



INNEOVA Holdings Reports First Half 2026 Financial Results; Gross Margin Expands to 21.1%, and Net Income Rises 13% as Parts Services Integration Takes Hold

SINGAPORE, October 15, 2026 – INNEOVA Holdings Limited (“INNEOVA Holdings” or the “Company”) (Nasdaq: INEO), a Singapore-based provider of Parts Services and Engineering Services for industries where uptime and reliability are mission-critical, today announced its unaudited financial results for the six months ended June 30, 2026. The Company's Report on Form 6-K containing the interim financial statements and related discussion was filed with the U.S. Securities and Exchange Commission (the “SEC”) on October 14, 2026.

First Half 2026 Financial Highlights

(Six months ended June 30, 2026, compared with the six months ended June 30, 2025, unless otherwise stated. All figures in U.S. dollars.)

- Revenue of \$25.8 million, compared with \$30.8 million, a decrease of 16.2%, driven mainly by lower automotive parts demand in Singapore and Southeast Asia, lower engineering project activity in Singapore, and a \$1.5 million decline in Middle East revenue attributable to the war in the region.
- Gross profit of \$5.4 million, compared with \$5.9 million. Gross margin expanded to 21.1% from 19.3%.
- Parts Services gross profit increased 5.7% to \$5.4 million on 13.4% lower revenue, lifting Parts Services gross margin to 22.5% from 18.5%.
- Total operating expenses declined 2.1% to \$4.7 million. Selling and distribution expenses fell 24.8%, and general and administrative expenses fell 5.0%, partly offset by higher depreciation associated with new facility leases.
- Income from operations of \$0.7 million, compared with \$1.1 million.
- Interest expense declined 18.6% to \$0.6 million.
- Net income of \$274,000, or \$0.02 per share, compared with \$243,000, or \$0.02 per share, an increase of 12.8%.
- Net cash provided by operating activities of \$1.4 million, compared with net cash used in operating activities of \$0.3 million.
- Customer deposits of \$10.5 million at June 30, 2026, compared with \$5.6 million at December 31, 2025, representing advance payments received on customer orders.
- Bank borrowings of \$18.7 million at June 30, 2026, compared with \$18.9 million at December 31, 2025, and \$22.3 million at December 31, 2024.

Management Commentary

"The first half of 2026 was about disciplined execution," said Mr. Jimmy Neo, Chief Executive Officer of INNEOVA Holdings. "Revenue was below the prior year as industrial customers stayed cautious and the war in the Middle East reduced our sales

in that region by three quarters. Within that environment, the integration of our Automotive and Industrial businesses into a single Parts Services organisation did what we designed it to do. Parts Services gross profit rose 5.7% on 13% less revenue, Group gross margin widened by almost two percentage points, operating expenses came down, and net income rose 13%. We also generated \$1.4 million of operating cash flow and nearly doubled customer deposits to \$10.5 million, which are advance payments on orders we will fulfil in the coming periods."

First Half 2026 Operational Highlights

Unified Parts Services organisation. The Group completed the integration of its Automotive and Industrial businesses into a single Parts Services organisation, including the migration of its retail business from the Automotive Division to the Industrial Division, and began integrating the Parts Services and Engineering Services commercial teams. The new structure simplifies customer engagement, improves collaboration across the Group, and provides an operating model that can support regional expansion. Expanded service coverage, improved fulfilment, and productivity initiatives contributed to the reduction in operating expenses during the period.

Malaysia regional platform. INNEOVA strengthened its management presence and expanded commercial activities in Malaysia and established Senai, in Johor, as its new regional operations hub, positioning the Group for opportunities arising from the Johor–Singapore Special Economic Zone and broader regional industrial growth.

Engineering Services. Engineering Services revenue was \$1.7 million, compared with \$2.7 million, reflecting lower demand from customers in Singapore, and the segment operated at approximately break-even gross margin. During the period the Group secured new engineering projects in Malaysia and added commercial resources dedicated to higher value-added engineering solutions and equipment lifecycle services.

Sustainability and digitalisation. The Group commissioned its solar photovoltaic installation at its Ang Mo Kio facility and began a second installation at Loyang Way. It also expanded its collaboration with Republic Polytechnic through research initiatives and AI familiarisation programmes supporting the application of digital tools across forecasting, operations, customer engagement, and engineering services.

Second Half 2026 Priorities

Management's priorities for the remainder of 2026 are to:

- Restore revenue growth through stronger pricing discipline and improved revenue quality.
- Complete the commercial integration of the Parts Services and Engineering Services businesses.
- Expand Engineering Services and Equipment Solutions as higher-margin growth platforms.
- Fully operationalise the Senai regional hub in Johor, Malaysia.
- Continue digitalisation, AI adoption, and productivity improvements across the Group.

The Company also expects increasing contributions from recently secured engineering projects, strategic partnerships, and regional expansion initiatives as these investments mature.

"When we set out our transformation strategy to shareholders last November, we said we would build the platforms first," Mr. Neo continued. "The Senai hub, the commercial integration of Parts Services and Engineering Services, and the new engineering projects in Malaysia are those platforms. Our second-half priorities are to restore revenue growth with stronger pricing discipline, complete the commercial integration, scale Engineering Services and Equipment Solutions as higher-margin businesses, bring Senai fully online, and keep reducing borrowings. We are managing INNEOVA for sustainable earnings and cash generation, not for a single reporting period."

First Half 2026 Financial Review

Revenue. Revenue for the six months ended June 30, 2026 was \$25.8 million, compared with \$30.8 million in the prior-year period. Parts Services revenue was \$24.1 million, compared with \$27.8 million; within Parts Services, Industrial Division revenue increased 3.7% to \$16.0 million, reflecting the migration of the retail business from the Automotive Division, while Automotive Division revenue decreased 34.7% to \$8.1 million. Engineering Services revenue was \$1.7 million, compared with \$2.7 million. By geography, Singapore revenue was \$11.2 million, compared with \$13.5 million; Middle East revenue was \$0.5 million, compared with \$1.9 million, primarily attributable to the war in the region; and revenue from other countries was \$14.2 million, compared with \$15.3 million.

Gross profit. Gross profit was \$5.4 million, compared with \$5.9 million, and gross margin expanded to 21.1% from 19.3%. Parts Services gross profit increased to \$5.4 million from \$5.1 million, with gross margin of 22.5% compared with 18.5%. Engineering Services gross profit was approximately break-even, compared with \$0.6 million, or a 21.3% gross margin, in the prior-year period.

Operating expenses. Total operating expenses were \$4.7 million, compared with \$4.8 million. Selling and distribution expenses decreased 24.8% to \$0.6 million on lower promotion, marketing, and transportation costs. General and administrative expenses decreased 5.0% to \$3.4 million, mainly on lower property-related and miscellaneous expenses, partly offset by higher staff costs. Depreciation increased to \$0.7 million from \$0.4 million, reflecting new right-of-use assets.

Income from operations and net income. Income from operations was \$0.7 million, compared with \$1.1 million. Interest expense decreased 18.6% to \$0.6 million, and the Group recorded a net foreign exchange gain of \$18,000, compared with a net loss of \$210,000. Income before income taxes was \$274,000, compared with \$329,000. Net income was \$274,000, or \$0.02 per basic and diluted share, compared with \$243,000, or \$0.02 per basic and diluted share, an increase of 12.8%.

Balance sheet and cash flow. As of June 30, 2026, the Group had cash, cash equivalents, and restricted cash of \$1.0 million, compared with \$1.4 million at December 31, 2025. Net cash provided by operating activities was \$1.4 million, compared with net cash used of \$0.3 million in the prior-year period, reflecting lower

receivables and inventories and higher customer deposits. Net cash used in financing activities was \$1.7 million, including \$1.5 million of repayments to related parties. Customer deposits increased to \$10.5 million from \$5.6 million at December 31, 2025. Total bank borrowings were \$18.7 million, compared with \$18.9 million at December 31, 2025. Shareholders' equity increased to \$5.2 million from \$5.0 million.

About INNEOVA Holdings

INNEOVA Holdings (formerly known as SAG Holdings Limited) is a leading Singapore-based solution-driven partner for industries where uptime and reliability are mission-critical. By combining deep engineering expertise, digital capabilities, and sustainable practices, INNEOVA delivers integrated solutions that optimise lifecycles, maximise uptime, and extend asset longevity across its Parts Services and Engineering Services business segments.

Parts Services: Supporting mission-critical operations with comprehensive parts management and supply solutions to ensure availability, reliability, and maximum uptime.

Engineering Services: Providing system lifecycle analysis and MRO services, enhanced by connectivity, digitalisation, and data analytics. INNEOVA enables customers to future-proof assets, achieve maximum uptime, and optimise total cost of ownership (TCO).

For more information, visit <https://www.inneova.co>.

Safe Harbor Statement

This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, Section 21E of the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995. These statements include, but are not limited to, statements regarding the Company's priorities for the second half of 2026; the expected contribution of recently secured engineering projects, strategic partnerships, and the Senai operations hub; the completion and expected benefits of the commercial integration of the Parts Services and Engineering Services businesses; the growth of Engineering Services and Equipment Solutions; planned digitalisation, AI adoption, and sustainability initiatives; and expected trends in demand, pricing, margins, and cash generation. The words "anticipate," "believe," "continue," "could," "estimate," "expect," "intend," "may," "plan," "position," "potential," "priority," "should," "target," "will," "would," and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words.

Actual results may differ materially from those indicated by such forward-looking statements as a result of various important factors, including: demand conditions in the industrial, automotive, marine, construction, and power generation sectors in Singapore, Malaysia, and the Company's other markets; the conflict in the Middle East and other geopolitical developments; pricing pressure, inflation, and tariff and trade policy changes; the Company's ability to complete its organisational and commercial integration and to realise the expected benefits; the execution and timing of its regional

expansion in Malaysia; customer concentration and project timing in Engineering Services; fluctuations in foreign currency exchange rates; the Company's indebtedness and access to financing on acceptable terms; and the other risks described under "Risk Factors" in the Company's Annual Report on Form 20-F for the fiscal year ended December 31, 2025, filed with the SEC on May 15, 2026, and in its other filings with the SEC. Any forward-looking statements contained in this press release speak only as of the date hereof, and INNEOVA Holdings Limited specifically disclaims any obligation to update any forward-looking statement, whether as a result of new information, future events, or otherwise, except as required by law.

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