

**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 6508 / 012

August 9, 2022

**Subject:** Management Discussion and Analysis of Financial Statement for the second quarter for the three-month and six-month period ended June 30, 2022.

**To:** The President  
The Stock Exchange of Thailand

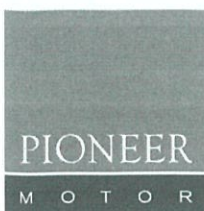
Pioneer Motor Public Company Limited would like to clarify the Company's Financial Operations results for the second quarter for the three-month and six-month period ended June 30, 2022. The Details are as follows:

**Overview**

The operations results of the Company for the second quarter for the three-month period ended June 30, 2022 recorded the Net profit from financial statements of Baht 30.58 million compared to Baht 24.51 million of the same period last year, increased by Baht 6.07 million or 24.77%

The operations results of the Company for the second quarter for the six-month period ended June 30, 2022 recorded the Net profit from financial statements of Baht 63.25 million compared to Baht 44.46 million of the same period last year, increased by Baht 18.79 million or 42.26%.

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 second quarter for the three-month ended June 30, 2022, was 9.34%, which was lower than the net profit margin to total revenue compared to the same period last year, was 10.42%, and the net profit margin to total revenue for the second quarter for the six-month ended June 30, 2022, was 9.73%, which was lower than the net profit margin to total revenue compared to the same period last year, was 9.88%. The cost of sales and selling expenses were higher per sales rate, it consists of 2 reasons, the first reason 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



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profit. The second reason is an increase in the cost of transporting goods to foreign countries with higher 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.

**Net profit (loss)**

Unit: Million Baht

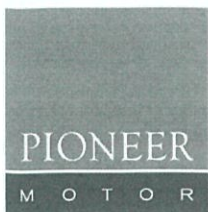
| Net profit (loss) | Financial statements Ended 30/06/2022 | Consolidated financial statements Ended 30/06/2021 | Increase (Decrease) |                |
|-------------------|---------------------------------------|--|---------------------|----------------|
|                   |                                       |  | Amount              | Percentage (%) |
| 3-month period    | 30.58                                 | 24.51  | 6.07                | 24.77          |
| 6-month period    | 63.25                                 | 44.46  | 18.79               | 42.26          |

**Revenue**

For the second quarter for the three-month ended June 30, 2022, the Company has earned total revenue from financial statements of Baht 327.30 million, increased from the same period last year by Baht 83.23 million or 34.10%, comprised of Sales Revenue of Baht 309.27 million, increased from the same period last year by Baht 74.11 million or 31.51%. Compared to the proportion of revenue from domestic and export sales, for the second quarter for the three-month ended June 30, 2022, domestic revenue was 44% and export revenue 56% ( The second quarter last year : domestic revenue was 48% and export revenue 52%)

For the second quarter for the six-month ended June 30, 2022, the Company has earned total revenue from financial statements of Baht 678.97 million, increased from the same period last year by Baht 210.12 million or 44.82%, comprised of Sales Revenue of Baht 649.72 million, increased from the same period last year by Baht 199.81 million or 44.41%. Compared to the proportion of revenue from domestic and export sales, for the second quarter for the six-month ended June 30, 2022, domestic revenue was 44% and export revenue 56% ( The second quarter last year : domestic revenue was 52% and export revenue 48%)





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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 18.02 million for the second quarter for the three-month ended June 30, 2022, increased from the same period last year by Baht 9.12 million or 102.47%.

Other income from financial statement of Baht 29.25 million for the second quarter for the six-month ended June 30, 2022, increased from the same period last year by Baht 10.31 million or 54.44%.

This was mainly due to an increase in sales revenue from silicon scrap and foreign exchange gains.

### **Cost of Sales**

For the second quarter for the three-month ended June 30, 2022, the Company has Cost of Sales from financial statements of the Company equaled to Baht 260.21 million, increased from the same period last year by Baht 73.00 million or 39.00%. There for, cost of Sales to Sales ratio increased to 84.13% from 79.61% for the same period of 2021.

For the second quarter for the six-month period ended 30 June, 2022, the Company has Cost of Sales from financial statements of the Company equaled to Baht 544.47 million, increased from the same period last year by Baht 180.86 million or 49.74%. There for, cost of Sales to Sales ratio increased to 83.80% from 80.82% from the same period of 2021.

This was in line with the increase in sales, coupled with rising prices of major raw materials.

### **Selling Expenses**

For the second quarter for the three-month ended June 30, 2022, Selling Expenses from financial statements was Baht 13.71 million, increased from the same period last year by Baht 2.04 million or 17.48%.

For the second quarter for the six-month ended 30 June, 2022, Selling Expenses from financial statements was Baht 27.48 million, increased from the same period last year by Baht 4.90 million or 21.70%.

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.



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### **Administrative Expenses**

For the second quarter for the three-month ended June 30, 2022, Administrative Expenses from financial statements of the Company was Baht 16.45 million, increased from the same period last year by Baht 1.94 million or 13.33%.

For the second quarter for the six-month ended June 30, 2022, Administrative Expenses from financial statements of the Company was Baht 30.96 million, increased from the same period last year by Baht 3.38 million or 12.26%.

Mainly increased by salary and remuneration for employees and social security expenses and land taxes. During to the outbreak of the epidemic situation of the Coronavirus 2019 (COVID-19), social security agency and department of land reduced their fees, but in 2022, when the situation was resolved, has adjusted the rate at the normal rate.

### **The Financial Position**

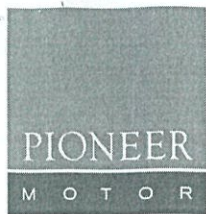
#### **Assets**

As of June 30, 2022, the Company has total asset equal from financial statement to Baht 1,141.55 million, which increased from the year 2021, as of December 31, 2021, by Baht 123.59 million or increased 12.14%. The Details are as follows:

Current Assets of Baht 706.55 million, composed of:

- Cash and cash equivalents of Baht 76.55 million, increased from the year 2021 by Baht 51.50 million or decreased 205.59%.
- Trade Receivables of Baht 224.46 million, increased from the year 2021 by Baht 36.68 million or increased 19.53% due to the increased sales of new customers and the increasing orders in existing customers' demand.
- Inventories of Baht 367.33 million, increased from the year 2021 by Baht 52.84 million or increased 16.80%, 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.





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Non-Current Assets of Baht 435.00 million, composed of

- Land, building and equipment of Baht 419.68 million, increased by Baht 6.52 million from the year 2021 or increased 1.58%.

### Liabilities

As of June 30, 2022, the Company has total liabilities from financial statement of Baht 398.95 million, which increased from the year 2021, as of December 31, 2021, by Baht 57.49 million or increased 16.84%. The details are as follows:

Current Liabilities of Baht 350.96 million, composed of

- Account Payable of Baht 292.30 million, increased from the year 2021 by Baht 39.90 million or increased 15.80%. The main principle increased from the trade accounts payable for raw materials that the Company buy stockpile for production.
- Other Payable of Baht 43.38 million, increased form the year 2021 by Baht 15.83 million or increased 57.46%. The main is an increased from accrued expenses.
- Accrued corporate income tax of Baht 13.80 million, increased from the year 2021 by Baht 1.51 million or increased 12.29%.

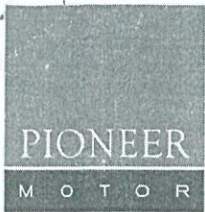
Non-Current Liabilities of Baht 47.99 million composed of

- Employee benefits obligation of Baht 32.22 million, increased from the year 2021 by Baht 1.70 million or increased 5.57%.
- Deferred tax liabilities of Baht 15.34 million, decreased from the year 2021 by Baht 1.07 million or decreased 6.52%

### Shareholders' Equity

As of June 30, 2022, the Company's Shareholders' Equity from financial statement of Baht 742.61 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.



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- Allocated for Legal Reserve of Baht 21.31 million.
- Unappropriated Retained Earnings of Baht 233.95 million, increased from the year 2021 by Baht 34.70 million or increased 17.42%.
- Revaluation surplus on assets is a surplus from land revaluation of Baht 94.24 million.

Please kindly be informed accordingly,

บริษัท ไพโอเนียร์ มอเตอร์ จำกัด (มหาชน)



Yours Sincerely,

Pioneer Motor Public Company Limited

A handwritten signature in blue ink, appearing to read "Wasun Itthirojanakul", written over a horizontal line.

Mr. Wasun Itthirojanakul

Managing Director