MEDINEX LIMITED
Incorporated in the Republic of Singapore
Registration No. 200900689W

RESPONSE TO QUESTIONS FROM SECURITIES INVESTORS ASSOCIATION (SINGAPORE) ON ANNUAL REPORT 2026

Unless otherwise defined, all terms and references used herein shall bear the same meanings ascribed to them in the annual report issued to shareholders on 9 July 2026 (the "**Annual Report**").

The Board of Directors (the "**Board**") of Medinex Limited (the "**Company**", and together with its subsidiaries, the "**Group**") refers to the questions raised by the Securities Investors Association (Singapore) ("**SIAS**") relating to the Company's Annual Report for the financial year ended 31 March 2026 and appends the replies as follows:

Question 1 from SIAS:

Q1. For the financial year ended 31 March 2026, the group's revenue declined by 3.1% to $12.4 million. Since the post-pandemic recovery, the group's revenue has remained broadly range-bound, with revenue of $13.0 million in FY2023, $12.6 million in FY2024, $12.8 million in FY2025 and $12.4 million in FY2026.

(i) **Can management outline the top two or three strategic priorities for each of the medical support services and business support services segments over the next two to three years?**

(ii) **What is the group's sustainable competitive advantages in the medical support services segment? Specifically, what capabilities or differentiators enable the group to win and retain customers in preference to competitors, and how have these translated into measurable commercial outcomes such as higher client retention, improved pricing power or market share gains?**

(iii) **How is the group leveraging artificial intelligence to develop new services, capabilities or customer-facing features that strengthen its competitive position and create new revenue opportunities? Separately, how is the group deploying AI internally to improve productivity, automate routine processes, shorten service delivery times and reduce operating costs? Have these initiatives delivered measurable improvements in efficiency or profitability?**

Company's responses:-

(i) Despite a relatively stable revenue base over the past four financial years, Management remains focused on strengthening both business segments through a combination of organic growth, service innovation and operational excellence.

Medical Support Services

1. Deepen client relationships and grow recurring revenue through enhanced service offerings and customer retention.

2. Expand technology-enabled solutions and healthcare support services leveraging existing capabilities and client relationships.

3. Improve operational efficiency through workflow standardisation, automation and workforce development.

Business Support Services

1. Increase recurring and higher-margin revenue through advisory and consultancy services.

2. Strengthen client retention and expand into new markets with a technology-enabled team.

Overall, the Group aims to build a more resilient business by growing recurring revenue, improving operational efficiency and leveraging technology to support sustainable growth.

(ii) Management believes that our competitive position is supported by several structural advantages that are difficult to replicate.

Established Track Record and Industry Reputation

Healthcare clients place significant emphasis on reliability, service quality, and regulatory compliance. Over the years, the Group has built strong credibility through consistent service delivery and long-standing client relationships.

Domain Expertise and Integrated Service Capability

Our specialised healthcare industry expertise and comprehensive service offerings enable us to address clients' operational and regulatory requirements effectively. By providing integrated support services, we enhance client convenience, strengthen customer retention and create barriers to entry in selected service segments.

(iii) We are leveraging artificial intelligence ("**AI**") to enhance client service, improve operational efficiency and automate routine processes. AI adoption has contributed to improved productivity, reduced manual work, lower error rates and greater scalability of operations.

AI to Enhance Client-Facing Activities

We are actively evaluating and implementing AI-driven capabilities to:

- Improve the turnaround time for clients' financial reporting and related services; and
- Deploy self-service tools that enhance service accessibility and improve customer experience.

AI for Internal Productivity and Cost Optimisation

We are deploying AI and automation tools across various internal functions to:

- Reduce manual processing of routine documentation, enabling employees to focus on higher-value activities;
- Support drafting, data analysis, information retrieval, and communications through AI-assisted tools, thereby improving productivity and efficiency; and
- Improve consistency and promote standardisation across teams and processes.

Measurable Benefits

While AI adoption remains an ongoing journey, we have observed positive outcomes in several areas, including:

- Reduced routine client enquiries through the implementation of self-service online knowledge repositories;
- Lower error rates in selected internal workflows; and
- Greater scalability without a corresponding increase in headcount.

We will continue to monitor measurable outcomes, expand AI adoption where appropriate, and ensure that all implementations are supported by robust data security and governance practices.

<u>Question 2 from SIAS:</u>

Q2. Concerns regarding the pharmaceutical services segment were previously raised during the reviews of the FY2022 and FY2024 annual reports.

For FY2026, Nex Healthcare Pte. Ltd. is expected to lose a major customer following the expiry of its contract in July 2026. Revenue from pharmaceutical services segment declined from $3.3 million in FY2025 to $2.8 million in FY2026. By comparison, revenue was $4.1 million in FY2018.

Reportable segment loss widened from $(0.17) million to $(0.44) million.

An impairment of goodwill of $(1.6) million was recognised, leaving a carrying value of $0.8 million at the end of the reporting period.

(i) **Can the company help shareholders understand how it assessed its disclosure obligations in relation to the loss of this major customer? Specifically, when did management become aware that the contract would not be renewed, and what guidance did the sponsor provide on whether an immediate market announcement was required?**

(ii) **Can management provide an update on the initiatives undertaken over the past few years to improve the pharmaceutical services segment? Which initiatives have delivered measurable results, which have not, and what have been the principal obstacles to restoring the business to sustainable profitability?**

(iii) **What were the principal reasons for the non-renewal of the contract with the major customer? To what extent were these factors within the group's control, and what lessons has management drawn from this outcome?**

(iv) **Has the board undertaken a strategic review of the pharmaceutical services segment following the loss of the major customer and the goodwill impairment? What strategic options have been evaluated, including restructuring, repositioning, divestment or an**

orderly exit, and what conclusions has the board reached?

In addition, in the message to shareholders, the chairman and CEO stated the following:

Notwithstanding [the $1.6 million impairment of goodwill], the group's underlying business performance remained robust. Excluding the impact of the impairment, profit before goodwill impairment improved to S$3.8 million, reflecting an approximate 24% increase year-on-year. This underscores the resilience of our core operations and the effectiveness of our diversification strategy.

33. Segment information (Continued)

Business segment (Continued)

FY2025	Medical support services	Business support services	Pharmaceutical services	Medical services	Unallocated expenses	Consolidated
	$	$	$	$	$	$
Year ended 31 March 2025						
Revenue						
External revenue	4,432,767	4,592,327	3,287,990	500,229	–	12,813,313
Reportable segment profit/(loss) before income tax	3,500,842	3,065,370	(170,343)	30,706	(3,443,300)	2,983,275
Net profit/(loss) for the financial year after income tax	3,432,437	3,006,511	(170,343)	30,706	(3,466,677)	2,832,634

33. Segment information (Continued)

Business segment (Continued)

FY2026	Medical support services	Business support services	Pharmaceutical services	Medical services	Unallocated expenses	Consolidated
	$	$	$	$	$	$
Year ended 31 March 2026						
Revenue						
External revenue	4,545,546	4,586,479	2,788,862	492,724	–	12,413,611
Reportable segment profit/(loss) before income tax	3,440,110	2,966,377	(437,448)	26,251	(3,574,556)	2,420,734
Net profit/(loss) for the financial year after income tax	3,354,047	2,909,786	(437,448)	26,251	(3,627,222)	2,225,414

(Adapted from company annual report; emphasis added)

(v) **Can the chairman and CEO help shareholders reconcile the reported 24% increase in adjusted profit with the fact that both core segments delivered weaker segment profits in FY2026? Specifically, does the adjusted performance measure present a true and fair view of underlying business performance or does it risk overstating the group's operational progress?**
In FY2026, the adjusted measure excludes the $1.6 million goodwill impairment while including the 250% increase in other income from $0.3 million to $1.1 million.

Company's responses:-

(i) The Company has assessed that the decrease in revenue and profits from the loss of the customer is not material to the Group as the loss was offset by securing new business through the clinic set projects. The Company will continue to grow the business segments of medical support and business support services to reduce the loss of revenue.

(ii) Management has actively sourced for new clients using various sales channels over the past few years to replace the loss. These new clients have managed to replace approximately 50% of the pharmaceutical services revenue which resulted from the loss of major customer.

(iii) The major customer was sold to another healthcare group that has its own corporate headquarters. As such, it was beyond the Company's control as the customer no longer required shared services from Nex Healthcare Pte. Ltd.

(iv) Based on the Board's review, the pharmaceutical business is expected to remain profitable as the Company undertakes rightsizing measures over the next two (2) to three (3) months. This will be carried out in conjunction with the end of the contract with the major customers.

(v) The Group's operational progress had remained relatively stable over the years and investment in financial assets is one of the diversification strategies undertaken to improve the profits of the Group. The Management's primary focus is on our core business operations and there is no distraction risk. This is proven by our revenue increase in both our medical and business support services segments for the Group, presenting a true and fair view of the business performance of the Group in FY2026.

<u>Question 3 from SIAS:</u>

Q3. The group's internal audit function is outsourced to RSM Risk Advisory Pte. Ltd.

(i) **Can the audit committee help shareholders better understand the scope of the internal audit work undertaken in FY2026? Which business units, key operational processes and principal risk areas were covered, and how was the annual internal audit plan determined?**

(ii) **What were the key findings arising from the FY2026 internal audit?**

Company's responses:-

(i) The scope of the internal audit for FY2026 review covered selected subsidiaries within the Group and focused on key areas including:

- Credit and accounts receivables management;
- Service contracting management; and
- Follow-up reviews on internal audit findings raised in FY2024 and FY2025

The audit plan was formulated by RSM Risk Advisory Pte. Ltd., taking into consideration the Group's operational activities, key business risks, internal control environment and prior audit findings. The audit plan has been reviewed and approved by the Audit Committee.

(ii) The FY2026 internal audit resulted in an overall **"Satisfactory"** assessment, with no high-risk findings identified.

The key findings included:

- Enhancements to the documentation and monitoring of long outstanding receivables;
- Strengthening the approval and documentation process for bad debt write-offs;
- Improving timeliness of customer onboarding and record updates;
- Enhancing documentation relating to the execution of service agreements; and
- Strengthening governance over the review and approval of standard contract templates.

Management had accepted the recommendations and is implementing the necessary improvements. The Audit Committee will continue to monitor the remediation progress to ensure that the identified control enhancements are effectively implemented.

By Order of the Board

Jessie Low Mui Choo
Executive Director and Chief Executive Officer
17 July 2026

This announcement has been reviewed by the Company's sponsor, Novus Corporate Finance Pte. Ltd. (the "**Sponsor**"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**Exchange**") and the Exchange assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

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