



Date 24 February 2022

Subject : Management's Discussion and Analysis of the Financial Statements for
the year ended 31 December 2021

To : Managing Director of The Stock Exchange of Thailand

Enclosure

: Management's Discussion and Analysis of the Financial Statements for the year ended 31 December
2021, both Thai and English, 1 set for each

Clover Power Public Company Limited ("the company") would like to submit the company's audited
financial statements for the year ended 31 December 2021 to the Stock Exchange of Thailand.

The operation result of the company for the 12 months ended 31 December 2021 registered a net profit
amounting to 150.05 million Baht. Please see further details in the Management's Discussion and Analysis of
the financial statements for the year ended 31 December 2021 as attached.

Yours faithfully,

A handwritten signature in blue ink, consisting of stylized, cursive letters that appear to be "T. Petporee".

(Mr. Teeraphat Petporee)

Chief Financial Officer

Clover Power Public Company Limited

Management's Discussion and Analysis for the year end 2021 Results

Clover Power Public Company Limited ("The Company" or "CV")

1. Company Overview

Clover Power Public Company Limited ("the Company" or "CV") was established in August 8, 2013 for the purpose of investments in Renewable energy power plants by a group of experienced engineers with a long track record in the EPC turnkey business.

Nature of Business Operations

The company's business operations consist of 3 groups as follows:

(1) Generation and Distribution of Electricity

The company operates in the business of generating electricity from renewable energy. It focuses on developing and diversifying investments in power plants using various types of renewable energy technologies, including biomass, waste, biogas, solar energy, and wind energy. As of December 31, 2021, the company has 5 renewable energy power plants that have been in commercial operation with an installed capacity totaling 33.56 megawatts (an installed capacity according to share/right in share proportion totaling 22.53 megawatts). Consisting of 3 biomass powerplants operating under CV CPL and RTB (Associate Company) and 1 waste to energy power plant operated under CPX, and 1 Cogeneration power plant under SPP.

On 4 November 2021, The Company acquired Siam Pellet Power Company Limited by holding 100%, which was commercially operated in a natural gas power plant with an installed capacity totaling 7.4 megawatts.

(2) Engineering Procurement and Construction

The company has been engaged in the power plant engineering business for more than 15 years, focusing on constructing power plants in the energy sector ranging from biomass, waste and biofuels, and general building and infrastructure construction, including operating and design service to supplying of machinery and equipment for construction (Engineering Procurement and Construction: EPC) to powerplants of the company and customers which is operated under SBC and SBE, a wholly own subsidiary consisting of 100% and 100% shares respectively.

(3) Fuel Supplies business

The company has an Operation and Maintenance: O&M business for power plant customers. Focus on operating and maintenance services for power plants in the renewable energy group, operating under SBE, a wholly-owned subsidiary holding 100% shares. The company has a team of engineers and experts who have experience in operation and maintenance to provide comprehensive services.

2. Business performance

The company's business operations consist of 3 groups which are (1) Generation and Distribution of Electricity (2) Engineering Procurement and Construction (3) Fuel Supplies business.

2.1 Revenues

The company's main operating revenue consists of revenue from the sale of electricity, Revenue from the sale of machinery and rendering construction engineering services, and Revenue from rendering services. For the year ended December 31, 2020 and 2021, the company's total revenue was 2,520.59 million Baht, and 1,735.87 million Baht are as follow;

Revenue from the sale of electricity for the year ended December 31, 2020, and 2021 were 434.10 million Baht and 538.01 million Baht respectively, increased by 103.91 million Baht representing a 23.94% was mainly because on 30 October 2020, the waste to energy power plant had COD and on 4 November 2021, The Company had acquisition in Cogeneration power plat.

Revenue from engineering procurement and construction for the year ended December 31, 2020 and 2021 were 2,024.62 million Baht and 1,169.74 million Baht respectively, decreased by 854.88 million Baht representing a 42.22% was mainly because the company had recognized revenue from the sale of machinery and rendering construction engineering services for renewable energy of project in Thailand which was mainly recognized revenue in overtime in 2020 amount 1,680.20 million Baht and in 2021 amount 365.88 million Baht, there was the result in a decrease in revenue from engineering procurement and construction

While the company had no interest income from lending to related parties in the 12 months of 2021

Revenue Structure	For the year ended 31 December			
	2020		2021	
	Million Baht	%	Million Baht	%
Revenue from sale of electricity	434.10	17.22	538.01	30.99
Biomass power plant	418.16	16.59	421.05	24.26
RDF power plant	15.94	0.63	103.99	5.99
Cogeneration power plant	-	-	12.97	0.74
Revenue from sale of machinery and rendering construction engineering services	2,024.62	80.32	1,169.74	67.39
Machinery	1,606.79	63.75	610.49	35.17
Rendering construction engineering service	417.83	16.57	559.25	32.22
Revenue from sales	-	-	0.74	0.04
Sale fuel	-	-	0.74	0.04
Revenue from rendering service	10.23	0.41	13.12	0.76
Rendering services	10.23	0.41	13.12	0.76

Revenue Structure	For the year ended 31 December			
	2020		2021	
	Million Baht	%	Million Baht	%
Revenue from Operation	2,468.95	97.95	1,721.61	99.18
Other Revenue ¹	51.64	2.05	14.17	0.82
Total Revenue	2,520.59	100.00	1,735.87	100.00

Note: ¹Other Revenue such as revenue from rental/service, penalty received from canceled contract, interest income, gain/loss on exchange rate, etc

2.2 In handover Contract

As at 31 December 2021, the Company's has in handover contract, that is expected to be recognized in the total amount 1,489.86 million Baht are as follow:

Project	In handover contract (million Baht)
1. Project Power Plant	93.20
2. Project General Construction	1,439.60
3. Project Conservation	6.06
Total	1,538.86

2.3 Cost of Sales and Services, and Gross Profit

Cost of sales and services mainly consists of the cost of sale of electricity, cost of sale of machinery and rendering construction engineering services, and cost of rendering services. For the year ended December 31, 2020, and 2021, the company's cost of sales and services were 2,126.20 million Baht and 1,393.69 million Baht, respectively, which were equivalent to the gross profit margin 13.88% and 19.05%.

Gross profit from the sale of electricity for the year ended December 31, 2020, and 2021 was 87.49 million Baht (Gross profit margin representing 20.15%) and 115.77 million Baht (Gross profit margin representing 21.52%), respectively, increased in gross profit by 28.28 million Baht representing a 32.33% was mainly because the company had recognized revenue from the sale of electricity from commercial operation in RDF power plant in 2021. For Quarter 4/2021, the company had acquisition in natural gas power plant with an installed capacity totaling 7.4 megawatts which will recognize revenue in quarter 4/2021 as well, and the company has effective in cost management.

Gross profit from engineering procurement and construction for the year ended December 31, 2020, and 2021 were 252.57 million Baht (Gross profit margin representing 12.48%) and 210.20 million Baht (Gross profit margin representing 17.97%) respectively, decreased gross profit by 42.37 million Baht representing a 16.78% was mainly because the revenue from engineering procurement and construction decreased representing a 42.22%. However, the gross profit margin increases from 12.48% to 17.97% because the project with high value will have low gross profit than the typical project.

However, for the year ended December 31, 2021, The increase in gross profit margin was mainly due to the rise in revenue from generation and distribution of electricity, and engineering procurement and construction were greater than that of cost of sales and services.

For the year ended December 31, 2020, and 2021, the company's cost of sales and services are as follow:

Cost of Sales and Services	For the year ended December 31, 2020		For the year ended December 31, 2021	
	Million Baht	Gross Profit (%)	Million Baht	Gross Profit (%)
Cost of sale of electricity	346.62	20.15	422.24	21.52
Cost of sale of machinery and rendering construction engineering services	1,772.05	12.48	959.54	17.97
Cost of rendering services	7.53	26.43	10.99	16.23
Cost of sale	-	-	0.92	(24.43)
Total Cost of Sales and Services	2,126.20	13.88	1,393.69	19.05

2.4 Selling and Administrative Expenses

For the year ended December 31, 2020, and 2021, the company had selling and administrative expenses of 121.73 million Baht and 138.45 million Baht, respectively, or equivalent to 4.83% and 7.98% of the total revenues, respectively. The increase in employee-related expenses by 24.06 million Baht was mainly due to the company has transferred in employees to restructure the business under common control in June 2020. Advisor fee and director remuneration were increased by 14.15 million Baht were mainly due to the return of the preparing to Initial Public Offering (IPO). However, the decrease by 18.59 million Baht was mainly due to other expenses. There was a penalty fee of 14.95 million Baht in 2020 (2021: Nil), as shown in the table below.

Selling and Administrative Expenses	For the year ended December 31, 2020		For the year ended December 31, 2021	
	Million Baht	(%)	Million Baht	(%)
Employee-related expenses	40.03	32.88	64.09	46.29
Fee and other charges ¹	13.25	10.88	12.41	8.96
Service and contracting expenses ²	12.37	10.16	8.43	6.09
Advisor fee and director remuneration	8.64	7.10	22.99	16.61
Depreciation and Amortization	4.45	3.66	6.13	4.43
Other expenses ³	42.99	35.32	24.40	17.62
Total	121.73	100.00	138.45	100.00

note:

- ¹ Fee and other charges mainly consist of a local enterprise's fund subsidy, financial institutions' fee, tax fee, etc.
- ² Service and contracting expenses mainly consist of common area's operating expenses paid to related parties prior to the company group restructure in May 2020, security expenses, etc.
- ³ Other expenses mainly include insurance fees, loss from exchange rate fluctuation, traveling expenses, office maintenance expenses, etc.

2.5 Net Profit

The company's net profits for the year-end of 2020 and 2021 were 199.80 million Baht and 150.05 million Baht, respectively, with net profit margins of 7.93% and 8.64%, respectively.

For the year ended December 31, 2021, the company's net profits declined by 49.75 million Baht, representing a 24.90% decrease compared with the same period in 2020 due to the existing EPC project, which is the end of the project. However, the profits from the sale of electricity were higher than the same period due to both the increasing power plant and the increasing production efficiency.

Profit attributable to owners of the parent for the year ended December 31, 2020, and 2021 were 95.04 million Baht and 147.17 million Baht respectively, increased by 52.13 million Baht representing a 54.85% increase mainly because the company had a business combination under common control in June 2020 which there were non-controlling interests by 120.62 million Baht.

3. Financial Position

3.1 Assets

As of 31 December 2021, the company's total assets were 3,312.32 million Baht. The main assets consist of property, plant, and equipment of 1,345.13 million Baht, trade and other receivables of 1,416.09 million Baht, and Right to produce and sell of electricity of 88.06 million Baht, which were equivalent to 40.61%, 42.75%, and 2.66% as a percentage of total assets, respectively. The increase in the total asset by 1,370.81 million Baht representing 70.60% mainly due to trade and other receivables, has increased 918.27 million Baht from engineering procurement and construction that have recognized revenue and has unbilled receivables.

3.2 Liabilities

As of 31 December 2021, the company's total liabilities were Baht 1,354.98 million. The main liabilities consist of trade and other payables and loan from financial institutions, which were equivalent to 40.28% and 52.23% as a percentage of total liability, respectively.

3.3 Shareholders' equity

As of 31 December 2021, the shareholders' equity of the company was 1,957.34 million Baht, which increased by 1,366.57 million Baht, representing 231.32% from the end of 2020, mainly because of an increase in premium on ordinary shares and Initial Public Offering (IPO) amount 1,211.60 million Baht.

3.4 Statement of cash flow

For the year ended 31 December 2021, the company had cash and cash equivalents at the beginning of 37.29 million Baht. Net cash used in operating activities was (349.61) million Baht, mainly due to profit before tax and loss on changes in working capital of 293.35 million Baht, a decrease in changes in working capital of (606.36) million Baht, which was mainly from Trade and other current receivables Increase (903.78) million Baht from unbilled contract revenues-other companies and trade and other payable increases 393.39 million Baht from engineering procurement and construction that have recognized revenue and has unbilled receivables and decline in non-current liability from tax payment at the end of March 2021, and tax expenses of (35.60) million Baht. In addition, net cash used in investing activities was (231.17) million Baht, and net cash from financing activities was 735.97 million Baht in share premium received from the increase in share capital and Initial Public Offering (IPO). As a result, the company had cash and cash equivalents at the end of 193.29 million Baht.

Items	Consolidated financial statements For the year ended 32,	
	2020	2021
Net cash from (used in) operating activities	10.33	(349.61)
Net cash from (used in) investing activities	(256.31)	(231.17)
Net cash from (used in) financing activities	186.02	735.97
An effect from the foreign exchange rate in cash and cash equivalents and effects from translation differences on financial statements	2.63	0.81
Cash and cash equivalent as at January 1,	94.62	37.29
Cash and cash equivalent as at December 31,	37.29	193.29

4. Key Financial Ratios

Items	Consolidated Financial Statement	
	As at December 31, 2020 (Assured/Restated) ¹	As at September 30, 2021 (Reviewed)
Current Ratio (times)	0.65	1.88
Gross Profit Margin (%)	13.88	19.10
Net Profit Margin (%)	7.93	8.64
Return on Equity (ROE) (%)	36.94	11.78
Debt to Equity ratio (times)	2.29	0.69

note : ¹The Pro Forma Condensed Consolidated Financial Statements For The Year Ended December 31, 2019-2020 present the effects of the financial reports' restatement based on the Assurance Reports to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus.