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MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)

**FOR OPERATING PERFORMANCE OF THE 1ST QUARTER, 2022
(ENDED 31 MARCH 2022)**

Management Discussion and Analysis (MD&A)
for Operating Performance of the Year 2022
of Prime Road Power Public Company Limited
(Ended 31st March 2022)

Prime Road Power Public Company Limited would like to discuss and analyze its operating performance according to the consolidated financial statements of the quarter, ended at March 31st, 2022 which has 4 topics including:

1. Business overview summary and the industry trend
2. Analysis of the operating performance breakdown by the business
3. Analysis of the operating performance breakdown by the geography
4. Analysis of the operating performance by the financial statement

1. Business Overview Summary & the Industry Trend

Although COVID-19 pandemic situation has been accelerating the economic recession across Thai and world economy, the company's performance is continuously growing. For this 3 month period of 2022, the total revenue is THB 112.80 million, decreasing 4.5% comparing to the same period last year (Year on Year: YoY), EBITDA is THB 138.21 million, i.e. 13.2% decreased YoY, the net profit is THB 63.31 million, i.e. 36.1% decreased YoY caused from one-time expense, the total profit is THB 85.83 million, with a decrease of 36.7% YoY, and the net profit margin is 56.1%

The revenue is mainly contributed by the Solar Power Plant business, which is also the core business of the company. All of our solar power plants have power purchase agreements (PPA) with government agencies of several countries in the Asia Pacific region. The company's plants are located in Thailand, Japan, Taiwan, and Cambodia, which has the installed capacity of 298.3 MW in total, and contract capacity of 255.5 MW in total.

However, the 3 new businesses, namely the Solar Rooftop Private Power Purchase Agreement (Private PPA) business and the Solar Rooftop Engineering, Procurement, and Construction (EPC) business, and the Power-related Material and Equipment Trading (Trading) business, are continue to grow very fast. However, their revenue recognition may be delayed due to the effect of Covid-19 situation.

For the fundraising activity to expand the business, on March 10, 2022, the company issued and sold debentures for the second time in the amount of 1,000.00 million baht. They were categorized as “Long term bonds Unsubordinated, unsecured, and has a debenture holder's representative, term of 3 years, interest rate 5.0% per annum. The purpose of this bond is for supporting the investment plan of the company in the solar and renewable energy related project or other projects that relate with the business of the company in the amount of 800 million baht and divided to be used as working capital for the company as amount of 200 million baht. For this second issuance of bond, the subscribers still show signs of trust by over subscribing this bond. This indicates that the investors have confidence in the company.

2. Analysis of the Operating Performance Breakdown by the Business

Prime Road Power Public Co., Ltd. is the leading company in the clean energy sector that aims to utilize the technology and innovation to operate its businesses and contribute to sustainable development for our environment and society. Although the company's core business is the solar power plant business, in order to support its exponential growth, the company has expanded into other 3 new businesses. The details of each business are as follows.

2.1 Solar Power Plant Business

This business is the core business of our company. All of our solar power plants have power purchase agreements (PPA) with government agencies of several countries in the Asia Pacific region. Our plants are located in Thailand, Japan, Taiwan, and Cambodia, and have the installed capacity of 298.3 MW in total. As some projects are joint-venture investments with our partner, the equity installed capacity is 212.0 MW, out of the total 298.3 installed capacity mentioned above.

In Taiwan, by the end of the first quarter of 2022, the Company has achieved commercial operation date for another 9 projects from solar rooftop school portfolio (total installed capacity 2.13 MW). In terms of solar power plant business, the company has total revenue of THB 100.86 million, accounting for 89.44% of the company's total revenue.

2.2 Solar Rooftop Engineering, Procurement, and Construction (EPC) Business

The company has cooperated with Alternative Visions Co., Ltd., having more than 10 years of experience in this business, to establish and hold a majority stake in a joint venture under the name Prime Alternative Visions Co., Ltd. to provide services to Install a complete rooftop solar power generation system from surveying design to installation and maintenance. This will help buildings or industrial plants with high electricity consumption to reduce the purchase of electricity from the center and will allow businesses or organizations to install them to significantly reduce costs.

For the first quarter of 2022, the solar rooftop system installation business started to recognize total revenue of THB 8.85 million, accounting for 7.86% of the company's total revenue.

2.3 Solar Rooftop Private-Power Purchase Agreement (PPA)

This business is a continuation of the solar power plant business and the business of installing solar power systems on the roof by offering a special option to potential customers in which the company will invest in the system and then sell the electricity that the system produces at a price that is cheaper than the electricity rate that customers normally buy from the government at the normal price of this contract to sell electricity with a private organization (Private-PPA). It can be done in many forms, such as making an agreement to give a discount on the electricity bill from the normal rate and contracts to lease system equipment with the company, etc. However, Thailand still has not many players in this business, therefore the company intends to be a leader in this industry and strives to find potential customers to offer continuous investment.

In the first quarter of 2022, the company has been developing and constructing the projects of 4.72 MW that were secured in the prior quarter. The commercial operation date of these projects are expected to be in the second quarter of 2022. In addition, the Company is in the process of securing new projects with capacity up to 3.60 MW in this quarter.

For the first quarter of 2022, the solar rooftop private PPA business started to recognize total revenue of THB 1.99 million, accounting for 1.8% of the company's total revenue.

2.4 Power-related Material and Equipment Trading

Similar to the business above, this business is built on the core and the two new businesses. Since the company not only has to procure many materials and equipment for the construction of solar power plants and solar rooftops, but also has a strong partnership network and is well-known in the renewable energy industry, the company sees it as a great opportunity to develop this new business.

Due to the renewable energy industry has expanded greatly both in Thailand and overseas and the global supply chain shortage of raw materials, the company was aware of this opportunity and cooperated with JinkoSolar Holding Co., Ltd. from China, which is the largest solar panel manufacturer in the world. As of now, the company is the official distributor of JinkoSolar products. The company has supplied high-quality products with sensible prices to corporate customers in the quarter 3 and will expand to retail customers in the quarter 4.

Also, the product feasibility study is covering almost every material and equipment in the renewable energy industry, including the electrical vehicle charging system, biomass power plant system, and building/residential energy management system.

For the first quarter of 2022, the business of trading energy-related materials and equipment has revenue of THB 3.09 million, accounting for 2.7% of the total revenue of the company. It is expected that revenue from this business will grow further in 2022 from the support of the government policy and the growth of the Company's core business.

3. Analysis of the Operating Performance Breakdown by Geography

3.1 Thailand

Solar power plants in Thailand have a total contracted power generation capacity of 124.1 MW (total installed capacity 144.0 MW). These solar power plants have 3 types of PPA, including Feed-in-Tariff (FiT) project / Adder project and Private PPA project.

For the first quarter of 2022, all FiT projects in which the company is a major shareholder have the revenue of THB 100.86 million, while the Adder project, which the Company holds 100% of shares has generated revenue of THB 5.70 million. Other Adder projects, which the Company holds 30% of shares, have revenue from profit sharing of THB 86.97 million. The income from 3 types of projects is slightly different from the same period of the previous year. The FiT projects have decreased 6.8% in revenue from the same quarter last year which was mainly due to 5.0% solar irradiation reduction compared to the similar period of 2021.

In addition, the 3 new businesses (described above), i.e. solar rooftop EPC business, solar rooftop PPA business and power-related material and equipment trading, have all been initiated in Thailand. They recognized revenue of THB 8.85 million, accounting for 4.4% of the company's total revenue in the first quarter of 2022.

3.2 Japan

On March 31, 2022, Aizu Solar Energy PTE received the dividends from 3 projects in Japan which have the total capacity of 18.4 megawatts by contracts (installed capacity of 24.3 megawatts) in total of 2,305,155.66 Baht, reduced from the last quarter equal to 83.58% since a project so called "Nari Aizu" was sold in the last quarter.

3.3 Taiwan

In the first quarter of 2022, the company has developed additional solar rooftop projects with capacity of 2.13 MW. This makes the total installed capacity to be 53.08 MW which can be divided into 43.75 MW (Project in development) and 9.30 MW which has already achieved COD.

In this quarter, the company realized the revenue from Taiwan portfolio around 10.48 million baht i.e. 8.6% increase from last quarter. This came from the recognition of revenue from COD of 9 additional projects from the developing sector. Therefore, in the first quarter of 2022 there are a total of 20 projects in Taiwan.

3.4 Cambodia

In late 2019, our company won a government tender for the National Solar Park project, which has been supervised by Asian Development Bank (ADB). This project has an installed capacity of 77 MW and a contract capacity of 60 MW. Our company has continuously developed the project and successfully signed a project development agreement and power purchase agreement (PPA) with the Cambodian government on 30th June 2020. In August 2021, the company entered into Engineering, Procurement and Construction agreement, also Financing agreements for development and construction of the project. At the current stage in which Construction permit has been granted to the project, mobilization has been done to the project site for preparation and implementation of construction activities to achieve scheduled commercial operation date in November 2022 according to the construction plan. In Q4 of 2021, Engineering design and Procurement are in process and will be continued as planned in Q1 of 2022.

In first quarter of 2022, the company achieved financial close with the Lender and processed the first disbursement. The proceeds from this disbursement will be used to support the construction of the project.

4. Analysis of the Operating Performance (3-month Period ended 31st March 2022)

Unit : million baht

Statement of Comprehensive Income	2022	2021	Change	Q1'22	Q4'21	Change
			y-on-y			q-on-q
Revenue from sales	100.86	97.79	3.1%	100.86	81.26	24.1%
Revenue from construction	8.85	19.46	(54.5%)	8.85	18.93	(53.2%)
Revenue from the Sale of Goods	3.09	0.92	235.9%	3.09	24.26	(87.3%)
Cost of sales and construction	(52.78)	(60.04)	(12.1%)	(52.78)	(78.31)	(32.6%)
Gross profit	60.02	58.13	3.3%	60.02	46.14	30.1%
Other income	2.09	2.14	(2.3%)	2.09	17.33	(87.9%)
Administrative expenses	(48.11)	(38.60)	24.6%	(48.11)	(186.6)	(74.2%)
Net gain (loss) on exchange rate	(1.18)	(1.36)	(13.2%)	(1.18)	3.60	(132.8%)
Finance costs	(37.04)	(23.86)	55.2%	(37.04)	(32.35)	14.5%
Share of profit from associates	87.66	102.88	(14.8%)	87.66	69.20	26.7%
Profit (loss) before income tax	63.44	99.33	(36.1%)	63.44	(82.68)	(176.7%)
Income tax	(0.13)	(0.26)	(50.0%)	(0.13)	1.60	(108.1%)
Profit (loss) for the period	63.31	99.07	(36.1%)	63.31	(81.08)	(178.1%)
Attributable to owners of the parent	85.83	98.47	(12.8%)	85.83	(38.01)	259.1%
Total comprehensive income (expense) for the period	63.31	135.57	(55.4%)	63.31	(49.74)	272.6%
Attributable to owners of the parent	82.83	134.97	(38.5%)	82.83	(51.99)	259.6%

The Company's overall operating result in the first quarter of 2022 profit at THB 63.31 million, compared to the same period of the previous year at THB 99.07 million, has decreased at THB 35.76 million, or -36.1%. The changes were primarily from the increased cost of finance and administrative expenses due to the group raising funds to expand the business of the group with special items, which is a one-time expense.

Table of Break-Down of Electricity Sale & Share of Profits in Associates by Projects:

Unit : million baht

Profit and Loss Statement	2022	2021	Change	Q1'22	Q4'21	Change
			y-on-y			q-on-q
Revenue from selling electricity	100.86	97.79	3.1%	100.86	85.25	24.1%
Revenue from EPC Business	8.85	19.46	(54.5%)	8.85	18.93	(53.2%)
Revenue from the Sale of Goods	3.09	0.92	235.9%	3.09	24.26	(87.3%)
Share of profit in associates	87.66	102.88	(14.8%)	87.66	69.20	26.7%
other revenue	2.09	2.14	(2.3%)	2.09	17.33	(87.9%)
Total Revenue	202.55	223.19	(9.2)%	202.55	210.97	(4.0%)

Revenue

- The total revenue for the three-month period ended March 31st, 2022 shown in the consolidated financial statements amounted to THB 202.55 million, a decrease of 9.2% compared to the same period of the previous year at THB 223.19 million, which are summarized as follows.

1. Revenue from sales of electricity

Revenue from sales of electricity shown in the consolidated financial statements for the three-month ended March 31st, 2022, showing the amount of THB 100.86 million, compared to the same period last year, showing the amount of THB 97.79 million, an increase of 3.1% with details as follows:

The table shows income by location

Unit : million baht

Profit and Loss Statement	2565	2564	Change	Q1'65	Q4'64	Change
			y-on-y			q-on-q
Revenue from selling electricity	100.86	97.80		100.86	81.25	
- Thailand	90.38	88.15	2.5%	90.38	71.84	25.8%
- Abroad	10.48	9.65	8.6%	10.48	9.68	8.3%

1.1 Revenue from sales of electricity from solar power plants

Revenue from sales of electricity from solar power plants in Thailand and Taiwan 41.64 MW which has the power purchase rate in the form of Feed-in-Tariff (FiT) under the investment of subsidiary ("Revenue from electricity sales in Thailand in the form of FiT") with Private PPA of 4.34 MW, as well as the sale of electricity from solar power plants in other countries 9.2 MW.

Thailand

Revenue from sales of electricity in domestic for the three-month period ended 31st March 2022 at THB 90.38 million, compared to the same period of the previous year at THB 88.15 million, has increased THB 2.23 million, or 2.5%, resulting from the fourth quarter of 2021, the company began to recognize revenue from COD in the power purchase agreement from the solar power generation system 3 projects.

Taiwan

Revenue from sales of electricity in Taiwan for the three-month period ended 31st March 2022 at THB 10.48 million, compared to the same period of the previous year at THB 9.65 million, has increased THB 0.83 million, or 8.6%, resulting from the additional COD of 2.13 MW of solar rooftop projects.

2. Revenue from construction

Revenue from construction for the three-month ended 31st March 2022 at THB 8.85 million, compared to the same period of the previous year at THB 19.47 million, a decrease of THB 10.61 million, representing a decrease of 54.5%.

3. Revenue from trading and supply agreement

Subsidiary (Prime Road Group Co., Ltd.) started to generate revenue from sales of energy-related materials and equipment in the form of trading and supply agreement for solar rooftop and other power generation systems was recognized in the first quarter of 2022 in the amount of THB 3.09 million compared to the same period of the previous year, showing the amount of THB 0.91 million, representing an increase THB 2.18 million, or 235.6%.

Share of profits in associates

- Share of profits in associates for the three-month period ended 31st March 2022 at THB 87.66 million, compared to the same period of the previous year at THB 102.88 million, has decreased THB 15.22 million, or -14.8%, which share of profits in associates consists of

1. Share of profits in associates in solar power plant projects in Thailand, which power purchase rate of electricity is in the form of Adder purchase under the investment of associates ("Share of profits from Distribute electricity in Thailand in the form of Adder")

2. Share of profits in associates in solar power plant projects in Japan which has the power purchase rate in the form of Feed-in-Tariff (FiT) under the investment in associate ("Share of profit from electricity distribution in Japan in the form of FiT")

Other Revenue

- For the three-month period ended 31st March 2022, the company has other revenue at THB 2.09 million, compared to the same period of the previous year at THB 2.14 million, has decreased THB 0.05 million, or -2.3%.

Cost of sales and construction

- Cost of sale for the three-month period ended 31st March 2022 presented at THB 52.78 million, compared to the same period of the previous year at THB 60.04 million, has decreased THB 7.26 million, or -12.1%.

- The cost of sales of the group consisting of (1) depreciation and amortization, (2) operating and maintenance fees for solar power plants (O&M), (3) cost of trading and supply and (4) cost of construction and other costs. The operating and maintenance costs of the power plants are fixed in accordance with the conditions stipulated in the agreement, with constant growth adjustment throughout the contract period. While the depreciation and amortization are in accordance with the life-time of the power plant, which is an average of 25 years, therefore, without the new project, the cost of sales and services will not change significantly.

Administrative expenses

- Administrative expenses for the three-month period ended 31st March 2022 presented at THB 48.11 million, compared to the same period of the previous year presented at THB 38.60 million, has increased THB 9.51 million, or 24.6%, with 1) Employee expenses. The company has hired many more competent personnel to develop new businesses. It also focuses on research and development of energy innovations through the establishment and mergers and acquisitions of startup businesses with intellectual property and experience, 2) Professional fees. The Company has established additional subsidiaries both at domestic and international And 3) Fees (such as bank fees as entry fees for international projects and other fees related to registration for submitting an international al projects).

Finance cost

- Finance costs for the three-month period ended 31st March 2022 presented at THB 37.04 million, compared to the same period of the previous year at THB 23.86 million, has increased THB 13.18 million, or 55.2%, mainly contributed from the additional borrowings from financial institutions to develop the project Solar power plant in the form of “Adder” as well as the development of solar international projects.

Financial Positions as at 31st March 2022

Unit : million baht

As at	31 Dec 2022	31 Dec 2021	Increase (decrease)	Change
Current assets	2,124.9	1,364.3	760.6	55.8%
Non-current assets	5,600.1	5,085.7	514.4	10.1%
Total assets	7,725.0	6,450.0	1,275.0	19.8%
Current liabilities	1,165.2	876.8	288.5	32.9%
Non-current liabilities	3,386.3	2,487.2	899.1	36.2%
Total liabilities	4,551.5	3,364.0	1,187.6	35.3%
Shareholders' equity	3,173.5	3,086.0	87.5	2.8%
Total liabilities and shareholders' equity	7,725.0	6,450.0	1,275.0	19.8%

- **Total assets**

As of 31st March 2022, the company has total assets totaling THB 7,725.0 million, compared to the 31st December 2021 at THB 6,450.0 million, has increased THB 1,275.0 million, or 19.8%, which are summarized as follows.

Current assets as of 31st March 2022 at THB 2,124.9 million, compared to the 31st December 2021 at THB 1,364.3 million, has increased THB 760.7 million, or 55.8%, resulting from on 10th March 2022, the company offered and issued the company's debenture amounting to THB 1,000.0 million to invest in projects under development, in-process and during the feasibility study of the project in the type of solar power plants, renewable energy, other alternative energy, or other projects related.

Non-current assets as of 31st March 2022 at THB 5,600.1 million, compared to the 31st December 2021 at THB 5,085.7 million, has increased THB 514.4 million, or 10.1% resulting from property, plant, and equipment of foreign subsidiaries with project development Solar power plants and others increased by more than 90 projects.

- **Total liabilities**

As of 31st March 2022, the company has total liabilities totaling THB 4,551.5 million, compared to the 31st December 2021 at THB 3,364.0 million, has increased THB 1,187.6 million, or 35.3%, which are summarized as follows:

Current liabilities as of 31st March 2022 at THB 1,165.2 million, compared to the 31st December 2021 at THB 876.8 million, has materially increased THB 288.5 million, or 32.9%, mainly from solar power plants international that are under construction.

Non-current liabilities as of 31st March 2022 showed a total of THB 3,386.3 million, compared to the 31st December 2021 at THB 2,487.2 million, has increased THB 899.1 million, or 36.2%, due to the company offered and issued the company's debenture for working capital and investments in various projects of the group of companies.

- **Total equity**

As of 31st March 2022, the company has total equity totaling THB 3,173.5 million, compared to the 31st December 2021 at THB 3,086.1 million, which has increased THB 87.5 million, or 2.8%, resulting from retained earnings unappropriated and adjusted fair value.

Surachet Chaipatamanont

(Mr. Surachet Chaipatamanont)

Chief Financial Officer