IntelliCentrics Global Holdings Ltd.
中智全球控股有限公司
(incorporated in the Cayman Islands with limited liability)
(Stock code: 6819)

INTERIM RESULTS ANNOUNCEMENT FOR THE 6 MONTHS ENDED DECEMBER 31, 2022

FINANCIAL HIGHLIGHTS

Revenue. Total Revenue increased by 7.8% from US$20.6 million for the 6 months ended December 31, 2021, to US$22.2 million for the 6 months ended December 31, 2022.

Gross Profit. Total Gross Profit increased by 10.3% from US$17.9 million for the 6 months ended December 31, 2021, to US$19.8 million for the 6 months ended December 31, 2022. Gross Profit Margin also increased by 2.0% to 89.2%. The increases in total gross profit and gross profit margin are primarily driven by increased subscribers, and the reduction in cost of revenues for our eBadge technology.

Adjusted EBITDA. Adjusted EBITDA declined from US$3.7 million for the 6 months ended December 31, 2021, to US$1.5 million for the 6 months ended December 31, 2022. The decline is primarily driven by increases in operating expenses as new initiatives are implemented.

Net Loss. Net loss decreased from US$9.2 million for the 6 months ended December 31, 2021, to US$4.2 million for the 6 months ended December 31, 2022. As previously disclosed to the market, the Group incurred and subsequently wrote off an unauthorized disbursement in the amount of US$6.0 million in the 6 months ended December 31, 2021, which effect was partially offset by higher operating costs incurred during the 6 months ended December 31, 2022 to implement the Group's strategic initiatives.

Research and Development. Investment in R&D for the 6 months ended December 31, 2022, was US$7.6 million of which US$2.4 million was capitalised and US$5.2 million expensed in the period, compared to the 6 months ended December 31, 2021, the amounts were US$6.7 million, US$2.5 million, and US$4.2 million, respectively. The Company's commitment to investing in R&D continues to enhance the value of our technology platform and network.

The Board of Directors of IntelliCentrics Global Holdings Ltd. (the "**Company**") is pleased to announce the unaudited interim condensed consolidated financial results of the Company and its subsidiaries (collectively, the "**Group**") for the 6 months ended December 31, 2022, together with the comparative figures for the 6 months ended December 31, 2021, as set out below.

SAFE HARBOUR DISCLAIMER

Forward-Looking Statements

Certain statements contained in this interim results announcement may be viewed as forward-looking statements. Forward-looking statements are based on the management's beliefs and assumptions using currently available information about the business, industries, technology, and regions of operations. These statements are only predictions and are not guarantees of future performance, actions, or events. Forward-looking statements are subject to risks and uncertainties. If one or more of these risks or uncertainties materialise, or if the management's underlying assumptions prove to be incorrect, actual results may differ materially from those contemplated by a forward-looking statement. Forward-looking statements speak only as of the date on which they are made. No undue reliance should be placed on these forward-looking statements by investors or shareholders. The Group expressly disclaims any obligation to update any forward-looking statements.

Non-IFRS Measures

The Company has presented certain non-IFRS measures in this interim results announcement to provide additional information that the management believes is useful to the reader in gaining a more complete understanding of the operational performance and of the trends. Non-IFRS measures may not be comparable to similarly named measures used by other companies. They do not replace and should not be considered comparable to IFRS measures. Non-IFRS measures are not a substitute for a user's calculation and analysis of the financial results as reported under IFRS in this interim results announcement.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME OR LOSS

US$ in thousands	*Notes*	**6 months ended December 31, 2022 (Unaudited)**	6 months ended December 31, 2021 (Unaudited)
Revenue	*5*	**22,181**	20,572
Cost of revenue		**(2,392)**	(2,633)
Gross profit		**19,789**	17,939
Selling and marketing expenses		**(2,613)**	(1,852)
General and administrative expenses		**(12,501)**	(10,648)
Research and development expenses		**(8,043)**	(7,325)
Other income/(loss)		**86**	(10)
Operating loss		**(3,282)**	(1,896)
Finance costs		**(967)**	(787)
Finance income		**183**	56
Other non-operating income/(expense)	*6*	**19**	(6,325)
Share of loss of a joint venture, net of tax		**—**	(97)
Loss before income tax		**(4,047)**	(9,049)
Income tax expense	*7*	**(167)**	(105)
Loss for the period		**(4,214)**	(9,154)
Other comprehensive income/(loss):			
Item that will not be subsequently reclassified to profit or loss:			
— Equity instruments at FVOCI — net change in fair value		**(303)**	561
Items that may be subsequently reclassified to profit or loss:			
— Currency translation differences		**(1,088)**	(388)
Other comprehensive income/(loss) for the period, net of tax		**(1,391)**	173
Total comprehensive loss for the period		**(5,605)**	(8,981)

US$ in thousands	*Notes*	**6 months ended December 31, 2022 (Unaudited)**	6 months ended December 31, 2021 (Unaudited)
Loss for the period			
Attributable to owners of the Company		**(4,212)**	(9,120)
Attributable to non-controlling interests		**(2)**	(34)
		(4,214)	(9,154)
Total comprehensive loss for the period			
Attributable to owners of the Company		**(5,603)**	(8,947)
Attributable to non-controlling interests		**(2)**	(34)
		(5,605)	(8,981)
(Loss) per Share attributable to owners of the Company for the period (expressed in US$ per Share)			
— Basic and diluted	*8*	**(0.009)**	(0.020)

The accompanying notes are an integral part of these interim financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

US$ in thousands	*Notes*	**As at December 31, 2022 (Unaudited)**	As at June 30, 2022 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment, net		**6,093**	6,376
Goodwill and other intangible assets, net		**22,171**	22,969
Right-of-use assets, net		**4,765**	5,223
Deposits and prepayments		**207**	180
Deferred income tax assets		**246**	—
Restricted cash		**262**	94
		33,744	34,842
Current assets			
Financial assets at fair value through other comprehensive income		**509**	812
Deposits, prepayments and other receivables		**1,575**	2,515
Restricted cash		**9,600**	12,750
Cash		**17,466**	23,506
		29,150	39,583
Total assets		**62,894**	74,425
EQUITY			
Equity attributable to owners of the Company			
Share capital		**46**	46
Share premium		**72,776**	72,776
RSA scheme reserve		**(30,590)**	(30,380)
Other reserves		**(67,398)**	(66,114)
Retained earnings		**25,995**	30,209
		829	6,537
Non-controlling interests		**(118)**	(116)
Total equity		**711**	6,421

US$ in thousands	*Notes*	**As at December 31, 2022 (Unaudited)**	As at June 30, 2022 (Audited)
LIABILITIES			
Non-current liabilities			
Borrowings		**12,023**	—
Deferred income tax liabilities		**2,541**	2,318
Lease liabilities		**6,564**	6,995
		21,128	9,313
Current liabilities			
Borrowings		**12,723**	28,511
Lease liabilities		**805**	810
Trade payables	*10*	**2,553**	2,685
Other payables and provisions		**3,872**	3,335
Amounts due to related parties		**354**	743
Contract liabilities	*5*	**20,710**	22,607
Current income tax liabilities		**38**	—
		41,055	58,691
Total liabilities		**62,183**	68,004
Total equity and liabilities		**62,894**	74,425

The accompanying notes are an integral part of these interim financial statements.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1 BASIS OF PREPARATION

These interim financial statements of the Group have been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"), including compliance with International Accounting Standard ("**IAS**") 34 *Interim Financial Reporting* issued by the International Accounting Standards Board (the "**IASB**").

The interim results announcement of the Group for the 6 months ended December 31, 2022 has been prepared in accordance with the same accounting policies adopted in the annual financial statements as at and for the 12-month period ended June 30, 2022, except for the accounting policy changes that are expected to be reflected in the annual financial statements as at and for the financial year ending June 30, 2023.

The preparation of interim financial statements in conformity with IAS 34 requires management to make judgements, estimates, and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year-to-date basis. Actual results may differ from these estimates.

These interim financial statements should be read in conjunction with the Company's Annual Report 2021/22 issued on October 27, 2022. These interim financial statements contain condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance since the Company's Annual Report 2021/22. The interim condensed consolidated financial statements and notes thereon do not include all of the information required for a complete set of financial statements prepared in accordance with International Financial Reporting Standards ("**IFRS**").

The interim results have not been reviewed by external auditors but have been reviewed by the Audit Committee. Unless otherwise stated, the interim condensed consolidated financial statements and related footnotes are presented in the United States Dollar ("**USD**"), which is the functional and presentation currency of the Company.

2 CHANGES IN SIGNIFICANT ACCOUNTING POLICIES

2.1 New standards, interpretations, and amendments adopted from July 1, 2022

The summary of changes in significant accounting policies are listed in detail in the Company's Annual Report 2021/22.

New standards impacting the Group that have been adopted in the consolidated financial statements for the financial year ended June 30, 2022 are:

- Interest Rate Benchmark Reform — Phase 2 — Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16
- Onerous Contracts — Cost of Fulfilling a Contract — Amendments to IAS 37
- Annual Improvements to IFRS Standards 2018–2020 — Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41
- Property, Plant and Equipment: Proceeds before Intended Use — Amendments to IAS 16
- Reference to the Conceptual Framework — Amendments to IFRS 3

The adoption of the new standards listed above have not had a significant impact on the Group's consolidated financial statements for the six months ended December 31, 2022.

2.2 New standards, interpretations, and amendments not yet effective

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Group has decided not to adopt early.

New standards or amendments	Effective for annual periods beginning on or after
Amendments to IAS 1 Disclosure of Accounting policies	January 1, 2023
Amendments to IAS 8 Definition of Accounting Estimates	January 1, 2023
Amendments to IAS 12 Deferred Tax related to Assets and Liabilities arising from a single Transaction	January 1, 2023
Classification of Liabilities as Current or Non-current — Amendments to IAS 1	January 1, 2023
IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts	January 1, 2023
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture — Amendments to IFRS 10 and IAS 28	Deferred indefinitely

The Group does not expect that the adoption of the standards listed above will have a material impact on the condensed consolidated interim financial statements of the Group in future periods.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The summary of significant accounting policies are listed in detail in the Company's Annual Report 2021/22. During this interim results announcement period, there were no significant changes in the Company's accounting policies.

4 SEGMENT INFORMATION

The chief operating decision-maker considers the Group's operations are operated and managed as a single segment; accordingly, no segment information is presented. This conclusion is based on the following analysis:

- The Group allocates resources and assesses performance of the overall operations of its businesses and not by geographical locations or product lines.

- The Group mainly operates its businesses in the USA and the majority of the revenues are substantially earned from external customers attributed to the USA.

- A substantial majority of the non-current assets excluding restricted cash of the Group are located in the USA.

- No other geographical region is currently deemed to be material to be viewed separately.

5 REVENUE

Substantially all fees are paid by subscribers at the inception of service. The following table sets forth a breakdown of our revenue by solutions and add-on services for the periods indicated:

US$ in thousands	**6 months ended December 31, 2022 (Unaudited)**	6 months ended December 31, 2021 (Unaudited)
Vendor and Medical Credentialing	**21,757**	20,170
Add-On Services	**424**	402
	22,181	20,572

Disaggregation of Revenue from Contracts with Customers

US$ in thousands	**6 months ended December 31, 2022 (Unaudited)**	6 months ended December 31, 2021 (Unaudited)
Timing of revenue recognition		
— Over time	**22,026**	20,377
— At a point in time	**155**	195
	22,181	20,572

The Group's revenues are substantially generated in the U.S., with revenues attributed to the U.S. for the 6 months ended December 31, 2022 totaling US$21.5 million (US$20.1 million for the 6 months ended December 31, 2021).

Contract Liabilities

The Group has recognised the following revenue-related contract liabilities:

US$ in thousands	**As at December 31, 2022 (Unaudited)**	As at June 30, 2022 (Audited)
Contract liabilities	**20,710**	22,607

Contract liabilities mainly consists of membership fees prepaid by subscribers for which the related services had not been rendered in full as at the end of each financial period. The portion to be recognised over the next 12 months will be classified as current liabilities in the condensed consolidated statement of financial position.

The amount of revenue recognised for the 6 months ended December 31, 2022 that was included in the contract liabilities balance at the beginning of the period was US$16.1 million compared to US$13.6 million for the 6 months ended December 31, 2021. All contract liabilities are amortised within one year.

Trade Accounts Receivable

As at December 31, 2022, and June 30, 2022, the Company did not have any trade accounts receivable.

Seasonality

The Company has no material impact due to seasonality.

6 OTHER NON-OPERATING INCOME/(EXPENSE)

US$ in thousands	**6 months ended December 31, 2022 (Unaudited)**	6 months ended December 31, 2021 (Unaudited)
Other	**19**	(6,325)
	19	(6,325)

As announced to the market on July 12, 2021, the Group fell victim to a social engineering crime. As a result, on July 5, 2021, an unauthorized disbursement was made totaling US$6.0 million to bank accounts unassociated with the Group. The Group has not recorded any benefit related to a possible recovery of the funds.

7 INCOME TAXES

Income tax expense

Statutory income tax expense is recognised at the statutory income tax rate of the reporting entity, adjusted for differences in statutory rates between reporting entity and local country, and the tax effect of certain items recognised in full in the interim period. As such, the effective tax rate in the interim financial statements may differ from management's estimate of the effective tax rate for the annual financial statements.

The Group's consolidated effective tax rate in respect of continuing operations was (86.0)% tax expense for the 6 months ended December 31, 2022, compared to 1.2% tax benefit for the 6 months ended December 31, 2021. The change is due to a consolidated loss for tax purposes and an increase in tax liability as of December 31, 2022 compared to the prior period.

8 LOSS PER SHARE

Basic loss per Share is calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of Shares in issue during the period.

	6 months ended December 31, 2022 (Unaudited)	6 months ended December 31, 2021 (Unaudited)
The Group's loss attributable to owners of the Company *(US$ in thousands)*	**(4,212)**	(9,120)
Weighted average number of Shares in issue *(in thousands)*	**452,545**	456,569
Basic loss per Share *(US$ per Share)*	**(0.009)**	(0.020)

Diluted loss per Share is calculated by adjusting the weighted average number of Shares in issue during the period (excluding the Shares purchased by the Company under the RSA Schemes) to assume conversion of all dilutive potential shares. The Group did not have potentially dilutive Shares during the 6 months ended December 31, 2022 or the 6 months ended December 31, 2021, and accordingly the diluted losses per Share equals the basic loss per Share.

9 DIVIDENDS

No dividends have been paid or declared by the Company for the 6 months ended December 31, 2022, nor for the 6 months ended December 31, 2021.

10 TRADE PAYABLES

Aging analysis of the trade payables based on invoice date at the end of each reporting period are as follows:

US$ in thousands	**As at December 31, 2022 (Unaudited)**	As at June 30, 2022 (Audited)
Current	**2,102**	1,469
Past Due	**451**	1,216
	2,553	2,685

The Group considered that the carrying amounts of trade payables approximated to their respective fair values as at December 31, 2022 and June 30, 2022.

The carrying amounts of trade payables are mainly denominated in US$.

11 EVENTS AFTER THE REPORTING PERIOD

The Company has no significant events after the reporting period that need to be brought to the attention of the Shareholders.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Overview

Since the onset of the COVID-19 pandemic, the Group has delivered our service without interruption. We have continually taken measures in response to the pandemic that have been required by government authorities or that were determined to be in the best interests of our employees, subscribers, LoCs, and Shareholders. However, mainly due to COVID-19 measures, the government-imposed restrictions on access to healthcare had materially and momentarily delayed demand of healthcare procedures. The delays of patient procedures of all types have resulted in unprecedented backlog of demand, as disease and chronic health issues remain constant.

The Group's subscriber trend has strengthened as restrictions are lifted, and as a result our total number of subscribers increased to 126,606 subscribers, representing a 4.7% increase compared to December 31, 2021. The Group continues to monitor the variants of COVID-19 and support the healthcare industry with platform solutions in this new normal. As of December 31, 2022, we had 9,930 Registered LoCs, which represents a 3.5% decrease as compared to December 31, 2021.

As compared to the same period ended December 31, 2021, the Group's revenue increased by 7.8% to US$22.2 million, gross profit increased by 10.3% to US$19.8 million, and adjusted EBITDA decreased by 58.2% to US$1.5 million. The gross profit increase is primarily related to increased subscribers, and the reduction in cost of revenues for our eBadge technology. The Group also synchronised deployment of sales and marketing efforts with the tepid recovery of the healthcare industry and continued to invest in R&D. We are committed to the continuous enhancement of the value of our technology platform and network. Total R&D investment for the 6 months ended December 31, 2022, were US$7.6 million of which US$2.4 million was capitalised and US$5.2 million expensed in the period. For the 6 months ended December 31, 2021, the corresponding amounts were US$6.7 million, US$2.5 million, and US$4.2 million, respectively.

The Company has continued to invest in technology products such as BioBytes™, Medical Staff Credentialing, and continued expansion into Taiwan virtual medical consultations. Our business strategy continues to focus on connecting the supply side of healthcare with the demand side of healthcare on a technology platform that delivers trusted interactions.

For the 6 months ended December 31, 2022, the net loss was US$4.2 million compared to a net loss of US$9.2 million for the 6 months ended December 31, 2021. As previously disclosed to the market, the Group incurred and subsequently wrote off an unauthorized disbursement in the amount of US$6.0 million in the 6 months ended December 31, 2021, which effect was partially offset by an increase in operating costs incurred during the 6 months ended December 31, 2022 to implement the Group's strategic initiatives.

Outlook

The impacts of COVID-19 continue to affect the healthcare industry which makes trusted interaction and policy enforcement a key element for healthcare to manage. Regulatory changes which are being rolled out in support of the CDC recommendations and global "learnings" from COVID-19 highlight the need for agile, scalable technology solutions. Moreover, as healthcare still lags behind most major industries in adoption of digitization, creating technology is the most effective path forward. Technology and regulatory compliance are part of our core business, especially where locations are dependent on highly complex and every changing supply chains.

The size and scale of healthcare requires a reliance on technology solutions as the only reasonable option. Management believes these macro market drivers favor the Company's unique value proposition of connecting the supply and demand sides of care on a single, extensible, trusted, and end-to-end technology platform is one of the most efficient and cost-effective solutions available in the market today. Our solutions work across virtually all geographical locations and perform as well on premises as they do online. As a result, we expect our growth will come from three key areas which are:

(a) **Expansion into all types of LoCs on the platform including the home healthcare market.** We have recently partnered with Taiwan providers and LoCs to provide telemedicine visits which allows patients to communicate with a healthcare providers using technology, as opposed to physically visiting a doctor's office or hospital. In addition, our Bio Byte technologies allow for remote patient monitoring. This allows caregivers to monitor patients who use mobile medical equipment to collect data on things like blood pressure, blood sugar levels, etc.

(b) **Growth of the community and technology of the platform**. We use our attractive, extensible and open technology platform to extend our markets and capabilities through strategic alliances and innovative partnerships. As one of the open solutions that welcome all trusted people, places and devices, our multinational platform provides markets and sales channels to partners. Each time we attract a new alliance and partnership, the value of the platform grows exponentially for everyone in our healthcare community.

(c) **Regional leadership for geographic expansion**. Dedicated commercial leadership in each region we serve creates closer relationships with customers. These close relationships will improve our market sensing capabilities, further enhancing our ability to anticipate new and leading market trends. Moreover, these regional executives will lead the Company's geographic expansion efforts, operating verticals, partnerships, and humanitarian efforts.

Assets

Total assets of the Group decreased from US$74.4 million as at June 30, 2022 to US$62.9 million as at December 31, 2022. The decrease is driven by purchases of RSA shares US$0.8 million, repayment of borrowings US$3.8 million, expenses associated with technology development for MSO and new products US$2.4 million and increased operating costs in implementing Group initiatives.

Liquidity

Our working capital increased from US$(19.1) million as of June 30, 2022 to US$(11.9) million as of December 31, 2022. As of December 31, 2022, the current ratio of 0.7 remained the same as the current ratio as of June 30, 2022. Our subscribers pay their fees at the beginning of their annual term providing the Company with a cash inflow and therefore there is no credit risk for accounts receivable.

As the future of the COVID-19 pandemic variants, government actions, and financial markets reactions remain unknown, the Group and its Board cannot reliably predict the extent to which the business, its assets, and future liquidity will be impacted. At present, the Group does not see any material change to its operating capabilities, assets, liquidity, or credit.

Financial Review

Results of Operations

This interim results announcement is reporting results of operations for the 6-month period from July 1, 2022 to December 31, 2022 as compared to the 6-month period from July 1, 2021 to December 31, 2021.

The following table sets forth certain income and expense items from our unaudited consolidated statements of profit or loss for the periods indicated:

US$ in thousands	**6 months ended December 31, 2022 (Unaudited)**	6 months ended December 31, 2021 (Unaudited)
Revenue	**22,181**	20,572
Cost of revenue	**(2,392)**	(2,633)
Gross profit	**19,789**	17,939
Selling and marketing expenses	**(2,613)**	(1,852)
General and administrative expenses	**(12,501)**	(10,648)
R&D expenses	**(8,043)**	(7,325)
Other income/(loss)	**86**	(10)
Operating (loss)	**(3,282)**	(1,896)
Finance costs	**(967)**	(787)
Finance income	**183**	56
Other non-operating income/(expense)	**19**	(6,325)
Share of loss of a joint venture, net of tax	**—**	(97)
Loss before income tax	**(4,047)**	(9,049)
Income tax expense	**(167)**	(105)
Loss for the period	**(4,214)**	(9,154)
Non-IFRS Financial Measures		
Adjusted — Earnings before interest, taxes, depreciation, and amortisation	**1,548**	3,700

Non-IFRS Measures

The Company has presented certain non-IFRS measures in this interim results announcement to provide additional information that the management believes is useful to the reader in gaining a more complete understanding of the operational performance and of the trends. Non-IFRS measures may not be comparable to similarly named measures used by other companies. They do not replace and should not be considered comparable to IFRS measures. Non-IFRS measures are not a substitute for a user's calculation and analysis of the financial results as reported under IFRS in this interim results announcement.

Earnings before interest, taxes, depreciation, and amortization (EBITDA) is a Non-IFRS financial measure. The Company believes that each of the non-operating expense items listed below was not an expense arising out of or ancillary to the core business of the Group, being (i) the offering of medical and vendor credentialing solutions for compliance and security purposes in the healthcare industry and (ii) the provision of add-on services, comprising of radiation exposure monitoring, immunizations and vaccinations, criminal background checks and general and professional liability insurance referrals. The Group adopts adjusted EBITDA in its financial and operating decision-making because it reflects the Group's ongoing operating performance in a manner that allows for more meaningful period-to-period comparisons. The Group believes the use of adjusted EBITDA provides investors with greater visibility in understanding and evaluating its operating performance and future prospects the way the management does by excluding the above mentioned non-operating expense and the income tax benefit, net interest expense, depreciation of property and equipment, and amortisation and impairment of intangible assets during the reporting period, which are non-recurring in nature or may not be reflective of the Company's core operating results and business outlook.

Adjusted — EBITDA

US$ in thousands	**6 months ended December 31, 2022 (Unaudited)**	6 months ended December 31, 2021 (Unaudited)	$ Change	% Change
(Loss) for the period	**(4,214)**	(9,154)	4,940	(54.0)
Income tax (expense)	**(167)**	(105)	(62)	59.0
(Loss) before income tax	**(4,047)**	(9,049)	5,002	(55.3)
Interest income, net	**782**	647	135	20.9
(Loss) before interest and taxes	**(3,265)**	(8,402)	5,137	(61.1)
Depreciation	**1,711**	2,275	(564)	(24.8)
Amortisation	**3,121**	3,321	(200)	(6.0)
Other non-operating income	**(19)**	6,506	(6,525)	(100.3)
Adjusted EBITDA	**1,548**	3,700	(2,152)	(58.2)

We use adjusted EBITDA, which represents net income before (i) income tax expense, and net interest (income)/expense, and (ii) certain non-cash expenses, consisting of depreciation of property and equipment, rent cost relating to certain right-of-use assets, amortisation and other non-operating (income)/expense, including share of results of equity (joint venture) investees, which we do not believe are reflective of our core operating performance during the periods presented.

Other non-operating expenses for the 6 months ended December 31, 2021 included US$6.0 million related to unauthorized disbursements, US$93 thousand related to losses from investment in joint venture and US$394 thousand related to potential acquisitions. Other non-operating income for the 6 months ended December 31, 2022 related to potential acquisitions refunds.

Financial Position

Working Capital

Our working capital improved to negative working capital of US$11.9 million as at December 31, 2022, from negative US$19.1 million as at June 30, 2022, primarily as a result of reclassification of US$15.0 million in borrowings classified as current for the period ending June 30, 2022 and being classified as non-current liabilities as of December 31, 2022.

Current Ratio

Our current ratio as at December 31, 2022 was 0.7, which remained the same as the current ratio as at June 30, 2022. Current ratio is calculated as current assets divided by current liabilities as at the date indicated. Our total current liabilities as at December 31, 2022 was US$41.1 million (as at June 30, 2022: US$58.7 million), of which US$20.7 million were contract liabilities (as at June 30, 2022: US$22.6 million). Our contract liabilities represent prepayments by subscribers for which services had not been rendered in full as at the relevant balance sheet date. Such prepaid fees are expected to be recognized as the Group's revenue over the course of the next 12 months upon our delivery of the relevant services.

Gearing Ratio

The gearing ratio is a measure of financial leverage that demonstrates the degree which a firm's operations are funded by equity capital versus debt financing by calculating (i) total debts divided by (ii) total equity. The gearing ratio increased to 3,480.5% as at December 31, 2022, from 444.0% as at June 30, 2022. Such increase was primarily due to a decrease in our retained earnings attributable to the net operating losses for the 6 months ended December 31, 2022. As at December 31, 2022, the reduction in equity attributable to our RSA scheme reserve was US$30.6 million (as at June 30, 2022: US$30.4 million).

Liquidity and Financial Resources

Our Group's financing and treasury activities are centrally managed and controlled at the corporate level. The Group's overall treasury and funding policies focus on managing financial risks. This includes interest rate and foreign exchange risks, cost-efficient funding of the Company and its subsidiaries, and yield enhancement from time-to-time when the Group's cash position allows. The Group has always adhered to prudent financial management principles including the selection of investment securities according to the Group's treasury investment policy.

Our primary uses of capital are to satisfy our working capital needs and to fund our R&D and market acquisition initiatives. Our working capital is predominantly financed from cash generated from our operating activities, comprised of cash payments received from our annual subscription memberships and add-on services, and bank borrowings. In managing our liquidity, our management monitors and maintains a reasonable level of cash and cash equivalents deemed adequate by our management to finance our operations and to mitigate the impacts of fluctuations in cash flows. The main sources of liquidity are cash and cash equivalents on hand, and the cash generated from operating activities.

As at December 31, 2022, the cash and cash equivalents, net current assets/liabilities, and total assets less current liabilities were US$17.5 million, US$(11.9) million, and US$21.8 million compared to US$23.5 million, US$(19.1) million, and US$15.7 million as at June 30, 2022, respectively.

Exposure to Fluctuations in Exchange Rates

We operate mainly in the U.S. with most of the transactions settled in U.S. dollars. Our management considers that our business is not exposed to any significant foreign exchange risk as we have no significant financial assets or liabilities denominated in the currencies other than US$. During the 6 months ended December 31, 2022, the Company did not issue any financial instruments for hedging purposes. As we monitor the growth of the Company in association with the local revenue and expenses, the management will consider hedging significant foreign currency exposure should the need arise.

Cash and cash equivalents, short-term bank deposits, restricted cash, and promissory notes are denominated in the following currencies:

US$ in thousands	**As at December 31, 2022 (Unaudited)**	As at June 30, 2022 (Audited)
USD	**24,635**	32,858
HKD	**2,185**	2,788
GBP	**421**	625
NTD	**39**	36
CAD	**32**	42
EUR	**16**	1
Total	**27,328**	36,350

Indebtedness

Borrowings

Our total borrowing balance as at December 31, 2022, was US$24.7 million with variable interest rates per annum ranged between 3.60%–6.22% compared to US$28.5 million with variable interest rates per annum ranged between 1.68%–4.80% as at June 30, 2022. The Group made a US$3.75 million repayment towards the EnTie bank US$30.0 million long-term borrowing facility. As at December 31, 2022, there were no borrowings with fixed interest rates. The borrowings are secured by certain bank deposits and are in US$.

US$ in thousands	**As at December 31, 2022 (Unaudited)**	As at June 30, 2022 (Audited)
Borrowings		
— Current	**12,723**	28,511
— Non-current	**12,023**	—
Total	**24,746**	28,511

Contingent Liabilities

As at December 31, 2022, the Company had the following contingent liabilities:

In April 2018, a former employee of the Group's subsidiary, IntelliCentrics, Inc., filed a lawsuit in Denton County, Texas, U.S., against IntelliCentrics, Inc. The former employee asserted certain claims: breach of employment agreement and age discrimination. As at the date of this interim results announcement, the lawsuit is ongoing. In review of the status with our external counsel, the Group does not expect an adverse outcome and no provision is recorded.

In April 2022, a former employee of the Group's subsidiary, IntelliCentrics, Inc., filed a lawsuit against IntelliCentrics, Inc. The former employee asserted certain claims: breach of employment agreement and wrongful termination. As at the date of this interim results announcement, the lawsuit is ongoing. In review of the status with our external counsel, the Group does not expect an adverse outcome and no provision is recorded.

Except as disclosed above, as at December 31, 2022, the Group did not have other material contingent liabilities.

Employee and Remuneration Policy

As of December 31, 2022, the Group had 164 employees (June 30, 2022: 143 employees). Total staff remuneration expenses, including Directors' remuneration, for the 6 months ended December 31, 2022, equals US$13.7 million (December 31, 2021: US$11.5 million). Remuneration is determined, in accordance with the prevailing industry practice, with reference to performance, skills, qualifications, and experience of the staff members. In addition to salary payments made by the Group, other staff benefits include social insurance and housing provident contributions, performance-based compensation, and discretionary bonus. Employee remuneration is reviewed annually to local market trends. The Group has also adopted the Pre-IPO Share Option Scheme, and the RSA Scheme, the RSA Scheme for Core Connected Persons to attract, retain, and incentivise our key employees to accelerate the Company's growth.

Dividends

The Board does not recommend the payment of an interim dividend for the 6 months ended December 31, 2022.

Corporate Governance Practice

The Board is committed to maintaining high corporate governance standards. During the 6 months ended December 31, 2022, the Company has applied the principles as set forth in the CG Code which are applicable to the Company. In the opinion of the Directors, the Company has complied with all applicable code provisions as set out in the CG Code during the 6 months ended December 31, 2022.

As of the date of this announcement, the Company has a single gender Board. Noting that a single gender board will not be considered as having achieved board diversity, the Company will take appropriate measures to review the structure and composition of the Board and appoint a Director of a different gender on or before December 31, 2024.

Model Code for Securities Transactions

The Company has adopted the Model Code as its own code of conduct regarding securities transactions by the Directors. The Company has set additional guidelines at least as strict as the Model Code for transactions of the Company's securities for the relevant employees (as defined in the Listing Rules).

The Company has made specific inquiries to all Directors about their compliance with the Model Code. All Directors confirmed that they were in compliance with the standards specified in the Model Code during the period from their respective appointment date until December 31, 2022. The Company has made specific inquiries of relevant employees about their adherence to the guidelines on transactions of the Company's securities. The Company did not notice any violation of the guidelines.

Purchase, Sale or Redemption of the Company's Listed Securities

Save for the Shares as may be purchased by the trustee from time to time pursuant to the RSA Schemes, during the 6 months ended December 31, 2022, neither the Company nor its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the reporting period.

Significant Investments, Acquisitions and Disposals

During the 6 months ended December 31, 2022, there were no significant investments, acquisitions, or disposals.

Future Plans for Material Investment or Capital Assets

As at December 31, 2022, there were no plans for material investments or capital assets outside the normal course of operations.

Events After the Reporting Period

The Company has no significant events after the reporting period that need to be brought to the attention of the Shareholders.

Review of Interim Results

The interim results have not been reviewed by external auditors. The Audit Committee, with the assistance of the Group's internal audit department, has reviewed the unaudited interim results of the Group for the 6 months ended December 31, 2022. It is the opinion of the Audit Committee that the preparation of such interim results had been prepared in accordance with the applicable accounting principles and standards and adequate disclosures have been made.

Publication of Interim Results Announcement and Interim Report

This interim results announcement is published on the website of the Stock Exchange at www.hkexnews.hk and on the Company's website at www.intellicentrics-global.com. The interim report of the Company for the 6 months ended December 31, 2022, will be published on the aforesaid websites and dispatched to the Shareholders in due course.

DEFINITIONS

"Audit Committee"	the audit committee of the Board;
"Board" or "Board of Directors"	the board of Directors of the Company;
"CG Code"	Corporate Governance Code as set out in Appendix 14 to the Listing Rules;

"Company" or "IntelliCentrics"	IntelliCentrics Global Holdings Ltd. (中智全球控股有限公司), which is an exempted company with limited liability incorporated in the Cayman Islands on June 3, 2016 and the Shares of which are listed on the Main Board of the Stock Exchange on March 27, 2019;
"Director(s)"	director(s) of the Company;
"EBITDA"	Non-IFRS measure of earnings before interest, taxes, depreciation, and amortisation;
"FVOCI"	fair value through other comprehensive income;
"Group", "our Group", "we" or "us"	the Company and its subsidiaries at the relevant time and, in respect of the period before the Company became the holding company of its present subsidiaries, the businesses operated by such subsidiaries or their predecessors (as the case may be);
"IAS"	International Accounting Standards;
"IASB"	International Accounting Standards Board;
"IFRS"	International Financial Reporting Standards;
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended and supplemented from time to time;
"LoC(s)"	location(s) of care, including hospitals, physician offices and other types of locations where healthcare services are provided such as imaging centers, and long-term care centers;
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 to the Listing Rules;
"MSO"	Medical Staff Office;
"Pre-IPO Share Option Scheme"	the share option plan adopted by the Board on August 7, 2018;
"Registered LoCs"	LoC that has registered on our platform and has not cancelled its registration;
"reporting period"	for the 6 months ended December 31, 2022;
"R&D" or "Research and Development"	research and development;

"RSA Scheme"	the Restricted Share Award Scheme amended and restated by the Company on June 7, 2022;
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time;
"Share(s)"	ordinary share(s) in the capital of the Company with nominal value of US$0.0001 each;
"Shareholder(s)"	holder(s) of the Share(s);
"Stock Exchange"	The Stock Exchange of Hong Kong Limited;
"Subsidiaries"	has the meaning ascribed to it in section 2 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance;
"UK", "U.K.", or "United Kingdom"	the United Kingdom of Great Britain and Northern Ireland;
"USD", "U.S. dollars" or "US$"	U.S. dollars, the lawful currency of the United States of America;
"U.S.", "USA" or "United States"	the United States of America; and
"%"	Percent.

In this interim results announcement, the terms "associate", "connected person", "connected transaction", "controlling shareholder", "subsidiary" and "substantial shareholder" shall have the meanings given to such terms in the Listing Rules, unless the context otherwise requires.

By order of the Board
IntelliCentrics Global Holdings Ltd.
LIN Tzung-Liang
Chairman of the Board

Hong Kong, February 28, 2023

As at the date of this announcement, the executive Directors are Mr. LIN Tzung-Liang and Mr. Michael James SHEEHAN; the non-executive Directors are Mr. LIN Kuo-Chang and Mr. Leo HERMACINSKI; and the independent non-executive Directors are Mr. HSIEH Yu Tien, Mr. WONG Man Chung Francis and Mr. LIAO Xiaoxin.