



ที่ EE/SET/003/2024

22 February 2023

Subject: Management Discussion and Analysis for Financial Statement at the year ended December 31, 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 the year 2023 ended 31 December 2023. Operating results in the year 2023 of the group of company has a net loss of Baht 659.66 million, an increase of Baht 581.60 million or 745% from last year, details as follows:

#### Statements of Comprehensive Income

1. Loss profit increased by Baht 13.86 million or 335.07%, because in the year 2023, there was a decrease in sales income of Baht 8.01 million and cost of sales increased by Baht 5.85 million, resulting from the company having to recognize the entire amount of actual costs, which were Baht 0.85 million higher than last year, because of the lower quantity of product than last year. In addition, the Company recorded impairment stock that net realizable value lower than cost amounting to Baht 5.00 million.
2. Other income decreased by Baht 114.27 million or 716.35%. mainly consists of
  - 2.1. Loss in value of equity investments designated at fair value through profit or loss increased by Baht 99.46 million or 9,063.96%, because of the investment in trading securities in the category of equity instruments that had not yet been sold in the amount of Baht 207.44 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 the year 2022, there was a profit from investment.
  - 2.2. Loss on change in fair value of biological assets increased by Baht 15.57 million or 86.41%, 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 1.27 million or 372.43%, 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 453.48 million or 782.99%, mainly consisting of
- 3.1. The cost of distribution decreased by Baht 2.53 million or 86.94%, due to lower advertising costs by Baht 1.94 million and the sales salary decreased by Baht 0.50 million
  - 3.2. Administrative expenses decreased by Baht 13.68 million or 29.41%, mainly caused by the decrease in financial advisory fee amounted to Baht 10.29 million and non-refundable tax expenses due to change in business decreased amounted to Baht 8.56 million and depreciation increased by Baht 4.93 million because it was depreciation of assets that were not in operation.
  - 3.3. Management benefit expenses decreased by Baht 1.83 million or 21.59%, due the decrease in management and director, resulting in a decrease in management benefit expenses.
  - 3.4. Impairment loss of goodwill of investment in subsidiary increased by Baht 471.52 million or 100%, because in the year 2023, the present value of cash flows of its subsidiaries expected to receive in the future lower than estimated in Q2/23 by Baht 88.14 million, in Q3/23 by Baht 122.96 million and in Q4'23 by Baht 260.42 million.

Please be informed accordingly.

Yours sincerely.



(Mr.Worasak Kriengkamol)

Chief Executive Officer

Authorized to Disclose Information