

Pioneer Motor Public Co. Ltd.

78,78/4,78/5 Moo 3, Dontoom-Nakornchaisri Rd.
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Website: www.pionermotor.th.com

Ref. PIMO 6505 / 009

May 13, 2022

Subject: Management Discussion and Analysis of Financial Statement for the three-month ended March 31, 2022.

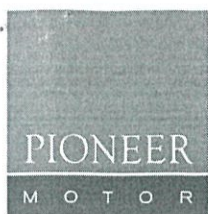
To: The President
The Stock Exchange of Thailand

Pioneer Motor Public Company Limited would like to clarify the Company's Financial Operations results for the three-month ended March 31, 2022. The Details are as follows:

Overview

The operations results of the Company for the three-month ended March 31, 2022, recorded the Net profit from financial statements of Baht 32.67 million compared to Baht 19.94 million of the same period last year, increased by Baht 12.73 million or 63.84%

The main reason of the increased profit is from the increased in sales of every product. In addition, the company gained the foreign exchange rate due to an improvement in US dollars and Australian dollars. Comparing the net profit margin to total revenue, it was found that the net profit margin for the three-month ended March 31, 2022, was 9.63%, which increased from the net profit to total revenue in the three-month ended March 31, 2021, was 9.29%. The cost of sales and selling expenses were higher per sales rate, it consists of 2 reasons, the first is the impact of the price of raw materials that have increased. At present, the company continues to hoard the materials products. It is expected that the company will still be able to make a profit. The second cause is an increase in the cost of transporting goods to foreign countries with freight costs and higher shipping costs from the ongoing shortage of containers after the global economy has begun to recover, the exporting countries have to compete for containers for export. However, the company has been monitoring the situation of raw material price adjustments all the time and try to manage the problem of the higher shipping costs in order to benefit the company as much as possible.



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Net profit (loss)

Unit: Million Baht

Net profit (loss)	Financial statements Ended 31/03/2022	Consolidated and Separate financial statements Ended 31/03/2021	Increase (Decrease)	
			Amount	Percentage (%)
3-month period	32.67	19.94	12.73	63.84

Revenue

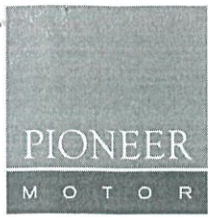
For the three-month ended March 31, 2022, the Company has earned total revenue from financial statements of Baht 351.68 million, increased from the same period last year by Baht 126.89 million or 56.45%, comprised of Sales Revenue of Baht 339.21 million, increased from the same period last year by Baht 124.46 million or 57.96%. Compared to the proportion of revenue from domestic and export sales, for the three-month ended March 31, 2022, domestic revenue was 44% and export revenue 56% (2021 : domestic revenue was 57% and export revenue 43%)

The main reason of the increased is from the increased sales of all product both domestic and international, including Air motors, Induction motor and increased sales of water pump motors (Axial – Flux pool : BLDC).

Other income from financial statement of Baht 12.47 million for the three-month ended March 31, 2022, increased from the same period last year by Baht 2.43 million or 24.20%, due to an increase in the sales of silicon scrap of Baht 3.02 million.

Cost of Sales

For the three-month ended March 31, 2022, the Company has Cost of Sales from financial statements of the Company equaled to Baht 284.26 million, increased from the same period last year by Baht 107.86 million or 61.15%, in line with the increase in sales, combine with the price of main raw materials that have increased. There for cost of Sales to Sales ratio increased to 83.80% from 82.14% for the same period of 2021.



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Selling Expenses

For the three-month ended March 31, 2022, Selling Expenses from financial statements was Baht 13.77 million, increased from the same period last year by Baht 2.87 million or 26.30%.

Mainly from the commission for selling various products and the cost of shipping goods to the overseas, which is in line with the increase in overseas sales, including promotional expenses that are one of the factors that will stimulate sales in the midst of competition among competitors, both at domestic and foreign country.

Administrative Expenses

For the three-month ended March 31, 2022, Administrative Expenses from financial statements of the Company was Baht 14.51 million, increased from the same period last year by Baht 1.44 million or 11.05%.

Mainly increased by salary and bonus estimates of Baht 0.90 million and social security expenses of Baht 0.50 million due to the three-month ended March 31, 2021, the Social Security Office reduced the social security rate from the impact of the epidemic situation of the Coronavirus 2019 (COVID-19), but In 2022, when the situation has improved, the Social Security Office has adjusted the rate at the normal rate.

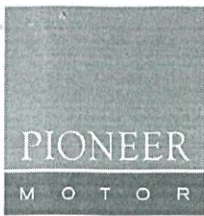
The Financial Position

Assets

As of March 31, 2022, the Company has total asset equal from financial statement to Baht 1,017.96 million, which increased from the year 2021, as of December 31, 2021, by Baht 90.71 million or increased 8.91%. The Details are as follows:

Current Assets of Baht 679.15 million , composed of :

- Cash and cash equivalents of Baht 22.68 million, decreased from the year 2021 by Baht 2.37 million or decreased 9.46%.
- Other current financial assets , which is an investment in mutual fund and short-term fixed income fund at the financial institution by Baht 48.75 million, increased from the year 2021 by Baht 10.11 million or increased 26.16%.



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- Trade Receivables of Baht 250.20 million, increased from the year 2021 by Baht 62.42 million or increased 33.24% due to the increased sales of new customers and the increasing orders in existing customers' demand.
- Inventories of Baht 325.33 million, increased from the year 2021 by Baht 10.84 million or increased 3.45%, due to the raw material is ordered to stock in advance to support the production. In combination with the price of main raw materials tends to increase continuously.

Non-Current Assets of Baht 429.52 million, composed of

- Land, building and equipment of Baht 419.13 million, increased by Baht 5.96 million from the year 2021 or increased 1.44%.

Liabilities

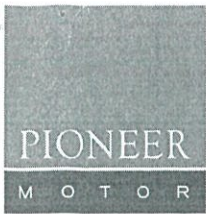
As of March 31, 2022, the Company has total liabilities from financial statement of Baht 368.09 million, which increased from the year 2021, as of December 31, 2021, by Baht 26.63 million or increased 7.80%. The details are as follows:

Current Liabilities of Baht 320.46 million, composed of

- Account Payable of Baht 266.98 million, increased from the year 2021 by Baht 14.58 million or increased 5.78%. The main principle increased from the trade accounts payable for raw materials that the Company buy, stockpile for production.
- Accrued corporate income tax of Baht 19.41 million, increased from the year 2021 by Baht 7.12 million or increased 57.93%.

Non-Current Liabilities of Baht 47.63 million composed of

- Financial leasing contract of Baht 0.57 million, decreased from the year 2021 by Baht 0.14 million or decreased 19.71%.
- Employee benefits obligation of Baht 31.37 million, increased from the year 2021 by Baht 0.85 million or increased 2.79%.



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Shareholders' Equity

As of March 31, 2022, the Company's Shareholders' Equity from financial statement of Baht 740.57 million, composed of :

- Being Issued and Paid up capital of Baht 158.60 million (634,413,488 ordinary shares of Baht 0.25 each : 31 December 2021 : 616,465,661 ordinary shares of Baht 0.25 each)
- Premium on share capital (net) of Baht 234.50 million.
- Allocated for Legal Reserve of Baht 21.31 million.
- Unappropriated Retained Earnings of Baht 231.92 million, increased from the year 2021 by Baht 32.67 million or increased 16.40%.
- Revaluation surplus on assets is a surplus from land revaluation of Baht 94.24 million.

Please kindly be informed accordingly,

Yours Sincerely,

บริษัท ไพโอเนียร์ มอเตอร์ จำกัด (มหาชน)



Pioneer Motor Public Company Limited

Mr. Wasun Itthirojanakul

Managing Director