



น. EE/SET/012/2567

13 May 2024

Subject: Management Discussion and Analysis for Financial Statements Q1/2024 ended 31 March 2024

Attention: President

The Stock Exchange of Thailand

Eternal Energy Public Company Limited and its subsidiaries (the “Company”) would like to explain operation results for Q1/2024 ended 31 March 2024 which had a net loss of Baht 31.22 million, increase by Baht 23.75 million or 317.99% from Q1/2023, details as follows:

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

1. Gross profit increased by Baht 0.63 million or 108.8%, because in Q1/2023, the company recorded loss for decline in value of inventory by Baht 0.58 million.
2. Other income decreased by Baht 3.28 million or 68.14%. mainly consists of
  - 2.1. Gains on change in value of equity investments designated at fair value through profit or loss decreased by Baht 10.71 million or 100%, due to no change in the market price of trading securities in Q4/2024, resulting in no profit (loss), which is different from in Q1/2023, cost of shares are lower than market price, resulting in the Company recognized gain on change in value of equity investment have not yet been sold.
  - 2.2. Gains on change in fair value of biological assets increased by Baht 9.01 million or 119.59%, because in Q1/2024, the Company has changed from growing hemp to cannabis because cannabis has a higher selling price than hemp and the costs are not different, making the expected value higher than hemp.
  - 2.3. Other income decreased by Baht 1.56 million or 96.89%, mainly caused by the decrease to profits from the sale of securities for trading in equity instruments, due to no trading in Q1/2024.

3. Total expenses decreased by Baht 6.46 million or 35.04%, mainly consisting of
- 3.1. Administrative expenses decreased by Baht 2.85 million or 21.36%, mainly caused by in Q1/2024 the decrease by salary and consulting fees amounted to Baht 1.94 million, because the Company has restructuring to reduce unnecessary expenses. including training and seminar fees decreased by Baht 0.34 million.
- 3.2. Impairment loss of goodwill of investment in subsidiary increased by Baht 23.71 million or 100%, because in Q1/24, the present value of cash flows of its subsidiaries expected to receive in the future lower than estimated

Please be informed accordingly.

Yours sincerely.



(Mr.Issara Rounsuk-udom)

Chief Executive Officer

Authorized to Disclose Information