

Pioneer Motor Public Co. Ltd.

78,78/4,78/5 Moo 3, Dontoom-Nakornchaisri Rd.
Donfaek, Nakornchaisri
Nakornpathom 73120 THAILAND
Tel: +66.34 265111
Fax: +66.34 265119
Website: www.pioneermotor.th.com

Ref. PIMO 6511 / 014

November 10, 2022

Subject: Management Discussion and Analysis of Financial Statement for the third quarter for the three-month and nine-month period ended September 30, 2022.

To: The President
The Stock Exchange of Thailand

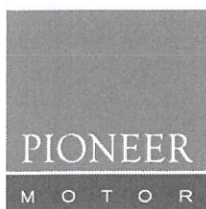
Pioneer Motor Public Company Limited would like to clarify the Company's Financial Operations results for the third quarter for the three-month and nine-month period ended September 30, 2022. The Details are as follows:

Overview

The operations results of the Company for the third quarter for the three-month period ended September 30, 2022 recorded the Net profit from financial statements of Baht 28.89 million compared to Baht 30.64 million of the same period last year, decreased by Baht 1.75 million or 5.71%

The operations results of the Company for the third quarter for the nine-month period ended September 30, 2022 recorded the Net profit from financial statements of Baht 92.14 million compared to Baht 75.09 million of the same period last year, increased by Baht 17.05 million or 22.71%.

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 third quarter for the three-month ended September 30, 2022, was 9.41%, which was lower than the net profit margin to total revenue compared to the same period last year, was 11.72%, and the net profit margin to total revenue for the third quarter for the nine-month ended September 30, 2022, was 9.34%, which was lower than the net profit margin to total revenue compared to the same period last year, was 10.28%. 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 profit. The second reason is an increase in the cost of transporting goods to foreign countries with higher



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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

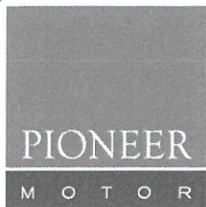
Net profit (loss)	Financial statements Ended 30/09/2022	Consolidated financial statements Ended 30/09/2021	Increase (Decrease)	
			Amount	Percentage (%)
3-month period	28.89	30.64	(1.75)	(5.71)
9-month period	92.14	75.09	17.05	22.71

Revenue

For the third quarter for the three-month ended September 30, 2022, the Company has earned total revenue from financial statements of Baht 307.14 million, increased from the same period last year by Baht 45.61 million or 17.44%, comprised of Sales Revenue of Baht 292.37 million, increased from the same period last year by Baht 40.81 million or 16.22%. Compared to the proportion of revenue from domestic and export sales, for the third quarter for the three-month ended September 30, 2022, domestic revenue was 47% and export revenue 53% (The third quarter last year : domestic revenue was 38% and export revenue 62%)

For the third quarter for the nine-month ended September 30, 2022, the Company has earned total revenue from financial statements of Baht 986.11 million, increased from the same period last year by Baht 255.73 million or 35.01%, comprised of Sales Revenue of Baht 942.10 million, increased from the same period last year by Baht 240.63 million or 34.30%. Compared to the proportion of revenue from domestic and export sales, for the third quarter for the nine-month ended September 30, 2022, domestic revenue was 45% and export revenue 55% (The third quarter last year : domestic revenue was 47% and export revenue 53%)

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).



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Other income from financial statement of Baht 14.76 million for the third quarter for the three-month ended September 30, 2022, increased from the same period last year by Baht 4.79 million or 48.04%.

Other income from financial statement of Baht 44.01 million for the third quarter for the nine-month ended September 30, 2022, increased from the same period last year by Baht 15.09 million or 52.18%.

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

Cost of Sales

For the third quarter for the three-month ended September 30, 2022, the Company has Cost of Sales from financial statements of the Company equaled to Baht 248.13 million, increased from the same period last year by Baht 48.48 million or 24.28%. There for, cost of Sales to Sales ratio increased to 84.87% from 79.37% for the same period of 2021.

For the third quarter for the nine-month period ended 30 September, 2022, the Company has Cost of Sales from financial statements of the Company equaled to Baht 792.60 million, increased from the same period last year by Baht 229.34 million or 40.72%. There for, cost of Sales to Sales ratio increased to 84.13% from 80.30% from the same period of 2021.

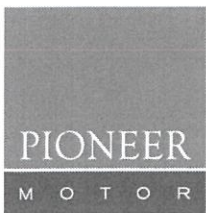
This was in line with the increase in sales, coupled with rising prices of major raw materials.

Selling Expenses

For the third quarter for the three-month ended September 30, 2022, Selling Expenses from financial statements was Baht 13.25 million, increased from the same period last year by Baht 1.68 million or 14.49%.

For the third quarter for the nine-month ended 30 September, 2022, Selling Expenses from financial statements was Baht 40.73 million, increased from the same period last year by Baht 6.58 million or 19.27%.

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 third quarter for the three-month ended September 30, 2022, Administrative Expenses from financial statements of the Company was Baht 14.13 million, increased from the same period last year by Baht 1.55 million or 12.32%.

For the third quarter for the nine-month ended September 30, 2022, Administrative Expenses from financial statements of the Company was Baht 45.09 million, increased from the same period last year by Baht 4.93 million or 12.28%.

Mainly increased by salary and compensation 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.

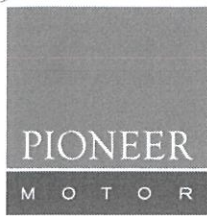
The Financial Position

Assets

As of September 30, 2022, the Company has total asset equal from financial statement to Baht 1,195.13 million, which increased from the year 2021, as of December 31, 2021, by Baht 177.17 million or increased 17.40%. The Details are as follows:

Current Assets of Baht 744.32 million, composed of:

- Cash and cash equivalents of Baht 122.68 million, increased from the year 2021 by Baht 97.63 million or decreased 389.72%, mainly from the receipt of Baht 90.05 million from the exercise of warrants conversion in January 2022 and July 2022, and part of the dividends payment of the net profit from the results operations for the second half of the year 2021 and dividend payment of the net profit from the first half of the year 2022 operation results, total dividend payment of Baht 41.90 million.
- Trade Receivables of Baht 180.75 million, decreased from the year 2021 by Baht 7.03 million or decreased 3.74%.
- Inventories of Baht 419.00 million, increased from the year 2021 by Baht 104.51 million or increased 33.23%, 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 450.82 million, composed of

- Land, building and equipment of Baht 442.19 million, increased by Baht 29.03 million from the year 2021 or increased 7.03%, due to additional new investment in machineries including additional equipment.

Liabilities

As of September 30, 2022, the Company has total liabilities from financial statement of Baht 378.35 million, which increased from the year 2021, as of December 31, 2021, by Baht 36.88 million or increased 10.80%. The details are as follows:

Current Liabilities of Baht 329.74 million, composed of

- Account Payable of Baht 273.61 million, increased from the year 2021 by Baht 21.21 million or increased 8.40%. The main principle increased from the trade accounts payable for raw materials that the Company buy stockpile for production.
- Other Payable of Baht 51.87 million, increased from the year 2021 by Baht 24.32 million or increased 88.25%. The main principle increased from the advance income from foreign customers.
- Accrued corporate income tax of Baht 2.80 million, decreased from the year 2021 by Baht 9.49 million or decreased 77.22%, Since the company has exercised the corporate income tax exemption for the net profit derived from the business operation from the investment promotion by Baht 5.35 million.

Non-Current Liabilities of Baht 48.61 million composed of

- Employee benefits obligation of Baht 33.06 million, increased from the year 2021 by Baht 2.54 million or increased 8.34%.
- Deferred tax liabilities of Baht 15.26 million, decreased from the year 2021 by Baht 1.14 million or decreased 6.97%

Shareholders' Equity

As of September 30, 2022, the Company's Shareholders' Equity from financial statement of Baht 816.79 million, composed of :

- Being Issued and Paid up capital of Baht 166.98 million (667,922,249 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 284.76 million.



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- Allocated for Legal Reserve of Baht 21.31 million.
- Unappropriated Retained Earnings of Baht 249.49 million, increased from the year 2021 by Baht 50.24 million or increased 25.21%.
- Revaluation surplus on assets is a surplus from land revaluation of Baht 94.24 million.

Please kindly be informed accordingly,

Yours Sincerely,

Pioneer Motor Public Company Limited

บริษัท ไพโอเนียร์ มอเตอร์ จำกัด (มหาชน)



A handwritten signature in blue ink, appearing to read "Wasun Itthi".

Mr. Wasun Itthirojanakul

Managing Director