



ที่ EE/SET/008/2566

11 August 2023

Subject: Management Discussion and Analysis for Financial Statements Q2/2023 ended 30 June 2023

Attention: President

The Stock Exchange of Thailand

Eternal Energy Public Company Limited and its subsidiaries (the “Company”) would like to explain operation results for Q2/2023 ended 30 June 2023. Operating results in the Q2/23 of the group of company has a net loss of Baht 160.42 million, an increase of Baht 122.02 million or 317.73% from the same period of the last year, details as follows:

Statements of Comprehensive Income

1. Loss profit increased by Baht 3.80 million or 3,004.32%, because, there was a loss on impairment of goods that was expected lower than the cost price by Baht 3.94 million in Q2/23.
2. Other income decreased by Baht 39.52 million or 510.59%. mainly consists of
 - 2.1. Changes in value of equity investments designated at fair value through profit or loss decreased by Baht 66.29 million or 100.00%, because there was an decreased in the fair value, resulting in the Company loss on changes in value of equity investments designated at fair value through recognized through the income statement in full amount, which was none in Q2/22.
 - 2.2. Gain on change in fair value of biological assets increased by Baht 25.58 million or 309.16%, because, the company has increased the cultivation of cannabis from the only hemp plantation. As a result, the Company There is a gain from the change in the fair value of the whole amount of biological assets.
 - 2.3. Other income increased by Baht 1.47 million or 998.22%, because the Company had a profit from the sale of investments in equity instruments in Q2/2023, resulting in the Company recognized other income in whole amount, which was none in Q2/22.
3. Total expenses increased by Baht 78.74 million or 258.19%, mainly consisting of
 - 3.1. The cost of distribution decreased by Baht 1.69 million or 94.49%, Caused by product advertising costs, shipping costs and expenses for analyzing substances in CBD Isolate costs, but in Q2/23 there was no product sale, resulting in no shipping costs. As a result, the cost of distribution has decreased.

- 3.2. Administrative expenses decreased by Baht 6.97 million or 28.33%, mainly caused by the decrease in financial advisory fee amounted by Baht 1.53 million and non-refundable tax expenses due to change in business decreased amounted to Baht 5.07 million. Therefore, it resulted in decrease administrative expenses.
- 3.3. Management benefit expenses decreased by Baht 0.74 million or 17.99%, due the decrease in management, resulting in a decrease in management benefit expenses.
- 3.4. Impairment loss of goodwill of investment in subsidiary increased by Baht 88.14 million or 100% due the recoverable amount under carrying amount.

Please be informed accordingly.

Yours sincerely,

(Mr.Worasak Kriengkamol)

Chief Executive Officer

Authorized to Disclose Information