



LANNA RESOURCES Public Company Limited

บริษัท ลานนา รีซอร์สเซส จำกัด (มหาชน)

Ref. No. 0468/25E

May 8, 2025

Subject: Clarification on the Operating Results for the 1st quarter 2025

Attn: President

The Stock Exchange of Thailand

The Company wishes to report on the Company's operating results for the 1st quarter 2025, having details as follows:

Net profit of the Company and its subsidiaries in the 1st quarter 2025 totaled Baht 240.36 million, which decreased from the same period last year by Baht 343.64 million, and net earnings per share was Baht 0.46 per share, which decreased from the same period last year by Baht 0.65 per share or 58.84 percent, due to the following reasons:

(1) Net profit from the coal business derived from shareholding proportion of the Company in the 1st quarter 2025 was Baht 231.27 million, which decreased from the same period last year by Baht 340.30 million or 59.54 percent. This was due to a decrease in coal sales volume and the average coal selling price from the same period last year of 19.56 percent and 17.76 percent, respectively.

(2) Net Loss from the ethanol business and soil conditioner byproduct derived from shareholding proportion of the Company in the 1st quarter 2025 was Baht 0.43 million, a decrease in loss of Baht 1.82 million or 80.89 percent from the same period last year. This was due to a decrease in the average ethanol selling price as described above; and

(3) Share of income from associated companies totaled Baht 9.52 million, which decreased from the same period last year by Baht 5.16 million or 35.15 percent. This was due to a decrease in profit of associated companies.

Details of the changes or impacts that occurred have been described in the Management Discussion and Analysis (MD&A).

Please be informed accordingly.

Yours faithfully,
For and on behalf of
Lanna Resources Public Company Limited

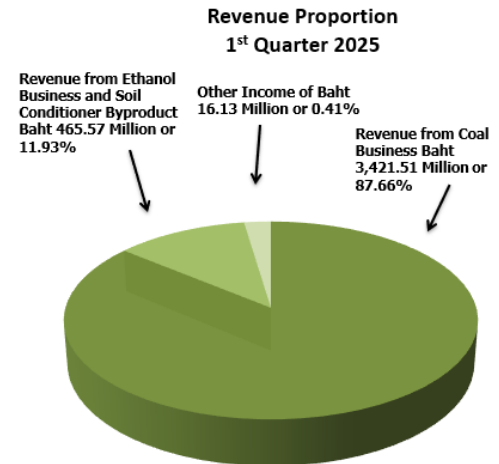
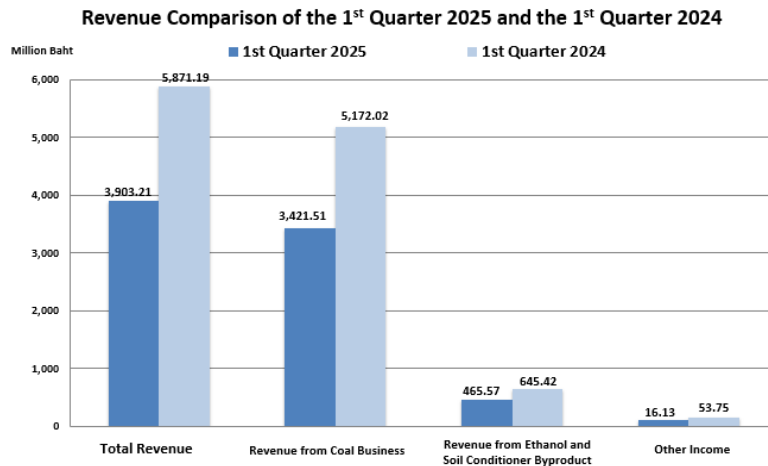
(Mrs. Petcharat Chayanon)
Chief Officer – Accounting and Finance

MANAGEMENT DISCUSSION AND ANALYSIS

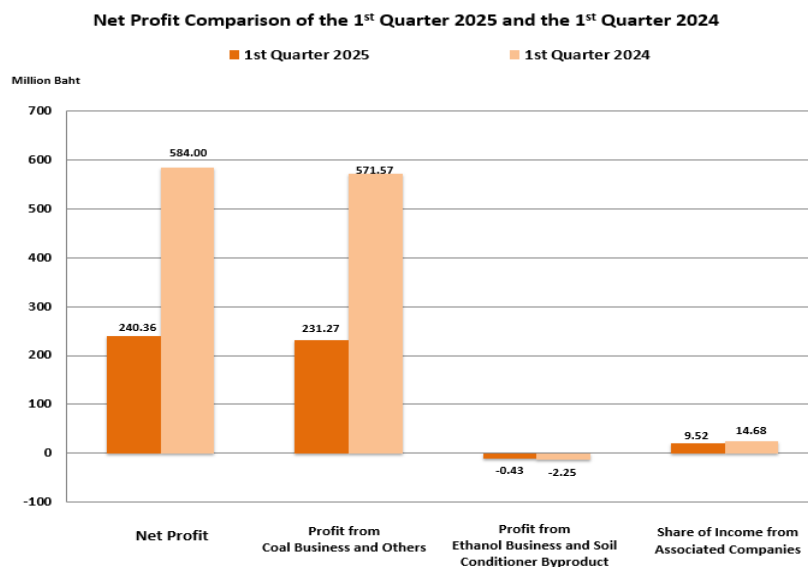
(For the Consolidated Financial Statements of the 1st quarter 2025)

OVERALL OPERATING RESULTS

The total revenue of the Company and subsidiaries in the 1st quarter 2025 was Baht 3,903.21 million, which decreased from the same period last year by Baht 1,967.98 million or 33.52 percent. The revenue proportion from the coal business, ethanol business, and other income accounted for 87.66 percent, 11.93 percent, and 0.41 percent, respectively.



The net profit of the Company and subsidiaries in the 1st quarter 2025 totaled Baht 240.36 million or Baht 0.46 per share, which decreased from the same period last year by Baht 343.64 million or 58.84 percent. The net profit proportion from the coal business and others accounted for 96.22 percent, the net loss proportion from the ethanol business and soil conditioner byproduct accounted for 0.18 percent and the share of income proportion from associated companies accounted for 3.96 percent, with the net profit margin of 9.59 percent, the EBITDA margin of 25.11 percent, and the return on equity of 2.78 percent.



The overall financial position and liquidity of the Company and subsidiaries as at March 31, 2025, were considered excellent. The current ratio was as high as 3.37 times, and the quick ratio was as high as 2.12 times. The total debt to total assets ratio was only 23.95 percent with debt-to-equity ratio of only 31.49 percent.

Operating Results of the Coal Business or the Core Business: The Company and its subsidiaries had total revenue from the coal business in the 1st quarter 2025 of Baht 3,421.51 million, which decreased from the same period last year by Baht 1,750.51 million or 33.85 percent. This was due to a decrease in coal sales volume and the average coal selling price from the same period last year of 19.56 percent and 17.76 percent, respectively. The net profit derived from shareholding proportion of the Company in the 1st quarter 2025 was Baht 231.27 million, which decreased from the same period last year by Baht 340.30 million or 59.54 percent. This was due to continuous heavy rainfall in Indonesia, which caused natural disasters such as floods and landslides in several areas, thereby hindering coal production, transportation, and distribution. In addition, the average coal selling price in the 1st quarter 2025 decreased as a result of the global economic slowdown.

Operating Results of the Ethanol-for-Fuel Business and Soil Conditioner Byproduct or the Secondary Core Business: The Company and subsidiary had total revenue from the ethanol business and soil conditioner byproduct in the 1st quarter 2025 of Baht 465.57 million, which decreased from the same period last year by Baht 179.85 million or 27.87 percent. This was due to a decrease in the average ethanol selling price from the same period last year of 32.50 percent, despite an increase in ethanol sales volume from the same period last year of 3.82 percent. The net loss derived from shareholding proportion of the Company in the 1st quarter 2025 was Baht 0.43 million, which decreased from same period last year by Baht 1.82 million or 80.89 percent. This was due to a decrease in the ethanol selling price as described above.

Operating Results Analysis

Revenue	1 st Quarter 2025		1 st Quarter 2024		Increase (Decrease)	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenue from Coal Business	3,421.51	87.66	5,172.02	88.09	(1,750.51)	(33.85)
Revenue from Ethanol Business and Soil Conditioner Byproduct	465.57	11.93	645.42	10.99	(179.85)	(27.87)
Other Income	16.13	0.41	53.75	0.92	(37.62)	(69.99)
Total Revenue	3,903.21	100.00	5,871.19	100.00	(1,967.98)	(33.52)

REVENUE

Revenue of the Company and subsidiaries in the 1st quarter 2025 totaled Baht 3,903.21 million, which decreased from the same period last year by Baht 1,967.98 million or 33.52 percent due to the following reasons:

(1) Revenue from the coal business, the core business, was Baht 3,421.51 million, which decreased from the same period last year by Baht 1,705.51 million or 33.85 percent. This was due to a decrease in coal sales volume and the average coal selling price as described above.

(2) Revenue from the ethanol business and soil conditioner byproduct, the secondary core business, was Baht 465.57 million, which decreased from the same period last year by Baht 179.85 million or 27.87 percent. This was due to a decrease in the average ethanol selling price as described above; and

(3) Other income totaled Baht 16.13 million, which decreased from the same period last year by Baht 37.62 million or 69.99 percent. This was because there was no insurance compensation income of Baht 11.68 million, which had been received in the 1st quarter 2024 from a fire incident on cassava chips. Additionally, there was a decrease in port and jetty service income from the subsidiary in Indonesia.

EXPENSES

Expenses	1 st Quarter 2025		1 st Quarter 2024		Increase (Decrease)	
	Million Baht	Percent (%) of Sales Volume	Million Baht	Percent (%) of Sales Volume	Million Baht	Percent (%) of Sales Volume
Coal Business						
Cost of sales	1,796.76	52.51	2,412.41	46.64	(615.65)	(25.52)
Selling and administrative expenses	1,067.49	31.20	1,374.42	26.57	(306.93)	(22.33)
Corporate income tax	224.30	6.56	514.67	9.95	(290.37)	(56.42)
Ethanol Business						
Cost of sales	434.90	93.41	573.39	88.84	(138.49)	(24.15)
Selling and administrative expenses	24.90	5.35	78.02	12.09	(53.12)	(68.09)
Corporate income tax	(0.23)	(0.05)	(0.89)	(0.14)	0.66	74.16

COAL BUSINESS EXPENSES

Coal business expenses of the Company and subsidiaries in the 1st quarter 2025 totaled Baht 3,088.55 million, which decreased from the same period last year by Baht 1,212.95 million or 28.20 percent, due to the following reasons:

(1) Cost of coal sales decreased from the same period last year by Baht 615.65 million or 25.52 percent, due to a decrease in coal sales volume and the cost of coal sales per metric ton of 19.56 percent and 7.41 percent, respectively.

(2) Selling and administrative expenses decreased from the same period last year by Baht 306.93 million or 22.33 percent due to a decrease in royalty fee payment to the government in accordance with a decrease in coal sales volume and the average coal selling price; and

(3) Corporate income tax decreased from the same period last year by Baht 290.37 million or 56.42 percent due to a decrease in profit.

ETHANOL BUSINESS AND SOIL CONDITIONER BYPRODUCT EXPENSES

Ethanol business and soil conditioner byproduct expenses of the Company and subsidiary in the 1st quarter 2025 totaled Baht 459.57 million, which decreased from the same period last year by Baht 190.95 million or 29.35 percent, due to the following reasons:

(1) Cost of sales decreased from the same period last year by Baht 138.49 million or 24.15 percent due to a decrease in the prices of molasses and cassava chips, the main raw materials, of 37.51 percent and 34.49 percent, respectively.

(2) Selling and administrative expenses decreased from the same period last year by Baht 53.12 million or 68.09 percent. This was because there were damages from a fire incident on cassava chips of Baht 44.91 million in the 1st quarter 2024 but there was no such expense in the 1st quarter 2025; and

(3) Reversal of deferred income tax decreased from the same period last year by Baht 0.66 million due to a decrease in losses.

FINANCIAL INCOME AND FINANCIAL EXPENSE

Description	Unit: Million Baht						Increase (Decrease)	
	1 st Quarter 2025			1 st Quarter 2024			Million Baht	%
	Coal Business	Ethanol Business and Soil Conditioner Byproduct	Total	Coal Business	Ethanol Business and Soil Conditioner Byproduct	Total		
Financial income	26.76	0.04	26.80	29.47	0.05	29.52	(2.72)	(9.21)
Financial expense	2.65	14.42	17.07	6.56	17.41	23.97	(6.90)	(28.79)

(1) The Company and subsidiaries had financial income in the 1st quarter 2025 of Baht 26.80 million, which decreased from the same period last year by Baht 2.72 million, accounted for 9.21 percent. This was due to an increase in interest received; and

(2) The Company and subsidiaries had financial expenses in the 1st quarter 2025 of Baht 17.07 million, which decreased from the same period last year by Baht 6.90 million or 28.79 percent. This was due to a decrease in loan.

Gross Profit	Coal Business		Ethanol Business and Soil Conditioner Byproduct		Total	
	Million Baht	%	Million Baht	%	Million Baht	%
1st Quarter 2025						
Revenues from sales	3,421.51	100.00	465.57	100.00	3,887.08	100.00
Less Cost of sales	1,796.76	52.51	434.90	93.41	2,231.66	57.41
Gross Profit	1,624.75	47.49	30.67	6.59	1,655.42	42.59
1st Quarter 2024						
Revenues from sales	5,172.02	100.00	645.42	100.00	5,817.44	100.00
Less Cost of sales	2,412.41	46.64	573.39	88.84	2,985.80	51.32
Gross Profit	2,759.61	53.36	72.03	11.16	2,831.64	48.68

GROSS PROFIT

Gross profit of the Company and subsidiaries in the 1st quarter 2025 totaled Baht 1,655.42 million or 42.59 percent of the sales revenue, which decreased from the same period last year with the gross profit of Baht 2,831.64 million or 48.68 percent of the sales revenue, due to the following reasons:

(1) Gross profit from the coal business in the 1st quarter 2025 totaled Baht 1,624.75 million or 47.49 percent of sales revenue, which decreased from the same period last year with gross profit of Baht 2,759.61 million or 53.36 percent of the sales revenue. This was due to a decrease in coal sales volume and the average coal selling price of 19.56 percent and 17.76 percent, respectively; and

(2) Gross profit from the ethanol business and soil conditioner byproduct in the 1st quarter 2025 totaled Baht 30.67 million or 6.59 percent of sales revenue, which decreased from the same period last year with gross profit of Baht 72.03 million or 11.16 percent of sales revenue. This was due to a decrease in the ethanol selling price of over 32.50 percent.

Net Profit	Unit	1 st Quarter 2025		1 st Quarter 2024		Increase (Decrease)	
		Million Baht	%	Million Baht	%	Million Baht	%
Profit from Coal Business	Million Baht	231.27	96.22	571.57	97.87	(340.30)	(59.54)
Profit (Loss) from Ethanol Business and Soil Conditioner Byproduct	Million Baht	(0.43)	(0.18)	(2.25)	(0.39)	1.82	80.89
Share of income from associated companies	Million Baht	9.52	3.96	14.68	2.52	(5.16)	(35.15)
Net Profit	Million Baht	240.36	100.00	584.00	100.00	(343.64)	(58.84)
Net Earnings per Share	Baht per Share	0.46		1.11		(0.65)	(58.84)
Remark: Registered par value of Baht 1 per share							

NET PROFIT

The net profit of the Company and its subsidiaries in the 1st quarter 2025 totaled Baht 240.36 million, which decreased from the same period last year by Baht 343.64 million, and net earnings per share was Baht 0.46 per share, which decreased from the same period last year by Baht 0.65 per share or 58.84 percent, due to the following reasons:

(1) Net profit from the coal business derived from shareholding proportion of the Company in the 1st quarter 2025 was Baht 231.27 million, which decreased from the same period last year by Baht 340.30 million or 59.54 percent. This was due to a decrease in coal sales volume and the average coal selling price as described above.

(2) Net Loss from the ethanol business and soil conditioner byproduct derived from shareholding proportion of the Company in the 1st quarter 2025 was Baht 0.43 million, a decrease in loss of Baht 1.82 million or 80.89 percent from the same period last year. This was due to a decrease in the average ethanol selling price as described above; and

(3) Share of income from associated companies totaled Baht 9.52 million, which decreased from the same period last year by Baht 5.16 million or 35.15 percent. This was due to a decrease in profit of associated companies.

EARNINGS EFFICIENCY

(1) EBITDA (Earnings before financial expenses, corporate income tax, depreciation and amortization) of the Company and its subsidiaries in the 1st quarter 2025 was Baht 980.23 million, which decreased from the same period last year by Baht 866.34 million or 46.92 percent, and EBITDA margin was at 25.11 percent, which decreased from the same period last year by 20.15 percent.

(2) The net profit margin of the Company and subsidiaries in the 1st quarter 2025 was 9.59 percent, which decreased from the same period last year by 40.06 percent.

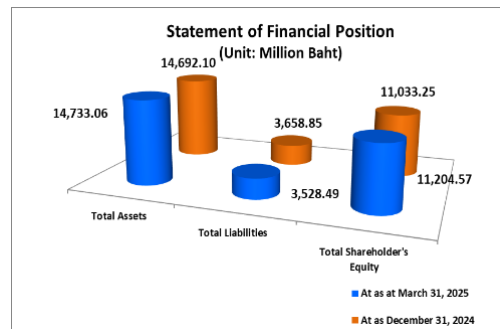
(3) Return on equity of the Company and subsidiaries in the 1st quarter 2025 was 2.78 percent, which decreased from the same period last year by 59.50 percent.

(4) Return on total assets and return on fixed assets of the Company and subsidiaries in the 1st quarter 2025 were 2.54 percent and 12.16 percent, which decreased from the same period last year by 57.94 percent and 62.10 percent, respectively.

STATEMENTS OF FINANCIAL POSITION

Description	Unit	As at March 31, 2025	As at December 31, 2024	Increase (Decrease)	%
Total Assets	Million Baht	14,733.06	14,692.10	40.96	0.28
Total Liabilities	Million Baht	3,528.49	3,658.85	(130.36)	(3.56)
Total Shareholders' Equity	Million Baht	11,204.57	11,033.25	171.32	1.55
Book Value	Baht per Share	16.67	16.22	0.45	2.77
Remark: Registered par value of Baht 1 per share					

ASSETS: The total assets of the Company and subsidiaries as at March 31, 2025, was Baht 14,733.06 million, which increased from the end of 2024 by Baht 40.96 million or 0.28 percent, due to (1) current assets increased by Baht 92.29 million or 1.05 percent, consisting of: (A) cash and cash equivalent decreased by Baht 85.77 million or 1.79 percent; (B) trade accounts receivable and other accounts receivable decreased by Baht 221.33 million or 12.90 percent; (C) inventories increased by Baht 178.85 million or 45.62 percent; and (D) other current assets most of which were corporate income tax, advance payment for goods, etc., increased by Baht 220.54 million or 11.80 percent; and (2) non-current assets decreased by Baht 51.33 million or 0.87 percent.



LIABILITIES: The total liabilities of the Company and its subsidiaries as at March 31, 2025, was Baht 3,528.49 million, which decreased from the end of 2024 by Baht 130.36 million or 3.56 percent, due to (1) trade accounts payable and other accounts payable increased by Baht 99.09 million or 14.48 percent (2) accrued expenses, most of which were overburden removal expenses and freight cost, etc., increased by Baht 95.61 million or 15.41 percent (3) other

liabilities, most of which were deferred tax, provision for mine rehabilitation of the subsidiaries, and allowance for long-term benefits of employees, etc., decreased by Baht 18.79 million or 2.19 percent; and (4) short-term loan and long-term loan of the subsidiaries decreased by Baht 306.27 million or 20.49 percent.

TOTAL SHAREHOLDERS' EQUITY: The total shareholders' equity of the Company and its subsidiaries as at March 31, 2025, was Baht 11,204.57 million, which increased from the end of 2024 by Baht 171.32 million or 1.55 percent, resulting in an increase of the share's book value from Baht 16.22 per share to Baht 16.67 per share, an increase of Baht 0.45 per share or 2.77 percent. This was due to (1) an increase in retained earnings of Baht 240.36 million or 3.34 percent, due to an increase in net profit of Baht 240.36 million (2) a decrease in translation adjustment in financial of Baht 5.24 million or 4.57 percent; and (3) a decrease in minority shareholders' equity of Baht 63.80 million or 2.53 percent.

CASH FLOWS

Description	Unit: Million Baht	
	1 st Quarter 2025	1 st Quarter 2024
Cash Flows from (used in) Operating Activities	615.85	1,306.29
Cash Flows from (used in) Investing Activities	(82.48)	(465.47)
Cash Flows from (used in) Financing Activities	(393.39)	(473.90)
Increase (Decrease) in Translation Adjustments in Financial Statements	(0.03)	(10.61)
Net Increase (Decrease) in Cash	139.95	356.31
Cash at the beginning of the period	2,072.46	1,701.75
Cash at the end of the period	2,212.41	2,058.06

(1) The net cash from operating activities of the Company and its subsidiaries in the 1st quarter 2025 totaled Baht 615.85 million, consisting of (A) income before corporate income tax and interest expense of Baht 598.41 million (B) transactions that did not affect the cash such as depreciation and amortization of assets, most of which were transactions concerning coal mining operations of the subsidiaries in Indonesia of Baht 415.62 million (C) an increase in operating assets of Baht 19.00 million (D) an increase in operating liabilities of Baht 5.03 million (E) interest received of Baht 20.34 million; and (F) interest expenses and corporate income tax of Baht 404.55 million.

(2) The net cash used in investing activities of the Company and its subsidiaries in the 1st quarter 2025 totaled Baht 82.48 million, consisting of (A) an increase in properties, buildings, and equipment of Baht 14.32 million (B) an increase in expenses of coal mine projects of the subsidiaries in Indonesia of Baht 291.43 million (C) a decrease in short-term capital investment and other items of Baht 223.27 million

(3) The net cash used in financing activities of the Company and its subsidiaries in the 1st quarter 2025 totaled Baht 393.39 million, consisting of (A) a decrease in loans of Baht 313.77 million (B) dividend payment of Baht 76.32 million; and (C) a decrease in minority shareholders' equity of Baht 3.30 million.

ASSET MANAGEMENT CAPABILITY

(1) The trade accounts receivable and other accounts receivable of the Company and its subsidiaries as at March 31, 2025, accounted for 10.14 percent of total assets.

(2) The inventory of the Company and its subsidiaries as at March 31, 2025, accounted for 3.87 percent of total assets.

(3) The Company's goodwill incurred from investment in a subsidiary as at March 31, 2025, accounted for 1.26 percent of total assets.

LIQUIDITY AND SUFFICIENCY OF CAPITAL

(1) The current ratio and the quick ratio of the Company and its subsidiaries as at March 31, 2025, were as high as 3.37 times and 2.12 times, respectively. In addition, the Company and subsidiaries have sufficient credit facilities for future working capital.

(2) The total debt-to-equity ratio of the Company and its subsidiaries as at March 31, 2025, was as low as 0.31:1 with appropriate capital structure. The Company has cash generation and credit facilities sufficient for future investment projects.

(3) The cash cycle of the Company and its subsidiaries in the 1st quarter 2025 was 33 days, a decrease from the same period last year of 8 days. The average debt collection period was 36 days, a decrease from the same period last year of 1 day. The average inventory turnover was 19 days, a decrease from the same period last year of 1 day, but the average debt repayment period was 22 days, an increase from the same period last year of 6 days.

DEBT OBLIGATION

The subsidiary engaged in the production and distribution of ethanol for fuel purposes is subject to certain obligations under the terms and conditions of a loan agreement with a local commercial bank, which is the lender as follows:

(1) The subsidiary must maintain its D/E ratio (Debt to Equity Ratio) not exceeding 2.5 times and DSCR (Debt Service Coverage Ratio) of no less than 1.1 times until the expiration of the loan agreement. As at the end of 2024, the subsidiary is able to maintain the D/E ratio and DSCR as required by the contractual obligation of the loan without any default.

(2) The lending bank has stipulated that the Company must maintain its shareholding proportion in the subsidiary of no less than 50 percent of the total number of shares during the whole duration of the loan agreement. Accordingly, the Company has no plan to sell or decrease its shareholding proportion in the subsidiary to below 50 percent of the total number of shares.

(3) The lending bank has stipulated that the subsidiary cannot pay dividend to its shareholders, including the Company, if the subsidiary cannot comply with the conditions as stipulated within the loan agreement, such as the maintenance of D/E ratio (Debt to Equity Ratio), DSCR (Debt Service Coverage Ratio), and shareholding proportion of the Company in the subsidiary, etc. Accordingly, the subsidiary has never breached the conditions of loan agreements and has been provided with good financial support from lending banks.

FUTURE TREND

Coal Business: Coal prices in the 2nd quarter 2025 are anticipated to decline due to the lack of positive factors and unclear impact of China's economic stimulus measures. Additionally, the policies and measures of the United States under the new President may have certain impacts to several countries, particularly in Asia, for the part of production sector, which should have direct impact to electricity utilization in industry. Moreover, the onset of the monsoon season in India during the 2nd quarter 2025 may lead to a reduction in coal imports due to limitations related to port access and marine transportation. In this regard, the Company and its subsidiaries continue to place strong emphasis on the Environmental, Social, and Governance ("ESG"), with a firm commitment to sustainable development on renewable energy to mitigate environmental impacts and greenhouse gas emissions, ensuring sustainable development and growth of the Company and subsidiaries in long term. In line with this strategy, the Company is developing a ground-mounted solar farm project with a capacity of 1.2 megawatts of direct current (MWdc) to generate and supply electricity to Thai Agro Energy Public Co., Ltd. ("TAE"), a subsidiary company. The project is expected to commence electricity generation and distribution by the end of the 2nd quarter 2025. Nevertheless, the coal business is expected to remain profitable and continue to deliver satisfactory operating results in 2025.

Ethanol Business: The ethanol demand in the 2nd quarter 2025 is expected to increase, driven by rising consumption resulting from the decline in ethanol selling prices. The supply of molasses, which is the main raw material for ethanol production, has increased due to higher rainfall compared to the previous year. As a result, sugarcane production has increased and therefore, molasses prices, which is a major cost, are anticipated to decline.

Overall Business: The global economic situation in 2025 is expected to decline due to ongoing trade tensions between China and the United States, which have caused significant slowdown in global trade. Meanwhile, Thailand awaits the outcome of trade negotiations between representatives of the Thai government and the United States which will determine the extent of potential impacts on the domestic economy. Nevertheless, the overall operating results of the Company and its subsidiaries in 2025 are expected to remain profitable with good performance despite increasing global tension environment currently.