



MINUTES OF THE VIRTUAL INFORMATION SESSION

Date : Friday, 22 April 2022

Time : 2.00 p.m.

Present

Directors : Dr Chan Kum Lok, Colin – Executive Chairman
Mr Tan Khai Pang – Chief Executive Officer
Mr Richard J Denny – Lead Independent Director
Mr Chua Chwee Koh - Non Independent Non Executive Director
Mr Wong Ming Ghee, Bernard - Independent Director
Mr Paul C Burke - Non Executive Director (*via phone dial-in*)

Company Secretary: Ms Foo Soon Soo

In-attendance : As per attendance list maintained by the Company
(excluding Directors and Company Secretary)

Dr Colin Chan, Executive Chairman, presided over the meeting and welcomed shareholders to the virtual information session (the “**Session**”). He also thanked shareholders who had submitted their questions in advance of the Session. The Directors responded to substantial and relevant questions submitted in advance of the Session and the questions raised at the Session.

The questions raised by the shareholders and answers given by the Company are enclosed in Appendix A

There being no further questions from shareholders, the Chairman thanked the shareholders/attendees for their participation which was held by way of electronic means and declared the Session ended at 2.30 p.m.

Confirmed by:

Dr Colin Chan
CHAIRMAN

Appendix A

The questions raised by the shareholders and answers given by the Company during the VIS are tabulated as follows:

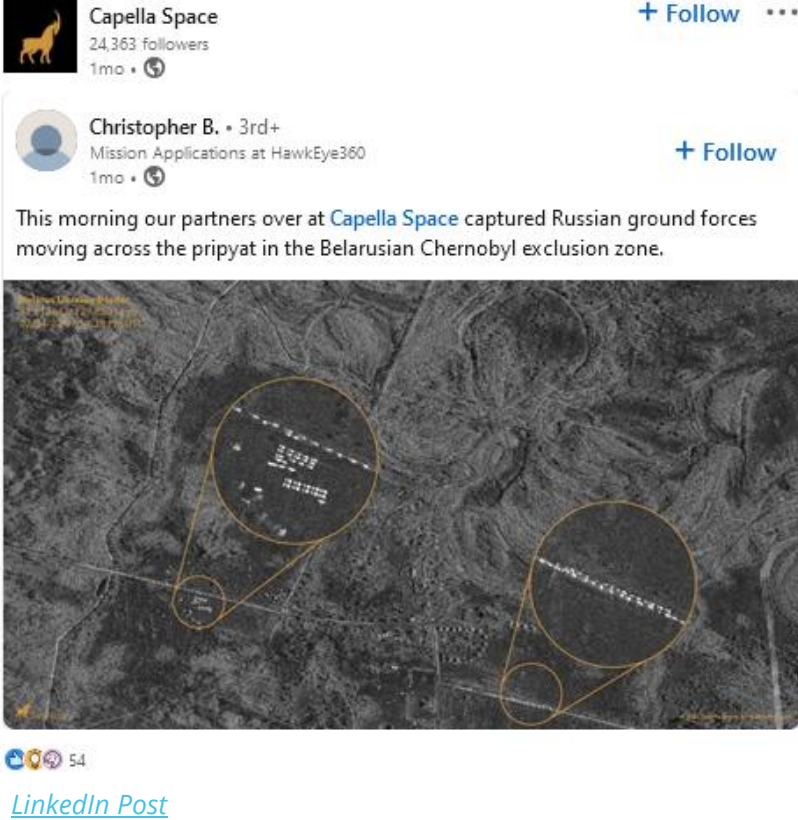
S/N	Date (d/m/y) Time Received	Name of Shareholder	Question	Company's Response
1	19/4/22 2.22 p.m.	Kevin Tse Ping Chung	1. Circular 4.3.1-Issue Price 1.27 cents, what is the basis to determine this price.	The issue price of 1.27 cents was determined based on a willing-buyer and willing-seller basis, subject to a discount of not more than 10% from the volume weighted average share price of the Company done on the Singapore Exchange for the full market day on which the relevant Subscription Agreements were signed.
2	18/4/22 2.31 p.m.	Chua Teck Kwang	2. EDIS has been granted 315m optional subscription rights shares at \$0.0127 each. a. What is the primary use of the proceeds? b. Is EDIS deemed a strategic investor? If yes, what can EDIS bring to the table other than funding? c. Any board seat offered to EDIS?	Net proceeds from EDIS will be utilised mainly for business expansion and working capital purposes of the Group. EDIS is currently a key investor and shareholder of the Company. Where appropriate, it brings with it valuable networking and contacts to facilitate the growth of the Group. Pursuant to the terms of the EDIS Subscription Agreement dated 2 December 2021, EDIS is entitled to appoint a director to the Board of the Company. Accordingly, Mr Chua Chwee Koh was nominated by EDIS to the Board and the Board accepted the nomination of Mr Chua as a Non-executive and Non-Independent Director of the Company with effect from 1 January 2022 after going through the Company's appraising process for the admission of a Director. As a

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				Director of the Company, Mr Chua is expected to look after the interests of all shareholders of the Company.
			3. After the latest placement exercise, will it meet the company's funding needs for the next 1-2 years. Note that the previous placements have diluted existing shareholders' stakes and have impaired the share price performance over the years.	<p>The latest placement exercise*, which primarily seeks to significantly pare down the existing liabilities of the Group and raise fresh capital for working capital and business expansion purposes, is expected to significantly improve the financial position of the Group. Upon the successful completion of the second phase of the latest placement exercise (assuming that all Warrants and Optional Subscription Shares are fully exercised), a loan of about S\$3.8 million remains outstanding which the Board seeks to retire by reviewing all financing options available, including but not limited to further fund raising.</p> <p><i>*Comprising the placement of the Subscription Shares for the first phase, which was completed on 6 January 2022, and the placement of the Optional Subscription Shares for the second phase, which is the subject matter of the coming EGM to be convened on 29 April 2022.</i></p>
			4. When can I expect Addvalue to turn around? Are you able to provide a reliable guidance?	<p>We maintain our view, as stated in our results announcement for 1H2022 announced on 14 November 2021, that the Group will perform significantly better in FY2022 relative to FY2021. Barring any escalation of the global Covid-19 pandemic situation and global supply chain disruptions caused by extended shipping crisis and component shortages, particularly semi-conductors, which will significantly impact the timely fulfilment of orders, and any unforeseen circumstances, the Company is confident that the Group will perform significantly better in FY2023 relative to FY2022.</p>

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			<p>5. How is your order book stacking up? Are you able to provide a delivery schedule of your existing orders?</p>	<p>The Company has a healthy sizable current order book, the bulk of which are expected to be fulfilled by the current financial year ending 31 March 2023.</p>
			<p>6. How do you see the company's prospects in the next 1-2 years? Has the current war in Ukraine affected your business in any ways?</p>	<p>See the Company's replies to Q4 and Q5 above for the prospects of the Group in the next 2-3 years.</p> <p>The Company is not affected by the sanctions against Russia as our products do not contain any component that is the subject of such sanctions. Besides, we currently have little or no business dealing with any Russian-owned companies.</p> <p>In this modern era, timely and insightful data is essential to make good and sound decision, whether it is for business, military, climate, disaster response, etc. As a result, the use of LEO satellites to provide timely and insightful data has been fast growing. It is therefore not surprising to see an extensive use of data from satellite operators for military and humanitarian efforts in the Ukraine war. Capella Space, one of the leading LEO satellite companies deploying our Company's Inter-Satellite Data Relay System (IDRS) for real time on demand connectivity, particularly for tasking applications, has been active in providing ground information about the war in Ukraine (as evidenced by a recent LinkedIn Post provided below):</p>

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				<div data-bbox="1312 284 2107 1107">  </div> <p data-bbox="1263 1150 2107 1254">Capella Space has also announced the launch of its new service that allows its customers to perform self-service taskings on demand (See the attached news link article from Capella Space).</p> <p data-bbox="1263 1294 2107 1366">Further, the Russia-Ukraine war has escalated investments in defence and communication technologies that accelerate the use of</p>

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				<p>advanced software defined radio (SDR) and reconfigurable embedded electronics, a business pillar that the Company has successfully built up for its defence market over the last few years.</p> <p>The impact of the war in Ukraine is destined to add further stress on the global supply chain, including semiconductors for which Ukraine is a key supplier of some of the raw materials involved. Fortunately, the Company has substantially placed its semiconductor orders prior to the commencement of the Ukraine conflict and will closely monitor the timely delivery of these orders. While none of our existing customers use Russian services to launch their satellites, the sanctions will reduce the total number of launches available globally, and hence is expected to change the supply and demand dynamics for such services accordingly.</p>
			7. Does the company open to M&A?	The Company always keep an open mind to all opportunities that can enhance its shareholders' value.
			8. How do you plan to maximize shareholder's value?	The Company will continue to innovate to boost its pole position for its IDRS-related business with primary focus on capturing market shares in the absence of any prevailing competition. In parallel and as mentioned earlier, with regard to the bright prospects for SDR, the Company will also continue to grow its Advance Digital Radio Solution (previously termed the Reconfigurable Embedded Solution (RES)) which it believes will be its next star product and eventually its cash cow in matching its IDRS-related business. The thrust is to ramp up revenue and hence profitability for the Group organically while keeping an eye open for any other opportunities that can maximize shareholder's value.

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3	22/4/22 10.59 a.m.	Cheam Fong Hong	9. Additions to intangible assets' in the cash flow statement averaged about US\$3m per year during the pre-pandemic period of FY2016 to FY2019. Does the management expect similar level of spend as we emerge from the pandemic? If no, is it expected to trend lower or higher, and why?	These were historical expenditures related mainly to the development of IDRS and Advance Digital Radio technologies. As the Company has substantially completed all the development works for IDRS and Advance Digital Radio and has commercialised these solutions, going forward, it expects the annual R&D expenditures to be incurred for IDRS and Advance Digital Radio to be less than US\$1 million.
			10. Could management please share the breakdown of R&D funding needs for the various business segments (IDRS, RES and IPS) in the next 3-5 years, in percentage terms at least?	See the Company's replies to Q9 above for the annual R&D expenditures of less than US\$1 million which it expects to incur for its IDRS and Advance Digital Radio related businesses.
			How would this change in the event: a. All resolutions at the EGM are passed; and b. When only resolutions 1 and 2 are not passed?	The second phase of the latest placement of the Company will not affect the R&D expenditures to be incurred by the Company. The proceeds from which will be used for working capital, business expansion and reduction in borrowings.

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			<p>11. For each of the business segment, will R&D spend be focused on next generation technology (which likely requires a longer payback period) or incremental enhancements of existing technologies/products (which may offer a shorter payback period)?</p>	<p>The R&D expenditures to be incurred will basically be for the residual development efforts needed for incremental enhancement and refinement of existing technologies and products.</p>
			<p>12. Considering ongoing commercialisation of existing products and technologies, and assuming all resolutions at the EGM are passed, how would the management picture a business that is more self-sustaining and requiring less on equity fund raising in future? Is it:</p> <p>a. revenue largely contributed by recurring usage/subscription income and supplemented by engineering fee and hardware sales, which seem to fluctuate from time to time;</p>	<p>We expect our business revenue to be largely hardware centric through the sales of our IDRS terminals and SDR modules, while revenues from airtime and subscription shall grow accumulatively and in tandem with the hardware sales, particularly in connection with our IDRS terminals (as most LEO satellites operators in the new space will typically replace their satellites every 3 years).</p>

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			b. revenue largely from engineering fee and hardware sales and supplemented by similar share of recurring income; or c. something else which the management may describe?	