



METAOPTICS

METAOPTICS LTD

(Company Registration No.: 419911)

(Incorporated in the Cayman Islands)

**UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FULL YEAR ENDED
DECEMBER 31, 2025**

This announcement has been reviewed by the Company's sponsor, ZICO Capital Pte. Ltd. (the "Sponsor").

This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited ("SGX-ST") and the SGX-ST 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 Ms. Goh Mei Xian, ZICO Capital Pte. Ltd. at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896, telephone (65) 6636 4201.

Table of Contents

A. CONSOLIDATED STATEMENT OF COMPREHENSIVE LOSS.....	3
B. CONSOLIDATED BALANCE SHEET.....	4
C. BALANCE SHEET.....	5
D. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY.....	6
E. STATEMENT OF CHANGES IN EQUITY.....	7
F. CONSOLIDATED STATEMENT OF CASH FLOWS.....	8
G. NOTES TO THE FINANCIAL STATEMENTS.....	10
H. OTHER INFORMATION REQUIRED PURSUANT TO APPENDIX 7C OF THE CATALIST RULES.....	53

A. CONSOLIDATED STATEMENT OF COMPREHENSIVE LOSS

Group

	Note	2025 S\$ Unaudited	2024 S\$	+/- %
Revenue	4	787,388	79,440	891
Cost of sales	6	(627,562)	(52,871)	1,087
Gross profit		159,826	26,569	502
Other income	5(a)	317,686	2,000	15,784
Other (losses)/gains, net	5(b)	(492)	4,916	(110)
Administrative expenses	6	(3,682,794)	(896,702)	311
Research and development expenses	6	(1,858,294)	(1,036,635)	79
Selling and marketing expenses	6	(204,622)	(49,186)	316
Finance expenses	8	(176,883)	(1,844)	9,492
Loss before income tax		(5,445,573)	(1,950,882)	179
Income tax expense	9	-	-	-
Loss after income tax and total comprehensive loss		(5,445,573)	(1,950,882)	179
Loss per share for loss attributable to the equity holders of the Group:				
- Basic and diluted loss per share (in cents)	10	(2.54)	(1.01)	152

B. CONSOLIDATED BALANCE SHEET

Group

	Note	December 31, 2025 S\$ Unaudited	December 31, 2024 S\$	January 1, 2024 S\$
ASSETS				
Current assets				
Prepayments and deposits	11	1,085,867	274,131	-
Trade and other receivables	12	98,568	35,403	26,912
Cash at bank	13	8,789,537	959,226	722,192
Inventories	14	53,356	55,153	-
		10,027,328	1,323,913	749,104
Non-current assets				
Prepayments and deposits		-	4,780	4,780
Plant and equipment	15	441,625	496,042	548,275
Intangible assets	16	3,139,833	3,842,059	4,544,285
Right-of-use assets	17	22,014	24,155	-
		3,603,472	4,367,036	5,097,340
Total assets		13,630,800	5,690,949	5,846,444
LIABILITIES				
Current liabilities				
Trade and other payables	18	601,318	360,195	89,662
Contract liabilities	4(b)	852,892	266,320	266,320
Amounts due to shareholders and a director	14	-	5,850	2,885,850
Lease liabilities		22,683	13,275	-
		1,476,893	645,640	3,241,832
Non-current liabilities				
Amount due to a shareholder	19	2,106,147	1,930,297	-
Lease liabilities		-	11,580	-
		2,106,147	1,941,877	-
Total liabilities		3,583,040	2,587,517	3,241,832
NET ASSETS		10,047,760	3,103,432	2,604,612
EQUITY				
Share capital	20	61	51	51
Share premium	20	13,330,772	3,103,381	3,103,381
Accumulated losses		(10,982,042)	(5,536,469)	(3,585,587)
Capital reserve	21	7,698,969	5,536,469	3,086,767
Total equity		10,047,760	3,103,432	2,604,612

C. BALANCE SHEET

Company

	Note	December 31, 2025 S\$ Unaudited
ASSETS		
Current asset		
Prepayments and deposits		80,840
Other receivables		<u>10,311,124</u>
		10,391,964
Non-current asset		
Investment in subsidiaries	17	<u>3,103,445</u>
Total assets		<u>13,495,409</u>
LIABILITIES		
Current liability		
Other payables		2,803,750
Total liabilities		<u>2,803,750</u>
NET ASSETS		<u>10,691,659</u>
EQUITY		
Share capital		61
Share premium		13,330,772
Accumulated losses		<u>(2,639,174)</u>
Total equity		<u>10,691,659</u>

Note:

1. There is no comparative statement as at the end of the immediately preceding financial year (as at December 31, 2024) for the Company as it was incorporated on March 21, 2025.

D. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Group

	Note	Share capital S\$	Share premium S\$	Accumulated losses S\$	Capital reserve S\$	Total S\$
2025 Unaudited						
Beginning of financial year		51	3,103,381	(5,536,469)	5,536,469	3,103,432
Loss for the financial year		-	-	(5,445,573)	-	(5,445,573)
Issuance of shares	10	10,849,990		-	-	10,850,000
Transaction cost in relation to issuance of shares		-	(622,599)	-	-	(622,599)
Contribution from shareholders		-	-	-	2,250,000	2,250,000
Transaction cost in relation to contribution from shareholders		-	-	-	(87,500)	(87,500)
Total transactions with owners, recognized directly in equity		10	10,227,391	-	2,162,500	12,389,901
End of financial year		61	13,330,772	(10,982,042)	7,698,969	10,047,760
2024						
Beginning of financial year		51	3,103,381	(3,585,587)	3,086,767	2,604,612
Loss for the financial year		-	-	(1,950,882)	-	(1,950,882)
Contribution from shareholders		-	-	-	1,499,999	1,499,999
Capital contribution from a shareholder		-	-	-	949,703	949,703
Total transactions with owners, recognized directly in equity		-	-	-	2,449,702	2,449,702
End of financial year		51	3,103,381	(5,536,469)	5,536,469	3,103,432

E. STATEMENT OF CHANGES IN EQUITY

Company

	Note	Share capital S\$	Share premium S\$	Accumulated losses S\$	Total S\$
2025 Unaudited					
Beginning of financial year		51	3,103,381	-	3,103,432
Loss for the financial year		-	-	(2,639,174)	(2,639,174)
Issuance of shares	10	10,849,990		-	10,850,000
Transaction cost in relation to issuance of shares		-	(622,599)	-	(622,599)
End of financial year		61	13,330,772	(2,639,174)	10,691,659

F. CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	2025 S\$ Unaudited	2024 S\$
Cash flows from operating activities			
Loss for the financial year		(5,445,573)	(1,950,882)
Adjustment for:			
Amortization of intangible assets	16	702,226	702,226
Depreciation of plant and equipment	15	54,417	52,233
Depreciation of right-of-use assets	17	16,486	15,372
Interest income	5(a)	(4,292)	-
Unrealized currency translation losses/(gains)		2,553	(5,436)
Finance expenses	8	176,883	1,844
		(4,497,300)	(1,184,643)
Changes in working capital:			
- Prepayments and deposits		(806,956)	(274,131)
- Trade and other receivables		(63,165)	(8,491)
- Trade and other payables		241,123	295,533
- Contract liabilities		586,572	-
- Inventories		1,797	(55,153)
Net cash used in operating activities		(4,537,929)	(1,226,885)
Cash flows from investing activities			
Payment for intangible assets	16	-	(25,000)
Interest received		4,292	-
Net cash provided by/(used) in investing activities		4,292	(25,000)
Cash flows from financing activities			
Proceeds from issuance of shares	14	10,850,000	-
Proceeds from contribution from shareholders		2,250,000	1,499,999
Payment for transaction cost in relation to issuance of shares		(622,599)	-
Payment for transaction cost in relation to contribution from shareholders		(87,500)	-
Lease payments		(16,517)	(14,672)
Interest payments		(1,033)	(1,844)
Repayment of amount due to a shareholder and director		(5,850)	-
Net cash provided by financing activities		12,366,501	1,483,483
Net changes in cash and cash equivalents		7,832,864	231,598
Cash and cash equivalents at beginning of financial year		959,226	722,192
Effects of currency translation on cash and cash equivalents		(2,553)	5,436
Cash and cash equivalents at end of financial year	13	8,789,537	959,226

F. CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	<u>Beginning of financial year</u>	<u>Cash flows Principal and interest payments</u>	<u>Non-cash changes Finance expense</u>	<u>Addition</u>	<u>End of financial year</u>
	S\$	S\$	S\$	S\$	S\$
Lease liabilities					
2025	24,855	(17,550)	1,033	14,345	22,683
2024	-	(16,516)	1,844	39,527	24,855

G. Notes to the financial statements

1. General information

MetaOptics Ltd (“**Company**”) was incorporated and domiciled in the Cayman Islands with limited liabilities on March 21, 2025 under the Cayman Islands Companies Act. The registered office and principal place of business of the Company is at Maples Corporate Services Limited, PO Box 309, Uglund House, Grand Cayman, KY1-1104, Cayman Islands. On September 9, 2025, the Company became a public listed company limited by shares upon its initial public offering (the “**IPO**”) on the Catalist Board of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”)

The Company is an investment holding company. The Company and its subsidiaries (collectively the “**Group**”) are principally engaged in the design and manufacturing of optics lens and module and Internet of Things (“**IoT**”) devices.

Prior to the incorporation of the Company and the completion of the Restructuring (as disclosed in Note 2), the Group’s operating activities were carried out by MetaOptics Technologies Pte. Ltd. (“**MOT**” or the “**Predecessor Operating Business**”). The ultimate beneficial owner of MOT was Mr. Thng, an executive director who held 29.31% of MOT as at December 31, 2024. Immediately after the completion of the Restructuring, the ultimate controlling shareholder of the Group is Angelling Capital Holdings Limited, which is an entity controlled by Mr Thng.

Immediately after the completion of the Restructuring on April 30, 2025, the Company became the holding company of the Group.

2. Material accounting policy information

2.1 Basis of preparation

The Restructuring

The Group underwent a capital reorganization exercise as described below, which resulted in the Company becoming the holding company of MOT:

- (i) Incorporation of MOT
MOT was incorporated in Singapore on June 15, 2021. On incorporation, MOT had 290,000 issued ordinary shares of S\$1 each, of which 261,000 ordinary shares were allotted and issued to Metasurface Technologies Pte. Ltd. (“**MST**”) and 29,000 ordinary shares were allotted and issued to Mr. Thng.

2. Material accounting policy information (continued)

2.1 Basis of preparation (continued)

***The Restructuring* (continued)**

(ii) Incorporation of the Company

The Company was incorporated in Cayman Islands with limited liabilities on March 21, 2025 under the Companies Act as a private company limited by shares. On September 9, 2025, the Company became a public listed company limited by shares.

The issued and paid-up share capital as at the date of incorporation was S\$1 comprising 1 ordinary share of a par value of S\$0.0001 each which was held by Mapcal Limited. On March 21, 2025, the share was transferred to Angelling Capital Holdings Limited, which is controlled by Mr. Thng (an executive director of the Group).

(iii) Acquisition of 100% of the issued and paid-up share capital in MOT

On April 30, 2025, the Company acquired the entire issued and paid-up share capital of the MOT pursuant to a sale and purchase agreement with all of the shareholders of MOT as at April 30, 2025.

The consideration amount was satisfied by the allotment and issuance of 509,008 Shares of the Company to all of the shareholders of MOT as at April 30, 2025 and it was arrived at on a willing-buyer and willing-seller basis, taking into account the net assets value of MOT as at December 31, 2024 of S\$3,103,432. Following the completion of the Restructuring, MOT became a direct wholly owned subsidiary of the Company.

Immediately prior to the completion of the Restructuring, the operating business was conducted through MOT. Pursuant to the Restructuring, the operating business is transferred to and held by the Company. The Company has not been involved in any other business prior to the Restructuring and does not meet the definition of a business. The Restructuring is merely a capital reorganization of the operating business with no change in management of such business.

As the Company was incorporated subsequently to December 31, 2024, the financial statements for the year ended December 31, 2024 present the financial statements information of the Predecessor Operating Business, in connection with the filing with the United States (“US”) Securities and Exchange Commission for the purpose of proposed Nasdaq listing of the Company in the US, as announced by the Company on November 17, 2025.

2. Material accounting policy information (continued)

2.1 Basis of preparation (continued)

The Restructuring (continued)

Adoption of IFRS

The unaudited consolidated financial statements of the Group for the financial year ended December 31, 2025 have been prepared and presented in accordance with International Financial Reporting Standards (“**IFRS**”) as issued by the International Accounting Standards Board.

The Group has adopted IFRS during FY2025. These consolidated financial statements for FY2025 are the first set of financial statements of the Group prepared in accordance with IFRS. The Group’s previously issued financial statements for periods up to and including the financial year ended December 31, 2024 (“**FY2024**”) were prepared in accordance with Singapore Financial Reporting Standards (International) (“**SFRS(I)**”).

In adopting IFRS during 2025, the Group is required to apply all of the specific transition requirements in IFRS 1 *First-time Adoption of IFRS*. The Group’s opening balance sheet has been prepared as at January 1, 2024, which is the date of transition to IFRS (“**date of transition**”), and there is no material impact from the transition from SFRS(I) to IFRS.

Under IFRS 1, these financial statements are required to be prepared using accounting policies that comply with IFRS effective as at December 31, 2025 subject to mandatory exceptions and optional exemptions under IFRS 1. The application of the mandatory exceptions and the optional exemptions in IFRS 1 did not have any material impact on the financial statements.

The preparation of financial statements in conformity with IFRS requires management to exercise its judgement in the process of applying the Group’s accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

In addition, in 2025, the Company has begun presenting its statements of comprehensive loss to show its operating expenses by function (i.e., research and development expenses, selling and marketing expenses, administrative expenses). The prior year has been classified to conform with the current year presentation.

In addition, IFRS 18, *Presentation and Disclosure of Financial Statements* (“**IFRS 18**”), a new IFRS that have not been early adopted by the Group, which will replace IAS 1 *Presentation of Financial Statements*, aims to improve how companies communicate in their financial statements, with a focus on information about financial performance in the consolidated statement of comprehensive loss, in particular additional defined subtotals, disclosures about management-defined performance measures and new principles for the aggregation and disaggregation of information. IFRS 18 is accompanied by limited amendments to the requirements of IAS 7 Statement of Cash Flows. IFRS 18 is effective from January 1, 2027. The Group continues to evaluate the impact that IFRS 18 will have on its financial statements.

2. Material accounting policy information (continued)

2.1 Basis of preparation (continued)

Adoption of IFRS (continued)

The following are the other new or amended IFRS Accounting Standards that are not yet applicable and have not been early adopted by the Group:

<u>Description</u>	<u>Annual periods commencing on</u>
Amendments to IFRS 9 and IFRS 7: <i>Classification and Measurement of Financial Instruments</i>	January 1, 2026
Annual Improvements to IFRS Accounting Standards – Volume 11	January 1, 2026
Amendments to IFRS 10 and IAS 28: <i>Sales or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	January 1, 2027

These are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

Going concern

The Group was in a net current asset position of S\$8,550,435 as at December 31, 2025 and reported net loss of S\$5,445,573 for the financial year ended December 31, 2025.

The financial statements have been prepared on a going concern basis as the directors are of the view that the Group has sufficient financial resources to meet its financial obligations as and when they fall due in the next twelve months period from the date of authorization of the consolidated financial statements based on the cash flow projections prepared by management.

2.2 Revenue and income recognition

The Group sells optical lenses, modules, IOT devices, equipment and provides metalens design services. The Group recognizes revenue based on the principles of IFRS 15 Revenue from Contracts with Customers. All performance obligations and its transaction price within the contract can be separately identified. Revenue is recognized when each performance obligation is satisfied. For performance obligations satisfied over time, the Group selects an appropriate measure of progress to determine how much revenue is recognized as the performance obligation is satisfied.

2. Material accounting policy information (continued)

2.1 Basis of preparation (continued)

2.2 Revenue and income recognition (continued)

(a) Sale of goods

Sale of goods relates to the sale of optical lenses, modules and IOT devices. The transaction price is the amount of consideration to which the Group is to be entitled in exchange for transferring the promised goods. The sales are made in accordance with purchase orders and contracts entered into with the customers. Payment terms are generally on a cash term basis. The revenue is recognized at a point in time, when control of the products has been transferred to the customers, which is usually the point when the goods are shipped to the customer.

In determining the transaction price, management considers whether there is any variable consideration including rebates, discounts or price adjustments. There are no rebates for sales made during the year, and discounts or price adjustments are not material.

(b) Sale of equipment

Sale of equipment relates to direct laser writers (“DLW”), which are used in smartphone sensors and optical appliances. Customers typically pay a deposit of approximately 30 to 50 percent upon order confirmation, with the remaining balance payable when the equipment is ready for shipment. Deposits received prior to shipment are recognized as contract liabilities. Revenue is recognized at a point in time, when control of the equipment is transferred to the customer, which is generally upon delivery of the equipment.

In determining the transaction price, management considers whether there is any variable consideration including rebates, discounts or price adjustments. There are no rebates for sales made during the year, and discounts or price adjustments are not material.

2. Material accounting policy information (continued)

2.2 Revenue and income recognition (continued)

(c) Revenue from services rendered

Services revenue relates to metalens design services and on-site installation service upon delivering the capital equipment. These services are contracted and invoiced separately and represent separate performance obligations, as the customer can benefit from the services on their own and they are separately identifiable from the related equipment. There is only one metalens design services contract during the year, and there are no significant judgments to be applied in that contract.

Revenue from services is recognised over time, as the customer simultaneously receives and consumes the benefits provided by the Group's performance. The Group applies the output method, with progress measured based on the achievement of the specified service or installation milestone, which management believes best depicts the transfer of control of the services to the customer.

2.3 Government grants

Grants from the government are recognized as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants receivable are recognized as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income.

Government grants relating to assets are deducted against the carrying amount of the assets.

2.4 Group accounting

(a) Subsidiaries

(i) Consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on that control ceases.

2. Material accounting policy information (continued)

2.4 Group accounting (continued)

(a) Subsidiaries (continued)

(i) Consolidation (continued)

In preparing the consolidated financial statements, transactions, balances and unrealized gains on transactions between group entities are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment indicator of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

2.5 Plant and equipment

All items of plant and equipment are initially recorded at cost. Subsequent to recognition, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost of plant and equipment includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Dismantlement, removal or restoration costs are included as part of the cost of plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the plant and equipment.

Depreciation of plant and equipment is calculated on the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	<u>Useful lives</u>
Computer and accessories	1 to 3 years
Equipment	10 years

Construction in progress are not depreciated.

The residual value, useful lives and depreciation method are reviewed at the end of each reporting period, and adjusted prospectively, if appropriate. The effects of any revision are recognized in the consolidated statement of comprehensive loss when the changes arise.

Subsequent expenditure relating to plant and equipment that has already been recognized is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognized in the consolidated statement of comprehensive loss when incurred.

2. Material accounting policy information (continued)

2.5 Plant and equipment (continued)

The carrying amounts of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable.

An item of plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of the asset is included in the consolidated statement of comprehensive loss in the year the asset is derecognized.

2.6 Intangible assets

Intangible assets acquired are initially recognized at cost and are subsequently carried at cost less accumulated amortization and accumulated impairment losses. These costs are to be amortized to profit or loss using the straight-line method over 5 to 10 years, which is the shorter of their estimated useful lives and periods of contractual rights as follows:

	<u>Useful life</u>
License	5 to 10 years
Patent	7 years

The amortization period and amortization method of intangible assets are reviewed at least at each balance sheet date. The effects of any revision are recognized in the consolidated statement of comprehensive loss when the changes arise.

2.7 Impairment of non-financial assets

Intangible assets, plant and equipment and right-of-use assets are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to disposal and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash generating units ("CGU") to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognized as an impairment loss in the consolidated statement of comprehensive loss.

2. Material accounting policy information (continued)

2.7 Impairment of non-financial assets (continued)

The Group assesses at the end of the reporting whether there is any indication that an impairment recognized in prior periods may no longer exist or may have decreased. If any such indication exists, the recoverable amount of that asset is estimated and may result in a reversal of impairment loss. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined, net of any accumulated amortization or depreciation, had no impairment loss been recognized for the asset in prior years.

A reversal of impairment loss is recognized in the consolidated statement of comprehensive loss.

2.8 Financial assets

The Group classifies its financial assets at amortized cost. The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The Group reclassifies its financial assets at amortized cost when and only when its business model for managing those assets changes.

At initial recognition

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the consolidated statement of comprehensive loss.

At subsequent measurement

Financial assets at amortized cost mainly comprise of cash at bank, trade and other receivables and refundable deposit.

There are three prescribed subsequent measurement categories, depending on the Group's business model in managing the assets and the cash flow characteristic of the assets. The Group manages these Group of financial assets by collecting the contractual cash flow and these cash flows represents solely payment of principal and interest. Accordingly, these Group of financial assets are measured at amortized cost subsequent to initial recognition.

2. Material accounting policy information (continued)

2.8 Financial assets (continued)

A gain or loss on a financial asset that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in the consolidated statement of comprehensive loss when the asset is derecognized or impaired. Interest income from these financial assets are recognized using the effective interest rate method.

The Group assesses on forward-looking basis the expected credit losses associated with its financial assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by the IFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

For cash at bank, other receivables and refundable deposits, the general 3 stage approach is applied. Credit loss allowance is based on 12-month expected credit loss if there is no significant increase in credit risk since initial recognition of the assets. If there is a significant increase in credit risk since initial recognition, lifetime expected credit loss will be calculated and recognized.

2.9 Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

2.10 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest method.

2.11 Leases - When the Group is the lessee

At the inception of the contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

2. Material accounting policy information (continued)

2.11 Leases - When the Group is the lessee (continued)

- Right-of-use assets

The Group recognizes a right-of-use asset and lease liability at the date which the underlying asset is available for use. Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentives received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

These right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

- Lease liabilities

The initial measurement of a lease liability is measured at the present value of the lease payments discounted using the interest rate implicit in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group shall use its incremental borrowing rate.

Lease payments include the following:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that are based on an index or rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under residual value guarantees;
- The exercise price of a purchase option if the Group is reasonably certain to exercise the option;
- Lease payments to be made under an extension option if the Group is reasonably certain to exercise the option; and
- Payment of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

For a contract that contains both lease and non-lease components, the Group allocates the consideration to each lease component on the basis of the relative stand-alone prices of the lease and non-lease components. The Group has elected to not separate lease and non-lease components for property leases and account these as one single lease component.

2. Material accounting policy information (continued)

2.11 Leases - When the Group is the lessee (continued)

- Lease liabilities (continued)

Lease liabilities are measured at amortized cost using the effective interest method. Lease liabilities shall be remeasured when:

- There is a change in future lease payments arising from changes in an index or rate;
- There is a change in the Group's assessment of whether it will exercise an extension option; or
- There is a modification in the scope or the consideration of the lease that was not part of the original term.
- Lease liabilities are remeasured with a corresponding adjustment to the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

- Short term and low value leases

The Group has elected to not recognize right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value leases, except for sublease arrangements. Lease payments relating to these leases are expensed to the consolidated statement of comprehensive loss on a straight-line basis over the lease term.

2.12 Inventories

Inventories are carried at lower of cost and net realizable value. Cost is determined using the first-in, first-out method. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less the applicable selling expenses.

2.13 Income taxes

Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a tax authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

2. Material accounting policy information (continued)

2.13 Income taxes (continued)

Deferred income tax is recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

Deferred income tax is measured:

- (a) at the tax rates that are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date; and
- (b) based on the tax consequence that will follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognized as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognized directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

The Group accounts for investment tax credits (for example, productivity and innovation credit) similar to accounting for other tax credits where a deferred tax asset is recognized for unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax credits can be utilized.

2.14 Employee compensation

Employee benefits are recognized as an expense, unless the cost qualifies to be capitalized as an asset.

Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

2. Material accounting policy information (continued)

2.15 Currency translation

The financial statements are presented in Singapore Dollar (“SGD” or “\$”), which is the functional currency of the Group.

Transactions in a currency other than the functional currency (“foreign currency”) are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognized in the consolidated statement of comprehensive loss. Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

Foreign exchange gains and losses that relate to borrowings are presented in the profit or loss within “finance expense”. All other foreign exchange gains and losses impacting profit or loss are presented in the consolidated statement of comprehensive loss within “Other (losses)/gains, net”.

2.16 Cash at bank

For the purpose of presentation in the consolidated statement of cash flows, cash at bank include deposits with financial institutions which are subject to an insignificant risk of changes in value.

2.17 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity.

2.18 Share premium

Share premium represents the excess of consideration received over the par value of shares issued. Costs directly attributable to the issue of new shares are deducted from share premium.

3. Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Useful life of intangible assets

The Group estimates the useful life of intangible assets based on the period which the assets are expected to be available for use. The estimated useful life of intangible assets is reviewed periodically and are updated if there are changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset.

In addition, the estimation of the useful life of intangible assets is based on the managements' evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in the estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful life of intangible assets would increase the amortization expenses and decrease the carrying amount of the intangible assets.

The carrying amount of the Group's intangible assets as at the reporting date is disclosed in Note 16.

(b) Impairment of plant and equipment, intangible assets and right-of-use assets

Plant and equipment, intangible assets and right-of-use assets are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

The recoverable amounts of these assets and, where applicable, CGU have been determined based on the recoverable amount (i.e. the higher of the fair value less costs of disposal and the value-in-use).

The recoverable amount of the CGU was determined based on fair value less cost of disposal. Fair value less cost of disposal is determined based on the Company's market capitalization, determined by multiplying the quoted share price by the number of shares outstanding, adjusted where appropriate for the estimated costs of disposal. The estimates used in calculating the fair value less cost of disposal includes the range of share price for the period of reporting, and the estimated cost of disposal.

The Group has concluded that there was no impairment indication in respect of these assets at the balance sheet date. The carrying amounts of the plant and equipment, intangible assets and right-of-use assets as at the balance sheet date are disclosed in Note 15, 16 and 18 respectively.

4. Revenue from contracts with customers

(a) Disaggregation of revenue from contracts with customers

The Group derives revenue from sales of goods and equipment at a point in time and services rendered over time in the following geographical regions. Revenue is attributed to countries by location of customers.

	<u>At a point in time</u> S\$	<u>Over time</u> S\$	<u>Total</u> S\$
2025			
Sale of equipment			
- Taiwan	541,944	-	541,944
Sales of goods			
- Taiwan	35,188	-	35,188
- China	72,791	-	72,791
- Singapore	57,058	-	57,058
- South Korea	14,205	-	14,205
- Japan	8,523	-	8,523
- Others	17,330	-	17,330
	<u>205,095</u>	-	<u>205,095</u>
Service			
- Taiwan	-	40,349	40,349
	<u>-</u>	<u>40,349</u>	<u>40,349</u>
Total	<u>747,039</u>	<u>40,349</u>	<u>787,388</u>
	<u>At a point in time</u> S\$	<u>Over time</u> S\$	<u>Total</u> S\$
2024			
Sales of goods			
- Taiwan	23,590	-	23,590
- China	10,729	-	10,729
- Singapore	34,636	-	34,636
- South Korea	7,888	-	7,888
- Japan	2,597	-	2,597
- Others	-	-	-
	<u>79,440</u>	-	<u>79,440</u>

Revenue amounting to S\$611,380 (2024: S\$37,745) pertains to sales of goods and equipment to certain shareholders of the Group. These shareholders do not have the ability to control, or have significant influence over the Group and, as such, are not considered related parties of the Group.

(b) Contract liabilities

	December 31, 2025 S\$	2024 S\$	January 1, 2024 S\$
Advances received from customers	852,892	266,320	266,320

Contract liabilities comprise of non-refundable deposits collected in advance from customers for the sale of equipment. Revenue will be recognized within 12 months from the balance sheet date.

The change in contract liabilities balances is mainly due to more advances received from customers during the financial year due to an increase in customers orders equipment sale.

Contract liabilities balance amounting to \$266,320 as at December 31, 2024 relates to an advance received for an order in 2023, which was only recognized as revenue in 2025. The order was placed by a shareholder of the Group. The shareholder does not have the ability to control, or have significant influence over the Group and, as such, is not considered a related party of the Group.

5(a). Other income

	2025 S\$	2024 S\$
Government grant	313,394	2,000
Interest income	4,292	-
	317,686	2,000

The Group received a S\$300,000 listing grant from the Monetary Authority of Singapore (“MAS”) under the Grant for Equity Market Singapore (“GEMS”) scheme in connection with the Company’s successful IPO on the Catalist Board of the SGX-ST in September 2025.

5(b). Other (losses)/gains, net

	2025 S\$	2024 S\$
Currency exchange (losses)/gains, net	(492)	4,916

6. Expenses by nature

	2025	2024
	S\$	S\$
Purchase of goods	578,893	108,024
Changes in inventories	48,669	(55,153)
Amortization of intangible assets (Note 16)	702,226	702,226
Depreciation of plant and equipment (Note 15)	54,417	52,233
Depreciation of right-of-use assets (Note 18)	16,486	15,372
Employee compensation (Note 7)	409,104	152,610
Development and prototype expenses	991,046	309,804
Directors' fees	115,000	-
Professional fees, net of capitalization of transaction cost for shares issuance (Note 21)	2,227,823	362,099
Auditors' remuneration	720,157	124,375
Tradeshows and advertising expenses	204,622	49,186
Consumables expenses	16,832	81,185
Repair and maintenance	16,965	13,752
Royalty expenses (Note 16)	15,000	10,000
Short-term rental expenses	4,682	19,330
Travel expenses	163,368	56,645
Other expenses	87,982	33,706
Total cost of sales, administrative expenses, research and development expenses and selling and marketing expenses	6,373,272	2,035,394

Professional fees include fees for two research scientists seconded from A*STAR, the Government Agency for Science and Technology and Research, at a discounted price of S\$21,576 (2024: S\$24,606) during the financial year ended December 31, 2025. The research scientists were seconded under Technology for Enterprise Capability Upgrading ("T-UP") program, which supports local enterprises in enhancing business competitiveness. There is no further obligation arising from the T-UP program.

On August 1, 2025, the two research scientists became full-time employees of the Group and their compensation is included in the "Employee compensation (Note 7)" line prospectively from August 1, 2025.

7. Employee compensation

	2025	2024
	S\$	S\$
Wages and salaries	371,333	133,815
Employer's contribution to defined contribution plans	37,771	18,795
	409,104	152,610

8. Finance expenses

	2025	2024
	S\$	S\$
Interest expense on lease liabilities	1,033	1,844
Deemed interest expense on amount due to a shareholder	175,850	-
	176,883	1,844

The deemed interest expense relates to the unwinding of the discount on the amount due to a shareholder.

9. Income tax expense

	2025	2024
	S\$	S\$
Current tax expenses	-	-

9. Income tax expense (continued)

The tax on the Group's result differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows:

	2025 S\$	2024 S\$
Loss before income tax	<u>(5,445,573)</u>	(1,950,882)
Income tax using the statutory tax rate of 17% (2024: 17%)	(925,747)	(331,650)
Effects of:		
- Expenses not deductible for tax purpose	502,336	156,422
- Deferred tax assets not recognized	423,410	175,228
	<u>-</u>	<u>-</u>

Deferred tax assets have not been recognized in respect of these temporary differences, unutilized tax losses and unrecognized capital allowances as the Group has assessed that it is not probable that future taxable profit will be available against which the Group can utilize the tax benefits.

The Group has unrecognized tax losses of S\$3,309,359 (2024: S\$1,144,526) and unrecognized capital allowances of S\$617,551 (2024: S\$617,551). The unutilized tax losses and unrecognized capital allowances have no expiry date and are subject to agreement by the local tax authority.

10. Loss per share

	2025 S\$	2024 S\$
Net loss attributable to equity holders of the Company	<u>(5,445,573)</u>	(1,950,882)
Weighted average number of ordinary shares in issue for basic and diluted loss per share*	<u>213,985,171</u>	193,455,807
Loss per share		
- Basic and diluted (in cents)	<u>(2.54)</u>	(1.01)

*The weighted-average shares for all periods prior to the capital reorganization (Note 2.1) are based on the outstanding shares of MOT for those periods as retrospectively adjusted for the effect of the capital reorganization and the share split undertaken in connection with the IPO, as disclosed in the offer document dated September 1, 2025.

Shares issued for cash consideration during the financial year ended December 31, 2025 have been included in the calculation of loss per share for the financial year ended December 31, 2025 based on the weighted average number of outstanding shares from the date of such issuance.

10. Loss per share (continued)

Basic loss per share is calculated by dividing the net loss attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

There are no potential dilutive ordinary shares during the financial year ended December 31, 2024 and December 31, 2025.

11. Prepayments and deposits

	December 31, 2025 S\$	Group 2024 S\$	January 1, 2024 S\$	Company December 31, 2025 S\$
<i>Current</i>				
Deposits	6,328		-	-
Prepayment	1,079,539	274,131		80,840
	<u>1,085,867</u>	<u>274,131</u>		<u>80,840</u>
<i>Non-current</i>				
Deposits	-	4,780		-

Prepayment amounting to S\$800,637 (2024: S\$224,162) relates to the purchase of components for the fulfilment of equipment sale purchase order.

12. Trade and other receivables

	December 31, 2025 S\$	Group 2024 S\$	January 1, 2024 S\$	Company December 31, 2025 S\$
Trade receivables				
- Non-related parties	3,217	5,016	-	-
- Subsidiaries	-	-	-	10,311,124
GST receivables	95,351	30,387	26,912	-
	<u>98,568</u>	<u>35,403</u>	<u>26,912</u>	<u>10,311,124</u>

The amount due from subsidiaries is unsecured, interest-free and repayable on demand.

13. Cash at bank

	December 31, 2025 S\$	2024 S\$	January 1, 2024 S\$
Cash at bank	<u>8,789,537</u>	959,226	722,192

14. Inventories

	December 31,		January 1,
	2025	2024	2024
	S\$	S\$	S\$
Raw materials	28,794	-	-
Finished goods	24,562	55,153	-
	<u>53,356</u>	<u>55,153</u>	<u>-</u>

The cost of inventories recognized as an expense and included in “cost of sales” amounted to S\$627,562 in FY2025 (FY2024: S\$52,871).

No inventory write-down or reversal was recognized in FY2025 and FY2024.

15. Plant and equipment

	Computer and accessories	Equipment	Machinery under construction	Total
	S\$	S\$	S\$	S\$
Cost				
At January 1, 2024	16,400	-	544,175	560,575
Transfer	-	544,175	(544,175)	-
At December 31, 2024	<u>16,400</u>	<u>544,175</u>	<u>-</u>	<u>560,575</u>
At December 31, 2025	<u>16,400</u>	<u>544,175</u>	<u>-</u>	<u>560,575</u>
Accumulated depreciation				
At January 1, 2024	12,300	-	-	12,300
Depreciation	4,100	48,133	-	52,233
At December 31, 2024	<u>16,400</u>	<u>48,133</u>	<u>-</u>	<u>64,533</u>
Depreciation	-	54,417	-	54,417
At December 31, 2025	<u>16,400</u>	<u>102,550</u>	<u>-</u>	<u>118,950</u>
Carrying amount				
At January 1, 2024	<u>4,100</u>	<u>-</u>	<u>544,175</u>	<u>548,275</u>
At December 31, 2024	<u>-</u>	<u>496,042</u>	<u>-</u>	<u>496,042</u>
At December 31, 2025	<u>-</u>	<u>441,625</u>	<u>-</u>	<u>441,625</u>

16. Intangible assets

	<u>License (a)</u> S\$	<u>Know-how (b)</u> S\$	<u>Total</u> S\$
Cost			
At January 1, 2024	3,855,000	1,900,000	5,755,000
At December 31, 2024	3,855,000	1,900,000	5,755,000
At December 31, 2025	3,855,000	1,900,000	5,755,000
Accumulated amortisation			
At January 1, 2024	600,000	610,715	1,210,715
Amortisation	430,797	271,429	702,226
At December 31, 2024	1,030,797	882,144	1,912,941
Amortisation	430,797	271,429	702,226
At December 31, 2025	1,461,594	1,153,573	2,615,167
Carrying amount			
At January 1, 2024	3,255,000	1,289,285	4,544,285
At December 31, 2024	2,824,203	1,017,856	3,842,059
At December 31, 2025	2,393,406	746,427	3,139,833

The principal activities of the Group are designing and manufacture of optics lens and module and IoT devices, i.e manufacturing flat optics components (i.e. “Metalens” or flat lens) and direct laser writers (“DLW”) which are used in smartphone sensors and optical appliances. The production of meta-lens requires lithography techniques to perform fine patterning required. Therefore, the Group acquires the following patents and license for setting up the production facilities for this core business.

(a) License

The Group entered into three different license agreements with Accelerate Technologies Pte Ltd (“Accelerate Technologies”), the commercialization arm of A*STAR. These agreements are as follows:

(i) 2021 License Agreement

Under the terms of the 2021 License Agreement, the Group is entitled the right to use certain of their technology, including certain know-how and patents for a term of 10 years. The total consideration of S\$2,880,000 was paid on behalf of the Group directly by Metasurface Technologies Pte. Ltd. (“MST”), a shareholder of the Group and the Group is obligated to repay the amount to MST. The amount was outstanding as of December 31, 2025 included as part of non-current amount due to a shareholder (Note 19).

16. Intangible assets (continued)

(a) License (continued)

(i) 2021 License Agreement (continued)

The key terms and conditions of the 2021 License Agreement are as follows:

Fees:	Royalties: Starting from January 1, 2022 until the end of the term, the Group shall pay annual royalties to Accelerate Technologies constituting 1.5% of the gross revenue attributable to the 2021 Licensed Products, subject to the annual minimum royalties set out in the 2021 License Agreement.
-------	--

Payment terms of royalties:	Payable annually, within 30 days after December 13 of each year.
-----------------------------	--

Commercialization obligations:	The Group shall reach the commercialization milestones within the timeline specified in the 2021 License Agreement. For example, it shall use reasonable endeavors to raise capital in the amount of approximately S\$6,000,000 on or before December 31, 2023 in one or more tranches, and have a pilot or mass production line ready for producing flat lens in Singapore by December 31, 2026.
--------------------------------	---

The Group had sought a waiver to the commercialization obligations under the 2021 License Agreement including the obligation to use reasonable endeavors to raise capital and such a waiver had been granted by Accelerate Technologies on April 29, 2025. Accordingly, the Group no longer needs to raise a specified amount of capital based on any stipulated timeline.

In respect of the commercialization obligation to establish a pilot or mass production line in Singapore for the production of flat lens by December 31, 2026, Accelerate Technologies has, on April 29, 2025, granted the Group an extension of the timeline for the fulfilment of this obligation to December 31, 2029.

16. Intangible assets (continued)

(b) License (continued)

(ii) Aug 2023 License Agreement

On August 1, 2023, Accelerate Technologies granted the Group the License. This license includes certain know-how and patents for a term of 5 years. The total consideration of S\$25,000 was paid during the financial year ended December 31, 2024. The key terms and conditions of the Aug 2023 License Agreement are as follows:

Fees:	Royalties: Starting from September 1, 2024 until the end of the term, the Group shall pay annual royalties to Accelerate Technologies constituting 3% of the gross revenue attributable to the Aug 2023 Licensed Products, subject to the annual minimum royalties set out in the Aug 2023 License Agreement.
-------	--

Payment terms of royalties:	From and after the date falling 12 months from the date of the Aug 2023 License Agreement, in order to maintain the license granted in force, the Group shall pay to Accelerate Technologies the minimum annual royalty as set out in the Aug 2023 License Agreement.
-----------------------------	---

Commercialization obligations:	The Group shall reach commercialization milestones within the timeline specified in the Aug 2023 License Agreement. For example, it shall achieve gross revenues of at least S\$3,000,000 by August 1, 2028.
--------------------------------	--

In respect of the commercialization obligation of sales of at least two units of licensed products by August 1, 2025, Accelerate Technologies has, on December 8, 2025, granted us an extension of the timeline for the fulfilment of this obligation to August 1, 2027.

16. Intangible assets (continued)

(a) License (continued)

(iii) Dec 2023 License Agreement

On December 20, 2023, the Group acquires license which include certain know-how and patents for a term of 7 years for a total agreed consideration of S\$950,000. The consideration was satisfied through the issuance and allotment of shares to Accelerate Technologies on March 22, 2024. The key terms and conditions of the Aug 2023 License Agreement are as follows:

Fees:	Royalties: Starting from January 25, 2025 until the end of the term, the Group shall pay annual royalties to Accelerate Technologies constituting 1.5% of the gross revenue attributable to the Dec 2023 Licensed Agreement, subject to the annual minimum royalties set out in the Dec 2023 License Agreement.
Payment terms of royalties:	From and after the date falling 12 months from the date of the Dec 2023 License Agreement, in order to maintain the license granted in force, the Group shall pay to Accelerate Technologies the minimum annual royalty as set out in the Dec 2023 License Agreement.
Commercialization obligations:	The Group shall, among others, raise capital and reach commercialization milestones within the timeline specified in the Dec 2023 License Agreement. For example, it shall achieve gross revenues of at least S\$5,000,000 by December 25, 2028. In respect of the commercialization obligation of sales of setting up a facility to manufacture the license products in Singapore by December 25, 2025, Accelerate Technologies has, on December 8, 2025, replaced this with the obligation to establish a meta lens design office in Singapore by December 25, 2025. The Group have fulfilled this commercial obligation.

16. Intangible assets (continued)

(a) License (continued)

Royalties amounting to S\$15,000 (2024: S\$10,000) (Note 6) relate to the minimum annual royalties payable for the year under the license agreements, and were paid by the Group to Accelerate Technologies.

The breakdown of the future minimum annual royalties fees were as follows:

At December 31, 2025	Within 1 year S\$	Between 1 to 2 years S\$	Between 2 to 5 years S\$
Royalties fees	25,000	45,000	335,000

At December 31, 2024	Within 1 year S\$	Between 1 to 2 years S\$	Between 2 to 5 years S\$
Royalties fees	15,000	25,000	380,000

The Group may request to terminate these license agreements by giving Accelerate Technologies written notice of no less than 30 days. Accelerate Technologies may also request to terminate the license agreements by giving written notice to the Group, in the event (i) the Group breaches the license agreements and fails to remedy the breach (where capable of remedy) within 30 days upon receipt of a written notice containing full particulars of the breach, (ii) an encumbrance takes possession, or a receiver is appointed, of any property or assets of the Group (iii) the Group makes any voluntary arrangement with its creditors, (iv) the Group goes into liquidation (except for the purpose of amalgamation or reconstruction), or (v) the Group ceases, or threatens to cease, to carry on business.

(b) Patents

On 8 September 2021 and 1 November 2021, Mr. Thng Chong Kim (executive director of the Group) transferred a total of 12 registered patents to the Group in exchange for the shares of MST. The valuation of the patents acquired by the Group was undertaken by an independent qualified professional valuer. The fair values of the patents amounting to S\$1,900,000 were derived using the income approach, relief from royalty method and subject to a number of assumptions such as royalty rates, useful lives of the patents, discount rates and rates of obsolescence.

17. Investment in subsidiaries

	Company	
	December 31,	
	2025	2024
	S\$	S\$
<i>Equity investments at cost</i>		
Beginning of financial year	-	-
Additions	3,103,445	-
End of financial year	3,103,445	-

The Company has the following subsidiaries as at December 31, 2025:

<u>Name</u>	<u>Principal activities</u>	<u>Country and date of incorporation</u>	<u>Proportion of ordinary shares held by the Group</u>
			%
MetaOptics Technologies Pte. Ltd.	Design and manufacturing of optics lens and modules and IOT devices	Singapore June 15, 2021	100
MetaOptics Inc. (USA)	Design and manufacturing of optics lens and modules	USA October 27, 2025	100

18. Leases – The Group as a lessee

Nature of the Group's leasing activities

Property

The Group leases office space for the purpose of back office operations.

(a) Carrying amounts

	December 31,		January 1,
	2025	2024	2024
	S\$	S\$	S\$
Property	22,014	24,155	-

(b) Depreciation

	2025	2024
	S\$	S\$
Property	16,486	15,372

(c) Interest expense on lease liabilities

	2025	2024
	S\$	S\$
Interest expense on lease liabilities	1,033	1,844

18. Leases – The Group as a lessee (continued)

(d) Lease expense not capitalized in lease liabilities	2025	2024
	S\$	S\$
Lease expense - short-term leases	4,682	19,330
<hr/>		
(e) Total cash outflow for all the leases for the financial year ended December 31, 2025 was S\$22,232 (2024: S\$35,846).		
(f) Addition of right-of-use assets during the financial year ended December 31, 2025 was S\$14,345 (2024: S\$39,527).		

19. Trade and other payables

	Group			Company	
	December 31,		January 1,	December 31,	
	2025	2024	2024	2025	2024
	S\$	S\$	S\$	S\$	S\$
Trade payables					
- Non-related parties	959	-	-	-	-
- Subsidiary	-	-	-	2,688,750	-
Accrued operating expenses	600,359	360,195	89,662	115,000	-
	601,318	360,195	89,662	2,803,750	-
	<hr/>				

The amount due to subsidiaries is unsecured, interest-free and repayable on demand.

20. Amounts due to shareholders and director

	December 31,	December 31,	January 1,
	2025	2024	2024
	S\$	S\$	S\$
<i>Current</i>			
Amount due to a shareholder and director	-	5,850	2,885,850
	<hr/>		
<i>Non-current</i>			
Amount due to a shareholder	2,106,147	1,930,297	-
	<hr/>		

As at January 1, 2024 the amount due to a shareholder and director comprises an amount due to a shareholder amounting to S\$2,880,000 for acquisition of license (Note 16(a)). This is non-trade in nature, unsecured interest free and repayable on demand.

21. Share capital and share premium (continued)

On June 27, 2025, the Company effected a share split exercise which resulted in 509,009 shares being sub-divided into 203,603,600 shares, in conjunction with the IPO as disclosed in the offer document dated September 1, 2025. Following the share split, the issued and paid-up share capital was \$51 comprising 203,603,600 shares.

Issuance of share

On September 9, 2025, the Company completed its IPO raising gross proceeds of S\$6,000,000 from the issuance of 30,000,000 new shares at S\$0.20 per share. 2,359,632 shares were issued and allotted to the Company's sponsor and issue manager as part satisfaction of their fees representing 1.0% of the issued and paid-up shares of the Company immediately after the IPO.

On December 17, 2025, the Company completed a placement exercise on the SGX-ST by issuing 6,685,028 new shares raising gross proceeds of S\$4,850,000 at S\$0.7255 per share.

As at December 31, 2025 and December 31, 2024, the Company did not hold any treasury shares, subsidiary holdings, or outstanding convertible securities.

22. Capital reserve

	December 31,	
	2025	2024
	S\$	S\$
Beginning of financial year (Note a)	5,536,469	3,086,767
Cash contribution from shareholders (Note b)	2,250,000	1,499,999
Transaction cost in relation to contribution from shareholders	(87,500)	-
Capital contribution from a shareholder of the Company (Note c)	-	949,703
End of financial year	7,698,969	5,536,469

Notes:

- (a) The opening capital reserve comprises contributions from equity holders as at January 1, 2024, with the detailed breakdown as follows:

Capital reserve as at January 1, 2024	S\$
Equity holders' contribution on:	
License (Note 16(a))	950,000
Patents (Note 16(b))	1,900,000
Share-based compensation benefits	1,560,198
Restructuring from capital reorganization (Note d)	(1,323,431)
	<u>3,086,767</u>

- (b) The cash contribution from shareholders relates to shares being issued by MOT prior to the Restructuring.

22. Capital reserve (continued)

- (c) For the financial year ended December 31, 2024, the capital contribution from a shareholder of the Group is the difference between the nominal interest free loan from a shareholder (Note 19) and the discounted present value of the loan at market interest rates and adjusted with credit risk rate.
- (d) This represents the difference between the value of the shares issued by the Company to effect the capital reorganization (Note 2.1) and the share capital of MOT as at January 1, 2024.

23. Financial risk management

Financial risk factors

The Group's activities expose it to a variety of financial risks from its operations. The key financial risks include market risk (including interest rate risk and foreign currency risk), credit risk and liquidity risk.

The Board of Directors of the Group review and agree policies and procedures for the management of these risks, which are executed by the management team.

The information presented below is based on information received by the management team.

(a) Market risk

(i) Interest rate risk

The Group has no significant exposure to interest rate risk except from those that arises from the Group's bank accounts.

The sensitivity analysis to a reasonably possible change in interest rates with all other variables held constant, of the Group's profit net of tax has not been disclosed as the Group's exposure to changes in market interest rates is not significant.

23. Financial risk management (continued)

(a) Market risk (continued)

(ii) Currency risk

The Group is exposed to foreign currency risk when it enters or transacts in currencies other than its functional currency.

The Group's currency exposure based on the information provided to key management is as follows:

	<u>SGD</u> S\$	<u>USD</u> S\$	<u>HKD</u> S\$	<u>Total</u> S\$
At December 31, 2025				
Financial assets				
Cash at bank	8,532,232	257,305	-	8,789,537
Trade and other receivables	-	3,217	-	3,217
Refundable deposits	6,328	-	-	6,328
	<u>8,538,560</u>	<u>260,522</u>	<u>-</u>	<u>8,799,082</u>
Financial liabilities				
Trade and other payables	(270,543)	(213,478)	(14,628)	(498,649)
Amount due to a shareholder	(2,106,147)	-	-	(2,106,147)
Lease liabilities	(22,683)	-	-	(22,683)
	<u>(2,399,373)</u>	<u>(213,478)</u>	<u>(14,628)</u>	<u>(2,627,479)</u>
Currency profiles	<u>6,139,187</u>	<u>47,045</u>	<u>(14,628)</u>	
Currency exposure	<u>-</u>	<u>47,045</u>	<u>(14,628)</u>	

23. Financial risk management (continued)

(a) Market risk (continued)

(ii) Currency risk (continued)

	<u>SGD</u> S\$	<u>USD</u> S\$	<u>Total</u> S\$
At December 31, 2024			
Financial assets			
Cash at bank	846,820	112,406	959,226
Trade and other receivables	5,016	-	5,016
Refundable deposits	4,780	-	4,780
	<u>856,616</u>	<u>112,406</u>	<u>969,022</u>
Financial liabilities			
Trade and other payables	(360,195)	-	(360,195)
Amount due to shareholders and a director	(1,936,147)	-	(1,936,147)
Lease liabilities	(24,855)	-	(24,855)
	<u>(2,321,197)</u>	<u>-</u>	<u>(2,321,197)</u>
Currency profiles	<u>(1,464,581)</u>	<u>112,406</u>	
Currency exposure	<u>-</u>	<u>112,406</u>	

(ii) Currency risk (continued)

If the USD and HKD change against the SGD by 10% (2024: 10%) and 10% respectively with all other variables including tax rate being held constant, the effects arising from the net financial assets/(liabilities) position will be as follows:

	December 31, 2025 S\$	December 31, 2024 S\$
USD against SGD		
- Strengthened	(4,705)	(11,241)
- Weakened	4,705	11,241
	<u> </u>	<u> </u>
HKD against SGD		
- Strengthened	1,463	-
- Weakened	(1,463)	-
	<u> </u>	<u> </u>

23. Financial risk management (continued)

(b) Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Group.

The Group is mainly exposed to credit risk in relation to its trade and other receivables and cash at bank.

(i) Cash at bank

The Group held cash at bank of S\$8,789,537 (2024: S\$959,226) with two banks which are rated AA- and A+ based on Standard & Poor and considered to have low credit risk. The cash balances are measured on 12-month expected credit losses and subject to immaterial credit loss.

The Group has assessed that trade and other receivables are subject to immaterial credit loss.

(ii) Impairment of financial assets

The Group does not have financial assets that are subject to more than immaterial credit losses where the expected credit loss model has been applied.

Trade and other receivables are written off when there is no reasonable expectation of recovery. The Group categorizes a receivable for write off when a debtor has probability of insolvency and/or significant financial difficulty. Where receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

(c) Liquidity risk

Liquidity risk refers to the risk that the Group will encounter difficulties in meeting its short-term obligations due to shortage of funds.

The table below summarizes the maturity profile of the non-derivative financial liabilities of the Group at the reporting date based on contractual undiscounted repayment obligations. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

23. Financial risk management (continued)

(c) Liquidity risk (continued)

	<u>Within</u> <u>1 year</u> S\$	<u>Between</u> <u>1 to 2 years</u> S\$	<u>Between</u> <u>2 to 5 years</u> S\$
<u>Group</u>			
At December 31, 2025			
Financial liabilities			
Trade and other payables	498,649	-	-
Amounts due to shareholders and director	-	250,000	2,630,000
Lease liabilities	23,109	-	-
	<u>521,758</u>	<u>250,000</u>	<u>2,630,000</u>
At December 31, 2024			
Financial liabilities			
Trade and other payables	360,195	-	-
Amounts due to shareholders and director	5,850	-	2,880,000
Lease liabilities	14,156	11,797	-
	<u>380,201</u>	<u>11,797</u>	<u>2,880,000</u>
<u>Company</u>			
At December 31, 2025			
Financial liabilities			
Trade and other payables	<u>2,803,763</u>	-	-
	<u>2,803,763</u>	-	-

(d) Capital risk

The capital structure of the Group comprises issued share capital, accumulated losses, amount due from a shareholder/immediate holding company, and amounts due to shareholders and director.

The Group is not subject to any internally and externally imposed capital requirements.

(e) Fair value measurements

The carrying amount of financial assets and liabilities carried at amortized cost approximate their fair values.

23. Financial risk management (continued)

(f) Financial instruments by category

	2025 S\$	2024 S\$
<u>Financial assets, at amortized cost</u>		
Refundable deposits	6,328	4,780
Trade and other receivables	-	5,016
Cash at bank	8,789,537	959,226
	<u>8,795,865</u>	<u>969,022</u>
 <u>Financial liabilities, at amortized cost</u>		
Trade and other payables	498,648	360,195
Amounts due to shareholders and director	2,106,147	1,936,147
Lease liabilities	22,683	24,855
	<u>2,627,478</u>	<u>2,321,197</u>

24. Related party transactions

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

Key management personnel compensation

	December 31, 2025 S\$	December 31, 2024 S\$
Wages and salaries	228,000	65,000
Employer's contribution to defined contribution plans	35,081	7,610
	<u>263,081</u>	<u>72,610</u>

25. Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the executive committee, which comprise the Chief Executive Officer ("CEO") and the Deputy CEO of the Group, whose members are responsible for allocating resources and assessing performance of the operating segments.

The entity has only one operating and reportable segment as the entity operates in one type of business and the results of the entity are managed on a consolidated basis.

Revenues from external customers are derived mainly from the sale of goods relating to optic lenses, modules and IOT devices. The breakdown of the Group's revenue by country is provided under Note 4(a).

Revenues of S\$587,408 (2024: S\$15,559) are derived from a single external customer.

26. Net asset value

	December 31, 2025 S\$	Group December 31, 2024 S\$	January 1, 2024 S\$	Company December 31, 2025 S\$
Net asset value per share (in cents)	4.14	1.52	1.42	4.40

Note:

1. There is no comparative statement as at the end of the immediately preceding financial year (as at 31 December 2024) for the Company as it was incorporated on 21 March 2025.

Net asset value per share is calculated by dividing the Group's net assets attributable to owners of the Company by the total number of issued ordinary shares as at 31 December 2025 and 31 December 2024, adjusted retrospectively for the effects of restructuring undertaken in connection with the IPO, as disclosed in the offer document dated 1 September 2025.

27. IFRS adoption and correction of errors in previously issued SFRS(I) financial statements

As noted in Note 2.1, there are no material differences between Singapore Financial Reporting Standards (International) ("SFRS(I)") and IFRS. However, the Group has made certain corrections for errors in the previously issued financial statements prepared under SFRS(I) of its Predecessor Operating Business (i.e. MOT) as disclosed in the independent auditor's report and the audited combined financial statements for the financial years ended December 31, 2022, December 31, 2023 and December 31, 2024, in the offer document dated September 1, 2025, to reflect the following salient corrections made in relation to accounting errors uncovered during the course of preparation of the FY2025 consolidated financial statements:

- (a) Prepayment of S\$29,036 related to an order cancelled in the financial year ended December 31, 2023 ("FY2023") were written off during the financial year ended December 31, 2024 ("FY2024"). Accordingly, an adjustment has been made by reversing the administrative expenses for FY2024 and increasing the opening accumulated losses as at January 1, 2024 by the same amount;
- (b) Bonus was over-accrued in FY2024 and a salary adjustment relating to FY2023 was recognized in FY2024, amounting to S\$8,525 and S\$14,291 respectively. Accordingly, an adjustment has been made by reversing administrative expenses for FY2024 by S\$22,816, other payables as at December 31, 2024 by S\$8,525 and increasing opening accumulated losses as at January 1, 2024 by S\$14,291;

27. IFRS adoption and correction of errors in previously issued SFRS(I) financial statements (continued)

As noted in Note 2.1, there are no material differences between Singapore Financial Reporting Standards (International) (“SFRS(I)”) and IFRS. However, the Group has made certain corrections for errors in the previously issued financial statements prepared under SFRS(I) of its Predecessor Operating Business (i.e. MOT) as disclosed in the independent auditor’s report and the audited combined financial statements for the financial years ended December 31, 2022, December 31, 2023 and December 31, 2024, in the offer document dated September 1, 2025, to reflect the following salient corrections made in relation to accounting errors uncovered during the course of preparation of the FY2025 consolidated financial statements: (continued)

- (c) GST receivables were erroneously derecognized in FY2024 relates to (i) GST claims received in the preceding year amounting to S\$45,388 and (ii) GST that was deemed uncollectable amounting to S\$17,908 as at December 31, 2024 but was subsequently collected during the financial year ended December 31, 2025.

For (i), MOT has erroneously credited this amount to the income statement during the financial year ended December 31, 2023, instead of derecognizing the GST receivables balance as at December 31, 2023. Subsequently in FY2024, MOT wrote off the GST receivables balance of S\$45,488 to administrative expenses. Accordingly, an adjustment has been made by reversing administrative expenses for FY2024 by S\$45,388, increasing opening accumulated losses as at January 1, 2024 by S\$45,388 and derecognizing other receivable as at December 31, 2023 by the same amount.

For (ii), MOT has erroneously written off the GST receivables to administrative expenses in FY2024. Accordingly, an adjustment has been made by reversing administrative expenses for FY2024 by S\$17,908, and reinstating other receivable balance as at December 31, 2024 by the same amount.

- (d) Bank balance denominated in foreign currency was not revalued as at December 31, 2024. Accordingly, a revaluation has been performed, and an adjustment has been made to recognize other gains and an increase in cash at bank balance by S\$5,346;
- (e) Equity-holder transactions during FY2024, which amounted to S\$91,702, were incorrectly recorded as share-based compensation. These transactions pertain to issuance of ordinary shares to certain shareholders of MOT which were financing in nature, rather than for the acquisition of goods nor services. Accordingly, an adjustment has been made to derecognize FY2024 administrative expense and reducing capital reserves as at December 31, 2024 by the same amount;
- (f) Customer deposits for provision of goods were included in other payables, amounting to S\$266,320. Accordingly, an adjustment has been made to reclassify the customer deposits from other payables to contract liabilities by the same amount as at December 31, 2024;
- (g) Payment of intangible assets of S\$25,000 was recorded in the changes in working capital in the statements of cash flow for FY2024. Accordingly, an adjustment has been made to reclassify the payment of intangible assets to investing activity; and

27. IFRS adoption and correction of errors in previously issued SFRS(I) financial statements (continued)

As noted in Note 2.1, there are no material differences between Singapore Financial Reporting Standards (International) (“SFRS(I)”) and IFRS. However, the Group has made certain corrections for errors in the previously issued financial statements prepared under SFRS(I) of its Predecessor Operating Business (i.e. MOT) as disclosed in the independent auditor’s report and the audited combined financial statements for the financial years ended December 31, 2022, December 31, 2023 and December 31, 2024, in the offer document dated September 1, 2025, to reflect the following salient corrections made in relation to accounting errors uncovered during the course of preparation of the FY2025 consolidated financial statements: (continued)

- (h) Amount due to shareholders of S\$2,880,000 for the acquisition of the license (Note 16(a)) was incorrectly discounted to January 1, 2024 instead of December 31, 2024. As a result, an adjustment has been recorded to reduce the finance expense and the amount due to shareholders by S\$175,850.
- (i) The denominator used in calculating the 2024 loss per share (Note 10) has been revised from that which was used in the previously issued SFRS(I) financial statements. Previously, the Company used the Company’s outstanding shares upon completion of the reorganization as outstanding for the entirety of 2024. The Company has revised the calculation of the denominator to be the 2024 weighted average number of shares of MOT, reflecting retrospectively the effects of the capital reorganization and share split. The impact of this, together with the impact of the above mentioned error corrections which has impacted FY24’s “Loss after income tax and total comprehensive loss”, is included in the “error corrections” column for loss per share.

27. IFRS adoption and correction of errors in previously issued SFRS(I) financial statements (continued)

The impact arising from the above correction for errors is summarized as follows:

	Note	SFRS(I) S\$	Error corrections S\$	As reported herein (IFRS) S\$
Statements of Comprehensive Loss for the financial year ended December 31, 2024				
Other gains and losses, net	(d)	1,480	5,436	6,916
Administrative expenses	(a), (b), (c), (e)	(2,189,373)	206,850	(1,982,523)
Finance expenses	(h)	(177,694)	175,850	(1,844)
Loss before income tax		(2,339,018)	388,136	(1,950,882)
Loss after income tax and total comprehensive loss		(2,339,018)	388,136	(1,950,882)
Loss per share for loss attributable to the equity holders of the Company:				
- Basic and diluted loss per share (in cents)	(i)	(1.15)	0.14	(1.01)
Balance Sheet				
<i>As at December 31, 2024</i>				
Current assets				
Trade and other receivables	(c)	17,495	17,908	35,403
Cash at bank	(d)	953,790	5,436	959,226
Total current assets		1,300,569	23,344	1,323,913
Current liabilities				
Other payables	(b), (f)	635,040	(274,845)	360,195
Contract liabilities	(f)	—	266,320	266,320
Total current liabilities		654,165	(8,525)	645,640
Non-current liabilities				
Amounts due to shareholders	(h)	2,106,147	(175,850)	1,930,297
Net assets		2,895,713	207,719	3,103,432
Equity				
Share premium*		2,895,662	207,719	3,103,381
Accumulated losses		(5,835,890)	299,421	(5,536,469)
Capital reserve	(e)	5,835,890	(299,421)	5,536,469
Total equity		2,895,713	207,719	3,103,432

27. IFRS adoption and correction of material errors in previously issued SFRS(I) financial statements (continued)

	Note	SFRS(I) S\$	Error corrections S\$	As reported herein (IFRS) S\$
Balance Sheet				
<i>As at January 1, 2024</i>				
Current assets				
Prepayments and deposits	(a)	29,036	(29,036)	—
Trade and other receivables	(c)	72,300	(45,388)	26,912
Total current assets		823,528	(74,424)	749,104
Current liabilities				
Other payables	(b), (f)	341,691	(252,029)	89,662
Contract liabilities	(f)	—	266,320	266,320
Total current liabilities		3,227,541	14,291	3,241,832
Net assets		2,693,327	(88,715)	2,604,612
Equity				
Share premium*		2,895,662	207,719	3,103,381
Accumulated losses		(3,496,872)	(88,715)	(3,585,587)
Capital reserve		3,294,486	(207,719)	3,086,767
Total equity		2,693,327	(88,715)	2,604,612
Statements of cash flows for the financial years ended December 31, 2024				
Loss for the financial year		(2,339,018)	388,136	(1,950,882)
Unrealized currency translation gain	(d)	—	(5,436)	(5,436)
Write-off expenses	(c)	63,296	(63,296)	—
Share-based payment expenses for the employees and shareholders	(e)	91,702	(91,702)	—
Finance expenses	(h)	177,694	(175,850)	1,844
Changes in working capital:				
Prepayments and deposits	(a)	(245,095)	(29,036)	(274,131)
Other payables	(b), (f), (g)	293,349	2,184	295,533
Net cash used in operating activities	(g)	(1,251,885)	25,000	(1,226,885)
Cash flows from investing activity				
Payment for intangible asset	(g)	—	(25,000)	(25,000)
Net cash used in investing activity		—	(25,000)	(25,000)
Effects of currency translation on cash and cash equivalents				
	(d)	—	5,436	5,436
Cash and cash equivalents at end of financial year		953,790	5,436	959,226

27. IFRS adoption and correction of errors in previously issued SFRS(I) financial statements (continued)

*The reclassification between share premium and capital reserve of S\$207,719 relates to restructuring accounting (Note 2.1(iii)). This amount represents the changes in MOT's net assets arising from the correction of errors as at December 31, 2024.

28. Subsequent events

There are no subsequent events which have led to adjustments to this set of unaudited consolidated financial statements.

H. OTHER INFORMATION REQUIRED PURSUANT TO APPENDIX 7C OF THE CATALIST RULES

1. Review

The consolidated balance sheet of MetaOptics Ltd and its subsidiaries as at December 31, 2025 and the related consolidated statement of comprehensive loss, consolidated statement of changes in equity and consolidated statement of cash flows for FY2025 and the explanatory notes have not been audited or reviewed by the Company's auditors.

Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:

(a) Updates on the efforts take to resolve each outstanding audit issue.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

Not applicable. The latest audited financial statements of the Group for FY2024 are not subject to any adverse opinion, qualified opinion or disclaimer of opinion.

2. Review of performance of the Group

Review of consolidated statement of comprehensive loss

A. Revenue

Revenue amounted to S\$787,388 and S\$79,440 in FY2025 and FY2024, respectively, representing an increase of 891%. The increase was primarily due to higher sales of equipment arising from a customer's direct laser writer ("**DLW**") order, as well as higher sales of metalens products and equipment installation services.

B. Cost of sales

Cost of sales amounted to S\$627,562 and S\$52,871 in FY2025 and FY2024, respectively, representing an increase of approximately 1,087% primarily due to equipment cost of sales.

C. Gross profit

Gross profit amounted to S\$159,826 and S\$26,569 in FY2025 and FY2024, respectively, representing an increase of approximately 502% primarily due to significantly higher revenue in 2025 driven by equipment sales. Gross profit margin decreased from 33.4% in FY2024 to 20.3% in FY2025, mainly due to lower margins associated with such equipment sales compared to product and services sales.

D. Other income

Other income, amounted to S\$317,686 and S\$2,000 in FY2025 and FY2024, respectively, representing an increase of approximately 15,784%. The increase was primarily due to the receipt of a S\$300,000 grant under the GEMS Scheme administered by the MAS in relation to qualifying expenses incurred in connection with the IPO in September 2025.

2. Review of performance of the Group (continued)

Review of consolidated statement of comprehensive loss (continued)

E. Administrative expenses

Administrative expenses amounted to S\$3,682,794 and S\$896,702 in FY2025 and FY2024, respectively, representing an increase of approximately 311%. The increase was primarily due to higher legal and professional fees incurred in connection with the IPO.

F. Research and development expenses

Research and development expenses amounted to S\$1,858,294 and S\$1,036,635 in FY2025 and FY2024, respectively, representing an increase of approximately 79%. The increase was primarily due to higher research and development expenses incurred in connection with new product launches.

G. Selling and marketing expenses

Selling and marketing expenses amounted to S\$204,622 and S\$49,186 in 2025 and 2024, respectively, representing an increase of approximately 316%. The increase was primarily due to higher advertising and promotional expenses incurred in connection with new product launches.

H. Finance expenses

Finance expenses amounted to S\$176,883 and S\$1,844 in FY2025 and FY2024, respectively, representing an increase of approximately 9,492%. The increase was primarily due to deemed interest expense recognized on the non-current portion of the amount due to a shareholder, bearing an effective interest rate of 9.1% and repayable between 2027 and 2029.

I. Loss for the financial year

As a result of the above, loss after income tax and total comprehensive loss amounted to S\$5,445,573 and S\$1,950,882 in FY2025 and FY2024, respectively, representing an increase of approximately 179%.

J. Breakdown of sales as follows:

	FY2025	FY2024	+/(-)
	S\$	S\$	%
Sales reported for the first half year	106,903	11,094	864
Operating loss after tax for first half year	(1,796,449)	(653,049)	175
Sales reported for the second half year	680,485	68,346	896
Operating loss after tax for first half year	(3,649,124)	(1,297,833)	181

2. Review of performance of the Group (continued)

Review of consolidated statement of comprehensive loss (continued)

K. Seasonal operations:

The Group has not observed any significant seasonal trends within FY2025.

Review of consolidated statement of financial position

L. Non-current assets

Non-current assets decreased from S\$4,367,036 as at December 31, 2024 to S\$3,603,472 as at December 31, 2025, primarily due to amortization of intangible assets and depreciation of plant and equipment and right-of-use assets during the year.

M. Current assets

Current assets increased from S\$1,323,913 as at December 31, 2024 to S\$10,027,328 as at December 31, 2025, primarily due to an increase in cash at bank from the net proceeds raised from the IPO in September 2025 and higher prepayments made to suppliers for components required to fulfil equipment purchase orders.

N. Current liabilities

Current liabilities increased from S\$645,640 as at December 31, 2024 to S\$1,476,893 as at December 31, 2025, primarily due to higher contract liabilities arising from increased customer deposits for equipment orders and an increase in trade and other payables.

O. Non-current liabilities

Non-current liabilities increased from S\$1,941,877 as at December 31, 2024 to S\$2,106,147 as at December 31, 2025, primarily due to the accretion of the non-current portion of the amount due to a shareholder from the recognition of deemed interest expense

P. Working capital position

As at December 31, 2025, the Group's working capital position improved significantly, with a positive working capital of S\$8,550,435 as compared to a positive working capital of S\$678,273 as at December 31, 2024. The improvement was primarily attributable to net proceeds from the IPO in September 2025 and the placement exercise undertaken by the Company in December 2025 and increased customer deposits, providing sufficient liquidity to support operations and fulfil equipment orders.

2. Review of performance of the Group (continued)

Review of cash flow of the Group

Net cash used in operating activities increased to S\$4,537,929 in FY2025 from S\$1,226,885 in FY2024, primarily due to the larger net loss for the year and increased working capital requirements, attributable to higher prepayments to suppliers and trade receivables, partially offset by increased customer deposits reflected in contract liabilities and higher trade payables.

Net cash provided by investing activities amounted to S\$4,292 in FY2025, due to interests received from bank deposits, as compared to S\$25,000 used in FY2024 for the purchase of intangible assets.

Net cash provided by financing activities increased to S\$12,366,501 in FY2025 from S\$1,483,483 in FY2024, primarily due to net proceeds from the issuance of shares in connection with the IPO in September 2025, partially offset by transaction costs in relation to issuance of shares, contribution from shareholders, lease payments, interest payments and repayment of amount due to a shareholder and director.

As a result of the above, cash and cash equivalents increased by S\$7,832,864 from S\$959,226 as at December 31, 2024 to S\$8,789,537 as at December 31, 2025.

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

In the trend information disclosed in the section entitled “General Information on our Group – Trend Information” of the Company’s offer document dated September 1, 2025, the Company indicated that, *inter alia*, it expects (i) the Group’s revenue, cost of sales, and cost of providing services and employee costs in FY2025 to increase vis-à-vis FY2024; (ii) the Group’s financial results and financial position for FY2025 to be affected by the ongoing compliance costs of a public listed company, as well as the expenses recorded in the Group’s financial statements in respect of a portion of the Group’s listing expenses incurred in connection with the IPO; and (iii) the Group to record a loss for FY2025 (“**Prospect Statement**”).

The unaudited consolidated financial results of the Group for FY2025 as set out in this announcement (“**Actual Results**”) are in line with the Prospect Statement.

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 year and the next 12 months.

As of the date of this announcement, the Group operates in the metalens fabrication industry. Industry growth is driven by increasing demand for compact optical components in AR/VR, 3D sensing and imaging applications, while competition remains technology-intensive with high barriers to entry. Over the next 12 months, the Group’s performance may be affected by the pace of metalens commercialization, timing of customer equipment orders and broader semiconductor capital expenditure conditions.

5. **To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

As at December 31, 2025⁽¹⁾

Total number of issued shares (excluding treasury shares)	242,648,260
--	-------------

Note:

1. There is no comparative statement as at the end of the immediately preceding financial year (as at December 31, 2024) for the Company as it was incorporated on March 21, 2025.

The Company did not have any treasury shares as of December 31, 2025.

6. **A statement showing all sales, transfers, cancellation and/ or use of treasury shares as at the end of the current financial period reported on.**

Not applicable. The Company did not have any treasury shares during and as at the end of the current financial period reported on.

7. **A statement showing all sales, transfers, cancellation and/ or use of subsidiary holdings as at the end of the current financial period reported on.**

Not applicable. There were no sales, transfers, cancellation and/ or use of subsidiary holdings during and as at the end of the current financial period reported on.

8. Dividend

(a) Any dividend recommended/declared for the current financial year reported on?

No dividend has been recommended or declared for the current financial year ended December 31, 2025.

(b) Any dividend recommended/declared for the corresponding year of the immediately preceding financial year?

No dividend was recommended or declared for the corresponding financial year ended December 31, 2024.

(c) Date payable

Not applicable.

(d) Record date

Not applicable.

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

No dividend has been declared or recommended for FY2025 as the Group incurred losses during the financial year and intends to conserve cash to support working capital requirements, business expansion and research and development activities.

9. 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 interested person transactions.

10. Use of IPO Proceeds

Pursuant to the IPO in September 2025, the Company raised total net proceeds (after deducting expenses incurred in connection with the IPO) amounting to S\$4,000,000 (“**IPO Net Proceeds**”), and an update on the use of the IPO Net Proceeds is summarised as follows:

Use of IPO Net Proceeds	Amount allocated (as disclosed in the Offer Document) (S\$'000)	Amount utilized as at February 27, 2026) (S\$'000)	Balance of IPO Net Proceeds as at February 27, 2026 (S\$'000)
Product development, research & development, and strategic partnerships	2,000	(528)	1,472
Business expansion through organic growth, mergers and acquisitions, joint ventures and/or strategic partnerships	1,200	(139)	1,061
Working capital and general corporate purposes	800	(407)	393

11. Use of December Placement Proceeds

Pursuant to the placement exercise undertaken by the Company in December 2025 as announced on December 1, 2025 (“**December Placement**”), the Company raised total net proceeds (after deducting expenses incurred in connection with the December Placement) amounting to S\$4,797,000 (“**December Placement Net Proceeds**”), and an update on the use of the December Placement Net Proceeds is summarised as follows:

Use of December Placement Net Proceeds	Amount allocated (as disclosed in the Placement Announcement) (S\$'000)	Amount utilized as at February 27, 2026) (S\$'000)	Balance of December Placement Net Proceeds as at February 27, 2026 (S\$'000)
Business operations	2,878	-	2,878
Working capital and general corporate purposes	1919	-	1,919

12. 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) of the Catalist Rules.

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

13. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:

No dividend has been declared or recommended for FY2024 and FY2025, as the Group remains loss making.

14. Disclosure pursuant to Rule 706A of the Catalist Rules

Pursuant to Rule 706A of the Catalist Rules, during FY2025, the Company incorporated MetaOptics Inc. in USA as a wholly-owned subsidiary and completed a group restructuring exercise involving the incorporation of the Company, in connection with the IPO as disclosed in the offer document dated September 1, 2025.

Save as disclosed above, there were no acquisitions or disposals of shares in any companies resulting in such companies becoming or ceasing to be subsidiaries or associated companies of the Group during the financial year.

15. Disclosure of persons occupying managerial positions who are related to a Director, CEO or Substantial Shareholder of the Company

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Aloysius Chua Hao Peng	30	<p>Mr Aloysius Chua Hao Peng is the nephew of Dato Sri Chua Chwee Lee (who is a substantial shareholder of the Company, as well as an executive director and controlling shareholder of both Metasurface Technologies Pte. Ltd. and Metasurface Technologies Holdings Limited) and Ms. Jee Wee Jene (who is a Non-Independent and Non-Executive Director and a substantial shareholder of the Company).</p> <p>Ms Jee Wee Jene is the spouse of Dato Sri Chua Chwee Lee, and a director of Metasurface Technologies Pte. Ltd. as well as an executive director and controlling shareholder of Metasurface Technologies Holdings Limited.</p> <p>Metasurface Technologies Pte. Ltd., which is a wholly-owned subsidiary of Metasurface Technologies Holdings Limited, is a substantial shareholder of the Company.</p>	<p>Mr Aloysius Chua Hao Peng started working in MetaOptics Technologies Pte. Ltd. (a wholly-owned subsidiary of the Company) in June 2021 as a Projects Manager and was subsequently promoted to Projects Director in April 2023. He was later appointed as Deputy Chief Executive Officer of the Group on April 1, 2025.</p> <p>He has been actively involved in leading strategic initiatives and overseeing key projects such as equipment development, metalens fabrication and the assembly of cutting-edge meta optics components and products since he started working with the Group in June 2021.</p>	-

BY ORDER OF THE BOARD

Thng Chong Kim
 Executive Chairman and Chief Executive Officer
 27 February 2026