1.48	72.64	1.43	36.59	1.35
Total revenue from sales and services	1,610.36	98.92	714.20	99.05	5,044.18	99.01	2,690.49	99.48
Other income	17.66	1.08	6.84	0.95	50.48	0.99	13.92	0.52
Total revenue	1,628.02	100.00	721.04	100.00	5,094.66	100.00	2,704.41	100.00

Revenue from sales and services

Revenue from sales and services for the 3rd quarter of 2022 was 1,610.36 million baht, which increased by 896.16 million baht or 125.48% from the same period of previous year as a result of the increase in revenue from smartphone, digital lifestyle products and the increase in revenue from wholesale and retail channels acquired from IBIZ Plus Network Co., Ltd.

Revenue from sales and services for the 9-month period ending 30 September 2022 was 5,044.18 million baht, which increased by 2,353.69 million baht or 87.48% from the same period of previous year as a result of the increase in revenue from all products, and services revenue from wholesale and retail channels acquired from IBIZ Plus Network Co., Ltd.

Other income

The increase in other income was mainly due to the revenue from marketing support received from Apple for new shop opening.

Gross profit

	For the three-month period ended 30 September (Million Baht)		Increase (Decrease)	For the nine-month period ended 30 September (Million Baht)		Increase (Decrease)
	2022	2021		2022	2021	
Revenue from sales and services	1,610.36	714.20	125.48%	5,044.18	2,690.49	87.48%
Costs of sales of goods and services	1,393.15	611.66	127.77%	4,388.72	2,322.36	88.98%
Gross profit	217.21	102.54	111.83%	655.46	368.13	78.05%
Gross profit margin	13.49%	14.36%	(0.87%)	12.99%	13.68%	(0.69%)

Gross profit for the 3rd quarter and the nine-month period of 2022 increased by 111.83% and 78.05%, respectively, from the same period last year as a result of the increase in revenue for sales and services.

The 2022 gross profit margin decreased from 2021 as a result of the increase, in proportion to total revenue, of revenue from smartphone of which gross profit margin being lower than other products groups.

Expenses

Selling Expenses

Selling expenses for the 3rd quarter of 2022 and 2021 were 161.85 million baht and 64.64 million baht, respectively. The expenses increased to 9.94% of total revenue in 2022 from 8.96% in 2021. For the 9-month periods ending 30 September 2022 and 2021 selling expenses were 472.48 million baht and 234.50 million baht, respectively. The expenses increased to 9.27% of total revenue in 2022 from 8.67% in 2021.

The increase in selling expenses were mainly due to rental and staff expenses relating to retail stores acquired from IBIZ Plus Network Co., Ltd.

Administrative expenses

Administrative expenses for the 3rd quarter of 2022 and 2021 were 57.95 million baht and 38.36 million baht, representing 3.56% and 5.32% of total revenue, respectively. For the 9-month periods ending 30 September 2022 and 2021 administrative expenses were 147.48 million baht and 96.72 million baht, representing 2.89% and 3.58% of total revenue, respectively.

The increase in administrative expenses was mainly due to the increase in staff expenses, and amortization of intangible assets incurred in relation to the acquisition of business and assets of IBIZ Plus Network Co., Ltd.

Profit from operating activities

Profit from operating activities for the 3rd quarter of 2022 increased by 8.69 million baht or 136.21% from the same period of 2021. Profit from operating activities for the nine-month periods of 2022 increased by 35.16 million baht or 69.17% from the same period of 2021.

Finance costs

Finance costs for the 3rd quarter of 2022 decreased by 6.27 million baht or 281.17% from 2021. The decrease was mainly due to the adjustment on business acquisition payable and related finance costs.

Finance costs for the 9-month periods ending 30 September 2022 was 24.58 million baht, which increased by 17.65 million baht or 254.69% from 2021. The increase was mainly due to interest expenses on business acquisition payable and on long-term loan from financial institution. Interest expenses on business acquisition payable (nil for the same periods of 2021).

Net profit

Net profit for the 3rd quarter of 2022 was 17.52 million baht. The net profits increased by 14.05 million baht or 404.90% from 2021. Net profit margin increased from 0.48% in 2021 to 1.08% of revenue in 2022.

Net profit for the 9-month period ending 30 September 2022 was 48.46 million baht. The net profits increased by 13.05 million baht or 36.85% from 2021. Net profit margin decreased from 1.31% in 2021 to 0.95% of revenue in 2022.

FINANCIAL POSITION

Assets

As of 30 September 2022, total assets were 1,826.85 million baht, decrease of 380 million baht compared to the end of 2021. The increase was mainly due to the decrease in cash and cash equivalents caused by payment of long-term loan from financial institution and dividend payment, and the reduction in goodwill as a result of the adjustment in the contingent consideration(business acquisition payable).

Liabilities

As of 30 September 2022, total liabilities were 1,092.86 million baht, a decrease of 380.47 million baht compared to the end of 2021. The decrease was mainly due to the decrease in trade account payable of 245.21 million baht and the payment of long-term loan from financial institution.

Shareholders' equity

As of 30 September 2022, shareholders' equity was 733.99 million baht, an decrease of 0.47 million baht from 2021. The decrease was due to dividend payment of 48 million baht offset with net profits for the nine-month period of 2022.

Please be informed accordingly.

Yours sincerely,

(Ms. Rattanakorn Rojvatcharapibal)

Chief Financial Officer

Authorized to sign on behalf of the company