



EE/SET/016/2022

12 May 2022

Subject: Management Discussion and Analysis for Financial Statements Q1/2022 ended 31 March 2022

Attention: President

The Stock Exchange of Thailand

Eternal Energy Public Company Limited and its subsidiary (the “Company”) would like to explain operation results for Q1/2022 ended 31 March 2022. The financial statements show net loss for the period of Baht 16.99 million, increased by Baht 29.33 million or 237.84% compared to Q1/2021, additional detail as follows:

#### **Statements of Comprehensive Income**

1. Share of profit from investments in associate decreased by Baht 22.88 million or 100% because the Company has successfully transferred SSUT Company Limited’s shares and completely received the consideration on 23 September 2021. Therefore, the share of profit of associates has decreased.
2. Administrative expenses increased by Baht 12.24 million or 439.80% due to an increase in administrative expenses by Baht 6.26 million mainly caused by financial advisory fee for a recent investment in subsidiary and non-refundable tax expenses due to change in business amounted to Baht 5.07 million. However, Finance costs decreased in the amount of Baht 6.72 million due to the disposal of investments in associate together with the interest burden on the investment that has not yet been paid in full.

#### **Statement of Financial Position as at 31 March 2022**

Total assets as at Q1/2022 decreased by Baht 11.01 million or 0.62% as follows:

- Cash and cash equivalents in the amount of Baht 926.85 million , increased by Baht 72.38 million because the Company received the refundable deposit amount to Baht 100 million and the Company used Baht 25.13 million for operating activities.
- Other current receivables decreased by Baht 2.87 million due to an allowance for impairment losses – revenue receivable for non-refundable tax expenses due to change in business in the amount of Baht 5.07 million. However, AR revenue department that has not yet refunded increased by Baht 1.24 million.
- Inventories decreased by Baht 1.68 million or 34.07% due to a farming process which is under cultivation period. Such inventories will be recognized as a biological assets.
- Biological Assets in the amount of Baht 10.85 million increased in full amount in Q1/2022 because the subsidiary - Cannabiz Way entered a cultivation period resulting in an increase in biological assets.
- Other current assets decreased by Baht 100 million because the Company made a request to the counterparty to return the refundable deposit, resulting from study which was not in accordance with the Company’s investment policy.

- Property, Plant and Equipment increased by Baht 10.54 million in Q1/2022 mainly from the construction of a storage facility and the purchase of equipment of a subsidiary - Cannabiz Way.

Total liabilities as at Q1/2022 decreased by Baht 2.57 million or 5.16% mainly due to a decrease in other current payables in Q1/2022 by Baht 2.54 million because of repayment during the year which result in lowering the other current payable.

Total shareholders' equity as at Q1/2022 decreased by Baht 11.01 million or 0.62%, which was mainly caused by

- Retained Earnings (losses) – Unappropriated decreased by Baht 16.26 million due to the loss from operating activities.
- Non-controlling interests of the subsidiary increased by Baht 7.82 million because the subsidiary - Cannabiz Way requested for the remaining paid-up share capital in an amount of Baht 8.55 million and recognized their loss for the period by Baht 0.73 million.

Please be informed accordingly.

Yours sincerely,

(Mr.Worasak Kriengkamol)

Chief Executive Officer

Authorized to Disclose Information