
LICENSING OF INTANGIBLE PROPERTIES FOR US\$6.0 MILLION TO A LEADING COMPANY WHICH UTILIZES SATELLITE-BASED INFRASTRUCTURE IN PROVIDING STRONG SECURITY ENABLED CLOUD DATA MANAGEMENT SERVICES FOR GLOBAL ENTERPRISE ORGANISATIONS

The Board of Directors (“**Board**”) of Addvalue Technologies Ltd (“**Company**” and together with its subsidiaries, the “**Group**”) is pleased to announce that the Company, via its wholly-owned subsidiary, Addvalue Innovation Pte Ltd (“**AVI**” or the “**Assignor**”), has on 25 March 2020 entered into a licensing agreement (the “**Licensing Agreement**”) with a leading company, which utilizes satellite-based infrastructure in providing strong security enabled cloud data management services for global enterprise organisations (the “**Assignee**”), in connection with a licensing arrangement to be forged with the Assignee, on a non-exclusive, perpetual and global basis, for a one-time licensing fee of US\$6.0 million (the “**Licensing Fee**”).

Due to non-disclosure obligations and in view of commercial sensitivity, the Group is presently unable to disclose further details about the Assignee.

Pursuant to the Licensing Agreement, AVI shall license to the Assignee the rights of use of such intellectual properties as required by the Assignee or any company controlled by the Assignee (the “**Assignee Group**”) to develop satellite-based terminals needed for the Assignee Group’s cloud data management services targeting the global enterprise organisations (the “**Licensed IPs**” or “**Assigned Rights**”). Save for the sub-lease or transfer of the Assigned Rights by the Assignee to any company within the Assignee Group, the Assigned Rights are not to be sub-leased or transferred by the Assignee to any party.

The Licensing Fee shall, at the option of the Assignee, be fully settled in cash or through the issuance to AVI (or its nominee) of such a number of new shares in the Assignee (the “**Consideration Shares**”), representing a certain percentage of the equity interest of the Assignee on an enlarged basis which in turn is equivalent to the market capitalization of the Assignee in US\$ as agreed between the Assignee and each of the third-party equity investors of the Assignee contemporarily pursuant to the prevailing equity fund raising exercise which the Assignee is in the midst of carrying out.

The Licensing Fee is expected to significantly augment the financial performance of the Group for the financial year ending 31 March 2020.

Save for their respective equity interests held through the Company, none of the Directors or substantial shareholders of the Company has any interest, directly or indirectly, in the Licensing Agreement.

BY ORDER OF THE BOARD

Dr Colin Chan Kum Lok
Chairman and CEO

26 March 2020