Grand Venture Technology

1Q23 Business Update

9 May 2023



Engineering the future of innovation with you

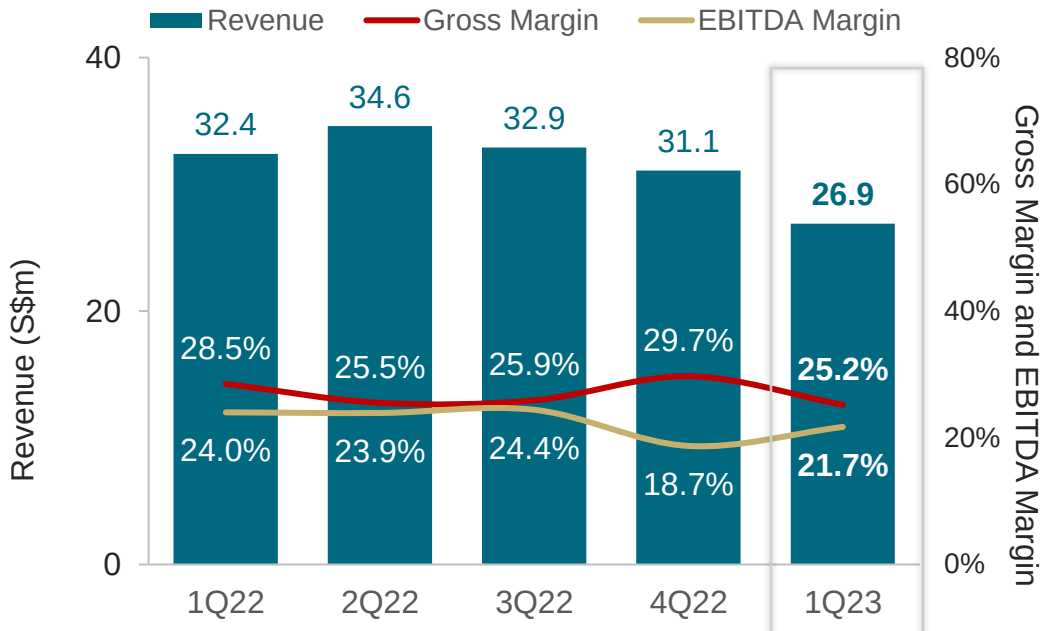
Financial Update

Group revenue of S$26.9m, 17.0% lower YoY

- Higher contribution from the Electronics, Aerospace, Medical and Other segment
- Offset by lower contribution from the Semiconductor segment, mainly due to contraction in business activity, particularly in the back-end

YoY narrowing of gross profit and EBITDA margins

- Lower business activity in the Semiconductor segment
- Lower levels of utilisation and additional capacity expansion to position for future growth
- EBITDA of S$6.3 million on an adjusted basis



S$m	1Q22	2Q22	3Q22	4Q22	1Q23
EBITDA	7.8	8.3	8.0	5.8	**5.9**
Net Profit	3.6	3.5	3.4	2.7	**1.5**

Financial Update

Semiconductor: 37.1% decrease YoY to S$13.7m

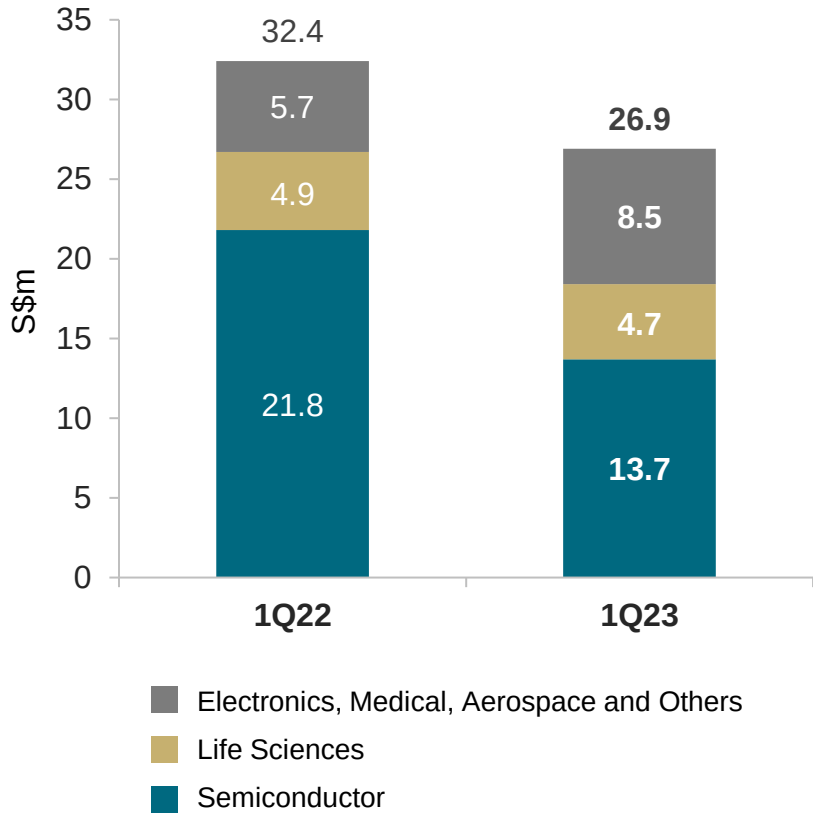
- Seasonally quiet quarter coupled with back-end semiconductor activity contraction and persistent geopolitical headwinds
- Onboarding new semiconductor back-end customer
- Continued qualifications of front-end semiconductor products

Life Sciences: 5.1% decrease YoY to S4.7m

- Cautious approach by customers towards inventory management amid softer market sentiments

Electronics, Aerospace, Medical and Others: 48.9% increase YoY to S$8.5m

- Full quarter of contribution from its new subsidiaries acquired in March 2022
- Marginally lower contribution from Electronics segment
- Medical customer experienced supply chain disruptions



The Year Ahead for End Segments

Semiconductor

- Near-term challenges and softness expected with geopolitical and economic factors
- **Gradual recovery expected in the later part of 2023**, as indicated by industry leaders such as AMAT, ASML whose customers communicated an expected recovery in 2H
    - Driven by inventory correction, demand from automotive and HPC segments

Aerospace, Life Sciences, Medical and Electronics

- IATA expects **industry-wide passenger traffic to recover to 2019 levels by 2024**
- **Key aircraft makers have built a substantial order book**, with Boeing 2022 orders rising to a 4Y high. Looking to ramp up deliveries amidst supply chain issues
- **Continued resilient demand** is expected from Life Sciences, Medical and Electronics segments

Source: SCMP, Reuters, CNBC

FY2023 Focus

Pursuing strategic growth with our customers, positioning well for the global tech supply chain reconfiguration

1

Invest in Capabilities

- Higher-level assembly services for non-Semiconductor segments
- Higher-value aerospace services
- Pursue upgrades while maintaining strict financial discipline

2

Invest in Innovation

- Advanced materials
- DFM for Life Sciences customers' next-gen products
- Continue to hire and retain talent

3

Invest in Operations Excellence

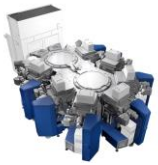
- Penang 1H FY23 capacity and equipment expansion for front-end semi volume production
- Onboarding of new back-end customers
- Enlarged Suzhou facility for aerospace demand

Semiconductor Value Chain Expansion

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Front-end | **Back-end** | **GVT**

Deposition



Metrology & Inspection



Etch



Lithography



Epitaxy



2022 Market Size: $94.8B[2]

Testing



Assembly



2022 Market Size: $13.7B [2]

Moving up the value-chain

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

Strategic Initiatives

Acquiring new facilities

Investing in large format machinery

Expand capabilities organically/M&A

Sources: (1) company websites; Note: equipment shown is not representative of GVT's customer base or end products
(2) https://semi.org/en/news-media-press/semi-press-releases/global-total-semiconductor-equipment-sales-2022 (13 Dec 2022)

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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 maximize 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)	●	✓		
Customized 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 *Onboarded front-end semiconductor customers*	SCIEX, ThermoFisher SCIENTIFIC *Leading North American life sciences company*	SAFRAN	ASM *Global Producer of Surgical Microscopes* *Large-scale industrial automation customers*

✓ Existing services provided ● Cross-selling opportunity from existing capabilities

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