



iWOW Technology Limited

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

Unaudited Condensed Interim Financial Statements

**For The Six Months And Full Year
Ended 31 March 2023**

*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**”).*

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					
		2nd Half Ended		+ / (-) %	Full Year Ended		+ / (-) %
		<u>31/3/2023</u>	<u>31/3/2022</u>		<u>31/3/2023</u>	<u>31/3/2022</u>	
S\$'000	S\$'000	S\$'000	S\$'000				
Revenue	4	8,508	17,016	(50)	25,569	34,532	(26)
Other operating income	5	324	186	74	729	224	225
Changes in inventories & raw materials used		(1,373)	(11,630)	(88)	(12,398)	(24,418)	(49)
Employee benefits expense		(2,976)	(1,385)	115	(4,948)	(2,631)	88
Amortization & depreciation expense		(777)	(610)	27	(1,487)	(1,111)	34
Other operating expenses		(2,515)	(372)	576	(3,500)	(767)	356
Listing expenses		–	(626)	n.m.	–	(1,177)	n.m.
Finance costs	6	(29)	(130)	(78)	(67)	(280)	(76)
Profit before income tax	7	1,162	2,449	(53)	3,898	4,372	(11)
Income tax expense	9	(3)	(141)	(98)	(340)	(506)	(33)
Profit for the year		1,159	2,308	(50)	3,558	3,866	(8)
Other comprehensive income:							
Items that may be reclassified subsequently to profit or loss							
Reclassification of cumulative exchange differences relating to liquidation of a subsidiary included in profit or loss		–	–	n.m.	–	79	n.m.
Exchange differences on translating foreign operations		(34)	–	n.m.	(34)	–	n.m.
Other comprehensive income for the year		(34)	–	n.m.	(34)	79	n.m.
Total comprehensive income for the year		1,125	2,308	(51)	3,524	3,945	(11)
Earnings per share attributable to owners of the Company							
Basic earnings per share (cents)	11	0.45	1.03		1.41	1.72	
Diluted earnings per share (cents)	11	0.45	1.03		1.41	1.72	

n.m. = not meaningful

B. Condensed interim statements of financial position

	Note	Group		Company	
		31/3/2023	31/3/2022	31/3/2023	31/3/2022
		S\$'000	S\$'000	S\$'000	S\$'000
ASSETS					
Non-current assets					
Investment in subsidiaries	13	–	–	9,480	1,380
Property, plant and equipment	14	2,698	2,128	916	928
Intangible assets	15	3,857	1,785	156	21
Total non-current assets		6,555	3,913	10,552	2,329
Current assets					
Inventories	18	4,186	1,632	136	1,226
Trade receivables	16	12,764	5,059	1,467	4,787
Other receivables	17	1,211	1,871	5,086	4,688
Fixed deposit pledged		56	–	–	–
Cash and cash equivalents		9,857	4,797	4,168	4,388
Total current assets		28,074	13,359	10,857	15,089
Total assets		34,629	17,272	21,409	17,418
EQUITY & LIABILITIES					
Equity					
Share capital	20	31,019	21,403	31,019	21,403
Foreign currency translation reserve		(34)	–	–	–
Accumulated losses		(11,590)	(14,246)	(15,718)	(17,015)
Total equity		19,395	7,157	15,301	4,388
Non-current liabilities					
Deferred tax liabilities		33	–	–	–
Borrowings	19	370	621	370	621
Lease liabilities		253	201	153	117
Contingent consideration		1,900	–	–	–
Total non-current liabilities		2,556	822	523	738
Current liabilities					
Borrowings	19	251	242	251	242
Lease liabilities		562	174	160	106
Trade payables		2,854	1,396	71	891
Other payables		7,478	2,153	4,622	5,786
Contract liabilities		1,015	4,809	109	4,765
Provision for taxation		518	519	372	502
Total current liabilities		12,678	9,293	5,585	12,292
Total liabilities		15,234	10,115	6,108	13,030
Total equity and liabilities		34,629	17,272	21,409	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	20	500	–	–	–	500
Reclassification of cumulative exchange differences relating to liquidation of a subsidiary included in profit or loss		–	–	79	–	79
Profit for the year		–	–	–	3,866	3,866
Total comprehensive income		–	–	79	3,866	3,945
Transfer of capital reserve upon redemption of convertible bonds		–	(285)	–	285	–
Interim tax-exempt (one-tier) dividend	10	–	–	–	(3,200)	(3,200)
Balance at 31 March 2022		21,403	–	–	(14,246)	7,157

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

<u>Group (Cont'd)</u>	Note	Share capital S\$'000	Foreign currency translation reserve S\$'000	Accumulated losses S\$'000	Total S\$'000
Balance at 1 April 2022		21,403	–	(14,246)	7,157
Issuance of ordinary shares pursuant to IPO	20	6,500	–	–	6,500
Offset of listing expenses	20	(124)	–	–	(124)
Issuance of ordinary shares pursuant to the acquisition of a subsidiary	20	3,240	–	–	3,240
Profit for the year		–	–	3,558	3,558
<i>Other comprehensive income:</i>					
Exchange differences on translating foreign operations		–	(34)	–	(34)
Total comprehensive income		–	(34)	3,558	3,524
Tax-exempt (one-tier) final dividend	10	–	–	(902)	(902)
Balance at 31 March 2023		31,019	(34)	(11,590)	19,395

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	20	500	–	–	500
Profit for the year, representing total comprehensive income		–	–	1,514	1,514
Transfer of capital reserve upon redemption of convertible bonds			(285)	285	–
Interim tax-exempt (one-tier) dividend	10	–	–	(3,200)	(3,200)
Balance at 31 March 2022		21,403	–	(17,015)	4,388
Issuance of ordinary shares pursuant to IPO	20	6,500	–	–	6,500
Offset of listing expenses	20	(124)	–	–	(124)
Issuance of ordinary shares pursuant to the acquisition of a subsidiary	20	3,240	–	–	3,240
Profit for the year, representing total comprehensive income		–	–	2,199	2,199
Tax-exempt (one-tier) final dividend	10	–	–	(902)	(902)
Balance at 31 March 2023		31,019	–	(15,718)	15,301

D. Condensed interim consolidated statement of cash flows

	Note	Group	
		Full Year Ended	
		31/3/2023	31/3/2022
		S\$'000	S\$'000
OPERATING ACTIVITIES			
Profit before income tax		3,898	4,372
<u>Adjustments for:</u>			
Depreciation of property, plant and equipment		1,040	611
Amortisation of intangible assets	15	447	500
Allowance for inventory obsolescence	18	46	22
Loss/(Gain) on disposal of property, plant and equipment		17	(4)
Trade payables written off	5	–	(107)
Provision on reinstatement		–	6
Loss on deconsolidation of a subsidiary		–	79
Unrealised exchange gain		(11)	–
Interest income	5	(136)	–
Interest expense	6	51	97
Operating cash flows before working capital changes		5,352	5,576
Inventories		1,574	(632)
Trade and other receivables		3,868	277
Trade payables, other payables and contract liabilities		(10,689)	831
Cash generated from operations		105	6,052
Income tax paid		(498)	(356)
Cash flows (used in)/generated from operating activities		(393)	5,696
INVESTING ACTIVITIES			
Acquisition of a subsidiary	13	2,255	–
Purchase of property, plant and equipment		(685)	(1,407)
Addition of intangible assets	15	(671)	(546)
Interest received		122	–
Cash flows generated from/(used in) investing activities		1,021	(1,953)
FINANCING ACTIVITIES			
Interest paid		(50)	(73)
Repayment of borrowings		(242)	(137)
Repayment of lease liabilities		(292)	(203)
Dividend paid	10	(899)	(3,189)
Proceeds from issuance of ordinary shares pursuant to IPO	20	6,500	–
Payment of IPO transaction costs		(563)	–
Cash flows generated from/(used in) financing activities		4,454	(3,602)
Net increase in cash and cash equivalents		5,082	141
Cash and cash equivalents at beginning of year		4,797	4,656
Net effect of exchange rate changes on cash and cash equivalents		(22)	–
Cash and cash equivalents at end of year		9,857	4,797

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 and full year ended 31 March 2023 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;
- (d) Provision of Smart Metering Services; and
- (e) Provision of engineering services relating to communication solutions.

2. Basis of preparation

The condensed interim financial statements for the six months ended 31 March 2023 ("2H2023") and full year ended 31 March 2023 ("FY2023") 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 interim financial statements for the six-month financial period ended 30 September 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 15 – Impairment test of goodwill: key assumptions underlying recoverable amounts
- Note 16 – Provision for expected credit losses of trade debtors
- Note 18 – 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 year.

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			
	2 nd Half Ended		Full Year Ended	
	FY2023	FY2022	FY2023	FY2022
	S\$'000	S\$'000	S\$'000	S\$'000
Revenue from contract with customers				
- Sale of goods and services rendered	1,370	12,433	15,062	28,316
- Silver generation solutions	1,253	2,404	2,073	2,585
- Provision of electronic monitoring services	2,218	1,820	4,496	3,020
- Maintenance and subscription fee	511	264	771	514
- Contract revenue	920	-	920	-
- Term contract	2,233	-	2,233	-
- Others	3	95	14	97
	<u>8,508</u>	<u>17,016</u>	<u>25,569</u>	<u>34,532</u>

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

	Group			
	2 nd Half Ended		Full Year Ended	
	FY2023	FY2022	FY2023	FY2022
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Geographical markets</u>				
Singapore	7,639	15,570	23,752	33,007
Hong Kong	117	1,443	1,065	1,443
Malaysia	247	-	247	79
Others	505	3	505	3
	<u>8,508</u>	<u>17,016</u>	<u>25,569</u>	<u>34,532</u>
<u>Timing of revenue recognition</u>				
Goods transferred at point in time	2,626	14,932	17,149	30,998
Services transferred overtime	5,882	2,084	8,420	3,534
	<u>8,508</u>	<u>17,016</u>	<u>25,569</u>	<u>34,532</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”);
- Segment 3: Trading & Others;
- Segment 4: Wireless Engineering Solutions (“WES”); and
- Segment 5: Datacomm & Enterprise Solutions (“DES”).

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>IaaS</u>		<u>SCS</u>		<u>WES</u>		<u>DES</u>		<u>Trading & Others</u>		<u>Unallocated</u>		<u>Total</u>	
	2H2023 S\$'000	2H2022 S\$'000	2H2023 S\$'000	2H2022 S\$'000	2H2023 S\$'000	2H2022 S\$'000	2H2023 S\$'000	2H2022 S\$'000	2H2023 S\$'000	2H2022 S\$'000	2H2023 S\$'000	2H2022 S\$'000	2H2023 S\$'000	2H2022 S\$'000
Revenue:														
External customers	2,989	2,232	1,067	12,960	2,537	–	1,661	–	254	1,824	–	–	8,508	17,016
Results:														
Other operating income	166	53	120	132	–	–	38	–	–	1	–	–	324	186
Changes in inventories & raw materials used	(109)	(433)	247	(10,139)	(315)	–	(1,026)	–	(170)	(1,058)	–	–	(1,373)	(11,630)
Employee benefits expense	(1,145)	(576)	(583)	(798)	(765)	–	(480)	–	(3)	(11)	–	–	(2,976)	(1,385)
Amortisation & depreciation expense	(609)	(598)	(88)	(12)	(51)	–	(28)	–	(1)	–	–	–	(777)	(610)
Allowance for inventory obsolescence	–	–	(38)	–	–	–	–	–	(8)	–	–	–	(46)	–
Other operating expenses	(561)	(128)	(497)	(244)	(1,287)	–	(124)	–	–	–	–	–	(2,469)	(372)
Listing expenses	–	–	–	–	–	–	–	–	–	–	–	(626)	–	(626)
Finance costs	(22)	–	(4)	(129)	(1)	–	(1)	–	(1)	(1)	–	–	(29)	(130)
Segment profit/(loss) before income tax	709	550	224	1,770	118	–	40	–	71	755	–	(626)	1,162	2,449
Assets/liabilities:														
Segment assets	4,505	5,679	2,094	6,783	9,879	–	7,719	–	108	13	10,324	4,797	34,629	17,272
Segment liabilities	(575)	(891)	(1,103)	(7,457)	(1,743)	–	(2,704)	–	(2)	(11)	(9,107)	(1,756)	(15,234)	(10,115)

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

4. Revenue and segment information (Cont'd)

	<u>IaaS</u>		<u>SCS</u>		<u>WES</u>		<u>DES</u>		<u>Trading & Others</u>		<u>Unallocated</u>		<u>Total</u>	
	<u>FY2023</u> <u>S\$'000</u>	<u>FY2022</u> <u>S\$'000</u>												
Revenue:														
External customers	6,011	4,052	13,926	28,051	2,537	–	1,661	–	1,434	2,429	–	–	25,569	34,532
Results:														
Other operating income	200	67	197	155	–	–	38	–	1	2	293	–	729	224
Changes in inventories & raw materials used	(233)	(837)	(9,597)	(22,237)	(315)	–	(1,026)	–	(1,227)	(1,344)	–	–	(12,398)	(24,418)
Employee benefits expense	(2,134)	(1,104)	(1,562)	(1,505)	(765)	–	(480)	–	(7)	(22)	–	–	(4,948)	(2,631)
Amortisation & depreciation expense	(1,187)	(881)	(220)	(228)	(51)	–	(28)	–	(1)	(2)	–	–	(1,487)	(1,111)
Allowance for inventory obsolescence	–	(5)	(38)	(17)	–	–	–	–	(8)	–	–	–	(46)	(22)
Other operating expenses	(991)	(301)	(1,049)	(439)	(1,287)	–	(124)	–	(3)	(5)	–	–	(3,454)	(745)
Listing expenses	–	–	–	–	–	–	–	–	–	–	–	(1,177)	–	(1,177)
Finance costs	(33)	–	(31)	(277)	(1)	–	(1)	–	(1)	(3)	–	–	(67)	(280)
Segment profit/(loss) before income tax	1,633	991	1,626	3,503	118	–	40	–	188	1,055	293	(1,177)	3,898	4,372
Assets/liabilities:														
Segment assets	4,505	5,679	2,094	6,783	9,879	–	7,719	–	108	13	10,324	4,797	34,629	17,272
Segment liabilities	(575)	(891)	(1,103)	(7,457)	(1,743)	–	(2,704)	–	(2)	(11)	(9,107)	(1,756)	(15,234)	(10,115)

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

5. Other operating income

	Group			
	2 nd Half Ended		Full Year Ended	
	FY2023	FY2022	FY2023	FY2022
	S\$'000	S\$'000	S\$'000	S\$'000
Government grants	108	75	477	110
Foreign exchange gain	52	–	71	–
Interest income	130	–	136	–
Trade payables written-off	–	107	–	107
Provision of reinstatement	–	3	–	3
Others	34	1	45	4
	<u>324</u>	<u>186</u>	<u>729</u>	<u>224</u>

6. Finance costs

	Group			
	2 nd Half Ended		Full Year Ended	
	FY2023	FY2022	FY2023	FY2022
	S\$'000	S\$'000	S\$'000	S\$'000
Trade finance charges	–	1	–	3
Factoring charges	3	97	16	180
Interest on borrowings - trade finance	–	8	–	16
Interest on borrowings	13	16	26	66
Interest on lease liabilities	13	8	25	15
	<u>29</u>	<u>130</u>	<u>67</u>	<u>280</u>

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

7. Profit before income tax

	Group			
	2 nd Half Ended		Full Year Ended	
	FY2023	FY2022	FY2023	FY2022
	S\$'000	S\$'000	S\$'000	S\$'000
Depreciation of property, plant and equipment	564	349	1,040	611
Amortisation of intangible assets	213	261	447	500
Directors' remuneration other than fees:				
i) Directors of the Company				
- Short-term benefits	209	126	400	205
- Employers' contribution to defined contribution plan	6	6	12	17
- Directors' fee	85	42	170	42
ii) Directors of the subsidiaries				
- Short-term benefits	223	176	415	320
- Employers' contribution to defined contribution plan	14	16	25	28
Allowance for inventory obsolescence	46	13	46	22
Foreign exchange losses	-	6	-	14

8. Related party transactions

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

9. Income tax expense

	Group			
	2 nd Half Ended		Full Year Ended	
	FY2023	FY2022	FY2023	FY2022
	S\$'000	S\$'000	S\$'000	S\$'000
Current income tax				
- Current	37	141	374	506
- Over provision in prior financial years	(34)	-	(34)	-
Total income tax expense	<u>3</u>	<u>141</u>	<u>340</u>	<u>506</u>

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

10. Dividends

	Group & Company	
	FY2023	FY2022
	S\$'000	S\$'000
<u>Ordinary dividend declared:</u>		
Interim tax-exempt (one-tier) dividend in respect of FY2021	–	3,200
Final tax-exempt (one-tier) dividend in respect of FY2022	<u>902</u>	<u>–</u>
	<u><u>902</u></u>	<u><u>3,200</u></u>

As at 31 March 2023 and 31 March 2022, the Company has unclaimed dividends which amounted to S\$14,000 and S\$11,000 respectively.

Subsequent to 31 March 2023, the Directors of the Company recommended a final tax-exempt dividend of 0.28 cent per ordinary share amounting to approximately S\$0.7 million for FY2023 (“**Final Dividend**”). The Final Dividend is subject to the approval of shareholders of the Company at the forthcoming annual general meeting and has not been included as a liability in these financial statements.

11. Earnings per share (“EPS”)

The calculation of the basic earnings per share attributable to the ordinary equity holders of the Company is based on the following data:

	Group			
	2 nd Half Ended		Full Year Ended	
	FY2023	FY2022	FY2023	FY2022
Profit attributable to ordinary equity holders of the Company (S\$'000)	<u>1,159</u>	<u>2,308</u>	<u>3,558</u>	<u>3,866</u>
Weighted average number of ordinary shares outstanding	<u>254,750,260</u>	<u>224,430,260</u>	<u>252,590,260</u>	<u>224,430,260</u>
EPS (basic and diluted) in cents	<u>0.45</u>	<u>1.03</u>	<u>1.41</u>	<u>1.72</u>

Number of shares used for the calculation of EPS

For comparative purposes, EPS for the six-months and full year ended 31 March 2022 have been computed based on the profit attributable to ordinary equity holders of our Company for the financial period/year and the Company’s pre-placement share capital of 224,430,260 ordinary shares.

The Company was listed on the Catalist Board of SGX-ST on 14 April 2022.

The diluted EPS for the relevant financial year/period are the same as the basic EPS as the Group did not have any dilutive instruments prior to the placement.

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

12. Net asset value ("NAV")

	Group		Company	
	FY2023	FY2022	FY2023	FY2022
NAV - (S\$'000)	19,395	7,157	15,301	4,388
Number of ordinary shares outstanding	263,390,260	224,430,260	263,390,260	224,430,260
NAV per ordinary share - (cents)	7.36	3.19	5.81	1.95

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 year end and the Company's share capital at the respective financial year end.

13. Investment in subsidiaries

On 31 January 2023, the Company acquired 100% equity interest in Roots Communications Pte Ltd ("**Roots**"), by way of an Initial Tranche Payment of S\$8,100,000, which consist i) a cash consideration of S\$4,860,000; and ii) the issuance of 12,960,000 ordinary shares at S\$0.25 each. Roots is a Singapore-based telecommunications solutions provider and regional value-added distributor with proven track records in serving telcos and enterprise clients with mission-critical infrastructure.

Please refer to the Company's announcements dated 22 December 2022 and 31 January 2023 for further information, including details on the Initial Tranche Payment, the Post-Completion Tranche Payment, the Profit Guarantee, the NLAT Undertaking and other defined terms.

As part of the purchase agreement, the Company agrees to pay the former owners of Roots a Post-Completion Tranche payment of up to S\$9,900,000, should Roots achieve a Forward Average NPAT above S\$1,350,000 over the 3-year period commencing from 1 April 2023 to 31 March 2026.

The fair value of the contingent consideration as at the acquisition date was estimated to approximate S\$1,900,000, which was based on an estimated Forward Average NPAT ranging from S\$1,350,000 to S\$3,000,000 over the relevant period. As such, the goodwill arising from the acquisition amounts to approximately S\$1,848,000, which can be attributable to Roots' WES and DES business segments and the expected synergies from the combination of the operations of the Group with Roots.

<u>Total consideration</u>	S\$'000
Initial Tranche Payment - Cash	4,860
Initial Tranche Payment - Issuance of ordinary shares	3,240
Cost of Investment	8,100
Fair value of contingent consideration	1,900
Total Consideration as at the acquisition date	10,000
Net assets acquired	8,152
Add : Goodwill arising from acquisition	1,848
Total Consideration as at the acquisition date	10,000
<u>Reconciliation to statement of cash flows</u>	
Cash paid	(4,860)
Add: Cash and cash equivalent from acquired entity	7,115
Net inflow of cash	2,255

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

14. Property, plant and equipment

During the financial year ended 31 March 2023, the Group acquired assets amounting to S\$0.9 million (FY2022: S\$1.7 million) of which approximately S\$0.3 million (FY2022: S\$0.3 million) was acquired through the capitalisation of leases. Cash payments of S\$685,000 (FY2022: S\$1,407,000) were made to purchase property, plant and equipment.

The Group also acquired assets of approximately S\$0.7 million by acquisition of a subsidiary in 2H2023.

15. 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	829	3,341	4,170
Additions	1,848	671	2,519
At 31/3/2023	<u>2,677</u>	<u>4,012</u>	<u>6,689</u>
Accumulated Amortisation:			
At 1/4/2021	–	1,885	1,885
Charge for the year	–	500	500
At 31/3/2022 and 1/4/2022	–	2,385	2,385
Charge for the year	–	447	447
At 31/3/2023	<u>–</u>	<u>2,832</u>	<u>2,832</u>
Carrying amount:			
At 31/3/2023	<u>2,677</u>	<u>1,180</u>	<u>3,857</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)

15. 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	141
At 31/3/2023	1,059
Accumulated Amortisation:	
At 1/4/2021	598
Charge for the year	299
At 31/3/2022 and 1/4/2022	897
Charge for the year	6
At 31/3/2023	903
Carrying amount:	
At 31/3/2023	156
At 31/3/2022	21

During the financial years ended 31 March 2023 and 2022, the intangible assets comprised of goodwill, platform development and module development.

The additions in FY2023 relates to i) the capitalisation of module development costs for the Group's Electronic Monitoring solutions, which was internally generated and ii) the capitalisation of Goodwill which arose from the acquisition of a subsidiary in 2H2023.

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 and prior financial years.

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

16. Trade receivables

	Group		Company	
	FY2023	FY2022	FY2023	FY2022
	S\$'000	S\$'000	S\$'000	S\$'000
Trade receivables	7,362	3,137	1,103	2,926
Accrued revenue	5,402	1,922	364	1,861
	<u>12,764</u>	<u>5,059</u>	<u>1,467</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 the financial year end and 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.

17. Other receivables

	Group		Company	
	FY2023	FY2022	FY2023	FY2022
	S\$'000	S\$'000	S\$'000	S\$'000
Deposits	308	89	59	67
Advances to suppliers in relation to unsupplied goods	694	1,733	52	1,572
Prepayments	176	39	35	33
Others	47	10	25	10
Amounts due from subsidiaries	–	–	12,702	13,791
Loan to subsidiary	–	–	3,000	–
Less: Loss allowance	(14)	–	(10,787)	(10,785)
	<u>1,211</u>	<u>1,871</u>	<u>5,086</u>	<u>4,688</u>

18. Inventories

	Group		Company	
	FY2023	FY2022	FY2023	FY2022
	S\$'000	S\$'000	S\$'000	S\$'000
Raw materials	126	73	–	–
Goods in transit	–	778	–	778
Work in progress	957	115	13	27
Finished goods	3,103	666	123	421
	<u>4,186</u>	<u>1,632</u>	<u>136</u>	<u>1,226</u>

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

18. Inventories (Cont'd)

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

	Group		Company	
	FY2023	FY2022	FY2023	FY2022
	S\$'000	S\$'000	S\$'000	S\$'000
At beginning of the financial year	76	54	–	–
Allowance for obsolescence	46	22	–	–
Write-offs	(25)	–	–	–
At end of financial year	<u>97</u>	<u>76</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.

19. Borrowings

	Group & Company	
	FY2023	FY2022
	S\$'000	S\$'000
Bank loans	<u>621</u>	<u>863</u>
<u>Borrowings are repayable as follows:</u>		
Within one year	251	242
After one year but within five years	<u>370</u>	<u>621</u>
	<u>621</u>	<u>863</u>

As at 31 March 2023, 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 the current financial year, the personal guarantees from certain directors of the Company were discharged by DBS bank subsequent to the Company's listing in April 2022.

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

20. Share capital

Issued and fully paid:	Group & Company			
	FY2023		FY2022	
	No. of shares '000	Share capital S\$'000	No. of shares '000	Share capital S\$'000
<u>Ordinary Shares</u>				
At beginning of the financial year	224,430	21,403	54,163	20,253
Issuance of ordinary shares pursuant to the capitalisation of convertible loans	–	–	1,753	500
Conversion of preference shares	–	–	191	650
Shares arising from share split and consolidation	–	–	168,323	–
Issuance of ordinary shares pursuant to IPO	26,000	6,500	–	–
Offset of listing expenses	–	(124)	–	–
Issuance of ordinary shares pursuant to the acquisition of a subsidiary	12,960	3,240	–	–
At end of the financial year	263,390	31,019	224,430	21,403
<u>Preference Shares</u>				
At beginning of the financial year	–	–	191	650
Conversion of preference shares	–	–	(191)	(650)
At end of the financial year	–	–	–	–
	<u>263,390</u>	<u>31,019</u>	<u>224,430</u>	<u>21,403</u>

Issuance of Ordinary Shares

FY2022

Ordinary shares were issued 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.

FY2023

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.

Separately, the Company completed the 100% acquisition of a subsidiary on 31 January 2023. Pursuant to the acquisition, 12,960,000 ordinary shares were issued at S\$0.25 each as partial settlement of the Initial Tranche Payment as disclosed in the Company’s announcement dated 31 January 2023.

As a result of the above, the enlarged issued and paid-up capital of the Company comprised 263,390,260 ordinary shares as of 31 March 2023.

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

20. 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 31 March 2022 and 2023, there were no treasury shares held by the Company and there were no subsidiary holdings. There were also no outstanding convertibles.

21. 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 interim statements of financial position of iWOW Technology Limited and its subsidiaries as at 31 March 2023 and the related condensed interim statement of profit or loss and other comprehensive income, condensed interim statements of changes in equity and condensed interim statement of cash flows for the six-months and financial year ended 31 March 2023 and certain explanatory notes have not been audited or reviewed.

2. Review of performance of the Group

INCOME STATEMENT - Comparing FY2023 to FY2022

Revenue decreased by 26% from approximately S\$34.5 million in FY2022 to approximately S\$25.6 million in FY2023, mainly due to lower revenue from SCS and Trading & Others segments, which was partially offset by higher IaaS segment and revenue contribution from the recent acquired subsidiary as follows:

- (a) revenue for Smart City Solutions (“SCS”) segment declined by 50% from approximately S\$28.1 million in FY2022 to approximately S\$13.9 million in FY2023 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 Trading & Others segment decreased by 41% from approximately S\$2.4 million in FY2022 to approximately S\$1.4 million in FY2023, mainly due to lower sales of non-core products to customers in Singapore and Hong Kong;
- (c) revenue for IoT-as-a-service (“IaaS”) segment grew by 48% from approximately S\$4.1 million to approximately S\$6.0 million due to higher sales for Electronic Monitoring Solutions (“EMS”), Alert Alarm System and Smart Metering Services; and
- (d) the Wireless Engineering Solutions (“WES”) and Datacomm & Enterprise Solutions (“DES”) segments of the recent acquired subsidiary contributed revenue of approximately S\$4.2 million for the 2 months ended 31 March 2023.

Other operating income increased by approximately S\$0.5 million, from approximately \$0.2 million in FY2022 to approximately S\$0.7 million in FY2023, mainly due to IPO related grant income, job growth incentives, interest income from short term deposits as well as foreign exchange gain which were absent in prior year.

Changes in Inventories & raw materials used decreased by 49% from approximately S\$24.4 million in FY2022 to approximately S\$12.4 million in FY2023, which is in line with the decreased SCS revenue, and mainly attributed to lower Trace Token and AAS sales for the year.

Employee benefits expense increased by 88% from approximately S\$2.6 million in FY2022 to approximately S\$4.9 million in FY2023, mainly due to (a) an expansion of workforce to support the Group’s growth where the number of full time employees (excluding employees from the recent acquired subsidiary) increased from 43 as of FY2022 to 59 as of FY2023; (b) the full year impact from a Group wide remuneration adjustment in 2H2022 following a remuneration benchmarking review; and (c) additional employee benefits expense of S\$1.2 million from the recent acquired subsidiary.

Amortization & depreciation expense increased by 34% from approximately S\$1.1 million in FY2022 to approximately S\$1.5 million in FY2023, mainly due to higher depreciation resulting from the new generation Electronic Monitoring devices and equipment purchased since the end of FY2022, for the renewed Electronic Monitoring contract.

F. Other information (Cont'd)

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

INCOME STATEMENT - Comparing FY2023 to FY2022 (Cont'd)

Other operating expenses increased by S\$2.7 million, from approximately S\$0.8 million in FY2022 to approximately S\$3.5 million in FY2023, mainly due to (a) higher other cost of sales incurred to support the growing IaaS revenue for Alarm Alert System and Electronic Monitoring projects; (b) higher other cost of sales and distribution costs incurred for refurbishing Trace Tokens in 1H2023; (c) higher general and administrative expenses as a result of the IPO, which includes professional fees and director fees; and (d) additional other operating expenses of S\$1.4 million from the recent acquired subsidiary.

Listing expense decreased by 100% from approximately S\$1.2 million in FY2022 to S\$Nil in FY2023, mainly due to the completion of the IPO project towards the end of FY2022.

Finance cost decreased by 76% from approximately S\$280,000 in FY2022 to approximately S\$67,000 in FY2023, mainly due to (a) lower loan interest with the capitalisation of a S\$0.5 million convertible loan to share capital in FY2022; and (b) lower financing charges and interest from banking facilities due to lower utilisation and reduced fees in FY2023.

Income tax expense decreased by 33% from approximately S\$506,000 in FY2022 to approximately S\$340,000 in FY2023, which is in line with the lower profit before income tax as well as the non-tax deductibility of listing expenses in prior year. An approximately S\$34,000 tax provision writeback due to prior year overprovision also contributed to the decrease.

Profit for the year decreased by 8% from approximately S\$3.9 million in FY2022 to approximately S\$3.6 million in FY2023 as a result of the above.

Other comprehensive income decreased from approximately S\$0.1 million in FY2022 to a loss of approximately S\$34,000 in FY2023, mainly due to a one-off foreign currency translation gain from the liquidation of the Group's foreign subsidiary in prior year, partially offset by translation exchange losses as a result of consolidating the recent acquired Group.

INCOME STATEMENT - Comparing 2H2023 to 2H2022

Revenue decreased by 50% from approximately S\$17.0 million in 2H2022 to approximately S\$8.5 million in 2H2023, mainly due to lower revenue from SCS and Trading & Others segments, which was partially offset by increases from the IaaS segment and revenue contribution from the recent acquired subsidiary as follows:

- (a) revenue for Smart City Solutions ("SCS") segment declined by 92% from approximately S\$13.0 million in 2H2022 to approximately S\$1.1 million in 2H2023 mainly due to lower sales for Trace Tokens as well as installation works for AAS due to project completion in 1H2023;
- (b) revenue for Trading & Others segment declined by 86% from approximately S\$1.8 million in 2H2022 to approximately S\$0.3 million in 2H2023 mainly due to lower sales of non-core products to customers in Hong Kong.
- (c) revenue for IoT-as-a-service ("IaaS") segment grew by 34% from approximately S\$2.2 million to approximately S\$3.0 million due to higher sales for Electronic Monitoring Solutions, Alert Alarm System and Smart Metering Services; and
- (d) the Wireless Engineering Solutions ("WES") and Datacomm & Enterprise Solutions ("DES") segments of the recent acquired subsidiary contributed revenue of approximately S\$4.2 million for the 2 months ended 31 March 2023.

F. Other information (Cont'd)

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

INCOME STATEMENT - Comparing 2H2023 to 2H2022 (Cont'd)

Other operating income increased by 74% from approximately S\$0.2 million in 2H2022 to approximately S\$0.3 million in 2H2023, mainly due to interest income from short term deposits which was absent in prior period.

Changes in Inventories & raw materials used decreased by 88% from approximately S\$11.6 million in 2H2022 to approximately S\$1.4 million in 2H2023, which is in line with the decreased SCS revenue, and mainly attributed to lower Trace Token and AAS sales for the period.

Employee benefits expense increased by 115% from approximately S\$1.4 million in 2H2022 to approximately S\$3.0 million in 2H2023 mainly due to (a) the expanding of workforce to support the Group's growth as detailed above; and (b) additional employee benefits expense of S\$1.2 million from the recent acquired subsidiary.

Amortization & depreciation expense increased by 27% from approximately S\$0.6 million in 2H2022 to approximately S\$0.8 million in 2H2023, mainly due to higher depreciation resulting from the new generation Electronic Monitoring devices and equipment purchased since the end of FY2022, for the renewed Electronic Monitoring contract.

Other operating expenses increased by S\$2.1 million from approximately S\$0.4 million in 2H2022 to approximately S\$2.5 million in 2H2023, mainly due (a) higher other cost of sales incurred to support the growing IaaS revenue for Alarm Alert System and Electronic Monitoring projects; (b) higher general and administrative expenses as a result of the IPO, which includes professional fees and director fees; and (c) additional other operating expenses of S\$1.4 million from the recent acquired subsidiary.

Listing expense decreased by 100% from approximately S\$0.6 million in 2H2022 to S\$Nil in 2H2023, mainly due to the completion of the IPO project towards the end of FY2022.

Finance cost decreased by 78% from approximately S\$130,000 in 2H2022 to approximately S\$29,000 in 2H2023. The decrease was mainly due to lower financing charges and interest from banking facilities due to lower utilisation and reduced fees in FY2023

Income tax expense decreased by 98% from approximately S\$141,000 in 2H2022 to approximately S\$3,000 in 2H2023, which is in line with the lower revenue and an approximately S\$34,000 tax provision writeback due to prior year overprovision.

Profit for the period decreased by 50% from approximately S\$2.3 million in 2H2022 to approximately S\$1.2 million in 2H2023 as a result of the above.

GROUP'S FINANCIAL POSITION

Net asset increased from approximately S\$7.2 million as at end of FY2022 to approximately S\$19.4 million as at end of FY2023, mainly due to (a) the S\$6.5 million placement (gross) and FY2023 profits; and (b) the issuance of ordinary shares pursuant to the recent acquisition of a subsidiary which amounted to S\$3.2 million. The increase was partially offset by a final dividend of S\$0.9 million distributed to shareholders during the financial year.

F. Other information (Cont'd)

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

GROUP'S FINANCIAL POSITION (Cont'd)

Property, plant and equipment increased by 27% from approximately S\$2.1 million as at end of FY2022 to approximately S\$2.7 million as at end of FY2023, mainly due to (a) assets contribution from the recent acquisition of approximately S\$0.7 million; and (b) purchase of equipment which comprised mainly the new generation Electronic Monitoring devices and equipment for the renewed Electronic Monitoring contract and motor vehicle totalling S\$0.7 million; and (c) the capitalisation of new leases of approximately S\$0.2 million. The increase was partially offset by FY2023's depreciation of approximately S\$1.0 million.

Intangible assets increased by approximately \$2.1 million from approximately S\$1.8 million as at end of FY2022 to S\$3.9 million as at end of FY2023, mainly due to (a) the capitalisation of goodwill which arose from the recent acquisition of approximately S\$1.8 million; and (b) the capitalisation of new product development costs of approximately S\$0.7 million. The increase was partially offset by FY2023's amortization of approximately S\$0.4 million.

Inventories increased by S\$2.6 million from approximately S\$1.6 million as at end of FY2022 to approximately S\$4.2 million as at end of FY2023. The increase was mainly due to inventory contribution from the recent acquisition of approximately S\$3.6 million, which was partially offset by the decrease in Trace Tokens inventory due to fulfilment of orders during the financial year.

Trade receivables increased by \$7.7 million from approximately S\$5.1 million as at end of FY2022 to approximately S\$12.8 million as at end of FY2023, mainly due to contribution from the recent acquisition of approximately S\$11.0 million of accrued revenue and trade receivables to the Group.

The increase was partially offset by a decrease of approximately \$3.3 million in accrued revenue and trade receivables due to (a) the collection for all Trace Token receivables subsequent to the fulfilment of all orders in 1H2023; and (b) fulfilment of the respective project billing milestones for the silver generation solutions and new Electronic Monitoring contracts in FY2023, since invoiced and receivables collected.

Other receivables decreased by 35% or approximately S\$0.7 million, from approximately S\$1.9 million as at end of FY2022 to approximately S\$1.2 million as at end of FY2023, mainly due to a decrease of advance payments made to suppliers which is consistent with the reduced purchases made in 2H2022. The decrease was partially offset by contribution from the recent acquisition of approximately S\$0.2 million.

Share capital increased by 45% from approximately S\$21.4 million as at end of FY2022 to approximately S\$31.0 million as at end of FY2023. The increase is mainly to (a) the S\$6.5 million placement pursuant to the IPO; and (b) the issuance of ordinary shares pursuant to the recent acquisition of a subsidiary which amounted to S\$3.2 million, which was partially offset by listing expenses of approximately S\$0.1 million.

Foreign currency translation reserve increased to approximately S\$34,000 as at end of FY2023 due to translation exchange losses as a result of consolidating the Malaysian subsidiary of the recent acquired Group.

Borrowings decreased by 28% from approximately S\$0.9 million as at end of FY2022 to approximately S\$0.6 million as at end of FY2023, due to the periodic repayments of a bank loan during the financial year.

F. Other information (Cont'd)

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

GROUP'S FINANCIAL POSITION (Cont'd)

Lease liabilities increased by approximately S\$0.4 million from approximately S\$0.4 million as at end of FY2022 to approximately S\$0.8 million as at end of FY2023, mainly due to contribution from the recent acquisition of approximately S\$0.4 million.

Contingent Consideration arose as a result of the recent acquisition. Please refer to Note 13 of Section E – Notes to the condensed interim consolidated financial statements for details.

Trade payables increased by approximately S\$1.5 million from approximately S\$1.4 million as at end of FY2022 to approximately S\$2.9 million as at end of FY2023, mainly due to contribution from the recent acquisition of approximately S\$2.4 million, which was partially offset by settlement of all trade payables in relation to Trace Token purchases from FY2022 due to project completion.

Other payables increased by S\$5.3 million from approximately S\$2.2 million as at end of FY2022 to approximately S\$7.5 million as at end of FY2023, mainly due to contribution from the recent acquisition of approximately S\$6.4 million, which was partially offset by lower accruals as a result of billings received for listing expenses, operational and statutory expenses during the financial year.

Contract liabilities decreased by 79% from approximately S\$4.8 million as at end of FY2022 to approximately S\$1.0 million as at end of FY2023, mainly due to a decrease of advance billings for Trace Tokens as a result of the fulfilment of all Trace Token orders during the financial year. The decrease was partially offset by contribution from the recent acquisition of approximately S\$0.9 million.

Provision for taxation remained unchanged at approximately S\$0.5 million. This is mainly due the S\$0.1 million contribution from the recent acquisition, which increased the lower tax provision made in line with the lower taxable income for the current financial year.

CASHFLOW

The Group's cash and cash equivalents increased by approximately S\$5.1 million from FY2022 to FY2023, mainly due to the S\$6.5 million placement, which was partially offset by other financing activities, which included the dividend payment and partial repayment of loan.

Operating activities

The Group's net cash used in operating activities was a result of operating cash flow before movement in working capital of approximately S\$5.4 million, which was offset by net working capital outflows of approximately S\$5.2 million and tax payments of approximately S\$0.5 million.

The Group's net working capital outflows was mainly due to settlement of payables totalling approximately S\$10.7 million in relation to (a) Trace Token, with the fulfilment of all orders during the financial year; (b) IPO listing and statutory expenses incurred towards the end of FY2022; and (c) newly acquired subsidiary's brought forward balances which were due for payment prior to 31 March 2023.

The outflows was partially offset by inflows of approximately S\$5.4 million, from the net decrease in receivables due to collections, lower advance payments to suppliers and realisation of inventory, as a result of project completion for AAS and Trace Token during the financial year.

F. Other information (Cont'd)

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

CASHFLOW (Cont'd)

Investing activities

The Group's net inflow from investing activities mainly resulted from the recent acquisition which contributed approximately S\$2.3 million at acquisition date and interest received from short term deposits totalling approximately S\$0.1 million. Refer to Note 13 of the Notes to the condensed interim consolidated financial statements for details. The increase is partially offset by (a) the purchase of a motor vehicle and plant and equipment totalling approximately S\$0.7 million, which comprise mainly the new generation Electronic Monitoring devices and equipment for the renewed Electronic Monitoring contract; and (b) capitalisation of development costs for new products of approximately S\$0.7 million.

Financing activities

The Group's net inflow from financing activities of approximately S\$4.5 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\$0.3 million; and (d) partial repayment of a bank loan of approximately S\$0.2 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.

With the completion of the Trace Token project, we will continue to leverage on opportunities that have arisen from the Singapore Government's Smart Nation projects and initiatives, as well as overseas smart city opportunities.

While the current global economic outlook and inflationary pressures continue to present uncertainties in corporate spending in our targeted markets, the acquisition of Roots will provide more stability with its significant revenue contribution.

iWOW orders book stood at \$87.1 million as of 9 May 2023 (refer to announcement dated 9 May 2023), as compared to \$54.4 million as of 30 Sept 2022.

Going forward, we will continue to expand our R&D capabilities and technology solutions to accelerate growth and capture new opportunities.

F. Other information (Cont'd)

5. Dividend information

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

Yes. As disclosed in the offer document, while the Company does not have a fixed dividend policy, the Board intends to recommend dividends of at least 20% of FY2023's net profit after tax, as the Company wish to reward its shareholders for participating in its growth.

The Board intends to recommend the same for our net profit after tax (after deducting profit attributable to non-controlling interests) generated in FY2024 and FY2025 (collectively, the "Proposed Dividend").

However, investors should note that the statement on the Proposed Dividend, is merely a statement of our present intention and shall not constitute legally binding obligations on our Company or legal binding statements in respect of our future dividends, which may be subject to modification (including reduction or non-declaration thereof) at our Directors' sole and absolute discretion.

ii. Current financial period reported on.

Name of dividend	Final
Dividend type	Cash
Dividend per ordinary share (cents)	0.28
Tax Rate	Tax exempted (one-tier)

iii. Corresponding period of the immediate preceding financial year.

Name of dividend	Final
Dividend type	Cash
Dividend per ordinary share (cents)	0.36
Tax Rate	Tax exempted (one-tier)

iv. The date the dividend is payable.

To be advised, as the Final Dividend is subject to Shareholders' approval at the forthcoming annual general meeting of the Company.

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.

To be advised, as the Final Dividend is subject to Shareholders' approval at the forthcoming annual general meeting of the Company.

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

Not applicable.

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.

F. Other information (Cont'd)

8. Negative confirmation pursuant to Rule 705(5)

Not required for announcement of full year results.

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. Segmented revenue and results for operating segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

Please refer to Note 4 of Section E – Notes to the condensed interim consolidated financial statements.

11. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.

Please refer to Note 2 of Section F – Other Information.

12. A breakdown of sales:

	Group		+ / (-)
	Full Year Ended		
	FY2023	FY2022	
	S\$'000	S\$'000	%
Sales reported for first half year	17,061	17,516	(3)
Profit after tax for first half year	<u>2,399</u>	<u>1,558</u>	54
Sales reported for second half year	8,508	17,016	(50)
Profit after tax for second half year	<u>1,159</u>	<u>2,308</u>	(50)

13. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

	Group & Company	
	FY2023	FY2022
	S\$'000	S\$'000
Ordinary	902	3,200 ¹
Preference	–	–
	<u>902</u>	<u>3,200</u>

¹ As disclosed in the offer document, an interim dividend of S\$3,200,000 was declared on 27 December 2021 and paid on 5 January 2022, prior to the listing of the Company.

Please refer to the section entitled "Dividends" in the offer document for further details.

F. Other information (Cont'd)

14. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10). If there are no such persons, the issuer must make an appropriate negative statement.

Pursuant to Rule 704(10) of the Catalist Rules, the Company confirms that there is no person occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a director, chief executive officer or substantial shareholder of the Company.

15. 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
	S\$'000	S\$'000	S\$'000
Enlarging our customer base by engaging both existing B2B customers and expanding our offerings to the B2C segments	1,000	(278)	722
Expanding our market reach by offering out IoT solutions in overseas markets	500	(20)	480
Enhancing our research and solution development activities to bolster our IoT offerings	1,250	(251)	999
Expanding our business through, <i>inter alia</i> , investments, mergers and acquisitions, joint ventures and/or strategic collaborations	1,000	(1,000)	–
Working capital ⁽²⁾	1,437	(1,437)	–
Listing expenses	1,313	(1,313)	–
	<u>6,500</u>	<u>(4,299)</u>	<u>2,201</u>

Notes:

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

(2) Subsequent to the acquisition of Roots Communications Pte Ltd (“**Roots**”), as disclosed in Note 13 of the Notes to the condensed interim consolidated financial statements, the Company extended a S\$3.0 million loan to Roots for its working capital requirements. The loan was funded by internal resources and the S\$1.4 million IPO proceed designated for working capital purposes.

Notes to the condensed interim consolidated financial statements

BY ORDER OF THE BOARD

Raymond Bo
 CEO and Executive Director

30 May 2023