



LANNA RESOURCES Public Company Limited

บริษัท ลานนา รีซอร์สเซส จำกัด (มหาชน)

Ref. No. 0469/23E

May 6, 2026

Subject: Clarification of Operating Results for the 1st quarter of 2026

Attn: President

The Stock Exchange of Thailand

The Company wishes to report its operating results for the 1st quarter of 2026, with details as follows:

Net profit of the Company and its subsidiaries for the 1st quarter of 2026 totaled Baht 176.40 million, a decrease of Baht 63.96 million from the same period last year. Net earnings per share was Baht 0.34 per share, which decreased by Baht 0.12 per share or 26.61 percent, due to the following reasons:

(1) Net profit from the coal business derived from shareholding proportion of the Company for the 1st quarter of 2026 amounted to Baht 100.58 million, which decreased by Baht 130.69 million or 56.51 percent, from the same period last year. This was due to a decrease in coal sales volume and the average coal selling price of 12.25 percent and 13.78 percent, respectively.

(2) Net profit from the ethanol business and soil conditioner byproduct derived from shareholding proportion of the Company for the 1st quarter of 2026 amounted to Baht 64.09 million, compared to a net loss of Baht 0.43 million in the same period last year, representing an increase in net profit of Baht 64.52 million. This was due to an increase of 35.53 percent in ethanol sales volume; and

(3) Share of profit from associated companies for the 1st quarter of 2026 totaled Baht 11.73 million, which increased by Baht 2.21 million or 23.21 percent, from the same period last year.

Details of the changes and impacts are presented in the Management Discussion and Analysis (MD&A).

Please be informed accordingly.

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

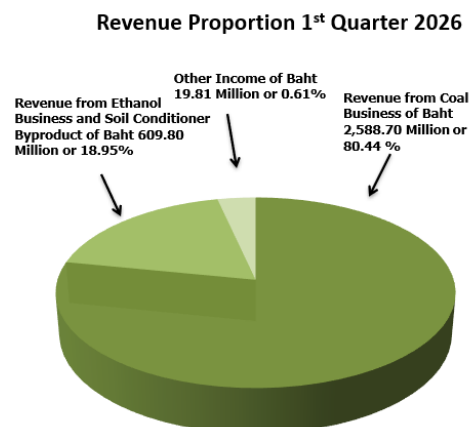
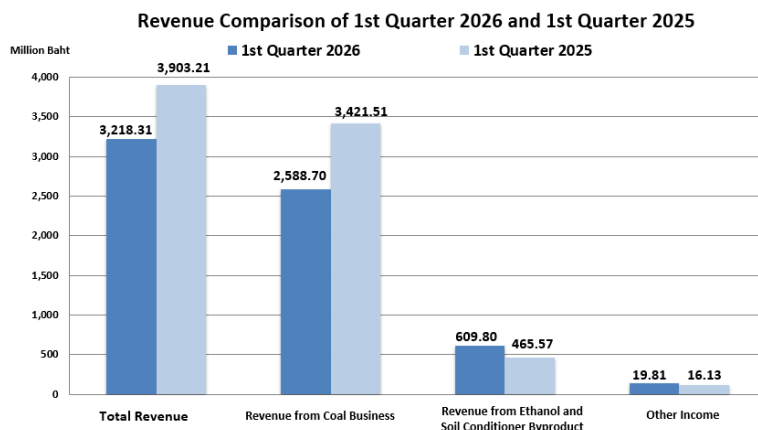
(Mrs. Petcharat Chayanon)
Chief Officer – Accounting and Finance

MANAGEMENT DISCUSSION AND ANALYSIS

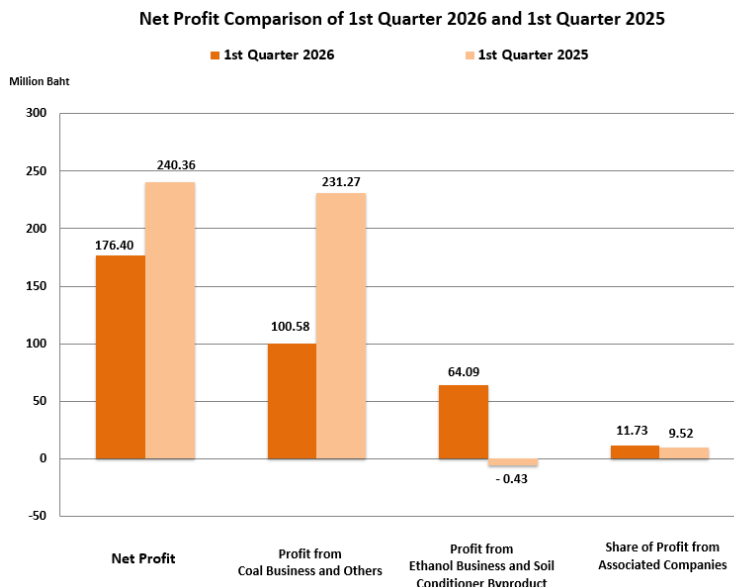
(For the Consolidated Financial Statements of the 1st quarter 2026)

OVERALL OPERATING RESULTS

(1) The total revenue of the Company and its subsidiaries for the 1st quarter of 2026 was Baht 3,218.31 million, which decreased from the same period last year by Baht 684.90 million or 17.55 percent. The revenue proportion from the coal business, ethanol business, and other income in the 1st quarter of 2026 accounted for 80.44 percent, 18.95 percent, and 0.61 percent, respectively.



(2) The net profit of the Company and its subsidiaries for the 1st quarter of 2026 totaled Baht 176.40 million or Baht 0.34 per share, which decreased from the same period last year by Baht 63.96 million or 26.61 percent, with a net profit margin of 8.69 percent, an EBITDA margin of 19.55 percent, and a return on equity of 2.14 percent.



(3) The overall financial position and liquidity of the Company and its subsidiaries as at March 31, 2026, were excellent. The current ratio was 2.84 times, and the quick ratio was as high as 1.70 times. The total debt to total assets ratio was only 26.56 percent, and the debt-to-equity ratio was only 36.17 percent.

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

(4.1) The Company and its subsidiaries had total revenue from the coal business for the 1st quarter of 2026 of Baht 2,588.70 million, which decreased by Baht 832.81 million or 24.34 percent, from the same period last year. This was due to a decrease in coal sales volume and the average coal selling price from the same period last year of 12.25 percent and 13.78 percent, respectively.

(4.2) The net profit derived from shareholding proportion of the Company and its subsidiaries for the 1st quarter of 2026 was Baht 100.58 million, which decreased by Baht 130.69 million or 56.51 percent, from the same period last year. This was due to continuous heavy rainfall in Indonesia, which disrupted coal mining operations, including production, transportation, and delivery. In addition, the average coal selling price in the 1st quarter of 2026 decreased as the subsidiary adjusted the lower-grade coal in line with the remaining coal reserves.

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

(5.1) The Company and its subsidiary had total revenue from the ethanol business and soil conditioner byproduct for the 1st quarter of 2026 of Baht 609.80 million, which increased by Baht 144.23 million or 30.98 percent, from the same period last year. This was due to an increase in ethanol sales volume from the same period last year of 35.53 percent, despite a decrease in the average ethanol selling price of 1.84 percent.

(5.2) The Company and its subsidiary had total net profit from the ethanol business and soil conditioner byproduct derived from shareholding proportion of the Company for the 1st quarter of 2026 of Baht 64.09 million, compared to a net loss of Baht 0.43 million in the same period last year, representing an increase of Baht 64.52 million. This was due to an increase in ethanol sales volume and effective cost control, particularly in raw material quality and pricing.

Operating Results Analysis

Revenue	1 st quarter 2026		1 st quarter 2025		Increase (Decrease)	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenue from Coal Sales	2,588.70	80.44	3,421.51	87.66	(832.81)	(24.34)
Revenue from Ethanol Sales	609.80	18.95	465.57	11.93	144.23	30.98
Other Income	19.81	0.61	16.13	0.41	3.68	22.81
Total Revenue	3,218.31	100.00	3,903.21	100.00	(684.90)	(17.55)

REVENUE

Revenue of the Company and its subsidiaries for the 1st quarter of 2026 totaled Baht 3,218.31 million, which decreased by Baht 684.90 million or 17.55 percent, from the same period last year, due to the following reasons:

(1) Revenue from the coal business, the core business, for the 1st quarter of 2026 was Baht 2,588.70 million, which decreased by Baht 832.81 million or 24.34 percent, from the same period last year. This was due to a decrease in coal sales volume and the average coal selling price.

(2) Revenue from the ethanol business and soil conditioner byproduct, the secondary business, for the 1st quarter of 2026 was Baht 609.80 million, which increased by Baht 144.23 million or 30.98 percent, from the same period last year. This was due to an increase in ethanol sales volume; and

(3) Other income for the 1st quarter of 2026 totaled Baht 19.81 million, which increased by Baht 3.68 million or 22.81 percent, from the same period last year. This was due to an increase in foreign exchange gains.

EXPENSES

Expenses	1 st quarter 2026		1 st quarter 2025		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	1,482.30	57.26	1,796.76	52.51	(314.46)	(17.50)
Selling and administrative expenses	869.34	33.58	1,067.49	31.20	(198.15)	(18.56)
Corporate income tax	109.07	4.21	224.30	6.56	(115.23)	(51.37)
Ethanol Business						
Cost of sales	436.28	71.54	434.90	93.41	1.38	0.32
Selling and administrative expenses	27.42	4.50	24.90	5.35	2.52	10.12
Corporate income tax	20.95	3.44	(0.23)	(0.05)	21.18	9,208.70

COAL BUSINESS EXPENSES

Coal business expenses of the Company and its subsidiaries for the 1st quarter of 2026 totaled Baht 2,460.71 million, which decreased by Baht 627.84 million or 20.33 percent, from the same period last year, due to the following reasons:

(1) Cost of coal sales decreased by Baht 314.46 million or 17.50 percent, from the same period last year, due to a decrease in coal sales volume and a decrease in the cost of coal sales per metric ton of 12.25 percent and 5.98 percent, respectively.

(2) Selling and administrative expenses decreased by Baht 198.15 million or 18.56 percent, from the same period last year, 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 by Baht 115.23 million or 51.37 percent, from the same period last year, 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 for the 1st quarter of 2026 totaled Baht 484.65 million, which increased by Baht 25.08 million or 5.46 percent, from the same period last year, due to the following reasons:

(1) Cost of sales increased by Baht 1.38 million or 0.32 percent, from the same period last year, due to an increase in ethanol sales volume.

(2) Selling and administrative expenses increased by Baht 2.52 million or 10.12 percent, from the same period last year, due to an increase in ethanol transportation costs.

(3) Corporate income tax increased by Baht 21.18 million from the same period last year due to an increase in profit.

FINANCIAL INCOME AND FINANCIAL EXPENSE

Description	Unit: Million Baht						Increase (Decrease)	
	1 st quarter 2026			1 st quarter 2025				
	Coal Business	Ethanol Business and Soil Conditioner Byproduct	Total	Coal Business	Ethanol Business and Soil Conditioner Byproduct	Total	Million Baht	%
Financial income	14.88	0.01	14.89	26.76	0.04	26.80	(11.91)	(44.44)
Financial expense	7.47	12.32	19.79	2.65	14.42	17.07	2.72	15.93

(1) The Company and its subsidiaries recorded financial income for the 1st quarter of 2026 of Baht 14.89 million, which decreased by Baht 11.91 million or 44.44 percent, from the same period last year. This was due to a decrease in interest received; and

(2) The Company and its subsidiaries recorded financial expenses for the 1st quarter of 2026 of Baht 19.79 million, which increased by Baht 2.72 million or 15.93 percent, from the same period last year, due to an increase in interest expenses.

GROSS PROFIT

Gross Profit	Coal Business		Ethanol Business and Soil Conditioner Byproduct		Total	
	Million Baht	%	Million Baht	%	Million Baht	%
The 1 st quarter 2026						
Revenues from sales	2,588.70	100.00	609.80	100.00	3,198.50	100.00
Less Cost of sales	1,482.30	57.26	436.28	71.54	1,918.58	59.98
Gross Profit	1,106.40	42.74	173.52	28.46	1,279.92	40.02
The 1 st 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

Gross profit of the Company and its subsidiaries for the 1st quarter of 2026 totaled Baht 1,279.92 million or 40.02 percent of sales revenue, which decreased from Baht 1,655.42 million or 42.59 percent of sales revenue in the same period last year, due to the following reasons:

(1) Gross profit from the coal business totaled Baht 1,106.40 million or 42.74 percent of sales revenue, which decreased from Baht 1,624.75 million or 47.49 percent of sales revenue in the same period last year. This was due to a decrease in the average coal selling price of 13.78 percent; and

(2) Gross profit from the ethanol business and soil conditioner byproduct totaled Baht 173.52 million or 28.46 percent of sales revenue, which increased from Baht 30.67 million or 6.59 percent of sales revenue in the same period last year. Although the average ethanol selling price decreased by 1.84 percent, the cost of ethanol sales decreased by 25.99 percent due to a 20.77 percent decrease in molasses prices, the main raw material in ethanol production.

NET PROFIT

Net Profit	Unit	1 st quarter 2026		1 st quarter 2025		Increase (Decrease)	
		Million Baht	%	Million Baht	%	Million Baht	%
Profit from Coal Business	Million Baht	100.58	57.02	231.27	96.22	(130.69)	(56.51)
Profit (Loss) from Ethanol Business and Soil Conditioner Byproduct	Million Baht	64.09	36.33	(0.43)	(0.18)	64.52	15,004.65
Share of profit from associated companies	Million Baht	11.73	6.65	9.52	3.96	2.21	23.21
Net Profit	Million Baht	176.40	100.00	240.36	100.00	(63.96)	(26.61)
Net Earnings per Share	Baht per Share	0.34		0.46		(0.12)	(26.61)
Remark: Registered par value of Baht 1 per share							

Net profit of the Company and its subsidiaries for the 1st quarter of 2026 totaled Baht 176.40 million, which decreased by Baht 63.96 million from the same period last year. Net earnings per share was Baht 0.34 per share, which decreased by Baht 0.12 per share or 26.61 percent, from the same period last year, due to the following reasons:

(1) Net profit from the coal business derived from shareholding proportion of the Company for the 1st quarter of 2026 was Baht 100.58 million, which decreased by Baht 130.69 million or 56.51 percent, from the same period last year. This was due to a decrease in coal sales volume and the average coal selling price as described above.

(2) Net profit from the ethanol business and soil conditioner byproduct derived from shareholding proportion of the Company for the 1st quarter of 2026 was Baht 64.09 million, compared to a net loss of Baht 0.43 million in the same period last year, representing an increase of Baht 64.52 million. This was due to an increase in ethanol sales volume; and

(3) Share of profit from associated companies for the 1st quarter of 2026 totaled Baht 11.73 million, which increased by Baht 2.21 million or 23.21 percent, from the same period last year.

EARNINGS EFFICIENCY

(1) EBITDA (Earnings before financial expenses, corporate income tax, depreciation, and amortization) of the Company and its subsidiaries for the 1st quarter of 2026 was Baht 629.23 million, which decreased by Baht 351.00 million or 35.81 percent, from the same period last year. The EBITDA margin was 19.55 percent, which decreased by 22.15 percent from the same period last year.

(2) The net profit margin of the Company and its subsidiaries for the 1st quarter of 2026 was 8.69 percent, which decreased by 9.38 percent from the same period last year.

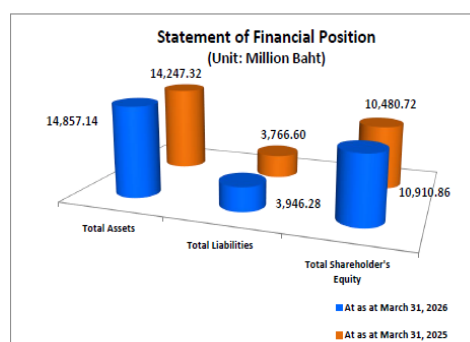
(3) Return on equity of the Company and its subsidiaries for the 1st quarter of 2026 was 2.14 percent, which decreased by 23.02 percent from the same period last year.

(4) Return on total assets and return on fixed assets of the Company and its subsidiaries for the 1st quarter of 2026 were 1.92 percent and 10.47 percent, respectively, which decreased by 24.44 percent and 13.90 percent, respectively, from the same period last year.

STATEMENTS OF FINANCIAL POSITION

Description	Unit	As at March 31, 2026	As at December 31, 2025	Increase (Decrease)	%
Total Assets	Million Baht	14,857.14	14,247.32	609.82	4.28
Total Liabilities	Million Baht	3,946.28	3,766.60	179.68	4.77
Total Shareholders' Equity	Million Baht	10,910.86	10,480.72	430.14	4.10
Book Value	Baht per Share	16.00	15.46	0.54	3.49
Remark: Registered par value of Baht 1 per share					

ASSETS: The total assets of the Company and its subsidiaries as at March 31, 2026, were Baht 14,857.14 million, which increased by Baht 609.82 million or 4.28 percent, from the end of 2025, due to (1) an increase in current assets of Baht 348.20 million or 4.51 percent, consisting of: (A) cash and cash equivalents decreased by Baht 342.38 million or 9.18 percent; (B) trade accounts receivable and other accounts receivable increased by Baht 339.95 million or 29.84 percent; (C) inventories increased by Baht 243.60 million or 61.50 percent; and (D) other current assets, most of which were corporate income tax, advance payments for goods, etc., increased by Baht 107.03 million or 4.37 percent; and (2) non-current assets increased by Baht 261.62 million or 4.00 percent.



LIABILITIES: The total liabilities of the Company and its subsidiaries as at March 31, 2026, were Baht 3,946.28 million, which increased by Baht 179.68 million or 4.77 percent, from the end of 2025, due to (1) an increase in trade accounts payable and other accounts payable of Baht 206.88 million or 23.11 percent; (2) an increase in accrued expenses, most of which were overburden removal expenses and freight costs, etc., of Baht 47.31 million or 9.74 percent; (3) an increase in other liabilities, most of which were deferred tax, provision for mine rehabilitation of the subsidiaries, and allowance for long-term benefits of employees, etc., of Baht 67.34 million or 7.36 percent; and (4) a decrease in short-term and long-term loans of the subsidiaries of Baht 141.85 million or 9.65 percent.

TOTAL SHAREHOLDERS' EQUITY: The total shareholders' equity of the Company and its subsidiaries as at March 31, 2026, was Baht 10,910.86 million, which increased by Baht 430.14 million or 4.10 percent, from the end of 2025. As a result, book value per share increased from Baht 15.46 to Baht 16.00 per share, or an increase of Baht 0.54 per share or 3.49 percent. This was due to (1) an increase in retained earnings of Baht 176.40 million or 2.52 percent, resulting from net profit of Baht 176.40 million, (2) an increase in translation adjustments in financial statements of Baht 106.56 million or 126.75 percent; and (3) an increase in minority shareholders' equity of Baht 147.18 million or 6.22 percent.

CASH FLOWS

Description	Unit: Million Baht	
	1 st quarter 2026	1 st quarter 2025
Cash Flows from (used in) Operating Activities	167.61	615.85
Cash Flows from (used in) Investing Activities	(454.96)	(82.48)
Cash Flows from (used in) Financing Activities	(119.60)	(393.39)
Increase (Decrease) in Translation Adjustments in Financial Statements	(20.51)	(0.03)
Net Increase (Decrease) in Cash	(427.46)	139.95
Cash at the beginning of the period	2,725.56	2,072.46
Cash at the end of the period	2,298.10	2,212.41

(1) The net cash from operating activities of the Company and its subsidiaries for the 1st quarter of 2026 totaled Baht 167.61 million, consisting of (A) Profit before corporate income tax of Baht 409.80 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 217.54 million; (C) an increase in operating assets of Baht 607.11 million; (D) an increase in operating liabilities of Baht 241.78 million; (E) interest received of Baht 12.21 million; and (F) interest expenses and corporate income tax of Baht 106.61 million.

(2) The net cash used in investing activities of the Company and its subsidiaries for the 1st quarter of 2026 totaled Baht 454.96 million, consisting of (A) an increase in property, buildings, and equipment of Baht 16.03 million; (B) an increase in expenses related to coal mine projects of subsidiaries in Indonesia of Baht 288.24 million; and (C) an increase in short-term capital investments and other items of Baht 150.69 million.

(3) The net cash used in financing activities of the Company and its subsidiaries for the 1st quarter of 2026 totaled Baht 119.60 million, consisting of (A) a decrease in loans of Baht 156.49 million; (B) dividend payments of Baht 21.83 million; (C) lease payment of Baht 6.92 million and (D) an increase in minority shareholders' equity of Baht 65.64 million.

ASSET MANAGEMENT CAPABILITY

(1) Trade accounts receivable and other accounts receivable of the Company and its subsidiaries as at March 31, 2026 accounted for 9.96 percent of total assets.

(2) Inventories of the Company and its subsidiaries as at March 31, 2026, accounted for 4.31 percent of total assets.

(3) The Company's goodwill incurred from investment in a subsidiary as at March 31, 2026, accounted for 1.25 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, 2026, were 2.84 times and 1.70 times, respectively. In addition, the Company and its subsidiaries maintain sufficient credit facilities for future working capital.

(2) The total debt-to-equity ratio of the Company and its subsidiaries as at March 31, 2026, was only 0.36:1, which remained at a low level, reflecting an appropriate capital structure. The Company has sufficient cash generation and credit facilities to support future investment projects.

(3) The cash cycle of the Company and its subsidiaries for the 1st quarter of 2026 was 21 days, a decrease of 12 days from the same period last year. The average debt collection period was 36 days, unchanged from the same period last year. The average inventory turnover period was 24 days, an increase of 5 days from the same period last year. The average debt repayment period was 39 days, an increase of 17 days from the same period last year.

DEBT OBLIGATION

(1) The domestic 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, the lender, as follows:

(A) The subsidiary must maintain its D/E ratio (Debt-to-Equity Ratio) at not exceeding 2.5 times and its DSCR (Debt Service Coverage Ratio) at not less than 1.1 times until the expiration of the loan agreement. As at March 31, 2026, the subsidiary was able to maintain the D/E ratio and DSCR as required under the loan agreement without any default.

(B) 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 below 50 percent of the total number of shares.

(C) The lender also requires that the subsidiary may not pay dividends to its shareholders, including the Company, if the subsidiary fails to comply with the conditions of the loan agreement, such as maintaining the required D/E ratio, DSCR, 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 lender.

(2) The overseas subsidiary engaged in the coal production and distribution business has obligations under the terms and conditions of a loan agreement with a domestic commercial bank (the lender) as follows:

(A) It must comply with the conditions to maintain a D/E (Debt to Equity) Ratio of not exceeding 1.5 times, a DSCR (Debt Service Coverage Ratio) of not less than 1.5 times, and a Total Bank Debt to EBITDA ratio of not exceeding 3.5 times until the loan agreement expires. As of March 31, 2026, the subsidiary has been able to maintain these financial ratios in accordance with the obligations stipulated in the loan agreement.

(B) The lending bank stipulates that the subsidiary can proceed with dividend payments without seeking prior permission or consent from the lender, provided that a written notification is submitted to the lending bank. However, after the dividend payment, the subsidiary must still maintain liquidity with a Current Ratio of not less than 1.1 times and a DSCR (Debt Service Coverage Ratio) of not less than 2 times, and its current operating results must be profitable.

FUTURE TREND

Coal Business: Coal prices in the 2nd quarter of 2026 are expected to increase, supported by prolonged geopolitical tensions in the Middle East. The closure of the Strait of Hormuz would affect maritime export routes for crude oil and natural gas, driving natural gas prices higher and increasing demand for coal as a substitute for power generation, particularly Indonesian coal. Consequently, the Indonesian government is reconsidering its current policy on reduction of production and export quotas in response to global energy price conditions. Nevertheless, the Company and its subsidiaries continue to focus on 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 developed a 1.2 megawatt (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 commence production and sales in the 2nd quarter of 2026. In addition, the Company is exploring other renewable energy investment opportunities and additional coal supply sources. These initiatives aim to ensure that 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: It is expected that in the 2nd quarter of 2026, the Company will continue to deliver good operating performance, supported by lower molasses costs compared to the previous year, as well as an improvement in the average ethanol selling price. Geopolitical tensions in the Middle East have resulted in a sharp increase in oil prices, while government support for increased consumption of E10 and E20 fuel has driven higher demand for ethanol. However, during the sugarcane crushing season and the molasses supply period in mid-2026, molasses price, which is the main raw material in ethanol production, may increase in line with market demand.

Overall Business: Tariff barriers imposed by the United States continue to affect the global economy. Ongoing geopolitical tensions in the Middle East and the South China Sea, with effects extending to Europe, are also expected to impact Thailand. The Bank of Thailand projects that economic growth will decline to approximately 1.5 percent in 2026. Nevertheless, the Company and its subsidiaries expect to maintain stable profitability and performance in 2026.