Grand Venture Technology

1H23 Results Presentation

10 August 2023

Engineering the future of innovation with you

1H23 Key Developments

Semiconductor

- Penang capacity and equipment expansion that is targeted for front-end is **on track for completion by Q4 FY23**
- **Started small volume production for newly captured blue-chip front-end semiconductor customers** and making good progress in delivering first articles and obtain qualifications for additional products
- **Continued success in our deliberate strategic initiative to grow our pool of customers during the slowdown** by selectively onboarding new front-end customers (metrology, inspection, etch and wafer deposition)

Life Sciences

- **Obtained qualifications for new projects and delivered first articles** for existing Life Sciences customers

Aerospace

- **New facility has allowed us to localise several processes (annealing and plating)** that will boost margins and increase our competitiveness to grow wallet share
- Our growing competencies have paved the way for us to **win wallet share in other mission critical components**

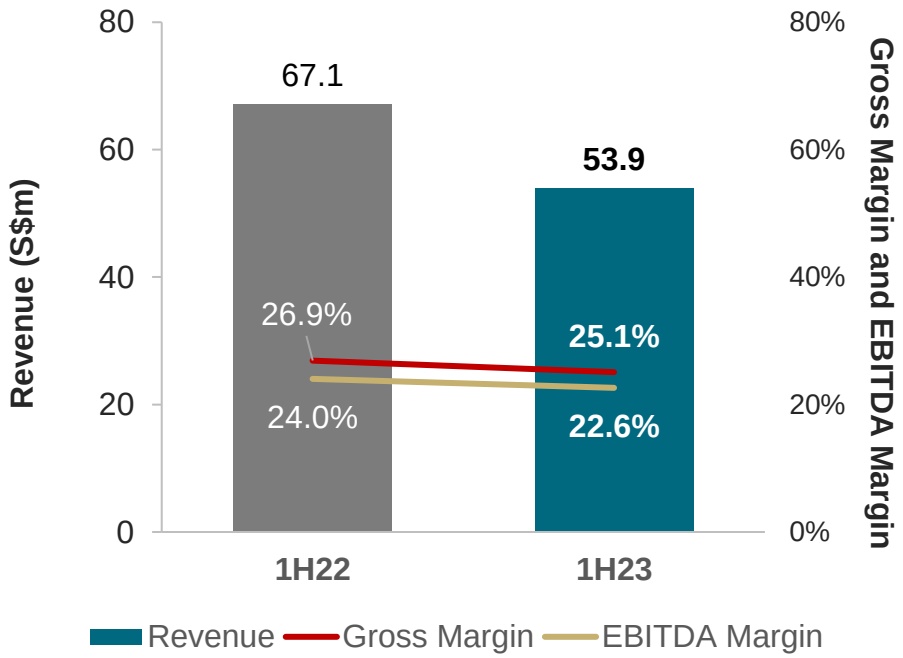
Performance Review

Overall revenue decline of 19.7% due to wider market slowdown, especially within back-end semiconductor.

- Starting to see signs of recovery with normalising of excess inventory across the industries
- Strategic diversification initiative is paying off as revenue from non-Semiconductor segments have been resilient through the downcycle

EBITDA margin decrease from 24.0% to 22.6%

- Despite the revenue decline, the Company has cushioned the margin impact through automation and cost rationalisation measures that has allowed it to be leaner in operations going forward
- The Company remain committed to optimising its cost base, while making the necessary investments to ensure its competitiveness in preparation for the market recovery



EBITDA	16.1	**12.2**
Net Profit	7.1	**3.4**

Revenue Highlights

Semiconductor: 37.4% decrease YoY to S$26.1m

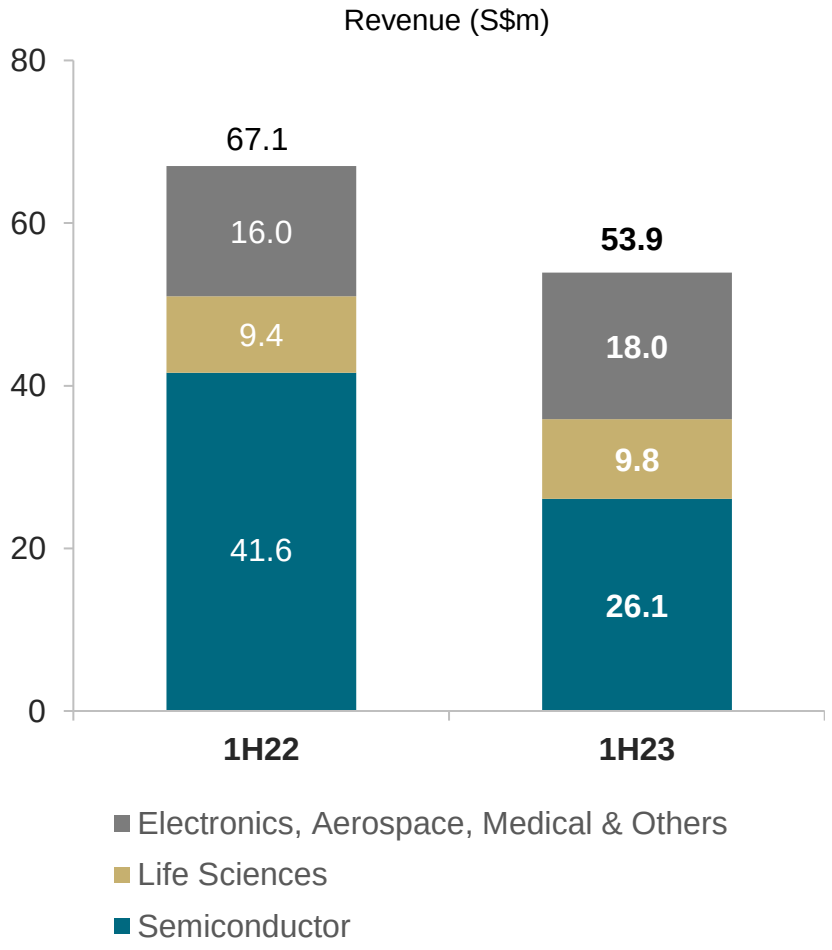
- Enhancing our competitive edge and strategic readiness to prepare for industry rebound
- Continuing to onboard new front-end customer and commenced small volume production

Life Sciences: 4.1% rise YoY to S$9.8m

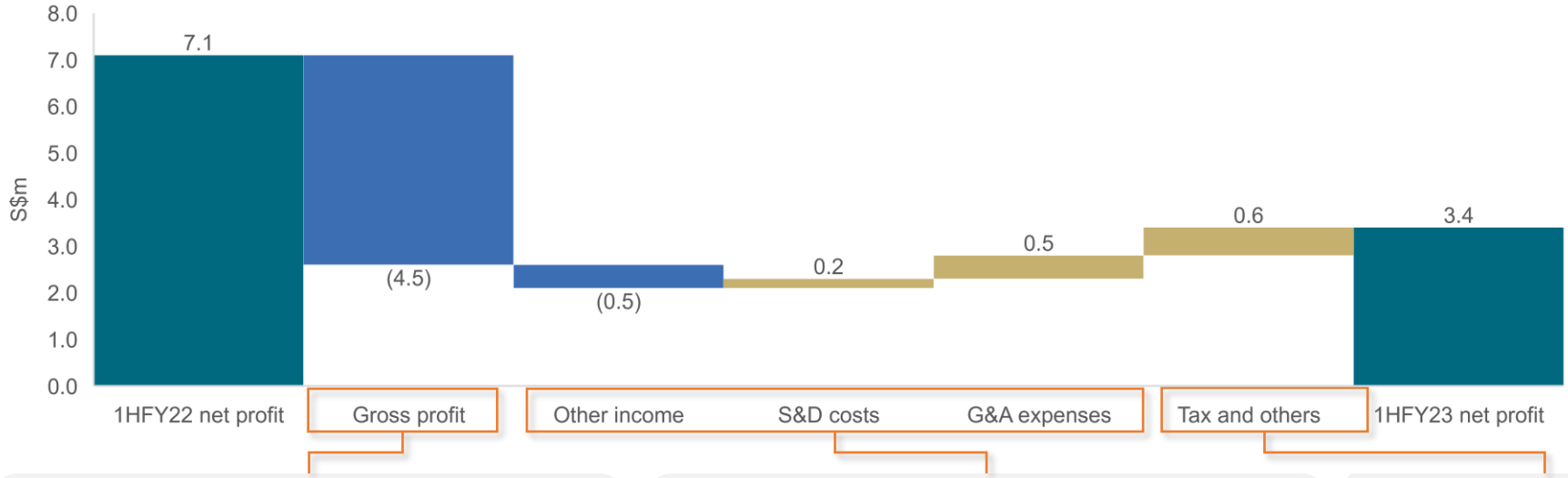
- Continued resilience despite soft market sentiment
- New project qualifications with existing customers

Electronics, Aerospace, Medical and Others:
12.4% increase YoY to S$18.0m

- Revenue contribution from subsidiaries acquired in March 2022
- Sustained demand across Aerospace and Medical customers



Net Profit Changes



Decline in gross profit margin to 25.1%, from 26.9% in 1H22:

- Despite a 20% revenue decline in revenue, gross profit margin declined moderately by 1.8% due to the flexible cost structure
- Expenses and capacity absorbed for onboarding of new customer amid softer semiconductor demand
- S$0.5 million non-recurring fair value adjustments charged against cost of sales on inventories of J-Dragon and Formach

Decrease in other income

- $0.5m decrease due to lower FX gain and higher grant income

Lower G&A costs

- $0.4m decrease in expenses due to prudent cost control and rationalisation measures
- $0.1m expenses due to professional expenses from the acquisition of J-Dragon and Formach incurred for 1HFY2022

Lower income tax expense

- In line with reduced profit

Industry Outlook

Semiconductor & Electronics

- Excess inventories in the semiconductor industry are easing, with order momentum expected to pick up towards 2024
- Semiconductor and electronics outlook remain affected by geopolitical tensions but secular fundamentals remain strong
- Rapid investment and innovation in artificial intelligence and its applications to support mid- and long-term semiconductor industry growth

Life Sciences, Medical & Aerospace

- Continued resilient demand to be expected across these segments
- Advancement in technology and increasing investments in R&D driving demand for scientific and analytical instruments
- Airline passenger traffic continues to recover towards pre-pandemic levels
  - Aircraft manufacturers increasing production amid easing of supply chain challenges

FY23 Focus

**Pursue strategic growth with our customers,
and positioning well for the global tech supply chain reconfiguration**

1

Invest in Capabilities

- Support semiconductor customers with strategic capability developments
- Higher-level assembly services for life science and other segments
- Higher-value aerospace services
- Pursue upgrades while maintaining strict financial discipline

2

Invest in Innovation

- Pursue advanced materials
- DFM for Life Sciences customers' next-gen products
- Hire and nurture talent

3

Invest in Operations Excellence

- Capacity and equipment expansion in Penang for front-end semiconductor volume production
- Onboarding of new back-end semiconductor customers
- Enlarged Suzhou facility to meet aerospace demand

Semiconductor Value Chain Expansion

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Front-End

- Deposition
- Metrology & Inspection
- Etch
- Lithography
- Epitaxy

2022 Market Size: $94.8B[1]

Leading wafer fab equipment manufacturer and other front-end semiconductor customers

Back-End

- Testing
- Assembly

2022 Market Size: $13.7B[1]

Besi, SAM, TERADYNE, Kulicke & Soffa

End-Markets

- AI
- High Perf Computing
- Automotive
- PC/Mobile

Where GVT is

Moving up the value chain

- Consumables & Services
- Advanced Materials
- Sub-assembly
- Component Production
- Design-in

Strategic Initiatives

- New facilities expansion
- Invest in large-format machinery
- Expand capabilities organically and inorganically

[1] SEMI

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Appendix

Engineering the future of innovation with you

GVT at a Glance

What we do

Value engineering

Early customer engagement and participating in the design process to maximise manufacturability and streamline assembly (DFM / DFA)

Produce, assemble & test

One-stop solution with fully integrated and end-to-end manufacturing capabilities, ranging from precision machining, sheet metal fabrication, assembly & testing

Deliver, support & upgrade

Provides product life cycle management to customers, allowing for strong and lasting customer relationships to be formed

Markets we serve

Global Presence & Exposure

- **Southeast Asia**
  Up-and-coming manufacturing and R&D hub for global customers
- **Asia (ex. Southeast Asia)**
  Existing manufacturing powerhouse
- **North America & Europe**
  Existing R&D nexus for customers

End-Markets (Key Modules)

- **Semiconductor**
  Capital equipment for front-end (CVD etc.) and back-end (wire bonder, DRAM/Analog test etc.)
- **Life Sciences**
  Single & hybrid mass spectrometer etc.
- **Medical**
  Surgical microscope etc.
- **Aerospace**
  Landing gear systems
- **Electronics Manufacturing**
  Surface mount technology etc.
- **Industrial Automation**
  Hard drive assembly automation etc.

The GVT advantage

Experience & expertise

- Average 27+ years of precision engineering experience across mgmt.
- Award-winning and qualified supplier to top global OEMs
- Strong competencies in ultra-high precision machining, complex mechatronics and sub-assembly

Market & customer access

- Sticky customer base across diff high-tech industries
- 5 highly strategic facilities (Singapore, Malaysia, China) near customers
- Well-positioned to benefit from industry trends (supply chain shift to Asia and capabilities integration etc.)

Scaling with profitability

- Profitable since 2016
- Healthy cash flow generation allowing for reinvestment into capacity growth and capability enhancement

Selected core competency: Submicron precision machining

What is Sub-Micron Machining?

- Also known as “ultra-precision machining”
- A high-precision manufacturing process: materials are processed at an atomic scale, in the vicinity of one micron
- Requires the use of single crystal diamond tools for ultrafine cutting or very fine abrasives for lapping or polishing

Selected Sub-micron Machining Applications

Analytical Life Sciences Instruments

- Mass spectrometers is used to identify the kinds of particles present in any given substance
- Used in analytical life sciences research, environmental testing, F&B testing, forensic analysis, pharma applications and clinical diagnosis
- GVT supplies key components to single and hybrid mass spectrometers, such as vacuum chambers and interfaces, complex parts of the mass filters and the ion source, which requires ultra high precision machining to manufacture

End Application: Mass Spectrometer

Selected Components that GVT Manufactures

Quadrupole Mass Filter
Ion Source
Q2 & Entrance Lens

GVT Value Proposition

Provides one stop solution from ultra-precision mechanical component fabrication and sub-micron measurement, design and fabrication of assembly jigs for laser welding and precision assembly alignment requirement down to **tenths of a micron in a clean room environment**.

Differentiated capabilities to serve and cross-sell to a differentiated blue-chip customer base

Capabilities	Semiconductor	Life Sciences	Aerospace	Electronics, Medical & Others
Design for Manufacturability / Assembly	✓	✓	✓	✓
Ultra Precision Machining (Sub-micron)	●	✓	✓	●
High Precision Machining	✓	✓	✓	✓
Vacuum Parts Manufacturing	✓	✓		
Ultra-high Vacuum Production Processing	●	✓		
Engineering Plastic, Ceramics & Quartz Machining	✓	✓	●	✓
Complex Sheet Metal Fabrication	✓	✓	●	✓
Assembly (Medium / High Complexity)	✓	✓	✓	✓
Assembly (High Complexity in Class 10K Cleanrooms)	●	✓		
Customised Engineering Solutions	✓	✓	✓	✓
Examples of mission critical end-products which GVT produces components & key modules for	**Equipment for Front & Back-end Processes**	**Single & Hybrid Mass Spectrometers**	**Landing Gear Systems**	**Surgical Microscopes, SMT Feeder Systems**
Examples of key customers who are blue-chip companies and leaders in their respective industries	Besi, SAM, TERADYNE, Kulicke & Soffa	SCIEX, ThermoFisher SCIENTIFIC *Leading North American Life Sciences Company*	SAFRAN	ASM *Global Producer of Surgical Microscopes* *Large-scale industrial automation customers*

Disclaimer

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The Company wishes to emphasise that none of the forward-looking statements in this document is intended to be a profit forecast, and should not be treated as such.

Grand Venture Technology Limited
2 Changi North Street 1
Singapore 498828
T : +65 6542 3000

Investor relations contact:
Ark Advisors Pte Ltd
ir@gvt.com.sg