



Date 12 November 2024

Subject : Management's Discussion and Analysis of the Financial Statements for
the Nine-Month Period Ended September 30, 2024

To : Managing Director, The Stock Exchange of Thailand

Enclosure:

Management's Discussion and Analysis of the Financial Statements for the Nine-Month Period Ended
September 30, 2024 (both Thai and English versions, 1 set of each)

Clover Power Public Company Limited ("the Company") hereby submits the Company's reviewed
financial statements for the nine-month period ended September 30, 2024, to the Stock Exchange of Thailand.

For the nine-month period ended September 30, 2024, the Company reported a net loss of 608.26
million Baht. Further details are provided in the attached Management's Discussion and Analysis of the
financial statements for the same period.

Yours faithfully,

(Mr. Saithsiri Saksitthisereekul)

Chief Executive Officer

Clover Power Public Company Limited

Management's Discussion and Analysis for the nine-month period ended 30 September 2024 Results
Clover Power Public Company Limited ("The Company" or "CV")

1. Company Overview

Clover Power Public Company Limited ("the Company" or "CV") was established on August 8, 2013, with the objective of investing in renewable energy power plants. The Company was founded by a group of experienced engineers with a long track record in the EPC (Engineering, Procurement, and Construction) 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 sources, focusing on the development and diversification of investments in power plants using various renewable energy technologies, including biomass, waste, and biogas. As of September 30, 2024, the Group has four commercial renewable energy power plants in operation, with a total installed capacity of 23.66 MW. These include two biomass power plants operated under CV and CPL, one waste-to-energy power plant operated under CPX, and one Cogeneration power plant operated under SPP. The Company plans to expand its business by leveraging its existing expertise to provide operation and maintenance (O&M) services for power plants.

(2) Engineering Procurement and Construction

The Group has been engaged in the engineering business of constructing power plants for over 15 years, focusing on providing construction services for power plants in the renewable energy sectors, including biomass, waste, and biogas, as well as general building and infrastructure projects. The company offers comprehensive Engineering, Procurement, and Construction (EPC) services, including design, procurement of machinery and equipment, and construction, for both its own power plants and for external clients. These operations are carried out through its subsidiaries SBC, SBE, and LBM, where the company holds 100% direct ownership in SBC and SBE, and indirect ownership of 100% and 70% in LBM, respectively. The company also plans to expand its business by offering engineering consultancy and project management services (PMC, Project Management Consultant).

(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 nine-month period ended September 30, 2024, the company and its subsidiaries reported revenue in an amount of 444.00 million Baht decreased by 432.44 million Baht or 49.34% when compare the nine-month period end September 31, 2023, which had total revenue in amount of 876.44 million Baht as follows.

The revenue from the sale of electricity for the nine-month period ending September 30, 2024, and 2023, were 337.62 million Baht and 435.11 million Baht respectively, decreased by 97.49 million Baht representing a 22.41%. The primary reason for the decline was the suspension of operations at one of the biomass power plants due to damage to the main machinery, which started at the end of June 2024.

The revenue from the engineering procurement and construction for the nine-month period ending September 30, 2024, and 2023, amounted to 92.92 million THB and 390.57 million THB, respectively, a decrease of 297.65 million THB, or 76.21%. This decline was due to delays in the completion of building and infrastructure construction projects, which did not meet the planned schedule. Additionally, some projects could not begin as per the signed contracts because they were still awaiting site handover.

The revenue from the fuel business for the nine-month period ending September 30, 2024, and 2023, amounted to 2.35 million THB and 44.58 million THB, respectively, a decrease of 42.23 million THB, or 94.72%. This decline was due to the decrease in global pellet fuel prices, which led to the company being unable to produce and sell according to the planned targets.

Other revenues for the nine-month period ending September 30, 2024, and 2023, amounted to 9.76 million THB and 5.68 million THB, respectively, an increase of 4.07 million THB, or 71.62%. This increase was primarily due to insurance claims for property.

Revenue Structure	For the nine-month period ended			
	30 September 2023		30 September 2024	
	Million Baht	%	Million Baht	%
Revenue from sale of electricity	435.11	49.64	337.62	76.04
Biomass power plant	334.82	38.20	256.49	57.77
RDF power plant	71.56	8.16	70.48	15.87
Cogeneration power plant	28.73	3.28	10.65	2.40
Revenue from sale of machinery and rendering construction engineering services	390.57	44.56	92.92	20.93
Sale on machinery and equipment	285.48	32.57	62.16	14.00
Rendering construction engineering service	105.09	11.99	30.76	6.93
Revenue from sales	44.58	5.09	2.36	0.53
Sale fuel	44.58	5.09	2.36	0.53
Revenue from Operation	870.26	99.29	432.90	97.50
Other Revenue ¹	6.18	0.71	11.10	2.50
Total Revenue	876.44	100.00	444.00	100.00

Note: ¹Other Revenues includes interest received from financial institution deposits, foreign exchange gains and losses, insurance claims and others.

2.2 In handover Contract

As at 30 September 2024, the Company's has in handover contract, that is expected to be recognized in the total amount 1,457.49 million Baht are as follow:

Project	In handover contract (million Baht)
1. Project General Construction	1,443.90
2. Project Modular	13.59
Total	1,457.49

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 nine-month period ending September 30, 2024, and 2023, the company's cost of sales and services were 379.22 million Baht and 782.01 million Baht, respectively, which were equivalent to the gross profit margin 12.56% and 10.14%.

The gross profit from the sale of electricity for the nine-month period ending September 30, 2024, and 2023 was 66.46 million Baht (Gross profit margin representing 19.68%) and 88.47 million Baht (Gross profit margin representing 20.33%), respectively, increased in gross profit by 22.02 million Baht representing a 24.88% , mainly due to the suspension of operations at one of the biomass power plants caused by damage to the main machinery, starting at the end of June 2024. However, the company was able to maintain a gross profit margin similar to the same period in the previous year.

The gross profit from engineering procurement and construction for the nine-month period ending September 30, 2024, and 2023, was 14.45 million Baht (Gross profit margin of 15.55%) and 34.59 million Baht (Gross profit margin of 8.86%), respectively, The gross profit decreased by 20.14 million THB, or 58.23%, mainly due to delays in project deliveries compared to the planned schedule.

For the nine-month period ending September 30, 2024 and 2023, the company's cost of sales and services are as follows:

Cost of Sales and Services	For the nine-month period ended September 30, 2023		For the nine-month period ended September 30, 2024	
	Million Baht	Gross Profit (%)	Million Baht	Gross Profit (%)
Cost of sale of electricity	346.63	20.33	271.16	19.68
Cost of sale of machinery and rendering construction engineering services	355.98	8.86	78.46	15.55
Cost of sale	79.39	(78.08)	29.26	(1139.90)
Cost of service	-	-	0.47	41.98
Total Cost of Sales and Services	782.01	10.14	379.22	12.56

2.4 Selling and Administrative Expenses

For the nine-month period ended September 30, 2024, and 2023, the company had selling and administrative expenses of 546.37 million Baht and 177.67 million Baht, respectively, or equivalent to 123.06% and 20.27% of the total revenues, respectively. The increase in Impairment loss and Expected credit losses 305.67 and 93.66 million Baht . Employee-relate expenses were decreased by 25.22 million Baht and other expenses decreased 20.83 million Baht, due to restructuring efforts. The details can be summarized in the following table.

Selling and Administrative Expenses	For the nine-month period ended September 30, 2023		For the nine-month period ended September 30, 2024	
	Million Baht	(%)	Million Baht	(%)
Employee expenses	74.71	42.05	49.49	9.06
Fee and other charges ¹	8.21	4.62	9.63	1.76
Advisor fee ²	24.32	13.69	31.65	5.79
Depreciation and Amortization	8.17	4.60	0.11	1.45
Distribution Costs	3.20	1.80	305.67	0.02
Impairment loss	-	-	93.66	55.95
Expected credit losses	-	-	48.25	17.14
Other expenses ³	59.06	33.24	38.22	8.83
Total	177.67	100.00	484.36	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 loss (profit) for the nine-month period end September 30, 2024, and 2023, were (608.26) million Baht and (179.63) million Baht, respectively, with net loss margins of (137.00)% and (20.49)%, respectively.

The company's net loss (profit) for the three-month period end September 30, 2024, and 2023, were (169.22) million Baht and (69.25) million Baht, respectively, with net loss margins of (145.98)% and (21.17)%, respectively.

Loss attributable to owners of the parent for the nine-month period ended September 30, 2024, and 2023 were (595.34) million Baht and (153.15) million Baht respectively, Decreased by (165.89) million Baht and (63.61) million Baht respectively.

3. Financial Position

3.1 Assets

As of 30 September 2024, the company's total assets were 3,834.62 million Baht. The main assets consist of contract assets 1,435.17 million Baht ,property, plant, and equipment of 1,465.51 million Baht, trade and other receivables of 283.14 million Baht, Advanced payment for investments 355.53 million Baht, which were equivalent to 37.43%, 38.22%, 7.38% and 9.27% as a percentage of total assets, respectively. The decrease in total assets by 606.63 million Baht representing 13.66% mainly due provision of trade receivables and contract assets from engineering procurement and construction.

the prepayment for investments amounting to 237.49 million THB, which was a deposit for the purchase of shares in Fernview from M8 Holding Co., Ltd. (connected person), was later canceled by a resolution of the company's board of directors. The company has set a plan to request the return of the deposit along with interest at a rate of 15% per annum, starting from April 2, 2024, until full payment is received. If the company does not receive full repayment within 60 days from the date of the notification letter, the company will pursue legal action. The company has assessed the possibility of recovering the deposit and has recorded an impairment provision for the prepayment of investments amounting to 32 million THB.

Additionally, for the prepayment of investments amounting to 180 million THB, which was a deposit for the purchase of shares in West Tech Exponential Co., Ltd. ("WTX"), the company is in the process of pursuing the return of the deposit and determining further actions. The company has also assessed the possibility of recovering the deposit and has recorded an impairment provision for the prepayment of investments amounting to 30 million THB.

3.2 Liabilities

As of 30 September 2024, the company's total liabilities were Baht 2,857.53 million. The main liabilities consist of trade and other payables, totally 629.51 million Baht, Debenture totally 877.99 million Baht and loan from financial institutions, totally 982.06 million Baht. which were equivalent to 22.03%, 30.73% and 34.37% as a percentage of total liability, respectively.

3.3 Shareholders' equity

As of 30 September 2024, the shareholders' equity of the company was 977.09 million Baht, which decreasing by 450.78 million Baht, representing 31.57% from the end of 2023, mainly from annual performance in quarterly 3/2024. During the period right offering 63.18 million Baht, the conversion of convertible debentures 151.72 million Baht.

3.4 Statement of cash flow

For the nine-month period ended 30 September 2024, the company had cash and cash equivalents at the beginning of the period of 5.39 million Baht. Net cash used in operating activities was 59.95 million Baht, showing a decrease of 97.95 million Baht compared to the previous period, primarily due to a reduction in working capital, mainly from payments to trade creditors. Additionally, the company had a net cash flow from investing activities of 28.93 million Baht and a net cash flow from financing activities of (103.75) million Baht.

A summary of the cash flow is as follows:

Items	Consolidated financial statements. For the nine-month period ended	
	30 September 2023	30 September 2024
Net cash from (used in) operating activities	157.90	59.95
Net cash from (used in) investing activities	(327.98)	28.93
Net cash from (used in) financing activities	137.17	(103.75)
An effect from the foreign exchange rate in cash and cash equivalents and effects from translation differences on financial statements	(1.17)	14.89
Cash and cash equivalent as at January 1,	55.08	5.37
Cash and cash equivalent as at September 30,	21.00	5.39

4. Key Financial Ratios

Items	Consolidated Financial Statement	
	As at December 31, 2023	As at September 30, 2024
Current Ratio (times)	1.22	0.81
Gross Profit Margin (%)	0.26	12.56
Net Profit Margin (%)	(56.44)	(137.00)
Return on Equity (ROE) (%)	N/A	N/A
Debt to Equity ratio (times)	2.11	2.92