



Date 15 August 2023

Subject : Management's Discussion and Analysis of the Financial Statements for
the six-month period ended June 30, 2023

To : Managing Director of The Stock Exchange of Thailand

Enclosure

: Management's Discussion and Analysis of the Financial Statements for the six-month period ended
June 30, 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 six-month period ended June 30, 2023 to the Stock Exchange of Thailand.

The operating result of the company for the six-month period ended June 30, 2023 had a net loss
totaling 106.18 million Baht. Please see further details in the Management's Discussion and Analysis of the
financial statements for the six-month period ended June 30, 2023 as attached.

Yours faithfully,

(Mr. Saithsiri Saksitthisereekul)

Chief Executive Officer

Clover Power Public Company Limited

Management's Discussion and Analysis for the six-month period ended 30 June 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 June 30, 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 six-month period ended June 30, 2023, the company and its subsidiaries reported revenue in an amount of 549.31 million Baht decreased by 433.85 million Baht or 44.13% when compare the six-month period end June 30, 2022, which had total revenue in amount of 983.16 million Baht as follows.

Revenue from the sale of electricity for the six-month period ended June 30, 2023, and 2022, were 278.67 million Baht and 274.31 million Baht respectively, increased by 4.36 million Baht representing a 1.59% mainly due to more efficient operation.

Revenue from engineering procurement and construction for the six-month period ended 30 June 2023, and 2022 were 263.96 million Baht and 574.00 million Baht respectively, decreased by 310.04 million Baht representing a 54.01% 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 six-month period end June 30, 2023 and 2022 were 1.91 million Baht and 90.45 million Baht respectively, Decreased by 88.54 million Baht representing a 97.88% Because in the Second Quarter of 2023 there was still no production sale in wood pellet.

Other Revenues for the six-month period end June 30, 2023, and 2022, were 4.77 million Baht and 39.58 million Baht respectively, decreased by 34.80 million Baht representing a 87.95% was mainly because in the Second Quarter of 2022 the company has profit from sale of investment in an associated company with full payment of shares.

Revenue Structure	For the six-month period ended			
	30 June 2022		30 June 2023	
	Million Baht	%	Million Baht	%
Revenue from sale of electricity	274.31	27.90	278.67	50.73
Biomass power plant	213.45	21.71	227.73	41.46
RDF power plant	52.69	5.36	45.58	8.30
Cogeneration power plant	8.17	0.83	5.36	0.97
Revenue from sale of machinery and rendering construction engineering services	574.00	58.38	263.96	48.06
Sale on machinery and equipment	205.97	20.95	177.73	32.36
Rendering construction engineering service	368.03	37.43	86.23	15.70
Revenue from sales	90.45	9.20	1.91	0.34
Sale fuel	90.45	9.20	1.91	0.34
Revenue from rendering service	4.82	0.49	-	-
Rendering services	4.82	0.49	-	-
Revenue from Operation	943.58	95.97	544.55	99.13
Other Revenue ¹	39.58	4.03	4.77	0.87
Total Revenue	983.16	100.00	549.31	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 30 June 2023, the Company's has in handover contract, that is expected to be recognized in the total amount 1,717.19 million Baht are as follow:

Project	In handover contract (million Baht)
1. Project General Construction	1,616.05
2. Project Power Plant	98.72
3. Project Modular	2.42
Total	1,717.19

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 six-month period ended June 30, 2023, and 2022, the company's cost of sales and services were 456.63 million Baht and 798.55 million Baht, respectively, which were equivalent to the gross profit margin 16.14% and 15.37%.

Gross profit from the sale of electricity for the six-month period ended June 30, 2023, and 2022 was 56.09 million Baht (Gross profit margin representing 20.13%) and 51.45 million Baht (Gross profit margin representing 18.76%), respectively, increased in gross profit by 4.65 million Baht representing a 9.03% mainly due to more efficient operation.

Gross profit from engineering procurement and construction for the six-month period ended June 30, 2023, and 2022, were 34.47 million Baht (Gross profit margin representing 13.06%) and 78.06 million Baht (Gross profit margin representing 13.60%), respectively, decreased gross profit by 43.59 million Baht representing a 55.84% mainly from the revenue from engineering procurement and construction decreased representing a 54.01% compared to 2022 but General Construction gross margins are closed to 2022.

For the six-month period ended June 30, 2023 and 2022, the company's cost of sales and services are as follows:

Cost of Sales and Services	For the six-month period ended June 30, 2022		For the six-month period ended June 30, 2023	
	Million Baht	Gross Profit (%)	Million Baht	Gross Profit (%)
Cost of sale of electricity	222.86	18.76	222.58	20.13
Cost of sale of machinery and rendering construction engineering services	495.94	13.60	229.48	13.06
Cost of rendering services	4.00	16.89	-	-
Cost of sale	75.75	16.26	4.57	(138.53)
Total Cost of Sales and Services	798.55	15.37	456.63	16.14

2.4 Selling and Administrative Expenses

For the six-month period ended June 30, 2023, and 2022, the company had selling and administrative expenses of 137.93 million Baht and 118.50 million Baht, respectively, or equivalent to 25.11% and 12.05% of the total revenues, respectively. The increase in employee-related expenses by 9.52 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 7.67 million Baht mainly from the consulting fee for investing business . Distribution Costs were decreased by 26.37 million Baht mainly from the cost of distribution of fuel business group that occurs in the year of 2022 and Other expenses increased 43.67 million Baht mainly from unrealized loss for exchange rate 1.85 million Baht and NRV 35.31 million Baht, as shown in the table below.

Selling and Administrative Expenses	For the six-month period ended June 30, 2022		For the six-month period ended June 30, 2023	
	Million Baht	(%)	Million Baht	(%)
Employee-related expenses	42.86	36.17	52.38	37.97
Fee and other charges ¹	6.58	5.55	5.24	3.80
Advisor fee ²	23.90	20.17	16.23	11.77
Depreciation and Amortization	3.79	3.20	5.40	3.92
Distribution Costs	26.51	22.37	0.14	0.10
Other expenses ³	14.87	12.54	58.54	42.44
Total	118.51	100.00	137.93	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 six-month period end June 30, 2023, and 2022, were (106.18) million Baht and 35.00 million Baht, respectively, with net profit(loss) margins of (19.33)% and 3.56%, respectively.

For the six-month period ended June 30, 2023, the company's net profit were declined by 141.19 million Baht, representing a 403.30% decrease compared with the same period in 2022

Profit(loss) attributable to owners of the parent for the six-month period ended June 30, 2023, and 2022 were (89.54) million Baht and 34.80 million Baht respectively, Decreased by 124.34 million Baht representing a 357.31%.

3. Financial Position

3.1 Assets

As of 30 June 2023, the company's total assets were 4,656.91 million Baht. The main assets consist of contract assets 1,626.26 million Baht, property, plant, and equipment of 1,616.16 million Baht, trade and other receivables of 579.91 million Baht, Advanced payment for investments 247.49 million Baht, Inventory 96.62 million Baht, Goodwill 95.16 million Baht, and Right to produce and sell of electricity of 80.71 million Baht, which were equivalent to 34.92%, 34.70%, 12.45%, 5.31%, 2.07%, 2.04% and 1.73% as a percentage of total assets, respectively. The increase in the total assets by 209.83 million Baht representing 4.51% mainly due to Advanced payment for investments, has increased 237.49 million Baht and Inventory increased 36.66 million Baht from fuel business.

3.2 Liabilities

As of 30 June 2023, the company's total liabilities were Baht 2,742.61 million. The main liabilities consist of trade and other payables, Debenture and loan from financial institutions, which were equivalent to 19.51%, 31.83 and 44.91% as a percentage of total liability, respectively.

3.3 Shareholders' equity

As of 30 June 2023, the shareholders' equity of the company was 1,914.29 million Baht, which decreasing by 106.18 million Baht, representing 5.26% from the end of 2022, mainly from the annual performance in quarterly 2/2023.

3.4 Statement of cash flow

For the six-month period ended 30 June 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 26.11 million Baht, mainly resulted from profit before tax and loss on changes in working capital of 50.93 million Baht and the decrease in changes in working capital of (24.81) million Baht, which was mainly from inventory increase (71.97) million Baht, Construction in progress decrease 49.25 million Baht and trade and other payable decreases (11.53) million Baht. In addition, net cash from investing activities was (309.68) million Baht and net cash from financing activities was 254.47 million Baht. As a result, the company had cash and cash equivalents at the end of the period was 20.11 million Baht.

Details of cash flow by activities are as follows :

Items	Consolidated financial statements For the six-month period ended	
	30 June 2022	30 June 2023
Net cash from (used in) operating activities	(86.63)	26.11
Net cash from (used in) investing activities	47.66	(309.68)
Net cash from (used in) financing activities	161.15	254.47
An effect from the foreign exchange rate in cash and cash equivalents and effects from translation differences on financial statements	0.23	(5.87)
Cash and cash equivalent as at January 1,	193.29	55.08
Cash and cash equivalent as at June 30,	315.70	20.11

4. Key Financial Ratios

Items	Consolidated Financial Statement	
	As at December 31, 2022	As at June 30, 2023
Current Ratio (times)	1.81	1.97
Gross Profit Margin (%)	13.98	16.14
Net Profit Margin (%)	0.65	(19.33)
Return on Equity (ROE) (%)	0.63	N/A
Debt to Equity ratio (times)	1.20	1.43