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Global Invacom Group Limited
("Global Invacom", the "Company" or the "Group")

Half year results for the six months ended 30 June 2023

Singapore/London, 11 August 2023 - Global Invacom (SGX: QS9) (AIM: GINV), the global provider of satellite communications equipment and electronics, announces its financial results for the six months ended 30 June 2023 ("1H FY2023").

The Group continues to see some lag in demand for certain legacy products as a result of delays to launch schedules which are being seen across the industry. This, alongside continued supply chain issues, has resulted in the Group recording a net loss after tax for the year. However due to increased business focus on product mix, gross profit improved.

Key financial highlights:

- Revenue for 1H FY2023 decreased 16.3% to US\$31.3 million (1H FY2022: US\$37.4 million)
- Gross profit increased 12.7% to US\$8.3 million (1H FY2022: US\$7.4 million)
- Gross profit margin increased to 26.5% (1H FY2022: 19.7%)
- Net loss after tax of US\$2.1 million (1H FY2022: US\$3.3 million)
- Cash and cash equivalents of US\$5.5 million at 30 June 2023 (30 December 2022: US\$9.2 million)

Key operational highlights:

- Sustained focus on development and launch of market-leading products to respond to client and sector demands
- Management is pleased to report that we have started to ship our new XRJ Ka Band transceiver product to customers. Whilst the completion of the manufacturing process has taken longer than initially planned, which has impacted 1H sales levels, we continue to see encouraging levels of market interest for the product
- Development of two new non-geostationary gateway antenna ("NGSO") products in the period:
 - Titan, the Group's latest multi-constellation and multi-band gateway antenna platform for permanent or temporary deployment
 - Obliquiti, a new Low Earth Orbit ("LEO") and Medium Earth Orbit ("MEO") platform for broadband and narrowband use, equipped with AI-based software for satellite acquisition, tracking and switching
- Delays to launches across the satellite industry have resulted in customers postponing orders for certain legacy products, which has had an impact on trading in the first half of the year

- Whilst pressures on global supply chains have started to ease, there remains pressure on the semiconductors supply chain, which has impacted on the Company's revenue generation capabilities
- We are starting to see the benefits of the strategic review, which was announced in Q3 FY2022, with progress made in stabilising our operations and streamlining core functions
- The Board strategic review remains ongoing, as it continues to assess the Group's existing corporate and operational structure, the Company's cost base, and to streamline certain core functions in order to maximise stakeholder returns in the medium term

There has been continued supply chain disruption experienced in the satellite communications sector. As a designer, manufacturer, and provider of technologically advanced satellite communication products to an international customer base, this disruption has inevitably resulted in sustained challenging trading conditions for the Group. Despite customers continuing to delay the purchase of some products and with postponements to launch schedules, the Group moved quickly to optimise efficiencies at our US manufacturing facilities, which has resulted in an improvement in our net loss compared to 1H FY2022. We envisage these challenging macro-economic dynamics will be present for some time to come, and remain focused on mitigating these pressures while ensuring the Group is well poised to respond to customer demands and requirements for new products.

Despite the continued headwinds, the Group has made progress in 1H FY2023 with gross profit increasing 12.7% to US\$8.3 million, and delivering a 6.8 percentage points improvement in gross profit margin to 26.5%, driven by increased business focus on product mix.

Our research and development ("R&D") team continue to bring new products to market in response to customer demands and on the assessment of the broader marketplace. The Group's latest multi-constellation and multi-band gateway antenna, Titan, was developed in the first half of the year. Titan is a NGSO which uses an ultra-robust lightweight carbon fibre composite and provides operators with deployment flexibility and uncompromised performance. During the period the Group also continued to develop the Obliquiti NGSO, a novel platform for broadband and narrowband use. Obliquiti is suitable for fixed, nomadic and mobile applications, and is equipped with SatSenz, the Group's AI-based software for satellite acquisition, tracking and switching.

We continue to see increasing demand for satellite communication systems, driven by growth in the demand for data and connectivity globally. A recent report shows that the number of global Internet of Things ("IoT") connections grew by 18% in 2022 to 14.3 billion active IoT endpoints, with a further 16% growth expected in 2023¹. Furthermore, there is increasing awareness of the need for mission critical communications systems which are able to maintain communications when land-based infrastructure is disrupted or unable to cope with challenging geographical terrain.

The Company remains focused on enhancing its R&D team to ensure the Group is well-placed to deliver cutting-edge, market-leading products, and thereby maintaining its position as a technological pioneer, supporting the ever-growing satellite industry. We are building the right team to continue to deliver best-in-class solutions, and to work alongside customers to respond to specific demands and requirements, cementing our role as an integral equipment provider and partner in the satellite communications ecosystem.

¹ <https://iot-analytics.com/number-connected-iot-devices/#:~:text=The%20latest%20IoT%20Analytics%20%E2%80%9CState,to%2016.7%20billion%20active%20endpoints.>

Outlook

Due to the continued pressures in the broader trading environment, the current financial year is expected to continue to be challenging for the Group.

The Board strategic review remains ongoing, as it continues to assess the Group's existing corporate and operational structure, and to streamline certain core functions, whilst seeking to secure new markets and customers and maximise stakeholder returns in the medium term.

Gordon Blaikie, Interim Chief Executive Officer of Global Invacom, commented:

“We continue to make steady progress, as we have focused our attentions on situations under our control, which – alongside our ongoing strategic review – has resulted in delivering an improved gross profit for the first half of the year.

“We are cognisant of market demands, and the need to develop and launch new products and have seen our R&D team develop exciting new NGSO products for the market.

“Whilst the market continues to experience delays to satellite launches, we are now seeing signs of renewed customer activity and an acceleration of timetables. We remain committed to our technology and working with our partners to ensure we are an integral part of the supply chain process.

“The Board and management would like to thank the entire team at Global Invacom for their continued efforts and dedication to the business, without whom we would not be able to deliver the quality of products required for such a demanding environment.”

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About Global Invacom Group Limited

Global Invacom Group comprises a number of companies specialising in innovative technology, products and solutions for the satellite ground equipment sector. Uniquely, the Group provides fully integrated manufacturing for most of its product lines providing additional quality and supply chain assurance to a global blue-chip customer base in the satellite communications, satellite TV and satellite navigation markets.

The Group has an established global presence with sales offices, research and development centres and manufacturing facilities across the world, including Singapore, China, Indonesia, the Philippines, Malaysia, Israel, the UK, and the USA.

Global Invacom is listed on the Mainboard of the Singapore Exchange Securities Trading Limited and its shares are admitted to trading on the AIM Market of the London Stock Exchange.

For more information, please refer to www.globalinvacom.com