

Samart Telcoms Public Company Limited and
its subsidiaries
Report and consolidated and separate financial statements
31 December 2025

Independent Auditor's Report

To the Shareholders of Smart Telcoms Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of Smart Telcoms Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2025, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information, and have also audited the separate financial statements of Smart Telcoms Public Company Limited for the same period (collectively "the financial statements").

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Smart Telcoms Public Company Limited and its subsidiaries and of Smart Telcoms Public Company Limited as at 31 December 2025, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Group in accordance with the *Code of Ethics for Professional Accountants including Independence Standards* issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.



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Emphasis of matter

I draw attention to Note 8 c) and Note 37.4.1 to the financial statements, the Company and two private limited companies together, as STSL Consortium (“the Consortium”), entered into an agreement with a state enterprise for the procurement and installation of an information system and the development of the Core Business Process System (CBPS). Subsequently, the Consortium faced disputes regarding the inability to deliver work under the agreement as per the agreed terms. Consequently, their agreement was terminated, leading to the seizure of the collateral. In response, the Consortium filed a lawsuit against the state enterprise in December 2021, seeking payment for all work completed, damages, and the return of the seized collateral totaling Baht 855.8 million, inclusive of interest (totaling Baht 874.8 million). During 2023, the state enterprise counter-sued in the Civil Court, claiming compensation amounting to Baht 700.4 million due to the disputes concerning the inability to deliver the work as per the contract terms, including interest at a rate of 5% per annum from the date of the counterclaim until the full is settled. The Company recorded the seized collateral as damages of Baht 20 million in its accounts.

Subsequently, on 24 September 2025, the Civil Court rendered a judgment ordering the state enterprise to pay Baht 50 million and directing the Consortium to dismantle and remove the equipment installed for use in the project within 90 days from the date of the judgment. Otherwise, the state enterprise shall be entitled to remove the installed equipment, sell it by public auction, and remit the proceeds, after deducting the expenses incurred in the auction, to the Consortium. Furthermore, the Consortium was ordered to return the first installment previously received to the state enterprise with interest at rate of 3 percent per annum from 5 September 2019 until the date of filing the lawsuit totaling Baht 29.1 million and pay compensation for opportunity cost and damages amounting to Baht 5.3 million. The Court also ordered that the bank guarantee, previously claimed by the state enterprise, be considered part of the damages already compensated to the state enterprise. After offsetting the amounts that the Consortium and the state enterprise were required to pay each other, the remaining net damages payable by the state enterprise to the Consortium amounted to Baht 44.5 million, together with interest at a rate of 5 percent per annum from the date of filing of the lawsuit (7 December 2021) until full payment is made. The Consortium filed an appeal with the Court of Appeal on 20 February 2026. Currently, the case is under consideration by the Court of Appeal.

However, as of 31 December 2025, the Company recognised provision for expected credit losses of trade receivables and accrued income totaling Baht 137.9 million and provision amounting to Baht 21.3 million in the Company’s work proportion.

At this time, my opinion is not modified in respect of the matter mentioned above.



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Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matter and how audit procedures respond for each matter are described below.

Revenue recognition and estimation of provisions for the delay penalties and possible losses from long-term contracts

The Group has disclosed its policies on revenue recognition for services provided under long-term contracts, cost estimates for projects under long-term contracts, provisions for delay penalties and possible loss on projects under long-term contracts in Note 4.1, 5.1 and 27 to the financial statements. I identified revenue recognition and estimation of provisions for delay penalties and possible losses on projects from long-term contracts to be areas of significant risk in the audit. This is because the process of measurement, the determination of appropriate timing of recognition and the estimation of provisions for delay penalties and possible losses are areas requiring management to exercise significant judgement to assess the percentage of completion, the probability of loss, and the measurement of possible loss. The Group might also enter into side agreements that may affect the terms of the main contracts. There are risks with respect to amount and timing of the recognition of revenue, provisions for delay penalties, and possible losses on projects from long-term contracts. In addition, the amount of revenue recognised from such long-term contracts in each period forms a significant portion, representing 52 percent of the Group's total revenue. Therefore, I focused on the revenue recognition and estimation of provisions for delay penalties and possible losses from long-term contracts.

I assessed and tested the internal controls put in place by the Group over the process of entering into contracts, estimates of project costs and revisions thereto, recognition of revenue and estimation of percentage of completion and possible losses under long-term contracts by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls.

In addition, I also selected long-term contracts made with major customers and randomly selected to read the contracts to consider the conditions relating to revenue recognition and made enquiries as to whether any side contracts were made directly with customers. I inquired with the management about the terms of and risks associated with these contracts relevant to revenue recognition and estimates of delay penalties and possible losses. I made enquiries of responsible executives, gained an understanding of the Group's process to assess the percentage of completion and cost estimates for projects, compared estimates of project costs to the project budgets approved by authorised person. On a sampling basis, I examined relevant documents, considered the rationale for budget revisions, compared past estimates with actual project costs to assess the project management's competency in estimating project costs, and compared actual costs with supporting documents including testing the calculation of the percentage of completion based on actual costs incurred. I evaluated the possible losses on projects assessed by the management through an analysis of the ratio of actual cost incurred against cost estimates for projects for each significant cost component. I compared the percentage of completion or actual project progress with the timeframe specified in contracts. I enquired with the management and legal counsels of the subsidiaries relating to dispute of the projects delay, reviewed the related supporting documents of work delivery and acceptance and the request for deadline extension that were used to support the estimation of the provisions for assessing the judgement exercised by the management in evaluating the probability of projects delay or estimate possible losses. I also examined the accounting transactions related to revenue recognition that were recorded through journal vouchers, in order to detect any irregularities. Moreover, I reviewed the disclosures made in the notes to the financial statements with respect to the basis of revenue recognition and the estimation of delay penalties and possible losses.

Other Information

Management is responsible for the other information. The other information comprise the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon. The annual report of the Group is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.



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When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. I am responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.



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From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

I am responsible for the audit resulting in this independent auditor's report.

A handwritten signature in blue ink, appearing to read 'S. Siriwan', with a stylized flourish underneath.

Siriwan Suratepin
Certified Public Accountant (Thailand) No. 4604

EY Office Limited
Bangkok: 26 February 2026

Smart Telcoms Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2025

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2025	2024	2025	2024
Assets					
Current assets					
Cash and cash equivalents	7	903,867,520	885,714,763	297,319,978	326,735,239
Trade and other current receivables	8	1,289,965,900	976,474,411	376,792,258	271,334,549
Accrued income		958,521,749	2,089,961,214	210,413,834	994,506,013
Short-term loans to related parties	6	-	-	1,182,000,000	1,354,000,000
Inventories	9	477,085,797	110,391,149	2,145,137	3,177,022
Withholding tax deducted at source	10	125,424,826	180,731,934	22,386,391	29,559,395
Other current financial assets	11	3,975,634	5,705,866	3,975,634	5,286,795
Other current assets	12	450,658,746	487,527,270	230,754,464	264,342,720
Total current assets		4,209,500,172	4,736,506,607	2,325,787,696	3,248,941,733
Non-current assets					
Other non-current financial assets	11	17,241,519	20,396,282	5,122,342	5,319,144
Investments in subsidiaries	13	-	-	1,780,511,068	1,780,511,068
Property, plant and equipment	14	999,847,733	1,114,526,550	466,841,790	651,399,082
Right-of-use assets	20.1	156,243,917	135,731,769	98,139,923	97,554,595
Intangible assets	15	199,221,526	51,157,967	98,337,666	776,880
Goodwill	16	108,095,942	108,095,942	-	-
Deferred tax assets	32	279,073,189	285,350,919	81,365,500	45,751,625
Other non-current assets		511,660,204	63,033,318	426,729,429	39,940,102
Total non-current assets		2,271,384,030	1,778,292,747	2,957,047,718	2,621,252,496
Total assets		6,480,884,202	6,514,799,354	5,282,835,414	5,870,194,229

The accompanying notes are an integral part of the financial statements.

Samart Telcoms Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2025

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2025	2024	2025	2024
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from banks	17	421,796,691	562,900,000	24,956,425	290,000,000
Trade and other current payables	18	541,264,984	672,894,460	235,982,228	323,463,074
Current portion of long-term loans					
from financial institution	19	98,729,754	-	98,729,754	-
Current portion of liabilities under lease agreements	20.1	46,795,053	50,481,920	27,925,570	26,902,207
Short-term loans from related parties	6	-	-	1,957,500,000	2,502,500,000
Unearned revenue	27.2	21,632,680	9,636,197	-	-
Income tax payable		37,442	100,132	-	-
Accrued project cost		1,184,932,027	1,161,216,015	602,463,060	250,412,577
Other current provision	21	27,737,424	19,556,372	11,124,965	10,839,427
Other current finance liabilities	39.1	3,991,190	-	117,438	-
Other current liabilities	22	130,467,610	98,023,345	28,187,062	23,391,563
Total current liabilities		2,477,384,855	2,574,808,441	2,986,986,502	3,427,508,848
Non-current liabilities					
Liabilities under lease agreements - net of					
current portion	20.1	120,619,182	101,732,403	73,359,367	77,397,660
Other non-current provision	21	30,504,152	9,943,141	24,787,890	1,876,613
Non-current provision for employee benefits	23	225,144,166	201,484,057	52,551,989	47,361,051
Other non-current liabilities		3,120,913	2,559,403	-	-
Total non-current liabilities		379,388,413	315,719,004	150,699,246	126,635,324
Total liabilities		2,856,773,268	2,890,527,445	3,137,685,748	3,554,144,172

The accompanying notes are an integral part of the financial statements.

Samart Telcoms Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2025

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2025	2024	2025	2024
Liabilities and shareholders' equity (continued)					
Shareholders' equity					
Share capital					
Registered					
721,000,082 ordinary shares of Baht 1 each	25	<u>721,000,082</u>	<u>721,000,082</u>	<u>721,000,082</u>	<u>721,000,082</u>
Issued and fully paid up					
618,000,071 ordinary shares of Baht 1 each	25	618,000,071	618,000,071	618,000,071	618,000,071
Share premium	25	1,238,861,277	1,238,861,277	1,238,861,277	1,238,861,277
Deficit on changes in percentage of					
shareholding in subsidiary		(737,340,401)	(737,340,401)	-	-
Retained earnings					
Appropriated - statutory reserve	26	73,800,000	73,800,000	73,800,000	73,800,000
Unappropriated		2,388,234,221	2,388,416,976	175,657,135	346,557,526
Other components of shareholders' equity	24	<u>41,792,383</u>	<u>41,792,383</u>	<u>38,831,183</u>	<u>38,831,183</u>
Equity attributable to owners of the Company		3,623,347,551	3,623,530,306	2,145,149,666	2,316,050,057
Non-controlling interests of the subsidiaries		<u>763,383</u>	<u>741,603</u>	-	-
Total shareholders' equity		<u>3,624,110,934</u>	<u>3,624,271,909</u>	<u>2,145,149,666</u>	<u>2,316,050,057</u>
Total liabilities and shareholders' equity		<u>6,480,884,202</u>	<u>6,514,799,354</u>	<u>5,282,835,414</u>	<u>5,870,194,229</u>

The accompanying notes are an integral part of the financial statements.

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Directors

Samart Telcoms Public Company Limited and its subsidiaries

Income statement

For the year ended 31 December 2025

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2025	2024	2025	2024
Revenues					
Revenues from sales		94,444,053	18,730,958	15,932,523	16,307,589
Revenues from contract work		2,813,030,211	1,882,813,418	1,059,311,723	661,405,216
Service and rental income	27.1	2,477,963,376	2,281,802,931	896,123,236	853,503,841
Other income	28	54,562,432	65,845,797	158,334,026	115,689,607
Total revenues		<u>5,440,000,072</u>	<u>4,249,193,104</u>	<u>2,129,701,508</u>	<u>1,646,906,253</u>
Expenses					
Cost of sales	31	77,488,114	16,664,632	13,596,565	14,123,813
Cost of contract work		2,403,451,320	1,630,739,465	1,021,835,569	621,181,046
Cost of services and rental		2,193,698,631	1,974,667,799	824,034,619	772,095,554
Selling and distribution expenses		126,968,265	137,009,480	47,990,239	49,302,662
Administrative expenses		355,362,539	339,135,055	185,498,792	169,545,759
Other expenses		31,679,501	-	22,276,472	-
Total expenses		<u>5,188,648,370</u>	<u>4,098,216,431</u>	<u>2,115,232,256</u>	<u>1,626,248,834</u>
Profit from operating activities		251,351,702	150,976,673	14,469,252	20,657,419
Finance income	29	6,883,649	6,300,243	46,030,955	56,895,006
Finance cost	30	(39,846,599)	(27,976,758)	(61,056,717)	(50,346,958)
Reversal of (loss on) impairment loss on financial assets		(95,691,366)	8,785,665	(105,018,396)	6,771,682
Profit (loss) before income tax income		122,697,386	138,085,823	(105,574,906)	33,977,149
Income tax income (expenses)	32	(22,436,862)	(22,708,658)	28,979,147	(3,528,705)
Profit (loss) for the year		<u>100,260,524</u>	<u>115,377,165</u>	<u>(76,595,759)</u>	<u>30,448,444</u>
Profit (loss) attributable to:					
Equity holders of the Company		100,237,914	115,356,379	(76,595,759)	30,448,444
Non-controlling interests of the subsidiaries		22,610	20,786		
		<u>100,260,524</u>	<u>115,377,165</u>		
Basic earnings per share					
Profit (loss) attributable to equity holders of the Company	33	<u>0.16</u>	<u>0.19</u>	<u>(0.12)</u>	<u>0.05</u>
Weighted average number of ordinary shares (shares)		<u>618,000,015</u>	<u>618,000,015</u>	<u>618,000,015</u>	<u>618,000,015</u>

The accompanying notes are an integral part of the financial statements.

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Samart Telcoms Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2025

(Unit: Baht)

	Note	Consolidated		Separate	
		2025	2024	2025	2024
Profit (loss) for the year		<u>100,260,524</u>	<u>115,377,165</u>	<u>(76,595,759)</u>	<u>30,448,444</u>
Other comprehensive income:					
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Remeasurement loss on defined benefit plan	23	(9,546,788)	(10,796,915)	(2,012,306)	(2,355,690)
Income tax effect	32	1,820,103	2,830,332	402,461	471,138
		<u>(7,726,685)</u>	<u>(7,966,583)</u>	<u>(1,609,845)</u>	<u>(1,884,552)</u>
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		<u>(7,726,685)</u>	<u>(7,966,583)</u>	<u>(1,609,845)</u>	<u>(1,884,552)</u>
Other comprehensive income for the year, net of tax		<u>(7,726,685)</u>	<u>(7,966,583)</u>	<u>(1,609,845)</u>	<u>(1,884,552)</u>
Total comprehensive income for the year		<u><u>92,533,839</u></u>	<u><u>107,410,582</u></u>	<u><u>(78,205,604)</u></u>	<u><u>28,563,892</u></u>
Total comprehensive income attributable to:					
Equity holders of the Company		92,512,032	107,391,774	<u>(78,205,604)</u>	<u>28,563,892</u>
Non-controlling interests of the subsidiaries		21,807	18,808		
		<u>92,533,839</u>	<u>107,410,582</u>		

The accompanying notes are an integral part of the financial statements.