

MANAGEMENT DISCUSSION & ANALYSIS

CORPORATE STRATEGY (CONT'D)

Revenue Growth

Our growth continues to be driven by powerful global megatrends, including automation, electrification and digitalisation, alongside increasing emphasis on energy security and sustainability. We remain focused on markets where these trends converge, enabling us to capture meaningful opportunities for profitable and sustainable expansion.

In FY2025, 100% of our revenue was derived from four core markets – Solar, E-Mobility, Life Sciences and Semiconductor. A key pillar of our strategy is to broaden our customer base by securing new global key accounts while deepening relationships with existing customers. During the year, we made solid progress on both fronts, successfully securing orders from several newly targeted global customers and expanding engagement with established clients.

FY2025 marks a milestone for the Group, with revenue reaching a record RM771.48 million, representing a 2.5% year-on-year increase and nearly doubling since FY2021. This performance reinforces the strength of our long-term strategy, underpinned by disciplined execution and continued market expansion.

Our sustained momentum reflects the Group's successful transformation from a predominantly solar-focused provider into a diversified global automation solutions partner. Through deliberate efforts to reduce concentration risk, we have strengthened our presence in the E-Mobility sector and expanded further into Europe, and enhanced our resilience against sector-specific cycles.

Looking ahead, we are strategically positioning the Group to capture accelerating opportunities in the Data Centre market. Supported by a robust pipeline of discussions progressing into active partnerships, we are well placed to drive scalable growth and deliver long-term value into FY2026 and beyond.

Talent Management

At Greatech, we recognise that our people are the primary architects of our long-term value creation. Our leadership philosophy is rooted in empowerment, providing clear strategic direction while enabling our teams with autonomy to innovate and execute. By cultivating a high-performance, accountable culture, we ensure that our talent base evolves in step with the Group's rapid global expansion.

In FY2025, the Group further strengthened its investment in professional development through the rollout of structured technical, management and leadership training programmes. These initiatives are designed to embed best-in-class operational practices while reinforcing strong ethical standards and leadership capabilities across all organisational levels.

To measure the effectiveness of these initiatives, we established a Group-wide employee engagement. Performance is monitored through our annual "Greatechies" experience survey, which serves as a key feedback mechanism to enhance transparency, strengthen workplace culture and ensure that career progression remains closely aligned with performance, contribution and innovation.

In response to the global shortage of specialised automation engineers, the Group continues to invest in the Young Engineering Programme ("YEP"), a structured platform that bridges academia and industry. The programme culminates in the Mechanical Design Fundamentals Presentation, where junior engineers present and defend their projects before the Senior Leadership Team. This capstone milestone provides direct mentorship and ensures our next generation of engineers is industry-ready to meet the high-precision demands of the automation sector.



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CORPORATE STRATEGY (CONT'D)

Talent Management (Cont'd)

Looking ahead, Greatech remains steadfast in fostering a pervasive culture of continuous learning across the organisation. By embedding training, upskilling and talent development into the core of our operational DNA, we empower our employees to adapt, innovate and contribute meaningfully to the advancement of technology.

This enduring commitment to building world-class capabilities strengthens our organisational resilience and ensures that our talent pipeline remains equipped to support the Group's long-term growth. In doing so, Greatech is well positioned to remain at the forefront of the global Electrical and Electronics ("E&E") industry.



Regional Presence

To capitalise on the accelerating global demand for its automation solutions, the Group further strengthened its international footprint during FY2025. This expansion was primarily driven by the enhancement of the Group's operational hubs in Europe and North America, enabling closer proximity to key customers and strategic markets. In February 2025, the Group expanded its presence in Dublin through the acquisition of an additional 23,000 sq. ft. facility adjacent to its existing premises, significantly increasing operational capacity and reinforcing its commitment to the European market. Building on this momentum, the Group officially established its operations in the United States in July 2025, where facilities are currently being repurposed and expanded to support the fast-growing medical and pharmaceutical industries. These initiatives, together with the Group's expanding presence in Canada, position the Group closer to its global customer base, enabling enhanced responsiveness, faster project delivery and stronger localised technical support.



December 2023: Dublin Building 1 (27,000 sq. ft.)



February 2025: Dublin Building 2 (23,000 sq. ft.)



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Research and Development ("R&D")

The Group's continued investment in Research and Development ("R&D") remains a key driver in sustaining its technological leadership within the highly competitive global automation industry. By focusing on high-growth sectors such as life sciences and pharmaceuticals, the Group's R&D initiatives support the development of advanced automation solutions that address increasingly complex manufacturing requirements. This strategic focus enables the Group to move beyond the provision of conventional machinery towards delivering high-precision, customised automation systems that create greater value for customers. Through the development of proprietary technologies and specialised engineering capabilities, the Group is able to strengthen its competitive positioning and mitigate exposure to commoditised market segments.

In addition to internal product innovation, the Group actively cultivates a collaborative innovation ecosystem through strategic partnerships with leading academic institutions, including Universiti Malaysia Perlis, Universiti Tunku Abdul Rahman and Universiti Sains Malaysia. These collaborations encompass eight ongoing research programmes focusing primarily on Artificial Intelligence ("AI") applications and advanced quality control technologies. The partnerships enable the Group to leverage cutting-edge academic research while fostering the development of highly skilled engineering talent. By bridging academic research with industrial application, the Group strengthens its technical capabilities, supports the development of Malaysia's high-technology talent pool and reinforces its reputation as an employer of choice within the engineering and automation sector.

During FY2025, the Group recorded R&D expenditure of RM4.33 million compared with RM6.54 million in FY2024. The Group's R&D strategy is guided by a customer-centric approach, with investments directed towards developing bespoke and scalable automation solutions that meet the stringent regulatory and quality requirements of the medical and pharmaceutical industries. Increasing emphasis has also been placed on the integration of AI-driven quality control systems to enhance manufacturing precision, operational efficiency and production yield for customers. Through continuous technological advancement and innovation, the Group remains well-positioned to anticipate evolving industry requirements and strengthen its long-term growth trajectory within the global automation landscape.

Operational Efficiency

The Group remains committed to strengthening operational efficiency as a core enabler of sustainable growth. Building on the initiatives outlined in the previous financial year, the Group continues to implement a disciplined approach towards manufacturing optimisation and targeted capacity enhancement. Strategic investments in skilled human capital and specialised capital expenditure are undertaken to further strengthen the Group's engineering capabilities, manufacturing capacity and project execution efficiency. These initiatives support the Group's ability to scale operations in line with its expanding global order book while maintaining operational discipline and cost competitiveness. In parallel, the Group continues to embed a culture of continuous improvement across its operations, regularly reviewing internal processes to identify areas for efficiency gains, reduce operational bottlenecks and enhance overall productivity.

As part of the Group's climate change mitigation and health and safety commitment, the key action in 2025 involved GMS being certified according to ISO 14001:2015 Environmental Management System and ISO 45001 Occupational Health and Safety Management System, reinforcing the Group's adherence to globally recognised environmental and workplace safety practices. These certifications further enhance the Group's environmental, social and governance framework while ensuring that its European operations maintain the same high standards of operational reliability, environmental responsibility and workplace safety that are practised across the Group's global facilities.

In FY2025, the Group also advanced its digitalisation agenda through the migration of its Enterprise Resource Planning ("ERP") system to a cloud-based infrastructure. This initiative has strengthened system integration across the Group's international operations, enabling improved data connectivity, greater transparency and real-time visibility across project management and supply chain functions. The enhanced digital infrastructure supports more efficient decision-making and operational coordination across the Group's global footprint. Moving forward, the Group will continue to evaluate and adopt appropriate digital technologies and operational improvements to enhance productivity, strengthen operational resilience and ensure that its infrastructure remains scalable to support future growth.

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Acquisition Strategy

In line with its long-term growth strategy, the Group remains proactive in identifying and evaluating potential acquisition opportunities that complement its core competencies and strategic direction. Our acquisition philosophy is strictly strategic; we target entities that offer either a diversified customer base or specialised technological capabilities that create immediate synergies with our existing operations. Through the integration of complementary businesses within its value chain, the Group aims to accelerate revenue growth, strengthen technological capabilities, achieve operational synergies and expand its presence in key international markets. All prospective acquisitions are subject to comprehensive due diligence, encompassing financial, operational, legal and cultural assessments, to ensure sustainable value creation and smooth post-acquisition integration.

A key milestone in this strategy was the successful acquisition and subsequent integration of our Slovakian subsidiary, GMS. Acquired for an enterprise value of €1.0 million, this entity provides critical contract manufacturing expertise to the semiconductor, medical and packaging sectors. This acquisition significantly bolsters the Group's footprint in Europe and enhances our value proposition to Original Design Manufacturing ("ODM") business. By offering a consolidated, single-partner solution for complex supply chain needs, we are uniquely positioned to serve global clients looking to streamline their operations through localised, high-precision manufacturing hubs in the Western market.

RISK MANAGEMENT

Foreign Exchange Risk

With an increasing portion of our revenue and procurement occurring in USD, EUR, and SGD, the Group is exposed to transactional and translational risks. As we scale our footprint in North America and Europe, unmitigated currency volatility could lead to significant fluctuations in our reported earnings and profit margins when consolidated into MYR.

In FY2025, the Board reviewed and approved a new Foreign Exchange Policy, establishing a new governance structure for currency risk management. We employ a natural hedge by aligning the currency of our receivables and payables where feasible.

Furthermore, the Group maintains multi-currency accounts to optimise settlement timings and utilises forward exchange contracts to hedge any significant forecasted exposure. This systematic approach ensures our margins are protected against adverse currency movements.

Technology Obsolescence

The industrial automation landscape is undergoing a paradigm shift driven by AI integration and high-speed robotics. There is a continuous risk that existing proprietary technologies could become obsolete if not consistently upgraded. This is particularly critical in our EV and Life Science segments, where precision and efficiency are key competitive differentiators.

The Group maintains a proactive "Open Innovation" model, investing RM4.33 million in R&D in FY2025. We have formalised eight R&D collaboration programs with premier local universities, focusing on AI-driven quality control and vision systems. This strategy allows us to leverage academic breakthroughs to shorten our time-to-market for new solutions, ensuring our automation suites remain at the technological forefront.

Dependent on Certain Major Customers

Historically, the Group's revenue has been characterised by a high degree of reliance on a few major players within the Solar and EV sectors. While these relationships are stable, a significant shift in their capital expenditure cycles or global strategy could impact our order book and financial predictability. We are aggressively de-risking our revenue profile through sectoral diversification.

In FY2025, we expanded into the data centre, medical and pharmaceutical industries, supported by our new facilities in the US and Ireland. The integration of our Slovakian entity further expands our footprint in the Semiconductor and ODM sectors. This multi-pillar approach ensures that the Group is not overly dependent on any single industry lifecycle, creating a more resilient and sustainable revenue base.

Climate Change

Climate change poses both physical risks (disruptions to global facilities/logistics) and transition risks (tightening carbon regulations and ESG reporting requirements). Failure to align with global sustainability standards may limit our access to certain markets and green financing opportunities.

The Group is committed to the energy transition, with our core products directly enabling the global shift to EV. Operationally, our Slovakian hub's ISO 14001:2015 certification serves as a benchmark for our environmental management. We are currently auditing our energy consumption to implement efficiency upgrades across all manufacturing sites. By aligning our growth with a low-carbon economy, we turn environmental compliance into a competitive advantage for attracting global institutional investors.