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(Translation)

7 August 2023

Subject Management's Discussion and Analysis

Operating results the three-month period and six-month period ended June 30, 2023

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 six-month period ended June 30, 2023, can be summarized below.

OPERATING RESULTS

	For the three-month period ended 30 June (Million Baht)		Increase (Decrease) Percent	For the six-month period ended 30 June (Million Baht)		Increase (Decrease) Percent
	2023	2022		2023	2022	
Revenue from sale of goods and services	1,559.21	1,657.18	(5.91)	3,486.38	3,433.82	1.53
Other income	6.51	14.48	(55.04)	23.37	32.83	(28.82)
Total revenue	1,565.72	1,671.66	(6.34)	3,509.75	3,466.65	1.24
Costs of sales of goods and services	1,343.86	1,437.13	(6.49)	3,032.09	2,995.57	1.22
Selling Expenses	159.83	155.01	3.11	333.79	310.63	7.46
Administrative expenses	43.70	46.94	(6.90)	91.89	89.53	2.64
Total expenses	1,547.39	1,639.08	(5.59)	3,457.77	3,395.73	1.83
Operating profit	18.33	32.58	(43.74)	51.98	70.92	(26.71)
Finance costs	8.36	14.22	(41.21)	16.33	28.62	(42.94)
Profit from operating activities	9.97	18.36	(45.70)	35.65	42.30	(15.72)
Tax expense	1.37	5.16	(73.45)	6.76	11.36	(40.49)
Profit for the period	8.60	13.20	(34.85)	28.89	30.94	(6.63)

For the 2nd quarter of 2023, revenue was 1,565.72 million baht, which decreased by 6.34% from the same period of 2022, and net profit was 8.60 million baht, which decreased by 34.85% from the same period of 2022.

For the 6-month period ending 30 June 2023, revenue was 3,509.75 million baht, which increased by 1.24% from the same period of 2022, and net profit was 28.89 million baht, which decreased by 6.63% from the same period of 2022.

Revenue

As of 30 June 2023, the Company had 103 stores (30 June 2022 : 106 stores) as follows:

- 24 .life (Dotlife) stores
- 25 Apple Brand stores (16 iStudio by copperwired, 8 U-store by copperwired, 1 Ai_ store)
- 3 iServe service centers
- 27 AIS Brand stores
- 19 Samsung Brand stores
- 5 Xiaomi Brand stores

Breakdown of revenue is as follows:

Revenue	For the three-month ended 30 June				For the six-month ended 30 June			
	2023		2022		2023		2022	
	Million Baht	Percent	Million Baht	Percent	Million Baht	Percent	Million Baht	Percent
Sales	1,534.60	98.01	1,623.84	97.14	3,432.94	97.81	3,385.15	97.65
Services	24.61	1.57	33.34	1.99	53.44	1.52	48.67	1.40
Total revenue from sales and services	1,559.21	99.58	1,657.18	99.13	3,486.38	99.33	3,433.82	99.05
Other income	6.51	0.42	14.48	0.87	23.37	0.67	32.83	0.95
Total revenue	1,565.72	100.00	1,671.66	100.00	3,509.75	100.00	3,466.65	100.00

Revenue from sales and services

Revenue from sales and services for the 2nd quarter of 2023 was 1,559.21 million baht, which decreased by 97.97 million baht or 5.91% 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.

Revenue from sales and services for the 6-month period ending 30 June 2023 was 3,486.38 million baht, which increased by 52.56 million baht or 1.53% from the same period of previous year as a result of the increase in revenue from digital lifestyle products offset with the decrease in revenue from smartphone, computer and tablet products.

Other income

The decrease in other income in the 2nd quarter of 2023 was mainly due to the previous year absence of revenue from marketing support received from Apple for a new shop opened (14 million baht in the same quarter of 2022).

Gross profit

	For the three-month period ended 30 June (Million Baht)		Increase (Decrease)	For the six-month period ended 30 June (Million Baht)		Increase (Decrease)
	2023	2022		2023	2022	
Revenue from sales and services	1,559.21	1,657.18	(5.91)	3,486.38	3,433.82	1.53
Costs of sales of goods and services	1,343.86	1,437.13	(6.49)	3,032.09	2,995.57	1.22
Gross profit	215.35	220.05	(2.14)	454.29	438.25	3.66
Gross profit margin	13.81%	13.28%	0.53	13.03%	12.76%	0.27

Gross profit for the 2nd quarter of 2023 was 215.35 million baht, being 13.81% of revenue (2022: 220.05 million baht or 13.28% of revenue) and gross profit for the 6-month period ending 30 June 2023 and 2022 gross profit were 454.29 million baht and 438.25 million baht, representing 13.03% and 12.76% of revenue for sales and services, respectively.

The 2023 gross profit margin increased from 2022 as a result of the increase, in proportion to total revenue, of revenue from digital lifestyle of which gross profit margin being higher than other products groups.

Expenses

Selling Expenses

Selling expenses for the 2nd quarter of 2023 and 2022 were 159.83 million baht and 155.01 million baht, respectively. The expenses increased to 10.21% of total revenue in 2023 from 9.27% in 2022.

For the 6-month periods ending 30 June 2023 and 2022 selling expenses were 333.79 million baht and 310.63 million baht, respectively. The expenses increased to 9.51% of total revenue in 2023 from 8.96% in 2022.

The increase in selling expenses were mainly due to the rental and staff expenses and promotion expenses.

Administrative expenses

Administrative expenses for the 2nd quarter of 2023 and 2022 were 43.70 million baht and 46.94 million baht, representing 2.79% and 2.81% of total revenue, respectively. The decrease in administrative expenses was mainly due to the decrease in allowance for doubtful debtor and amortization of intangible assets incurred in relation to the acquisition of business and assets of IBIZ Plus Network Co., Ltd.

For the 6-month periods ending 30 June 2023 and 2022 administrative expenses were 91.89 million baht and 89.53 million baht, representing 2.62% and 2.58% of total revenue, respectively. The increase in administrative expenses was mainly due to the increase in rents from the expansion of space.

Finance costs

Finance costs for the 2nd quarter of 2023 decreased by 5.86 million baht or 41.21% from 2022 and for the 6-month periods ending 30 June 2023 finance costs were 16.33 million baht decreased by 12.29 million baht or 42.94% from 2022. The decrease was mainly due to the decrease in long-term loans from financial institutions and business acquisition payable.

Net profit

Net profit for the 2nd quarter of 2023 was 8.60 million baht. The net profits decreased by 4.60 million baht or 34.85% from 2022. Net profit margin decreased from 0.79% in 2022 to 0.55% of revenue in 2023.

Net profit for the 6-month period ending 30 June 2023 was 28.89 million baht. The net profits increased by 2.05 million baht or 6.63% from 2022. Net profit margin decreased from 0.89% in 2022 to 0.82% of revenue in 2023.

FINANCIAL POSITION

Assets

As of 30 June 2023, total assets were 1,734.59 million baht, decrease of 152.93 million baht compared to 2022. 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.

Liabilities

As of 30 June 2023, total liabilities were 978.40 million baht, an decrease of 133.81 million baht compared to 2022. The decrease was mainly due to the decrease in trade accounts payable of 170.77 million baht and the payment of long-term loan from financial institution offset with the increase in short-term loan from financial institution.

Shareholders' equity

As of 30 June 2023, shareholders' equity was 756.19 million baht, an increase of 19.11 million baht from 2022. The decrease was due to a dividend payment of 48 million baht offset with net profits for the six-month period of 2023.

Please be informed accordingly.

Yours sincerely,

(Ms. Rattanakorn Rojvatcharapibal)

Chief Financial Officer

Authorized to sign on behalf of the company