



ที่ EE/SET/012/2566

10 November 2023

Subject: Management Discussion and Analysis for Financial Statements Q3/2023 ended 30 September 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 Q3/2023 ended 30 September 2023. Operating results in the Q3/23 of the group of company has a net loss of Baht 370.16 million, an increase of Baht 319.73 million or 633.90% from the same period of the last year, details as follows:

Statements of Comprehensive Income

1. Loss profit increased by Baht 18.76 million or 2,768.79%, because in Q3/23, there was a decrease in sales income of Baht 3.23 million and cost of sales increased by Baht 15.54 million, resulting from the company having to recognize the entire amount of actual costs, which were Baht 10.19 million higher than last year. In addition, the Company recorded impairment stock that net realizable value lower than cost amounting to Baht 5.34 million.
2. Other income decreased by Baht 99.38 million or 920.96%. mainly consists of
 - 2.1. Changes in value of equity investments designated at fair value through profit or loss decreased by Baht 86.52 million or 2,063.72%, because of the investment in trading securities in the category of equity instruments that had not yet been sold in the amount of Baht 205.89 million. At the end of the period, the fair value decreased, resulting in the company recognize loss from valuation of equity investments measured at fair value through the income statement, while in Q3/22, there was a profit from investment.
 - 2.2. Loss on change in fair value of biological assets increased by Baht 13.82 million or 87.79%, because, the Company increase cannabis cultivation from hemp cultivation but there are problems with cultivation losses and the yield is lower than expected, resulting in the company had loss from changes in the fair value of all biological assets.

- 2.3. Other income increased by Baht 1.30 million or 403.79% , because in the year 2023, the Company had a profit from the sale of investments in equity instruments resulting in the Company recognized other income in whole amount
3. Total expenses increased by Baht 201.63 million or 500.66%, mainly consisting of
- 3.1. The cost of distribution decreased by Baht 2.36 million or 86.10%, This is due to lower advertising costs.
- 3.2. Administrative expenses decreased by Baht 5.67 million or 18.16%, mainly caused by the non-refundable tax expenses due to change in business decreased amounted to Baht 5.07 million in Q2/22
- 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 211.10 million or 100%, because in Q2/23 and Q3/23, the present value of cash flows of its subsidiaries expected to receive in the future lower than estimated by Baht 88.14 million and Baht 122.96 million.

Please be informed accordingly.

Yours sincerely.

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