



บริษัท ไพโอเนียร์ มอเตอร์ จำกัด (มหาชน)

PIONEER MOTOR PUBLIC COMPANY LIMITED

Ref. PIMO 6605 / 010

May 9, 2023

Subject: Management Explanation and Analysis of Financial Statement for the three-month ended March 31, 2023.

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, 2023. The Details are as follows:

Overview

The operations results of the Company for the three-month ended March 31, 2023, recorded the Net profit from financial statements of Baht 14.82 million compared to Baht 32.67 million of the same period last year, decreased by Baht 17.85 million or 54.64%

In the first quarter of 2023, demand from overseas customers decreased, including the United States and Australia. The main reasons are as follows.

1. High inflation in the United States and Australia.
2. Rapid increase in interest rates causing weakening of economy in these countries.
3. During the situation of the COVID-19 epidemic, this has caused a huge increase in sales over the past 2 years as people live and work from home, bringing in money to improve swimming pools and home improvements during that time. But when the COVID-19 epidemic was resolved, so people reduced their expenses and went out to live their normal lives. Our company's expectation is that export sales will recover sometime in the fourth quarter of this year.

When comparing the net profit margin to total revenues, the net profit margin for the first quarter of 2023 was 5.73 percent, which decreased from the net profit margin in the first quarter of 2022 which was 9.29 percent. Cost of sales 2023 high from the increase in the price of main raw materials. Our company will follow the situation of raw material's price adjustment and trying to manage inventory to stock products to reduce the burden of raw material prices that fluctuate in the period.



บริษัท ไพโอเนียร์ มอเตอร์ จำกัด (มหาชน)

PIONEER MOTOR PUBLIC COMPANY LIMITED

Net profit (loss)

Unit : Million Baht

3-month period	Financial statements Ended 31/03/2023	Financial statements Ended 31/03/2022	Increase (Decrease)	
			Amount	(%)
Sales	252.89	339.21	(86.32)	(25.45)
Net profit (loss)	14.82	32.67	(17.85)	(54.64)

Revenue

For the three-month ended March 31, 2023, the Company has earned total revenue from financial statements of Baht 258.76 million, decreased from the same period last year by Baht 92.91 million or 26.42%, comprised of Sales Revenue of Baht 252.89 million, decreased from the same period last year by Baht 86.32 million or 25.45%. Compared to the proportion of revenue from domestic and export sales for the three-month ended March 31, 2023, domestic revenue was 60% and export revenue 40% (2022 : domestic revenue was 44% and export revenue 56%)

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

Other income from financial statement of Baht 5.87 million for the three-month ended March 31, 2023, decreased from the same period last year by Baht 6.6 million or 52.93%. The main reason is from the decreasing in sale of scraps.

Cost of Sales

For the three-month ended March 31, 2023, the Company has Cost of Sales from financial statements of the Company equaled to Baht 218.90 million, decreased from the same period last year by Baht 65.36 million or 22.99%, which is according to the decrease in sales, combine with the price of main raw materials that have increased. The price of copper wire has also increased resulting in analysis the cost of Sales to Sales ratio increased to 86.56% from 83.80% for the same period of 2022.

Selling Expenses

For the three-month ended March 31, 2023, Selling Expenses from financial statements was Baht 9.91 million, decreased from the same period last year by Baht 3.86 million or 28.03%, which is according to the decrease in sales.



บริษัท ไพโอเนียร์ มอเตอร์ จำกัด (มหาชน)

PIONEER MOTOR PUBLIC COMPANY LIMITED

Administrative Expenses

For the three-month ended March 31, 2023, Administrative Expenses from financial statements of the Company was Baht 14.59 million, which is close to the same period last year.

The Financial Position

Assets

As of March 31, 2023, the Company has total asset equal from financial statement to Baht 1,192.25 million, which increased from the year 2022, as of December 31, 2022, by Baht 79.64 million or increased 7.16%. The Details are as follows:

Current Assets of Baht 747.13 million, composed of:

- Cash and cash equivalents of Baht 76.65 million, decreased from the year 2022 by Baht 5.5 million or decreased 6.70%.
- Other current financial assets, which is an investment in mutual fund and short-term fixed income fund at the financial institution by Baht 37.37 million, increased from the year 2022 by Baht 37.37 million or increased 100.00%.
- Trade Receivables of Baht 172.79 million, increased from the year 2022 by Baht 19.52 million or increased 12.74%.
- Inventories of Baht 444.49 million, increased from the year 2022 by Baht 28.57 million or increased 6.87%, due to the raw material has ordered to stock in advance to support the production. Along with the price of main raw materials tends to increase continuously.

Non-Current Assets of Baht 445.12 million, composed of

- Land, building and equipment of Baht 434.84 million, decreased by Baht 4.57 million from the year 2022 or decreased 1.04%.

Liabilities

As of March 31, 2023, the Company has total liabilities from financial statement of Baht 298.25 million, increased from the year 2022, as of December 31, 2022, by Baht 17.52 million or increased 6.24%. The details are as follows:



บริษัท ไพโอเนียร์ มอเตอร์ จำกัด (มหาชน)

PIONEER MOTOR PUBLIC COMPANY LIMITED

Current Liabilities of Baht 251.71 million , composed of

- Account Payable of Baht 223.28 million, increased from the year 2022 by Baht 13.85 million or increased 6.61%. The main principle increased from the trade accounts payable for raw materials that the company buy to stock for production.
- Other payables of Baht 23.83 million, increased from the year 2022 by Baht 3.72 million or increased 18.50%, the main increased from Asset purchase creditors and accrued expenses.

Non-Current Liabilities of Baht 46.54 million composed of

- Deferred tax liabilities of Baht 15.61 million, increased from the year 2022 by Bath 0.02 million or increased 0.13%.
- Employee benefits obligation of Baht 30.78 million, decreased from the year 2022 by Baht 0.25 million or decreased 0.81%, because in this quarter the company has paid the retired employee according to the company's policy.

Shareholders' Equity

As of March 31, 2023, the Company's Shareholders' Equity from financial statement of Baht 894.00 million, composed of :

- Being Issued and Paid up capital of Baht 173.74 million (694,944,534 ordinary shares of Baht 0.25 each : 31 December 2022 : 667,922,249 ordinary shares of Baht 0.25 each)
- Premium on share capital (net) of Baht 325.30 million.
- Allocated for Legal Reserve of Baht 21.31 million.
- Unappropriated Retained Earnings of Baht 279.42 million, increased from the year 2022 by Baht 14.83 million or increased 5.60%.
- 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

Mr. Wasun Itthirojanakul

Managing Director