

**Management Discussion and Analysis (MD&A)
for Operating Performance of the Year 2021
of Prime Road Power Public Company Limited
(Ended 30 September 2021)**

Prime Road Power Public Company Limited would like to discuss and analyze its operating performance according to the consolidated financial statements of the year, ended at September 30, 2021, 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 9-month period of 2021, the total revenue is THB 708.9 million, increasing 24.90% comparing to the same period last year (Year on Year: YoY), EBITDA is THB 419.6 million 2.7% decreased YoY, the net profit is THB 221.3 million, 13.4% decreased YoY, the comprehensive profit of parent is THB 214.5 million, with a slight decrease of 13.3% YoY, and the net profit margin is 40.3%

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 297.04 in total. However, 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, are continue to grow very fast. However, their revenue recognition may be delayed due to the effect of Covid-19 situation.

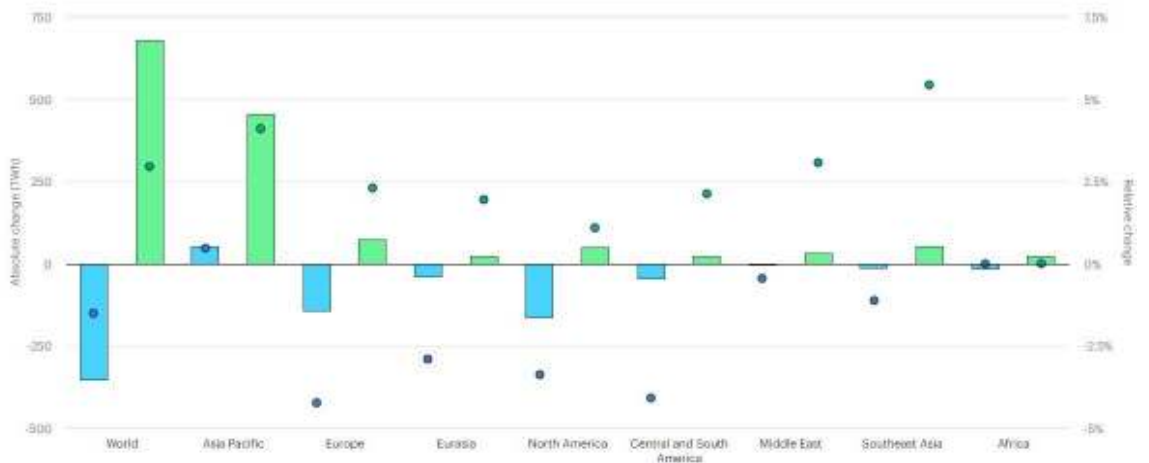
In order to enhance its competitiveness in the long term, the company has been hiring many high potential people to help develop our new businesses, and also focusing on the research and development of energy innovations by establishing Prime X Co., Ltd. and acquired startup companies that have intellectual properties and experiences to join the team. As a result, the management cost, especially the staff salary, increased from the 9 months period of the last year. Although this may affect the profit margin ratio to be decreased, the expansion investment is very necessary and worthy to support the sustainable growth of the company.

For the fundraising activity to expand the business, the company had initiated the plan and explored the possibility to raise funds from the debt capital market since last year, 2020. On 29 April 2021, the Board of Directors was successfully granted an authority to raise the debenture for not more than 5,000 million Baht by passing a resolution in the shareholder's Annual General Meeting 2021. After that, on 30 July 2021, the company was assigned its credit rating at "BBB-" with "Stable" outlook by TRIS rating Co., Ltd., which is the investment grade. Then, on 16 September 2021, the company issued and sold the bond for the first time. The debenture has the issue size of 500 million Baht, categorized as "long term, senior, unsecured bond", the maturity period of 2 years, and the fixed interest rate of 5% per annum. The underwriter was assigned to Globlex Securities Co., Ltd. and Capital Nomura Securities Public Co., Ltd. The registrar was assigned to Bank of Ayudhya Public Co., Ltd. The bondholder representative was assigned to Globlex Securities Co., Ltd. In conclusion, the company's first bond issuance was oversubscribed. This success has well-proven the company's ability to raise funds to support its growth.

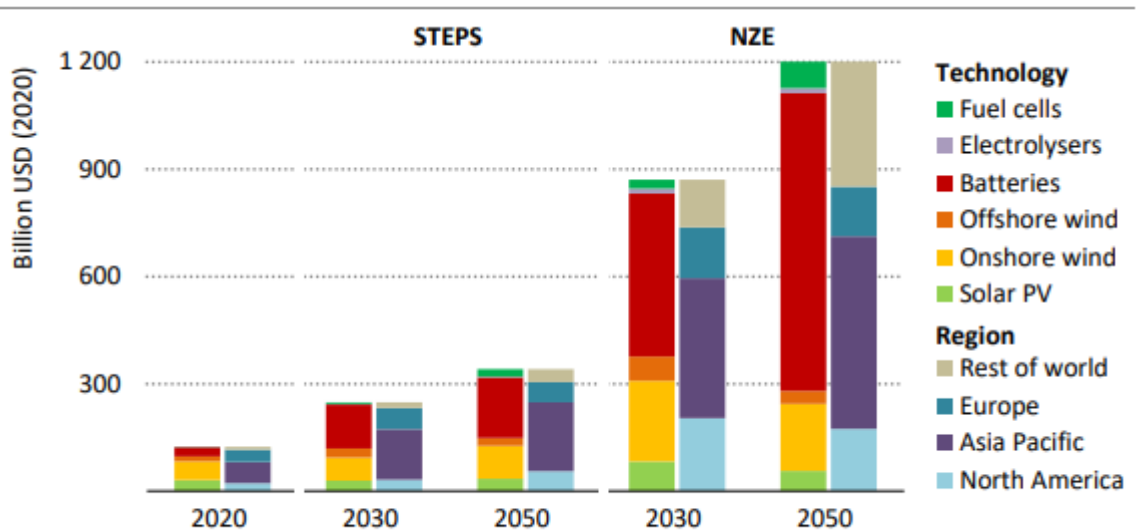
In terms of energy industry trends from the ASEAN Ministers' Meeting on Energy and other related meetings No. 39 (The 39th ASEAN Ministers on Energy and Associated Meetings: The 39th AMEM), Thailand presented the vision of Energy Transition Policy and the reduction of carbon dioxide emissions. One of them is the policy to increase the proportion of renewable energy power plants by 50%. In addition, the promoting energy development in storage systems under the National Energy Framework 2021. The Renewable Energy Agency (IRENA) also has presented the direction of changing world energy by focusing on stabilizing the demand for more renewable energy and increasing energy efficiency for promoting the circular economy and economic growth.

In addition, from IEA (Report extract Outlook 2021), In 2021 electricity demand is expected to rise from 2020 by 3% (around 700 TWh), which around two-thirds of the additional demand is expected in the Asia Pacific region. Most of the growth is concentrated in China and India, expected to grow by 5.2% (350 TWh) and 3.6% (40 TWh) respectively compared to 2020. Also Southeast Asia electricity demand in 2021 is expected to significantly exceed demand in 2019. Southeast Asia, one of the fastest-growing regions in electricity demand terms in recent decades, is expected to return to previous growth rates and add 5.4% of demand in 2021 compared to 2020.

Estimated electricity demand growth by region, 2020 and 2021



Furthermore, In the clean energy market, the IEA (World Energy Outlook 2021) stated that from 2020 to 2040 there will be expected growth in the approximately \$27 trillion USD flow in the clean energy technology market. In 2050, Asia Pacific will lead the world by will be one of the largest growth in this market.



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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 297.04 MW in total.

As some projects are joint-venture investments with our partner, the equity installed capacity is 197.54 MW, out of the total 297.04 installed capacity mentioned above.

In the first quarter of 2021, the Company has set up another new project named Jupiter with an installed capacity of 1.2 MW, which has been operated by Jupiter Power Company Limited, one of the subsidiary companies of Prime Road Power Public Company Limited. In the third quarter of 2021 following the acquisition, the Company repowered the Jupiter solar farm by changing key PV equipment i.e. PV modules, inverter and mounting structure from Fix-tilted to Tracking system (W-E) to harvest more energy from clean solar energy. The repowering project in Jupiter expects to complete and back to commercial operation within the fourth quarter.

In Taiwan, by the end of the Third quarter, the Company continued our development and achieved commercial operation date for another 2 projects from solar rooftop school portfolio (total installed capacity 0.32 MW)

In terms of solar power plant business, the company has total revenue of THB 542.8 million, accounting for 76.5% of the company's total revenue. The proportion of overall revenue decreased due to the recognition of additional revenue from new businesses of the Company in 2021.

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 third quarter of 2021, the solar rooftop system installation business started to recognize total revenue of THB 127 million, accounting for 17.9% 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 2021, the company successfully entered into the contracts for establishment of Private-PPA projects with several units with a total installed capacity of 4.34 MW under the operation of Prime Esco Company Limited, which is one of the subsidiaries of Prime Road Power Public Company Limited. The company started the process of project establishment, including The Nine Center Tiwanon project, The Nine Center Rama XI project, Ecolab project, Trang Vejkit Hospital project, and the Siriwet Hospital Chanthaburi project. The company anticipates that the aforementioned projects could achieve its commercial operation date and will start selling electricity to the clients within Q4 of 2021. For the third quarter of 2021, the solar rooftop private PPA business started to recognize total revenue of THB 3.5 million, accounting for 0.5% 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, we are the official distributor of JinkoSolar products. The company has

supplied high-quality products with sensible prices to corporate customers in this quarter 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 third quarter of 2021, the business of trading energy-related materials and equipment has revenue of THB 29.5 million, accounting for 4.16% of the total revenue of the company. Revenue from this business is expected to grow substantially in 2021 as this business will enable the synergies and leverage of the company's existing operating costs and renewable energy trends and support policies from the government.

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 113.6 megawatts (total installed capacity 133.3 megawatts). These solar power plants have 2 types of PPA, including Feed-in-Tariff (FiT) project and Adder project.

For the third quarter of 2021, all FiT projects in which the company is a major shareholder have the revenue of THB 237.1 million, while the Adder project, which the Company holds 100% of shares i.e. Jupiter has generated revenue of THB 12.4 million. Other Adder projects, which the Company holds 30% of shares, have revenue from profit sharing of THB 231.5 million. The income from both types of projects is slightly different from the same period of the previous year. The FiT projects have decreased 4.5% in revenue from the same quarter last year which was mainly due to 5% solar irradiation reduction compared to the similar period of 2021.

In addition, the 3 new businesses (described above), they recognized revenue of THB 160.40 million, accounting for 22.60% of the company's total revenue in the third quarter of 2021.

3.2 Japan

Solar power plants in Japan have a total contracted power generation capacity of 34.3 megawatts (total installed capacity of 42 megawatts). For the third quarter of 2021, the solar power plants in Japan contributed amounted to THB 24.5 million, an increase of 100.3% from the same quarter last year because the company started receiving dividends from the Nari project, Japan from the results of the year 2020

On 30 September 2021, the Associates sold an overseas solar power plant project to a third party amounting to JPY 4,200 million (or Baht 1,260 million). The received will be due on within fourth quarter of year 2021.

On this revenue recognition, the Company will receive revenue of Baht 315 million following 25% equity share of the project.

3.3 Taiwan

Solar power plants in Taiwan have the total contracted electricity production capacity of 46.7 MW (total installed capacity of 46.7 MW) which could be divided into two parts, one for the projects that are currently being under the development phase consisting of 40.5 MW, and another one for the projects that were COD in Taiwan for 6.2 MW.

For the third quarter of 2021, the solar power plants in Taiwan contributed THB 33.9 million in revenue. The revenue significantly increased for 6.6% compared to the same period of last year, due to the full period contribution in this year as their COD started in April, 2019. Additionally, the company is preparing for many more projects in Taiwan which would significantly increase the company's installed capacity abroad in 2021, Xi Tong project could be an example of the company's prospect plan this year.

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 78 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 30 June 2020. In addition, many financial institutions are interested in lending project finance for this project. In August 2021, the company successfully 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.

4. Analysis of the Operating Performance by the Financial Statement (9M/2021 Period ended 30th September 2021)

In million THB

Statement of Comprehensive Income	2021	2020	Change	Q3'21	Q2'21	Q3'20	Change	Change
			y-on-y				q-on-q	y-on-y
Revenue from sales	316.4	293.8	7.7%	112.6	105.1	104.0	7.1%	8.3%
Revenue from construction	127.0	25.7	394.2%	67.0	40.5	25.4	65.4%	163.8%
Cost of sales and construction	(264.8)	(152.8)	(73.3%)	(124.8)	(80.0)	(72.2)	(56.0%)	(72.9%)
Gross profit	178.6	166.7	7.1%	54.8	65.6	57.2	(16.5%)	(4.2%)
Other income	9.4	3.7	154.1%	2.1	5.2	1.0	(59.6%)	110.0%
Administrative expenses	(132.9)	(85.5)	55.4%	(57.6)	(36.7)	(30.1)	56.9%	91.4%
Net gain (loss) on exchange rate	(4.1)	2.6	(257.7%)	(0.9)	(1.8)	(0.2)	(50.0%)	(350.0%)
Finance costs	(81.3)	(74.7)	8.8%	(30.0)	(27.4)	(24.4)	9.5%	23.0%
Share of profit from associates	255.9	241.9	5.8%	71.5	81.5	77.6	(12.3%)	(7.9%)
Profit (loss) before income tax	225.6	254.7	(11.4%)	39.9	86.4	81.1	(53.8%)	(50.8%)
Income tax	(4.3)	0.9	(577.8%)	(3.9)	(0.1)	0.5	3,800.00%	(880.0%)
Profit (loss) for the period	221.3	255.6	(13.4%)	36.0	86.3	81.6	(58.3%)	(55.9%)
Attributable to owners of the parent	374.5	374.1	0.1%	194.1	81.9	204.5	137.0%	(5.1%)
Total comprehensive income (expense) for the period	214.5	247.4	(13.3%)	6.7	72.2	5.7	(90.7%)	17.5%
Attributable to Owners of the parent	367.7	365.9	0.5%	164.9	67.8	128.6	143.2%	28.2%

The Company's overall operating result for the nine-month period ended 30th September 2021 profit (loss) at THB 221.3 million, compared to the same period of the previous year at THB 255.6 million, has decreased at THB 34.3 million, or 13.4%. The changes were primarily from non-recurring extraordinary items (one-time costs) related to recent M&A in Innovation and Technology businesses as well as the fund raising exercise. Nevertheless, it was evidenced by the substantial revenue increase from EPC business of 394.2% YoY.

Although the global economics have been exacerbated from COVID-19 and affected to the demand of global energy consumption and the supply chain of required raw materials to construct power plants, the company has been able to manage the construction cost with a positive outlook for the year ahead.

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

Unit: million baht

Profit and Loss Statement	2021	2020	Change	Q3'21	Q2'21	Q3'20	Change	Change
			y-on-y				q-on-q	y-on-y
Revenue from selling electricity	316.4	293.7	7.7%	112.5	105.1	104.0	7.0%	8.2%
Revenue from EPC Business	127.0	25.7	394.2%	67.0	40.6	25.4	65.0%	163.8%
Share of profit in associates	256.0	242.0	5.8%	71.6	81.5	77.7	(12.1%)	(7.9%)
other revenue	9.5	3.7	156.8%	2.2	5.1	0.9	(56.9%)	144.4%
profit (loss) from foreign exchange	-	2.6	100%	-	-	-	-	-
Total Revenue	708.9	567.7	24.9%	253.3	232.3	208.0	9.0%	21.8%

Revenue

- The total revenue for the three-month period ended September 30, 2021 shown in the consolidated financial statements amounted to THB 253.3 million, an increase of 21.8% compared to the same period of the previous year at THB 208.0 million and revenue for the nine-month period ended 30th September 2021 in the consolidated financial statements presented at THB 708.9 million, has increased 24.9%, compared to the same period of the previous year at THB 567.7 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 period ended September 30, 2021, showing the amount of THB 112.5 million, compared to the same period last year, showing the amount of THB 104.0 million, an increase of 8.2%, and for the nine-month period, showing the amount of THB 316.4 million compared to the same period of the previous year at THB 293.7 million, an increase of 7.7% with details as follows:

The table shows income by location

unit: million Baht

Item	2021	2020	Change	Q3'21	Q2'21	Q3'20	Change	Change
			y-on-y				q-on-q	y-on-y
Revenue from selling electricity	286.9	280.1	2.4%	91.3	98.0	90.3	(6.9%)	1.1%
- Thailand	253.0	248.3	1.9%	78.2	86.7	78.7	(9.8%)	(0.6%)
- Abroad	33.9	31.8	6.6%	13.1	11.3	11.6	15.9	12.9

Revenue from sales of electricity from solar power plants in domestic 41.64 MW and international 6.20 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")

Thailand

Revenue from sales of electricity in domestic for the nine-month period ended 30th September 2021 at THB 253.0 million, compared to the same period of the previous year at THB 248.3 million, has increased THB 4.7 million, or 1.9%, resulting from the Group invested shares of Jupiter Power Co., Ltd. 200,000 ordinary shares, representing 100.00% of the total shares on 15th January 2021. Jupiter Power Co., Ltd. has the ground mounted solar photovoltaic power generation with adder price project with a capacity of 1MW which has operated commercial power supply (COD).

Taiwan

Revenue from sales of electricity in Taiwan for the nine-month period ended 30th September 2021 at THB 33.9 million, compared to the same period of the previous year at THB 31.8 million, has increased THB 2.1 million, or 6.6%, resulting from the additional COD of 0.32 MW of solar rooftop projects.

2. Revenue from construction

Revenue from construction for the nine-month ended 30th September 2021 showing the amount of THB 127.0 million compared to the same period of the previous year at THB 25.7 million evidenced an increase of THB 101.3 million, representing an increase of 394.2% YoY, the Company has secured more than 13 projects with government agencies and the private sector.

3. Revenue from trading and supply agreement

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 third quarter of 2021 in the amount of THB 29.5 million compared to the same period of the previous year, showing the amount of THB 13.7 million, representing an increase THB 15.8 million, or 115.3% through its subsidiary - Prime Road Group Company Limited

Share of profits in associates

- Share of profits in associates for the nine-month period ended 30th September 2021 at THB 256.0 million, compared to the same period of the previous year at THB 242.0 million, has increased THB 14.0 million, or 5.8%, 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 nine-month period ended 30th September 2021, the company has other revenue at THB 9.4 million, compared to the same period of the previous year at THB 3.7 million, has increased THB 5.7 million, or 154.1%, as a result from the acquisition proceed and damage claim from the natural disaster of the project KTM07.

Cost of sales and construction

- Cost of sale for the nine-month period ended 30th September 2021 presented at THB 264.8 million, compared to the same period of the previous year at THB 152.8 million, has increased THB 112.0 million, or 73.3%, with main factors from the increase in solar rooftop construction.
- 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 nine-month period ended 30th September 2021 presented at THB 132.9 million, compared to the same period of the previous year presented at THB 85.5 million, has increased THB 47.4 million, or 55.4%, with main factors arising from the expenses relevant to the increase in headcounts and the annual increment of salary and non-recurring extraordinary items (one-time costs) related to recent M&A in Innovation and Technology businesses.

Finance cost

- Finance costs for the nine-month period ended 30th September 2021 presented at THB 81.3 million, compared to the same period of the previous year at THB 74.7 million, has increased THB 6.6million, or 8.8%, 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 projects abroad.

Financial Positions as at 30th September 2021

In million THB

As at	30 Sep 2021	31 Dec 2020	Increase (decrease)	Change
Current assets	1,783.8	1,110.8	673.0	60.6%
Non-current assets	5,278.0	4,727.1	550.9	11.7%
Total assets	7,061.8	5,837.9	1,223.9	21.0%
Current liabilities	1,406.0	1,052.2	353.8	33.6%
Non-current liabilities	2,467.9	1,968.8	499.1	25.4%
Total liabilities	3,873.9	3,021.0	852.9	28.2%
Shareholders' equity	3,187.9	2,816.9	371.0	13.2%
Total liabilities and shareholders' equity	7,061.8	5,837.9	1,223.9	21.0%

- **Total assets**

As of 30th September 2021, the company has total assets totaling THB 7,061.8 million, compared to the 31st December 2020 at THB 5,837.9 million, has increased THB 1,223.9 million, or 21.0%, which are summarized as follows.

Current assets as of 30th September 2021 at THB 1,783.8 million, compared to the 31st December 2020 at THB 1,110.8 million, has increased THB 673.0 million, or 60.6%, as a result of account receivable and construction performance guarantee for projects in Taiwan.

Non-current assets as of 30th September 2021 at THB 5,278.0 million, compared to the 31st December 2020 at THB 4,727.1 million, has increased THB 550.9 million, or 11.7% resulting from 2 parts (1) Property, plant, and equipment on June 3, 2021, the acquisition of a business that operates in the business of digital technology and innovation with comprehensive Engineering, Procurement and Construction Services, Energy Management System - EMS in the Internet of Things (IoT) and Solution Provider for Energy Efficiency totaling 3 companies and overseas projects with project development Solar power plants and others increased by more than 42 projects (2) The Board of Directors used some assets to pay off some liabilities under the share subscription agreement.

causing the list of assets under the share subscription agreement and receivables from investment guarantees by reclassifying.

- **Total liabilities**

As of 30th September 2021, the company has total liabilities totaling THB 3,873.9 million, compared to the 31st December 2020 at THB 3,021.0 million, has increased THB 852.9 million, or 28.2%, which are summarized as follows:

Current liabilities as of 30th September 2021 at THB 1,406.0 million, an increase of THB 353.8 million, or 33.6% from the previous year, mainly from construction performance guarantee for projects in Taiwan and additional borrowings from financial institutions to develop the project Solar power plant in the form of “Adder”.

Non-current liabilities as of 30th September 2021 showed a total of THB 2,467.9 million, an increase of THB 499.1 million or 25.4% from the previous year due to the recent issuance of debenture for working capital and investment in various projects.

- **Total equity**

As of 30th September 2021, the company has total equity totaling THB 3,187.9 million, compared to the 31st December 2020 at THB 2,816.9 million, which has increased THB 370.1 million, or 13.2%, resulting from retained earnings unappropriated and adjusted fair value.

Surachet Chaipatamanont

(Mr. Surachet Chaipatamanont)

Chief Financial Officer