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UEN No: S99SS0111B
GST Reg No: M90367530Y0Y

Issuer: ISOTeam Ltd.

Stock code: 5WF

Meeting details:

Date: 28 October 2026

Time: 10.00 a.m.

Venue: 8 Changi North Street 1, ISOTeam Building, Singapore 498829

Q1. In the joint message to shareholders, the use of drones is identified as a key strategic priority. Management expects this technology to improve operational efficiency and reduce manpower costs over time, complementing the group's broader productivity initiatives. The group has also developed an AI-enabled robotic workforce, including indoor painting robots and drones for facade inspection and washing.

- (i) Can management elaborate on the extent to which the group deploys its painting robots, facade inspection drones and washing drones? What proportion of relevant projects uses these technologies, and what measurable improvements have they delivered in manpower costs, productivity, project completion time and operating margins compared with conventional methods?**

The share placement and convertible bond agreements were completed in September 2025, raising approximately \$10.0 million in net proceeds. Almost 60% of these proceeds was earmarked for drone development and commercialisation.

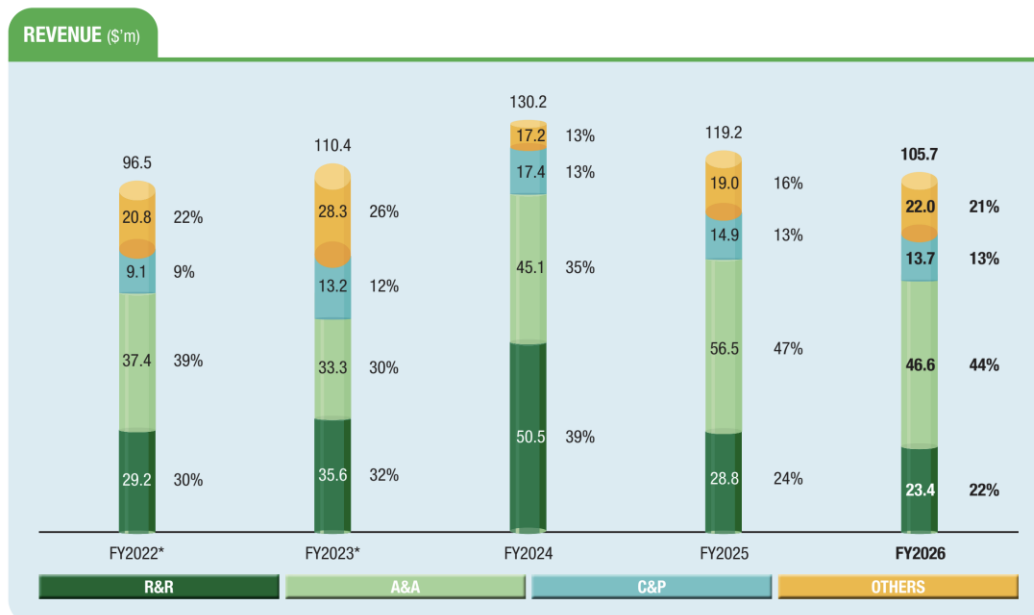
	Allocation of Net Proceeds \$'000	Amount utilised \$'000	Balance \$'000
General working capital for the Company ⁽¹⁾	3,860	(3,860)*	–
Commercialisation of drones	3,861	–	3,861
Final development of drones	1,931	–	1,931
Total	9,652	(3,860)	5,792

(Source: company annual report)

- (ii) How much has the group spent on drone development and commercialisation to date, including research and development, equipment, software, staffing and other related costs? What is the total investment budget approved by the board for drone-related development?**
- (iii) Given the uncertainty around adoption, scalability and commercialisation, what evidence supports the group's continued investment, and what are the principal risks that could undermine the business case?**
- (iv) What aspects of the group's drone technology are proprietary, and what prevents competitors from replicating its capabilities or offering similar solutions at lower cost?**

Q2. Would the board and management provide greater clarity on the following operational and financial matters?

- (i) **Growth:** Following the recovery from the pandemic, revenue has declined for two consecutive years. **What are the principal factors behind this trend, and which constraints does management consider most significant to future growth, including market demand, pricing, competition, project execution and manpower availability?**



(Source: company annual report)

Across the repairs and redecoration (R&R), addition and alteration (A&A), and coating and painting (C&P) segments, what are the three most promising growth opportunities in each segment over the next 18-24 months, and how does the group intend to pursue them?

- (ii) **Finance costs:** Finance costs increased by 13% in FY2026 despite lower revenue. In particular, interest on term loans increased by 27.6% even with the repayment of a term loan carrying an interest rate of 10%.

5 FINANCE COSTS		
	Group	
	2026	2025
	\$'000	\$'000
Interest expense:		
– Lease liabilities	187	186
– Term loan	1,456	1,141
– Others	616	601
Bank charges	222	244
Factoring charges	32	46
	<u>2,513</u>	<u>2,218</u>

(Source: company annual report)

What explains this increase in finance costs relating to term loan(s) in FY2026, including changes in average borrowings, interest rates, and fees? Could management also explain why it accepted the 10% term loan, what alternative financing options were considered, and why was this facility preferred?

- (iii) Financing or funding strategy: What capital structure does the board consider optimal for the company, taking into account its operating cash flow, working capital needs, growth plans and capacity to service debt? What roles do short-tenure commercial paper, convertible bonds with derivative components, term loans and equity issuance play in the group's funding strategy, and how does management assess their respective costs, refinancing risks and potential dilution?**

Q3. As disclosed in the joint message to shareholders, the group maintains healthy revenue visibility, with an order book of approximately \$185.3 million as at 1 July 2026, that is expected to be progressively delivered over the next two to three years.

On 16 January 2026, SGX RegCo issued a Regulator's Column¹ on forward guidance, in which the regulator strongly encouraged issuers to provide meaningful forward-looking disclosures.

The Regulator's Column can be accessed here:

<https://www.sgxgroup.com/media-centre/20260116-regulators-column-forward-guidance-why-it-matters-and-how-get-it>

- (i) Given SGX RegCo's encouragement of forward guidance and its view that such disclosures can enhance investor confidence and credibility, has the board considered providing forward guidance for FY26/27 on the group's performance, outlook, key operating assumptions, and strategic priorities? If not, why not?**

¹ SGX RegCo noted that forward-looking information consistently ranks highly among the information sought by investors, including institutional investors and research analysts, particularly regarding anticipated earnings and management's strategy for achieving those outcomes. The regulator also clarified that forward guidance does not require auditor sign-off and that issuers are not expected to update guidance immediately for every change in circumstances. Issuers should nevertheless make timely announcements in accordance with existing listing rules relating to material information and price-sensitive developments.

SGX RegCo also highlighted that forward guidance should be viewed as a means for companies to signal confidence, build credibility with investors, and potentially support long-term shareholder value, rather than as a compliance exercise.



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