



Date 27 February 2024

Subject : Management's Discussion and Analysis of the Financial Statements for
the year ended December 31, 2023

To : Managing Director of The Stock Exchange of Thailand

Enclosure

: Management's Discussion and Analysis of the Financial Statements for the year ended December
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 year ended December 31, 2023 to the Stock Exchange of Thailand.

The operating result of the company for the year ended December 31, 2023 had a net loss totaling 179.63 million Baht. Please see further details in the Management's Discussion and Analysis of the financial statements for the year ended December 31, 2023 as attached.

Yours faithfully,

(Mr. Saithsiri Saksitthisereekul)

Chief Executive Officer

Clover Power Public Company Limited

Management's Discussion and Analysis for the year ended 31 December 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 December 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% .

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 year ended December 31, 2023, the company and its subsidiaries reported revenue in an amount of 1,046.26 million Baht decreased by 920.95 million Baht or 46.82% when compare the year end December 31, 2022, which had total revenue in amount of 1,967.21 million Baht as follows.

Revenue from the sale of electricity for the year ended December 31, 2023, and 2022, were 564.94 million Baht and 553.74 million Baht respectively, increased by 11.20 million Baht representing a 2.02% mainly due to more efficient operation.

Revenue from engineering procurement and construction for the year ended 31 December 2023, and 2022 were 421.43 million Baht and 1,235.97 million Baht respectively, decreased by 814.54 million Baht representing a 65.90% 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 year end December 31, 2023 and 2022 were 44.80 million Baht and 131.22 million Baht respectively , Decreased by 86.42 million Baht representing a 65.86% Because the sale plan of wood pellets have different time period.

Other Revenues for the year end December 31, 2023, and 2022, were 14.14 million Baht and 40.86 million Baht respectively, decreased by 26.72 million Baht representing a 65.39% was mainly because in the Second of 2022 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 2022		31 December 2023	
	Million Baht	%	Million Baht	%
Revenue from sale of electricity	553.74	28.15	564.94	54.00
Biomass power plant	446.30	22.69	438.51	41.92
RDF power plant	99.14	5.04	95.56	9.13
Cogeneration power plant	8.30	0.42	30.87	2.95
Revenue from sale of machinery and rendering construction engineering services	1,235.97	62.83	421.43	40.28
Sale on machinery and equipment	469.00	23.84	323.20	30.89
Rendering construction engineering service	766.97	38.99	98.23	9.39
Revenue from sales	131.22	6.67	44.80	4.28
Sale fuel	131.22	6.67	44.80	4.28
Revenue from rendering service	4.92	0.25	-	-
Rendering services	4.92	0.25	-	-
Revenue from Operation	1,925.85	97.90	1,031.17	98.56
Other Revenue ¹	41.36	2.10	15.09	1.44
Total Revenue	1,967.21	100.00	1,046.26	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 2023, the Company's has in handover contract, that is expected to be recognized in the total amount 1,527.29 million Baht are as follow:

Project	In handover contract (million Baht)
1. Project General Construction	1,500.66
2. Project Power Plant	26.63
Total	1,527.29

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 year ended December 31, 2023, and 2022, the company's cost of sales and services were 1,028.46 million Baht and 1,656.70 million Baht, respectively, which were equivalent to the gross profit margin 0.26% and 13.98%.

Gross profit from the sale of electricity for the year ended December 31, 2023, and 2022 was 109.81 million Baht (Gross profit margin representing 19.44%) and 97.02 million Baht (Gross profit margin representing 17.52%), respectively, increased in gross profit by 12.79 million Baht representing a 13.18% mainly due to more efficient operation.

Gross profit(loss) from engineering procurement and construction for the year ended December 31, 2023, and 2022, were (67.76) million Baht (Gross loss margin representing 16.08%) and 157.40 million Baht (Gross profit margin representing 12.73%), respectively, decreased gross profit by 225.16 million Baht representing a 143.05 % mainly from the revenue from engineering procurement and construction decreased representing a 65.90% compared to 2022 , Including the recognition of the cost of improvements in the large power plants that delivered in 2023 .

For the year ended December 31, 2023 and 2022, the company's cost of sales and services are as follows:

Cost of Sales and Services	For year ended December 31, 2022		For year ended December 31, 2023	
	Million Baht	Gross Profit (%)	Million Baht	Gross Profit (%)
Cost of sale of electricity	456.72	17.52	455.13	19.44
Cost of sale of machinery and rendering construction engineering services	1,078.57	12.73	489.19	(16.08)
Cost of rendering services	4.00	18.70	-	-
Cost of sale	117.41	10.52	84.14	(87.81)
Total Cost of Sales and Services	1,656.70	13.98	1,028.46	0.26

2.4 Selling and Administrative Expenses

For the year ended December 31, 2023, and 2022, the company had selling and administrative expenses of 459.78 million Baht and 229.11 million Baht, respectively, or equivalent to 43.94% and 11.65 % of the total revenues, respectively. The increase in Impairment loss and Expected credit losses 157.07 and 91.08 million Baht. Advisor fee were decreased by 8.19 million Baht mainly from the consulting fee for investing business . Distribution Costs were decreased by 23.27 million Baht mainly from the cost of distribution of fuel business group that occurs in the year of 2022 and Other expenses increased 18.04 million Baht mainly from realized loss for exchange rate 10.95 million Baht ,and Expense of none active operation 19.42 million Baht, as shown in the table below.

Selling and Administrative Expenses	For the year ended December 31, 2022		For the year ended December 31, 2023	
	Million Baht	(%)	Million Baht	(%)
Employee-related expenses	91.92	40.12	86.29	18.77
Fee and other charges ¹	11.53	5.03	11.40	2.48
Advisor fee ²	41.09	17.93	32.90	7.16
Depreciation and Amortization	9.04	3.95	10.73	2.33
Distribution Costs	28.63	12.50	5.36	1.17
Impairment loss	-	-	157.07	34.16
Expected credit losses	-	-	91.08	19.81
Other expenses ³	46.90	20.47	64.95	14.12
Total	229.11	100.00	459.78	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 year end December 31, 2023, and 2022, were (590.51) million Baht and 12.78 million Baht, respectively, with net profit(loss) margins of (56.44)% and 0.65%, respectively.

For the year ended December 31, 2023, the company's net profit were declined by 603.29 million Baht, representing a 4,720.58% decrease compared with the same period in 2022

Profit(loss) attributable to owners of the parent for the year ended December 31, 2023, and 2022 were (560.01) million Baht and 23.28 million Baht respectively, Decreased by 583.38 million Baht representing a 2,505.93% .

3. Financial Position

3.1 Assets

As of 31 December 2023, the company's total assets were 4,441.24 million Baht. The main assets consist of contract assets 1,453.24 million Baht, property, plant, and equipment of 1,575.10 million Baht, trade and other receivables of 470.84 million Baht, Advanced payment for investments 427.54 million Baht, Non-current contract assets 175.95 million Baht, Restricted deposits at a financial institution 100.18 million Baht, which were equivalent to 32.72%, 35.47%, 10.60%, 9.63%, 3.97% and 2.26% as a percentage of total assets, respectively. The increase in the total assets by 5.82 million Baht representing 0.13% mainly due to impair goodwill and right to produce and sale of electricity.

3.2 Liabilities

As of 31 December 2023, the company's total liabilities were Baht 3,013.36 million. The main liabilities consist of trade and other payables, Debenture and loan from financial institutions, which were equivalent to 21.23%, 29.04% and 38.33% as a percentage of total liability, respectively.

3.3 Shareholders' equity

As of 31 December 2023, the shareholders' equity of the company was 1,427.88 million Baht, which decreasing by 592.60 million Baht, representing 29.33% from the end of 2022, mainly from the annual performance in yearly 2023.

3.4 Statement of cash flow

For the year ended 31 December 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 218.31 million Baht, mainly resulted from profit before tax and loss on changes in working capital of (33.68) million Baht and the increase in changes in working capital of 260.11 million Baht, which was mainly from Construction in progress decrease 50.76 million Baht and trade and other payable increases 150.24 million Baht. In addition, net cash from investing activities was (533.23) million Baht and net cash from financing activities was 254.88 million Baht. As a result, the company had cash and cash equivalents at the end of the period was 5.37 million Baht.

Details of cash flow by activities are as follows:

Items	Consolidated financial statements.	
	For the year ended	
	31 December 2022	31 December 2023
Net cash from (used in) operating activities	(644.14)	218.31
Net cash from (used in) investing activities	(230.76)	(533.23)
Net cash from (used in) financing activities	739.39	254.88
An effect from the foreign exchange rate in cash and cash equivalents and effects from translation differences on financial statements	(2.7)	10.33
Cash and cash equivalent as at January 1,	193.29	55.08
Cash and cash equivalent as at December 31,	55.08	5.37

4. Key Financial Ratios

Items	Consolidated Financial Statement	
	As at December 31, 2022	As at December 31, 2023
Current Ratio (times)	1.81	1.22
Gross Profit Margin (%)	13.98	0.26
Net Profit Margin (%)	0.65	(56.44)
Return on Equity (ROE) (%)	0.63	N/A
Debt to Equity ratio (times)	1.20	2.11