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(Translation)

24 February 2023

Subject Management's Discussion and Analysis

Operating results the three-month period and for the year ended December 31, 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 for the year ended 31 December 2022 can be summarized below.

OPERATING RESULTS

	For the three-month period ended 31 December (Million Baht)		Increase (Decrease)	For the year ended 31 December (Million Baht)		Increase (Decrease)
	2022	2021	Percent	2022	2021	Percent
Revenue from sale of goods and services	2,187.25	2,522.63	(13.29)	7,231.43	5,213.12	38.72
Other income	37.27	19.72	89.00	87.75	33.64	160.85
Total revenue	2,224.52	2,542.35	(12.50)	7,319.18	5,246.76	39.50
Costs of sales of goods and services	1,919.87	2,233.68	(14.05)	6,308.59	4,556.04	38.47
Selling Expenses	176.29	182.89	(3.61)	648.77	417.39	55.43
Administrative expenses	68.47	54.57	25.47	215.94	151.29	42.73
Total expenses	2,164.63	2,471.14	(12.40)	7,173.30	5,124.72	39.97
Operating profit	59.89	71.21	(15.90)	145.88	122.04	19.53
Finance costs	7.90	8.50	(7.06)	32.48	15.42	110.64
Profit from operating activities	51.99	62.71	(17.09)	113.40	106.62	6.36
Tax expense	10.67	12.44	(14.23)	23.62	20.94	12.80
Profit for the period	41.32	50.27	(17.80)	89.78	85.68	4.79

For the 4th quarter of 2022, revenue was 2,224.52 million baht, which decreased by 12.50% from the same period of 2021, and net profit was 41.32 million baht, which decreased by 17.80% from the same period of 2021 as a result of the decrease in revenue for sales and services.

For the year 2022, revenue was 7,319.18 million baht, which increased by 39.50% from the same period of 2021, and net profit was 89.78 million baht, which increased by 4.79% from the same period of 2021. For the year 2022 expenses relating to the acquisition of business and assets of IBIZ Plus Network Co., Ltd. amounted to 24.69 million baht (2021: 7.30 million baht), only incurred in the fourth quarter consisting of interest expenses on long-term loan of 6.54 million baht, interest expense on business acquisition payable of 5.90 million baht, and amortization of intangible assets of 12.25 million baht.

Revenue

As of 31 December 2022, the Company had 105 stores (2021 : 107 stores) as follows:

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

Breakdown of revenue is as follows:

Revenue	For the three-month ended 31 December				For the year ended 31 December			
	2022		2021		2022		2021	
	Million Baht	Percent	Million Baht	Percent	Million Baht	Percent	Million Baht	Percent
Sales	2,161.80	97.18	2,498.26	98.27	7,133.34	97.46	5,152.15	98.20
Services	25.45	1.14	24.37	0.96	98.09	1.34	60.97	1.16
Total revenue from sales and services	2,187.25	98.32	2,522.63	99.23	7,231.43	98.80	5,213.12	99.36
Other income	37.27	1.68	19.72	0.77	87.75	1.20	33.64	0.64
Total revenue	2,224.52	100.00	2,542.35	100.00	7,319.18	100.00	5,246.76	100.00

Revenue from sales and services

Revenue from sales and services for the 4th quarter of 2022 was 2,187.25 million baht, which decreased by 335.38 million baht or 13.29% from the same period of previous year as a result of the decrease in revenue from smartphone, computer and tablet offset with the increase in revenue from digital lifestyle products and services revenue.

Revenue from sales and services for 2022 was 7,231.43 million baht, which increased by 2,018.31 million baht or 38.72% from the same period of previous year as a result of the increase in revenue from smartphone, digital lifestyle products and 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 31 December (Million Baht)		Increase (Decrease)	For the year ended 31 December (Million Baht)		Increase (Decrease)
	2022	2021		2022	2021	
Revenue from sales and services	2,187.25	2,522.63	(13.29%)	7,231.43	5,213.12	38.72%
Costs of sales of goods and services	1,919.87	2,233.68	(14.05%)	6,308.59	4,556.04	38.47%
Gross profit	267.38	288.95	(7.46%)	922.84	657.08	40.45%
Gross profit margin	12.22%	11.45%	0.77%	12.76%	12.60%	0.16%

Gross profit for the 4th quarter of 2022 decreased by 7.46% from the same period last year as a result of the decrease in revenue for sales and services, and gross profit for the year 2022 increased by 40.45% from the same period of previous year as a result of the increase in revenue for sales and services.

The 2022 gross profit margin increased from 2021 as a result of the increase, in proportion to total revenue, of revenue from digital lifestyle of which gross profit margin being more than other products groups.

Expenses

Selling Expenses

Selling expenses for the 4th quarter of 2022 and 2021 were 176.29 million baht and 182.89 million baht, respectively. The expenses increased to 7.92% of total revenue in 2022 from 7.19% in 2021. Selling expenses for 2022 and 2021 were 648.77 million baht and 417.39 million baht, respectively. The expenses increased to 8.86% of total revenue in 2022 from 7.96% in 2021.

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

Administrative expenses

Administrative expenses for the 4th quarter of 2022 and 2021 were 68.47 million baht and 54.57 million baht, representing 3.08% and 2.15% of total revenue, respectively. Administrative expenses for 2022 and 2021 were 215.94 million baht and 151.29 million baht, representing 2.95% and 2.88% 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 4th quarter of 2022 decreased by 11.32 million baht or 15.90% from the same period of 2021. Profit from operating activities for 2022 increased by 23.84 million baht or 19.53% from the same period of 2021.

Finance costs

Finance costs for the 4th quarter of 2022 decreased by 0.60 million baht or 7.06% from 2021. The decrease was mainly due to the adjustment on business acquisition payable and related finance costs.

Finance costs for 2022 was 32.48 million baht, which increased by 17.06 million baht or 110.64% 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 (start in Q4 of 2021).

Net profit

Net profit for the 4th quarter of 2022 was 41.32 million baht. The net profits decreased by 8.95 million baht or 17.80% from 2021. Net profit margin decreased from 1.63% in 2021 to 1.23% of revenue in 2022.

Net profit for 2022 was 89.78 million baht. The net profits increased by 4.10 million baht or 4.79% from 2021. Net profit margin decreased from 1.63% in 2021 to 1.23% of revenue in 2022.

FINANCIAL POSITION

Assets

As of 31 December 2022, total assets were 1,887.52 million baht, decrease of 319.33 million baht compared to 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 31 December 2022, total liabilities were 1,112.21 million baht, an decrease of 361.12 million baht compared to 2021. The decrease was mainly due to the decrease in business acquisition payable of 243.68 million baht and the payment of long-term loan from financial institution.

Shareholders' equity

As of 31 December 2022, shareholders' equity was 775.30 million baht, an increase of 41.78 million baht from 2021. The increase was due to net profits for 2022 of 89.78 million baht and dividend payment of 48 million baht during the period.

Please be informed accordingly.

Yours sincerely,

(Ms. Rattanakorn Rojvacharapibal)

Chief Financial Officer

Authorized to sign on behalf of the company