



บริษัท ไพโอเนียร์ มอเตอร์ จำกัด (มหาชน)

PIONEER MOTOR PUBLIC COMPANY LIMITED

Ref. PIMO 6602 / 004

February 24, 2023

Subject: Management Discussion and Analysis of Financial Statement for the year ended December 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 year ended December 31, 2022. The details are as follows:

Overview

The operations results of the Company for the year ended December 31, 2022 recorded the Net profit of Baht 105.27 million compared to Baht 102.09 million, of the same period last year, increased by Baht 3.18 million or 3.11%.

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 year ended December 31, 2022, was 8.48%, which was lower than the net profit margin to total revenue compared to the same period last year, was 9.91%. 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 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 31/12/2022	Financial statements Ended 31/12/2021	Increase (Decrease)	
			Amount	Percentage (%)
Sales	1,195.50	990.91	204.59	20.65
Net profit	105.27	102.09	3.18	3.11

Revenue

For the year ended December 31, 2022, the Company has earned total revenue of Baht 1,241.34 million, increased from the same period last year by Baht 210.76 million or 20.45%, comprised of Sales Revenue of Baht 1,195.50 million, increased from the same period last year by Baht 204.59 million or 20.65%. Compared to the proportion of revenue from domestic and export sales, for the year 2022, domestic revenue was 46% and export revenue 54% (2021: 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).

Other income of Baht 45.84 million for the year ended December 31,2022, increased from the same period last year by Baht 6.17 million or 15.55%.

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

Cost of Sales

For the year ended 31 December, 2022, the Company has Cost of Sales equaled to Baht 1,008.75 million, increased from the same period of 2021 by Baht 204.79 million or 25.47%. There for, cost of sales to Sales ratio increased to 84.38% from 81.13% 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 year ended 31 December, 2022, Selling expenses was Baht 51.98 million, increased from the same period of 2021 by Baht 6.01 million or 13.07%.

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 year ended 31 December, 2022, Administrative expenses was Baht 59.81 million, increased from the same period last year by Baht 4.02 million or 7.21%.

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 December 31, 2022, the Company has total asset equal to Baht 1,112.61 million, which increased from the year 2021, as of December 31, 2021, by Baht 94.65 million or increased 9.30%. The Detail are as follows:

Current Assets of Baht 665.07 million, composed of :

- Cash and cash equivalents of Baht 82.15 million, increased from the year 2021 by Baht 57.10 million or increased 227.94%, 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 result 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 153.27 million, decreased from the year 2021 by Baht 34.51 million or decreased 18.38%.

- Other receivables of Baht 13.73 million, decreased from the year 2021 by Baht 16.72 million or decreased 54.91
- Inventories of Baht 415.92 million, increased from the year 2021 by Baht 101.43 million or increased 32.25%, 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 447.55 million, composed of

- Land, building and equipment of Baht 439.41 million, increased by Baht 26.25 million from the year 2021 or increased 6.35%, due to additional new investment in machineries including additional equipment.

Liabilities

As of December 31, 2022, the Company has total liabilities of Baht 280.73 million, which decreased from the year 2021, as of December 31, 2021, by Baht 60.73 million or decreased 17.79%. The details are as follows:

Current Liabilities of Baht 233.89 million, composed of

- Trade account Payable of Baht 209.43 million, decreased from the year 2021 by Baht 42.97 million or decreased 17.02%.
- Other Payables of Baht 20.11 million, decreased from the year 2021 by Baht 7.44 million or decreased 27.00%. The main principle increased from the advance income from foreign customers.
- Accrued corporate income tax of Baht 2.93 million, decreased from the year 2021 by Baht 9.36 million or decreased 76.16%, 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 8.07 million.

Non-Current Liabilities of Baht 46.84 million composed of

- Deferred tax liabilities of Baht 15.59 million, decreased from the year 2021 by Baht 0.82 million or decreased 5.00%
- Employee benefits obligation of Baht 31.03 million, increased from the year 2021 by Baht 0.51 million or increased 1.67%.



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Shareholders' Equity

As of December 31, 2022, the Company's Shareholders' Equity of Baht 831.89 million, increased from the year 2021 by Baht 155.39 million or increased 22.97 composed of :

- Being Issued and Paid up capital of Baht 166.98 million, increased from the year 2021 by Baht 12.86 million or increased 8.34% (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.
- Allocated for Legal Reserve of Baht 21.31 million.
- Unappropriated Retained Earnings of Baht 264.59 million, increased from the year 2021 by Baht 65.34 million or increased 32.79%.
- Revaluation surplus on assets is a surplus from land revaluation of Baht 94.24 million.

Please kindly be informed accordingly,

Yours Sincerely,

Mr. Wasun Itthirojanakul

Managing Director