



EE/SET/008/2022

February 24, 2022

Subject: MD&A for Financial Statement at the year ended December 31, 2021

Attention: President

The Stock Exchange of Thailand

Eternal Energy Public Company Limited and its subsidiaries operation results for the year 2021 ended December 31, 2021 showed net profit of 194.89 MB, increase by 189.90 MB, or 3,806.69 percent compared to the year 2020 that shown net profit of 4.99 MB. The details are:

Statement of Income

1. Total Revenue: amount of 204.48 MB, increase by 199.04 MB, or 3,655.61 percent. Those are:

1.1 Agricultural product income under the product sharing agreements with the farmers in Nakorn Ratchasima and Chaiyaphum Province amount of 4.13 MB, increase by 1.09 MB, or 35.75 percent

1.2 Other income amount of 200.35 MB, increase by 197.95 MB, or 8,249.29 percent from the previous year consist of:

- Income from the reversal of the estimated interest expenses amounted to 107.52 MB or 100 percent compared to the previous year from the cancellation of the purchase of SSUT shares, Part 2 from Com-Link Co., Ltd.
- Profit from selling investments in subsidiaries and associate amounted to 90.57 MB or 100 percent compared to the previous year. The Company sold its all investment in subsidiaries Boon Anek and Charoenporn Energy to Sup Sombat Mai Co., Ltd. and selling all investment in SSUT associate company to Eastern Cogeneration Co., Ltd., resulting in profit from selling investment of 2.84 MB and 87.73 MB.
- Profit from the sale of all 7 vehicles that have expired in the amount of 1.56 MB to unrelated person.

2. Total Expenses: amount of 30.22 MB, decrease by 20.16 MB, or 40.02 percent from administrative expenses related to estimated interest expenses on the purchase of SSUT shares that had been canceled and the reduction of the employee benefits.

3. Share of net profits in associates - SSUT Co., Ltd. amounted to 64.00 MB, an increase of 13.53 MB or 26.81 percent due to profit shares for 9 months of 2021 because the Company sold Investments in associated companies on September 23, 2021 to Eastern Cogeneration Co., Ltd. compared to the year 2020 that net profit share of 50.47 MB.

4. Financial costs and corporate income tax amounted to 43.32 MB, an increase of 42.82 MB, or 8,506.52 percent from interest expenses on liabilities under office lease agreements of 0.08 MB and from the Company's corporate income tax for the year 2021 of 42.94 MB incurred from the profit from the sale

of investment in an associated and subsidiary in the amount of 0.30 MB and from the normal profit of the Charoenporn Energy Co., Ltd.

Statement of Consolidated Financial Position as at December 31, 2021

Total Assets: amount of 1,770.59 MB, an increase of 156.13 MB, or 9.67 percent with the following details:

1) Cash and cash equivalents in the amount of 854.47 MB, an increase of 849.93 MB, or 18,739.20 percent due to the sale of investment in a subsidiary-Boon Anek. and associated-SSUT. As a result, the cash balance increased from the previous year.

2) Other current receivables in the amount of 7.99 MB, an increase of 1.81 MB, or 29.33 percent from the purchase of investment in a subsidiary-Cannabiz Way on October 1, 2021, resulting in an increase in other current receivables which is the Revenue receivable and advance payment related to the cannabis plantation project.

3) Inventories amount of 4.93 MB, an increase of 4.88 MB or 10,930.98 percent from the purchase of hemp seeds for cultivation of the subsidiary-Cannabiz Way at Wihan Daeng District, Saraburi Province.

4) Other current financial assets decreased of 51.70 MB or 100 percent due to administrative expenses and from sale of investment in subsidiary-Boon Anek on December 28, 2021.

5) Other current assets amount of 100 MB due to the deposits for studying investment projects in wind power generation in Vietnam.

6) Investments in associate - net, decreased from the previous year by 1,029.61 MB or 100 percent from the sale of all investments in associate-SSUT in the proportion of 25 percent to Eastern Cogeneration Company Limited on September 23, 2021, with a holding period of more than 6 years.

7) Investment property - net, decreased from the previous year by 342.95 MB or 100 percent from the sale of all investment in subsidiary-Boon Anek to Sup Sombat Mai Co., Ltd.

8) Land, plant and equipment – net, amount of 41.84 MB, a decrease of 93.51 MB or 69.09 percent from selling investment in subsidiary-Boon Anek.

9) Goodwill in the amount of 608.58 MB or 100 percent arising from the purchase cost of the subsidiary-Cannabiz Way higher than the estimated interest in the net asset value of the subsidiary which is in the process of appraising the purchase price allocation by an independent appraiser

10) Other non-current assets amount of 150.70 MB, an increase of 109.09 MB or 262.19 percent from the deposit to purchase investment in subsidiary - CBD Biosciences, total value not over 650 MB.

Total Liabilities: amount of 49.73 MB, a decrease of 115.04 MB, or 69.82 percent from the end of last year as follows:

- Reversal of accrued interest expense, resulted to the liabilities decreased of 104.60 MB from the cancellation of the purchase of SSUT share part 2.
- Corporate income tax from profits of the Company and its subsidiaries amounting to 42.88 MB, an increase of 42.65 MB.

- Deposit received from sale of investment in subsidiary - Boon Anek, decreased of 50 MB from the transfer of shares under the purchase agreement on December 28, 2021.
- Liabilities under the lease agreement amount of 1.15 MB, a decrease of 1.22 MB due to debt repayment under the lease agreement and including the reduction of leased space.
- Employee benefits provision amounted of 0.72 MB, a decrease of 1.71 MB or 70.44 percent due to the reduction of employees.

Total shareholders' equity: amount of 1,720.86 MB, an increase of 205.71 MB or 13.58 percent from the end of the previous year, consisting of:

- The Company's shareholders' equity amount of 1,711.02 MB, an increase of 260.66 MB or 17.97 percent from the annual net profit and other comprehensive income of 260.56 MB.
- Non-controlling interests amount of 9.83 MB, shown as net share of loss of 0.52 MB.

Please be informed accordingly.

Yours sincerely,

(Mr.Worasak Kriengkamol)
Chief Executive Officer
Authorized to Disclose Information

Company Secretary 02-554-8014