



EE/SET/001/2566

February 24, 2023

Subject: Management Discussion and Analysis for Financial Statement at the year ended December 31, 2022

Attention: President

The Stock Exchange of Thailand

Eternal Energy Public Company Limited and its subsidiaries (the "Company") would like to explain operation results for the year 2022 ended 31 December 2022. Operating results in the year 2022 of the group of company has a net loss of Baht 78.07 million, an increase of Baht 272.95 million or 140.06 % from last year, details as follows:

Statements of Comprehensive Income

1. Revenue from sales increased by Baht 9.00 million or 217.75 %, because in the year 2022, the company has revenue from the whole amount of hemp sales. In the year 2021, it is the revenue from the share of cassava sales contracted for cultivation.
2. Cost of sales increased by Baht 17.22 million or 31,692.37%, because in the year 2022, the Company operates agribusiness related to hemp cultivation, resulting in costs associated with cultivation. In the year 2021, the Company has used the land to enter into a benefit sharing contract for cassava planting, allowing the Company to receive a share from the contract, so there is no cost incurring. For this reason, the cost of sales increased in whole amount.
3. Other income decreased by Baht 216.30 million or 107.96%. mainly consists of
 - 3.1. Profit from selling investments in subsidiaries amounted by Baht 2.84 million or 100%, because in the year 2021, The Company sold its all investment in subsidiaries Boon Anek and Charoenporn Energy, resulting in profit from selling investment of Baht 2.84 million.
 - 3.2. Profit from selling investments in associate amounted by Baht 87.73 million or 100%, because in the year 2021, The Company selling investment in SSUT associate company, resulting in profit from selling investment of Baht 87.73 million

- 3.3. Other income from reversal of provisions decreased by Baht 107.52 million or 100%, because in the year 2022, the company received a notice of termination of the share purchase agreement of SSUT Co., Ltd. part 2 from Comlink Co., Ltd. and a letter confirming that it would not make any claim for damages from the cancellation of such trading includes all accrued interest. As a result, the Company reversed the estimated accrued interest expense that would not be paid to other income due to the full reversal of the provision.
- 3.4. Gain (loss) on changes in value of equity investments designated at fair value through profit or loss increased by Baht 1.10 million or 100%, because in the year 2022, The Company invests in equity trading securities with increased fair value and has not yet been sold, thereby recognizing the full amount of unrealized gains.
- 3.5. Profit (loss) from change in fair value of biological assets increased by Baht 18.01 million or 100% because the company changed its investment in subsidiary to agricultural business. And in the year 2022, biological assets are estimated to be lower than the expected value. Therefore, the Company recognizes gains (losses) from changes in the fair value of biological assets.
- 3.6. Other income decreased by Baht 1.35 million or 79.72%, because in the year 2021, The company has profit from the sale of all 7 vehicles that have expired in the amount of 1.56 MB to unrelated person.
4. Total expenses increased by Baht 27.70 million or 91.67%, mainly consisting of
- 4.1. The cost of distribution increased by Baht 2.91 million or 100%. Arising from product advertising costs advertising costs, shipping costs and extraction examination costs because the company has changed its investment in subsidiaries which are agricultural business consists of planting, extracting, processing, distributing, importing, exporting, which operates all business related to hemp raw materials which is a new business.
- 4.2. Administrative expenses increased by Baht 24.97 million or 115.78% due to an increase in administrative expenses by Baht 16.32 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.
5. Share of profit from investments in associated companies decreased by Baht 64.00 million or 100%. Since the Company sold shares of SSUT Co., Ltd. by transferring the said shares and receiving the payment completed on September 23, 2021. For this reason, the share of profit from investments in associated companies has been reduced in total.

6. Income tax decreased by Baht 43.25 million or 100.04%, because in the year 2021, The Company has a net taxable profit from the sale of investments in associate and operating profits resulting in the Company having to pay corporate income tax on that amount.

Please be informed accordingly.

Yours sincerely,

(Mr.Worasak Kriengkamol)

Chief Executive Officer

Authorized to Disclose Information