

GLOBAL INVACOM GROUP LIMITED

(Incorporated in Singapore) (Company Registration Number 200202428H)

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

For the Six Months and Full Year Ended 31 December 2022

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A. Condensed Interim Consolidated Statement of Comprehensive Income

| Part Control | | | Group | | Group | | | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|----------|----------|------------|---------------------------------------|----------|------------|--|
| Cost of sales (29,303) (34,338) (14.7) (59,354) (65,991) (10.1) Gross profit 6,046 7,764 (22.1) 13,415 16,550 (18.9) Other income 9 4,007 (99.8) 46 5,485 (99.2) Distribution costs (98) (231) (57.6) (254) (368) (31.0) Administrative expenses (7,379) (7,458) (1.1) (15,485) (15,918) (2.7) Research and development expenses (1,741) (2,579) (32.5) (3,710) (4,996) (25.7) Impairment of goodwill (5,199) - N.M. (5,199) - N.M. Other operating expenses (311) (211) 47.4 (568) (268) (263) 116.0 Finance income 1 - 1 - 1 (100.0) Finance costs (307) (196) (56.6) (478) (519) (7.9) (Loss)/Profit before income tax (8,980) 1,096 N.M. (12,233) (28) N.M. Income tax (expense)/credit (917) 640 N.M. (13,189) 558 N.M. (Loss)/Profit for the period/year (9,897) 1,736 N.M. (13,189) 558 N.M. Other comprehensive loss: Items that may be reclassified subsequently to profit or tools of region subsidiaries (658) (445) 47.9 (677) (120) 464.2 Other comprehensive loss for the period/year, and of the period/year, and of tax (658) (445) 47.9 (677) (120) 464.2 Other comprehensive loss for the period/year (10,555) 1,291 N.M. (13,189) 558 N.M. Closs)/Profit for the period/year attributable to: Equity holders of the Company (9,895) 1,738 N.M. (13,189) 558 N.M. Total comprehensive (loss)/income for the period/year attributable to: Equity holders of the Company (9,895) 1,738 N.M. (13,189) 558 N.M. Total comprehensive (loss)/income for the period/year attributable to: Equity holders of the Company (10,553) 1,293 N.M. (13,189) 558 N.M. | | FY2022 | FY2021 | (Decrease) | | | (Decrease) | |
| Gross profit 6,046 7,764 (22.1) 13,415 16,550 (18.9) Other income 9 4,007 (99.8) 46 5,485 (99.2) Distribution costs (98) (231) (57.6) (254) (368) (31.0) Administrative expenses (7,379) (7,458) (1.1) (15,495) (15,918) (2.7) Research and development expenses (1,741) (2,579) (32.5) (3,710) (4,996) (25.7) Impairment of goodwill (5,199) - N.M. (5,199) - N.M. Other operating expenses (311) (211) 47.4 (568) (263) 116.0 Finance income - - - - - 100.0 Finance costs (307) (196) (56.6) (478) (519) (7.9) (Loss)/Profit before income tax (8,980) 1,096 N.M. (12,233) (28) N.M. (Loss)/Profit for the period/year (9,897) <td< th=""><th>Revenue</th><th>35,349</th><th>42,102</th><th>(16.0)</th><th>72,769</th><th>82,541</th><th>(11.8)</th></td<> | Revenue | 35,349 | 42,102 | (16.0) | 72,769 | 82,541 | (11.8) | |
| Other income | Cost of sales | (29,303) | (34,338) | (14.7) | (59,354) | (65,991) | (10.1) | |
| Distribution costs (98) (231) (57.6) (254) (368) (31.0) Administrative expenses (7,379) (7,458) (1.1) (15,485) (15,918) (2.7) Research and development expenses (1,741) (2,579) (32.5) (3,710) (4,996) (25.7) Impairment of goodwill (5,199) - N.M. (5,199) - N.M. (56,199) - N.M. (5,199) - N.M. (5,199) - N.M. (5,199) - N.M. (5,199) - N.M. (10,00) | Gross profit | 6,046 | 7,764 | (22.1) | 13,415 | 16,550 | (18.9) | |
| Administrative expenses (7,379) (7,458) (1.1) (15,485) (15,918) (2.7) Research and development expenses (1,741) (2,579) (32.5) (3,710) (4,996) (25.7) (1,701) (4,996) (25.7) (1,701) (4,996) (25.7) (1,701) (4,996) (25.7) (1,701) (1,996) (25.7) (1,701) (1,996) (25.7) (1,701) (1,996) (25.7) (1,701) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996) (1,996 | Other income | | • | , , | | | , , | |
| Research and development expenses (1,741) (2,579) (32.5) (3,710) (4,996) (25.7) Impairment of goodwill (5,199) - N.M. (5,199) - N.M. (5,199) - N.M. (5,199) - N.M. (10,00) | Distribution costs | (98) | (231) | (57.6) | (254) | (368) | (31.0) | |
| Impairment of goodwill | Administrative expenses | (7,379) | (7,458) | (1.1) | (15,485) | (15,918) | (2.7) | |
| Other operating expenses | Research and development expenses | (1,741) | (2,579) | (32.5) | (3,710) | (4,996) | (25.7) | |
| Finance income Finance costs (307) (196) (56.6) (478) (519) (7.9) (Loss)/Profit before income tax (8,980) 1,096 N.M. (12,233) (28) N.M. (100.0) (Loss)/Profit before income tax (8,980) 1,096 N.M. (12,233) (28) N.M. (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (100.0) (| Impairment of goodwill | (5,199) | - | N.M. | (5,199) | - | N.M. | |
| Finance costs | Other operating expenses | (311) | (211) | 47.4 | (568) | (263) | 116.0 | |
| (Loss)/Profit before income tax (8,980) 1,096 N.M. (12,233) (28) N.M. | Finance income | - | - | - | - | 1 | (100.0) | |
| Income tax (expense)/credit (917) 640 N.M. (956) 586 N.M. | Finance costs | (307) | (196) | (56.6) | (478) | (519) | (7.9) | |
| Closs /Profit for the period/year (9,897) 1,736 N.M. (13,189) 558 N.M. | (Loss)/Profit before income tax | (8,980) | 1,096 | N.M. | (12,233) | (28) | N.M. | |
| Items that may be reclassified subsequently to profit or loss Exchange differences on translation of foreign subsidiaries (658) (445) 47.9 (677) (120) 464.2 | Income tax (expense)/credit | (917) | 640 | N.M. | (956) | 586 | N.M. | |
| Items that may be reclassified subsequently to profit or loss Exchange differences on translation of foreign subsidiaries (658) | (Loss)/Profit for the period/year | (9,897) | 1,736 | N.M. | (13,189) | 558 | N.M. | |
| Subsequently to profit or loss | Other comprehensive loss: | | | | | | | |
| of foreign subsidiaries (658) (445) 47.9 (677) (120) 464.2 Other comprehensive loss for the period/year, net of tax (658) (445) 47.9 (677) (120) 464.2 Total comprehensive (loss)/income for the period/year (Loss)/Profit for the period/year attributable to: (9,895) 1,738 N.M. (13,184) 561 N.M. Non-controlling interests (2) (2) 0.0 (5) (3) 66.7 Total comprehensive (loss)/income for the period/year attributable to: (9,897) 1,736 N.M. (13,189) 558 N.M. Total comprehensive (loss)/income for the period/year attributable to: Equity holders of the Company (10,553) 1,293 N.M. (13,861) 441 N.M. Non-controlling interests (2) (2) 0.0 (5) (3) 66.7 | subsequently to profit or loss | | | | | | | |
| Total comprehensive (loss)/income for the period/year (10,555) 1,291 N.M. (13,866) 438 N.M. | | (658) | (445) | 47.9 | (677) | (120) | 464.2 | |
| for the period/year (10,555) 1,291 N.M. (13,866) 438 N.M. (Loss)/Profit for the period/year attributable to: Equity holders of the Company Non-controlling interests (9,895) 1,738 N.M. (13,184) 561 N.M. Non-controlling interests (2) (2) 0.0 (5) (3) 66.7 Total comprehensive (loss)/income for the period/year attributable to: Equity holders of the Company Non-controlling interests (10,553) 1,293 N.M. (13,861) 441 N.M. Non-controlling interests (2) (2) 0.0 (5) (3) 66.7 | | (658) | (445) | 47.9 | (677) | (120) | 464.2 | |
| Equity holders of the Company (9,895) 1,738 N.M. (13,184) 561 N.M. | | (10,555) | 1,291 | N.M. | (13,866) | 438 | N.M. | |
| Equity holders of the Company Non-controlling interests (9,895) 1,738 N.M. (13,184) 561 N.M. (9,897) 1,736 N.M. (13,189) 558 N.M. Total comprehensive (loss)/income for the period/year attributable to: Equity holders of the Company Non-controlling interests (10,553) 1,293 N.M. (13,861) 441 N.M. Non-controlling interests (2) (2) 0.0 (5) (3) 66.7 | | | | | | | | |
| Non-controlling interests (2) (2) 0.0 (5) (3) 66.7 (9,897) 1,736 N.M. (13,189) 558 N.M. Total comprehensive (loss)/income for the period/year attributable to: Equity holders of the Company (10,553) 1,293 N.M. (13,861) 441 N.M. Non-controlling interests (2) (2) 0.0 (5) (3) 66.7 | | (9.895) | 1.738 | N.M. | (13.184) | 561 | N.M. | |
| (9,897) 1,736 N.M. (13,189) 558 N.M. Total comprehensive (loss)/income for the period/year attributable to: Equity holders of the Company (10,553) 1,293 N.M. (13,861) 441 N.M. Non-controlling interests (2) (2) 0.0 (5) (3) 66.7 | | | | | | | | |
| Total comprehensive (loss)/income for the period/year attributable to: Equity holders of the Company (10,553) 1,293 N.M. (13,861) 441 N.M. Non-controlling interests (2) (2) 0.0 (5) (3) 66.7 | | | | | · · · · · · · · · · · · · · · · · · · | • • | | |
| the period/year attributable to: Equity holders of the Company (10,553) 1,293 N.M. (13,861) 441 N.M. Non-controlling interests (2) (2) 0.0 (5) (3) 66.7 | | (9,897) | 1,/36 | N.M. | (13,189) | 558 | N.M. | |
| Non-controlling interests (2) (2) 0.0 (5) (3) 66.7 | | | | | | | | |
| | Equity holders of the Company | (10,553) | 1,293 | N.M. | (13,861) | 441 | N.M. | |
| (10,555) 1,291 N.M. (13,866) 438 N.M. | | | | 0.0 | | (3) | 66.7 | |
| | | (10,555) | 1,291 | N.M. | (13,866) | 438 | N.M. | |

N.M.: Not Meaningful

B. Condensed Interim Statements of Financial Position

| Group | | Com | ipany |
|-------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 31 Dec 2022 | 31 Dec 2021 | 31 Dec 2022 | 31 Dec 2021 |
| US\$'000 | US\$'000 | US\$'000 | US\$'000 |
| | | | |
| | | | |
| 6,641 | 8,126 | - | 20 |
| 3,095 | 4,396 | 41 | 39 |
| - | - | 17,824 | 25,375 |
| 893 | 6,092 | - | - |
| 1,417 | 1,698 | - | - |
| 585 | 1,780 | - | - |
| 54 | 54 | - | 11,032 |
| 12,685 | 22,146 | 17,865 | 36,466 |
| | | | |
| - | - | 2,499 | 3,265 |
| | 25,764 | - | - |
| 10,011 | 13,772 | - | - |
| 1,274 | • | 13,786 | 2,588 |
| | 169 | - | - |
| | 10,771 | 168 | 155 |
| 43,565 | 55,778 | 16,453 | 6,008 |
| 56,250 | 77,924 | 34,318 | 42,474 |
| | | | |
| 60,423 | 60,423 | 74,240 | 74,240 |
| (1,656) | (1,656) | (1,656) | (1,656) |
| (25,160) | (11,383) | (38,472) | (30,462) |
| | | | |
| 33,607 | 47,384 | 34,112 | 42,122 |
| (24) | (19) | | - |
| 33,583 | 47,365 | 34,112 | 42,122 |
| | | | |
| | | - | - |
| | | - | - |
| | | | - |
| 2,455 | 3,886 | | - |
| | | | |
| - | - | - | 1 |
| | | - | - |
| | | 168 | 313 |
| | | - | - |
| • | 1,627 | 38 | 38 |
| - | | - | - |
| 20,212 | 26,673 | 206 | 352 |
| | | | |
| 22,667 | 30,559 | 206 | 352 |
| | 31 Dec 2022 US\$'000 6,641 3,095 - 893 1,417 585 54 12,685 - 22,869 10,011 1,274 167 9,244 43,565 56,250 60,423 (1,656) (25,160) 33,607 (24) | 31 Dec 2022 31 Dec 2021 US\$'000 US\$'000 6,641 8,126 3,095 4,396 - - 893 6,092 1,417 1,698 585 1,780 54 54 12,685 22,146 22,869 25,764 10,011 13,772 1,274 5,302 167 169 9,244 10,771 43,565 55,778 56,250 77,924 60,423 (0,423 (1,656) (1,656) (25,160) (11,383) 33,607 47,384 (24) (19) 33,583 47,365 172 152 1,599 3,088 684 646 2,455 3,886 10,006 14,479 3,109 4,447 5,488 6,120 1,607 1,627 | 31 Dec 2022 31 Dec 2021 31 Dec 2022 US\$'000 US\$'000 US\$'000 6,641 8,126 - 3,095 4,396 41 - - 17,824 893 6,092 - 1,417 1,698 - 585 1,780 - 54 54 - 12,685 22,146 17,865 - - 2,499 22,869 25,764 - 10,011 13,772 - 1,274 5,302 13,786 167 169 - 9,244 10,771 168 43,565 55,778 16,453 56,250 77,924 34,318 60,423 60,423 74,240 (1,656) (1,656) (1,656) (25,160) (11,383) (38,472) 33,607 47,384 34,112 172 152 - 1,599 |

C. Condensed Interim Statements of Changes in Equity

| Group | Share capital US\$'000 | Treasury shares US\$'000 | Merger reserves US\$'000 | Capital redemption reserves US\$'000 | Share options reserve US\$'000 | Capital reserve US\$'000 | Foreign currency translation reserve US\$'000 | Retained profits US\$'000 | Attributable to equity holders of the Company US\$'000 | Non- controlling interests US\$'000 | Total US\$'000 |
|-----------------------------------------------------------------------|------------------------------|--------------------------------|--------------------------------|-----------------------------------------------|-----------------------------------------|--------------------------------|-----------------------------------------------------------|---------------------------------|-----------------------------------------------------------------------|----------------------------------------------|-------------------|
| Balance as at 1 January 2022 | 60,423 | (1,656) | (10,150) | 6 | 725 | (5,109) | (1,084) | 4,229 | 47,384 | (19) | 47,365 |
| Loss for the period | - | - | - | - | - | - | - | (3,289) | (3,289) | (3) | (3,292) |
| Other comprehensive income: | | | | | | | | | | | |
| Exchange differences on translating foreign operations | - | - | - | - | - | - | (19) | - | (19) | - | (19) |
| Total other comprehensive loss for the period | - | - | - | - | - | _ | (19) | (3,289) | (3,308) | (3) | (3,311) |
| Balance as at 30 June 2022 | 60,423 | (1,656) | (10,150) | 6 | 725 | (5,109) | (1,103) | 940 | 44,076 | (22) | 44,054 |
| Share-based payments | - | - | - | - | 36 | - | (1) | 49 | 84 | - | 84 |
| Transfer to capital reserve in accordance with statutory requirements | - | - | - | - | - | (2,727) | 2,343 | 384 | - | - | - |
| Loss for the period | - | - | - | - | | - | - | (9,895) | (9,895) | (2) | (9,897) |
| Other comprehensive loss: | | | | | | | | | | | |
| Exchange differences on translating foreign operations | - | - | - | - | - | - | (658) | - | (658) | - | (658) |
| Total other comprehensive loss for the period | - | - | - | - | - | - | (658) | (9,895) | (10,553) | (2) | (10,555) |
| Balance as at 31 December 2022 | 60,423 | (1,656) | (10,150) | 6 | 761 | (7,836) | 581 | (8,522) | 33,607 | (24) | 33,583 |
| Balance as at 1 January 2021 | 60,423 | (1,656) | (10,150) | 6 | 725 | (5,109) | (964) | 3,668 | 46,943 | (16) | 46,927 |
| Loss for the period | - | - | - | - | - | - | - | (1,177) | (1,177) | (1) | (1,178) |
| Other comprehensive income: | | | | | | | | | | | |
| Exchange differences on translating foreign operations | • | - | - | - | - | - | 325 | - | 325 | - | 325 |
| Total other comprehensive income/(loss) for the period | - | - | _ | - | - | _ | 325 | (1,177) | (852) | (1) | (853) |
| Balance as at 30 June 2021 | 60,423 | (1,656) | (10,150) | 6 | 725 | (5,109) | (639) | 2,491 | 46,091 | (17) | 46,074 |
| Profit/(Loss) for the period | - | - | - | - | - | - | - | 1,738 | 1,738 | (2) | 1,736 |
| Other comprehensive loss: | | | | | | | | | | | |
| Exchange differences on translating foreign operations | - | - | - | - | - | - | (445) | - | (445) | - | (445) |
| Total other comprehensive (loss)/income for the period | - | - | - | | - | - | (445) | 1,738 | 1,293 | (2) | 1,291 |
| Balance as at 31 December 2021 | 60,423 | (1,656) | (10,150) | 6 | 725 | (5,109) | (1,084) | 4,229 | 47,384 | (19) | 47,365 |

C. Condensed Interim Statements of Changes in Equity (cont'd)

| Company | Share capital US\$'000 | Treasury shares US\$'000 | Share options reserve US\$'000 | Capital reserve US\$'000 | Foreign currency translation reserve US\$'000 | Accumulated losses US\$'000 | Total US\$'000 |
|--------------------------------------------------------|------------------------------|--------------------------------|-----------------------------------------|--------------------------------|-----------------------------------------------------------|-----------------------------------|-------------------|
| Balance as at 1 January 2022 | 74,240 | (1,656) | 725 | (4,481) | (2,506) | (24,200) | 42,122 |
| Loss for the period | - | - | - | - | - | (244) | (244) |
| Other comprehensive loss: | | | | | | | |
| Exchange differences on translating foreign operations | - | - | - | - | - | - | - |
| Total other comprehensive loss for the period | - | - | - | - | - | (244) | (244) |
| Balance as at 30 June 2022 | 74,240 | (1,656) | 725 | (4,481) | (2,506) | (24,444) | 41,878 |
| Share-based payments | - | - | (12) | - | - | - | (12) |
| Loss for the period | - | - | - | - | - | (7,754) | (7,754) |
| Other comprehensive loss: | | | | | | | |
| Exchange differences on translating foreign operations | - | - | - | - | - | - | - |
| Total other comprehensive loss for the period | - | - | - | - | - | (7,754) | (7,754) |
| Balance as at 31 December 2022 | 74,240 | (1,656) | 713 | (4,481) | (2,506) | (32,198) | 34,112 |
| Balance as at 1 January 2021 | 74,240 | (1,656) | 725 | (4,481) | (2,506) | (22,040) | 44,282 |
| Loss for the period | - | - | - | - | - | (139) | (139) |
| Other comprehensive loss: | | | | | | , , | , , |
| Exchange differences on translating foreign operations | - | - | - | - | - | - | - |
| Total other comprehensive loss for the period | - | - | - | - | - | (139) | (139) |
| Balance as at 30 June 2021 | 74,240 | (1,656) | 725 | (4,481) | (2,506) | (22,179) | 44,143 |
| Loss for the period | - | - | - | - | - | (2,021) | (2,021) |
| Other comprehensive loss: | | | | | | | |
| Exchange differences on translating foreign operations | - | - | - | - | - | - | - |
| Total other comprehensive loss for the period | - | - | - | - | - | (2,021) | (2,021) |
| Balance as at 31 December 2021 | 74,240 | | | | | | |

D. Condensed Interim Consolidated Statement of Cash Flows

| | Group | | Group | |
|--------------------------------------------------------------------------------------------------------|--------------------------|--------------------------|--------------------|--------------------|
| | 2H FY2022 US\$'000 | 2H FY2021 US\$'000 | FY2022 US\$'000 | FY2021 US\$'000 |
| Cash Flows from Operating Activities | (0.000) | 4 000 | (40.000) | (00) |
| (Loss)/Profit before income tax | (8,980) | 1,096 | (12,233) | (28) |
| Adjustments for: | 054 | 700 | 4 740 | 4.000 |
| Depreciation of property, plant and equipment | 854 | 760 | 1,749 | 1,903 |
| Amortisation of intangible assets | 137 | 325 | 278 | 591 |
| Depreciation of right-of-use assets | 760 | 868 | 1,607 | 1,864 |
| Loss/(Gain) on disposal of property, plant and equipment | 278 | (720) | 273 | (1,143) |
| Allowance/(Write-back) of inventory obsolescence, net | 611 | (736) | 866 | (738) |
| (Write-back)/Impairment loss on trade receivables | (35) | - | 140 | - |
| Impairment loss on other financial assets | (004) | 8 | (054) | 8 |
| Unrealised exchange (gain)/loss | (884) | 60 | (951) | 184 |
| Interest income | - | - | 470 | (1) |
| Interest expense | 307 | 196 | 478 | 519 |
| Share-based payments | 36 | (440) | 36 | (00) |
| Bad debts written back | - (405) | (113) | (405) | (96) |
| (Gain)/Loss on lease modifications | (125) | 144 | (125) | (63) |
| Write-back of payables | - | (880) | - 100 | (880) |
| Impairment of goodwill | 5,199 | - | 5,199 | - |
| Operating cash flow before working capital changes | (1,842) | 1,728 | (2,683) | 2,120 |
| Changes in working capital: | | | | |
| Inventories | 1,692 | 686 | 2,029 | 1,790 |
| Trade receivables | 2,323 | (2,978) | 6,267 | (5,680) |
| Other receivables and prepayments | 1,694 | (390) | 1,354 | 3 |
| Trade and other payables | (3,446) | 3,777 | (5,462) | 1,382 |
| Cash generated from/(used in) operating activities | 421 | 2,823 | 1,505 | (385) |
| Interest paid | (26) | (34) | (222) | (150) |
| Income tax paid | (4) | <u>-</u> | (126) | (2) |
| Net cash generated from/(used in) operating activities | 391 | 2,789 | 1,157 | (537) |
| Cash Flows from Investing Activities | | | | |
| Interest received | - | 1 | - | 1 |
| Purchase of property, plant and equipment | (219) | (384) | (470) | (1,063) |
| Proceeds from disposal of property, plant and equipment | 3 | 203 | 8 | 784 |
| Net cash used in investing activities | (216) | (180) | (462) | (278) |
| Cash Flows from Financing Activities | | | | |
| Proceeds from borrowings | 18,624 | 17,738 | 35,801 | 34,764 |
| Repayment of borrowings | (18,850) | (17,817) | (36,433) | (32,527) |
| Principal repayment of lease liabilities | (704) | (1,202) | (1,581) | (1,942) |
| Net cash (used in)/generated from financing activities | (930) | (1,281) | (2,213) | 295 |
| Net (decrease)/increase in cash and cash equivalents Cash and cash equivalents at the beginning of the | (755) | 1,328 | (1,518) | (520) |
| period/year | 10,000 | 9,435 | 10,771 | 11,273 |
| Effect of foreign exchange rate changes on the balance of cash held in foreign currencies | (1) | 8 | (9) | 18 |
| Cash and cash equivalents at the end of the period/year | 9,244 | 10,771 | 9,244 | 10,771 |

1. General Information

Global Invacom Group Limited (the "Company") is a public limited company incorporated and domiciled in Singapore and is listed on the Mainboard of the Singapore Exchange Securities Trading Limited ("SGX-ST"). The Company is also listed on the AIM Market of the London Stock Exchange ("AIM") in the United Kingdom (UK). These condensed interim consolidated financial statements as at and for the six months and full year ended 31 December 2022 comprise the Company and its subsidiaries (the "Group"). The principal activity of the Company is that of an investment holding company.

The principal activities of the Group are design, manufacture and supply of a full range of satellite ground equipment, including antennas, LNB receivers, transceivers, fibre distribution equipment, transmitters, switches and video distribution components.

2. Basis of Preparation

The condensed interim financial statements for the six months and full year ended 31 December 2022 have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)") 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2021.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s and International Financial Reporting Standards ("IFRSs"), except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in United States dollar which is the Company's functional currency.

2.1 New and Amended Standards Adopted by the Group

There has been no change in the accounting policies and methods of computation adopted by the Group for the current reporting period compared with the audited financial statements for the year ended 31 December 2021, except for the adoption of new or revised SFRS(I) and interpretations of SFRS(I) ("INT SFRS(I)") that are mandatory for the financial year beginning on or after 1 January 2022. The adoption of these SFRS(I) and INT SFRS(I) has no significant impact on the Group.

2.2 Use of Judgements and Estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2021.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- Note 9 capitalised development costs
- Note 11 impairment test on property, plant and equipment

2. Basis of Preparation (cont'd)

2.2 Use of Judgements and Estimates (cont'd)

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

- Note 10 impairment test of goodwill: key assumptions underlying recoverable amounts
- Note 11 useful lives of property, plant and equipment

3. Seasonal Operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the six months and full year ended 31 December 2022.

4. Segment and Revenue Information

The Group is organised into the following main business segments:

- Satellite Communications ("Sat Comms"); and
- Contract Manufacturing ("CM")

These operating segments are reported in a manner consistent with internal reporting provided to the executive directors who are responsible for allocating resources and assessing performance of the operating segments.

4.1 Reportable Segments

| | Sat Comms US\$'000 | CM US\$'000 | Group US\$'000 |
|-----------------------------------------------|--------------------------|----------------|-------------------|
| FY2022 | | | |
| Revenue | 72,769 | <u>-</u> | 72,769 |
| Operating loss | (11,755) | - | (11,755) |
| Finance costs | | | (478) |
| Income tax expense | | | (956) |
| Loss for the year | | | (13,189) |
| Amortisation of intangible assets | 278 | - | 278 |
| Depreciation of property, plant and equipment | 1,749 | _ | 1,749 |
| Depreciation of right-of-use assets | 1,607 | - | 1,607 |
| Addition to property, plant and equipment | 470 | - | 470 |
| Impairment of goodwill | 5,199 | - | 5,199 |
| Impairment loss on trade receivables | 140 | - | 140 |
| Gain on lease modifications | (125) | - | (125) |
| Allowance for inventory obsolescence, net | 866 | - | 866 |

4. Segment and Revenue Information (cont'd)

4.1 Reportable Segments (cont'd)

| | Sat Comms US\$'000 | CM US\$'000 | Group US\$'000 |
|-----------------------------------------------------------------------------------|--------------------------|----------------|---------------------|
| Assets and liabilities Segment assets Unallocated assets | 55,095 | - | 55,095 |
| - Other receivables - Deferred tax assets | | | 85 585 |
| Cash and cash equivalentsTax receivables | | | 168 167 |
| - Right-of-use assets Total assets | | | 150 56,250 |
| Segment liabilities Unallocated liabilities | 16,247 | - | 16,247 |
| - Other payables - Provision for income tax | | | 208 2 |
| - Deferred tax liabilities - Borrowings | | | 684 5,488 |
| - Lease liabilities | | | 38 |
| Total liabilities | | | 22,667 |
| FY2021 Revenue | 82,541 | - | 82,541 |
| Operating profit/(loss) | 507 | (17) | 490 |
| Finance income Finance costs | | | 1 (519) |
| Income tax credit Profit for the year | | | <u>586</u> 558 |
| Amortisation of intangible assets | 591 | _ | 591 |
| Depreciation of property, plant and equipment Depreciation of right-of-use assets | 1,903 1,864 | - | 1,903 1,864 |
| Addition to property, plant and equipment | 1,063 | - | 1,063 |
| Impairment loss on other financial assets Bad debts written (back)/off | 8 (113) | - 17 | 8 (96) |
| Gain on lease modifications Write-back of inventory obsolescence, net | (63) (738) | - | (63) (738) |
| Assets and liabilities | | | (122) |
| Segment assets Unallocated assets | 74,109 | 1,573 | 75,682 |
| - Non-current assets - Other receivables | | | 20 79 |
| - Deferred tax assets | | | 1,780 |
| - Cash and cash equivalents - Tax receivables | | | 155 169 |
| - Right-of-use assets Total assets | | | <u>39</u> 77,924 |
| Segment liabilities | 23,393 | _ | 23,393 |
| <u>Unallocated liabilities</u> - Other payables | • | | 362 |
| - Deferred tax liabilities | | | 646 |
| - Borrowings - Lease liabilities | | | 6,120 38 |
| Total liabilities | | | 30,559 |

4. Segment and Revenue Information (cont'd)

4.2 Disaggregation of Revenue

The Group's revenue is disaggregated by principal geographical areas, major product lines and timing of revenue recognition.

| | Gro | oup | Gro | oup |
|------------------------------------------|--------------|--------------|----------|----------|
| | 2H FY2022 | 2H FY2021 | FY2022 | FY2021 |
| Principal geographical market America | US\$'000 | US\$'000 | US\$'000 | US\$'000 |
| - Sale of goods | 22,861 | 23,295 | 40,256 | 46,460 |
| Europe - Sale of goods | 7,949 | 13,364 | 19,437 | 24,361 |
| Asia - Sale of goods | 1,155 | 3,483 | 2,374 | 4,692 |
| Rest of the World - Sale of goods | 3,384 | 1,960 | 10,702 | 7,028 |
| Total | 35,349 | 42,102 | 72,769 | 82,541 |
| Major product lines Sale of goods | 35,349 | 42,102 | 72,769 | 82,541 |

The Group recognises revenue from sale of goods at a point in time, when the Group satisfies a performance obligation and the customers obtain control of the goods.

5. Financial Assets and Financial Liabilities

5.1 Significant Items

| | Gro | oup | Gro | oup |
|---------------------------------------------------|--------------------------|--------------------------|--------------------|--------------------|
| | 2H FY2022 US\$'000 | 2H FY2021 US\$'000 | FY2022 US\$'000 | FY2021 US\$'000 |
| Interest income | - | - | - | 1 |
| Interest expense | (307) | (196) | (478) | (519) |
| Write-back of payables | ` - | 880 | - | 880 |
| Impairment of goodwill | (5,199) | - | (5,199) | - |
| (Loss)/Gain on disposal of property, plant and | | | | |
| equipment | (302) | - | (273) | 1,143 |
| Gain/(Loss) on lease modifications | 125 | (144) | 125 | 63 |
| (Write-back)/Impairment loss on trade receivables | (35) | - | 140 | - |
| Impairment loss on other financial assets | - | (8) | - | (8) |
| Gain/(Loss) on foreign exchange | 177 | (159) | (88) | (193) |
| Bad debts written back | - | 113 | - | 96 |
| (Allowance)/Write-back of inventory obsolescence | (611) | 736 | (866) | 738 |
| Depreciation of property, plant and equipment | (854) | (760) | (1,749) | (1,903) |
| Depreciation of right-of-use assets | (760) | (868) | (1,607) | (1,864) |
| Amortisation of intangible assets | (137) | (325) | (278) | (591) |
| Operating lease expense | (12) | (19) | (22) | (19) |

5.2 Related Party Transactions

There are no material related party transactions apart from those disclosed elsewhere in the condensed interim financial statements.

6. Taxation

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings.

7. (Loss)/Earnings Per Share

| (Loss)/Earnings per ordinary share | Gro | oup | Group | | |
|----------------------------------------------------------------------------------------------|----------------------|----------------------|----------------|----------------|--|
| of the Group, after deducting any provision for preference dividends | 2H FY2022 US\$ | 2H FY2021 US\$ | FY2022 US\$ | FY2021 US\$ | |
| (a) Based on weighted average number of ordinary shares on issue; and | (3.64) cents | 0.64 cent | (4.85) cents | 0.21 cent | |
| (b) On a fully diluted basis | (3.64) cents* | 0.64 cent* | (4.85) cents* | 0.21 cent* | |
| Weighted average number of ordinary shares used in computation of basic earnings per share | 271,662,227 | 271,662,227 | 271,662,227 | 271,662,227 | |
| Weighted average number of ordinary shares used in computation of diluted earnings per share | 271,662,227 | 271,662,227 | 271,662,227 | 271,662,227 | |

^{*} Diluted earnings per share are the same as the basic earnings per share because the potential ordinary shares to be converted are anti-dilutive as the effect of the share conversion would be to increase the earnings per share.

8. Net Asset Value

| | Gro | oup | Company | | |
|------------------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|--|
| | 31 Dec 2022 US\$ | 31 Dec 2021 US\$ | 31 Dec 2022 US\$ | 31 Dec 2021 US\$ | |
| Net asset value per ordinary share based on issued share capital | 12.37 cents | 17.44 cents | 12.56 cents | 15.51 cents | |
| Total number of issued shares | 271,662,227 | 271,662,227 | 271,662,227 | 271,662,227 | |

9. Intangible Assets

| Group 2022 | Trading name US\$'000 | Intellectual property rights US\$'000 | Capitalised development costs US\$'000 | Total US\$'000 |
|------------------------------------------------------------------------------------------------------------------|-----------------------------|------------------------------------------------|-------------------------------------------------|----------------------------|
| Cost Balance at 1 January and 31 December | 16 | 2,674 | 4,834 | 7,524 |
| Amortisation and impairment Balance at 1 January Amortisation charge Currency realignment | 16 - - | 1,043 211 3 | 4,767 67 - | 5,826 278 3 |
| Balance at 31 December | 16 | 1,257 | 4,834 | 6,107 |
| Net book value Balance at 31 December | | 1,417 | - | 1,417 |
| 2021 Cost Balance at 1 January and 31 December | 16 | 2,674 | 4,834 | 7,524 |
| Amortisation and impairment Balance at 1 January Amortisation charge Currency realignment Balance at 31 December | 16 - - 16 | 757 284 <u>2</u> 1,043 | 4,460 307 - 4,767 | 5,233 591 2 5,826 |
| Net book value Balance at 31 December | - | 1,631 | 67 | 1,698 |

10. Goodwill

| | Group | | |
|----------------------------------------------------------------------------|------------------------------|------------------------------|--|
| | 31 December 2022 US\$'000 | 31 December 2021 US\$'000 | |
| Cost Balance at the beginning and end of the year | 6,092 | 9,352 | |
| Allowance for impairment loss Balance at the beginning and end of the year | 5,199 | 3,260 | |
| Net carrying amount | 893 | 6,092 | |

10. Goodwill (cont'd)

10.1 Allocation of Goodwill

Goodwill has been allocated to the Group's cash generating unit ("CGU") identified according to the business segment as follows:

| | Group | | |
|---------------------------------------------------------------|------------------------------|------------------------------|--|
| | 31 December 2022 US\$'000 | 31 December 2021 US\$'000 | |
| Satellite Communications | | | |
| OnePath Networks Limited ("OPN") – Israel | 893 | 893 | |
| - Satellite Acquisition Corporation ("SAC") – United | | | |
| States of America | | 5,199 | |
| | 893 | 6,092 | |

11. Property, Plant and Equipment

| Furniture, Freehold Machinery & Motor fittings & property equipment vehicles equipment Renovations Tot | |
|--------------------------------------------------------------------------------------------------------|-------------|
| ÜS\$'000 ÜS\$'000 US\$'000 ÜS\$'000 US\$'000 US\$' | |
| Group | |
| 2022 | |
| <u>Cost</u> Balance at 1 January 2,871 17,907 40 7,813 1,438 30 | 069 |
| Currency realignment - 96 - (3) 8 | 101 |
| Additions - 429 - 19 22 | 470 |
| | 185) |
| | 293) |
| | 162 |
| | |
| Accumulated | |
| depreciation | |
| | 943 |
| Currency realignment (6) 15 - 8 9 | 26 |
| , , | 749 185) |
| Write-off - (183) - (2) - (Disposals (1) (11) | (12) |
| | 521 |
| | <u> </u> |
| Net book value | |
| | 641 |
| | |
| 2021 | |
| <u>Cost</u> | |
| | 669 |
| Currency realignment - (19) - 12 (1) | (8) |
| | 063 |
| | 069 |
| 2,671 17,907 40 7,013 1,436 30 | 009 |
| Accumulated | |
| depreciation | |
| | 259 |
| Currency realignment 44 322 - 70 | 436 |
| Depreciation charge - 1,541 - 275 87 1 | 903 |
| | 355) |
| Balance at 31 December 960 12,523 40 7,244 1,176 21 | 943 |
| | |
| Net book value | 400 |
| Balance at 31 December 1,911 5,384 - 569 262 8 | 126 |

11. Property, Plant and Equipment (cont'd)

| | Furniture, fittings & equipment US\$'000 | Renovations US\$'000 | Total US\$'000 |
|------------------------------------------------------------------------------------------|---------------------------------------------------|-------------------------|-------------------|
| Company 2022 Cost | · | | |
| Balance at 1 January and 31 December | 211 | 80 | 291 |
| Accumulated depreciation Balance at 1 January Depreciation charge Balance at 31 December | 192 19 211 | 79 1 80 | 271 20 291 |
| Net book value Balance at 31 December | - | - | |
| 2021 Cost Balance at 1 January and 31 December | 211 | 80 | 291_ |
| Accumulated depreciation Balance at 1 January Depreciation charge Balance at 31 December | 137 55 192 | 72 7 79 | 209 62 271 |
| <u>Net book value</u> Balance at 31 December | 19 | 1 | 20 |

12. Investment in Subsidiaries

| | Company | | |
|---------------------------------------------------------------|-------------------------|-------------------------|--|
| | 31 Dec 2022 US\$'000 | 31 Dec 2021 US\$'000 | |
| Unquoted equity shares, at cost | 40,533 | 40,533 | |
| Accounting for employee share options | 713 | 725 | |
| Currency realignment | 130 | 131 | |
| Less: Allowance for impairment loss | (23,552) | (16,014) | |
| | 17,824 | 25,375 | |
| Movement in the allowance for impairment loss are as follows: | | | |
| At the beginning of the year | 16,014 | 14,287 | |
| Impairment loss recognised during the year | 7,538 | 1,727 | |
| At the end of the year | 23,552 | 16,014 | |
| | | | |

12. Investment in Subsidiaries (cont'd)

Allowance for impairment loss

(i) Global Invacom Manufacturing Pte Ltd ("GIMPL")

As at 31 December 2022 and 31 December 2021, an allowance for impairment loss of US\$8,648,000 was made on the cost of investment in GIMPL, as the allocated CGU, to which the investment relates to, was incurring losses from operations due to the restructuring costs incurred. The recoverable amount was based on management's estimate of the fair value less costs to sell, with reference to the fair value of the net assets of GIMPL, which was considered to be Level 3 in the fair value hierarchy.

(ii) Global Invacom Holdings Limited and its subsidiaries ("GIHL Group")

As at 31 December 2022 and 31 December 2021, an allowance for impairment loss of US\$14,904,000 and US\$7,366,000, respectively, was made on the cost of investment in GIHL Group, as the allocated CGU, to which the investment relates to, was incurring losses from operations. The recoverable amount was based on management's estimate of the fair value less costs to sell, with reference to the fair value of the net assets of GIHL Group, which is considered to be Level 3 in the fair value hierarchy.

13. Borrowings

Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

| As at 31 Dec 2022 | | As at 31 Dec 2021 | |
|-------------------|-----------|-------------------|----------|
| Secured | Unsecured | Secured Unsecure | |
| US\$'000 | US\$'000 | US\$'000 | US\$'000 |
| 5,488 | - | 6,120 | - |

Amount repayable after one year

| As at 31 Dec 2022 | | As at 31 Dec 2021 | |
|-------------------|-----------|-------------------|-----------|
| Secured | Unsecured | Secured | Unsecured |
| US\$'000 | US\$'000 | US\$'000 | US\$'000 |
| - | - | - | - |

The revolving credit loans of US\$5,488,000 were secured over the assets of the subsidiaries and corporate guarantees provided by the Company and the subsidiaries.

14. Share Capital

| FY2022 | No. of shares | US\$'000 |
|------------------------------------------|---------------|----------|
| Balance as at 1 Jan 2022 and 31 Dec 2022 | 271,662,227 | 72,584 |
| FY2021 | No. of shares | US\$'000 |
| Balance as at 1 Jan 2021 and 31 Dec 2021 | 271,662,227 | 72,584 |
| | | |

There were 10,740,072 treasury shares held by the Company as at 31 December 2022 and 31 December 2021 and there were no subsidiary holdings.

14. Share Capital (cont'd)

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:

| | 31 Dec 2022 | 31 Dec 2021 |
|---------------------------------------------------------|-------------|-------------|
| Total number of issued shares excluding treasury shares | 271,662,227 | 271,662,227 |

Total number of treasury shares as at the end of the current financial period reported on:

| FY2022 | No. of shares | US\$'000 |
|------------------------------------------|---------------|----------|
| Balance as at 1 Jan 2022 and 31 Dec 2022 | 10,740,072 | 1,656 |

15. Subsequent Events

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

F. Other Information Required by Listing Rule Appendix 7.2

1. Review

The condensed interim consolidated statement of financial position of Global Invacom Group Limited and its subsidiaries as at 31 December 2022 and the related condensed interim consolidated statement of comprehensive income, condensed interim consolidated statement of changes in equity and condensed interim consolidated statement of cash flows for the six-month period and full year then ended and certain explanatory notes have not been audited or reviewed by the auditors.

2. Review of Performance of the Group

2.1 Review of Financial Performance

Revenue

The Group's revenue for the year ended 31 December 2022 ("FY2022") decreased by 11.8% to US\$72.8 million from US\$82.5 million in the prior year ("FY2021"). Revenue for the second half year ended 31 December 2022 ("2H FY2022") was US\$35.3 million against US\$42.1 million in the prior year ("2H FY2021"). Pressure on the Group's revenue during FY2022 has been sustained. The legacy recovery of global supply chains, combined with increased raw material prices, has impacted our ability to fulfill demand. In addition, the market requirement for our products has been impacted by the ongoing delays to the launch of satellites, delaying demand for some of our legacy products, and delays in bringing new products to market.

Geographically, Group revenue for FY2022 decreased in America, Europe and Asia by US\$6.2 million (-13.4%), US\$4.9 million (-20.2%) and US\$2.3 million (-49.4%), respectively and increased in Rest of the World ("RoW") by US\$3.7 million (+52.3%). Revenue for 2H FY2022 decreased in the same segments, America, Europe and Asia by US\$0.4 million (-1.9%), US\$5.4 million (-40.5%) and US\$2.3 million (-66.8%), respectively, compensated by an increase in RoW by US\$1.4 million (+72.7%), compared to the prior year.

Gross Profit

The decrease in revenue resulted in a 18.9% decrease in gross profit from US\$16.6 million in FY2021 to US\$13.4 million in FY2022. Gross profit margin has decreased marginally by 1.7 percentage points from 20.1% to 18.4%, where the Group, particularly our US subsidiary, has come under sustained selling price, labour shortage and material costs pressures. As demand and supply chains the Group operates within open up, the Group has experienced a net increase in pressure on our margins.

Similarly, gross profit decreased from US\$7.8 million in 2H FY2021 to US\$6.0 million in 2H FY2022. Gross profit margin has decreased by 1.3 percentage points from 18.4% to 17.1%.

Other Income

Other income in 2H FY2021 and FY2021 relates primarily to a grant from the US Government of US\$2.7 million, gain on disposal of equipment of US\$1.1 million, write-back of payables of US\$0.9 million and subsidy support received from various government bodies across the Group due to the COVID-19 pandemic.

Administrative and Research and Development Expenses

Administrative expenses, together with research and development expenses, for FY2022 decreased 8.2% to US\$19.2 million compared to US\$20.9 million in FY2021, representing 26.4% and 25.3% of revenue, respectively as a result of the ongoing cost savings measures to streamline certain core functions across the Group. For 2H FY2022, administrative and research and development expenses, decreased 9.1% to US\$9.1 million compared to US\$10.0 million in the previous year, representing 25.8% and 23.8% of revenue, respectively.

Impairment of Goodwill

The impairment charge in 2H FY2022 and FY2022 was attributed to a goodwill impairment of US\$5.2 million, which is non-cash in nature, related to the performance of the Group's US subsidiary. The requirement to recognise this charge has arisen due to the sustained loss making position of the Group's US subsidiary.

F. Other Information Required by Listing Rule Appendix 7.2 (cont'd)

2. Review of Performance of the Group (cont'd)

2.1 Review of Financial Performance (cont'd)

Profit Before Tax & Net Profit

The Group posted a loss before tax of US\$12.2 million in FY2022, compared to a loss before tax of US\$28,000 the prior year, representing a negative margin of 16.8% and 0.03%, respectively. For 2H FY2022, the Group recorded a loss before tax of US\$9.0 million compared to a profit before tax of US\$1.1 million in the prior year, representing a negative margin of 25.4% compared to a margin of 2.6%.

The Group received research and development tax credits from the UK Government and has written-off deferred tax assets of US\$1.3 million related to the US subsidiary.

Overall, the Group recorded a net loss of US\$13.2 million in FY2022, compared to a net profit of US\$0.6 million the prior year, representing a negative margin of 18.1% compared to a margin of 0.7%, respectively. For 2H FY2022, the Group recorded a net loss of US\$9.9 million compared to a net profit of US\$1.7 million in the prior year, representing a negative margin of 28.0% compared to a margin of 4.1%.

2.2 Review of Financial Position

Non-current assets decreased by US\$9.5 million to US\$12.7 million as at 31 December 2022, due to the impairment of goodwill and deferred tax assets.

Net current assets decreased by US\$5.8 million to US\$23.3 million as at 31 December 2022 compared to US\$29.1 million as at 31 December 2021. Inventories, trade and other receivables and trade and other payables decreased by US\$2.9 million, US\$7.8 million and US\$5.8 million, respectively, with decrease in demand and controlled purchases. In 2H FY2022, the Group's US subsidiary has also received US\$2.7 million in proceeds from the US government related a grant support which was accounted for within other receivables. Tax receivables remained at US\$0.2 million as at 31 December 2022.

Cash and cash equivalents decreased by US\$1.5 million to US\$9.2 million as at 31 December 2022 from US\$10.7 million at 31 December 2021, and borrowings decreased by US\$0.6 million to US\$5.5 million as at 31 December 2022 from US\$6.1 million as at 31 December 2021. The current portion of the lease liabilities remained at US\$1.6 million as at 31 December 2022.

With the repayment of leases, the non-current portion of the lease liabilities decreased by US\$1.5 million to US\$1.6 million as at 31 December 2022.

The Group's net asset value stood at US\$33.6 million as at 31 December 2022, compared to US\$47.4 million as at 31 December 2021.

2.3 Review of Cash Flows

In 2H FY2022, net cash generated from operating activities was US\$0.4 million, comprising US\$1.9 million cash outflow from operating activities (before working capital changes) and US\$2.3 million net working capital inflow.

In FY2022, net cash generated from operating activities was US\$1.2 million, comprising US\$\$2.7 million cash outflow from operating activities (before working capital changes), US\$4.2 million net working capital inflow and US\$0.3 million payment of interest and income tax.

Net cash used in investing activities in 2H FY2022 and FY2022 amounted to US\$0.2 million and US\$0.5 million, respectively, relating predominately to the purchase of machinery and equipment, offset against proceeds from the disposal of property, plant and equipment.

Net cash used in financing activities in 2H FY2022 and FY2022 was US\$0.9 million and US\$2.2 million, respectively, attributable to the net proceeds of borrowings and repayment of lease liabilities.

The Group recorded a net decrease in cash and cash equivalents amounting to US\$0.7 million and US\$1.5 million in 2H FY2022 and FY2022, respectively, bringing cash and cash equivalents per the consolidated statement of cash flows to US\$9.2 million as at 31 December 2022.

- F. Other Information Required by Listing Rule Appendix 7.2 (cont'd)
- 3. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

No prospect statement was made.

4. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

As a designer, manufacturer, and provider of high-tech products with an international customer and employee base, 2022 continued to be a challenging trading environment for the Group. The Group's net loss is substantially attributed to its US operations, with impacting factors including the sale of key products being postponed due to delays in customer demand.

Considerable macroeconomic headwinds impacted the Company's financial and operational performance in the year ended 31 December 2022, and ongoing inflationary pressures, along with reduced transportation costs leading to increased competition from overseas suppliers, particularly into the US market, are also expected to impact the performance of the business in the current financial year. Global Invacom is focused on mitigating the effects of global supply chain issues on its core business activities and ensuring the Group is optimised as pressures subside.

In Q3 FY2022, the Group commenced a comprehensive review of its operations, focused on bolstering its operational platform and management capabilities aimed at generating greater shareholder value. The review continues to assess the Group's assets and cost base to streamline certain core functions, whilst utilising its extensive research and development capabilities to seek and secure new markets and customers.

The current financial year is expected to be challenging for the Group due to the prevailing economic pressures on the business. The supply chain and inflationary pressures experienced in 2022 are forecast to ease during FY2023.

In order to establish long-term growth, and as part of its operational restructuring, Global Invacom remains committed to technological innovation and development. By working in collaboration with key customers, the Group is well positioned to maintain its reputation of developing best-in-class solutions for the satellite industry.

F. Other Information Required by Listing Rule Appendix 7.2 (cont'd)

5. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

None.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

None.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

Due to the operating conditions faced by the Group, no dividend has been declared or recommended for the year ended 31 December 2022.

7. If the Group has obtained a general mandate from shareholders for Interested Person Transactions ("IPTs"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPTs mandate has been obtained, a statement to that effect.

The Company does not have a shareholders' mandate for IPTs for the year ended 31 December 2022.

8. Confirmation Pursuant to Rule 705(5) of the Listing Manual

We do hereby confirm, for and on behalf of the Board of Global Invacom Group Limited (the "Company"), that to the best of our knowledge, nothing has come to the attention of the Board of the Company which may render the financial results for the year ended 31 December 2022 to be false or misleading in any material aspect.

9. Confirmation Pursuant to Rule 720(1) of the Listing Manual

Global Invacom Group Limited confirms that undertakings under Rule 720(1) have been obtained from all its directors and executive officers in the format set out in Appendix 7.7.

10. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Neither Global Invacom Group Limited nor any of its principal subsidiaries have any person occupying a managerial position who is related to a director, chief executive officer or substantial shareholder.

On behalf of the Board

Wayne Robert Porritt Independent Non-Executive Chairman

Gordon Blaikie Executive Director

BY ORDER OF THE BOARD Wayne Robert Porritt Independent Non-Executive Chairman

27 February 2023