

TOTM TECHNOLOGIES LIMITED
(Company Registration No. 201506891C)
(Incorporated in the Republic of Singapore)
(the “**Company**”)

- (1) **WAIVER OF PRE-EMPTION RIGHT TO PARTICIPATE IN INCREASE IN SHARE CAPITAL OF INVESTEE COMPANY; AND**
 - (2) **UPDATE ON UTILISATION OF INVESTMENT IN INVESTEE COMPANY**
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The Board of Directors (the “**Board**”) of TOTM Technologies Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the announcements dated 14 May 2021, 15 September 2021, 14 October 2021 and 22 October 2021 as well as the circular dated 29 September 2021 in relation to the Company’s investment in TECH5 SA (“**Proposed Equity Investment**”) and the conversion of a US\$2.5 million term loan extended by the Company to TECH5 (“**Proposed Conversion**”) (the “**Previous Announcements**”).

Capitalised terms used but not defined herein shall have the meanings as ascribed in the Previous Announcements, where applicable.

1. WAIVER OF PRE-EMPTION RIGHT TO PARTICIPATE IN INCREASE IN SHARE CAPITAL OF INVESTEE COMPANY

1.1 Introduction

The Board wishes to announce that TECH5 SA (“**TECH5**”), an investee company in which the Company has a shareholding of 18.07% in, has entered into an investment agreement with the New Investors (as defined below) to issue 1,356,221 shares in the capital of TECH5 (“**Subscription Shares**”) amounting to US\$10 million (the “**Capital Increase**”). Following the completion of the Capital Increase, the share capital of TECH5 will increase to CHF 135,622.1 represented by 13,562,210 registered shares.

Pursuant to the terms of a shareholders’ agreement dated 16 August 2021 entered into between the Company, Rahul Parthe and Machiel Van Der Harst, in the event of an increase in the share capital of TECH5, each shareholder is entitled to subscribe a portion of the newly issued shares in proportion to its then current shareholding in TECH5.

Having considered the current cash position and business plans of the Group, the Company has waived its pre-emption rights to subscribe for its pro-rata entitlement of the Capital Increase. Accordingly, the Company’s 2,205,989 shareholding in TECH5 will decrease to represent 16.27% of the registered shares in TECH5 following the completion of the Capital Increase. All existing shareholders of TECH5 have waived their pre-emptive rights in respect of the Capital Increase.

In addition, one of the New Investors has the right to subscribe for an additional 271,245 shares in TECH5. Should such right of subscription be exercised, the Company’s shareholding in TECH5 will be further diluted to 15.95%.

None of the Directors or substantial shareholders of the Company has an interest, direct or indirect, in the Capital Increase, save for their interests by way of shareholdings and/or directorships, as the case may be, in the Company.

1.2 Information on the New Investors and Rationale for the Capital Increase

Shareholders should note that the following information relating to TECH5 in this paragraph and elsewhere in this announcement was provided by TECH5. The Company and the Board have not independently verified the accuracy and correctness of such information.

1.2.1 Information on the New Investors

To the best of the Company’s knowledge, the Subscription Shares are issued to the following individuals (the “**New Investors**”) are as follows:

S/N	Name of New Investor	Number of Subscription Shares	Subscription Amount (US\$)	Background of New Investor
1.	Hing Chow Yuen	406,866	3,000,000	A substantial shareholder of the Company holding 80,104,800 ordinary shares representing 9.43% of the issued and paid-up share capital of the Company as at 18 March 2022
2.	Yang Tse Pin	406,866	3,000,000	A minority shareholder of the Company
3.	Chan Hiang Ngee	271,244	2,000,000	A minority shareholder of the Company
4.	Tan Chin Tuan	271,245	2,000,000	The introducer of TECH5 to the Company as disclosed in the Previous Announcements
	Total	1,356,221	10,000,000	

Notwithstanding the foregoing, the Company was not involved in sourcing or selecting the New Investors, nor participated in the discussions or negotiations on the terms for the transaction relating to the Capital Increase.

1.2.2 Rationale for the Capital Increase

In the last quarter of 2021, TECH5 achieved some major milestones in its business, including:

- (i) Securing a new project in Australia which constituted TECH5's first deployment in one of the Five Eyes countries¹ and marked an important milestone for TECH5;
- (ii) Securing a digital ID project in Colombia, which marked an important milestone for TECH5; and
- (iii) Closed key partnerships with Accenture, VFS Global and Zetes.

The above milestones call for an expansion of TECH5's sales force, local presence and relevant business support to further solidify the investment into key offerings such as TECH5's Digital Identity Management solutions.

The amounts invested by the New Investors will be used to exploit the market opportunities created by the above developments.

2. **UPDATE ON UTILISATION OF INVESTMENT IN INVESTEE COMPANY**

Following completion of the Proposed Equity Investment and Proposed Conversion on 22 October 2021, the Company had invested an aggregate of US\$10.5 million in TECH5 (the "**TOTM Investment Proceeds**").

Shareholders should note that, save as set out below, the following information relating to the use of proceeds of the TOTM Investment in this paragraph and elsewhere in this announcement was provided by TECH5. The Company and the Board have not independently verified the accuracy and correctness of such information.

¹ The Five Eyes is an intelligence alliance consisting of the United States of America, United Kingdom, Australia, Canada and New Zealand

As at the date of this announcement, TECH5 informs that around US\$5.0 million of the TOTM Investment Proceeds have been used by TECH5 ("**Utilised TOTM Investment Proceeds**"), with an estimated breakdown as follows:

Description	Planned Allocation of the TOTM Investment Proceeds	Utilised TOTM Investment Proceeds
Investment in research and development	40%	34.29%
Expansion of organisation and working capital	60%	13.33%

The above is in line with the utilisation as discussed and agreed between TECH5 and the Company.

TECH5 further informs that it intends to use the balance of the TOTM Investment Proceeds of around US\$5.5 million based on the proportion as set out above, and any changes will be discussed and agreed with the Company.

By Order of the Board

Mr. Pierre Prunier
Executive Director and Chief Executive Officer

23 March 2022

*This announcement has been reviewed by the Company's sponsor, SAC Capital Private Limited (the "**Sponsor**").*

*This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited ("**SGX-ST**") and 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.*

The contact person for the Sponsor is Ms. Charmian Lim (telephone no.: (65) 6232 3210) at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.