



Toku Ltd.

(Company Registration Number: 201734881W)
(Incorporated in the Republic of Singapore)

**Proposed Acquisition
Entry into a Non-Binding Term Sheet**

1. Introduction

The Board of Directors (the “Board”) of Toku Ltd. (the “Company”, and together with its subsidiaries, the “Group”) wishes to announce that the Company has on 20 October 2026 entered into a non-binding term sheet (the “Term Sheet”) with the shareholder (the “Seller”) of a technology company (the “Target”) in relation to the proposed acquisition by the Company of the entire issued share capital of the Target (the “Proposed Acquisition”).

2. The Term Sheet

- 2.1 The Term Sheet records the principal terms on which the parties intend to negotiate a definitive share purchase agreement for the Proposed Acquisition (the “Definitive Agreement”). It is not legally binding, save for certain provisions, principally those on exclusivity, confidentiality, transaction costs and governing law.
- 2.2 **Exclusivity.** The Seller has granted the Company a period of exclusivity, during which the Company will carry out confirmatory due diligence on the Target and the parties will negotiate the Definitive Agreement.
- 2.3 **Consideration and other terms.** The consideration and the other terms recorded in the Term Sheet remain subject to the outcome of the due diligence and to the negotiation of the Definitive Agreement, and are confidential at this stage. The Company will announce the terms of the Proposed Acquisition if and when the Definitive Agreement is entered into, in accordance with Chapter 10 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the “SGX-ST”) (the “Catalist Rules”).
- 2.4 **Conditions.** Completion of the Proposed Acquisition, if the Definitive Agreement is entered into, is expected to be conditional upon, among other things, the approval of the Company’s shareholders to the extent required under the Catalist Rules and any merger control or foreign direct investment clearances that may be required.

3. Rationale for the Proposed Acquisition

- 3.1 The Target is a technology company whose products are complementary to the Group’s platform. Based on information provided by the Seller, which remains subject to due diligence, the Target is profitable. The Board believes that the Proposed Acquisition, if completed, would extend the Group’s capabilities for its customers across its markets and would be in the interests of the Company and its shareholders. The Company will provide further details on the rationale for, and the expected benefits of, the Proposed Acquisition in the event the Definitive Agreement is entered into.
- 3.2 **Expected effect on the Group’s profitability.** The Proposed Acquisition, if completed, would be transformational for the Group’s scale and profitability. Based on the Target’s reported results, which remain subject to due diligence, the Board expects the enlarged Group to be profitable at the Adjusted EBITDA level from completion of the Proposed Acquisition. Adjusted EBITDA is as defined in the announcement of the Company’s unaudited financial results for the six months ended 30 June 2026 (“1H2026”) released on 27 July 2026 (the “1H2026 Announcement”). This expectation combines the Group’s organic trajectory under the revised guidance for the financial year ending 31 December 2026 (“FY2026”) announced on 16 October 2026 (the “Guidance Announcement”) with the Target’s reported profitability, before transaction and integration costs, and assumes that the Definitive Agreement is entered into, that the Proposed Acquisition is financed and completed on the terms recorded in the Term Sheet, and that the Target’s performance is sustained to completion. It is not a profit forecast. The Company will provide details on the basis of this expectation, together with the effect of the Proposed Acquisition on the Group’s guidance, in the event the Definitive Agreement is entered into.

4. Effect on the Group’s guidance and outlook for FY2026

- 4.1 The Company refers to the Guidance Announcement and to the 1H2026 Announcement. As stated in the Guidance Announcement, the guidance relates to the Group’s organic operations and does not take account of any acquisition or of the costs of any such transaction. The revenue guidance for FY2026 and the order book indicators are not affected by the entry into the Term Sheet.
- 4.2 **Operating expenses.** The outlook given at the 1H2026 Announcement included reported operating expenses for the second half of FY2026 (“2H2026”) below the level of 1H2026. The Group’s organic operating expenses remain within that level. Pre-completion costs of the Proposed Acquisition, principally the fees of the Company’s financial, legal and due diligence advisers, are being incurred in 2H2026 and recorded in operating expenses; including these costs, the Group’s reported operating expenses for 2H2026 are expected to exceed the 1H2026 level. The Company will identify the transaction costs separately in its results

for FY2026, so that the Group's organic operating expenses can be assessed against the outlook. The Board considers these costs to be justified having regard to the expected effect of the Proposed Acquisition on the Group described in paragraph 3.2.

- 4.3 The Company will make an announcement regarding the effect of the Proposed Acquisition on the Group's guidance in the event the Definitive Agreement is entered into.

5. Interests of Directors and controlling shareholders

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Proposed Acquisition, other than through their respective shareholdings in the Company.

6. Further announcements and cautionary statement

- 6.1 There is no certainty or assurance that the Definitive Agreement will be entered into or that the Proposed Acquisition will be completed. The Company will make further announcements as appropriate, as and when there are material developments.

- 6.2 This announcement contains forward-looking statements, including the expectations set out in paragraph 3.2 and the statements in paragraph 4, which involve assumptions, risks, and uncertainties. They are based on the current views of management and the Board and on information provided by the Seller that has not been verified. Actual outcomes may differ materially from those expressed in such statements as a result of, among other things, the outcome of the due diligence, the negotiation of the Definitive Agreement, the availability and terms of financing, the satisfaction of the conditions to completion, the integration of the Target and the factors set out in the 1H2026 Announcement and the Guidance Announcement. No assurance can be given that the expectation will be achieved or that the assumptions are correct. The Company does not assume any obligation to update any forward-looking statement, whether as a result of new information, future events or otherwise, save as required under the Catalist Rules.

- 6.3 **The Term Sheet does not legally bind the Company or the Seller to proceed with the Proposed Acquisition. No formal and legally binding sale and purchase agreement has been entered into in respect of the Proposed Acquisition as at the date of this announcement and there is no assurance that a binding sale and purchase agreement will be entered into. The discussions are still in progress, and the Proposed Acquisition may or may not proceed.**

Shareholders and potential investors are advised to read this announcement and any further announcements by the Company carefully, and to exercise caution when dealing in the shares of the Company. Persons who are in doubt as to the action they should take should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

BY ORDER OF THE BOARD

Thomas Patrick M. Laboulle
Executive Director and Chief Executive Officer
21 October 2026

The Company was listed on the Catalist of the Singapore Exchange Securities Trading Limited (the "SGX-ST") on 22 January 2026. The initial public offering was sponsored by PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor"). This announcement has been reviewed by the Sponsor. It has not been examined or approved by the 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. Ng Shi Qing, 16 Collyer Quay, #10-00 Collyer Quay Centre, Singapore 049318, sponsorship@ppcf.com.sg.