



**MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)
FOR OPERATING PERFORMANCE OF THE 2nd QUARTER
ENDED 30th June 2023**

Management Discussion and Analysis for The 2nd Quarter Ended 30th of June 2023

Table of Contents

1. Executive Summary	3
2. Business Overview by Segment	3
3. Business Overview by Region	4
4. Outlook	6
5. Financial Statements Analysis	7
6. Project Updates	13
7. Sustainability	13
Appendices	15
Summary of Statement of Comprehensive Income	16
Details of Total Revenue by Business Segments	16
Financial Positions as of 31 st of March 2023	17
Breakdown of Revenue from Selling Electricity by Country	17

1. Executive Summary

Key events in the 2nd quarter

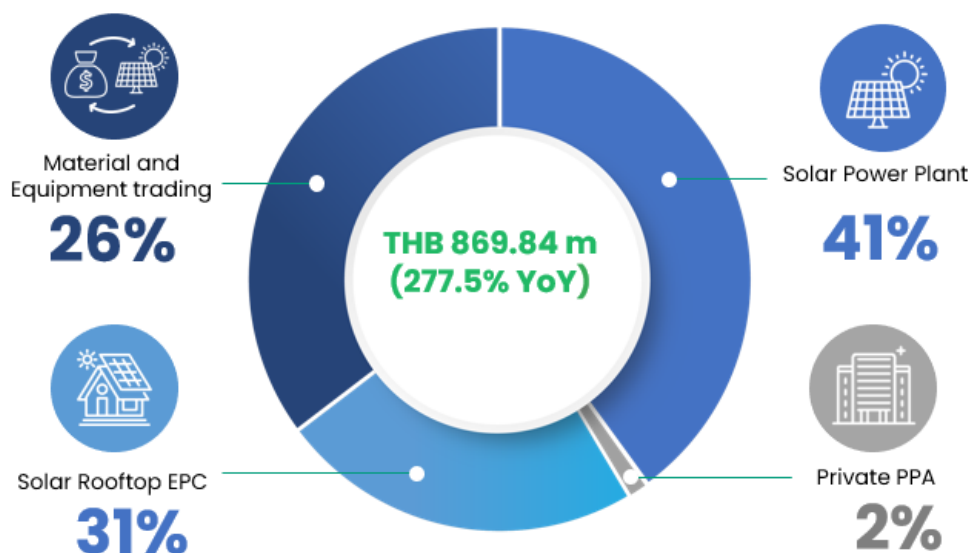
- In April, 2023 the companies in Prime group have secured four new projects through a successful auction. which include two solar farms with an output of 15.70 MW. and two solar-plus-battery projects with a capacity of 72.26 MW., totaling 87.96 MW.
- In June, 2023 Prime Alternative Visions Company Limited (PAV), a subsidiary of Prime Road Power Public Company Limited (PRIME), delivered the installation EPC project with a capacity of 999.64 kWp for Teck Bee Hang Company Limited, Narathiwat. In addition, at the end of June 2023 PAV signed the equipment purchase contracts and the contracts for the design and installation of a solar rooftop power generation system with TT Solar Co., Ltd., a company in the Thai Summit Group. The total installed capacity is 2.62 MW, worth THB 61 million and there will be more ongoing projects not less than 5 megawatts.

Total revenue from business operations in Q2, 2023 was THB 559.2 million, an increase of 188.1% compared to Q1, 2023. While the net profit in Q2 increased to THB 59.7 million, an increase of 76.8% compared to Q1.

2. Business Overview by Segment

Apart from PRIME's core Solar Power Plant business, PRIME expanded into 4 other new businesses in the interest of diversification. The detail is as follows: -

Sales Revenue Breakdown for the 6 Months 30 June 2023 (THB Mn)



2.1 Solar Power Plant Business

The Solar Power Plant business is PRIME's core business which drives most of PRIME's sales revenue and comprises 41% of total operating income in 6M2023.

All our solar power plants have Power Purchase Agreements (PPA) with the government agencies of several countries in the Asia Pacific region. The Company's power plants are in Thailand, Japan, Taiwan, and Cambodia, with a combined installed capacity of 306.64 MW. and contract capacity of 263.74 MW. As some projects are joint-venture investments, the equity installed capacity is 220.31 MW. of 306.64 MW.

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

This is the complete installation of rooftop solar power generation systems from survey and design to installation and maintenance to help owners of buildings and industrial plants significantly reduce their electricity costs by partially replacing the electricity they purchase from the grid. It comprises 31% of total operating income in 6M2023.

2.3 Solar Rooftop Private-Power Purchase Agreement (PPA)

This business is a continuation of the solar power plant and the rooftop solar power system installation businesses (EPC). PRIME invests in the system on behalf of the customers and then sells the electricity generated to them at a lower price than what they typically buy from the government. Alternatively, customers could lease the system from PRIME and pay it off from the electricity cost savings they would enjoy. This business model is relatively new in Thailand, and PRIME has a first-mover advantage to become a market leader in this segment. It comprises 2% of total operating income in 6M2023.

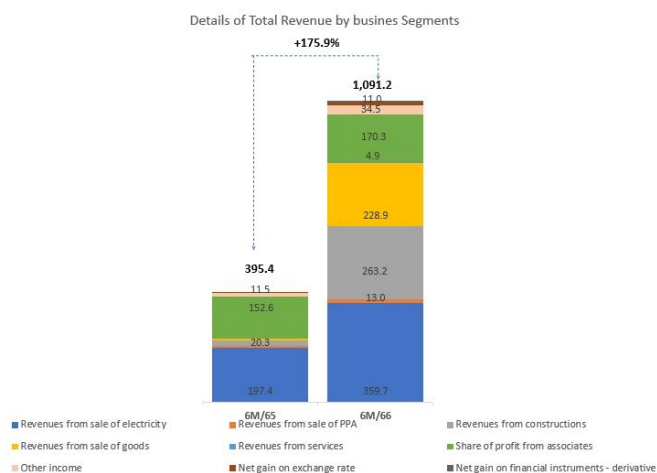
2.4 Power-Related Material and Equipment Trading

PRIME is exploring new areas, such as innovation and new products targeting multiple customer segments, including engineering procurement construction contractors and individual customers. In addition, we plan to provide total solution products and services through various platforms like online trading. PRIME foresees that this business will be profitable and will strengthen the company's sustainability initiatives. It comprises 26% of total operating income in 6M2023.

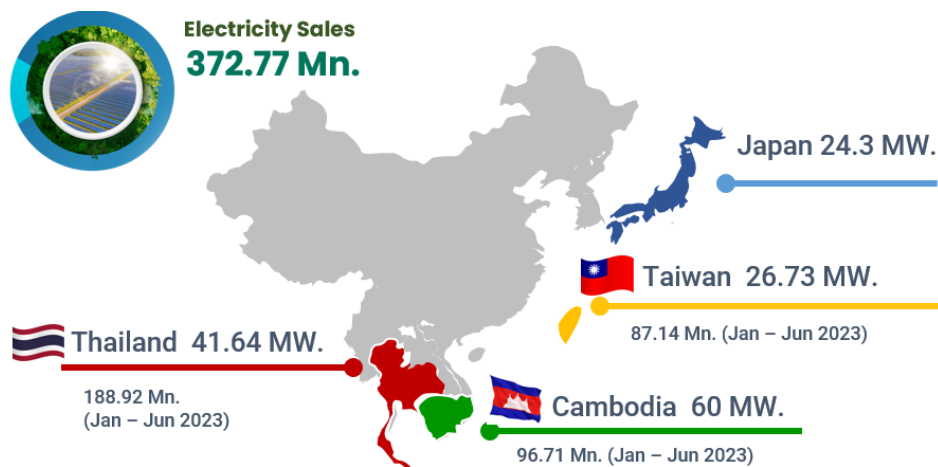
2.5 Energy and environmental technology solutions business

This business is to design, installation and consulting on innovations such as IoT Technology for Building Energy Management (BEM) that has a small proportion of revenue from the total revenue in 6M2023

3. Business Overview by Region



PRIME's Solar Power Plant Locations



3.1 Thailand

The Company's solar power plants in Thailand have a total contracted power generation capacity of 129.52 MW. These solar power plants have 3 types of PPA: (i) Feed-in-Tariff (FiT) Scheme projects, (ii) Adder scheme projects, and (iii) Private PPA projects.

- In Q2, 2023, the total revenue from selling electricity in Thailand was THB 95.4 million, which improved by 2.01 % QoQ. For 6M2023 the total revenue from selling electricity in Thailand was THB 188.9 million, which included the Private PPA portfolio generated THB 7.6 million in Q2, 2023, which increased 37.96% QoQ as the Company benefited from the full operation of operating assets, continually achieving COD since 2021.
- The revenue of other domestic Adder projects in which the Company has a 30% stake is THB 79.0 million, which dropped 11.03% QoQ and comes in the form of shared profit from associates.

3.2 Japan

PRIME received THB 2.42 million in Q2, 2023, and made 6M2023 as a share of the profit from selling electricity under FiT in Japan THB 2.50 million. This was mainly from electricity sales under the FiT purchase rate in Japan. Project Awaji's solar output fell 5.5% YoY due to climate changes this year. In Q2, 2023, Yabuki project has additional landslide defense repairs to prevent earthquakes. The Company uses a cash flow management approach so that it does not need to increase capital and does not need to borrow additional loan from banks. As a result, Yabuki Project has postponed the dividend payment in Q2, 2023.

3.3 Taiwan

Total revenue in Q2, 2023 was THB 48.4 million, an increase of 25.05% QoQ. For 6M2023 there are THB 87.14 million. At the end of Q2, 2023 The total capacity of 26.92 MW.

3.4 Cambodia

In late 2019, PRIME won a tender from the Cambodian government for the National Solar Park project supported by the Asian Development Bank (ADB). This project has an installed and contract capacity of 77 MW and 60 MW, respectively. PRIME achieved Commercial Operation

Date with Electricity of Cambodia (EDC) on 30 November 2022 as scheduled. In Q2,2023, total revenue from Cambodia was THB 47.8 million (decreased 2.47% from Q1, 2023) due to seasons effects. For 6M2023 there are THB 96.7 million.

4. Outlook

4.1 Business Outlook

- **Solar Power Plant**

For Thailand, the Utility-scale solar plants that connects the transmission line to Electricity Generating Authority of Thailand, still has to wait for the establishment of a new Thai government that will provide clearer guidelines for the purchase of renewable energy from the Energy Regulatory Commission (ERC). However, on the private sector, there will be further expansion from entrepreneurs who would like to use clean energy, which is a positive trend from the situation of electricity, fuel and carbon tax. PRIME still see the growth in private solar power plant projects, including news of new entrepreneurs from foreign countries that will come to set up factories in Thailand and need more renewable energy in areas such as the Eastern Economic Corridor (EEC) etc.

For Taiwan, the Taiwanese government continuously purchases renewable energy from power producers of various sizes and PRIME recently signed a contract for Outdoor Aquacultural Solar Project with a total capacity of 99 MW. In addition, PRIME is in the process of the Corporate PPA contract development or power purchase agreement with the private sector that will purchase the renewable energy price higher than the Taiwanese government.

- **Solar Rooftop Engineering, Procurement, and Construction (EPC) Business**

In the Q2, 2023 the Company in PRIME group signed contracts for 26 projects throughout Thailand with the capacity of 22 MW.; the amount approximately THB 469.95 million, as detailed in the below table.

Quarter	EPC Projects	Capacity (MW.)	Project value (Mn.)
1/2023	4 projects	2.72	51.32
2/2023	26 projects	22.00	469.95
Total	30 projects	24.72	521.27

- **Solar Rooftop Private-Power Purchase Agreement (Private PPA)**

With the surge in electricity rates, PRIME used this opportunity to its utmost advantage to expand its business and successfully signed multiple Private PPA contracts with many private companies. These projects started to COD of more than 7.24 MW. There are signed projects that are under construction, both roof-mounted and floating-mounted about 8.47 MW. In addition, there is about 2.3 MW. project about to be signed.

- **Power-Related Material and Equipment Trading**

This year, PRIME intends to focus on the target group of contractors (EPC) in order to create repeat purchases from existing customers. Then 1.4 MW. of which has already been traded in this group of customers. PRIME is also increasing its product offerings

and building its competitiveness by partnering with other companies from both the public and private sectors to expand its business in the future.

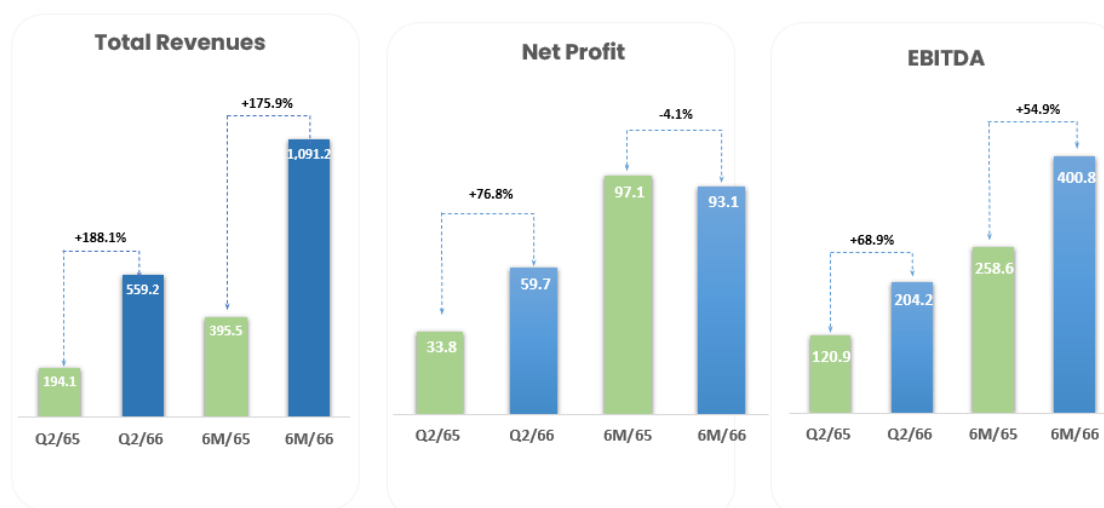
4.2 Industry Outlook

According to Thailand's Power Development Plan (PDP), the country's electricity generating capacity will increase from 46,090 MW. in the year 2017 to 77,211 megawatts by 2037; comprise of 12% from coal, 35% from non-fossil fuels and 53% from natural gas. In the year 2022, the Energy Regulatory Commission (ERC) has announced the purchase of renewable energy electricity. According to the plan to support renewable energy supply, the total capacity for this plan is 5.2 GW., which includes biogas (0.335 GW.), wind power (1.5 GW.), ground-mounted solar systems (2.368 GW.) and a ground-mounted solar power generation system combined with an energy storage system (1 GW.). In March 2023, the National Energy Policy Council (NEPC) approved a plan to increase power generation from renewable energy under PDP2018 Rev. 1 to 12,700 MW from 9,996 MW previously. This auction is scheduled to be organized later this year.

However, this will have to wait for clarity from the new Thai government, which sets it apart from other policies. In addition, the clean energy requirement such as Third Party Access (TPA) and Utility Green Tariff (UGT).

5. Financial Statements Analysis

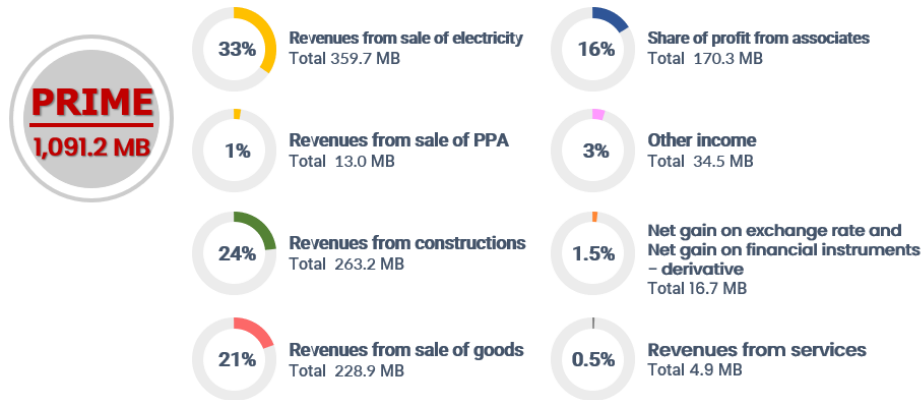
5.1 Revenue Analysis



The total revenue for Q2, 2023 was THB 559.2 million (increased 188.1% QoQ). The total revenue for 6M2023 was THB 1,091.2 million (increased 175.9%YoY). While, net profit for Q2, 2023 increased to 59.7 million (increased 76.8% QoQ) and the net profit for 6M2023 was THB 93.11 million (dropped 4.1% YoY) due to the higher sales revenue but the administrative expenses and finance costs increased in a greater proportion.

5.1.1 Details of Total Revenue by Business Segments

Total Revenues as of 30 June 2023 (MB)

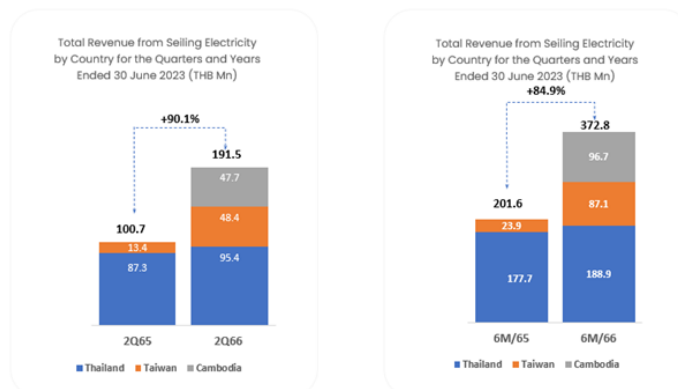


5.1.2 Revenue from Selling Electricity (Solar Power Plant)

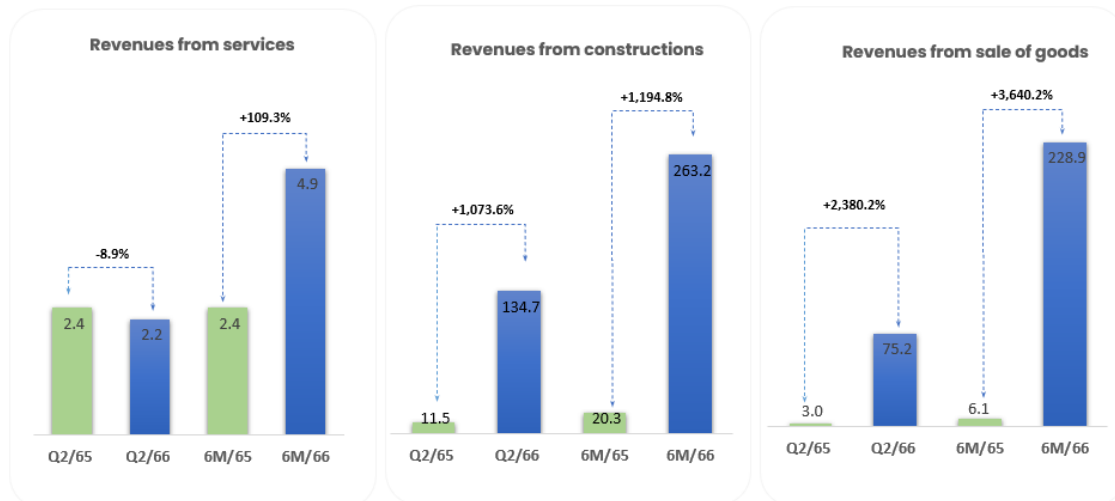
Electricity sales in Q2, 2023 grew 82.3 % YOY to THB 359.73 million. The strong performance is attributed to the COD of the 60 MW. Cambodia and Taiwan projects. Electricity sales revenue comprises the following:

- Ground-mounted solar power plants in Thailand are contracted on FiT and Adder schemes for 25 years from the COD. There are 9 power purchase agreements ("PPA") with the Provincial Electricity Authority ("PEA") with a total electricity power generation of 41.64 MW.
- Solar rooftop on the Private PPA has a period of 15 years from the COD. The power purchase agreement is with the private sector, with a total electricity power generation of 15.92 MW. and COD in Q2, 2023 with the capacity of 7.24 MW.
- Ground-mounted solar power plants and solar rooftops in Taiwan have been contracted on the FiT scheme for 20 years from the COD. The Company has power purchase agreements with the Taiwan Power Company, with a total electricity power generation of 26.73 MW.
- Ground-mounted solar power plants in Cambodia have been contracted on FiT schemes for 20 years from the COD. The project will sell electricity to Electricity of Cambodia with a total contract capacity of 60 MW.

5.1.3 Breakdown of Revenue from Selling Electricity (Solar Power Plant) in Thailand and Overseas



- Thailand: Revenue improved by 6.31 % YoY in 6M2023 from the additional COD of Private PPA
- Overseas: Revenue in 6M2023 benefited from the additional COD projects in Taiwan and Cambodia that improved by 669%YoY.



5.1.4 Revenue from innovation consulting

Revenue from innovation consulting in Q2, 2023 amounted to THB 2.2 million and 6M2023 amounted was THB 4.9 million. The Company started to recognize consulting fees since the end of 2022.

5.1.5 Revenue from Solar Rooftop Engineering, Procurement, and Construction (EPC) Business

Revenue from Solar Rooftop Engineering, Procurement, and Construction (EPC) Business was at THB 164.7 million in Q2, 2023, and 6M2023 was at THB 263.2 million (growing 1,194.8% YOY because the company in PRIME group signed contracts for 4 projects throughout Thailand with a total value of THB 51 million in Q2, 2023 and signed contracts for 26 projects with the capacity of 22 MW. with the amounted of THB 469.95 million. This business revenue is growing significantly.

5.1.6 Revenue from the Sale of Goods (Power-Related Material and Equipment Trading)

Revenue from trading and supply agreements for solar rooftops and other power generation systems in Q2, 2023 was THB 75.2 million, and 6M2023 was THB 228.9 million, representing a growth of 3,640.2 YoY. With the recovery of the COVID-19 pandemic in 2022, trading business improved substantially as clients stepped up their investments in the purchase of material and equipment. In addition, the company in PRIME group has added marketing strategies. and provide quality and efficient products. In order to meet the needs of both domestic and international customers, the revenue from this business has improved significantly.

5.1.7 Share of Profits in Associates

As some projects are joint investments, revenue from these projects is considered a share of profit from associates. The revenue is derived from selling electricity in Thailand and Japan. In 6M2023, it increased 11.6 % YoY to THB 170.3 million or accounting for 15.6 % of total revenue.

5.1.8 Other Revenue

Other Revenue amounted to THB 34.5 million in 6M2023, increased 199.0% YoY.

5.1.9 Cost of Sales and Construction

Cost of sale and construction in 6M2023 increased 460.2 %, to THB 647.1 million, which is in line with the higher level of sale revenue. The cost of sales and construction consists of the following:

- a. Depreciation and amortization,
- b. Operating and maintenance fees for solar power plants (O&M),
- c. Cost of trading and supply and
- d. Construction and other expenses.

The operating and maintenance costs of the power plants are fixed as stipulated in the contracts, with a constant rate of increase throughout the contract period. In contrast, depreciation and amortization are based on the life span of the power plants, which averages 25 years. Therefore, the cost of sales and services will not change significantly without new projects.

5.1.10 Administrative Expenses

Administrative expenses in 6M2023 were THB 156.4 million, increasing 60.7% YoY. The higher expenses are due to the following reasons.

- a. Higher employee expenses due to the increase in headcount and expertise to assist in the development of new businesses,
- b. Higher professional fees relating to the incorporation of new subsidiaries in Thailand and overseas, and
- c. Higher financial fees relating to bank entry fees, account opening fees, annual management fees, bond issuance fees, etc.,
- d. Advisory fees and operating expenses for waste-to-energy projects.

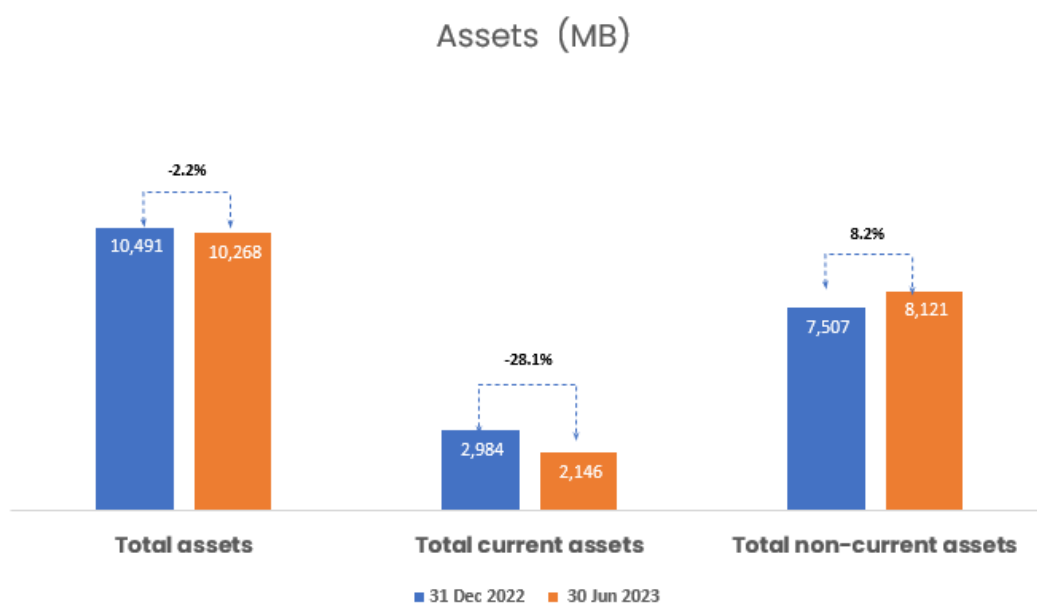
5.1.11 Finance Cost

In 6M2023 finance costs increased by 95.2% YoY, to THB 161.0 million since the Company issued long-term unsubordinated debentures to finance the investments in developing solar and other renewable energy projects. To development of solar power plants, there is a development and construction period of 1-2 years, the revenue will begin to be reflected in the financial statements after COD.



5.2 Financial Position Analysis

5.2.1 Total Assets



Total assets as of 30 June 2023 amounted to THB 10,268 million, a decrease of 2.1 % or THB 223 million from the end of 2022.

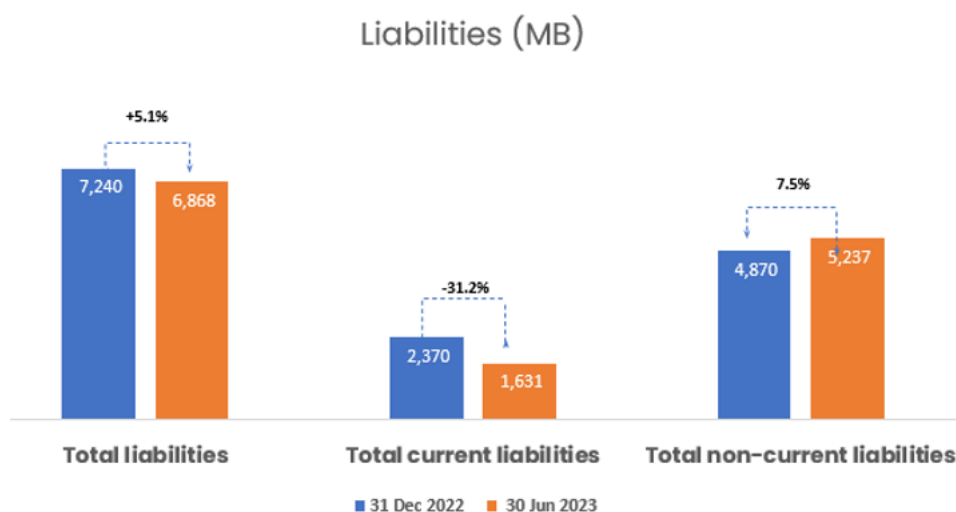
Current assets dropped 28.1% from the end of 2022 or THB 838 million to THB 2,146 million because of the following:

- a. Cash and cash equivalents decreased due to the Company paid trade payables including paying debts with financial institutions and pay interest on debentures.
- b. Trade accounts receivable and others increased due to trade accounts receivable, expenses paid in advance, deposit for products and solar panel installation equipment
- c. Higher inventory to support the expansion of PRIME group's business.

Non-current assets were THB 8,121 million, an increase of 8.2% from the end of 2022 or THB 614 million because of the following:

- a. Higher investment in associates, which realized shares from associates.
- b. Higher land, property, plant, and equipment of foreign subsidiaries are in line with the development of solar power plants and solar rooftop projects.

5.2.2 Total liabilities



As of 30 June 2023, total liabilities were THB 6,868 million, which dropped 5.1% from the end of 2022 or dropped THB 372 million.

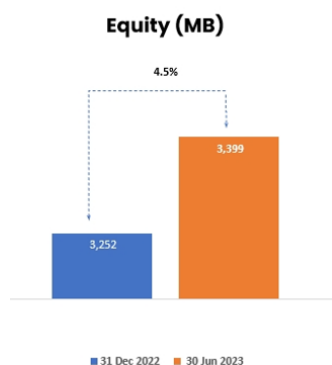
Current liabilities decreased by 31.2% from the end of 2022 or THB 739 million to THB 1,631 million, mainly due to the following reasons:

- Lower accounts payable from equipment purchases for the construction business (EPC).
- Account payable and other creditors decreased due to the Company's payment of goods related to the purchase of equipment for the construction business (engineering, procurement and construction work).
- Borrowings are due within 1 year decreased since the Company repaid loans that subsidiaries borrowed in aboard for working capital and business expansion

Non-current liabilities increased by 5.1% compare to the end of 2022 or THB 367 million to THB 5,237 million, because of:

- Loans from financial institutions with the maturity more than 1 year increased. These are loans of foreign subsidiaries, which were used as working capital for business expansion and project development.
- The Company issues debentures to be used as working capital for the development renewable projects in Thailand and abroad.

5.2.3 Equity



Total equity as of 30 June 2023 was THB 3,399 million from unappropriated retained earnings and fair value adjustments. This is an increase of 4.5% or THB 147 million.

6. Project Update

The 6 solar rooftop power plants in the form of Private PPA in Thailand will COD in the end of Q3, 2023 to the end of Q4, 2023 with a total installed capacity of 6.49 MW.

Solar roof top for school projects in Taiwan; currently the construction has been completed and electricity has been distributed to the system for more than 52% of the total capacity of 32.4 MW. The construction of the remaining projects will be completed approximately 95% within the year 2023 and will be completed by the beginning of Q1, 2024. In addition, the Indoor Fishfarm Xitong 3 and 4 projects and Xitong 8 and 9 projects with a total capacity of 7 MW. are currently under construction. The construction is expected to be completed by 2023.

The progress of the ground-mounted Solar Power Plant Project in Miaoli Lake West which is the bid project in Taiwan with the capacity of 200 MW. Currently, it is in the development process of the 1st phase. The project will be under construction within June, 2024 and will be completed within the 4th quarter of 2025. Another large-scale Power Plant Project is the Budai Outdoor Fishfarm Solar Power Plant Project in Chiayi City in Taiwan, with the capacity of 99 MW. The project is under the 1st phase and expect to construction within the 2nd quarter of the year 2025.

At the same time, the Company is working on the construction of a rooftop solar power plant with the private sector in Indonesia according to the total contracted capacity of 0.90 MW. It is expected that the construction will be completed and start selling electricity within this year 2023. These all projects reaffirmed PRIME’s commitment to reaching a power generation capacity of 1,800 MW. by 2027.

7. Sustainability

The Company has formulated a Social and Environmental Responsibility Policy at the corporate level to provide the business with a sustainable direction to ensure uninterrupted growth. This also helps mitigate ESG risks. The following are the eight topics covered under the Policy.



1. Good Corporate Governance



2. Fair operation



3. Human rights and employment to drive sustainable economy



4. Energy, climate, water and waste management



5. Producing goods and services with responsibility and promoting sustainable society



6. Investing in a profitable operation by centering on business for sustainability innovations



7. Comprehensive sustainability assessment for new business



8. Contributing to community and society development by facilitating educational quality development and providing social innovation support

PRIME is committed to contributing to climate change mitigations and adaptations to reduce greenhouse gas emissions to support the Thai government's Nationally Determined Contributions (NDC) under the United Nations Framework Convention on Climate Change (UNFCCC).

To this end, PRIME is preparing a roadmap towards achieving Carbon Neutral and Net Zero over the next 7 years.

	Carbon Neutral	Net Zero
	Short-Term Goal	Long-Term Goal
PRIME's target in contributing to the climate change	Become carbon neutral by 2023	Achieve net zero by 2030

Some of the initiatives include the installation of solar rooftops to generate power and upgrading equipment to improve energy efficiencies in PRIME's operations. Additionally, the Company has partnered with the Industrial Estate Authority of Thailand (IEAT) to promote the use of solar energy.

Since February 2023, the Company announced its intention to join the Private Sector Collective Action Coalition Against Corruption with Private Sector Collective Action against Corruption (CAC). In addition, the Company places great importance on conducting business with caution, especially in the matter of anti-corruption which the Company adhere to the principles of good corporate governance for the best interests of shareholders, stakeholders and related persons. Currently, the Company is in the process of self-reviewing according to CAC's checklists to see if there are any additional matters that need to be taken and enhance them for the better.

The Company is very pleased to be selected as one of the 15 listed companies to entering in the ESG100 universe for the first time, as the 2023 ESG Emerging list. Thaipat Institute has reviewed 888 companies/funds/investment trusts using ESG information from over 16,445 publicly available data points from 6 data sources, over 16,445 data points, as disclosed by the company to the public, and passed the preliminary screening criteria used in the evaluation of Thaipat Institute's ESG100 securities according to the CORE Framework principles in order to increase the opportunity to generate good long-term returns for investors.

Being selected into the 2023 ESG Emerging Group reinforces PRIME's success and the Company has dedicated its efforts to enhance investor confidence, including stakeholders who consider to invest in the sustainable investment strategy that emphasizing on the environmental dimension (Environment), Social (Social) and Governance (Governance) or ESG along with analyzing financial information of business to generate long-term returns and create positive impacts or reduce negative impacts on society and the environment.

Best regards,

Piroon Shinawatra

**(Mr. Piroon Shinawatra)
Chief Financial Officer**

Appendices
Quarterly and 6-Month Statement of Comprehensive Income
Ended 30 June 2023

Summary of Statement of Comprehensive Income

Details of Total Revenue by Business Segments

	Jan - Jun 2023	Jan - Jun 2022	Change	y-on-y %
Revenues from sale of electricity	359.73	197.35	162.38	82.3%
Revenues from sale of PPA	13.04	4.27	8.77	205.5%
Revenues from constructions	263.23	20.33	242.90	1194.8%
Revenues from sale of goods	228.90	6.12	222.78	3640.2%
Revenues from services	4.94	2.35	2.59	110.2%
Total operating income	869.84	230.42	639.42	277.5%
Total of cost of sales and constructions and services	(647.05)	(115.51)	531.54	460.2%
Gross profit	222.79	114.91	107.88	93.9%
Other income	34.51	11.54	22.97	199.0%
Administrative expenses	(156.39)	(97.29)	59.10	60.7%
Net gain on exchange rate	10.99	0.85	10.14	1192.9%
Selling expenses	(0.01)	(0.08)	(0.07)	-87.5%
Net gain on financial instruments - derivative	5.49	-	5.49	100.0%
Impairment loss on goodwill	(23.61)	-	23.61	100.0%
Finance costs	(161.00)	(82.50)	78.50	95.2%
Share of profit from associates	170.33	152.63	17.70	11.6%
Profit (loss) before income tax	103.10	100.06	3.04	3.0%
Income tax	(9.99)	(3.01)	6.98	231.9%
Profit (loss) for the period	93.11	97.05	(3.94)	-4.1%

Revenue breakdown by business

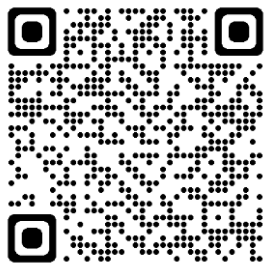
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Revenues from constructions	263.23	20.33	242.90	1194.8%
Revenues from sale of goods	228.90	6.12	222.78	3640.2%
Revenues from services	4.94	2.35	2.59	110.2%
Share of profit from associates	170.33	152.63	17.70	11.6%
Other income	34.51	11.54	22.97	199.0%
Net gain on exchange rate	10.99	0.85	10.14	1192.9%
Net gain on financial instruments - derivative	5.49	-	5.49	100.0%
	1,091.16	395.44	695.72	175.9%

Financial Positions as of 30th June 2023

statement of financial position	31 Dec 22	30 Jun 23	change	%
Total current assets	2,984.37	2,146.50	(837.87)	-28.1%
Total non-current assets	7,507.11	8,121.15	614.04	8.2%
Total assets	10,491.48	10,267.65	223.83	2.2%
Total current liabilities	2,370.21	1,631.29	(738.92)	-31.2%
Total non-current liabilities	4,869.76	5,237.20	367.44	7.5%
Total liabilities	7,239.97	6,868.49	371.48	5.4%
Total equity	3,251.51	3,399.16	(147.65)	-4.3%
Total liabilities and equity	10,491.48	10,267.65	223.83	2.2%

Breakdown of Revenue from Selling Electricity by Country

Total Revenue from Selling Electricity	Jan - Jun	Jan - Jun	Change	%
	2023	2022		
Thailand	188.92	177.70	11.22	6.31%
Taiwan	87.14	23.92	63.22	264.28%
Cambodia	96.71	-	96.71	100.00%
	372.77	201.62	171.15	84.9%



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