

GLOBAL INVACOM

SGX-WeR1 Investment Seminar
5 October 2016



global invacom
completing the picture

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About Global Invacom

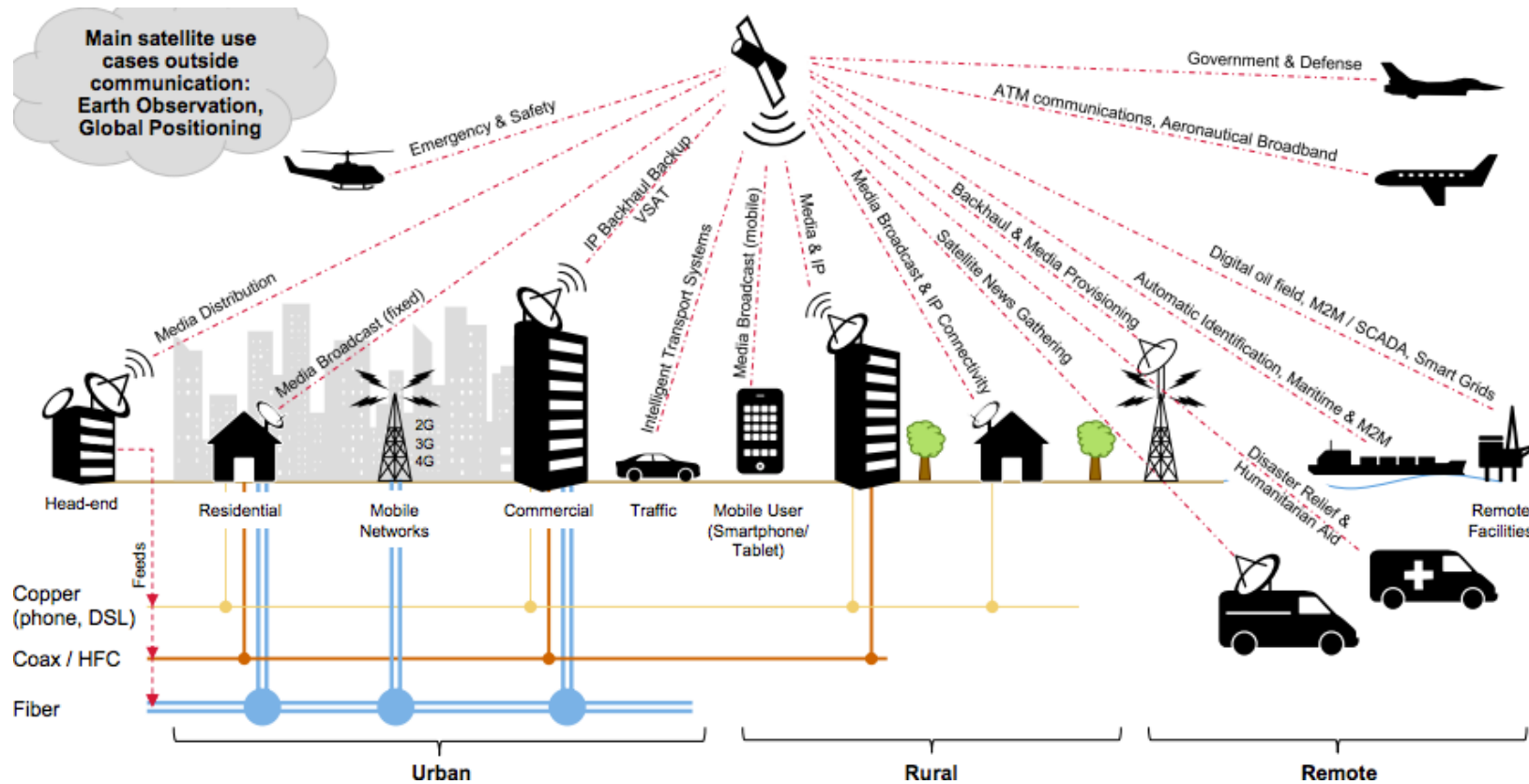


Global Invacom

- Leading designer and manufacturer of fully integrated satellite communications (“Sat Comms”) ground equipment
- Listed on the Mainboard of SGX-ST and the AIM Market of the London Stock Exchange
- One of seven companies worldwide involved in R&D, design and supply of Sat Comms products to large-scale satellite broadcasters
- 58 patent applications, 63 granted patents, and a 30-year track record in pioneering new products

Satellite Advantage

Low-cost, ubiquitous coverage in cities, especially remote regions where terrestrial networks fall short of high reliability and high speed



How Sat Comms Work



Uplink Stations

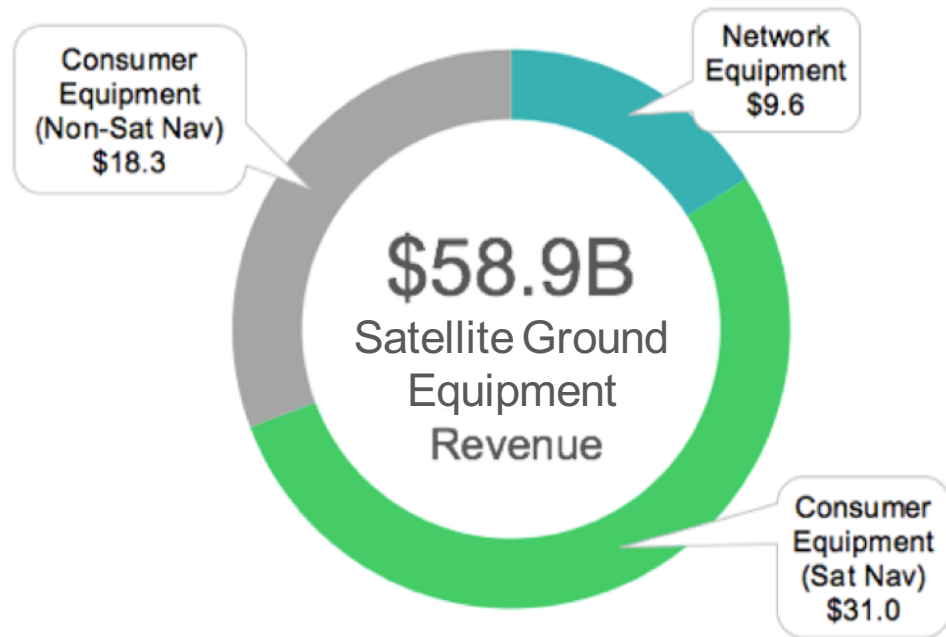
TV content from broadcasters is processed by the operator and sent to the uplink station, where it is beamed up to the satellite.



Dish & LNBS

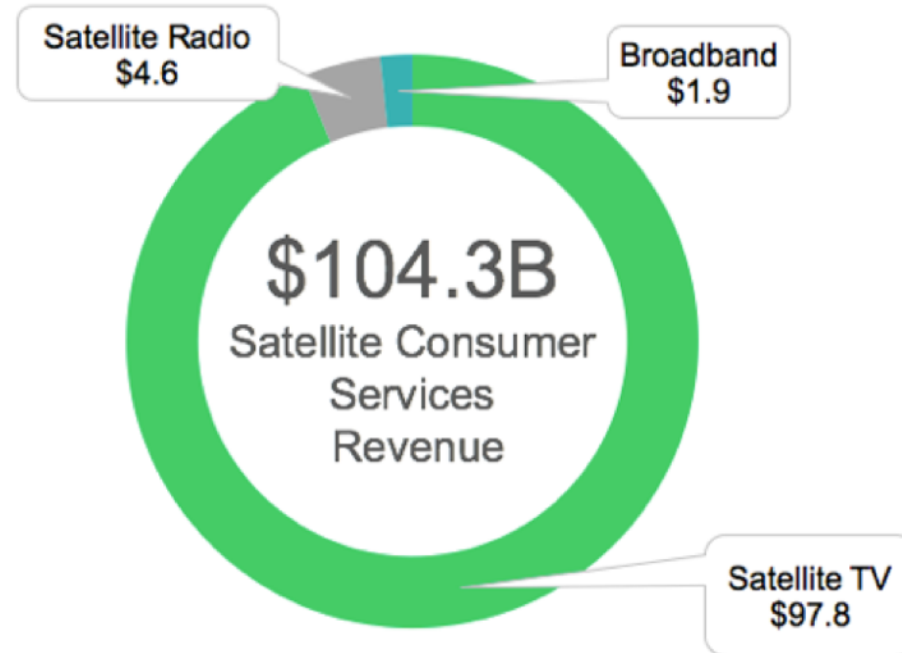
A dish and LNB receive signals from satellites, which are then converted before being passed to the set top box, decoded, and displayed on TVs.

By the Numbers



Global Satellite Ground Equipment (“SGE”) market valued at US\$58.9B in 2015, expected to continue growing (grew 1% since 2014)

Global satellite manufacturing and launch market expected to grow at CAGR of 5.14% between 2014 and 2019



The booming satellite TV industry accounted for nearly 80% of satellite consumer revenues in 2015, and is rising YoY

Examples: Astro (Malaysia), SkyTV (UK)

SGE In Demand

Low Noise Blocks (LNBs)

- Receive, amplify and downconvert satellite microwave signals for transmission to indoor receiver
- Standard and custom LNBs for single/multiple bands and orbital slots
- Group also manufactures feedhorns (which direct satellite signals to LNB) and waveguides (for filtering and conversion of polarised signals)

Fibre Integrated Reception System (FibreIRS)

- 8 years in development across UK & China
- Scalable fibre optic cable system with almost unlimited bandwidth
- Delivers signal capacity equally over great distances via Passive Optical Network

SGE In Demand

Very Small Aperture Terminals (VSATs)

- Low-cost connectivity for internet usage, transactions and rural telecommunications
- Internet, VoIP, Point of Sale services, on-the-go Sat Comms

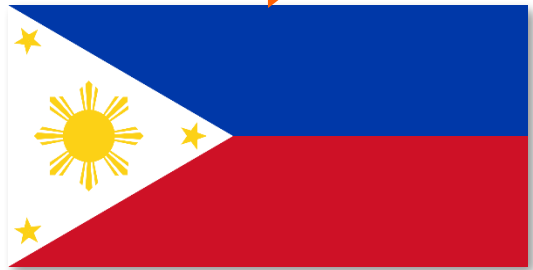
Ka-, Ku-, C-band Antennas

- Largely used in communication satellites, broadband networks
- Ku- and C-band primarily used for TV transmission

Home Satellite Systems

- Entertainment-related services
- DISH/Echostar, SkyTV, Astro, etc

Emerging Markets in Asia



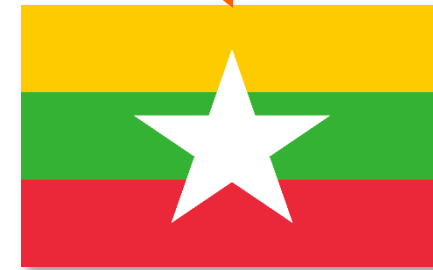
Disaster Relief

The Philippines is in talks to deploy Sat Comms services in rural islands to prepare for future natural disasters



Financial Services

Bank Rakyat Indonesia (BRI) launched its own satellite to facilitate financial transactions in rural areas around the country



Internet Services for All

The Burmese government has committed to hooking up 70% of its 54 million population to a broadband connection by 2019

Clients & Partners



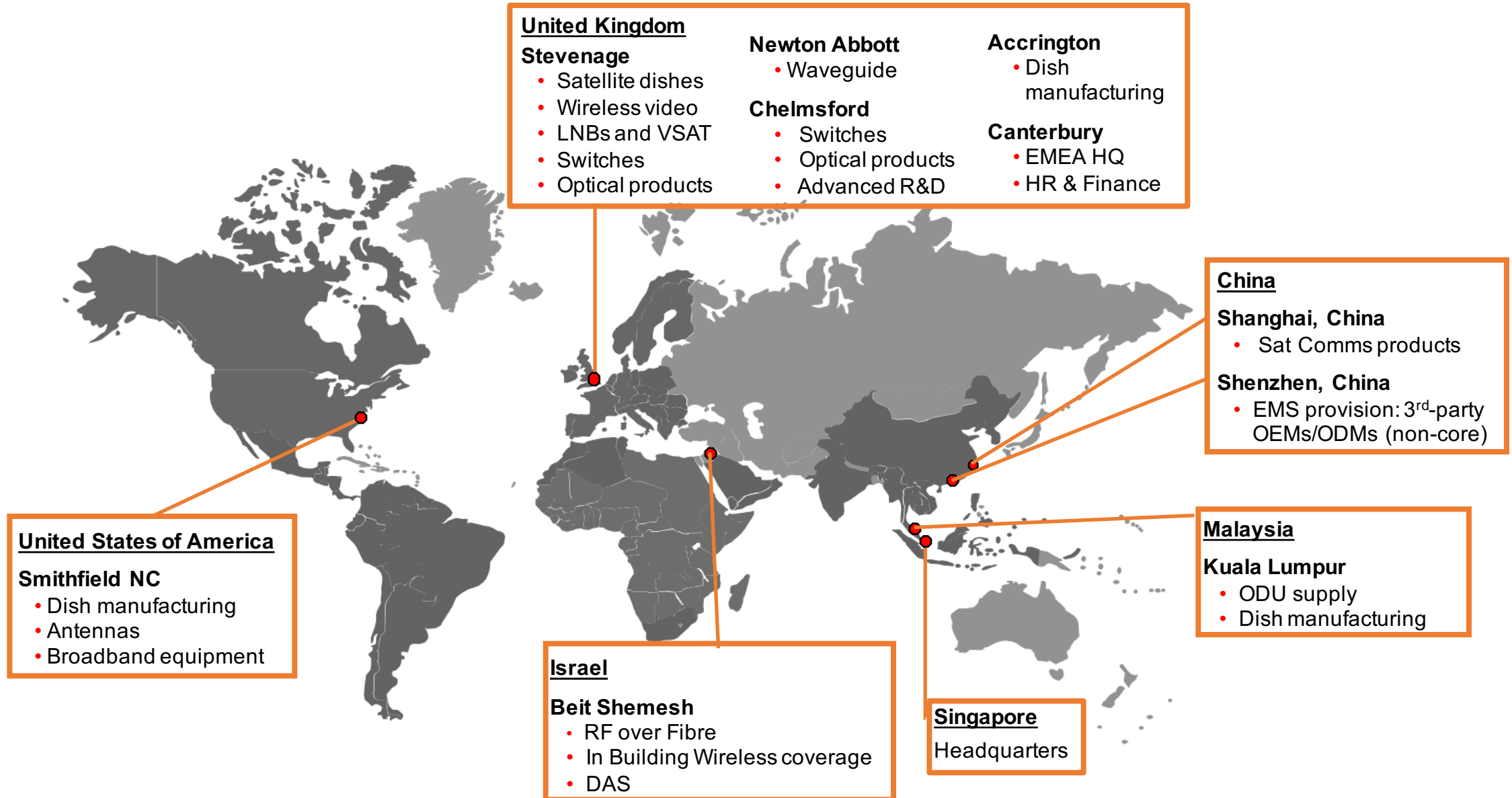
ECHOSTAR

HUGHES[®]
An EchoStar Company



Shaw) Broadcast
Services

Global Footprint



“The global satellite sector is valued at US\$208bn in 2015, and SGE numbers are expected to grow 5% per year”

- The Tauri Group

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Recent Developments

1H FY2016 In Review



1H FY2016 In Review

- **New technological developments**

- Introduction of digital channel stacking (“DCS”) technology that allows up to 32 continuous video streams from a single Low Noise Block (“LNB”) has caused major customers to destock; expected to persist in 2H FY2016
- New rack mounts for VSATs and GPS products
- Group is completing research on next-gen LNBS, positioning for improved sales

- **Higher expected demand for HD and 4K content from satellite broadcasters**

- Especially in emerging markets; more product launches expected in upcoming year

1H FY2016 In Review

- **Increased sales and marketing initiatives across all geographical markets**
 - Regional sales forces combined
 - Increased emphasis on cross-selling
- **New orders from telecommunications providers/suppliers**
 - 5,500 1.8m Ku-Band Very Small Aperture Terminals (VSAT) to US customer
 - 14,000 VSATs to Indonesia's PT ANTA Mediakom for communications, online financial services
 - Leading US broadcaster that will launch two satellites later in the year

1H FY2016 In Review

- **Restructuring and overhaul after Skyware Global acquisition**
 - Consolidation of supply chain, new quality control measures, strong key management team
 - Positive feedback from clients
 - First full-year revenue contributions to be recognised in FY2016
- **Focus on cost control**
 - Direct material cost reductions
 - Improved labour efficiencies
 - Drive to reduce fixed cost spend

The background of the slide is a grayscale photograph of several tall stacks of coins. The stacks are arranged in a row, with the focus on the middle stack, making the foreground and background stacks slightly blurred. The lighting creates highlights on the edges of the coins, emphasizing their texture and the depth of the stacks.

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Global Invacom Financials

Financial Highlights Q2 FY2016

| US\$'000 | Q2 FY2016 | Q2 FY2015 | Change (%) |
|--|-----------|-----------|------------|
| Revenue | 33,517 | 26,933 | 24.4 |
| Gross Profit | 7,301 | 5,305 | 37.6 |
| Gross Profit Margin | 21.8% | 19.7% | 2.1 |
| Net Profit/(Loss) after Tax | 225 | (1,907) | N.M. |
| Diluted Earnings/(Loss) per Share (US cents) | 0.08 | (0.74) | N.M. |

Financial Highlights 1H FY2016

| US\$'000 | 1H FY2016 | 1H FY2015 | Change (%) |
|-----------------------------------|-----------|-----------|------------|
| Revenue | 64,275 | 53,970 | 19.1 |
| Gross Profit | 12,980 | 11,152 | 16.4 |
| Gross Profit Margin | 20.2% | 20.7% | (0.5) |
| Net Loss after Tax | (429) | (2,840) | (84.9) |
| Diluted Loss per Share (US cents) | (0.16) | (1.09) | (85.3) |

Balance Sheet

| US\$'000 | 30 Jun 2016 | 31 Dec 2015 | Change (%) |
|--------------------------------------|-------------|-------------|------------|
| Total Assets | 87,037 | 89,539 | (2.8) |
| Total Borrowings | 5,599 | 5,348 | 4.7 |
| Total Equity | 54,685 | 54,462 | 0.4 |
| Cash & Cash Equivalents | 12,479 | 8,866 | 40.8 |
| Net Asset Value per Share (US cents) | 20.13 | 20.05 | 0.4 |

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Outlook & Investment Merits



“With the launch of satellite Jupiter 2 and a more exclusive deal with Echostar, the Group’s turnaround is solidly in place”

- RHB Investment Bank

Share Price Performance

Global Invacom Group Ltd (QS9.SI) - SES

0.14 ↓0.01 (6.67%) 16:53 SGT



After announcement of Skyware Global's new partnership, the Group's preliminary statement on Brexit, and RHB report

Investment Merits

- Group turnaround in place
 - Revenues increasing
 - Skyware Global restructuring has attracted new and former clients
 - UK restructuring has reduced fixed costs
 - Company in profit
- Innovative new products slated to be released in the year ahead
- The only supplier with a global footprint in Europe, North America & Asia
- Relationships with major broadcasters globally

Stock Data

| Basic Share Data | As at 4 Oct 2016 5.50 PM |
|---|--------------------------|
| Share Price | 0.156 |
| Net Asset Value per Share | 0.2716 |
| Trailing P/E | 25.653 |
| Total Shares | 282,402,000 |
| Issued & Paid-up Shares <i>(not including Treasury Shares)</i> | 271,662,000 |
| Treasury Shares | 10,740,000 |
| Market Capitalisation | 42,379,000 |

Data: ShareInvestor; Currency: SGD

THANK YOU

Media and Investor Contact Information

WeR1 Consultants Pte Ltd
3 Phillip Street, #12-01 Royal Group Building
Singapore 048693
Tel: (65) 6737 4844 | Fax: (65) 6737 4944
Grace Yew, graceyew@wer1.net