



Date 12 May 2023

Subject : Management's Discussion and Analysis of the Financial Statements for
the three-month period ended March 31, 2023

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
March 31, 2023, 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 March 31, 2023 to the Stock Exchange of Thailand.

The operating result of the company for the three-month period ended March 31, 2023 had a net profit totaling 50.61 million Baht. Please see further details in the Management's Discussion and Analysis of the financial statements for the three-month period ended March 31, 2023 as attached.

Yours faithfully,

A handwritten signature in blue ink, appearing to read "Teeraphat Petporee".

(Mr. Teeraphat Petporee)

Chief Financial Officer

Clover Power Public Company Limited

Management's Discussion and Analysis for the three-month period ended 31 March 2023 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 March 31, 2023, the company has 4 renewable energy power plants that have been in commercial operation with an installed capacity totaling 23.66 megawatts. Consisting of 2 biomass powerplants operating under CV and CPL and 1 waste to energy power plant operating under CPX, and 1 Cogeneration power plant under SPP respectively.

(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 SBE and LBM, a directly hold 100% and indirectly hold 100% and 70%, respectively.

(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 and DKC which produce a wood pallet in Vietnam with shares holding portion at 60% .

(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

For the three-month period ended March 31, 2023, the company and its subsidiaries reported revenue in an amount of 291.57 million Baht decreased by 328.50 million Baht or 52.98% when compare the three-month period end March 31, 2023, which had total revenue in amount of 620.07 million Baht as follows.

Revenue from the sale of electricity for the three-month period ended March 31, 2023, and 2022, were 136.98 million Baht and 150.50 million Baht respectively, decreased by 13.52 million Baht representing a 8.98% mainly from the number of operation plant in the group has decreased 1 plant.

Revenue from engineering procurement and construction for the three-month period ended 31 March 2023, and 2022 were 153.04 million Baht and 370.13 million Baht respectively, decreased by 217.09 million Baht representing a 58.65% mainly from the general building and infrastructure construction which is a continuation project from the end of 2022, there was the results in an increasing in revenue from engineering procurement and construction.

Revenue from fuel supply for the three-month period end March 31, 2023, Decreased by 90.31 million Baht representing a 100% Because in the First Quarter of 2023 there was no sale.

Other Revenues for the three-month period end March 31, 2023, and 2022, were 1.55 million Baht and 5.96 million Baht respectively, decreased by 4.41 million Baht representing a 74.00% was mainly because decreased in unrealized gain from exchange rate 4.89 million Baht.

Revenue Structure	For the three-month period ended			
	31 March 2022		31 March 2023	
	Million Baht	%	Million Baht	%
Revenue from sale of electricity	150.50	24.27	136.98	46.98
Biomass power plant	116.67	18.82	113.24	38.84
RDF power plant	25.86	4.17	23.74	8.14
Cogeneration power plant	7.97	1.28	-	-
Revenue from sale of machinery and rendering construction engineering services	370.13	59.70	153.04	52.49
Sale on machinery and equipment	134.20	21.65	98.58	33.81
Rendering construction engineering service	235.93	38.05	54.46	18.68
Revenue from sales	90.31	14.56	-	-
Sale fuel	90.31	14.56	-	-
Revenue from rendering service	3.17	0.51	-	-
Rendering services	3.17	0.51	-	-
Revenue from Operation	614.11	99.04	290.02	99.47
Other Revenue ¹	5.96	0.96	1.55	0.53
Total Revenue	620.07	100.00	291.57	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 March 2023, the Company's has in handover contract, that is expected to be recognized in the total amount 1,777.03 million Baht are as follow:

Project	In handover contract (million Baht)
1. Project General Construction	1,693.10
2. Project Power Plant	62.53
3. Project Modular	21.40
Total	1,777.03

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, 2023, and 2022, the company's cost of sales and services were 242.14 million Baht and 517.48 million Baht, respectively, which were equivalent to the gross profit margin 16.51% and 15.73%.

Gross profit from the sale of electricity for the three-month period ended March 31, 2023, and 2022 was 28.03 million Baht (Gross profit margin representing 20.46%) and 31.13 million Baht (Gross profit margin

representing 20.69%), respectively, decreased in gross profit by 3.10 million Baht representing a 9.96% mainly from the cost of fuels and chemicals has increased in 2023 especially cost of natural gas. As a result, the gross profit compared to the 2022 were decreased.

Gross profit from engineering procurement and construction for the three-month period ended March 31, 2023, and 2022, were 19.84 million Baht (Gross profit margin representing 12.97%) and 50.36 million Baht (Gross profit margin representing 13.61%), respectively, decreased gross profit by 30.52 million Baht representing a 60.59% mainly from the revenue from engineering procurement and construction decreased representing a 58.65% compared to 2022 but General Construction gross margins are closed to 2022.

For the three-month period ended March 31, 2023 and 2022, the company's cost of sales and services are as follows:

Cost of Sales and Services	For the three-month period ended March 31, 2022		For the three-month period ended March 31, 2023	
	Million Baht	Gross Profit (%)	Million Baht	Gross Profit (%)
Cost of sale of electricity	119.37	20.69	108.95	20.46
Cost of sale of machinery and rendering construction engineering services	319.76	13.61	133.19	12.97
Cost of rendering services	2.75	13.25	-	-
Cost of sale	75.62	16.27	-	-
Total Cost of Sales and Services	517.50	15.73	242.14	16.51

2.4 Selling and Administrative Expenses

For the three-month period ended March 31, 2023, and 2022, the company had selling and administrative expenses of 71.16 million Baht and 72.63 million Baht, respectively, or equivalent to 24.41% and 11.72% of the total revenues, respectively. The increase in employee-related expenses by 6.53 million Baht was mainly due to the company has recruiting more employee for support business expansion in the year 2023. Advisor fee were decreased by 7.23 million Baht mainly from the consulting fee for investing business . Distribution Costs were decreased by 26.51 million Baht mainly from the cost of distribution of fuel business group that occurs in the year of 2022 and Other expenses increased 25.19 million Baht mainly from unrealized loss for exchange rate 7.54 million Baht and NRV 17.10 million Baht, as shown in the table below.

Selling and Administrative Expenses	For the three-month period ended March 31, 2022		For the three-month period ended March 31, 2023	
	Million Baht	(%)	Million Baht	(%)
Employee-related expenses	20.70	28.50	27.21	38.24
Fee and other charges ¹	2.63	3.62	2.31	3.25
Advisor fee ²	14.71	20.25	7.48	10.51
Depreciation and Amortization	1.80	2.48	2.68	3.77
Distribution Costs	26.51	36.50	0.01	0.01
Other expenses ³	6.28	8.65	31.47	44.22
Total	72.63	100.00	71.16	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(loss) for the three-month period end March 31, 2023, and 2022, were (50.61) million Baht and 14.65 million Baht, respectively, with net profit(loss) margins of (17.36)% and 2.36%, respectively.

For the three-month period ended March 31, 2023, the company's net profit were declined by 65.26 million Baht, representing a 445.54% decrease compared with the same period in 2022

Profit(loss) attributable to owners of the parent for the three-month period ended March 31, 2023, and 2022 were (43.39) million Baht and 14.96 million Baht respectively, Decreased by 58.36 million Baht representing a 389.78%.

3. Financial Position

3.1 Assets

As of 31 March 2023, the company's total assets were 4,760.15 million Baht. The main assets consist of property, plant, and equipment of 1,624.61 million Baht, Contract assets 1,737.70 million Baht, trade and other receivables of 604.86 million Baht, Inventory 109.57 million Baht, Goodwill 95.16 million Baht, and Right to produce and sell of electricity of 81.94 million Baht, which were equivalent to 34.13%, 36.51%, 12.71%, 2.30%, 2.00% and 1.72% as a percentage of total assets, respectively. The increase in the total assets by 313.08 million Baht representing 7.04% mainly due to Account and other receivable and Contract assets, has increased

134.82 million Baht from engineering procurement and construction that have recognized revenue and has unbilled receivables and property, plant, and Inventory increased 49.61 million Baht from fuel business.

3.2 Liabilities

As of 31 March 2023, the company's total liabilities were Baht 2,793.33 million. The main liabilities consist of trade and other payables, Debenture and loan from financial institutions, which were equivalent to 23.38%, 26.60 and 46.33% as a percentage of total liability, respectively.

3.3 Shareholders' equity

As of 31 March 2023, the shareholders' equity of the company was 1,966.83 million Baht, which decreasing by 53.65 million Baht, representing 2.66% from the end of 2022, mainly from the annual performance in quarterly 1/2023.

3.4 Statement of cash flow

For the three-month period ended 31 March 2023, the company had cash and cash equivalents at the beginning of the period of 55.08 million Baht. Net cash used in operating activities was (40.24) million Baht, mainly resulted from profit before tax and loss on changes in working capital of 24.14 million Baht and the decrease in changes in working capital of (64.38) million Baht, which was mainly from Trade and other receivable increase (125.61) million Baht and trade and other payable increases 110.82 million Baht from engineering procurement and construction that have recognized revenue and has unbilled receivables. In addition, net cash from investing activities was (66.71) million Baht and net cash from financing activities was 224.26 million Baht. As a result, the company had cash and cash equivalents at the end of the period was 172.13 million Baht.

Details of cash flow by activities are as follows :

Items	Consolidated financial statements For the three-month period ended	
	31 March 2022	31 March 2023
Net cash from (used in) operating activities	(110.19)	(40.24)
Net cash from (used in) investing activities	33.83	(66.71)
Net cash from (used in) financing activities	(4.75)	224.26
An effect from the foreign exchange rate in cash and cash equivalents and effects from translation differences on financial statements	2.11	(0.26)
Cash and cash equivalent as at January 1,	193.29	55.08
Cash and cash equivalent as at March 31,	114.29	172.13

4. Key Financial Ratios

Items	Consolidated Financial Statement	
	As at December 31, 2022	As at March 31, 2023
Current Ratio (times)	1.81	2.01
Gross Profit Margin (%)	13.98	16.51
Net Profit Margin (%)	0.65	(17.36)
Return on Equity (ROE) (%)	0.63	N/A
Debt to Equity ratio (times)	1.20	1.42