



LANNA RESOURCES Public Company Limited

บริษัท ลานนา รีซอร์สเซส จำกัด (มหาชน)

Ref. No. 0269/04E

February 16, 2026

Subject: Clarification on the Operating Results for the Year 2025

Attn: President

The Stock Exchange of Thailand

The Company wishes to report on its operating results for the year 2025, with details as follows:

Net profit of the Company and its subsidiaries in 2025 totaled Baht 697.59 million, representing a decrease of Baht 966.59 million from the previous year. Net earnings per share amounted to Baht 1.33 per share, which decreased by Baht 1.84 per share or 58.08 percent, due to the following reasons:

(1) Net profit from the coal business derived from shareholding proportion of the Company in 2025 amounted to Baht 641.13 million, which decreased from the previous year by Baht 952.81 million or 59.78 percent. This was due to a decrease in coal sales volume and the average coal selling price of 10.30 percent and 20.53 percent, respectively, compared to the previous year.

(2) Net loss from the ethanol business and soil conditioner byproduct derived from shareholding proportion of the Company in 2025 amounted to Baht 4.14 million, representing a decrease in profit of Baht 15.60 million or 136.13 percent, compared to the previous year. This was due to a decrease in the average ethanol selling price of 36.13 percent; and

(3) Share of profit from associated companies in 2025 totaled Baht 60.60 million, which increased from the previous year by Baht 1.82 million or 3.10 percent.

Details of the changes or impacts 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

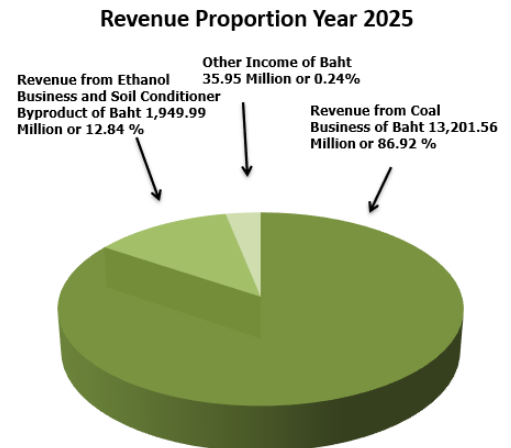
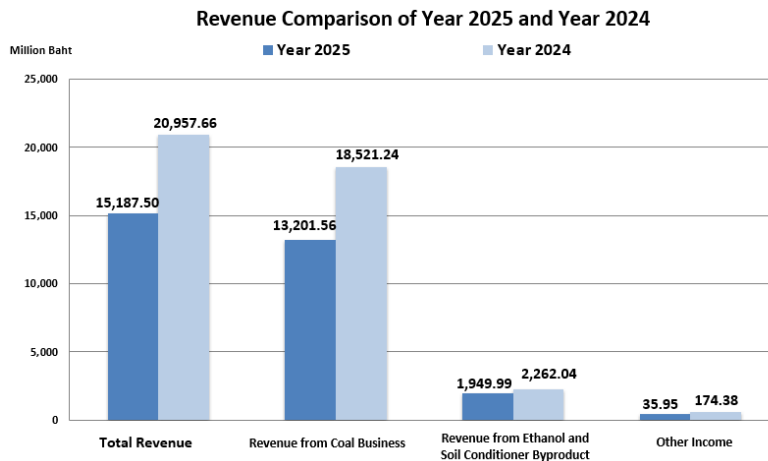
(Mrs. Petcharat Chayanon)
Chief Officer – Accounting and Finance

MANAGEMENT DISCUSSION AND ANALYSIS

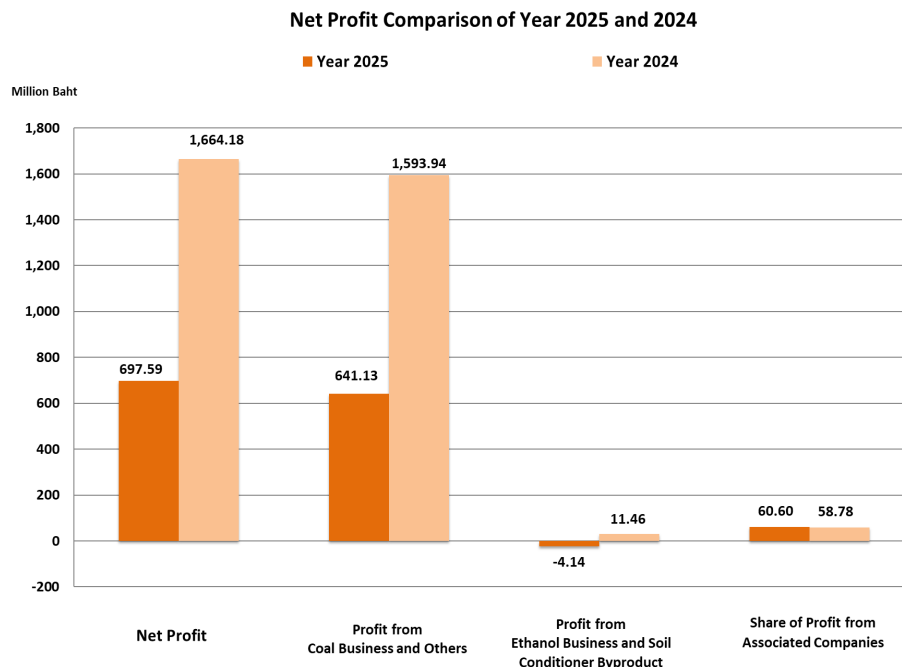
(For the Consolidated Financial Statements of 2025)

OVERALL OPERATING RESULTS

(1) The total revenue of the Company and its subsidiaries in 2025 was Baht 15,187.50 million, which decreased from the previous year by Baht 5,770.16 million or 27.53 percent. The revenue proportion from the coal business, ethanol business, and other income in 2025 accounted for 86.92 percent, 12.84 percent, and 0.24 percent, respectively.



(2) The net profit of the Company and its subsidiaries in 2025 totaled Baht 697.59 million or Baht 1.33 per share, which decreased from the previous year by Baht 966.59 million or 58.08 percent, with a net profit margin of 6.95 percent, an EBITDA margin of 20.55 percent, and a return on equity of 8.39 percent.



(3) The overall financial position and liquidity of the Company and its subsidiaries as at the end of 2025 were considered excellent. The current ratio was as high as 2.85 times, and the quick ratio was as high as 1.78 times. The total debt to total assets ratio was only 26.44 percent, and the debt-to-equity ratio was only 35.94 percent.

(4) Operating Results of the Coal Business or the Core Business are as follows:

(4.1) The Company and its subsidiaries had total revenue from the coal business in 2025 of Baht 13,201.56 million, which decreased from the previous year by Baht 5,319.68 million or 28.72 percent. This was due to a decrease in the average coal selling price and coal sales volume of 10.30 percent and 20.53 percent, respectively.

(4.2) The net profit derived from shareholding proportion of the Company and its subsidiaries in 2025 was Baht 641.13 million, which decreased from the previous year by Baht 952.81 million or 59.78 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 2025 decreased due to the global economic slowdown.

(5) Operating Results of the Ethanol-for-Fuel Business and Soil Conditioner Byproduct or the Secondary Core Business are as follows:

(5.1) The Company and its subsidiary had total revenue from the ethanol business and soil conditioner byproduct in 2025 of Baht 1,949.99 million, which decreased from the previous year by Baht 312.05 million or 13.80 percent. This was due to oversupply in the market, resulting in a decrease in the average ethanol selling price of 36.13 percent, despite ethanol sales volume increased from the previous year by 32.92 percent.

(5.2) The net loss derived from shareholding proportion of the Company and its subsidiary in 2025 was Baht 4.14 million, which decreased from the previous year by Baht 15.60 million or 136.13 percent. This was due to the decline in ethanol selling prices as described above.

Operating Results Analysis

Revenue	Year 2025		Year 2024		Increase (Decrease)	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenue from Coal Sales	13,201.56	86.92	18,521.24	88.37	(5,319.68)	(28.72)
Revenue from Ethanol Sales	1,949.99	12.84	2,262.04	10.79	(312.05)	(13.80)
Other Income	35.95	0.24	174.38	0.84	(138.43)	(79.38)
Total Revenue	15,187.50	100.00	20,957.66	100.00	(5,770.16)	(27.53)

REVENUE

Revenue of the Company and its subsidiaries in 2025 totaled Baht 15,187.50 million, which decreased from the previous year by Baht 5,770.16 million or 27.53 percent, due to the following reasons:

(1) Revenue from the coal business, the core business, in 2025 was Baht 13,201.56 million, which decreased from the previous year by Baht 5,319.68 million or 28.72 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, in 2025 was Baht 1,949.99 million, which decreased from the previous year by Baht 312.05 million or 13.80 percent. This was due to a decrease in the average ethanol selling price as described above; and

(3) Other income in 2025 totaled Baht 35.95 million, which decreased from the previous year by Baht 138.43 million or 79.38 percent. This was due to lower port and jetty service income from a subsidiary, together with the absence of insurance compensation income related to a fire incident on cassava chips of Baht 70.91 million, which had been recognized in 2024 and did not recur in 2025.

EXPENSES

Expenses	Year 2025		Year 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	7,407.50	56.11	9,264.95	50.02	(1,857.45)	(20.05)
Selling and administrative expenses	4,247.01	32.17	5,228.35	28.23	(981.34)	(18.77)
Corporate income tax	627.48	4.75	1,594.91	8.61	(967.43)	(60.66)
Ethanol Business						
Cost of sales	1,816.01	93.13	2,048.87	90.58	(232.86)	(11.37)
Selling and administrative expenses	106.16	5.44	219.86	9.72	(113.70)	(51.71)
Corporate income tax	(1.50)	(0.08)	6.53	0.29	(8.03)	(122.97)

COAL BUSINESS EXPENSES

Coal business expenses of the Company and its subsidiaries in 2025 totaled Baht 12,281.99 million, which decreased from the previous year by Baht 3,806.22 million or 23.66 percent, due to the following reasons:

(1) Cost of coal sales decreased from the previous year by Baht 1,857.45 million or 20.05 percent due to a decrease in coal sales volume and the cost of coal sales per metric ton of 10.30 percent and 10.86 percent, respectively.

(2) Selling and administrative expenses decreased from the previous year by Baht 981.34 million or 18.77 percent, due to a decrease in royalty fee payments to the government in line with a decrease in coal sales volume and the average coal selling price; and

(3) Corporate income tax decreased from the previous year by Baht 967.43 million or 60.66 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 its subsidiary in 2025 totaled Baht 1,920.67 million, which decreased from the previous year by Baht 354.59 million or 15.58 percent, due to the following reasons:

(1) Cost of sales decreased from the previous year by Baht 232.86 million or 11.37 percent, due to lower production costs.

(2) Selling and administrative expenses decreased from the previous year by Baht 113.70 million or 51.71 percent. This was due to lower factory overhead costs reclassified as administrative expenses after the temporary suspension of ethanol production, together with a loss of Baht 74.33 million from a fire incident related to cassava chips that was recognized in 2024; and

(3) Corporate income tax decreased from the previous year by Baht 8.03 million due to a net loss in operating results.

FINANCIAL INCOME AND FINANCIAL EXPENSE

Description	Unit: Million Baht						Million Baht	Increase (Decrease) (%)
	Year 2025			Year 2024				
	Coal Business	Ethanol Business and Soil Conditioner Byproduct	Total	Coal Business	Ethanol Business and Soil Conditioner Byproduct	Total		
Financial income	86.18	0.11	86.29	122.80	0.21	123.01	(36.72)	(29.85)
Financial expense	20.44	55.65	76.09	18.93	63.37	82.30	(6.21)	(7.55)

(1) The Company and its subsidiaries recorded financial income in 2025 of Baht 86.29 million, which decreased from the previous year by Baht 36.72 million or 29.85 percent. This was due to a decrease in interest received; and

(2) The Company and its subsidiaries recorded financial expenses in 2025 of Baht 76.09 million, which decreased from the previous year by Baht 6.21 million or 7.55 percent. This was due to a decrease in interest expenses in line with a decrease in outstanding loans.

Gross Profit	Coal Business		Ethanol Business and Soil Conditioner Byproduct		Total	
	Million Baht	%	Million Baht	%	Million Baht	%
Year 2025						
Revenues from sales	13,201.56	100.00	1,949.99	100.00	15,151.55	100.00
Less Cost of sales	7,407.50	56.11	1,816.01	93.13	9,223.51	60.88
Gross Profit	5,794.06	43.89	133.98	6.87	5,928.04	39.12
Year 2024						
Revenues from sales	18,521.24	100.00	2,262.04	100.00	20,783.28	100.00
Less Cost of sales	9,264.95	50.02	2,048.87	90.58	11,313.82	54.44
Gross Profit	9,256.29	49.98	213.17	9.42	9,469.46	45.56

GROSS PROFIT

Gross profit of the Company and its subsidiaries in 2025 totaled Baht 5,928.04 million or 39.12 percent of sales revenue, which decreased from the previous year with gross profit of Baht 9,469.46 million or 45.56 percent of sales revenue, due to the following reasons:

(1) Gross profit from the coal business totaled Baht 5,794.06 million or 43.89 percent of sales revenue, which decreased from the previous year with gross profit of Baht 9,256.29 million or 49.98 percent of sales revenue. This was due to a decrease in the average coal selling price of 20.53 percent; and

(2) Gross profit from the ethanol business and soil conditioner byproduct totaled Baht 133.98 million or 6.87 percent of sales revenue, which decreased from the previous year with gross profit of Baht 213.17 million or 9.42 percent of sales revenue. This was due to a decrease in the average ethanol selling price of 36.13 percent.

Net Profit	Unit	Year 2025		Year 2024		Increase (Decrease)	
		Million Baht	%	Million Baht	%	Million Baht	%
Profit from Coal Business	Million Baht	641.13	91.91	1,593.94	95.78	(952.81)	(59.78)
Profit (Loss) from Ethanol Business and Soil Conditioner Byproduct	Million Baht	(4.14)	(0.59)	11.46	0.69	(15.60)	(136.13)
Share of profit from associated companies	Million Baht	60.60	8.68	58.78	3.53	1.82	3.10
Net Profit	Million Baht	697.59	100.00	1,664.18	100.00	(966.59)	(58.08)
Net Earnings per Share	Baht per Share	1.33		3.17		(1.84)	(58.08)
Remark: Registered par value of Baht 1 per share							

NET PROFIT

Net profit of the Company and its subsidiaries in 2025 totaled Baht 697.59 million, which decreased from the previous year by Baht 966.59 million. Net earnings per share was Baht 1.33 per share, which decreased from the previous year by Baht 1.84 per share or 58.08 percent, due to the following reasons:

(1) Net profit from the coal business derived from shareholding proportion of the Company in 2025 was Baht 641.13 million, which decreased from the previous year by Baht 952.81 million or 59.78 percent. This was due to a decrease in coal sales volume and 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 2025 was Baht 4.14 million, representing a decrease in profit of Baht 15.60 million or 136.13 percent, compared to the previous year. This was due to a decrease in the average ethanol selling price, as described above; and

(3) Share of profit from associated companies in 2025 totaled Baht 60.60 million, which increased from the previous year by Baht 1.82 million or 3.10 percent.

EARNINGS EFFICIENCY

(1) EBITDA (Earnings before financial expenses, corporate income tax, depreciation, and amortization) of the Company and its subsidiaries in 2025 was Baht 3,120.60 million, which decreased from the previous year by Baht 2,490.72 million or 44.39 percent. The EBITDA margin was 20.55 percent, which decreased from the previous year by 23.26 percent.

(2) The net profit margin of the Company and its subsidiaries in 2025 was 6.95 percent, which decreased from the previous year by 45.92 percent.

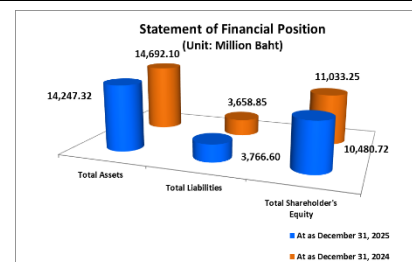
(3) Return on equity of the Company and its subsidiaries in 2025 was 8.39 percent, which decreased from the previous year by 58.10 percent.

(4) Return on total assets and return on fixed assets of the Company and its subsidiaries in 2025 were 7.30 percent and 37.96 percent, which decreased from the previous year by 60.02 percent and 51.42 percent, respectively.

STATEMENTS OF FINANCIAL POSITION

Description	Unit	As at December 31, 2025	As at December 31, 2024	Increase (Decrease)	%
Total Assets	Million Baht	14,247.32	14,692.10	(444.78)	(3.03)
Total Liabilities	Million Baht	3,766.60	3,658.85	107.75	2.94
Total Shareholders' Equity	Million Baht	10,480.72	11,033.25	(552.53)	(5.01)
Book Value	Baht per Share	15.46	16.22	(0.76)	(4.69)
Remark: Registered par value of Baht 1 per share					

ASSETS: The total assets of the Company and its subsidiaries as at the end of 2025 were Baht 14,247.32 million, which decreased from the end of 2024 by Baht 444.78 million or 3.03 percent, due to (1) current assets decreased by Baht 1,055.96 million or 12.04 percent, consisting of: (A) cash and cash equivalents decreased by Baht 1,063.46 million or 22.19 percent; (B) trade accounts receivable and other accounts receivable decreased by Baht 576.05 million or 33.58 percent; (C) inventories increased by Baht 4.08 million or 1.04 percent; and (D) other current assets, most of which were corporate income tax, advance payments for goods, etc., increased by Baht 579.47 million or 31.00 percent; and (2) non-current assets increased by Baht 611.18 million or 10.32 percent.



LIABILITIES: The total liabilities of the Company and its subsidiaries as at the end of 2025 were Baht 3,766.60 million, which increased from the end of 2024 by Baht 107.75 million or 2.94 percent, due to (1) trade accounts payable and other accounts payable increased by Baht 210.94 million or 30.83 percent (2) accrued expenses, most of which were overburden removal expenses and freight cost, etc., decreased by Baht 134.75 million or 21.72 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., increased by Baht 55.42 million or 6.45 percent; and (4) short-term and long-term loans of the subsidiaries decreased by Baht 23.86 million or 1.60 percent.

TOTAL SHAREHOLDERS' EQUITY: The total shareholders' equity of the Company and its subsidiaries as at the end of 2025 was Baht 10,480.72 million, which decreased from the end of 2024 by Baht 552.53 million or 5.01 percent, resulting in a decrease of the share's book value from Baht 16.22 per share to Baht 15.46 per share, representing a decrease of Baht 0.76 per share or 4.69 percent. This was due to (1) a decrease in retained earnings of Baht 202.05 million or 2.81 percent, resulting from net profit of Baht 697.59 million, but there was dividend payments of Baht 892.50 million, and a loss from other comprehensive income of Baht 7.14 million. (2) a decrease in translation adjustments in financial statements of Baht 198.83 million or 173.26 percent; and (3) a decrease in minority shareholders' equity of Baht 151.65 million or 6.03 percent.

CASH FLOWS

Description	Unit: Million Baht	
	Year 2025	Year 2024
Cash Flows from (used in) Operating Activities	2,562.29	4,158.91
Cash Flows from (used in) Investing Activities	(467.15)	(1,111.80)
Cash Flows from (used in) Financing Activities	(1,428.50)	(2,569.34)
Increase (Decrease) in Translation Adjustments in Financial Statements	(13.54)	(107.60)
Net Increase (Decrease) in Cash	653.10	370.71
Cash at the beginning of the period	2,072.46	1,701.75
Cash at the end of the period	2,725.56	2,072.46

(1) The net cash from operating activities of the Company and its subsidiaries in 2025 totaled Baht 2,562.29 million, consisting of (A) Profit before corporate income tax and interest expense of Baht 1,681.62 million (B) transactions that did not affect cash, such as depreciation and amortization of assets, most of which were transactions concerning coal mining operations of the subsidiaries in Indonesia of Baht 1,556.55 million (C) a decrease in operating assets of Baht 507.94 million (D) an increase in operating liabilities of Baht 33.78 million (E) interest received of Baht 88.28 million; and (F) interest expenses and corporate income tax of Baht 1,305.88 million.

(2) The net cash used in investing activities of the Company and its subsidiaries in 2025 totaled Baht 467.15 million, consisting of (A) an increase in property, buildings, and equipment of Baht 52.83 million (B) an increase in expenses related to coal mine projects of subsidiaries in Indonesia of Baht 1,888.91 million (C) a decrease in short-term capital investments and other items of Baht 1,521.38 million (D) a decrease in loans to related parties of Baht 8.51 million (E) dividend received from associated companies of Baht 14.14 million; and (F) payments for the acquisition of rights to service fees from a subsidiary of Baht 69.44 million.

(3) The net cash used in financing activities of the Company and its subsidiaries in 2025 totaled Baht 1,428.50 million, consisting of (A) a decrease in loans of Baht 28.54 million (B) dividend payments of Baht 1,275.63 million; and (C) a decrease in minority shareholders' equity of Baht 124.33 million.

ASSET MANAGEMENT CAPABILITY

(1) Trade accounts receivable and other accounts receivable of the Company and its subsidiaries as at the end of 2025 accounted for 8.00 percent of total assets.

(2) Inventories of the Company and its subsidiaries as at the end of 2025 accounted for 2.78 percent of total assets.

(3) The Company's goodwill incurred from investment in a subsidiary as at the end of 2025 accounted for 1.31 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 the end of 2025 were as high as 2.85 times and 1.78 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 the end of 2025, was as low as 0.36:1 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 2025 was 24 days, a decrease of 8 days as compared to the previous year. The average debt collection period was 33 days, an increase of 1 day from the previous year. The average inventory turnover was 15 days, unchanged from the previous year. The average debt repayment period was 24 days, an increase of 9 days compared to the previous year.

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 more than 2.5 times and DSCR (Debt Service Coverage Ratio) at not less than 1.1 times until the expiration of the loan agreement. As at the end of 2025, the subsidiary was able to maintain the D/E ratio and DSCR as required by the contractual obligations under the loan agreement without any default.

(2) The lending bank stipulates that the Company must maintain its shareholding proportion in the subsidiary at not less than 50 percent of the total number of shares throughout the duration of the loan agreement. Accordingly, the Company has no plan to sell or reduce its shareholding proportion in the subsidiary to below 50 percent of the total number of shares.

(3) The lending bank also stipulates that the subsidiary may not pay dividend to its shareholders, including the Company, if the subsidiary fails to comply with the conditions of 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. The subsidiary has consistently complied with all loan terms and continues to receive strong financial support from the lending banks.

FUTURE TREND

Coal Business: Coal prices in 2026 are expected to remain stable at levels comparable to the previous year, as supply and demand are anticipated to be balanced. However, coal selling prices may continue to experience volatility in line with global economic conditions. Economic policies of the United States have contributed to trade tensions and geopolitical conflicts. As a result, many countries are increasingly seeking to reduce their dependence on external sources, especially those with abundant natural resources, which may regulate production and export volumes to safeguard resources for domestic energy security purposes. Nevertheless, the Company and its subsidiaries remain committed to Environmental, Social, and Governance ("ESG") principles, with continuous goals for sustainable development in clean and renewable energy to reduce environmental impact and greenhouse gas emissions. In this regard, the Company has launched a 1.2 MWdc solar farm project to generate and sell electricity to Thai Agro Energy Public Co., Ltd. ("TAE"), a subsidiary company. This project is expected to begin production and sales in the 1st quarter of 2026. Additionally, the Company is exploring other renewable energy investment opportunities and studying the feasibility of using digital tools for data analysis to enhance productivity. These initiatives aim to ensure the Company and its subsidiaries achieve stable and sustainable long-term growth. The coal business is also expected to maintain good profitability and satisfactory performance throughout 2026.

Ethanol Business: The sugarcane crushing season in 2026 is expected to see sugarcane volumes in line with, or slightly higher than, the previous production season, supported by higher rainfall. Accordingly, the Company plans to return to utilize molasses as the main raw material in 2026 to enhance competitiveness.

Overall Business: Tariff barriers imposed by the United States continue to impact the global economy. Ongoing geopolitical tensions in the Middle East and the South China Sea, with effects extending into Europe, are also expected to affect Thailand. According to the Bank of Thailand, economic growth is projected to reduce to approximately 1.5 percent in 2026. In addition, the formation of a new government following the general election remains a key factor influencing Thailand's policy direction. Nevertheless, the Company and its subsidiaries expect to maintain stable profitability and continue to deliver satisfactory operating performance in 2026.