

No. CAZ 003-2026

26 February 2026

Subject: Management Discussion and Analysis for the year ended 31 December 2025 (Revised)

Attention: The President, The Stock Exchange of Thailand

CAZ (Thailand) Public Company Limited (“the Company”) and its Subsidiary (“the Group”) would like to clarify the change in operating result for the year ended 31 December 2025, which changed in revenue and net profit compared with same period of last year as follows:

Statement of Comprehensive Income

(Unit : Million Baht)

Details	31 Dec 2025	31 Dec 2024	Changed	(%)
Revenue from construction contracts	2,916.52	3,726.80	(810.28)	(21.75)
Loss arising from the final settlement of agreement by reducing the agreement value of the construction project with a customer	(928.26)	-	(928.26)	n.a.
Revenues from construction contracts	1,988.26	3,726.80	(1,738.54)	(46.65)
O EPC Service	514.50	448.16	66.34	14.81
O Structure Mechanic and Pinging (SMP and E&I Services)	773.08	2,463.10	(1,690.02)	(68.61)
O Civil & Building Service	30.58	682.24	(651.66)	(95.52)
O General Construction Service	632.15	16.34	615.81	3,768.73
O Fabrication and Other Service	37.95	116.96	(79.01)	(67.55)
Cost of construction contracts	(2,587.75)	(3,316.65)	728.90	(21.98)
Gross profit	(599.49)	410.15	(1,009.64)	(246.17)
Other income	73.84	11.53	62.31	540.42
Administrative expenses	(188.00)	(124.46)	63.54	51.05
Profit before finance cost and income tax	549.02	(548.72)	(1,097.74)	(200.05)
Finance cost	(164.63)	(251.50)	(86.87)	(34.54)
Impairment loss determined in accordance with TFRS 9	(40.87)	(33.45)	7.42	22.17
Profit before income tax	(205.50)	(284.95)	(79.45)	(27.89)
Income tax	(109.64)	56.58	166.22	293.78
Profit for the year	(315.14)	(228.37)	(86.77)	37.99
Owners of the parent	(297.44)	(231.70)	65.74	28.37
Non-controlling interests	(17.71)	3.33	(21.32)	(640.24)

#### Revenues from construction contracts

The Group's total revenue of construction contracts for the year ended 31 December 2025 totaling Baht 2,916.52 million, representing a decrease of Baht 810.28 million, or 21.75%, compared to the same period of the previous year, in which construction revenue totaled Baht 3,726.80 million. This decrease was primarily attributable to the recognition of revenue from construction projects on hand that had been contracted in prior years and during 2025, resulting in revenue recognition based on the percentage of completion and the transfer of control of the work to customers, which increased in 2025.

In addition, during the third quarter of 2025, the Group negotiated with a customer for the final settlement of a construction contract through a reduction in the project value after the customer cancelled the contract with a project owner. As a result, the Group recognized cumulative losses arising from the final settlement contract by reducing the contractual project value with such customer in the amount of Baht 928.26 million. The loss was primarily due to the customer requesting a reduction in the progress payments following the termination of contract by project owner. Consequently, the Group's revenue from construction contracts totaled Baht 1,988.26 million, representing a decrease of Baht 1,738.54 million, or 46.65%, compared to the same period of the previous year.

As of 31 December 2025, the Group had construction projects under progress for which revenue has not yet been recognized (Backlog), totaling Baht 11,504.19 million.

#### Other Income

The Group reported an increase in other income totaling Baht 62.31 million, representing an increase of 540.42% compared to 2024. The Group's other income mainly comprised gains from the sale of scrap metal, as well as unused machinery and construction materials, which increased by Baht 47.56 million compared to the previous year. Such disposals included items such as scrap metal and scaffolding.

In addition, the Group had other income from the negotiation with certain trade creditors to obtain discounts on long-outstanding payables. This was a consequential effect of delayed payments under a construction project involving a customer whose contract was final settlement during the year, as mentioned above.

#### Administrative Expenses

The Group's administrative expenses for the year ended 31 December 2025 totaling Baht 188.00 million, representing an increase of Baht 62.31 million, or 51.05%, compared to Baht 124.46 million for the same period of the previous year. The increase was primarily attributable to surcharges and penalties arising from the late payment of taxes, as well as personnel-related expenses for certain employees previously assigned to a construction project that was settled by the customer which requested a reduction in the progress payment after the termination of contract from project owner. As a result of such final settlement, the affected personnel were reassigned, and their related costs were reclassified under administrative expenses. The increase also included other expenses associated with the final settlement of the construction project, as mentioned above.

Reversal of allowance for expected credit losses

As a result of the negotiation to the final settlement a construction contract during the period, the Group recorded a loss from the reduction in the contract value in the construction revenue section in the amount of THB 928.26 million. Consequently, the Group reversed the impairment of expected credit losses related to trade receivables and contract assets from the same customer, which had been previously recorded in 2024, in the total amount of THB 548.00 million. Therefore, the net impact of the **final settlement contract** negotiation during the third quarter of 2025 resulted in a net loss of THB 380.26 million.

Finance Costs

The Group's finance costs totaling Baht 40.87 million, representing an increase of Baht 7.42 million, or 22.17%, compared to Baht 33.45 million in 2024. This increase was primarily attributable to short-term borrowings obtained to support working capital requirements for the Group's ongoing construction projects.

Profitability

Gross profit and net profit of the year ended 31 December 2025 and 2024 as follows;

Profitability	2025		2024	
	Million Baht	%	Million Baht	Million Baht
Gross profit	(599.49)	(30.15)	410.15	11.01
Profit attributable to owners of the parent	(297.44)	(14.42)	(231.70)	(6.20)

In 2025, the Group had a gross loss of Baht 599.49 million, representing a gross loss margin of 30.15%, a decrease of Baht 1,009.64 million compared to 2024, in which the Group's gross profit of Baht 410.15 million, or a gross profit margin of 11.01%. The main reason was the recognition of a loss amounting to Baht 928.26 million resulting from the mutual agreement **of final settlement** a construction project contract with a customer, as mentioned above. However, excluding such loss, the Group would have recorded a gross profit of Baht 328.77 million, which still represents a decrease compared to the same period of the previous year. This was mainly due to the revision and updating of budgeted costs for certain projects, as well as the completion and delivery of construction work to customers during the period.

In 2025, the Group had a net loss attributable to the parent company of Baht 297.44 million, representing a net loss margin of 14.42%, compared to Baht 231.70 million, or a net loss margin of 6.20%, in 2024. The increased net loss margin was mainly attributable to the recognition of losses resulting from the **final settlement** of a construction

contract with a customer, which involved a reduction in the project value, as well as higher administrative expenses, the reversal of expected credit loss provisions, and increased finance costs, as described above. However, excluding the loss resulting from the **final settlement contract**, the Group would have reported a net profit attributable to the parent company for 2025 in the amount of Baht 120.98 million.

## Statement of Financial Position

(Unit: Million Baht)

Details	31 Dec 2025	31 Dec 2024	Increase (Decreased)	% Changed
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	98.19	26.99	71.20	263.79
Trade and other current receivables	785.07	1,221.00	(432.92)	(35.70)
Contract assets	71.05	605.06	(534.01)	(88.26)
Inventories	7.64	15.14	(7.50)	(49.55)
Withholding tax deducted at source	3.35	-	3.35	n.a.
Other current assets	25.05	24.34	0.70	2.89
<b>Total current assets</b>	<b>990.35</b>	<b>1,892.53</b>	<b>(902.18)</b>	<b>(47.67)</b>
<b>Non-current assets</b>				
Restricted deposit at financial institution	0.02	68.98	(68.97)	(99.98)
Property, plant and equipment	622.20	569.94	52.26	9.17
Right-of-use assets	-	3.84	(3.84)	(100.00)
Intangible assets	8.71	10.82	(2.10)	(19.45)
Retention receivables	-	188.89	(188.89)	(100.00)
Withholding tax deducted at source	88.89	10.80	78.08	722.70
Deferred tax assets	3.29	112.82	(109.53)	(97.08)
Deposits	3.10	1.81	1.29	71.28
<b>Total non-current assets</b>	<b>726.21</b>	<b>967.90</b>	<b>(241.70)</b>	<b>(24.97)</b>
<b>Total assets</b>	<b>1,716.56</b>	<b>2,860.43</b>	<b>(1,143.87)</b>	<b>(39.99)</b>
<b>Liabilities and equity</b>				
<b>Current liabilities</b>				
Bank overdrafts	29.82	27.60	2.22	8.03
Short-term borrowing from financial institutions	30.00	447.29	(417.29)	(93.29)
Trade and other current payables	501.78	849.60	(347.82)	(40.94)
Contract liabilities	249.75	460.95	(211.20)	(45.82)
Current portion of long-term borrowings from financial institutions	71.14	106.34	(35.20)	(33.10)
Current portion of Lease liabilities	34.76	32.39	2.36	7.30
Current portion of retention payables	52.24	-	52.24	n.a.
Short-term borrowings from related parties	7.65	52.00	(44.35)	(85.28)

Details	31 Dec 2025	31 Dec 2024	Increase (Decreased)	% Changed
Short-term borrowings from other party	33.00	20.00	13.00	65.00
Other current liabilities	15.36	96.88	(81.52)	(84.14)
<b>Total current liabilities</b>	<b>1,025.50</b>	<b>2,093.07</b>	<b>(1,067.57)</b>	<b>(51.00)</b>
Non-current liabilities				
Long-term borrowing from financial institutions	27.55	8.36	19.19	229.61
Lease liabilities	17.16	40.48	(23.32)	(57.60)
Retention payables	0.25	18.56	(18.31)	(98.64)
Convertible debentures	111.31	-	113.31	n.a.
Deferred tax liabilities	29.42	-	29.42	n.a.
Non-current provisions for employee benefits	9.70	9.06	0.65	7.15
<b>Total non-current liabilities</b>	<b>195.41</b>	<b>76.45</b>	<b>118.95</b>	<b>155.58</b>
<b>Total liabilities</b>	<b>1,220.90</b>	<b>2,169.52</b>	<b>(948.61)</b>	<b>(43.72)</b>
Equity				
Share Capital – Authorized	220.20	147.00	73.20	49.80
Issued and paid-up	147.00	147.00	-	-
Share premium	246.10	246.11	-	-
Warrants	2.19	-	2.19	n.a.
Retained earning				
Appropriated - legal reserve	14.70	14.70	-	-
Unappropriated	(43.56)	253.88	(299.44)	(117.16)
Convertible debentures – equity component	0.43	-	0.43	n.a.
Equity attributable to owners of the parent	128.04	10.49	117.55	1,120.69
<b>Equity attributable to owners of the parent</b>	<b>494.91</b>	<b>672.17</b>	<b>(177.26)</b>	<b>(26.37)</b>
Non-controlling interests	0.74	18.74	(17.99)	(96.03)
<b>Total equity</b>	<b>495.65</b>	<b>690.91</b>	<b>(195.26)</b>	<b>(28.26)</b>
<b>Total liabilities and equity</b>	<b>1,716.55</b>	<b>2,860.43</b>	<b>(1,143.87)</b>	<b>(39.99)</b>

#### Assets

As at 31 December 2025, the Group had total assets of Baht 1,716.55 million, representing a decrease of Baht 1,143.87 million, or 39.99%, compared to total assets of Baht 2,860.43 million as at 31 December 2024. The changes in assets are detailed as follows:

Current assets consisted of the following:

- Cash and cash equivalents amounted to Baht 98.19 million, representing an increase of Baht 71.20 million. This increase was primarily due to the receipt of payment from a customer with whom the Group had negotiated the **final settlement** of a construction project contract, as mentioned above, as well as the

receipt of payment from retention receivables of one of the Group's ongoing projects in accordance with the contractual terms.

- Trade and other current receivables, and contract assets, decreased by Baht 435.92 million and Baht 534.01 million, respectively, representing decreases of 35.70% and 88.26%, respectively. These decreases were primarily attributable to the reduction in project value following the **negotiated final settlement** of a construction project contract, as well as the receipt of payments from a customer during the period.

Non-current assets consisted of the following:

- Land, buildings, and equipment, net, increased by Baht 52.26 million. This was mainly due to the revaluation of assets amounting to Baht 147.12 million. After deducting disposals and depreciation during the period, the net carrying amount of land, buildings, and equipment totaled Baht 622.20 million.
- As a result of the mutual agreement of **final settlement** a construction project contract with a customer, retention receivables decreased by Baht 188.89 million.
- Deferred tax assets decreased by Baht 109.71 million due to the reversal resulting from the reduction in project value following the negotiated **final settlement** of a construction project contract with a customer during the period.

#### Liabilities

As at 31 December 2025, the Group had total liabilities of Baht 1,220.90 million, representing a decrease of Baht 948.61 million, or 43.72%, compared to the previous year. The changes in total liabilities are detailed as follows:

- The Group had current liabilities totaling Baht 171.61 million, representing a decrease of Baht 481.62 million from the previous year. This decrease was primarily due to the repayment of short-term borrowings obtained from financial institutions for ongoing construction projects in accordance with the agreed repayment schedules, as well as the repayment of short-term borrowings from related parties during the period.
- Trade and other current payables amounted to Baht 501.78 million, representing a decrease of Baht 347.82 million from the previous year. This was mainly attributable to the negotiated **final settlement** of a construction contract with a customer and the settlement of related obligations during the period, which enabled the Group to receive partial cash inflows and subsequently repay such trade and other current payables.
- Contract liabilities amounted to Baht 249.75 million, representing a decrease of Baht 211.20 million from the previous year. This consisted of the following:
  - 1) Unearned service revenue (advance billings to customers in accordance with contractual terms where the billed amount exceeds revenue recognized to date) amounted to Baht 249.75

million, representing a decrease of Baht 155.66 million from the previous year. This decrease was attributable to the recognition of service revenue upon the transfer of control over goods and services to customers in accordance with the contractual terms during the period, as well as the **final settlement** of a construction project contract with a customer.

- 2) Advances received for construction services decreased by Baht 55.54 million. These advances related to projects contracted in prior years, and the decrease was in line with the progress billings to customers during the period. The deductions from such advances were made in accordance with the contractual terms.
- Convertible debentures: On 2 December 2025, the Company issued 120,000 units of convertible debentures, bearing an interest rate of 6.00% per annum, with a par value of Baht 1,000 per unit, totaling Baht 120.00 million. These debentures will mature on 2 December 2027 and are convertible at a conversion price of Baht 5 per ordinary share.

Subsequently, on 16 December 2025, the Company issued the Warrants to Purchase Ordinary Shares of the Company No. 1 (CAZ-W1), free of charge, in the amount of 122.40 million units, to be allocated to existing shareholders who subscribed for the convertible debentures in proportion to their respective shareholdings, at an allocation ratio of 1 unit of convertible debenture to 1,020 units of warrants. Each warrant entitles the holder to purchase 1 ordinary share at a conversion price of Baht 0.80 per ordinary share. (Further details are disclosed in Note 19 to the financial statements.)

#### Shareholders' Equity

As at 31 December 2025, the shareholders' equity attributable to the parent company amounted to Baht 495.65 million, representing a decrease of Baht 195.26 million, or 28.26%, compared to Baht 690.91 million as at 31 December 2024. This decrease was primarily attributable to the Group's total comprehensive loss attributable to the parent company for the year ended 31 December 2025, amounting to Baht 179.82 million.

Please be informed accordingly.

Sincerely yours,

(Mr. Chung Sik Hong)

Chief Executive Officer