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MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)

FOR OPERATING PERFORMANCE OF THE 2ND QUARTER, 2022
(ENDED 30 JUNE 2022)

Management Discussion and Analysis (MD&A)
for Operating Performance of the Year 2022
of Prime Road Power Public Company Limited
(Ended 30th of June 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 30th of June, 2022 reviewed by PricewaterhouseCoopers ABAS Ltd., divided into 4 topics as follow:

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

The total revenue for 6 months is THB 395.45 million, decreasing by 12.6% compared to the same period last year (Year on Year: YoY) and EBITDA is THB 259.06 million, decreasing by 16.7% YoY. Net Profit is THB 97.05 million, decreasing by 47.7% YoY whilst comprehensive profit is THB 163.51 million, decreasing by 21.3% YoY.

The revenue is mainly contributed by the Solar Power Plant business, which is 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 300.4 MW in total, and contract capacity of 257.5 MW in total.

The 3 new businesses, namely; the Solar Rooftop Engineering, Procurement, and Construction (EPC) business, the Solar Rooftop Private Power Purchase Agreement (Private PPA) business, and the Power-related Material and Equipment Trading (Trading) business, continue to grow fast. At present, their revenue recognition is delayed due to the impact of Covid-19 situation and global supply chain issues surrounding electronics components.

For fundraising activities to expand our business, around mid-May 2022 the Company successfully issued and offered debt securities to open-end funds called ONE THAI FIXED INCOME 2Y NOT FOR RETAIL INVESTORS (ONE-TFIN2Y-AI). The face value is THB 43.75 million, and

the interest rate is 4.60% per annum. The issuance of debt securities is one of the Company's strategies to raise funds by accessing specific and strategic institutional investors. In the past, the Company focused on borrowing money directly from financial institutions and issuing debentures mainly to individual investors.

2. Analysis of the Operating Performance Breakdown by the Business

Prime Road Power Public Company Limited 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

Solar Power Plant 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 300.4 MW in total. As some projects are joint-venture investments with our partner, the equity installed capacity is 214.1 MW, out of the total 300.4 installed capacity mentioned above.

Projects development in Taiwan by the end of the 2nd quarter of 2022, the Company has achieved commercial operation date for another 1.16 MW installed capacity from the solar rooftop school portfolio in terms of solar power plant business. The total revenue for 6 month is THB 197.35 million, accounting for 49.59% 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.

The solar rooftop system installation business started to recognize total revenue for 6 months of THB 22.68 million, accounting for 5.74% 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 2nd quarter of 2022, the Company has successfully secured projects with a total capacity of 5.60 MW. The Company has projects under development and construction of 10.31 MW in total. Thus, the solar rooftop private PPA business recognized total revenue for 6 months of THB 4.27 million, accounting for 2.08% of the Company's total revenue

2.4 Power-related Material and Equipment Trading

Power-related Material and Equipment Trading business is another potential revenue source of the Company which extends from its core business. The Company is focusing on new areas such as innovation, new products for the multiple customer segments such as Engineering Procurement Construction Contractor and individual customers. In addition, we plan to provide total solution products and services through multiple platforms including online trading. The Company foresees that this business will not only make a profit for its own business segment but will strengthen the sustainability of the whole company.

The business of trading energy-related materials and equipment has total revenue as of quarter 2 in the amount of THB 6.11 million, accounting for 2.98% of the total revenue of the Company. It is expected that the revenue from this business will grow further in the 2nd half of 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

Company's solar power plants in Thailand have a total contracted power generation capacity of 144.4 MW (total installed capacity 170.3 MW). These solar power plants have 3 types of PPA, including 1) Feed-in-Tariff (FiT) scheme projects 2) Adder scheme projects and 3) Private PPA projects.

In the 1st half of the year 2022, all FiT projects in which the Company is a major shareholder have the revenue of THB 161.78 million reduced 1.4% YoY from the same period of 2021 due to reduction of solar irradiation. For the Adder scheme projects that the Company holds 100% of shares, has generated revenue of THB 11.65 million which increased 37.2% YoY from 2021 which is mainly due to increasing revenue recognized from Repowering Project which had commercial operation date in the 4th quarter of 2021.

Other Adder projects, which the Company holds 30% of shares, have revenue from profit sharing of THB 149.06 million.

The Private PPA portfolio generated THB 4.27 million for the 1st half of the year 2022 which increased 88.2% YoY from 2021 due to revenue recognized from projects including Paisingtong Ecolab, Trang Hospital and Sirivej Hospital which continually COD in 2021.

In addition, the 3 new businesses in Thailand as mentioned above recognize revenue of THB 20.33 million for 6 months, accounting for 5.1% of the Company's total revenue.

3.2 Japan

On June 30, 2022, Aizu Solar Energy PTE received the dividends from 3 projects in Japan that have the total capacity of 18.4 megawatts by contracts (installed capacity of 24.3 megawatts) for 6 months in total of THB 16.97 million, reduced 82.38% from THB 96.33 million of the same period last year since "Nari Aizu" project was sold in the 2nd half of last year.

3.3 Taiwan

In the 2nd quarter of 2022, the Company has secured solar projects of total installed capacity of 53.08 MW in Taiwan which can be separated into 33.33 MW (Project under development) and 10.45 MW which has already achieved COD (achieved additional 1.15 MW COD in the 2nd quarter of 2022 compared to the 1st quarter 2022).

In the 1st half of the year 2022, the Company realized the revenue from Taiwan's portfolio around THB 23.92 million, increased 2.9% from the same period last year due to the solar rooftop school project already achieved COD in the 1st quarter and the 2nd quarter of 2022, respectively.

3.4 Cambodia

In late 2019, the 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 of June 2020. In August 2021, the Company successfully entered into an Engineering, Procurement and Construction agreement, and also Financing agreements for development and construction of the project.

In the 1st quarter of 2022, the Company successfully obtained a financial loan from the Bank and processed the first drawdown. The loan will be used to support the construction of the project. In the 2nd quarter, the construction has progressed as planned (60% completed). Main equipment, such as; Tracking system, Inverter, Box Transformer had arrived at the site. PV modules will be arriving on site in the 3rd quarter for installation in parallel with the other construction activities.

Overall, the construction progress is going as planned toward the Scheduled Commercial Operation date in the 4th quarter of 2022.

4. Analysis of the Operating Performance by the Financial Statement

The table shows Statement of Comprehensive Income ended 30th June 2022

Unit : million Baht

Statement of Comprehensive Income	2022	2021	Change	Q2'65	Q1'65	Q2'64	Change	Change
			y-on-y				q-on-q	q-on-q
Revenue from sales	201.62	195.72	3.0%	100.76	100.86	97.93	(0.1%)	2.9%
Revenue from construction	22.68	60.04	(62.2%)	13.83	8.85	40.58	56.3%	(65.9%)
Revenue from the Sale of Goods	6.12	8.12	(24.6%)	3.03	3.09	7.20	(1.9%)	(57.9%)
Cost of sales and construction	(115.51)	(140.03)	(17.5%)	(62.73)	(52.78)	(79.99)	18.9%	(21.6%)
Gross profit	114.91	123.85	(7.2%)	54.89	60.02	65.72	(8.5%)	(16.5%)
Other income	11.54	7.27	58.7%	9.45	2.09	5.13	352.2%	84.2%
Administrative expenses	(97.37)	(75.26)	29.4%	(49.26)	(48.11)	(36.66)	2.4%	34.4%
Net gain (loss) on exchange rate	0.85	(3.16)	126.9%	2.03	(1.18)	(1.80)	272.0%	212.8%
Finance costs	(82.50)	(51.32)	60.8%	(45.46)	(37.04)	(27.46)	22.7%	65.5%
Share of profit from associates	152.63	184.37	(17.2%)	64.97	87.66	81.49	(25.9%)	(20.3%)
Profit (loss) before income tax	100.06	185.75	(46.1%)	36.63	63.44	86.42	(42.3%)	(57.6%)
Income tax	(3.01)	(0.35)	760.0%	(2.88)	(0.13)	(0.09)	2,115.4%	3,100.0%
Profit (loss) for the period	97.05	185.40	(47.7%)	33.74	63.31	86.33	(46.7%)	(60.9%)
Attributable to owners of the parent	91.11	180.40	(49.5%)	30.65	60.46	81.93	(49.3%)	(62.6%)
Total comprehensive income (expense) for the period	163.51	207.79	(21.3%)	77.68	85.83	72.22	(9.5%)	7.6%
Attributable to owners of the parent	157.56	202.78	(22.3%)	74.58	82.83	67.81	(10.1%)	10.0%

- The Company's overall operating result for the 3-month period ended 30th of June 2022 presents the profit in the 2nd quarter at THB 33.74 million, decreased by 60.9% (THB 52.59 million) compared to the profit of THB 86.33 million of the 2nd quarter of the previous year. While the

profit for the first 6 months of 2022 was THB 97.05 million, compared to the same period of the previous year of THB 185.40 million, decreased by 47.7% (THB 88.35 million).

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

Unit : million Baht

Profit and Loss Statement	2022	2021	Change	Q2'65	Q1'65	Q2'64	Change	Change
			y-on-y				q-on-q	q-on-q
Revenue from selling electricity	201.62	195.72	3.0%	100.76	100.86	97.93	(0.1%)	2.9%
Revenue from EPC Business	22.68	60.04	(62.2%)	13.83	8.85	40.58	56.3%	(65.9%)
Revenue from the Sale of Goods	6.12	8.12	(24.6%)	3.03	3.09	7.20	(1.9%)	(57.9%)
Share of profit in associates	152.63	184.37	(17.2%)	64.97	87.66	81.49	(25.9%)	(20.3%)
Other revenue	11.54	7.27	58.7%	9.45	2.09	5.13	352.2%	84.2%
Net gain (loss) on exchange rate	0.85	(3.16)	126.9%	2.03	(1.18)	(1.80)	272.0%	212.8%
Total Revenue	395.44	452.36	(12.6%)	194.07	201.37	230.53	(3.6%)	(15.8%)

Revenue from the operations

- The Company's total revenue for the 3-month period ended 30th of June 2022 presented in the consolidated financial statement of THB 194.07 million, compared to the same period of the previous year of THB 230.53 million, decreased by 15.82 % (THB 36.46 million). While the total revenue for the first 6-month period was recorded at 395.44 million, compared to the same period of the previous year of THB 452.36 million, decreased by 12.58 % (THB 56.92 million) which are summarized as follows:

Revenue from sales of electricity

- Ground-mounted solar power plants in Thailand that have the power purchase rate in the form of Feed-in-Tariff (FiT) and Adder with a period of 25 years from the commercial operation dates ("COD") under the investment of subsidiaries. There are 9 power purchase agreements with the Provincial Electricity Authority ("PEA") with a total electricity power generation of 41.64 megawatts.
- Solar rooftop on the Private PPA with a period of 15 years from the commercial operation dates ("COD") under the investment of subsidiaries. There are 5 power

purchase agreements with the private sector with a total electricity power generation of 2.19 megawatts.

- Ground-mounted solar power plants and solar rooftop in Taiwan that have the power purchase rate in the form of Feed-in-Tariff (FiT) with a period of 20 years from the commercial operation dates (“COD”) under the investment of subsidiaries oversea.

There are 31 power purchase agreements with the Taiwan Power Company with a total electricity power generation of 10.46 megawatts.

The table shows revenue from the sale of electricity categorized by country.

Unit: million Baht

Profit and Loss Statement	2022	2021	Change	Q2'65	Q1'65	Q2'64	Change	Change
			y-on-y				q-on-q	q-on-q
Revenue from selling electricity	201.62	195.72	3.0%	100.76	100.86	97.93	(0.1%)	2.9%
- Thailand	177.70	174.78	1.7%	88.99	90.38	86.64	(1.5%)	2.7%
- Oversea	23.92	20.94	14.2%	11.77	10.48	11.29	12.3%	4.2%

Revenue from selling electricity

- Revenue from selling electricity in Thailand and Taiwan was presented in the consolidated financial statement for 3-month period ended 30th June 2022 of THB 100.76 million, compared to the same period of the previous year of THB 97.93 million, increased by 2.89 % (THB 2.83 million), While the 6-month period revenue was recorded at THB 201.62 million, compared to the same period of the previous year of THB 195.72 million, increased by 3.02% (THB 5.90 million). The details are as follows:

Thailand

- Revenue from selling electricity for the 3-month period ended 30th June 2022 was recorded at THB 88.99 million, compared to the same period of the previous year of THB 86.64 million, increased by 2.71% (THB 2.35 million). While the revenue for the 6-month period was THB 177.70 million, increased by 1.67% (THB 2.92 million) mainly from the additional COD of Private PPA since the 4th quarter of 2021.

Taiwan

- Revenue from selling electricity in Taiwan for the 3-month period ended 30th June 2022 was recorded at THB 11.77 million, compared to the same period of the previous year of THB 11.29 million, increased by 4.29% (THB 0.48 million). While revenue for the 6-month period was THB 23.92 million, compared to the same period of the previous year of THB 20.94 million, which has increased by 14.23% (THB 2.98 million) mainly from the additional COD of the solar rooftop school project during the 2nd quarter of 2022.

Revenue from construction

- Revenue from construction including Engineering Procurement and Construction Agreement (EPC), installing solar power systems on the roof, and other for the 3-month ended 30th June 2022 was THB 13.83 million, compared to the same period of the previous year of THB 40.58 million, decreased by 65.92% (THB 26.75 million). While revenue for the 6-month period was THB 22.68 million, compared to the same period of the previous year of THB 60.04 million, decreased by 62.23% (THB 37.36 million).

Revenue from trading and supply agreement

- Subsidiary (Prime Road Group Co., Ltd.) generates 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 to third parties for the 3-month period ended 30th June 2022 of THB 3.03 million, compared to the same period of the previous year of THB 7.20 million, decreased by 57.92% (THB 4.17 million). While revenue for the 6-month period was THB 6.12 million, compared to the same period of the previous year of THB 8.12 million, decreased by 24.63% (THB 2.00 million).

Share of profits in associates

- Share of profits in associates for the 3-month period ended 30th June 2022 was THB 64.97 million, compared to the same period of the previous year of THB 81.49 million, decreased by 20.27% (THB 16.52 million) While share of profits in associate for the 6-month was THB 152.63 million, compared to the same period of the previous year of THB 184.37 million, decreased by 17.22% (THB 31.74 million). The 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 3-month period ended 30th June 2022, the Company has other revenue of THB 9.45 million, compared to the same period of the previous year of THB 5.13 million, increased by 84.21% (THB 4.32 million). While other revenue for the 6-month period was THB 11.54 million, compared to the same period of the previous year of THB 7.27 million, increased by 58.73% (THB 4.27 million).

Cost of sales and construction

- Cost of sale and construction for the 3-month period ended 30th June 2022 was THB 62.73 million, compared to the same period of the previous year of THB 79.99 million, decreased by 21.58% (THB 17.26 million). While cost of sale for the 6-month period was THB 115.51 million, compared to the same period of the previous year of THB 140.03 million, decreased by 17.51% (THB 24.52 million). 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) Construction and other costs. The operating and maintenance costs of the power plants are fixed in accordance with the conditions stipulated in the contract, with constant growth rate 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 3-month period ended 30th June 2022 was THB 49.26 million, compared to the same period of the previous year of THB 36.66 million, increased by 34.4% (THB 12.60 million). While, administrative expenses for 6-month period were THB 97.37 million, compared to the previous year presented at THB 75.26 million, increased by 29.38% (THB 22.11 million) from
 - 1) Employee expense since the Company hired many more competent new staff to develop new businesses.,
 - 2) Banking fees that are bank entry fee, account opening fee, annual management fee, bond issuance fee, etc.,
 - 3) Professional fees since the Company has established subsidiaries both in domestic and international in the year 2022.,
 - 4) Advisory fees and operating expense for waste to energy projects., and
 - 5) Depreciation and amortization that has increased from the previous year.

Finance cost

- Finance costs for the 3-month period ended 30th June 2022 was THB 45.46 million, compared to the same period of the previous year at THB 27.46 million, increased by 65.55% (THB 18.00 million). While, financial cost for 6-month period was THB 82.50 million, compared to the previous year presented at THB 51.32 million, increased by 60.76% (THB 31.18 million). The increasing of finance cost is resulted from the issuance of a long-term unsubordinated debenture to raise fund to invest in developing solar projects and other renewable energy projects.

Table shows Financial Positions as at 30th of June 2022

Unit: million Baht

As at	30 Jun 2022	31 Dec 2021	Increase (decrease)	Change
Current assets	1,566.8	664.6	902.2	135.7%
Non-current assets	6,836.4	5,785.4	1,050.9	18.2%
Total assets	8,403.2	6,450.0	1,953.2	30.3%
Current liabilities	1,191.7	774.0	417.7	54.0%
Non-current liabilities	3,960.0	2,590.0	1,370.0	52.9%
Total liabilities	5,151.7	3,364.0	1,787.7	53.1%
Shareholders' equity	3,251.5	3,086.0	165.5	5.4%
Total liabilities and shareholders' equity	8,403.2	6,450.0	1,953.2	30.3%

- **Total assets**

Total asset as of 30th of June 2022 were equal to THB 8,403.2 million, compared to 31st of December 2021 of THB 6,450.0 million, increased by 30.3% (THB 1,953.2 million), which can be summarized as follows.

Current assets as of 30th of June 2022 were equal to THB 1,566.8 million, compared to the 31st of December 2021 of THB 664.6 million, increased by 135.7% (THB 902.2 million), mainly resulting from

- 1) The Company issued a long-term unsubordinated debenture to raise fund to invest in developing solar projects and other renewable energy projects.
- 2) Account Receivable and other has increased of prepaid expenses, Deposit for shares purchase in foreign projects (Taiwan) and advance payments for purchases for construction projects (Engineering, Procurement & Construction).

Non-current assets as of 30th of June 2022 was THB 6,836.4 million, compared to non-current assets of 31st of December 2021 of THB 5,785.4 million, increased by 18.2% (THB 1,050.9 million) from

- 1) Investment in affiliates increased from realization of profit sharing from affiliates.
- 2) Land, property, plant, and equipment of foreign subsidiaries with the development of solar power plants and solar rooftop projects.

- **Total liabilities**

Total liabilities as of 30th of June 2022 was THB 4,151.7 million, compared to the 31st of December 2021 of THB 3,364.0 million, increased by 53.1% (THB 1,787.7 million). It can be summarized as follows:

Current liabilities as of 30th of June 2022 was THB 1,191.7 million, compared to the 31st of December 2021 of THB 774.0 million, increased by 54.0% (THB 417.7 million), mainly from

- 1) Account payable from buying an equipment for construction business (Engineering, Procurement & Construction)
- 2) Increasing loan from financial institutions which maturity is within 1 year from loan of subsidiaries in foreign which used as working capital for business expansion.

Non-current liabilities as of 30th of June 2022 was THB 3,960.0 million, compared to the 31st of December 2021 of THB 2,590.0 million, increased by 52.9% (THB 1,370.0 million), mainly from

- 1) Increasing loans from financial institutions which maturity is longer than 1 year of the subsidiaries aboard that was used as working capital for business expansion and the project development.
- 2) The issuance of the Company's Debentures which was used as working capital for developing the renewable projects for Thailand and abroad.

- **Total equity**

Total equity as of 30th of June 2022 was THB 3,251.5 million, compared to the 31st of December 2021 of THB 3,086.1 million, increased by 5.36% (THB 165.5 million) from retained earnings unappropriated and adjusted fair value.

Best regards,

Surachet Chaipatamanont

(Mr. Surachet Chaipatamanont)

Chief Financial Officer