



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 6408 / 015

August 10, 2021

Subject: Management Discussion and Analysis of Financial Statement for the three-month and six-month period ended June 30, 2021.

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 and six-month period ended June 30, 2021. The Details are as follows:

Overview

The operations results of the Company for the three-month period ended June 30, 2021 recorded the Net profit from Consolidated financial statements of Baht 24.51 million compared to Baht 10.79 million of the same period last year, increased by Baht 13.72 million or 127.15%

The operations results of the Company for the six-month period ended June 30, 2021 recorded the Net profit from Consolidated financial statements of Baht 44.46 million compared to Baht 30.51 million of the same period last year, increased by Baht 13.95 million or 45.72%.

The main reason of the increased profit is from the increased in sales. In addition, the company gained foreign exchange rate due to an improvement in US dollars and Australian dollars. When considering the net profit margin on the total income. It was found that the profit growth was slower than the revenue growth when compared with the same net profit margin of the previous year. It consists of 2 reasons, the first reason being the effect of the price of main raw materials that have increased, even though the company has been planning to deal with this situation and has prepared to stock the main raw materials since late last year. At present, the company still keep on stock on these materials. The company is able to make a profit during negotiations for price increases with customers during this period as well. The second reason is an increase in corporate income tax expenses because the company has already exercised the corporate income tax exemption for the net profit derived from the business operation from the



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

investment promotion, the full amount in 2020, the corporate income tax expense for the 6-month period in 2021 will increase according to the actual net profit.

Net profit (loss)

Unit: Million Baht

| Net profit (loss) | Consolidated financial statements | | Increase (Decrease) | | Separate financial statements | | Increase (Decrease) | |
|-------------------|-----------------------------------|------------------|---------------------|----------------|-------------------------------|------------------|---------------------|----------------|
| | Ended 30/06/2021 | Ended 30/06/2020 | Amount | Percentage (%) | Ended 30/06/2021 | Ended 30/06/2020 | Amount | Percentage (%) |
| 3-month period | 24.51 | 10.79 | 13.72 | 127.15% | 24.63 | 10.78 | 13.85 | 128.48% |
| 6-month period | 44.46 | 30.51 | 13.95 | 45.72% | 44.56 | 30.50 | 14.06 | 46.10% |

Revenue

For the three-month period ended June 30, 2021, the Company has earned total revenue from Consolidated financial statements of Baht 244.07 million, increased from the same period last year by Baht 80.58 million or 49.29%, and the Company has earned total revenue from Separate financial statements of Baht 243.98 million, increased from the same period last year by Baht 80.49 million or 49.23%, comprised of Sales Revenue of Baht 235.16 million, increased from the same period of 2020 by Baht 74.89 million or 46.73%.

For the six-month period ended 30 June, 2021, the Company has earned total revenue from Consolidated financial statements of Baht 468.85 million, increased from the same period of 2020 by Baht 121.05 million or 34.80%, and the Company has earned total revenue from Separate financial statements of Baht 468.77 million, increased from the same period of 2020 by Baht 120.97 or 34.78%, comprised of Sales Revenue of Baht 449.91 million, increased from the same period of 2020 by Baht 110.35 million or 32.50%.

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).



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

Other income from Consolidated financial statement of Baht 8.90 million for the three-month period ended June 30, 2021, increased from the same period last year by Baht 5.67 million or 175.54%, and from the Separate financial statements of Baht 8.82 million for the three-month period ended Jun 30,2021, increased from the same period last year by Baht 5.59 million or 173.07%.

Other income from Consolidated financial statement of Baht 18.94 million for the six-month period ended June 30, 2021, increased from the same period last year by Baht 10.70 million or 129.85%, and from the Separate financial statements of Baht 18.86 million for the six-month period ended Jun 30,2021, increased from the same period last year by Baht 10.62 million or 128.88%.

The main reason was the increase in revenue from silicon scrap sales. The market demand during this period led to a 26% increase in selling prices per kilogram compared to the end of 2020, and the company gained on exchange rate gains from improvement over the previous year in US Dollars and Australian Dollars.

Cost of Sales

For the three-month period ended 30 June, 2021, the Company has Cost of Sales from Consolidated and Separate financial statements of the Company equaled to Baht 187.21 million, increased from the same period of 2020 by Baht 58.96 million or 45.97%. Cost of Sales to Sales ratio improved to 79.61% from 80.03% from the same period of 2020.

For the six-month period ended 30 June, 2021, the Company has Cost of Sales from Consolidated and Separate financial statements of the Company equaled to Baht 363.61 million, increased from the same period of 2020 by Baht 91.53 million or 33.64%, Cost of Sales to Sales ratio slightly increased to 80.82% from 80.13% from the same period of 2020, which is the impact of the increased in raw material prices at the moment.

Selling Expenses

For the three-month ended 30 June, 2021, Selling Expenses from Consolidated and Separate financial statements was Baht 11.67 million, increased from the same period of 2020 by Baht 2.28 million or 24.28%.

For the six-month ended 30 June, 2021, Selling Expenses from Consolidated and Separate financial statements was Baht 22.58 million, increased from the same period of 2020 by Baht 4.59 million or 25.51%.



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

Mainly from the commission for selling various products. and the cost of transporting goods to foreign countries in line with the increase in overseas sales coupled with the problem of freight costs. and transportation costs have increased from the ongoing shortage of containers After the global economy has begun to recover, exporting countries have to compete for containers for export. Including promotional expenses that are important factors in boosting sales amid the competition of competitors.

Administrative Expenses

For the three-month ended 30 June 2021, Administrative Expenses from Consolidated financial statements of the Company was Baht 14.51 million, decreased from the same period last year by Baht 0.64 million or 4.22%. and for the three-month ended 30 June, 2021, Administrative Expenses from Separate financial statements of the Company was Baht 14.54 million, decreased from the same period of 2020 by Baht 0.61 million or 4.03%, The main reason was the decrease from the allowance for doubtful accounts by Baht 0.55 million and a financial advisory fee decreased by Baht 0.35 million.

For the six-month ended 30 June 2021, Administrative Expenses from Consolidated financial statements of the Company was Baht 27.58 million, increased from the same period of 2020 by Baht 0.85 million or 3.18%, and for the six-month ended 30 June,2021, Administrative Expenses from Separate financial statements of the Company was Baht 27.61 million, increased from the same period of 2020 by Baht 0.88 million or 3.29%, because the company has hired a financial advisor to process the issuance of warrants for the company has planned to expand its existing business and further investment in the new business in the future.

The Financial Position

Assets

As of June 30, 2021, the Company has total asset from Consolidated financial statement equal to Baht 847.41 million, which increased from the year 2020, as of December 31,2020, by Baht 90.09 million or increased 11.90% and the Company has total asset from Separate financial statement equal to Baht 847.94 million, which increased from the year 2020, as of December 31,2020 by Baht 90.27 million or increased 11.91%. The Detail are as follows:



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

Current Assets from Consolidated and Separate financial statements of Baht 544.98 million and Baht 544.93 million, respectively composed of :

- Cash and cash equivalents from Consolidated financial statement of Baht 14.53 million, decreased from the year 2020 by Baht 32.51 million or decreased 69.11% and Cash and cash equivalents from Separate financial statement of Baht 13.43 million, decreased from the year 2020 by Baht 33.60 million or decreased 71.44%, due to the end of 2020, there is the money transferred by foreign customers but the company has not converted the value to Thai baht, due to the Company want to waits for a favorable exchange rate to gain more profit from the exchange rate of Baht 21.0 million, and part of the dividend payment of net profit from the operating results of the second half of the year 2020.
- Other current financial assets from Consolidated and Separate financial statement, which is an investment in mutual fund and short-term fixed income fund at the financial institution by Baht 94.70 million, decreased from the year 2020 by Baht 46.30 million or decreased 32.84%, due to the Company has purchased additional land and buildings of Baht 40 million for use in future business expansion and part of the dividend payment of net profit from the operating results of the second half of the year 2020
- Trade Receivables from Consolidated and Separate financial statement of Baht 148.15 million, increased from the year 2020 by Baht 4.98 million or increased 3.48% due to the increased sales of new customers and the increasing orders in existing customers' demand.
- Inventories from Consolidated and Separate financial statement of Baht 251.28 million, increased from the year 2020 by Baht 88.90 million or increased 54.75%, 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 from Consolidated and Separate financial statement of Baht 302.43 million and Baht 303.00 million respectively, composed of

- Land, building and equipment from Consolidated financial statement equal to Baht 287.72 million, and Land, building and equipment from Separate financial statement of Baht 288.07 million, increased by Baht 58.82 million from the year 2020 or increased 25.70%, due to the Company has purchased land and



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

buildings to expand its production base for supporting existing and new products in the amount of 40 million baht and investment in additional machinery and equipment.

Liabilities

As of June 30, 2021, the Company has total liabilities from Consolidated and Separate financial statement of Baht 312.38 million and Baht 312.35 million respectively, which increased from the year 2020, as of December 31, 2020, by Baht 66.60 million or increased 27.10%. The details are as follows:

Current Liabilities from Consolidated and Separate financial statement of Baht 281.06 million and Baht 281.04 million respectively, composed of

- Account Payable from Consolidated and Separate financial statement of Baht 223.37 million, increased from the year 2020 by Baht 27.92 million or increased 14.28%.
- Other Payables from Consolidated and Separate financial statement of Baht 44.39 million, increased from the year 2020 by Baht 28.24 million or increased 174.86%, Part of the money received from customers who pre-ordered products was received in advance from foreign customer of Baht 20.9 million.
- Accrued corporate income tax from Consolidated and separate financial statement of Baht 11.04 million, increased from the year 2020 by Baht 9.54 million or increased 632.79%. Since the company has already exercised the corporate income tax exemption for the net profit derived from the business operation from the investment promotion, the full amount in 2020, the corporate income tax for the 6-month period in 2021 has been increased at the normal rate. as prescribed by the Revenue Department.

Non-Current Liabilities from Consolidated and Separate financial statement of Baht 31.31 million composed of

- Financial leasing contract from Consolidated and Separate financial statement of Baht 0.98 million, decreased from the year 2020 by Baht 0.14 million or decreased 12.50%, as the Company has excess liquidity, so that the investment in new machine and equipment were made in cash.
- Employee benefits obligation from Consolidated and Separate financial statement of Baht 30.33 million, increased from the year 2020 by Baht 1.37 million or increased 4.73%.



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

Shareholders' Equity

As of June 30, 2021, the Company's Shareholders' Equity from Consolidated and Separate financial statement of Baht 535.04 million and Baht 535.59 million respectively, composed of :

- Being Issued and Paid up capital from Consolidated and Separate financial statement of Baht 154.12 million
- Premium on share capital (net) from Consolidated and Separate financial statement of Baht 207.58 million.
- Allocated for Legal Reserve from Consolidated and Separate financial statement of Baht 15.60 million.
- Unappropriated Retained Earnings from Consolidated financial statement of Baht 157.74 million, increased from the year 2020 by Baht 23.50 million or increased 17.50% , and Unappropriated Retained Earnings from Separate financial statement of Baht 158.29 million, increased from the year 2020 by Baht 23.60 million or increased 17.52%

Please kindly be informed accordingly,

Yours Sincerely,

Wasun Itthirojanakul
Managing Director