



Date 12 May 2022

Subject : Management's Discussion and Analysis of the Financial Statements for  
the three-month period ended 31 March 2022

To : Managing Director of The Stock Exchange of Thailand

Enclosure

: Management's Discussion and Analysis of the Financial Statements for the three-month period ended  
31 March 2022, both Thai and English, 1 set for each

Clover Power Public Company Limited ("the company") would like to submit the company's reviewed financial statements for the three-month period ended 31 March 2022 to the Stock Exchange of Thailand.

The operation result of the company for the 3 months ended 31 March 2022 registered a net profit amounting to 14.65 million Baht. Please see further details in the Management's Discussion and Analysis of the financial statements for the three-month period ended 31 March 2022 as attached.

Yours faithfully,

(Mr. Teeraphat Petporee)

Chief Financial Officer

Clover Power Public Company Limited

**Management's Discussion and Analysis for the three-month period ended 31 March 2022 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 March 31, 2022, 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.

In March 2022, the Company entered in to share purchase agreement in share capital of Rungtiva Biomass Co., Ltd. with a company and received cash in advance of Baht 64.75 million.

(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.

On March 24, 2022, the company has established the LB Modular Corporate Company Limited by holding 70%, which operates in Supply and trade machinery and equipment.

(3) Sale of goods and other's Business

The company operates in the business of trading Biomass Fuel to power customer both domestic and oversea, operating under CVR, a wholly-owned subsidiary holding 100% shares and 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 CVO, 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) Sale of goods and other's 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 three-month period ended March 31, 2021 and 2022, the company's total revenue was 366.10 million Baht, and 620.07 million Baht are as follow;

Revenue from the sale of electricity for the three-month period ended March 31, 2021, and 2022 were 139.92 million Baht and 150.50 million Baht respectively, increased by 10.58 million Baht representing a 7.56% was mainly because on 4 November 2021, The Company had acquisition in Cogeneration power plant. For the three-month period ended March 31, 2021, and 2022 the company has 4 and 5 renewable energy power plants that have been in commercial operation respectively.

Revenue from engineering procurement and construction for the three-month period ended March 31, 2021, and 2022 were 213.87 million Baht and 370.13 million Baht respectively, increased by 156.26 million Baht representing a 73.06% was mainly because the company has general building and infrastructure construction which is a continuation project from the end of 2021, there was the result in an increase in revenue from engineering procurement and construction.

Revenue from sale of goods for the three-month period ended March 31, 2022, was 90.31 million Baht increased by 90.31 million Baht representing a 100% because of a new business in quarterly 1/2022 and trading Biomass Fuel to power customer both domestic and oversea.

Revenue Structure	For the three-month period ended			
	31 March 2021		31 March 2022	
	Million Baht	%	Million Baht	%
Revenue from sale of electricity	139.92	38.22	150.50	24.27
Biomass power plant	113.75	31.07	124.64	20.10
RDF power plant	26.17	7.15	25.86	4.17
Revenue from sale of machinery and rendering construction engineering services	213.87	58.42	370.13	59.69
Machinery	158.87	43.40	134.20	21.64
Rendering construction engineering service	55.00	15.02	235.93	38.05
Revenue from sales	-	-	90.31	14.56
Sale fuel	-	-	90.31	14.56
Revenue from rendering service	4.27	1.17	3.17	0.51
Rendering services	4.27	1.17	3.17	0.51
Revenue from Operation	358.06	97.80	614.11	99.04
Other Revenue <sup>1</sup>	8.04	2.20	5.96	0.96
<b>Total Revenue</b>	<b>366.10</b>	<b>100.00</b>	<b>620.07</b>	<b>100.00</b>

Note: <sup>1</sup>Other Revenue such as revenue from rental/service, interest income, gain/loss on exchange rate, etc

## 2.2 In handover Contract

As at 31 March 2022, the Company's has in handover contract, that is expected to be recognized in the total amount 1,828.60 million Baht are as follow:

Project	In handover contract (million Baht)
1. Project Power Plant	131.94
2. Project General Construction	1,683.80
3. Project Conservation	6.00
4. Project Modular	6.86
<b>Total</b>	<b>1,828.60</b>

## 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 three-month period ended March 31, 2021, and 2022, the company's cost of sales and services were 296.92 million Baht and 517.49 million Baht, respectively, which were equivalent to the gross profit margin 17.08% and 15.73%.

Gross profit from the sale of electricity for the three-month period ended March 31, 2021, and 2022 was 35.39 million Baht (Gross profit margin representing 25.29%) and 31.13 million Baht (Gross profit margin representing 20.68%), respectively, decreased in gross profit by 4.26 million Baht representing a 12.04% was

mainly Because in the first quarter of 2022, the cost of fuels and chemicals has increased. As a result, the gross profit compared to the first quarter of 2021 decreased.

Gross profit from engineering procurement and construction for the three-month period ended March 31, 2021, and 2022 were 25.24 million Baht (Gross profit margin representing 11.80%) and 50.37 million Baht (Gross profit margin representing 13.61%) respectively, increased gross profit by 25.13 million Baht representing a 99.56% was mainly because the revenue from engineering procurement and construction increased representing a 73.06%. However, the gross profit margin increases from 11.80% to 13.61% because general building and infrastructure construction, which is a continuation project from the end of 2021, that higher than gross profit margins in the year 2020.

However, for the three-month period ended March 31, 2022, The decrease in gross profit margin was mainly due to the reduce in revenue from generation and distribution of electricity, and engineering procurement and construction were lower than that of cost of sales and services.

For the three-month period ended March 31, 2021, and 2022, the company's cost of sales and services are as follow:

Cost of Sales and Services	For the three-month period ended March 31, 2021		For the three-month period ended March 31, 2022	
	Million Baht	Gross Profit (%)	Million Baht	Gross Profit (%)
Cost of sale of electricity	104.53	25.29	119.37	20.68
Cost of sale of machinery and rendering construction engineering services	188.63	11.80	319.76	13.61
Cost of rendering services	3.76	11.94	2.74	13.29
Cost of sale	-	-	75.62	16.27
<b>Total Cost of Sales and Services</b>	<b>296.92</b>	<b>17.08</b>	<b>519.49</b>	<b>15.73</b>

## 2.4 Selling and Administrative Expenses

For the three-month period ended March 31, 2021, and 2022, the company had selling and administrative expenses of 72.63 million Baht and 31.42 million Baht, respectively, or equivalent to 11.71% and 8.58% of the total revenues, respectively. The increase in employee-related expenses by 5.93 million Baht was mainly due to the company has recruiting more employee for support business expansion in the year 2022. Service and contracting expenses were increased by 7.58 million Baht were mainly because of the professional fee for investing in the wood pallet factory project and the service fees for the construction of the power plants of the Company. Distribution Costs were increased by 26.51 million Baht were mainly because the cost of distribution of new business groups that occur in the year 2022, as shown in the table below.

Selling and Administrative Expenses	For the three-month period ended March 31, 2021		For the three-month period ended March 31, 2022	
	Million Baht	(%)	Million Baht	(%)
Employee-related expenses	14.77	47.01	20.70	28.50
Fee and other charges <sup>1</sup>	3.86	12.29	2.63	3.62
Service and contracting expenses <sup>2</sup>	0.95	3.02	8.52	11.73
Advisor fee and director remuneration	6.09	19.38	6.19	8.52
Depreciation and Amortization	1.50	4.77	1.80	2.48
Distribution Costs	-	-	26.51	36.50
Other expenses <sup>3</sup>	4.25	13.53	6.28	8.65
<b>Total</b>	<b>31.42</b>	<b>100.00</b>	<b>72.63</b>	<b>100.00</b>

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 expenses for the implementation of the power plant construction project , security expenses, professional fee for the projects 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 three-month period end of 2022 and 2021 were 14.65 million Baht and 26.38 million Baht, respectively, with net profit margins of 2.36% and 7.21%, respectively.

For the three-month period ended March 31, 2022, the company's net profits declined by 11.73 million Baht, representing a 44.47% decrease compared with the same period in 2021, Mainly because the new business group has distribution costs in the period amount 26.51 million baht.

Profit attributable to owners of the parent for the three-month period ended March 31, 2021, and 2022 were 14.97 million Baht and 26.42 million Baht respectively, Decreased by 11.45 million Baht representing a 43.34%.

## 3. Financial Position

### 3.1 Assets

As of 31 March 2022, the company's total assets were 3,520.73 million Baht. The main assets consist of property, plant, and equipment of 1,331.52 million Baht, trade and other receivables of 1,690.08 million Baht, and Right to produce and sell of electricity of 86.84 million Baht, which were equivalent to 37.82%, 48.00%, and 2.47% as a percentage of total assets, respectively. The increase in the total asset by 208.41 million Baht representing 6.29% mainly due to trade and other receivables, has increased 273.99 million Baht from engineering procurement and construction that have recognized revenue and has unbilled receivables.

### 3.2 Liabilities

As of 31 March 2022, the company's total liabilities were Baht 1,546.62 million. The main liabilities consist of trade and other payables and loan from financial institutions, which were equivalent to 42.19% and 41.20% as a percentage of total liability, respectively.

### 3.3 Shareholders' equity

As of 31 March 2022, the shareholders' equity of the company was 1,974.11 million Baht, which increased by 16.77 million Baht, representing 0.86% from the end of 2021, mainly because the annual performance in quarterly 1/2022.

### 3.4 Statement of cash flow

For the three-month period ended 31 March 2022, the company had cash and cash equivalents at the beginning of 193.29 million Baht. Net cash used in operating activities was (110.19) million Baht, mainly due to profit before tax and loss on changes in working capital of 44.19 million Baht, a decrease in changes in working capital of (154.38) million Baht, which was mainly from Trade and other current receivables increase (272.69) million Baht from unbilled contract revenues-other companies and trade and other payable increases 131.30 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 2022 In addition, net cash used in investing activities was (4.74) million Baht. As a result, the company had cash and cash equivalents at the end of 114.30 million Baht.

Items	Consolidated financial statements For the three-month period ended	
	31 March 2021	31 March 2022
Net cash from (used in) operating activities	111.46	(110.19)
Net cash from (used in) investing activities	(35.58)	33.83
Net cash from (used in) financing activities	(100.67)	(4.74)
An effect from the foreign exchange rate in cash and cash equivalents and effects from translation differences on financial statements	0.77	2.11
Cash and cash equivalent as at January 1,	37.29	193.29
Cash and cash equivalent as at December 31,	13.27	114.30

#### 4. Key Financial Ratios

Items	Consolidated Financial Statement	
	As at December 31, 2021	As at March 31, 2022
Current Ratio (times)	1.88	1.88
Gross Profit Margin (%)	19.10	12.26
Net Profit Margin (%)	8.64	2.36
Return on Equity (ROE) (%)	11.78	11.85
Debt to Equity ratio (times)	0.69	0.78

note : <sup>1</sup>The 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.