



Date 24 February 2023

Subject : Management's Discussion and Analysis of the Financial Statements for
the year ended 2022

To : Managing Director of The Stock Exchange of Thailand

Enclosure

: Management's Discussion and Analysis of the Financial Statements for the year ended 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 year ended 2022 to the Stock Exchange of Thailand.

The operating result of the company for the year ended 2022, had a net profit totaling 12.78 million
Baht. Please see further details in the Management's Discussion and Analysis of the financial statements for the
year ended 2022 as attached.

Yours faithfully,

(Mr. Teeraphat Petporee)

Chief Financial Officer

Clover Power Public Company Limited

Management's Discussion and Analysis for the year ended 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 and biogas. As of December 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 operating under CPX, and 1 Cogeneration power plant under SPP respectively.

In March 2022, the Company has entered into the share purchase agreement to sell all ordinary shares held in Rungtiva Biomass Co., Ltd. with a company. The Company received the whole amount of share capital and completely transferred right in share capital to buyer in June 2022 and received payment for the shares in full amount.

(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 designing service to supply machinery and equipment for construction (Engineering Procurement and Construction: EPC) to powerplants of the company and customers which is operating under SBC and SBE, a directly hold 100% and indirectly hold 100% ,respectively.

On March 24, 2022, the company has established the LB Modular Corporation Company Limited by holding 70%, which operates in building construction and general infrastructure.

(3) Fuel Supply

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.

In July 2022, a subsidiary has entered into the share purchase agreement of DKC Energy Joint Stock Company (DKC) which produce a wood pallet in Vietnam with shares holding portion at 60%, the group company is expected to start recognizing DKC's performance in August 2022.

(4) Others Business

The company has an Operation and Maintenance: O&M business for power plant customers. Focusing on operate and maintenance services for power plants in the renewable energy group, operating under CVO, a 100% holds. The company has a team of engineers and experts who have experiences 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 supply Business.

2.1 Revenues

In the year ended of 2022, the company and its subsidiaries reported revenue in an amount of 1,967.21 million Baht increased by 231.34 million Baht or 13.33% when compare the year ended of 2021 which had total revenue in amount of 1,735.87 million Baht as follows.

Revenue from the sale of electricity for the year ended 2022, and 2021 were 553.74 million Baht and 538.01 million Baht respectively, increased by 15.73 million Baht representing a 2.92% mainly from the power plants in the group are operating more efficiently when compared the year ended of 2021.

Revenue from engineering procurement and construction for the year ended 2022, and 2021 were 1,235.97 million Baht and 1,169.74 million Baht respectively, increased by 66.23 million Baht representing a 5.66% mainly from the general building and infrastructure construction which is a continuation project from the end of 2021, there was the results in an increasing in revenue from engineering procurement and construction.

Revenue from fuel supply for the year ended 2022, was 131.22 million Baht increased by 131.22 million Baht representing a 100% mainly from a new business in quarterly 1/2022 and trading Biomass Fuel to power customer both domestic and overseas.

Other Revenues for year ended 2022, and 2021 were 41.36 million Baht and 14.26 million Baht respectively, increased by 27.10 million Baht representing a 190.04% was mainly because the company has profit from sale of investment in an associated company with full payment of shares.

Revenue Structure	For the year ended			
	31 December 2021		31 December 2022	
	Million Baht	%	Million Baht	%
Revenue from sale of electricity	538.01	30.99	553.74	28.15
Biomass power plant	421.05	24.26	446.30	22.69
RDF power plant	103.99	5.99	99.14	5.04
Co-gen power plant	12.97	0.74	8.30	0.42
Revenue from sale of machinery and rendering construction engineering services	1,169.74	67.39	1,235.97	62.83
Sale on machinery and equipment	610.49	35.17	469.00	23.84
Rendering construction engineering service	559.25	32.22	766.97	38.99
Revenue from sales	0.74	0.04	131.22	6.67
Sale fuel	0.74	0.04	131.22	6.67
Revenue from rendering service	13.12	0.76	4.92	0.25
Rendering services	13.12	0.76	4.92	0.25
Revenue from Operation	1,721.61	99.18	1,925.85	97.90
Other Revenue ¹	14.26	0.82	41.36	2.10
Total Revenue	1,735.87	100.00	1,967.21	100.00

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

2.2 In handover Contract

As at 31 December 2022, the Company's has in handover contract, that is expected to be recognized in the total amount 1,983.70 million Baht are as follow:

Project	In handover contract (million Baht)
1. Project General Construction	1,802.03
2. Project Power Plant	133.01
3. Project Modular	48.66
Total	1,983.70

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 2022, and 2021, the company's cost of sales and services were 1,656.70 million Baht and 1,393.69 million Baht, respectively, which were equivalent to the gross profit margin 13.98% and 19.10%.

Gross profit from the sale of electricity for the year ended 2022, and 2021 was 97.02 million Baht (Gross profit margin representing 17.52%) and 115.77 million Baht (Gross profit margin representing 21.52%), respectively, decreased in gross profit by 18.75 million Baht representing a 16.20% mainly from the cost of fuels and chemicals has increased in 2022 especially cost of natural gas. As a result, the gross profit compared to the 2021 were decreased.

Gross profit from engineering procurement and construction for the year ended 2022, and 2021 were 157.40 million Baht (Gross profit margin representing 12.73%) and 210.20 million Baht (Gross profit margin representing 17.97%), respectively, decreased gross profit by 52.80 million Baht representing a 25.12% mainly from the revenue from engineering procurement and construction increased from the new project but General Construction gross margins are likely to decline due to higher construction costs and lower gross margins of new projects compared to 2021.

For the year ended 2022 and 2021, the company's cost of sales and services are as follows:

Cost of Sales and Services	For the year ended December 31, 2021		For the year ended December 31, 2022	
	Million Baht	Gross Profit (%)	Million Baht	Gross Profit (%)
Cost of sale of electricity	422.24	21.52	456.72	17.52
Cost of sale of machinery and rendering construction engineering services	959.54	17.97	1,078.57	12.73
Cost of rendering services	10.99	16.23	4.00	18.70
Cost of sale	0.92	(24.43)	117.41	10.52
Total Cost of Sales and Services	1,393.69	19.05	1,656.70	13.98

2.4 Selling and Administrative Expenses

For the year ended 2022, and 2021, the company had selling and administrative expenses of 229.11 million Baht and 138.45 million Baht, respectively, or equivalent to 11.65% and 7.98% of the total revenues, respectively. The increase in employee-related expenses by 27.83 million Baht was mainly due to the company has recruiting more employee for support business expansion in the year 2022. Advisor fee were increased by 4.69 million Baht mainly from the professional fee for investing in the wood pallet factory project. Distribution Costs were increased by 28.63 million Baht mainly from the cost of distribution of new business group that occurs in the year of 2022, Including unrealized loss from exchange rate of 19.00 million baht as shown in the table below.

Selling and Administrative Expenses	For the year ended December 31, 2021		For the year ended December 31, 20212	
	Million Baht	(%)	Million Baht	(%)
Employee-related expenses	64.09	46.29	91.92	40.12
Fee and other charges ¹	12.41	8.96	11.53	5.03
Advisor fee ²	31.42	22.70	41.09	17.93
Depreciation and Amortization	6.13	4.43	9.04	3.95
Distribution Costs	-	-	28.63	12.50
Other expenses ³	24.40	17.62	46.90	20.47
Total	138.45	100.00	229.11	100.00

note:

- ¹ Fee and other charges mainly consist of a local enterprise's fund subsidy, financial institutions' fee, tax fee, etc.
- ² Advisor fee mainly expenses for the implementation of the power plant construction project and 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 profit for the year ended of 2022 and 2021 were 12.78 million Baht and 150.05 million Baht, respectively, with net profit margins of 0.65% and 8.64%, respectively.

For the year ended 2022, the company's net profit were declined by 137.27 million Baht, representing a 91.48% decrease compared with the same period in 2021

Profit attributable to owners of the parent for year ended 2022, and 2021 were 23.28 million Baht and 147.17 million Baht respectively, Decreased by 123.89 million Baht representing a 84.18%.

3. Financial Position

3.1 Assets

As of 31 December 2022, the company's total assets were 4,447.07 million Baht. The main assets consist of property, plant, and equipment of 1,585.91 million Baht, Contract assets 1,726.81 million Baht, trade and other receivables of 480.93 million Baht, Goodwill 95.16 million Baht, and Right to produce and sell of electricity of 83.16 million Baht, which were equivalent to 35.66%, 38.83%, 10.81%, 2.14 and 1.87% as a percentage of total assets, respectively. The increase in the total assets by 1,134.75 million Baht representing 34.26% mainly due to Contract assets, has increased 829.70 million Baht from engineering procurement and construction that have recognized revenue and has unbilled receivables and property, plant, and equipment increased 240.78 million Baht from acquisition DKC

3.2 Liabilities

As of 31 December 2022, the company's total liabilities were Baht 2,426.59 million. The main liabilities consist of trade and other payables, Debenture and loan from financial institutions, which were equivalent to 23.61%, 18.40 and 53.85% as a percentage of total liability, respectively.

3.3 Shareholders' equity

As of 31 December 2022, the shareholders' equity of the company was 2,020.48 million Baht, which increasing by 63.14 million Baht, representing 3.23% from the end of 2021, mainly from the annual performance and acquire the subsidiary in foreign.

3.4 Statement of cash flow

For the year ended 2022, the company had cash and cash equivalents at the beginning of the period of 193.29 million Baht. Net cash used in operating activities was (644.14) million Baht, mainly resulted from profit before tax and loss on changes in working capital of 141.10 million Baht and the decrease in changes in working capital of (785.24) million Baht, which was mainly from Contract assets increase (829.70) million Baht from unbilled contract revenues-other companies and trade and other payable increases 109.69 million Baht from engineering procurement and construction that have recognized revenue and has unbilled receivables. In addition, net cash from investing activities was (230.76) million Baht and net cash from financing activities was 739.39 million Baht. As a result, the company had cash and cash equivalents at the end of the period was 55.08 million Baht.

Details of cash flow by activities are as follows :

Items	Consolidated financial statements For the year ended	
	31 December 2021	31 December 2022
Net cash from (used in) operating activities	(349.61)	(644.14)
Net cash from (used in) investing activities	(231.17)	(230.76)
Net cash from (used in) financing activities	735.97	739.39
An effect from the foreign exchange rate in cash and cash equivalents and effects from translation differences on financial statements	0.81	(2.7)
Cash and cash equivalent as at January 1,	37.29	193.29
Cash and cash equivalent as at December 31,	193.29	55.08

4. Key Financial Ratios

Items	Consolidated Financial Statement	
	As at December 31, 2021	As at December 31, 2022
Current Ratio (times)	1.88	1.81
Gross Profit Margin (%)	19.10	13.98
Net Profit Margin (%)	8.64	0.65
Return on Equity (ROE) (%)	7.67	0.63
Debt to Equity ratio (times)	0.69	1.20