

NORDIC GROUP LIMITED

(Registration No: 201007399N)

Condensed Interim Consolidated Financial Statements

For the half year ended 30 June 2025

Condensed Interim Consolidated Financial Statements

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Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income Half Year Ended 30 June 2025

		<u>Group</u>		
	<u>Notes</u>	1H2025	1H2024	Variance
		\$'000	\$'000	%
Revenue	4	84,837	76,160	11
Cost of sales		(65,636)	(58,542)	12
Gross profit		19,201	17,618	9
Distribution costs		(971)	(344)	182
Administrative expenses		(6,700)	(7,307)	(8)
Other income / (losses)	5	127	581	(78)
Operating profits		11,657	10,548	11
Income tax expense	6	(1,377)	(1,540)	(11)
Operating profits, net of tax	7	10,280	9,008	14
Interest income		374	613	(39)
Finance costs	8	(945)	(2,016)	(53)
Foreign exchange (losses) / gains		(1,433)	921	Nm
Net profit		8,276	8,526	(3)
<u>Other comprehensive profit / (loss):</u>				
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations, net of tax		(883)	56	nm
Total comprehensive income for the period		7,393	8,582	(14)
Profit attributable to owners of the parent:				
Net profit		8,276	8,526	(3)
Total comprehensive income		7,393	8,582	(14)
Earnings per share				
Earnings per share currency unit		<u>Cents</u>	<u>Cents</u>	
Basic and diluted	9	2.1	2.1	—

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Condensed Interim Statements of Financial Position

	Notes	Group		Company	
		30/06/2025	31/12/2024	30/06/2025	31/12/2024
		\$'000	\$'000	\$'000	\$'000
ASSETS					
<u>Non-current assets</u>					
Property, plant and equipment	11	40,062	41,711	5,129	5,246
Right-of-use assets		5,843	5,297	1,413	1,442
Goodwill	12	40,421	40,421	–	–
Intangible assets	13	2,294	2,532	–	–
Investments in subsidiaries		–	–	1,350	1,350
Deferred tax assets		1,345	1,345	–	–
Total non-current assets		89,965	91,306	7,892	8,038
<u>Current assets</u>					
Inventories		19,815	17,328	–	–
Trade and other receivables	14	36,353	45,787	26,943	31,063
Other assets	15	47,079	35,471	975	1,566
Other financial assets, current		1,472	1,472	–	–
Cash and cash equivalents		30,900	43,442	6,559	16,010
Total current assets		135,619	143,500	34,477	48,639
Total assets		225,584	234,806	42,369	56,677
EQUITY AND LIABILITIES					
<u>Equity attributable to owners of the parent</u>					
Share capital	16	24,864	24,864	24,864	24,864
Treasury shares	16	(511)	(331)	(511)	(331)
Retained earnings		109,630	104,935	957	4,822
Other reserves	17	(548)	335	–	–
Total equity	18	133,435	129,803	25,310	29,355
<u>Non-current liabilities</u>					
Deferred tax liabilities		2,232	2,285	43	43
Loans and borrowings	20	4,669	5,774	4,669	5,774
Financial liabilities – lease liabilities		5,107	5,205	1,503	1,525
Total non-current liabilities		12,008	13,264	6,215	7,342
<u>Current liabilities</u>					
Provisions	19	1,547	1,617	–	–
Income tax payable		2,801	2,937	47	110
Loans and borrowings	20	34,536	54,006	9,307	16,478
Financial liabilities – lease liabilities		1,212	549	36	36
Trade and other payables	21	38,872	28,719	1,454	3,356
Other non-financial liabilities	22	1,173	3,911	–	–
Total current liabilities		80,141	91,739	10,844	19,980
Total liabilities		92,149	105,003	17,058	27,322
Total equity and liabilities		225,584	234,806	42,369	56,677

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Half Year Ended 30 June 2025

Group:	<u>Total Equity</u> \$'000	<u>Attributable to parent sub-total</u> \$'000	<u>Share Capital</u> \$'000	<u>Treasury shares</u> \$'000	<u>Retained earnings</u> \$'000	<u>Other reserves</u> \$'000
Previous period:						
Opening balance at 1 January 2024	117,471	117,471	24,864	(112)	93,299	(580)
Changes in equity:						
Total comprehensive income for the period	8,582	8,582	–	–	8,526	56
Dividends paid (Note 10)	(2,350)	(2,350)	–	–	(2,350)	–
Purchase of treasury shares (Note 16)	(141)	(141)	–	(141)	–	–
Closing balance at 30 June 2024	123,562	123,562	24,864	(253)	99,475	(524)
Current period:						
Opening balance at 1 January 2025	129,803	129,803	24,864	(331)	104,935	335
Changes in equity:						
Total comprehensive income for the period	7,393	7,393	–	–	8,276	(883)
Dividends paid (Note 10)	(3,581)	(3,581)	–	–	(3,581)	–
Purchase of treasury shares (Note 16)	(180)	(180)	–	(180)	–	–
Closing balance at 30 June 2025	133,435	133,435	24,864	(511)	109,630	(548)

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Condensed Interim Statements of Changes in Equity

Half Year Ended 30 June 2025

	Total equity \$'000	Share capital \$'000	Treasury shares \$'000	Retained earnings \$'000
Company:				
Previous period:				
Opening balance at 1 January 2024	25,707	24,864	(112)	955
Changes in equity:				
Total comprehensive income for the period	8,421	–	–	8,421
Dividends paid (Note 10)	(2,350)	–	–	(2,350)
Purchase of treasury shares (Note 16)	(141)	–	(141)	–
Closing balance at 30 June 2024	31,637	24,864	(253)	7,026
Current period:				
Opening balance at 1 January 2025	29,355	24,864	(331)	4,822
Changes in equity:				
Total comprehensive loss for the period	(284)	–	–	(284)
Dividends paid (Note 10)	(3,581)	–	–	(3,581)
Purchase of treasury shares (Note 16)	(180)	–	(180)	–
Closing balance at 30 June 2025	25,310	24,864	(511)	957

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Consolidated Statement of Cash Flows Half Year Ended 30 June 2025

	1H2025 \$'000	1H2024 \$'000
<u>Cash flows from operating activities</u>		
Profit before tax	9,653	10,066
Adjustments for:		
Interest expense	945	2,016
Interest income	(374)	(613)
Gain on disposal of plant and equipment	–	(42)
Depreciation of property, plant and equipment	2,024	1,956
Depreciation of right-of-use assets	441	401
Amortisation of intangible assets	238	238
Foreign exchange adjustment unrealised gains / (losses)	726	(701)
Operating cash flows before changes in working capital	13,653	13,321
Inventories	(2,487)	751
Trade and other receivables	9,434	8,771
Other assets	(11,608)	(10,148)
Provisions	(70)	(350)
Trade and other payables	10,152	(369)
Other non-financial liabilities	(2,738)	(2,967)
Net cash flows from operations	16,336	9,009
Income taxes paid	(1,566)	(2,764)
Net cash flows from operating activities	14,770	6,245
<u>Cash flows from investing activities</u>		
Other payables to Avon Industries vendors	–	(2,500)
Purchase of property, plant and equipment	(512)	(703)
Disposal of property, plant and equipment	13	129
Interest received	374	613
Net cash flows (used in) investing activities	(125)	(2,461)
<u>Cash flows from financing activities</u>		
Dividends paid to equity owners	(3,581)	(2,350)
Interest paid	(859)	(1,935)
Lease liabilities – principal portion and interest paid	(508)	(484)
Repayment of loans and borrowings	(20,575)	(16,580)
Purchase of treasury shares	(180)	(141)
Net cash flows (used in) financing activities	(25,703)	(21,490)
Net decrease in cash and cash equivalents	(11,058)	(17,706)
Effects of exchange rate changes on the balance of cash held in foreign currencies	1,484	686
Cash and cash equivalents, statement of cash flows, beginning balance	43,442	73,739
Cash and cash equivalents, statement of cash flows, ending balance	30,900	56,719

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Notes to the condensed interim consolidated financial statements 30 June 2025

1. General

The company is incorporated in Singapore with limited liability. The condensed interim consolidated financial statements for the half year ended 30 June 2025 ("1H2025") are presented in Singapore dollar and they cover the company and the subsidiaries (collectively, the "group")

The principal activities of the company are those of an investment holding company and providing management and administrative support to its subsidiaries. The company is listed on the Singapore Exchange Securities Trading Limited. The group is a diversified group of companies providing solutions in areas of automation and systems integration; maintenance, repair, overhaul and trading; precision engineering; scaffolding; insulation services; petrochemical and environmental engineering services; cleanroom, air and water engineering services and structural engineering and construction services.

2. Basis of preparation of the financial statements

The condensed interim consolidated financial statements for the half year ended 30 June 2025 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the group's financial position and performance of the group since the last annual financial statements for the year ended 31 December 2024.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1. The condensed consolidated financial statements are presented in Singapore dollar which is the company's functional currency.

2.1 New and amended standards adopted by group

A number of amendments to Standards have become applicable for the current reporting period. The group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

2.2 Use of judgements and estimates

In preparing the condensed interim consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2024.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

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3. Seasonal operations

The group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4. Financial information by operating segments

4A. Information about reportable segment profit or loss, assets and liabilities

Disclosure of information about operating segments, products and services, the geographical areas, and the major customers are made as required by the financial reporting standard on operating segments. This disclosure standard has no impact on the reported financial performance or financial position of the reporting entity.

For management purposes, the reporting entity is organised into the following major strategic operating segments that offer different products and services: (1) Project services, (2) Maintenance services and (3) Others. The results of all other activities, mainly investment holding, which are not included within the two primary segments, are included in the "Others" segment. Such a structural organisation is determined by the nature of risks and returns associated with each business segment and it defines the management structure as well as the internal reporting system. It represents the basis on which the management reports the primary segment information that is available and that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing the performance. They are managed separately because each business requires different strategies.

The segments and the types of products and services are as follows:

- (1) The Project services segment includes projects that requires engineering, design, procurement, construction, machining, scaffolding works, insulation services and passive fireproofing services.
- (2) The Maintenance services segment includes maintenance and repair services, including trading and supply of material, spare parts and components.
- (3) The Others segment relates to other revenue streams.

Inter-segment sales are measured on the basis of the amount that the entity actually used to price the transfers. Internal transfer pricing policies of the reporting entity are as far as practicable based on market prices. The accounting policies of the operating segments are the same as those described in the significant accounting policies. The management reporting system evaluates performances based on a number of factors. However, the primary measurement to evaluate segment's operating results is the earnings from operations before depreciation and amortisation, interests and income taxes (called "EBITDA").

The following tables illustrate the information about the reportable segment profit or loss, assets and liabilities.

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4. Financial information by operating segments

4B. Profit or loss from continuing operations and reconciliations

	Project services \$'000	Maintenance services \$'000	Others \$'000	Elimination \$'000	Group \$'000
1H2024					
Revenue by segment					
Total revenue by segment	37,180	41,809	–	(2,829)	76,160
Inter-segment sales	(1,103)	(1,726)	–	2,829	–
Total revenue	36,077	40,083	–	–	76,160
Recurring EBITDA					
Inter-segment expenses	1,139	1,179	–	(2,318)	–
Adjusted EBITDA	5,598	7,986	480	–	14,064
Finance costs	(585)	(1,029)	(402)	–	(2,016)
Amortisation of intangible assets	(187)	(51)	–	–	(238)
	4,826	6,906	78	–	11,810
Unallocated:					
Interest income					613
Depreciation of property, plant and equipment					(1,956)
Depreciation of right-of-use assets					(401)
Income tax expenses					(1,540)
Profit for the period					8,526
1H2025					
Revenue by segment					
Total revenue by segment	47,183	41,861	–	(4,207)	84,837
Inter-segment sales	(2,574)	(1,633)	–	4,207	–
Total revenue	44,609	40,228	–	–	84,837
Recurring EBITDA					
Inter-segment expenses	442	467	–	(909)	–
Adjusted EBITDA	5,872	6,977	78	–	12,927
Finance costs	(274)	(304)	(367)	–	(945)
Amortisation of intangible assets	(83)	(155)	–	–	(238)
	5,515	6,518	(289)	–	11,744
Unallocated:					
Interest income					374
Depreciation of property, plant and equipment					(2,024)
Depreciation of right-of-use assets					(441)
Income tax expenses					(1,377)
Profit for the period					8,276

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4. Financial information by operating segments

4C. Assets and reconciliations

	Project services \$'000	Maintenance services \$'000	Others \$'000	Group \$'000
As at 30 June 2025				
Reportable segment assets	25,057	14,493	–	39,550
Unallocated:				
Cash and cash equivalents				30,900
Inventories				19,815
Trade and other receivables, and other assets				43,882
Property, plant and equipment				40,062
Other non-current assets				51,375
Total group assets				225,584
As at 31 December 2024				
Reportable segment assets	22,952	10,712	–	33,664
Unallocated:				
Cash and cash equivalents				43,442
Inventories				17,328
Trade and other receivables, and other assets				47,594
Other financial asset, current				1,472
Property, plant and equipment				41,711
Other non-current assets				49,595
Total group assets				234,806

4D. Liabilities and reconciliations

	Project services \$'000	Maintenance services \$'000	Others \$'000	Group \$'000
As at 30 June 2025				
Reportable segment liabilities	–	1,173	–	1,173
Unallocated:				
Provisions				1,547
Trade and other payables				38,872
Loans and borrowings				39,205
Financial liabilities – lease liabilities				6,319
Income tax payable and deferred tax liabilities				5,033
Total group liabilities				92,149

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4. Financial information by operating segments

4D. Liabilities and reconciliations

	Project Services \$'000	Maintenance services \$'000	Others \$'000	Group \$'000
As at 31 December 2024				
Reportable segment liabilities	2,248	1,663	–	3,911
Unallocated:				
Provisions				1,617
Trade and other payables				28,719
Loans and borrowings				59,780
Financial liabilities – lease liabilities				5,754
Income tax payable and deferred tax liabilities				5,222
Total group liabilities				105,003

4E. Geographical information

	Revenue		Non-current assets	
	1H2025 \$'000	1H2024 \$'000	30/06/2025 \$'000	31/12/2024 \$'000
<u>Group</u>				
China	12,126	5,500	1,986	2,242
Singapore	63,245	58,767	86,391	87,472
United States	2,446	2,854	–	–
Malaysia	6,877	8,497	243	246
Middle East	142	542	–	–
	<u>84,836</u>	<u>76,160</u>	<u>88,620</u>	<u>89,961</u>

Revenues are attributed to countries on the basis of the customer's location, irrespective of the origin of the goods and services. The non-current assets are analysed by the geographical area in which the assets are located. The non-current assets exclude any financial instruments and deferred tax assets.

4F. Other material items and reconciliations

Capital expenditures of \$512,000 (30 June 2024: \$703,000) are recognised in respect of property, plant and equipment. Segment information is not available for capital expenditures as the information is not available and the cost to allocate to the segment would be excessive.

4G. Disaggregation of revenue

Revenue classified by type of goods or service:

	Group	
	1H2025 \$'000	1H2024 \$'000
Engineering solutions and services	<u>84,837</u>	<u>76,160</u>

Revenue classified by timing of revenue recognition:

Point in time	30,658	21,674
Over time	<u>54,179</u>	<u>54,486</u>
Total revenue	<u>84,837</u>	<u>76,160</u>

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4. Financial information by operating segments

4G. Disaggregation of revenue

Revenue classified by duration of contract:
 Short-term contracts – 12 months or less
 Long-term contracts – more than 12 months
 Total revenue

69,636	65,948
15,201	10,212
<u>84,837</u>	<u>76,160</u>

5. Other income / (losses)

	<u>Group</u> <u>1H2025</u> \$'000	<u>1H2024</u> \$'000
Gain on disposal of plant and equipment	–	42
Government grant	210	267
Other income	4	272
Reversal for impairment of trade receivables	33	–
Inventories written down	(120)	–
Net	<u>127</u>	<u>581</u>
Other income and gains	247	581
Other losses	(120)	–
Net	<u>127</u>	<u>2,115</u>

6. Income tax expense

The group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	<u>Group</u> <u>1H2025</u> \$'000	<u>1H2024</u> \$'000
<u>Current tax expense:</u>		
Current tax expense	1,430	1,704
<u>Deferred tax (income)</u>		
Deferred tax (income)	(53)	(164)
Total income tax expense	<u>1,377</u>	<u>1,540</u>

7. Additional information on the condensed interim consolidated statement of profit or loss

	<u>Group</u> <u>1H2025</u> \$'000	<u>1H2024</u> \$'000
Amortisation of intangible asset	238	238
Depreciation of right-of-use asset	441	401
Depreciation of property, plant and equipment	<u>2,024</u>	<u>1,956</u>

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8. Finance costs

	<u>Group</u>	
	<u>1H2025</u>	<u>1H2024</u>
	<u>\$'000</u>	<u>\$'000</u>
Interest expense	859	1,936
Interest on lease liabilities	86	80
Total finance costs	<u>945</u>	<u>2,016</u>

9. Earnings per share

The following table illustrates the numerators and denominators used to calculate basic and diluted earnings per share of no-par value:

	<u>Group</u>	
	<u>1H2025</u>	<u>1H2024</u>
	<u>\$'000</u>	<u>\$'000</u>
Numerators: earnings attributable to equity:		
Profit attributable to equity holders	<u>8,276</u>	<u>8,526</u>
	'000	'000
Denominators: weighted average number of ordinary shares		
Basic and diluted	<u>399,274</u>	<u>399,631</u>

The weighted average number of ordinary shares refers to shares in issue outstanding during the reporting period. It is after the neutralisation by the treasury shares.

The amount per share ratio is based on the weighted average number of ordinary shares outstanding during each reporting period.

Both basic and diluted earnings per share are the same as there are no dilutive ordinary share equivalents outstanding during the reporting periods.

10. Dividends on equity shares

	<u>Group and Company</u>			
	<u>Rate per share</u>			
	<u>1H2025</u>	<u>1H2024</u>	<u>1H2025</u>	<u>1H2024</u>
	<u>cents</u>	<u>cents</u>	<u>\$'000</u>	<u>\$'000</u>
Final tax exempt (one-tier) dividend paid in respect of previous financial year	0.8987	0.588	3,581	2,350
Total dividends paid during the period	<u>0.8987</u>	<u>0.588</u>	<u>3,581</u>	<u>2,350</u>

11. Property, plant and equipment

During the half year ended 30 June 2025, the group acquired assets amounting to \$512,000 (30 June 2024: \$703,000) and disposed of assets with net book value amounting to \$13,000 (30 June 2024: \$87,000).

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12. Goodwill

	<u>Group</u>	
	<u>30/06/2025</u>	<u>31/12/2024</u>
	<u>\$'000</u>	<u>\$'000</u>
Cost:		
At beginning and end of the period/year	<u>40,421</u>	<u>40,421</u>

Goodwill is allocated to cash-generating units for the purpose of impairment testing. Each of those cash-generating units represents the group's investment by each subsidiary as follows:

	<u>Group</u>	
	<u>30/06/2025</u>	<u>31/12/2024</u>
	<u>\$'000</u>	<u>\$'000</u>
<u>Name of subsidiary:</u>		
Multiheight Scaffolding Pte Ltd and its subsidiary	12,292	12,292
Austin Energy (Asia) Pte Ltd and its subsidiary	10,159	10,159
Ensure Engineering Pte Ltd	7,101	7,101
Starburst Holdings Limited and its subsidiaries (Note 24)	<u>10,869</u>	<u>10,869</u>
Net book value at end of the period/year	<u>40,421</u>	<u>40,421</u>

The goodwill was tested for impairment at the end of each reporting year. No impairment allowance was required because the carrying amounts of all cash-generating units were lower than their estimated recoverable amounts. The recoverable amounts of cash-generating units have been measured based on the value in use method. The value in use was measured by management. The value in use is a recurring fair value measurement (Level 3).

The quantitative information about the value in use measurement using significant unobservable inputs for the cash-generating unit ("CGU") are consistent with those used for the measurement last performed and are as follows:

	<u>Group</u>
	<u>31/12/2024</u>
	<u>\$'000</u>
<u>Valuation technique</u>	Discounted cash flow method
<u>Unobservable inputs:</u>	
1. Estimated discount rates using pre-tax rates that reflect current market assessments at the risks specific to the CGUs.	
Multiheight Scaffolding Pte Ltd and its subsidiary	13%
Austin Energy (Asia) Pte Ltd and its subsidiary	13%
Ensure Engineering Pte Ltd	13%
Starburst Holdings Limited and subsidiaries	13%
2. Cash flow forecasts derived from the most recent financial budgets and plans approved by management.	5 years
3. Growth rates based on industry growth forecasts and not exceeding the average long-term growth rate for the relevant markets.	1.4%

Actual outcomes could vary from these estimates. Management's calculation of value in use took into account projects on hand.

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13. Intangible assets

	Customer relationship \$'000	Order backlog \$'000	Total \$'000
<u>Group</u>			
<u>Cost:</u>			
At 1 January 2024, 31 December 2024 and 30 June 2025	1,164	4,980	6,144
<u>Accumulated amortisation:</u>			
At 1 January 2024	332	2,803	3,135
Amortisation for the year	166	311	477
At 31 December 2024	498	3,114	3,612
Amortisation for the period	83	155	238
At 30 June 2025	581	3,269	3,850
<u>Carrying value:</u>			
At 1 January 2024	832	2,177	3,009
At 31 December 2024	666	1,866	2,532
At 30 June 2025	583	1,711	2,294

The amortisation is charged to administrative expenses.

14. Trade and other receivables

	<u>Group</u>		<u>Company</u>	
	<u>30/06/2025</u>	<u>31/12/2024</u>	<u>30/06/2025</u>	<u>31/12/2024</u>
	\$'000	\$'000	\$'000	\$'000
<u>Trade receivables:</u>				
Outside parties	33,324	42,684	–	–
Less: allowance for impairment	(461)	(494)	–	–
Subsidiaries	–	–	26,943	31,063
Retention receivables	4,490	3,597	–	–
Net trade receivables	36,353	45,787	26,943	31,063
	<u>30/06/2025</u>	<u>31/12/2024</u>	<u>30/06/2025</u>	<u>31/12/2024</u>
	\$'000	\$'000	\$'000	\$'000
Movements in above allowance on trade receivables:				
At beginning of the period/year	494	250	–	–
(Reversed) / charge for trade receivables to profit or loss included in other (income) / losses	(33)	244	–	–
At end of the period/year	461	494	–	–

The expected credit losses (ECL) on the above trade receivables are based on the simplified approach to measuring expected credit losses (ECL) which uses a lifetime ECL allowance approach for all trade receivables recognised from initial recognition of these assets. These assets are grouped based on shared credit risk characteristics and the days past due for measuring the ECL. The allowance matrix is based on the historical observed default rates (over a period of 36 months) over the expected life of the trade receivables and is adjusted for forward-looking estimates including the impact of the current economic conditions. At every reporting date the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

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14. Trade and other receivables

There is no collateral held as security and other credit enhancements for the trade receivables. As part of the process of setting customer credit limits, different credit terms are used. The average credit period generally granted to trade receivable customers is about 30 to 90 days (2024: 30 to 90 days). But some customers take a longer period to settle the amounts.

Concentration of trade receivable customers as at the end of reporting period/year:

	<u>Group</u>	
	<u>30/06/2025</u>	<u>31/12/2024</u>
	\$'000	\$'000
Top 1 customer	6,980	8,367
Top 2 customers	9,428	13,381
Top 3 customers	<u>11,738</u>	<u>15,125</u>

15. Other assets

	<u>Group</u>		<u>Company</u>	
	<u>30/06/2025</u>	<u>31/12/2024</u>	<u>30/06/2025</u>	<u>31/12/2024</u>
	\$'000	\$'000	\$'000	\$'000
Contract assets	20,567	16,816	–	–
Unbilled revenue	14,493	13,252	–	1,411
Prepayments	915	1,101	93	145
Advances to suppliers	9,580	3,126	–	–
Deposits to secure services	<u>1,524</u>	<u>1,176</u>	<u>10</u>	<u>10</u>
	<u>47,079</u>	<u>35,471</u>	<u>975</u>	<u>1,566</u>

16. Share capital

	<u>Number of shares issued</u>	<u>Share capital</u>	<u>Treasury shares</u>	<u>Total</u>
	'000	\$'000	\$'000	\$'000
Current period:				
<u>Group and Company</u>				
Ordinary shares of no par value:				
Opening balance at 1 January 2025	399,028	24,864	(331)	24,533
Treasury shares purchased (a)	<u>(517)</u>	<u>–</u>	<u>(180)</u>	<u>(180)</u>
At end of the period 30 June 2025	<u>398,511</u>	<u>24,864</u>	<u>(511)</u>	<u>24,353</u>
Previous period:	'000	\$'000	\$'000	\$'000
<u>Group and Company</u>				
Ordinary shares of no par value:				
Opening balance at 1 January 2024	399,736	24,864	(112)	24,752
Treasury shares purchased (a)	<u>(708)</u>	<u>–</u>	<u>(219)</u>	<u>(219)</u>
At end of the period 31 December 2024	<u>399,028</u>	<u>24,864</u>	<u>(331)</u>	<u>24,533</u>

Pursuant to the share purchase mandate approved at the extraordinary general meeting on 29 April 2015 and last renewed at the annual general meeting on 29 April 2025, and during the reporting period 1H2025, the company acquired 516,500 ordinary shares (2024: 707,700 ordinary shares) on the Singapore Stock Exchange and held them as treasury shares.

There had been no changes in the company's share capital since 31 December 2024, save for the aforesaid purchase of shares.

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16. Share capital

The company had 398,511,900 issued shares (excluding treasury shares) as at 30 June 2025 (31 December 2024: 399,028,400).

The total number of treasury shares as at 30 June 2025 is 1,488,100, representing 0.37% of the total number of issued shares (30 June 2024: 730,800, 0.18%).

There was no sale, transfer, disposal, cancellation and/or use of treasury shares during the half year ended 30 June 2025.

There were no outstanding convertibles issued by the Company and no subsidiary holdings as at 30 June 2025 and 30 June 2024.

17. Other reserves

	Group	
	30/06/2025	31/12/2024
	\$'000	\$'000
Foreign currency translation reserve (Note 17A)	(1,547)	(664)
Statutory reserve (Note 17B)	999	999
Total at the end of the period/year	<u>(548)</u>	<u>335</u>

17A. Foreign currency translation reserve

	Group	
	30/06/2025	31/12/2024
	\$'000	\$'000
At beginning of the period/year	(664)	(1,458)
Exchange differences on translating foreign operations	(883)	794
At end of the period/year	<u>(1,547)</u>	<u>(664)</u>

The currency translation reserve accumulates all foreign exchange differences.

17B. Statutory reserve

	Group	
	30/06/2025	31/12/2024
	\$'000	\$'000
At beginning of the period/year	999	878
Transferred from retained earnings	—	121
At end of the period/year	<u>999</u>	<u>999</u>

The subsidiaries in the People's Republic of China are required by local regulation to appropriate 10% of the profits each year to a non-distributable statutory reserve. Contribution to this reserve is no longer mandatory when the reserve reaches 50% of the registered share capital. The use of the funds in the non-distributable statutory reserve is subject to approval by the relevant authorities in the People's Republic of China.

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18. Net asset value per share

The following table illustrates the numerators and denominators used to calculate net asset value per share of no par value:

	Group		Company	
	30/06/2025	31/12/2024	30/06/2025	31/12/2024
	\$'000	\$'000	\$'000	\$'000
Numerators: net asset value	133,435	129,803	25,310	29,355
	'000	'000	'000	'000
Denominators: number of ordinary shares (excluding treasury shares)	398,512	399,028	398,512	399,028
Net asset value per share (cents)	33.5	32.5	6.4	7.3

19. Provisions

	Group	
	30/06/2025	31/12/2024
	\$'000	\$'000
Current:		
Warranties	1,547	1,617

Certain products are covered by product warranty plans of varying periods. If the customer has the option to purchase a warranty separately or the warranty is negotiated separately, the warranty is accounted as a performance obligation and a portion of the transaction price is allocated to that performance obligation and recognised as revenue over the period the warranty services are provided. The warranty obligations are affected by actual product failure rates and by material usage and service delivery costs incurred in correcting a product failure.

20. Loans and borrowings

	Group		Company	
	30/06/2025	31/12/2024	30/06/2025	31/12/2024
	\$'000	\$'000	\$'000	\$'000
Non-current:				
Financial instruments with floating interest rates:				
Bank loans (Note 20B)	4,669	5,774	4,669	5,774
Total non-current portion	4,669	5,774	4,669	5,774
Current:				
Financial instruments with floating interest rates:				
Bank loans (secured) (Note 20A)	17,292	19,392	6,300	7,700
Bank loans (Note 20B)	6,507	15,647	3,007	8,778
Invoice financing (Note 20B)	10,737	18,967	–	–
Total current portion	34,536	54,006	9,307	16,478
Total non-current and current	39,205	59,780	13,976	22,252
Presented as:				
Secured	17,292	19,392	6,300	7,700
Unsecured	21,913	40,388	7,676	14,552
Total loans and borrowings	39,205	59,780	13,976	22,252

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20. Loans and borrowings

The range of floating interest rates paid was as follows:

	Group		Company	
	30/06/2025	31/12/2024	30/06/2025	31/12/2024
	%	%	%	%
Bank loans and invoice financing	2.56 to <u>4.17</u>	3.83 to <u>4.91</u>	2.72 to <u>4.17</u>	3.83 to <u>4.91</u>

20A. Loans and borrowings (secured)

The bank agreements for certain of the bank loans and other credit facilities are secured by legal mortgage over leasehold properties.

The bank loans comprise:

- Short term borrowings with an average maturity period of 1 to 3 months and are settled at the end of maturity period.
- Loan repayable in 30 quarterly instalments of \$200,000 from June 2018. Although the loan is for a period of 7.5 years from June 2018, it has been classified as "current" because the entity does not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period/year.
- Loan repayable on demand. Loan is subject to 28 quarterly reductions of \$350,000 each or by any such reductions as may be specified or fixed by the bank from time to time until the limit is reduced to \$4 million from May 2023.

20B. Bank loans and invoice financing

The bank agreements for certain of the bank loans and other credit facilities provide among other matters for corporate guarantee by the company.

The bank loans comprise:

- Short term borrowings (invoice financing and money market loans) with an average maturity period of 1 to 3 months and are settled at the end of maturity period.
- Loan repayable over 4 years from January 2022 with monthly instalment of about \$145,000.
- Loan repayable over 36 months from January 2023 with monthly instalment of about \$138,888. This loan was fully repaid in 2024.
- Loan repayable over 48 months from July 2024 with monthly instalment of \$166,666.

The loans and borrowings are covered by corporate guarantee from the company and subject to certain financial covenants such as (a) consolidated net worth of the group shall not be less than \$40 million; (b) gearing ratio shall not exceed two times; and (c) minimum debt service coverage ratio of 1.25.

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21. Trade payables

	Group		Company	
	30/06/2025	31/12/2024	30/06/2025	31/12/2024
	\$'000	\$'000	\$'000	\$'000
Outside parties and accrued liabilities	38,872	28,719	1,454	3,356

22. Other non-financial liabilities

	Group	
	30/06/2025	31/12/2024
	\$'000	\$'000
Deferred revenue	563	1,325
Advances from customers	610	814
Contract liabilities	–	1,772
Total other non-financial liabilities	1,173	3,911

23. Financial instruments

The following table categorises the carrying amount of financial assets and liabilities recorded at the end of the reporting period/year:

	Group		Company	
	30/06/2025	31/12/2024	30/06/2025	31/12/2024
	\$'000	\$'000	\$'000	\$'000
<u>Financial assets:</u>				
Financial assets at amortised cost	68,725	90,701	33,502	47,073
<u>Financial liabilities:</u>				
Financial liabilities at amortised cost	84,396	94,253	16,969	27,169

24. Commitments

	Company	
	30/06/2025	31/12/2024
	\$'000	\$'000
Corporate guarantee in favour of subsidiaries	40,382	38,656
	Group	
	30/06/2025	31/12/2024
	\$'000	\$'000
Total commitments on short-term leases at period / year end date	1,933	1,175

25. Subsequent events

There is no significant subsequent event for the reporting period.

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Other Information Required by Listing Rule Appendix 7.2

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OTHER INFORMATION

1. Review

The condensed interim consolidated financial statements for period ended 30 June 2025 and certain explanatory notes have not been audited or reviewed.

2. Review of performance of the group

Review of performance for half-year ended 30 June 2025 ("1H2025")

Revenue

The group's revenue increased by approximately \$8.6 million or 11%, to approximately \$84.8 million in 1H2025 from approximately \$76.2 million in the half-year ended 30 June 2024 ("1H2024"). This increase was attributable to higher revenue from Project Services.

Business segment	1H2025	1H2024	Change	Change
	\$'000	\$'000	\$'000	%
Project services	44,609	36,077	8,532	24
Maintenance services	40,228	40,083	145	-
Total	84,837	76,160	8,677	11

Gross profit and gross profit margin

Gross profit for 1H2025 increased by approximately \$1.6 million or 9% to approximately \$19.2 million in 1H2025 from \$17.6 million in 1H2024. Gross profit margin remained constant at 23% for 1H2025 and 1H2024.

Distribution costs

Distribution costs increased by approximately \$0.6 million or 182% to approximately \$0.9 million in 1H2025 from \$0.3 million in 1H2024 mainly due to higher expenses from increased sales.

Administrative expenses

Administrative expenses decreased by approximately \$0.6 million or 8% to approximately \$6.7 million in 1H2025 from \$7.3 million in 1H2024 mainly due to lower staff cost.

Other income / (losses)

Net other income / (losses) decreased by approximately \$0.5 million or 78% from approximately \$0.6 million in 1H2024 mainly due to lower other income of \$0.3 million and inventory written down of \$0.1 million.

Operating profits, net of tax

Operating profits net of tax increased \$1.3 million or 14% to \$10.3 million in 1H2025 from \$9.0 million in 1H2024 mainly due to higher revenue.

Finance costs

Net interest income and expense decreased \$0.8 million or 59% to approximately \$0.6 million in 1H2025 from \$1.4 million in 1H2024 mainly due to lower borrowings and interest rates during the period under review.

Foreign exchange (losses) / gains

Foreign exchange loss in 1H2025 comprised foreign exchange loss due to weakening of United States Dollar against Singapore Dollar. Foreign exchange gain in 1H2024 comprised foreign exchange gains due to strengthening of United States Dollar against Singapore Dollar.

2. Review of performance of the group (cont'd)

Income tax expenses

Effective income tax rates were at approximately 15% for 1H2025 and 1H2024. The effective tax rate is lower than the statutory rate of 17% mainly due to the utilization of merger & acquisition allowance, unutilised capital allowances and tax losses carried forward.

Statement of Financial Position Review (as at 30 June 2025 compared to 30 December 2024)

Non-current assets

Non-current assets decreased by approximately \$1.3 million or 1% to approximately \$90.0 million as at 30 June 2025 from approximately \$91.3 million as at 31 December 2024. The decrease was mainly attributable to the depreciation of property, plant and equipment and right-of-use assets and amortisation of intangible assets.

Current assets

Current assets decreased by approximately \$7.9 million or 5% to \$135.6 million as at 30 June 2025 from approximately \$143.5 million as at 31 December 2024. This decrease was mainly attributable to lower cash and cash equivalents due to repayment of loans and borrowings and lower trade and other receivables. These decreases were partially offset by higher inventories and other assets due to ongoing projects where unbilled revenue, contract assets and advances to suppliers increased.

Equity

Our capital and reserves increased by approximately \$3.6 million or 3% as at 30 June 2025 as compared to 31 December 2024. The increase was mainly due to retention of net profit in 1H2025 of approximately \$8.3 million. This was partially offset by dividend payment of \$3.6 million.

Non-current liabilities

Non-current liabilities decreased by approximately \$1.3 million or 1% to approximately \$12.0 million as at 30 June 2025 from approximately \$13.3 million as at 31 December 2024 mainly due to the repayment of loans and borrowings.

Current liabilities

Current liabilities decreased by approximately \$11.6 million or 13%, to approximately \$80.1 million as at 30 June 2025 from approximately \$91.7 million as at 31 December 2024. The decrease was mainly due to the repayment of loans and borrowings which was offset by an increase in trade and other payables.

Statement of Cash Flows Review

1H2025

In 1H2025, operating cash flows before changes in working capital was approximately \$13.7 million. Working capital changes cash inflow was approximately \$2.7 million. This was mainly due to decrease in trade and other receivables following collections from customers and increase in trade and other payables due to increased accrued expenses from projects. These cash inflows were offset by cash outflow from increase in other assets and inventory and decrease in other non-financial liabilities from on-going projects. Operating cash flow used in operations was \$14.8 million after income tax payments of approximately \$1.6 million.

Net cash used in investing activities of approximately \$0.1 million was mainly due to purchase of plant and equipment which was offset by interest received.

Net cash used in financing activities of approximately \$25.7 million was mainly due to repayment of loans and borrowings of approximately \$20.1 million, dividend payment of approximately \$3.6 million, interest payment of \$0.9 million and repayment of lease liabilities of \$0.5 million.

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3. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

There is no variance between the prospect statement previously announced and the actual results of the current financial reporting period.

4. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next operating period and the next 12 months

As at 30 June 2025, the Group maintained a robust orderbook of S\$184.9 million, comprising S\$62.5 million from Project Services and S\$122.4 million from Maintenance Services, including approximately S\$48.7 million in new contracts, spanning System Integration, Precision Engineering, Scaffolding, Insulation, Petrochemical & Environmental Engineering, Cleanroom, Air and Water Solutions and Structural Engineering and Construction Services. The deliveries for these orders are expected to be fulfilled mainly over the next 36 months, though they remain subject to possible rescheduling, variation, or cancellation by customers.

Nordic is well-positioned at the intersection of two expanding industrial frontiers. The marine and offshore industry anchored in Singapore is entering a growth cycle, supported by the 2025 Marine & Offshore Energy industry plan launched by the Association of Singapore Marine & Offshore Energy Industries (ASMI) and Enterprise Singapore, which aims to develop advanced maritime solutions and green technologies to transform Singapore into a global Marine & Offshore Energy (M&OE) hub by 2030.¹

Geopolitical tensions, inflationary pressures, and currency volatility continue to present near-term headwinds for the Group. However, Nordic remains positive on the long-term prospects of its core markets, including the marine, offshore oil and gas, petrochemical, pharmaceutical, semiconductor, infrastructure, and security sectors. With the current order wins, prudent cost and risk management measures, and continued efforts to explore merger and acquisition opportunities, the Group is poised to deliver sustainable value to shareholders over the long run.

5. Dividends

The Board of Directors has declared an interim tax exempt (one-tier) dividend of 0.8276 cents per ordinary share for the period ended 30 June 2025. The interim dividend will be paid on 4 September 2025.

(i) 30 June 2025

Name of Dividend	Dividend type	Dividend per ordinary share	Tax rate	Date payable	Record date
Interim	Cash	0.8276 cents	Tax exempt (One tier)	4 September 2025	21 August 2025

Duly completed registrable transfers received by the Company's Registrar, Tricor Barbinder Share Registration Services (A division of Tricor Singapore Pte Ltd), at 9 Raffles Place, Republic Plaza, Tower I, #26-01, Singapore 048619 up to 5.00 pm on 21 August 2025 will be registered to determine shareholders' entitlement to the dividend.

¹ 1,000 job roles to be created under new plan to grow S'pore's marine and offshore energy firms, Straits Times, updated 11 February 2025

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5. Dividends

(ii) 30 June 2024

Name of Dividend	Dividend type	Dividend per ordinary share	Tax rate
Interim	Cash	0.8526 cents	Tax exempt (One tier)

(iii) Breakdown of the total interim dividend (in dollar value)

	<u>1H2025</u> \$'000	<u>1H2024</u> \$'000
Interim dividend of 0.8276 (2024:0.8526) cents per share	3,298 *	3,406
Total interim dividend	<u>3,298</u>	<u>3,406</u>

*Based on 398,511,900 ordinary shares being total issued shares excluding treasury shares as at 30 June 2025

6. Interested person transactions

The company has not obtained a general mandate from shareholders for interested person transactions. The company did not have any interested person transactions during the period under review (excluding transactions less than \$100,000).

7. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)

The company has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).

8. Confirmation by the Board pursuant to Rule 705(5) of the Listing Manual

The Board of Directors ("the Board") hereby confirms that, to the best of their knowledge, nothing has come to the attention of the Board which may render the condensed interim consolidated financial statements for the financial period ended 30 June 2025 to be false or misleading in any material aspect.

9. Disclosure of acquisitions and realisations pursuant to Rule 706A

Nil

By Order Of The Board

Chang Yeh Hong
Executive Chairman
8 August 2025