



ISOTEAM LTD.

(Company Registration No. 201230294M)

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2025

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A. CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Group			Change	
	Note	Six Months Ended			
		31.12.25 (unaudited)	31.12.24 (unaudited)		
		\$'000	\$'000	%	
Income Statement					
Revenue	3	53,058	65,394	(18.9)	
Cost of sales		(43,187)	(55,530)	(22.2)	
Gross profit		9,871	9,864	0.1	
Other income	4	402	436	(7.8)	
Marketing and distribution expenses		(400)	(394)	1.5	
General and administrative expenses		(5,373)	(5,811)	(7.5)	
Finance costs	5	(1,164)	(1,193)	(2.4)	
Other expenses		(20)	(580)	(96.6)	
Profit before tax	6	3,316	2,322	42.8	
Tax expense	7	(53)	(11)	N/M	
Profit and total comprehensive income for the period		3,263	2,311	41.2	
Profit/(loss) and total comprehensive income/(loss) attributable to:					
Equity holders of the Company		3,264	1,920	70.0	
Non-controlling interests		(1)	391	N/M	
		3,263	2,311	41.2	

"N/M" denotes Not Meaningful

B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

	Note	Group		Company	
		As at 31.12.25 (unaudited)	As at 30.06.25 (audited)	As at 31.12.25 (unaudited)	As at 30.06.25 (audited)
		\$'000	\$'000	\$'000	\$'000
Assets					
Non-current assets					
Property, plant and equipment		17,659	17,727	-	-
Goodwill	11	1,662	1,662	-	-
Intangible assets		63	79	-	-
Investment in subsidiaries	12	-	-	41,450	39,450
Other investments	13	7,353	7,353	7,353	7,353
Deferred tax assets		800	800	-	-
		27,537	27,621	48,803	46,803
Current assets					
Contract assets		44,972	41,370	-	-
Inventories		9	-	-	-
Trade and other receivables		35,565	34,479	18,946	21,499
Cash and bank balances		22,807	17,205	11,667	1,605
Total current assets		103,353	93,054	30,613	23,104
Total assets		130,890	120,675	79,416	69,907
Non-current liabilities					
Lease liabilities	14	2,599	2,387	-	-
Deferred tax liabilities		105	105	4	4
Derivative financial instruments	15	848	-	848	-
Borrowings	14	12,625	7,676	3,121	442
Total non-current liabilities		16,177	10,168	3,973	446
Current liabilities					
Contract liabilities		1,595	675	-	-
Borrowings	14	30,961	36,574	12,823	15,002
Trade and other payables		22,417	22,858	9,925	7,489
Lease liabilities	14	603	593	-	-
Provision for taxation		1,381	1,381	-	-
Total current liabilities		56,957	62,081	22,748	22,491
Total liabilities		73,134	72,249	26,721	22,937
Net assets		57,756	48,426	52,695	46,970

B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION (CONT'D)

	Note	Group		Company	
		As at 31.12.25 (unaudited)	As at 30.06.25 (audited)	As at 31.12.25 (unaudited)	As at 30.06.25 (audited)
		\$'000	\$'000	\$'000	\$'000
Share capital and reserves					
Share capital	16	41,680	35,027	41,680	35,027
Treasury shares	17	(152)	(152)	(152)	(152)
Accumulated profits		23,158	20,529	11,151	12,079
Foreign currency translation reserve		30	30	-	-
Merger reserve		(7,305)	(7,305)	-	-
Other reserves		297	(91)	16	16
Equity attributable to equity holders of the Company		57,708	48,038	52,695	46,970
Non-controlling interests		48	388	-	-
Total equity		57,756	48,426	52,695	46,970

C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

	Attributable to equity holders of the Company							Non-controlling interests \$'000	Total equity \$'000
	Share capital \$'000	Treasury shares \$'000	Merger reserve \$'000	Foreign currency translation reserve \$'000	Other reserves \$'000	Accumulated profits \$'000	Total \$'000		
The Group									
At 1 July 2025	35,027	(152)	(7,305)	30	(91)	20,529	48,038	388	48,426
Profit/(loss) and comprehensive income/(loss) for the period	-	-	-	-	-	3,264	3,264	(1)	3,263
Contribution by and distributions to equity holders									
Placement of share	7,001	-	-	-	-	-	7,001	-	7,001
Transaction costs related to issue of ordinary shares	(348)	-	-	-	-	-	(348)	-	(348)
Dividend paid	-	-	-	-	-	(635)	(635)	-	(635)
Total contribution by and distribution to equity holders	6,653	-	-	-	-	(635)	6,018	-	6,018
Effects of acquiring non-controlling interests in a subsidiary	-	-	-	-	388	-	388	(388)	-
Acquisition of subsidiary with non-controlling interests	-	-	-	-	-	-	-	49	49
Total changes in ownership interests in subsidiaries	-	-	-	-	388	-	388	(339)	49
At 31 December 2025	41,680	(152)	(7,305)	30	297	23,158	57,708	48	57,756

C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

The Group	Attributable to equity holders of the Company						Non-controlling interests \$'000	Total equity \$'000
	Share capital \$'000	Treasury shares \$'000	Merger reserve \$'000	Foreign currency translation reserve \$'000	Other reserves \$'000	Accumulated (losses)/profit \$'000		
At 1 July 2024	54,321	(152)	(7,305)	30	62	(4,044)	42,912	(37)
Profit for the period	-	-	-	-	-	1,920	1,920	391
Contribution by and distributions to equity holders								
Cancellation of share capital	(20,000)	-	-	-	-	20,000	-	-
Dividend	-	-	-	-	-	(558)	(558)	-
Transaction costs related to issue of ordinary shares	1	-	-	-	-	(1)	-	-
Total contribution by and distribution to equity holders	(19,999)	-	-	-	-	19,441	(558)	-
Equity-settled share-based payment	-	-	-	-	553	-	553	-
Total changes in ownership interests in subsidiaries	-	-	-	-	553	-	553	-
At 31 December 2024	34,322	(152)	(7,305)	30	615	17,317	44,827	354
								45,181

C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY (CONT'D)

The Company	Share capital \$'000	Treasury shares \$'000	Other reserves \$'000	Accumulated profits \$'000	Total equity \$'000
At 1 July 2025	35,027	(152)	16	12,079	46,970
Loss and total comprehensive loss for the period	-	-	-	(293)	(293)
Contribution by and distributions to equity holders					
Placement of shares	7,001	-	-	-	7,001
Transaction costs related to issue of share capital	(348)	-	-	-	(348)
Dividend paid	-	-	-	(635)	(635)
Total contribution by and distribution to equity holders	6,653	-	-	(635)	6,018
Total transactions with equity holders of the Company	6,653	-	-	(635)	6,018
At 31 December 2025	41,680	(152)	16	11,151	52,695

C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY (CONT'D)

The Company	Share capital \$'000	Treasury shares \$'000	Other reserves \$'000	Accumulated losses \$'000	Total equity \$'000
At 1 July 2024	54,321	(152)	169	(9,648)	44,690
Loss and total comprehensive loss for the period	-	-	-	(313)	(313)
Contribution by and distributions to equity holders					
Transaction costs related to issue of share capital	1	-	-	(1)	-
Cancellation of share capital	(20,000)	-	-	20,000	-
Dividend paid	-	-	-	(558)	(558)
Total contribution by and distribution to equity holders	(19,999)	-	-	19,441	(558)
Equity-settled share-based payment	-	-	553	-	553
Total transactions with equity holders of the Company	(19,999)	-	553	19,441	(5)
At 31 December 2024	34,322	(152)	722	9,480	44,372

D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	Group	
	Six Months Ended	
	31.12.25 (unaudited)	31.12.24 (unaudited)
	\$'000	\$'000
Cash flows from operating activities		
Profit before income tax	3,316	2,322
Adjustments for: -		
Depreciation of property, plant and equipment	1,051	1,711
Net loss/(gain) on disposal of property, plant and equipment	18	(58)
Interest income	(24)	(56)
Interest expense	1,011	1,041
Amortisation of intangible assets	20	28
Fair value gain on derivative financial instrument	(292)	-
Bad debts recovered	-	(28)
Equity-settled share-based payment	-	553
Operating cash flows before working capital changes		
Contract assets	5,100	5,513
Contract liabilities	(3,602)	285
Inventories	920	201
Trade and other receivables	(9)	-
Trade and other payables	(1,047)	(9,681)
Cash generated from operations		
Income taxes paid	924	1,016
Interest received	(53)	-
Net cash generated from operating activities	895	1,072

D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)

		Group	
		Six Months Ended	
		31.12.25 (unaudited)	31.12.24 (unaudited)
		\$'000	\$'000
Cash flows from investing activities			
Additions to intangible assets		(4)	-
Purchases of plant and equipment		(411)	(160)
Proceeds from disposal of property, plant and equipment		3	86
Net cash used in investing activities		(412)	(74)
Cash flows from financing activities			
Proceeds from issue of share capital		7,001	-
Issuance of convertible bonds		3,000	-
Placements of Fixed deposits pledged to banks		(2,153)	(2)
Share issuance expenses		(348)	-
Drawdown of borrowings		34,493	29,632
Repayment of borrowings		(37,009)	(29,078)
Interest paid		(1,022)	(1,047)
Dividend paid		(635)	(558)
Repayment of lease liabilities		(361)	(805)
Net cash generated from/ (used in) financing activities		2,966	(1,858)
Net increase/(decrease) in cash and cash equivalents		3,449	(860)
Cash and cash equivalents at beginning of financial period		14,031	7,576
Cash and cash equivalents at end of financial period		17,480	6,716

Notes to the Consolidated Statement of Cash Flows

Cash and cash equivalents included in the consolidated statement of cash flows consist of the following: -

		Group	
		Six Months Ended	
		31.12.25	31.12.24
		\$'000	\$'000
Cash in hand and at bank		17,480	6,716
Fixed deposits		5,327	3,173
Less: Fixed deposits pledged		22,807	9,889
		(5,327)	(3,173)
		17,480	6,716

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate information

The Company (Co. Reg. No. 201230294M) is a limited liability company incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited ("SGX-ST").

The registered office and principal place of business of the Company is at No. 8 Changi North Street 1, Singapore 498829.

The principal activities of the Group are provision of repair and redecoration services, addition and alteration services, provision of coating and painting services and others including revenue from home retrofitting business, landscaping works, interior designs, renewable solutions works, mechanical & electrical engineering works, vector control services and handyman services.

2. Basis of preparation

The condensed interim financial statements for the six months ended 31 December 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 30 June 2025.

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 interim financial statements are presented in Singapore dollars ("\$") which is the Company's functional currency and all values are rounded to the nearest thousand ("'\$000") as indicated.

2.1. New and amended standard adopted by the Group

A number of amendments to SFRS(I)s have become applicable for the current reporting period, which does not have significant impact to the Group.

2.2. Use of judgements and estimates

In preparing the condensed interim 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 as at and for the year ended 30 June 2025.

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

2.2. Use of judgements and estimates (Cont'd)

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period are included in the following note:

- (i) Note 11: Impairment testing of goodwill - Key assumptions underlying recoverable amounts
- (ii) Fair value of financial assets not quoted in an active market

As disclosed in Note 13, other investments are relatively illiquid with no public market. Management valued the investments in SA Sub-Fund and GH Sub-Fund based on the Group's share of the fair value of the underlying net assets of portfolio companies invested as per the quarterly report issued by the Variable Capital Company ("VCC")'s professional fund manager based on the income approach method, and the market approach method respectively.

Because of the inherent uncertainty of the valuation, management's estimate of fair values which are derived from the reported proportionate share of the fair value of the underlying net assets of the portfolio companies, may differ significantly from the values that would have been used had a ready market existed for the investment.

- (iii) Construction contracts

The Group recognises contract revenue over time by reference to the stage of completion of the contract work. The stage of completion is determined by reference to the contract costs incurred to-date relative to the estimated total contract costs for the contract.

Significant assumptions are used to estimate the total contract revenue (including variation of claims) and total contract costs (including estimated costs to complete), at the inception of the contract and at the end of each reporting period and the determination of the stage of completion. In making these estimates, management devised a robust process for budgeting contract costs and also relied on past experience and technical knowledge of the contract team. The contract teams monitor contract costs incurred closely and ensure that any project cost overruns, provision for onerous contract, liquidated damages and rectification cost are accounted for appropriately in the financial statements.

The carrying amounts of the contract assets and liabilities arising at the end of each reporting period are \$44,972,000 and \$1,595,000 as at 31 December 2025 (30 June 2025: \$41,370,000 and \$675,000).

- (iv) Valuation of Convertible bonds

Management has determined that the bonds issued by the Company are hybrid financial instruments with a derivative financial instrument component, in accordance with SFRS(I) 9 Financial Instruments.

Significant judgements and estimates from management are involved in estimating the fair value of the derivative financial instrument arising from the issuance of the convertible bonds by the Company. Key assumptions, including but not limited to, the discount rate used and the probability of certain terms and conditions being exercised were considered during the fair value measurement of the derivative financial instruments issued by the Company.

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

2.2. Use of judgements and estimates (Cont'd)

3. Segment and revenue information

The Group is organised into the following main business segments:

- Segment 1: Repairs & Redecoration ("R&R")
- Segment 2: Addition & Alteration ("A&A")
- Segment 3: Coating & Painting ("C&P")
- Segment 4: Others included revenue from home retrofitting business, landscaping works, interior design, mechanical & electrical engineering works, renewable solutions works, vector control services and handyman service.

These operating segments are a component of the Group that engages in business activities from which it may earn revenues and incurs expenses, including revenues and expenses that relate to transactions with other components of the Group. Operating segments are reported in a manner consistent with the internal reporting provided to the Group's chief operating decision maker for making decisions about allocating resources and assessing performance of the operating segments.

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

3. Segment and revenue information (Cont'd)

3.1 Operating segments

1 July 2025 to 31 December 2025	R&R \$'000	A&A \$'000	C&P \$'000	Others \$'000	Total \$'000
Segment revenue	12,084	21,409	6,430	13,135	53,058
Segment profit/(loss)	1,203	(408)	1,499	2,940	5,234
Depreciation and amortisation					(1,071)
Other non-cash income/(expense)					293
Interest income					24
Finance costs					(1,164)
Profit before tax					3,316
Segment assets	17,545	32,171	11,876	34,536	96,128
Unallocated assets					34,762
Total assets					130,890
Segment liabilities	2,457	64	6,401	18,369	27,291
Unallocated liabilities					45,843
Total liabilities					73,134
1 July 2024 to 31 December 2024	R&R \$'000	A&A \$'000	C&P \$'000	Others \$'000	Total \$'000
Segment revenue	18,844	30,265	7,508	8,777	65,394
Segment profit	3,786	246	1,402	235	5,669
Depreciation and amortisation					(1,739)
Other non-cash income/(expense)					(471)
Interest income					56
Finance costs					(1,193)
Profit before tax					2,322
Segment assets	22,334	31,797	10,798	45,028	109,957
Unallocated assets					5,532
Total assets					115,489
Segment liabilities	5,520	1,060	5,118	10,264	21,962
Unallocated liabilities					48,346
Total liabilities					70,308

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

3.2 Disaggregation of revenue

1 July 2025 to 31 December 2025	The Group 6 months ended 31 December 2025				
	R&R \$'000	A&A \$'000	C&P \$'000	Others \$'000	Total \$'000
Types of goods or service:					
Revenue from contracts	12,084	20,319	6,430	12,705	51,538
Revenue from other services	-	1,090	-	430	1,520
Total revenue	12,084	21,409	6,430	13,135	53,058
Timing of revenue recognition:					
At a point in time	-	1,090	-	-	1,090
Over time	12,084	20,319	6,430	13,135	51,968
Total revenue	12,084	21,409	6,430	13,135	53,058

1 July 2024 to 31 December 2024	The Group 6 months ended 31 December 2024				
	R&R \$'000	A&A \$'000	C&P \$'000	Others \$'000	Total \$'000
Types of goods or service:					
Revenue from contracts	18,844	29,008	7,508	8,521	63,881
Revenue from other services	-	1,257	-	256	1,513
Total revenue	18,844	30,265	7,508	8,777	65,394
Timing of revenue recognition:					
At a point in time	-	1,257	-	-	1,257
Over time	18,844	29,008	7,508	8,777	64,137
Total revenue	18,844	30,265	7,508	8,777	65,394

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

4. Other Income

	The Group	
	6 months ended	
	31 December 2025	31 December 2024
	\$'000	\$'000
Government grants	41	19
Gain on disposal of property, plant and equipment	2	58
Rental income	-	46
Interest income	24	56
Administrative income	-	54
Foreign exchange gain	4	-
Fair value gain on derivative financial instrument	292	-
Bad debts recovered	-	42
Others	39	161
	402	436

5. Finance costs

	The Group	
	6 months ended	
	31 December 2025	31 December 2024
	\$'000	\$'000
Interest expenses	1,011	1,041
Bank charges	133	124
Factoring charges	20	28
	1,164	1,193

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

6. Profit before tax

	The Group	
	6 months ended	
	31 December 2025	31 December 2024
		\$'000
Amortisation of intangible asset	20	28
Bad debts recovered	-	(28)
Depreciation of property, plant and equipment	1,051	1,711
Net loss/(gain) on disposal of property, plant and equipment	18	(58)
Equity-settled share-based payment	-	553

7. Taxation

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 and other comprehensive income are:

	The Group	
	6 months ended	
	31 December 2025	31 December 2024
		\$'000
Tax expense attributable to profit:		
Income tax:		
- Under-provision in prior years	53	-
Deferred tax:		
- Current year	-	11
	53	11

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

8. Earnings per share

The following reflects the profit attributable to the equity holders of the Company used in the earnings per share computation:

	The Group	
	6 months ended	
	31 December 2025	31 December 2024
Profit attributable to equity holders of the Company (\$'000)	3,264	1,920
Weighted average number of ordinary shares Ordinary shares used in calculation of basic earnings per ordinary share	683,400,843	697,566,862
Potential ordinary shares issuable under ISOTeam PSP	1,084,000	9,675,000
Potential convertible bonds to be exercised	32,873,000	-
Weighted average number of ordinary shares outstanding for diluted earnings per ordinary share	717,357,843	707,241,862
Basic earnings per share (cents)	0.48	0.28
Diluted earnings per share (cents)	0.46	0.27

For the financial periods ended 31 December 2024 and 31 December 2025, the potential ordinary shares used to compute the "diluted earnings per share" included the 9,675,000 share awards and 1,084,000 share awards granted under ISOTeam Performance Share Plan 2013 ("PSP 2013") and ISOTeam Performance Share Plan 2023 ("PSP 2023") and the issuance of convertible bonds to be exercised.

9. Net Asset Value

	The Group		The Company	
	As at	31 December 2025	As at	31 December 2025
	31 December 2025	30 June 2025	31 December 2025	30 June 2025
Net asset value attributable to equity holders of the Company (\$'000)	57,708	48,038	52,695	46,970
Number of ordinary shares (excluding treasury shares)	793,400,000	707,241,862	793,400,000	707,241,862
Net asset value per ordinary share (cents)	7.27	6.79	6.64	6.63

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

10. Property, plant and equipment

During the 6 months ended 31 December 2025, the Group acquired plant and equipment amounting to \$1,004,000 (31 December 2024: \$475,000) of which \$95,000 (31 December 2024: \$22,000) relates to the new leases of right-of-use assets which were not acquired by means of hire purchase. Cash payment of \$316,000 (31 December 2024: \$138,000) was made to purchase plant and equipment. The Group had disposed of plant and equipment amounting to \$21,000 (31 December 2024: \$27,000).

11. Goodwill

	The Group As at	
	31 December 2025	30 June 2025
	S\$'000	S\$'000
Net carrying value	1,662	1,662

Impairment testing of goodwill

The recoverable amount of the cash generating unit ("CGU") has been determined based on value-in-use calculation using cash flow projections from financial budgets approved by management covering a five-year period.

As at 31 December 2025, the Group reviewed the key assumptions used in the value-in-use calculation as at 30 June 2025 impairment test and noted that the assumptions remained reasonable. No impairment loss was made during this period.

Goodwill allocated to the respective CGU are as follows:

	The Group As at	
	31 December 2025	30 June 2025
	S\$'000	S\$'000
Cash Generating Unit and principal activities		
CGU 1 - Repair & redecoration and coatings & paintings	1,383	1,383
CGU 2 - Landscaping works	279	279
	1,662	1,662

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

12. Investment in subsidiaries

Increase in issued and paid-up share capital of subsidiary

On 31 December 2025, ISO-Team Corporation Pte. Ltd., a wholly-owned subsidiary of the Company, issued 2,000,000 ordinary shares at S\$1 each to the Company by way of capitalisation of existing shareholder's loan(s) amounting to S\$2,000,000, thereby increasing its issued and paid-up share capital from S\$5,000,000 comprising 15,000,000 ordinary shares to S\$7,000,000 comprising 17,000,000 ordinary shares.

Impairment assessment of the Company's investment in subsidiaries

Determining whether investments in subsidiaries are impaired requires an estimate of the value-in-use ("VIU") of the subsidiaries. Estimating the VIU requires the Company to make an estimate of the future cash flows expected from the cash generating unit and appropriate discount rate in order to calculate the present value of these cash flows. The forecasts used to estimate the future cash flows are subject to the risks noted in the impairment assessments of the goodwill. No impairment was made during this period.

13. Other investments

	The Group	
	As at	
	31 December 2025	30 June 2025
	\$'000	\$'000
Financial assets at fair value through profit or loss - Equity investment in sub-funds (unquoted)	7,353	7,353

The sub-fund will be managed by a fund manager appointed by the VCC during the investment period of 36 months (the "Term"). Upon expiry of the Term or the occurrence of certain events, the Company will redeem its investment in the sub-funds with the redemption price being the net proceeds from the liquidation or disposal of the investments in the sub-fund. Consequently, the Group measures the interests in the sub-funds at fair value through profit or loss.

The fair value of Greater Heights VCC Sub-Fund are determined by reference to quarterly reports issued by the VCC's professional fund manager based on the income approach method, and the market approach method respectively. This fair value measurement was categorised in Level 3 of the fair value hierarchy.

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

14. Borrowings

	The Group	
	As at	
	31 December 2025	30 June 2025
	\$'000	\$'000
<u>Current</u>		
Term loans - secured	20,463	26,514
Lease liabilities - secured	603	593
Term loans - unsecured	2,958	3,600
Short-term securities loan - unsecured	7,540	6,460
<u>Non-current</u>		
Term loans - secured	10,762	7,676
Lease liabilities - secured	2,599	2,387
Redeemable convertible bonds	1,863	-
	<u>46,788</u>	<u>47,230</u>

Notes

(a) Bank borrowings amounting to \$31.2 million are secured by:

- i. charges over fixed deposits;
- ii. mortgage over the Group's leasehold properties;
- iii. first fixed charge over receivables arising from invoices financed directly or indirectly over the account in which the receivables are deposited; and
- iv. corporate guarantee from the Company and a subsidiary.

(b) Lease liabilities of the Group amounting to \$3.2 million are secured by the rights to the leased equipment, machineries and motor vehicles.

(c) The short-term securities loan is the issuance of tokenised short-term commercial papers on a regulated digital private market platform to fund the Group's working capital requirements. As at 31 December 2025, \$0.5 million was subscribed by certain Directors of the Group, amounting to approximately 6.6% of the total short-term securities loan amongst the subscribers for the short-term commercial papers.

(d) On 19 September 2025, the Company had issued Convertible Bonds with an aggregate principal amount of \$3.0 million to certain subscribers. The Convertible bonds are unsecured, bear interests of 4% per annum and are convertible into new ordinary shares of the Company (the "Conversion Shares") at any time during the three-year tenure at a conversion price of S\$0.09126 per Conversion Share with a minimum conversion price should a *bona fide* offer be made under the Singapore Code on Take-overs and Mergers for all shares in the form of a mandatory offer, voluntary offer, scheme of arrangement, delisting and exit offer, and amalgamation (but not a partial offer) and such offer becomes unconditional and the offer price is below the current conversion price, the conversion price will be adjusted to the offer price but not lower than S\$0.08126. The proceeds from convertible bonds have not been utilised.

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

15. Derivative financial instruments

	The Group As at	
	31 December 2025	30 June 2025
	\$'000	\$'000
<u>Current</u>		
Redeemable convertible bonds	-	-
<u>Non-current</u>		
Redeemable convertible bonds	848	-
	848	-

The derivative financial instruments arise from the issuance of the Convertible Bonds issued by the Company, as disclosed in Note 14 to the financial statements. The fair value of the derivative financial instruments falls within Level 3 of the fair value hierarchy.

As at 31 December 2025, the fair value of embedded derivative was valued by an independent valuer. In estimating the fair value of the derivative liability component, market-observable data is used to the extent it is available. Where Level 1 inputs are not available, management establishes inputs that are appropriate to the circumstances. Measurement inputs include actual share price, expected volatility, implied credit spread and risk-free rate.

Information about the significant unobservable inputs used in Level 3 fair value measurement of the derivative financial instruments is disclosed in Note 19.

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

16. Share capital

	Group and Company			
	31 December 2025		30 June 2025	
	Number of issued shares '000	Issued share capital \$'000	Number of issued shares '000	Issued share capital \$'000
At 1 July	708,437	35,027	698,762	54,321
Cancellation of share capital	-	-	-	(20,000)
Transaction costs related to issue of share capital	-	(348)	-	1
Shares issuance	86,158	7,001	-	-
Equity-settled share-based payment vested	-	-	9,675	705
At 31 December/30 June	794,595	41,680	708,437	35,027

On 23 September 2025, the Company allotted and issued 86,158,138 Placement Shares to the placees. The proceeds from placement shares have not been utilised.

	Group and Company	
	31 December 2025	30 June 2025
	No. of shares '000	No. of shares '000
Total number of issued shares, including treasury shares	794,595	708,437
Treasury shares	(1,195)	(1,195)
Total number of issued shares, excluding treasury shares	793,400	707,242

As at 31 December 2025, there were convertible bonds as disclosed under note 14. As at 31 December 2024, the Company did not have any outstanding convertibles.

There were no subsidiary holdings as at 31 December 2025 and 31 December 2024.

17. Treasury shares

	Group and Company			
	31 December 2025		31 December 2024	
	Number of issued shares '000	Issued share capital \$'000	Number of issued shares '000	Issued share capital \$'000
At 1 July/31 December	1,195	152	1,195	152
Percentage (%) of treasury shares against total number of shares outstanding as at 31 December	0.2%		0.2%	

Treasury shares relate to ordinary shares of the Company that is held by the Company.

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

18. Related parties

18a. In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Group and the related parties at terms agreed between the parties:

	The Group	
	6 months ended	
	31 December 2025	31 December 2024
Group	\$'000	\$'000
With related parties		
<i>Expenses</i>		
Purchases	1,903	2,386
Company		
Loan	4,350	866
Repayment of loan	(705)	(600)
<i>Income</i>		
Management fee	(870)	(1,155)
Interest income	(24)	(16)
<i>Expenses</i>		
Recharge of expense	43	55

18b. Compensation of key management personnel.

There were no significant changes to the key management personnel in 1HY2026. There were no changes to the compensation scheme in 1HY2026.

19. Fair value hierarchy

The Group and Company classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- a) Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities
- b) Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- c) Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

19. Fair value hierarchy (Cont'd)

Assets measured at fair value

The financial assets at fair value through profit or loss [“FVPL”] is classified as Level 3. The fair value of the unquoted equity shares is determined by reference to the investee company’s share issuance transaction price in prior year. The measurement of fair value of the unquoted equity shares is performed by the Group’s finance team, based on evidence obtained from the investee company to assess if the share issuance transaction price is supportable and the appropriate classification of the fair value level hierarchy measurement for this financial asset.

A higher share issuance transaction price will result in a higher fair value measurement.

Movements in Level 3 assets and liabilities measured at fair value

	Unquoted equity shares	
	31 December 2025	30 June 2025
	\$'000	\$'000
Balance at beginning of financial period/year	7,353	4,675
Fair value gain recognised in profit or loss	-	2,678
Balance at end of financial period/year	7,353	7,353

	Derivative Financial instruments	
	31 December 2025	30 June 2025
	\$'000	\$'000
Balance at beginning of financial period/year	-	-
Issuance of convertible bonds	1,140	-
Fair value gain recognised in profit or loss	(292)	-
Balance at end of financial period/year	848	-

Information about significant unobservable inputs used in Level 3 fair value measurement for financial liabilities, at FVPL

The following table shows the information about fair value measurement of financial liabilities, at FVPL using significant unobservable inputs (Level 3) as at 31 December 2025:

Financial instrument	Valuation techniques	Unobservable inputs	31 December 2025 Rate %
Convertible Bonds	Tri-nominal model	Risk-free rate Volatility rate	1.58% 37.71%

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

20. Subsequent events

The Company had on 2 January 2026 and 30 January 2026 issued and allotted an aggregate of 1,084,000 and 6,000,000 new ordinary shares respectively in the capital of the Company pursuant to the ISOTeam PSP 2023. Please refer to the Company's announcement dated 2 January 2026 and 30 January 2026 for further details.

Other Information Required by

Appendix 7C

of the Catalyst Rules

OTHER INFORMATION

- The condensed interim consolidated statements of financial position of ISOTeam Ltd and its subsidiaries as at 31 December 2025 and the related condensed interim consolidated statement of profit or loss and other comprehensive income, condensed interim statements of changes in equity and condensed interim consolidated statement of cash flows for the six-months period ended 31 December 2025 and certain explanatory notes have not been audited or reviewed.
- Review of performance of the Group**

Revenue	Group				
	Six Months Ended				
	31.12.2025		31.12.2024		Change
	\$'000	%	\$'000	%	%
R&R	12,084	22.8	18,844	28.8	(35.9)
A&A	21,409	40.4	30,265	46.3	(29.3)
C&P	6,430	12.0	7,508	11.5	(14.4)
Others ^(a)	13,135	24.8	8,777	13.4	49.7
	53,058	100.0	65,394	100.0	(18.9)

^(a) Others revenue streams included home retrofitting services, landscaping works, interior design services, mechanical and electrical engineering works, renewable energy solutions, vector control services, and handyman services.

Condensed Interim Consolidated Statement of Comprehensive income

Revenue

1HY2026 vs 1HY2025

Revenue decreased by \$12.3 million or 18.9% from \$65.3 million in 1HY2025 to \$53.0 million in 1HY2026. The decrease was mainly attributable to lower revenue contributions from the A&A business segment due to the schedule of contract completions, many of which are expected to be delivered in the second half of the financial year.

Gross profit and gross profit margin

1HY2026 vs 1HY2025

There were no material changes in the Group's gross profit in 1HY2026. Despite the decrease in revenue, the gross profit margin has improved from 15.1% in 1HY2025 to 18.6% in 1HY2026, this was due to the fall in cost of goods which reflected the costs savings in worker's housing from the conversion of one floor of our headquarters into a dormitory for foreign workforce.

Other income

1HY2026 vs 1HY2025

There were no material changes in the Group's other income in 1HY2026.

2. **Review of performance of the Group (Cont'd)**

Condensed Interim Consolidated Statement of Comprehensive income (Cont'd)

Marketing and distribution expenses

1HY2026 vs 1HY2025

There were no material changes in the Group's marketing and distribution expenses in 1HY2026.

General and administrative expenses

1HY2026 vs 1HY2025

The general and administrative expenses decreased by \$0.5 million or 7.5% from \$5.8 million in 1HY2025 to \$5.3 million in 1HY2026 mainly due to lower legal and professional fees incurred.

Finance costs

1HY2026 vs 1HY2025

There were no material changes in the Group's finance costs during 1HY2026.

Other expenses

1HY2026 vs 1HY2025

Other expenses decreased by \$0.5 million or 96.6% from \$0.6 million in 1HY2025 to \$0.1 million in 1HY2026 mainly due to share-based payment compensation under the ISOTeam PSP2023 in 1HY2025.

Profit before tax

1HY2026 vs 1HY2025

As a result of the above, the Group recorded a profit before tax of \$3.3 million in 1HY2026 as compared to \$2.3 million in 1HY2025.

Tax expense and profit after tax

1HY2026 vs 1HY2025

There were no material changes in the Group's tax expense in 1HY2026. Accordingly, the Group recorded a profit after tax of \$3.3 million in 1HY2026 as compared to \$2.3 million in 1HY2025.

2. Review of performance of the Group (Cont'd)

Condensed Interim Statements of Financial Position

Non-current assets

Non-current assets decreased by \$0.1 million or 0.3% from \$27.6 million as at 30 June 2025 to \$27.5 million as at 31 December 2025, mainly due to decrease in property, plant and equipment as a result of depreciation charges.

Current assets

Current assets increased by \$10.2 million or 10.9% from \$93.1 million as at 30 June 2025 to \$103.3 million as at 31 December 2025 mainly due to an increased in cash and bank balances as a result of shares placement and the issuance of convertible bonds.

Non-current liabilities

The increased in non-current liabilities of \$6.0 million or 59.1% from \$10.2 million as at 30 June 2025 to \$16.2 million as at 31 December 2025 was mainly due to increase in borrowings and the issuance of convertible bonds.

Current liabilities

The decreased in current liabilities of \$5.1 million or 8.3% from \$62.1 million as at 30 June 2025 to \$57.0 million as at 31 December 2025 was mainly due to repayment of trade and other payables and borrowings.

Condensed Interim Consolidated Statement of Cash Flows

Net cash generated from operating activities

1HY2026

Net cash generated from operating activities amounted to \$0.9 million in 1HY2026 was mainly due to increase in contract assets and trade and other receivables which were partially offset by the increase in contract liabilities.

Net cash used in investing activities

1HY2026

Net cash used in investing activities amounted to \$0.4 million in 1HY2026 was mainly due to purchases of plant and equipment such as motor vehicles and equipment.

Net cash generated from financing activities

1HY2026

Net cash generated from financing activities of \$3.0 million in 1HY2026 was mainly attributable to proceeds from borrowings, share issuance and convertible bonds, partially offset by repayment of borrowings, interest payments and dividends.

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

Not applicable as no forecast or a prospect statement was previously disclosed.

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 reporting period and the next 12 months.**

According to the Building and Construction Authority (BCA), Singapore's Built Environment sector is set to maintain its momentum in 2026, total construction demand to remain steady at S\$47-53 billion in nominal terms for 2026, similar to 2025. At the BCA and Real Estate Developers' Association of Singapore (REDAS) Built Environment and Real Estate Prospects Seminar 2026, Minister for National Development, Mr Chee Hong Tat, announced new support for the Built Environment (BE) firms to improve productivity and streamlined regulations to help firms save time, cost and manpower. The sustained construction demand expected in 2026 is supported by the expected awarding of additional construction packages for Changi Terminal 5 (T5) Development, for Marina Bay Sands Integrated Resort (MBS IR2) expansion, New Tengah General & Community Hospital, Downtown Line 2 Extension and Thomson-East Coast Line Extension.[#]

In light of the above, the Group remains cautiously optimistic of the market conditions in the construction sector. As at the date of this announcement, the order book of the Group stands at \$176.2 million. The Group will selectively tender for public and private sector projects, taking into consideration the prevailing market conditions including rising manpower and material costs. Accordingly, the Group continues to prioritise cash conservation and cost control.

[#]<https://www1.bca.gov.sg/about-us/news-and-publications/media-releases/2026/01/22/steady-construction-demand-in-2026-as-singapore-steps-up-support-for-built-environment-firms-through-collaboration-and-innovation>

5. **If a decision regarding dividend has been made:**

(a) **Whether an interim (final) ordinary dividend has been declared (recommended); and**

No dividend declared or recommended.

(b)(i) **Amount per share in cents**

Not applicable.

(b)(ii) **Previous corresponding period in cents**

Not applicable

(c) **Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).**

Not applicable.

(d) **The date the dividend is payable**

Not applicable.

(e) **The date on which Registrable Transfers received by the company (up to 5.00pm) will be registered before entitlements to the dividend are determined.**

Not applicable.

6. **If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.**

Dividends (if any) are declared on an annual basis for the full year results ending 30 June.

7. **If the Group has obtained a general mandate from shareholders for interested person transactions (“IPT”), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Group has not obtained a general mandate from shareholders for IPTs pursuant to Rule 920(1)(a)(ii).

8. **Negative confirmation pursuant to Rule 705(5)**

We, David Ng Cheng Lian and Anthony Koh Thong Huat, being the directors of the Company, do hereby confirm on behalf of the Board of Directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial information for 1HY2026 to be false or misleading in any material aspect.

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

The Company has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H of the Catalist Rules) under Rule 720(1) of the Catalist Rules.

10. **Acquisition or sale of shares in subsidiaries and/or associated companies under Rule 706A**

On 1 August 2025, the Company had acquired 73,500 ordinary shares of Zara@ISOTeam Pte. Ltd. (“**Zara**”) for a consideration of S\$1.00 following arm’s lengths negotiations between Zara and the Company, on a willing-seller and willing-buyer basis. Accordingly, Zara has now become a wholly-owned subsidiary of the Company. Please refer to the announcement dated 1 August 2025 for more details.

On 24 October 2025, the Company had incorporated a wholly-owned subsidiary, ISOTeam Loft Pte. Ltd. (“**LOFT**”), with an issued and paid-up capital of \$1 comprising 1 ordinary share. LOFT was incorporated as a special purpose vehicle for the purpose of acquiring a property to be converted into a dormitory for the internal usage of the Company’s workers.

On 7 November 2025, Raymond Construction Pte. Ltd. (“**RC**”) has, together with Elite Engineering Specialist Pte. Ltd. (“**EES**”) incorporated ISO-Global Academy Pte. Ltd. (“**ISA**”) with an issued and paid-up capital of \$100 comprising 100 ordinary shares. ISA will carry on the business of amongst others operating a training centre to provide various courses in the built environment sector to train and upgrade the skills of foreign workers, or such other business as ISA may deem fit. Please refer to the announcement dated 7 November 2025 for more details.

BY ORDER OF THE BOARD

David Ng Cheng Lian

Executive Chairman

11 February 2026

Anthony Koh Thong Huat

CEO

This announcement has been prepared by the Company and its contents have been reviewed by the Company’s Sponsor, Hong Leong Finance Limited. It has not been examined or approved by 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.

The contact person for the Sponsor is Mr Kaeson Chui, Vice President, at 16 Raffles Quay, #01-05 Hong Leong Building, Singapore 048581, Telephone (65) 6415 9886.