



**GLOBAL INVACOM GROUP LIMITED**  
(Incorporated in the Republic of Singapore)  
(Company Registration No. 200202428H)

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## QUARTERLY UPDATE PURSUANT TO RULE 1313(2) OF THE LISTING MANUAL

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The Board of Directors (the “**Board**”) of Global Invacom Group Limited (the “**Company**”, together with its subsidiaries as the “**Group**” or “**Global Invacom**”) refers to its announcement dated 4 June 2024 in relation to the notification of inclusion on the watch-list due to the Financial Entry Criterion pursuant to Rule 1311 of the Listing Manual of the Singapore Exchange Securities Trading Limited (“**SGX Listing Manual**”) with effect from 5 June 2024.

Pursuant to Rule 1313(2) of the SGX Listing Manual, the Board would like to provide an update for the unaudited financial performance for the nine months and the third quarter ended 30 September 2024 (“**3<sup>rd</sup> Quarter FY2024**”) and its efforts in meeting the financial exit criteria.

### **Update on Financial Performance**

For the 3<sup>rd</sup> Quarter FY2024, the Group’s revenue decreased by US\$5.4 million from US\$15.8 million to US\$10.4 million as compared to the 3<sup>rd</sup> Quarter FY2023, being a reduction of 34.2%.

For the nine months of FY2024, the Group’s revenue decreased by US\$20.9 million from US\$47.1 million to US\$26.2 million as compared to nine months in FY2023, being a reduction of 44.4%.

The variances were primarily due to impact of the Satellite Acquisition Corporation (“**SAC**”) being placed into the hands of the Receivers effective from 10 July 2024 as announced by the Company to the SGXNet on 11 July 2024. The revenue impact of these discontinued operations was US\$5.3 million for 3<sup>rd</sup> Quarter FY2023 and US\$20.0 million for the nine months of FY2023.

In addition, the demand for the Group’s Direct-To-Home products had also reduced in the 3<sup>rd</sup> Quarter FY2024 due to ongoing market pressures as notified in previous announcements.

The Group recorded a loss after tax of US\$1.2 million in 3<sup>rd</sup> Quarter FY2024 as compared to a loss after tax of US\$1.5 million in 3<sup>rd</sup> Quarter FY2023 and a loss after tax of US\$8.6 million for the nine months of FY2024 compared to a loss after tax of US\$3.6 million for the nine months of FY2023.

### **Update on Future Direction and Efforts for Satisfying Financial Exit Criteria**

#### **Strategic priorities**

Global Invacom remains well-placed within the satellite market. Supported by its long-established reputation and an strong customer base, the management team is now focused on the following strategic priorities designed to return the Group to profitability and deliver long-term stakeholder value:

- Leverage the Group's existing product portfolio, alongside exploring opportunities for variants of products in adjacent markets;
- Strengthen customer base by cementing existing relationships and cultivating relationships with other market leading players;
- Renewed focus on sales and marketing activities;
- Delivered restructure and cost savings in 3<sup>rd</sup> Quarter FY2024.

## **The Market**

The market for Global Invacom continues to be challenging. The satellite industry more broadly is adapting to the recent entry of SpaceX's Starlink to the market, which has gained significant momentum since launch in 2019<sup>1</sup>.

That said, 2024 has seen the satellite launch market back on track, which requires significant increase in telecommunication traffic which will need to be supported by new ground stations. Consequently, we expect to see the benefits of increased launch vehicle competition.

Operators within the satellite industry have also been assessing the benefits of constellation networks delivered through multi-orbit networks, versus pure play low earth orbit ("LEO") satellite networks. This continues to be a source of debate, but as a Company, Global Invacom continues to develop and deliver products and solutions for deployment.

Barring unforeseen circumstances, we expect to see demand for satellites and ground system solutions and remain cautiously optimistic about the market opportunity and our position in that market going forward.

## **Our Customer Base**

Corporate consolidation of operators continues, with satellite operators reacting to the ongoing growth of 'over-the-top' TV service providers, such as Amazon and Netflix, with subscriber numbers continuing to decline year on year<sup>2</sup>.

Despite our exit from manufacturing in North America, we have ensured we are not overly dependent to any one customer, and we will continue to ensure this remains a focus for management, reducing any risk in a market that continues to be subject to consolidation.

## **New product development and launch**

Global Invacom recognises the importance of collaborating with customers to ensure our products in development and are well-placed to respond to market demand and capitalise on new opportunities.

We have shipped the first orders of two of our key new products in 3<sup>rd</sup> Quarter FY2024. Our XRE transceiver is a high-performance KA-band device, developed for use in Very Small Aperture Terminal (VSAT) systems, that supports advanced data services through broadband satellite networks. The transceiver also facilitates over-the-network switching of signal polarisation which allows dynamic bandwidth allocation.

Furthermore, our XRJ product is now also in production and shipping to customers. The VSAT Ka-band transceiver has been developed for both terrestrial and maritime environments. The XRJ is available in a variety of power options making it compatible with all constellations, including LEO, medium earth orbit

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<sup>1</sup> <https://www.forbes.com/sites/jonathanocallaghan/2019/05/23/spacex-launches-first-starlink-satellites-in-space-internet-battle/>

<sup>2</sup> <https://www.statista.com/statistics/250934/quarterly-number-of-netflix-streaming-subscribers-worldwide/>

("MEO") and geostationary orbit ("GEO"), and supports high throughput rates, making it ideal for enterprise grade installations.

Our new product pipeline includes the development of an inclined orbit tracker, which will help support satellites coming to the end of their life, directly addressing another key topic of discussion currently dominating the industry around the environmental impact of satellites and maximising the life cycle.

We are currently exploring adjacent opportunities for our existing products, through developing more variants to cater for the demands of certain industries.

The Board will endeavour to comply with the Exit Criteria within 36 months from 5 June 2024 and will release necessary announcement(s) when appropriate.

The Board of the Company wishes to advise the shareholders and investors of the Company to exercise caution when dealing in the shares of the Company. In the event of any doubt, they should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

BY ORDER OF THE BOARD

**Gordon Blaikie**

Executive Director and Interim Chief Executive Officer

13 November 2024