



iWOW Technology Limited

(Company Registration No.: 199905973K)
(Incorporated in the Republic of Singapore on 1 October 1999)

Unaudited Condensed Interim Financial Statements

**For The Half Year
Ended 30 September 2022**

*This announcement has been prepared by iWOW Technology Limited (the “**Company**”) and its contents have been reviewed by the Company’s sponsor, Evolve Capital Advisory Private Limited (the “**Sponsor**”), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”). The Sponsor has not independently verified the contents of this announcement.*

This announcement has not been examined or approved by the SGX-ST. The SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

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Certain numerical figures set out in this Announcement, including financial data presented in millions or thousands and percentages, have been subject to rounding adjustments, and, as a result, the totals of the data in this Announcement may vary slightly from the actual arithmetic totals of such information.

Percentages and amounts reflecting changes over time periods relating to financial and other data set forth in this Announcement are approximate figures and have been calculated using the numerical data in our consolidated financial statements or the tabular presentation of other data (subject to rounding) contained in this Announcement, as applicable, and not using the numerical data in the narrative description thereof.

A. Condensed interim consolidated statement of profit or loss and other comprehensive income

	Note	Group		+ / (-) %
		1st Half Ended		
		30/9/2022	30/9/2021	
		S\$'000	S\$'000	
Revenue	4	17,061	17,516	(3)
Other operating income	5	405	46	780
Changes in inventories & raw materials used		(11,025)	(12,788)	(14)
Employee benefits expense		(1,972)	(1,216)	62
Amortisation & depreciation expense		(710)	(501)	42
Other operating expenses		(985)	(433)	127
Listing expenses		–	(551)	(100)
Finance costs	6	(38)	(150)	(75)
Profit before income tax	7	2,736	1,923	42
Income tax expense	9	(337)	(365)	(8)
Profit for the financial period		2,399	1,558	54
Other comprehensive income:				
Items that will be classified to profit or loss, net of taxation				
Reclassification of cumulative exchange differences relating to liquidation of a subsidiary included in profit or loss		–	79	(100)
Total other comprehensive income, net of taxation		–	79	(100)
Total comprehensive income for the financial period		2,399	1,637	47
Earnings per share attributable to owners of the Company				
Basic earnings per share (cents)	11	0.97	0.69	
Diluted earnings per share (cents)	11	0.97	0.69	

B. Condensed interim statements of financial position

	Note	Group		Company	
		30/9/2022	31/3/2022	30/9/2022	31/3/2022
		S\$'000	S\$'000	S\$'000	S\$'000
ASSETS					
Non-current assets					
Investment in subsidiaries		–	–	1,380	1,380
Property, plant and equipment	13	2,410	2,128	1,170	928
Intangible assets	14	1,637	1,785	93	21
Total non-current assets		4,047	3,913	2,643	2,329
Current assets					
Inventories	17	797	1,632	307	1,226
Trade receivables	15	1,495	5,059	1,082	4,787
Other receivables	16	372	1,871	882	4,688
Cash and cash equivalents		13,065	4,797	12,625	4,388
Total current assets		15,729	13,359	14,896	15,089
Total assets		19,776	17,272	17,539	17,418
EQUITY & LIABILITIES					
Equity					
Share capital	19	27,779	21,403	27,779	21,403
Accumulated losses		(12,749)	(14,246)	(15,739)	(17,015)
Total equity		15,030	7,157	12,040	4,388
Non-current liabilities					
Borrowings	18	497	621	497	621
Lease liabilities		280	201	228	117
Total non-current liabilities		777	822	725	738
Current liabilities					
Borrowings	18	246	242	246	242
Lease liabilities		234	174	167	106
Trade payables		1,720	1,396	1,394	891
Other payables		1,070	2,153	2,321	5,786
Contract liabilities		112	4,809	76	4,765
Provision for taxation		587	519	570	502
Total current liabilities		3,969	9,293	4,774	12,292
Total liabilities		4,746	10,115	5,499	13,030
Total equity and liabilities		19,776	17,272	17,539	17,418

C. Condensed interim statements of changes in equity

<u>Group</u>	Note	Share capital S\$'000	Capital reserve S\$'000	Foreign currency translation reserve S\$'000	Accumulated losses S\$'000	Total S\$'000
Balance at 1 April 2021		20,903	285	(79)	(15,197)	5,912
Issuance of ordinary shares	19	500	–	–	–	500
Reclassification of cumulative exchange differences relating to liquidation of a subsidiary included in profit or loss		–	–	79	–	79
Profit for the financial period		–	–	–	1,558	1,558
Total comprehensive income		–	–	79	1,558	1,637
Transfer of capital reserve upon redemption of convertible bonds		–	(285)	–	285	–
Balance at 30 September 2021		21,403	–	–	(13,354)	8,049
Balance at 1 April 2022		21,403	–	–	(14,246)	7,157
Issuance of ordinary shares pursuant to IPO	19	6,500	–	–	–	6,500
Offset of listing expenses	19	(124)	–	–	–	(124)
Profit for the financial period, representing total comprehensive income		–	–	–	2,399	2,399
Tax-exempt (one-tier) final dividend	10	–	–	–	(902)	(902)
Balance at 30 September 2022		27,779	–	–	(12,749)	15,030

C. Condensed interim statements of changes in equity (Cont'd)

<u>Company</u>	Note	Share capital S\$'000	Capital reserve S\$'000	Accumulated losses S\$'000	Total S\$'000
Balance at 1 April 2021		20,903	285	(15,614)	5,574
Issuance of ordinary shares	19	500	–	–	500
Profit for the financial period, representing total comprehensive income		–	–	1,783	1,783
Transfer of capital reserve upon redemption of convertible bonds		–	(285)	285	–
Balance at 30 September 2021		21,403	–	(13,546)	7,857
Balance at 1 April 2022		21,403	–	(17,015)	4,388
Issuance of ordinary shares pursuant to IPO	19	6,500	–	–	6,500
Offset of listing expenses	19	(124)	–	–	(124)
Profit for the financial period, representing total comprehensive income		–	–	2,178	2,178
Tax-exempt (one-tier) final dividend	10	–	–	(902)	(902)
Balance at 30 September 2022		27,779	–	(15,739)	12,040

D. Condensed interim consolidated statement of cash flows

	Note	Group	
		1 st Half Ended	
		30/9/2022	30/9/2021
		S\$'000	S\$'000
OPERATING ACTIVITIES			
Profit before income tax		2,736	1,923
Adjustments for:			
Depreciation of property, plant and equipment		476	262
Amortisation of intangible assets	14	234	239
Allowance for inventory obsolescence	17	–	9
Gain on disposal of property, plant and equipment		–	(4)
Trade payables written off		–	(2)
Loss on deconsolidation of a subsidiary		–	79
Interest expense	6	25	64
Operating cash flows before working capital changes		3,471	2,570
Inventories		835	(475)
Trade and other receivables		5,063	(4,048)
Trade payables, other payables and contract liabilities		(5,021)	1,528
Cash generated from/(used in) operations		4,348	(425)
Interest paid		(13)	(37)
Income tax paid		(269)	(183)
Cash flows generated from/(used in) operating activities		4,066	(645)
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(502)	(284)
Proceeds from the disposal of property, plant and equipment		–	8
Addition of intangible assets	14	(86)	–
Cash flows used in investing activities		(588)	(276)
FINANCING ACTIVITIES			
Repayment of borrowings		(120)	(19)
Repayment of lease liabilities		(128)	(101)
Dividend paid	10	(899)	–
Proceeds from issuance of ordinary shares pursuant to IPO	19	6,500	–
Payment of IPO transaction costs		(563)	(291)
Cash flows generated from/(used in) financing activities		4,790	(411)
Net increase/(decrease) in cash and cash equivalents		8,268	(1,332)
Cash and cash equivalents at beginning of financial year		4,797	4,656
Cash and cash equivalents at end of financial period		13,065	3,324

E. Notes to the condensed interim consolidated financial statements

1. Corporate information

The Company was incorporated in Singapore on 1 October 1999 as a private limited company, under the name of “iWOW Technology Pte Ltd”. The Company was converted into a public limited company on 27 December 2021 and its name was changed to “iWOW Technology Limited”.

The Company was listed on the Catalist Board of Singapore Exchange Securities Trading Limited on 14 April 2022 and its registered office and principal place of business is at 1004 Toa Payoh North, #02-17, Singapore 318995.

These condensed interim consolidated financial statements as at and for the six months ended 30 September 2022 comprise the Company and its subsidiaries (collectively, the “Group”). The principal activity of the Company is that of investment holding company and research and development as well as manufacture of wireless communication equipment.

The principal activities of the Group include:

- (a) Research and development on telecommunication software;
- (b) Provision of IoT services and Smart City Solutions;
- (c) Manufacturing of wireless communications devices and equipment; and
- (d) Provision of Smart Metering Services.

2. Basis of preparation

The condensed interim financial statements for the six months ended 30 September 2022 (“1H2023”) have been prepared in accordance with Singapore Financial Reporting Standards (International) (“**SFRS(I)**”) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and the Group’s performance since the last annual financial statements for the year ended 31 March 2022.

The Group’s accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1. The condensed interim financial statements are presented in Singapore Dollar (“S\$”), which is the Company’s functional currency. All values in the tables are rounded to the nearest thousand (“S\$’000”) except when otherwise indicated.

2.1 New and amended standards adopted by the Group

The Group has adopted the new and revised SFRS(I)s and SFRS(I) Interpretations and amendments to SFRS(I) that are mandatory for application from 1 April 2022:

- Amendments to SFRS(I) 3: Reference to the Conceptual Framework
- Amendments to SFRS(I) 1-16: Property, Plant and Equipment – Proceeds before Intended Use
- Amendments to SFRS(I) 1-37: Onerous Contracts Cost of Fulfilling a Contract

The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

E. Notes to the condensed interim consolidated financial statements (Cont'd)

2. Basis of preparation (Cont'd)

2.2 Use of judgement and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the financial year ended 31 March 2022 ("FY2022").

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial period are included in the following notes:

- Note 14 – Impairment test of goodwill: key assumptions underlying recoverable amounts
- Note 15 – Provision for expected credit losses of trade debtors
- Note 17 – Allowance for slow-moving and obsolete inventory

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

However, as disclosed in the offer document, project gestation period can be long, ranging from between one (1) and three (3) years.

E. Notes to the condensed interim consolidated financial statements (Cont'd)

4. Revenue and segment information

	Group	
	1st Half Ended	
	<u>30/9/2022</u>	<u>30/9/2021</u>
	S\$'000	S\$'000
Revenue from contract with customers		
- Sale of products and installation services	13,281	14,552
- System solution and consultancy services	411	187
- Silver generation solutions	820	1,122
- Provision of electronic monitoring services	2,278	1,379
- Metering subscription fee	260	271
- Others	11	5
	<u>17,061</u>	<u>17,516</u>

The disaggregation of revenue from contracts with customers is as follows:

	Group	
	1st Half Ended	
	<u>30/9/2022</u>	<u>30/9/2021</u>
	S\$'000	S\$'000
<u>Geographical markets</u>		
Singapore	16,113	17,437
Hong Kong	948	–
Others	–	79
	<u>17,061</u>	<u>17,516</u>
<u>Timing of revenue recognition</u>		
Goods transferred at point in time	14,523	15,866
Services transferred overtime	2,538	1,650
	<u>17,061</u>	<u>17,516</u>

The Group is organised into the following main business segments:

- Segment 1: Internet of things-as-a-Service (“IaaS”);
- Segment 2: Smart City Solutions (“SCS”); and
- Segment 3: Trading & Others.

These operating segments are reported in a manner consistent with internal reporting provided to the Group CEO who is responsible for allocating resources and assessing performance of the operating segments.

E. Notes to the condensed interim consolidated financial statements (Cont'd)

4. Revenue and segment information (Cont'd)

<u>Group</u>	<u>IaaS</u>		<u>SCS</u>		<u>Trading and Others</u>		<u>Unallocated</u>		<u>Total</u>	
	1H2023	1H2022	1H2023	1H2022	1H2023	1H2022	1H2023	1H2022	1H2023	1H2022
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue:										
External sales	3,022	1,820	12,859	15,091	1,180	605	–	–	17,061	17,516
Results:										
Other operating income	34	14	77	31	1	1	293	–	405	46
Changes in inventories & raw materials used	(124)	(404)	(9,844)	(12,098)	(1,057)	(286)	–	–	(11,025)	(12,788)
Employee benefits expense	(989)	(513)	(970)	(693)	(13)	(10)	–	–	(1,972)	(1,216)
Amortisation & depreciation expense	(578)	(283)	(130)	(216)	(2)	(2)	–	–	(710)	(501)
Allowance for inventory obsolescence	1	(1)	(1)	(8)	–	–	–	–	–	(9)
Other operating expenses	(430)	(167)	(552)	(168)	(3)	(89)	–	–	(985)	(424)
Listing expenses	–	–	–	–	–	–	–	(551)	–	(551)
Finance costs	(11)	(14)	(27)	(136)	–	–	–	–	(38)	(150)
Segment profit/(loss) before tax	925	452	1,412	1,803	106	219	293	(551)	2,736	1,923
Assets:										
Segment assets	4,219	3,791	1,560	11,434	103	110	13,894	3,324	19,776	18,659
Segment liabilities	(369)	(421)	(2,526)	(8,428)	(7)	(6)	(1,844)	(1,755)	(4,746)	(10,610)

E. Notes to the condensed interim consolidated financial statements (Cont'd)

5. Other operating income

	Group	
	1st Half Ended	
	<u>30/9/2022</u>	<u>30/9/2021</u>
	S\$'000	S\$'000
Government grants	369	35
Foreign exchange gain	19	8
Interest income	6	–
Others	11	3
	<u>405</u>	<u>46</u>

6. Finance costs

	Group	
	1st Half Ended	
	<u>30/9/2022</u>	<u>30/9/2021</u>
	S\$'000	S\$'000
Trade finance charges	–	2
Factoring charges	13	84
Interest on borrowings – trade finance	–	8
Interest on borrowings	13	49
Interest on lease liabilities	12	7
	<u>38</u>	<u>150</u>

E. Notes to the condensed interim consolidated financial statements (Cont'd)

7. Profit before income tax

	Group	
	1st Half Ended	
	<u>30/9/2022</u>	<u>30/9/2021</u>
	S\$'000	S\$'000
Depreciation of property, plant and equipment	476	262
Amortisation of intangible assets	234	239
Directors' remuneration other than fees:		
i) Directors of the Company		
- Short-term benefits	191	79
- Employers' contribution to defined contribution plan	6	11
ii) Directors of the subsidiaries		
- Short-term benefits	192	115
- Employers' contribution to defined contribution plan	11	12
Allowance for inventory obsolescence	–	9

8. Related party transactions

During the financial period, other than those disclosed elsewhere in the financial statements, the Group had no significant transactions with related parties.

9. Income tax expense

	Group	
	1st Half Ended	
	<u>30/9/2022</u>	<u>30/9/2021</u>
	S\$'000	S\$'000
Current income tax		
- Current	<u>337</u>	<u>365</u>
Total income tax expense	<u><u>337</u></u>	<u><u>365</u></u>

E. Notes to the condensed interim consolidated financial statements (Cont'd)

10. Dividends

	Group & Company	
	1st Half Ended	
	30/9/2022	30/9/2021
	S\$'000	S\$'000
<u>Ordinary dividend:</u>		
Final exempt (one-tier) dividend in respect of the financial year ended 31 March 2022	902	-
	<u>902</u>	<u>-</u>

As at 30 September 2022 and 31 March 2022, the Company has unclaimed dividends which amounted to S\$14,000 and S\$11,000 respectively.

11. Earnings per share ("EPS")

	Group	
	1st Half Ended	
	30/9/2022	30/9/2021
Profit attributable to ordinary equity holders of the Company (S\$'000)	<u>2,399</u>	<u>1,558</u>
Weighted average number of ordinary shares outstanding	<u>248,441,189</u>	<u>224,430,260</u>
EPS (basic and diluted) - (cents)	<u>0.97</u>	<u>0.69</u>

Number of shares used for the calculation of EPS

For comparative purposes, six-months ended 30 September 2021 (1H2022) EPS has been computed based on the profit attributable to ordinary equity holders of our Company for the financial period and the Company's pre-placement share capital of 224,430,260 ordinary shares.

The diluted EPS for the relevant financial periods are the same as the basic EPS as the Group did not have any dilutive instruments at the end of the respective financial periods.

12. Net asset value ("NAV")

	Group		Company	
	As at 30/9/2022	As at 31/3/2022	As at 30/9/2022	As at 31/3/2022
NAV - (S\$'000)	<u>15,030</u>	<u>7,157</u>	<u>12,040</u>	<u>4,388</u>
Number of ordinary shares outstanding	<u>250,430,260</u>	<u>224,430,260</u>	<u>250,430,260</u>	<u>224,430,260</u>
NAV per ordinary share - (cents)	<u>6.00</u>	<u>3.19</u>	<u>4.81</u>	<u>1.95</u>

Number of shares used for the calculation of NAV

NAV has been computed based on equity attributable to the ordinary equity holders of our Company at the respective financial period/year ended and the Company's share capital at the respective financial period/year ended.

E. Notes to the condensed interim consolidated financial statements (Cont'd)

13. Property, plant and equipment

During 1H2023, the Group acquired assets with an aggregate cost of S\$758,000 (1H2022: S\$352,000) of which approximately S\$256,000 (1H2022: S\$68,000) was acquired by means of leases. Cash payments of S\$502,000 (1H2022: S\$284,000) were made to purchase property, plant and equipment.

The Group also disposed of assets with net book value amounting to S\$Nil (1H2022: S\$3,000) during the financial period.

14. Intangible assets

<u>Group</u>	Goodwill S\$'000	Development costs S\$'000	Total S\$'000
Cost:			
At 1/4/2021	829	2,795	3,624
Additions	–	546	546
At 31/3/2022 and 1/4/2022	<u>829</u>	<u>3,341</u>	<u>4,170</u>
Additions	–	86	86
At 30/9/2022	<u>829</u>	<u>3,427</u>	<u>4,256</u>
Amortisation:			
At 1/4/2021	–	1,885	1,885
Amortisation for 1H2022	–	239	239
Amortisation for 2H2022	–	261	261
At 31/3/2022 and 1/4/2022	<u>–</u>	<u>2,385</u>	<u>2,385</u>
Amortisation for 1H2023	–	234	234
At 30/9/2022	<u>–</u>	<u>2,619</u>	<u>2,619</u>
Carrying amount:			
At 30/9/2022	<u>829</u>	<u>808</u>	<u>1,637</u>
At 31/3/2022	<u>829</u>	<u>956</u>	<u>1,785</u>

E. Notes to the condensed interim consolidated financial statements (Cont'd)

14. Intangible assets (Cont'd)

<u>Company</u>	Development costs S\$'000
Cost:	
At 1/4/2021	731
Additions	187
At 31/3/2022 and 1/4/2022	918
Additions	86
At 30/9/2022	1,004
Amortisation:	
At 1/4/2021	598
Amortisation for the financial year	299
At 31/3/2022 and 1/4/2022	897
Amortisation for the financial period	14
At 30/9/2022	911
Carrying amount:	
At 30/9/2022	93
At 31/3/2022	21

During the financial year/period ended 31 March 2022 and 30 September 2022, the intangible assets comprised of goodwill, platform and module development costs.

The addition in 1H2023 relates to capitalisation of costs incurred for the development of new products.

The Group assesses goodwill for impairment annually, or more frequently when there is an indication for impairment. Determining whether goodwill is impaired requires an estimation of the value-in-use of the CGU to which goodwill has been allocated. Cash flow projections used in the value-in-use calculations were based on financial budgets covering a five-year period. The key assumptions for these value-in-use calculations are those regarding the discount rates, growth rates and expected changes to gross margins during the period. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGU. The growth rates are based on industry growth forecasts. Changes in gross margins are based on past practices and expectations of future changes in the market.

No impairment loss was recognised during the current financial period and prior financial year.

E. Notes to the condensed interim consolidated financial statements (Cont'd)

15. Trade receivables

	Group		Company	
	As at 30/9/2022	As at 31/3/2022	As at 30/9/2022	As at 31/3/2022
	S\$'000	S\$'000	S\$'000	S\$'000
Amount due from subsidiaries	–	–	1	–
Trade receivables	1,028	3,137	643	2,926
Accrued revenue	467	1,922	438	1,861
Less: loss allowance	–	–	–	–
	<u>1,495</u>	<u>5,059</u>	<u>1,082</u>	<u>4,787</u>

The accrued revenue relates to the revenue recognised to date for satisfied performance obligations but has not been invoiced to the customer as at 30 September 2022 and 31 March 2022. The accrued revenue is transferred to trade receivables at the point when it is invoiced to the customers.

The Group uses an allowance matrix to measure ECL for trade receivables. The ECL rates are based on the Group's historical loss experience of the customers, for the last 3 years prior to the reporting date for various customer groups that are assessed by geographical locations, adjusted for forward looking factors, specific to the debtors and the economic environment which could affect the ability of the debtors to settle the trade receivables. The Group adjusts, as necessary, the allowance matrix at each reporting date. Such estimation of the ECL rates may not be representative of the actual default in the future.

16. Other receivables

	Group		Company	
	As at 30/9/2022	As at 31/3/2022	As at 30/9/2022	As at 31/3/2022
	S\$'000	S\$'000	S\$'000	S\$'000
Amount due from subsidiaries	–	–	11,494	13,791
Less: loss allowance	–	–	(10,785)	(10,785)
	–	–	709	3,006
Deposits	100	89	77	67
Advance payment to supplier in relation to the supplied goods	229	1,733	59	1,572
Prepayments	39	39	33	33
Others	4	10	4	10
	<u>372</u>	<u>1,871</u>	<u>882</u>	<u>4,688</u>

E. Notes to the condensed interim consolidated financial statements (Cont'd)

17. Inventories

	Group		Company	
	As at 30/9/2022	As at 31/3/2022	As at 30/9/2022	As at 31/3/2022
	S\$'000	S\$'000	S\$'000	S\$'000
Raw materials	132	73	–	–
Goods in transit	–	778	–	778
Work in progress	37	115	–	27
Finished goods	628	666	307	421
	<u>797</u>	<u>1,632</u>	<u>307</u>	<u>1,226</u>

Inventories are stated at net realisable value after providing the allowance for inventories obsolescence as follows:

	Group		Company	
	1st Half Ended		1st Half Ended	
	30/9/2022	30/9/2021	30/9/2022	30/9/2021
	S\$'000	S\$'000	S\$'000	S\$'000
At beginning of financial period	76	54	–	–
Additions	–	9	–	–
At end of financial period	<u>76</u>	<u>63</u>	<u>–</u>	<u>–</u>

The Group reviews its inventory levels in order to identify slow-moving and obsolete inventory and identifies items of inventory which have a market price, being the selling price quoted from the market of similar items that is lower than its carrying amount. Management then estimates the amount of inventory loss as an allowance on inventory. Changes in demand levels, technological developments and pricing competition could affect the saleability and values of the inventory.

18. Borrowings

	Group		Company	
	As at 30/9/2022	As at 31/3/2022	As at 30/9/2022	As at 31/3/2022
	S\$'000	S\$'000	S\$'000	S\$'000
Bank loans	<u>743</u>	<u>863</u>	<u>743</u>	<u>863</u>

Borrowings are repayable over a period of 1 month to 5 years as follows:

Within one year	246	242	246	242
After one year but within five years	497	621	497	621
	<u>743</u>	<u>863</u>	<u>743</u>	<u>863</u>

E. Notes to the condensed interim consolidated financial statements (Cont'd)

18. Borrowings (Cont'd)

As at 30 September 2022, the banking facilities are secured by the following:

- (a) All sums in the current account with DBS bank; and
- (b) Corporate guarantee by a subsidiary, iWOW Connections Pte Ltd

During 1H2023, the personal guarantees from certain directors of the Company were discharged by the bank upon the Company's listing in April 2022.

19. Share capital

Issued and fully paid	Group & Company	
	No. of shares '000	Share capital S\$'000
<u>Ordinary Shares</u>		
At 1/4/2021	54,163	20,253
Issuance of ordinary shares	1,753	500
Conversion of preference shares	191	650
Shares arising from share split and consolidation	168,323	–
At 31/3/2022 and 1/4/2022	224,430	21,403
Issuance of ordinary shares pursuant to IPO	26,000	6,500
Offset of listing expenses	–	(124)
At 30/9/2022	<u>250,430</u>	<u>27,779</u>
<u>Preference Shares</u>		
At 1/4/2021	191	650
Conversion of preference shares	(191)	(650)
At 31/3/2022, 1/4/2022 and 30/9/2022	<u>–</u>	<u>–</u>
Total share capital at 30/9/2022	<u>250,430</u>	<u>27,779</u>
Total share capital at 31/3/2022	<u>224,430</u>	<u>21,403</u>

Issuance of Ordinary Shares

Ordinary shares were issued in FY2022 by the Company, pursuant to the capitalisation of convertible loans as well as the conversion of preference shares. Please refer to the section entitled "Share Capital" in the offer document for further details.

In 1H2023, the Company received approval from SGX-ST and was listed on the Catalist Board of SGX-ST on 14 April 2022. Pursuant to the placement, 26,000,000 placement shares were issued at S\$0.25 each and gross proceeds amounted to S\$6.5 million. As a result, the enlarged issued and paid-up capital of the Company comprised 250,430,260 ordinary shares.

E. Notes to the condensed interim consolidated financial statements (Cont'd)

19. Share capital (Cont'd)

Conversion of Preference Shares

In FY2022, 191,176 ordinary shares of the Company were issued to Daetum Sdn Bhd on 3 August 2021, pursuant to the conversion of 191,176 Preference Shares held by Daetum Sdn Bhd. There was no implication to the share capital as both Ordinary Shares and Preference Shares were categorised as Share Capital.

Share Split and Consolidation

In FY2022, the share split and consolidation were effected pursuant to resolutions passed at the extraordinary general meetings of the Company on 22 December 2021 and 9 March 2022 respectively. Please refer to the section entitled "Share Capital" in the offer document for further details.

Treasury Shares, Subsidiary Holdings and Convertibles

As at 30 September 2022 and 31 March 2022, there were no treasury shares held by the Company and there were no subsidiary holdings. There were also no outstanding convertibles.

20. Subsequent events

There are no known subsequent events which have led to adjustments to this set of condensed financial statements.

F. Other information

1. Review

The condensed statements of financial position of iWOW Technology Limited and its subsidiaries as at 30 September 2022 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statements of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

2. Review of performance of the Group

INCOME STATEMENT

Revenue decreased marginally by 3% from approximately S\$17.5 million in 1H2022 to approximately S\$17.1 million in 1H2023, mainly due to lower revenue from the SCS Segment, which is partially offset by increases from the IaaS and Trading & Others segments as follows:

- (a) revenue for Smart City Solutions (“SCS”) segment declined by 15% from approximately S\$15.1 million to approximately S\$12.9 million mainly due to lower sales for Trace Tokens as well as installation works for Alert Alarm System (“AAS”) due to project completion;
- (b) revenue for IoT-as-a-service (“IaaS”) segment grew by 66% from approximately S\$1.8 million to approximately S\$3.0 million, due to higher sales for Electronic Monitoring Solutions (“EMS”), Alert Alarm System and Smart Metering Services; and
- (c) revenue for Trading & Others segment grew by 95% from approximately S\$0.6 million to approximately S\$1.2 million, mainly due to higher sales of non-core products to a customer in Hong Kong.

Other income increased by approximately S\$359,000, from approximately S\$46,000 to approximately S\$405,000, mainly due to IPO related grant income and job growth incentives, which were absent in prior period.

Changes in Inventory & raw materials used decreased by 14% from approximately S\$12.8 million in 1H2022 to approximately S\$11.0 million in 1H2023, which is in line with the decreased SCS revenue, and mainly contributed by lower Trace Token and AAS sales for the period.

Employee benefits expense increased by 62% from approximately S\$1.2 million in 1H2022 to approximately S\$2.0 million in 1H2023, mainly due to (a) an expansion of workforce to support the Group’s growth; and (b) Group wide remuneration adjustments in 2nd half of FY2022. The number of full time employees increased from 36 as of the end of 1H2022, to 51 as of the end of 1H2023.

Amortisation & depreciation expense increased by 42% from approximately S\$0.5 million in 1H2022 to approximately S\$0.7 million in 1H2023, mainly due to (a) higher amortisation resulting from the capitalisation of Electronic Monitoring Solution development cost in the 4th Quarter of FY2022; and (b) higher depreciation contributed by the new generation Electronic Monitoring devices and equipment purchased in 2022, for the renewed Electronic Monitoring contract.

Other operating expenses increased by 127% from approximately S\$0.4 million in 1H2022 to approximately S\$1.0 million in 1H2023, mainly due to (a) higher other cost of sales incurred to support the growing IaaS revenue for the Alarm Alert System and Electronic Monitoring projects; (b) higher other cost of sales and distribution costs incurred for refurbishing Trace Tokens; and (c) higher general and administrative expenses as a result of the IPO, which includes professional fees and director fees.

F. Other information (Cont'd)

2. Review of performance of the Group (Cont'd)

INCOME STATEMENT (Cont'd)

Listing expense decreased by 100% from approximately S\$0.5 million in 1H2022 to S\$Nil in 1H2023, mainly due to the completion of the IPO project by the end of FY2022.

Finance cost decreased by 75% from approximately S\$150,000 in 1H2022 to approximately S\$38,000 in 1H2023, mainly due to (a) lower loan interest, with the capitalisation of the S\$0.5 million convertible loan to share capital in 1H2022; and (b) lower financing charges and interest from banking facilities due to lower utilisation in 1H2023.

Income tax expense decreased marginally by 8% from approximately S\$365,000 in 1H2022 to approximately S\$337,000 in 1H2023, mainly due to the non-tax deductibility of listing expenses in 1H2022 and certain grant income of capital nature in 1H2023 being non-taxable.

Profit for the year increased by 54% from approximately S\$1.6 million in 1H2022 to approximately S\$2.4 million in 1H2023 as a result of the above. Excluding listing expenses in 1H2022, profit for the period increased by 14% from approximately S\$2.1 million in 1H2022 to approximately S\$2.4 million in 1H2023.

Other comprehensive income decreased from approximately S\$0.1 million in 1H2022 to S\$Nil in 1H2023, due to a one-off foreign currency translation gain from the liquidation of the Group's foreign subsidiary in the prior financial period.

GROUP'S FINANCIAL POSITION

Net asset increased by S\$7.9 million from approximately S\$7.2 million as at 31 March 2022 to approximately S\$15.0 million as at 30 September 2022, mainly due to the S\$6.5 million placement (gross) and 1H2023 profits. The increase was partially offset by a final dividend of S\$0.9 million distributed to shareholders in 1H2023.

Property, plant and equipment increased by 13% from approximately S\$2.1 million as at 31 March 2022 to approximately S\$2.4 million as at 30 September 2022, mainly due to (a) the purchase of a motor vehicle of approximately S\$0.2 million; (b) the capitalisation of new leases of approximately S\$0.2 million; and (c) the purchase of equipment of approximately S\$0.2 million which comprise mainly the new generation Electronic Monitoring devices and equipment for the renewed Electronic Monitoring contract. The increase was partially offset by depreciation in 1H2023.

Intangible assets decreased by 8% from approximately S\$1.8 million as at 31 March 2022 to S\$1.6 million as at 30 September 2022, mainly due to amortisation of approximately S\$0.2 million in 1H2023. The decrease was partially offset by the capitalisation of development costs for new products.

Inventories decreased by 51% from approximately S\$1.6 million as at 31 March 2022 to approximately S\$0.8 million as at 30 September 2022, mainly due to the fulfilment of all Trace Token orders in 1H2023.

Trade receivables decreased by 70% from approximately S\$5.1 million as at 31 March 2022 to approximately S\$1.5 million as at 30 September 2022, mainly due to (a) full collection for all Trace Token receivables subsequent to the fulfilment of all orders in 1H2023; and (b) decrease in accrued revenue for silver generation solutions and new Electronic Monitoring contract with the fulfilment of the respective project billing milestones, since invoiced and full collection received in 1H2023.

F. Other information (Cont'd)

2. Review of performance of the Group (Cont'd)

GROUP'S FINANCIAL POSITION (Cont'd)

Other receivables decreased by 80% from approximately S\$1.9 million as at 31 March 2022 to approximately S\$0.4 million as at 30 September 2022, mainly due to a decrease of advance payments made to suppliers by approximately S\$1.5 million, which is consistent with the reduced in purchases made in 1H2023.

Share capital increased by 30% from approximately S\$21.4 million as at 31 March 2022 to approximately S\$27.8 million as at 30 September 2022, due to the S\$6.5 million placement, which was partially offset by listing expenses of approximately S\$0.1 million.

Borrowings decreased by 14% from approximately S\$863,000 as at 31 March 2022 to approximately S\$743,000 as at 30 September 2022, mainly due to the repayment of a bank loan of approximately S\$0.1 million in 1H2023.

Lease liabilities increased by 37% from approximately S\$0.4 million as at 31 March 2022 to approximately S\$0.5 million as at 30 September 2022, due to the renewal of leases amounting to approximately S\$0.2 million, which was partially offset by repayment of lease liabilities of approximately S\$0.1 million in 1H2023.

Trade payables increased by 23% from approximately S\$1.4 million as at 31 March 2022 to approximately S\$1.7 million as at 30 September 2022, mainly due to certain unpaid invoices for the Trace Tokens project, which is expected to be made in the 3rd quarter of the current financial year.

Other payables decreased by 50% from approximately S\$2.2 million as at 31 March 2022 to approximately S\$1.1 million as at 30 September 2022, mainly due to lower accruals as a result of billings received for listing expenses, operational and statutory expenses in 1H2023.

Contract liabilities decreased by 98% from approximately S\$4.8 million as at 31 March 2022 to approximately S\$0.1 million as at 30 September 2022, due to a decrease of advance billings for Trace Tokens as a result of the fulfilment of all Trace Token orders in 1H2023.

Provision for taxation increased by 13% from approximately S\$0.5 million as at 31 March 2022 to approximately S\$0.6 million as at 30 September 2022, mainly due to tax provision made for 1H2023 of S\$0.3 million. The increase was partially offset by tax repayment during the period.

CASHFLOW

The Group's cash and cash equivalents increased by approximately S\$8.3 million from FY2022 to 1H2023, mainly due to the S\$6.5 million placement and net cash generated from operating activities, which was partially offset by cash used in investing activities and dividend payment.

Operating activities

The Group's net cash generated from operating activities was a result of operating cash flow before movement in working capital of approximately S\$3.5 million and net working capital inflows of approximately S\$0.9 million, partially offset by interest and tax paid of a total of approximately S\$0.3 million.

F. Other information (Cont'd)

2. Review of performance of the Group (Cont'd)

CASHFLOW (Cont'd)

Operating activities (Cont'd)

The Group's net working capital inflow was mainly due to (a) a net decrease in receivables of approximately S\$5.1 million due to collections and lower advance payment to suppliers in 1H2023; and (b) net decrease in inventories of approximately S\$0.8 million due to the fulfilment of all Trace Token orders in 1H2023. The increase was partially offset by a net decrease in payables of approximately S\$5.0 million mainly due to decrease of advance billings as a result of the fulfilment of all Trace Token orders in 1H2023 and lower accruals as a result of billings received for listing expenses, operational and statutory expenses in 1H2023.

Investing activities

The Group used approximately S\$0.6 million in investing activities mainly for (a) the purchase of plant and equipment of approximately S\$0.3 million which comprise mainly the new generation Electronic Monitoring devices and equipment for the renewed Electronic Monitoring contract and other assets; (b) the purchase of motor vehicles of approximately S\$0.2 million; and (c) capitalisation of development costs for new products of approximately S\$0.1 million.

Financing activities

The Group's net inflow from financing activities of approximately S\$4.8 million was mainly due to the S\$6.5 million placement, which is partially offset by (a) distribution of dividends of approximately S\$0.9 million; (b) repayment of listing expenses of S\$0.6 million; (c) repayment of obligations under leases of approximately S\$0.1 million; and (d) partial repayment of a bank loan of approximately S\$0.1 million.

3. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable. No forecast or prospect statement was previously disclosed to shareholders.

4. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months.

We continue to leverage on opportunities that have arisen from the Singapore Government's Smart Nation projects and initiatives. For instance, we expect further demand for our Eldercare IoT solutions, which was featured during DPM Lawrence Wong's recent ministerial community visit to Singapore's "first dementia-friendly constituency", as evidenced by our IaaS revenue growth of approximately 66% in 1H2023, as compared to 1H2022.

We also remain optimistic on pursuing smart city opportunities overseas and will continue to engage prospects actively.

With reference to the Company's announcement dated 22 September 2022, we are still evaluating a potential acquisition of a value-added Distributor and Telecommunication Solutions Provider with focus on wireless coverage, engineering services and wireless solutions, with a view to obtaining a synergistic partnership which will further extend our customer base, diversify our solution offerings and create additional revenue through potential cross-selling.

Challenges resulting from the lingering Covid-19 pandemic, persistent inflation and increasing interest rates have dampened the outlook for the global economy, creating headwinds for our expansion plans.

F. Other information (Cont'd)

4. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months. (Cont'd)

Trace Token Order Update

With reference to the Company's announcement dated 28 April 2022, in relation to the Group's Trace Token Orders, we would like to update that we have fulfilled all outstanding orders in 1H2023. There were no cancellation or suspension of any amount of the Trace Tokens order book disclosed in the Offer Document. We do not expect any further Trace Token Orders at this juncture.

5. Dividend information

i. Whether an interim / final ordinary dividend has been declared and/or recommended.

No.

ii. Current financial period reported on.

Not applicable.

iii. Corresponding period of the immediate preceding financial year.

No dividend was declared in 1H2022.

iv. The date the dividend is payable.

Not applicable.

v. The date on which Registrable Transfers received by the company (up to 5.00 p.m.) will be registered before entitlements to the dividend are determined.

Not applicable.

6. If no dividend has been declared / recommended, a statement to that effect and the reason(s) for the decision.

No dividend has been recommended for 1H2023. The Group will recommend a final dividend for FY2023 instead.

7. If the group has obtained a general mandate from shareholders for Interested Persons Transactions ("IPTs"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group has not obtained a general mandate from shareholders of the Company for IPTs. There were no transactions entered into between our Group and interested persons of S\$100,000 or more for the current financial period under review.

8. Negative confirmation pursuant to Rule 705(5)

The Board of Directors of the Company confirmed that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited interim financial statements for the six-months ended 30 September 2022 to be false or misleading in any material aspect.

The confirmation was signed by Soo Kee Wee, Chairman of the Board, and Bo Jiang Chek Raymond, Executive Director and CEO, on behalf of the board of directors of the Company.

F. Other information (Cont'd)

9. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1).

The Company confirms that it has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1) of the Catalist Rules.

10. Use of Initial Public Offering (“IPO”) proceeds as at date of this announcement.

Pursuant to the IPO on 14 April 2022, the Company received gross proceeds of S\$6.5 million from the placement of new shares.

As at the date of this announcement, the status on the use of the proceeds is as follows:

	Amount allocated <small>(1)</small>	Amount utilised	Balance
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
Enlarging our customer base by engaging both existing B2B customers and expanding our offerings to the B2C segments	1,000	(67)	933
Expanding our market reach by offering out IoT solutions in overseas markets	500	(14)	486
Enhancing our research and solution development activities to bolster our IoT offerings	1,250	(126)	1,124
Expanding our business through, <i>inter alia</i> , investments, mergers and acquisitions, joint ventures and/or strategic collaborations	1,000	(13)	987
Working capital	1,420	–	1,420
Listing expenses	1,330	(1,313)	17
	<u>6,500</u>	<u>(1,533)</u>	<u>4,967</u>

Notes:

(1) As disclosed in the Offer Document dated 6 April 2022.

BY ORDER OF THE BOARD

Raymond Bo
 CEO and Executive Director

14 November 2022