GLOBAL INVACOM

FY2018 Annual General Meeting

global invacom
completing the picture

AGM Agenda

- FY2018 Financial Review
- Corporate Highlights
- 5G
- Outlook
- Q&A

FY2018
Financial Review

FY2018 Financial Highlights

- FY2018 net profit of US$1.5 million
- Q4 FY2018 represents eighth consecutive quarter of profitability
- Increase in volume of shipments of recently launched Western Arc Slimline Low Noise Block (”LNB”) to major U.S. customer, with Eastern Arc model shipments commencing in Q1 FY2019
- Shipment of new 90 cm satellite antenna to U.S. customer as sole supplier throughout FY2018, with shipments on a non-exclusive basis to continue throughout FY2019 and beyond
- New revenue from Data over Satellite (‘DOS’) electronics products following the acquisition of assets and the R&D function of Skyware Technologies

FY2018 Financial Highlights

- Gross margin impacted by US$1m of spot buy costs as the supply market continued to struggle to meet demand for components from its customers

- Increased investment in R&D (FY2018: US$2.8m; FY2017: US$1.6m) during the year contributed to the exclusivity of product revenues and gives a strong position with customers

- Other increased Administration costs arose from the new DOS business inclusion, as well as the resolution of a dispute with UK tax authorities

- One-off gain from the bargain price adjustment for Skyware Technologies assets

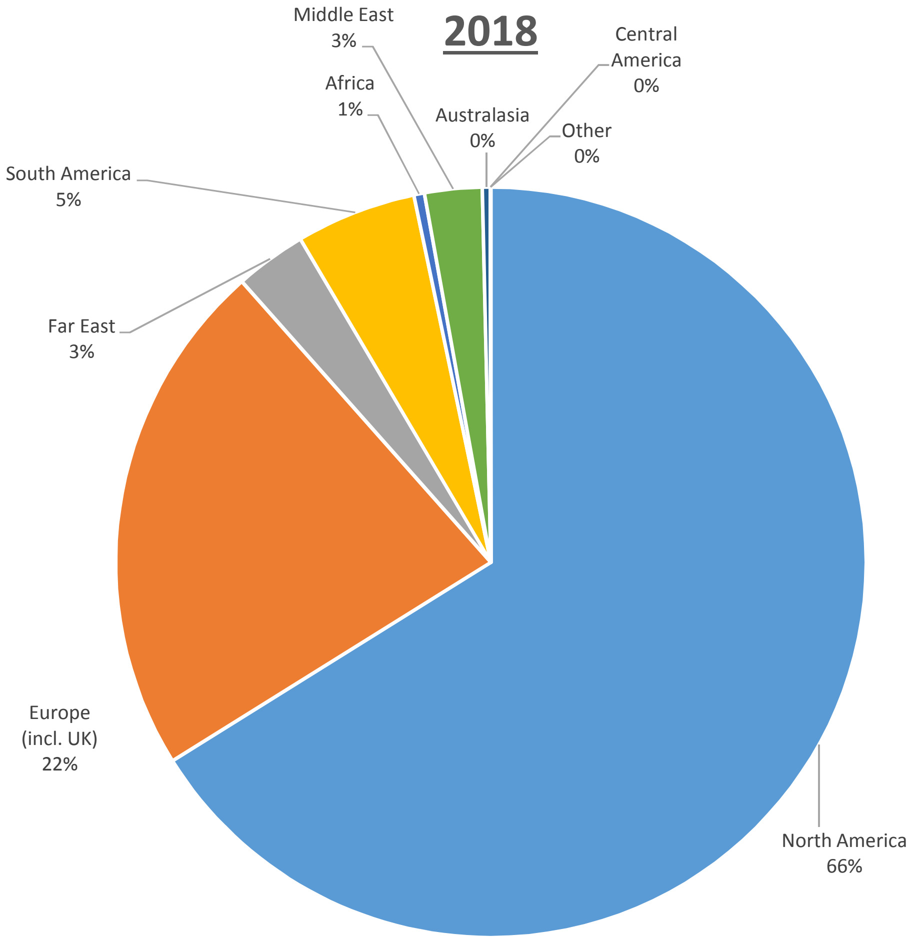
- End of year cash reduction from acquisition, investment in Tactilis and increased end of year revenues from new products

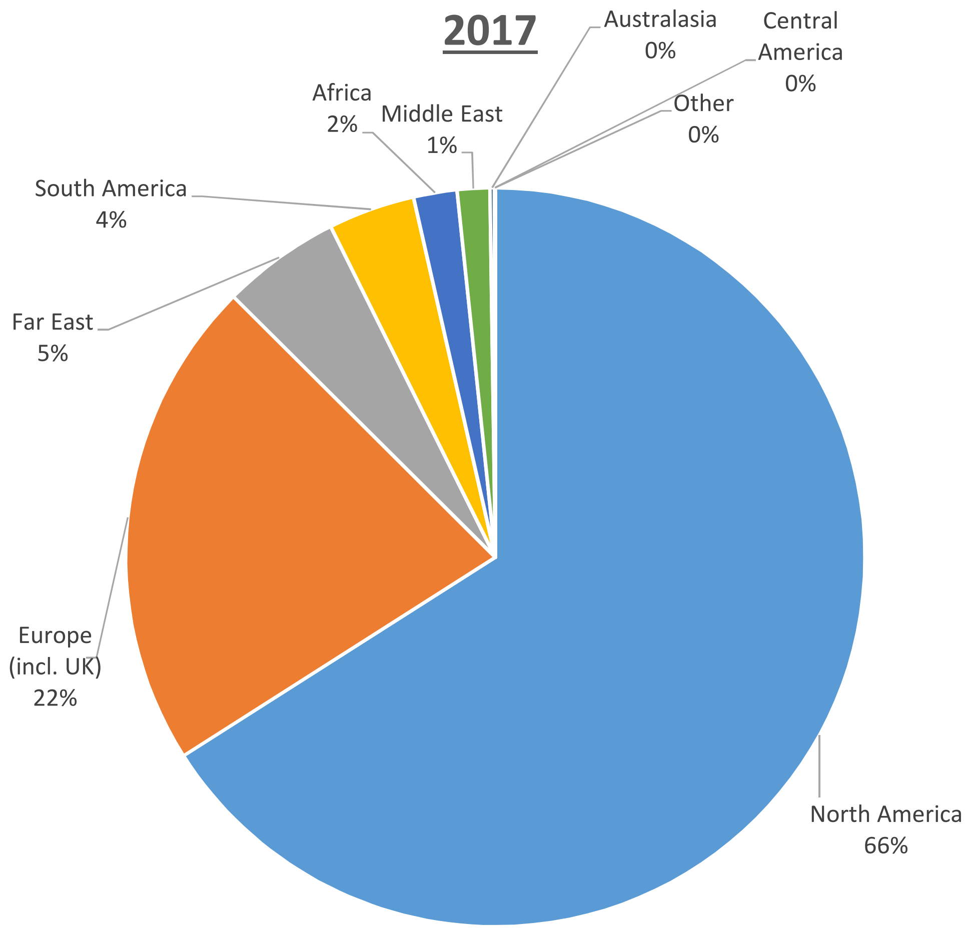
FY2018 Key Financials

US$'000	FY2018	FY2017	Change (%)
Revenue	122,292	115,706	5.7
Gross Profit	25,188	24,191	4.1
Gross Profit Margin	20.6%	20.9%	(0.3ppt)
Net Profit after Tax	1,536	2,949	(47.9)
Diluted Earnings Per Share (US cents)	0.57	1.08	N.M.
NAV Per Share (US cents)	20.84	20.42	2.1

- Revenue increased 5.7% to US$122.3m (FY2017: US$115.7m), due to higher contributions from America and Europe
- Gross profit increased 4.1% to US$25.2m (FY2017: US$24.2m), despite continuing spot buy pressures and the U.S. operation experiencing increased steel prices and a broken tool resulting in high expediting, freight and duty costs
- Gross profit margin remained relatively steady at 20.6% (FY2017: 20.9%)
- Net profit after tax of US$1.5m (FY2017: US$2.9m), impacted by higher cost of sales, R&D and increased administration costs

Revenue Breakdown: Geographical



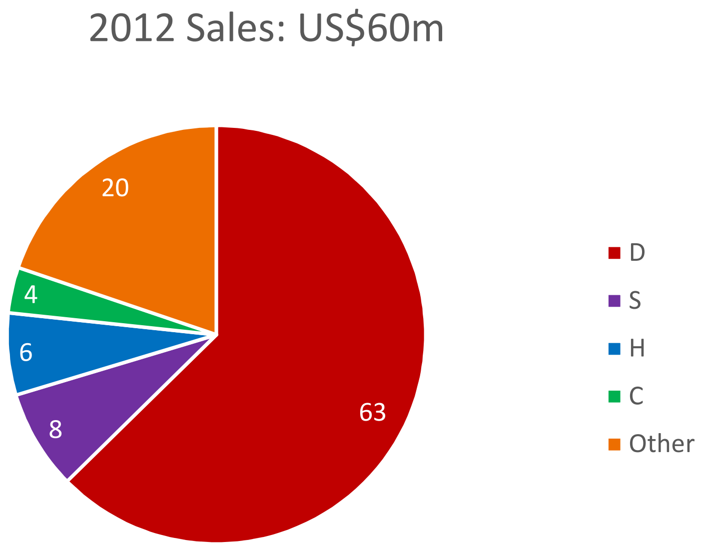


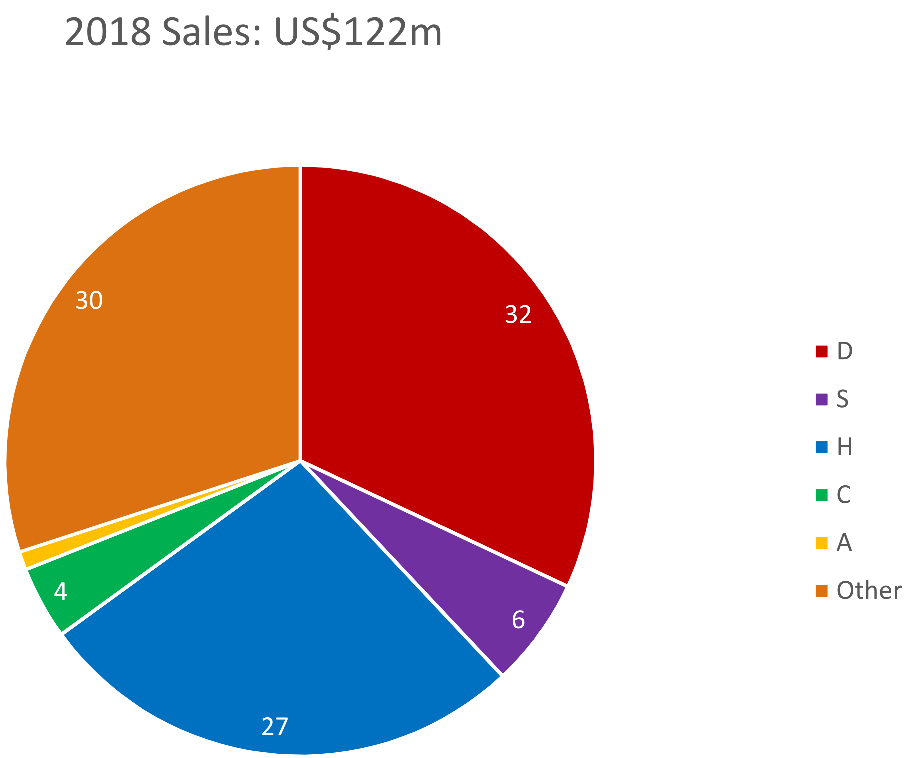
Corporate Highlights

Milestones

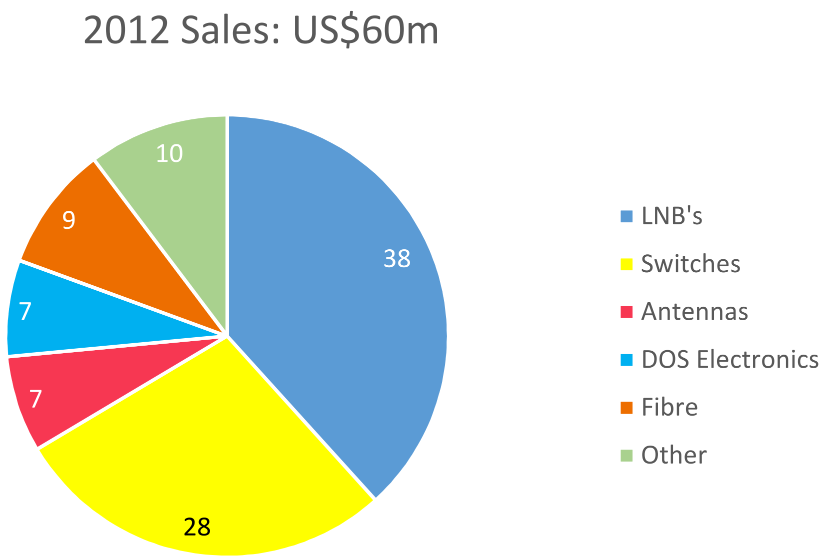
Year	Milestone
1985	**Formation of Global Communications** Sold RF multiswitches
2010	**Obtained controlling interest in Radiance Group** Manufacture of DTH electronics, fibre and peripherals
2012	**Completed RTO, and acquisition of Waveguide Solutions** Design and manufacture of waveguides and antennas
2014	**London AIM listing, and acquisition of Foxcom** Manufacture of two-way fibre secure satellite, radio and telephony equipment
2015	**Acquisition of Skyware Global** Major move into DOS and DTH antennas
2016	**Consolidated China manufacturing sites**
2017	**Slimline’s LNB (gen 3 DCSS) live video streaming**
2018	**Acquisition of Skyware Technology assets and development team** Design and manufacture of DOS electronics

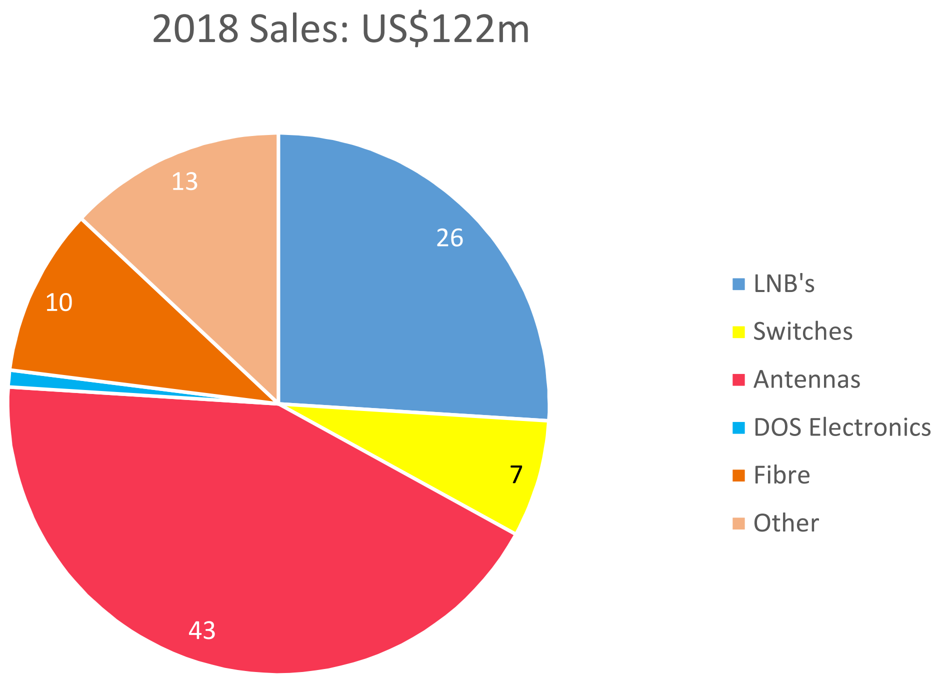
Customer Split: 2012 & 2018





Product Split: 2012 & 2018





Recent Developments

Date	Development
12 Jul 2018	Launches Hangar Repeater Solution that enables 24/7 avionics testing of Inmarsat, Iridium and GPS satellite signals indoors
5 Sep 2018	Acquires assets with IP, R&D team and inventory from Skyware Technologies to offer the total DOS terminal solution
Oct 2018	Launches Western Arc Slimline LNB, with exclusive shipments to a major U.S. customer till end of Q1 FY2019
Dec 2018	Commences shipment of Eastern Arc Slimline LNB to the same customer
6 Mar 2019	Global Skyware makes first shipment of fully integrated and cost-effective VSAT, FiberGo
14 Mar 2019	Partners with Edgewater Wireless to further develop live, high quality and large-scale event video streaming technology Broadcast WiFi

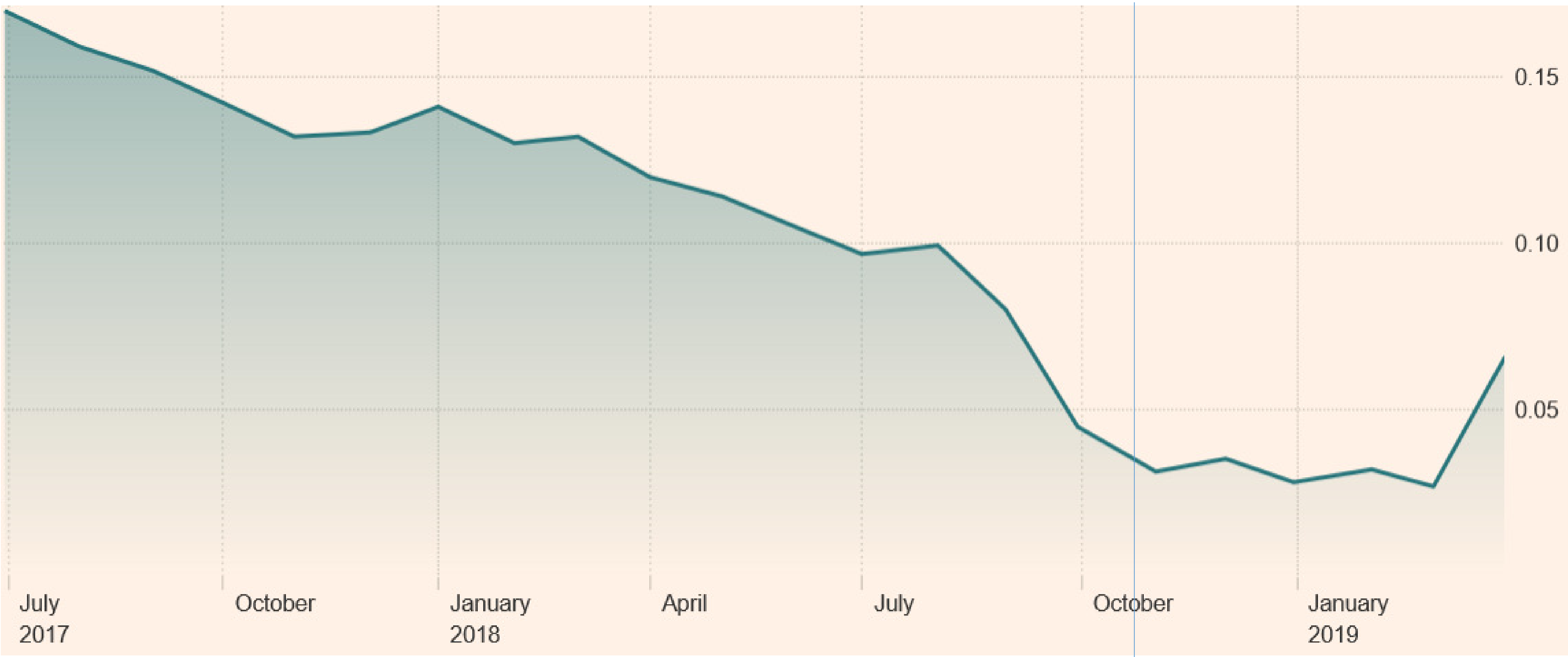
Termination of Proposed Acquisition of Tactilis

Global Invacom and the Vendor have decided to mutually terminate the Proposed Acquisition, due to difficulties in fulfilling all of the Conditions Precedent in the sale and purchase agreement ("SPA").

1. The SPA has been mutually terminated with immediate effect
2. Both Global Invacom and the Vendor mutually waive the Break Fee of US$20 million under the SPA

For more information, please refer to the SGX announcement dated 21 April 2019.

Termination of Proposed Acquisition of Tactilis



Announcement of Tactilis RTO


5G

What is 5G?

Pretty Much Mission Impossible

- Volume
- Speed
- Always Best Connected
- No Perceived Delay
- Massive Number of Users & Things
- Energy Efficient
- Flexible Integrated Programable Networks
- Secure Networks

Mobile Data Growth

- Mobile Data Traffic will multiply by x5 in the next years
- According to a report commissioned by Ericsson in 2017 the world consumed 15 Exabytes of mobile data or 15 quintillion bytes
- This will grow to 50 Exabytes or 50 quintillion bytes by 2021
- Voice Data is static
- US will lead 5G data move, then Central and Eastern Europe LA A/P ME and Africa
- Video dominates growth

Source Hispasat VI Satellite Innovation Day 4th April 2018

Problems to Solve

- 5G aims at providing a minimum of 50Mbps everywhere independent of location
- Current Broadband rollout is failing in densely populated areas, as the systems cannot upscale fast enough
- The demand for capacity is outstripping the ability to improve the infrastructure
- Areas which are difficult to access, that are scarcely populated
- Areas where the cost of the overall network must be very low.

The Opportunity

Plan for 7 billion users and 7 trillion IoT connected devices

Rollout Key Points

- 5G will focus initially on big cities
  - Best return
  - May leave non-urban users disenfranchised
- Hardware will be more expensive to begin with
  - Elites to adopt first
- Solution will be a mix of HTS, MEO, LEO and terrestrial

Summary

- Without the support of satellite technology, 5G may never become a truly global network
- Congestion on 5G network will be a problem as M2M and IoT pervades
- Data demand is accelerating exponentially among physical users
- The future of satellite continues to be bright

Industry Outlook

Industry Outlook

There is a continued focus world wide on DOS development and distribution. This includes the ongoing development for 5G which incorporates satellite technology within its proposed distribution backbone as well as the increased requirement for internet access everywhere.

The recent proposed acquisition of Newtec Group by Singapore Technologies Engineering Ltd for €250m (approximately S$383m), at 14.6 times Newtec's EBITDA and 2.7 times revenue, shows the values now being attributed to this sector.

THANK YOU / Q&A

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