

TOTM TECHNOLOGIES LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 201506891C)

ENTRY INTO JOINT VENTURE AGREEMENT

1. INTRODUCTION

The Board of Directors (the "**Board**") of TOTM Technologies Limited ("**TOTM**" or the "**Company**"), and its subsidiaries (the "**Group**"), refers to the Company's announcement dated 26 January 2022 in relation to the non-binding Memorandum of Understanding (the "**MOU**") and the Company's announcement dated 21 June 2022 in relation to the Strategic Teaming Agreement (the "**Strategic Teaming Agreement**"), wishes to announce that the Group has via its wholly-owned subsidiary, TOTM Tech SG Pte Ltd ("**TOTM Tech**"), on 18 October 2023, entered into a joint venture agreement (the "**JVA**") with Presight AI Ltd ("**Presight**", and collectively with TOTM Tech, the "**Parties**", each a "**Party**"). Under the JVA, the Parties intend to establish a joint venture company (the "**JV Company**"), to be incorporated in Abu Dhabi to carry out business in respect of (i) the joint development of a digital identity solution to be offered as a service to various governments and (ii) an innovative and disruptive technology for national identity and biometrics solutions to be offered to governments and businesses (the "**Business**") (the "**Joint Venture**"). It was agreed in the JVA that the governing law shall be the laws of England and Wales.

2. JOINT VENTURE

2.1 Information of the Joint Venture Partner

Presight AI Ltd, a wholly-owned subsidiary of Presight AI Holding Ltd, is a leading AI-powered big data analytics and cloud computing company registered in Abu Dhabi Global Markets ("**ADGM**") under commercial registration number 000003994, whose registered address is Level 33, Al Khatem Tower, Abu Dhabi Global Market Square, Al Maryah Island, Abu Dhabi, United Arab Emirates.

2.2 Salient Terms of the JVA

2.2.1 *Conditions Precedent*

From the date of the JVA and until the date on which the conditions set out in this Section 2.2.1 (the "**Conditions**") are satisfied (which, for avoidance of doubt, may not be later than the Long Stop Date) (the "**Closing Date**"), each of Presight and TOTM Tech will cooperate with each other to fulfil or procure the fulfilment of the Conditions set out in this Section 2.2.1 of this Announcement.

The Proposed Joint Venture is conditional that the following Conditions have been satisfied or waived on or before six (6) months from the date of the JVA or such later date as may be agreed in writing between the Parties (the "**Long Stop Date**") (as the same may be deferred by the Parties):

- (i) the JV Company shall have been incorporated by Presight and TOTM Tech, the JV Company's commercial license shall have been issued by the ADGM Registration Authority, the initial share capital of the JV Company shall be as set forth in Section 2.2.2 and the Parties' ownership of the JV Company shall be as set forth in Section 2.2.3;
- (ii) all of the Parties' respective representations as defined in the JVA, being true and correct in all material respects;

- (iii) all of the covenants and obligations of Presight and TOTM Tech, respectively, to be performed prior to or as of the Closing Date under this JVA shall have been duly performed in all material respects, and no default shall have occurred and be continuing; and
- (iv) there shall be no actions, suits or proceedings pending or threatened against any Party which question such Party's right to enter into or perform this JVA, or which question the validity of this JVA.

Following the date of the JVA, each Party shall use all reasonable endeavours, and shall cooperate with the other Party as required, to fulfil or procure the fulfilment of the Conditions as soon as possible and in any event on or before the Long Stop Date.

Each Party undertakes to disclose in writing to the other Party anything which will or may prevent any of the Conditions from being satisfied on or before the Long Stop Date, immediately as it comes to the notice of that Party.

The JVA may be terminated if the Conditions listed in this Section 2.2.1 have not all been satisfied or waived on or before the Long Stop Date (as the same may be deferred by the Parties).

2.2.2 Formation of the JV Company and Share Capital

Upon satisfaction of the Conditions under the JVA, each of the Parties shall subscribe for such number of new shares in the JV Company such that upon completion of the subscription, the JV Company will have an initial issued and paid-up share capital of Five Hundred Thousand US Dollars (USD 500,000) (the "**Initial Share Capital**"). The Initial Share Capital to be contributed in equity by Presight and TOTM Tech to the JV Company shall be as follows:

- (i) Two Hundred Fifty-five Thousand US Dollars (USD 255,000) to be contributed in equity by Presight (the "**Proposed Subscription**"); and
- (ii) Two Hundred Forty-five Thousand US Dollars (USD 245,000) to be contributed in equity by TOTM Tech.

2.2.3 Shareholdings

On the date on which the JV Company is organized and registered in accordance with the laws of ADGM, Presight and TOTM Tech shall each hold the following percentage of the JV Company's Initial Share Capital: Presight fifty-one percent (51%) and TOTM Tech forty-nine percent (49%) (such respective interests, the "**Shareholder Percentage Interests**").

2.2.4 Additional Capital

If the Board determines that additional funds are reasonably necessary in order to carry out the Business, it shall submit such determination to Presight and TOTM Tech and any other person that becomes an owner of shares of the JV Company (the "**Shares**") in accordance with the terms and conditions of the JVA (collectively, the "**Shareholders**").

The Shareholders shall agree that after the Initial Shares have been fully paid up in accordance with Section 2.2.2, to the extent the JV Company requires additional funding, the Shareholders shall agree on appropriate funding solutions in the following manner:

- (i) first, the Shareholder(s) may provide the necessary funding through shareholder loans;
- (ii) second, if financing of the type described in Section 2.2.4(i) is not available, both of the Shareholders may agree to provide the necessary funding through capital contributions against an issue of new Shares, pro rata to their respective Proportionate Entitlement; provided that in no event will the Board authorize additional capital contributions by the Shareholders unless each Shareholder has agreed to contribute its pro rata share of such capital contributions, based on its Proportionate Entitlement; provided further that any such agreed capital contributions must be made substantially simultaneously with one another ;

- (iii) third, if financing of the types described in Sections 2.2.4(i) and 2.2.4(ii) are not available, the Shareholders may seek borrowing from banks and other financial institutions on the most favourable terms and conditions reasonably obtainable; and
- (iv) fourth, if financing of the types described in Section 2.2.4(i), 2.2.4(ii) and (iii) are not available, each of the Shareholders may offer to advance a rescue loan to the JV Company, the terms of which shall be agreed upon between the Parties; provided that if the Parties fail to agree on the terms of such rescue loan, then such failure to agree shall be considered an Event of Default in relation to the Shareholder that refused to approve the terms of the rescue loan offered by the other Shareholder.

2.2.5 Board composition and control

The Board shall consist of three (3) Directors. For so long as Presight and TOTM Tech hold their respective Shareholder Percentage Interests set out in Section 2.2.3 above, two (2) Directors shall be nominated by Presight (each a “**Presight Director**”) and one Director shall be nominated by TOTM Tech (the “**TOTM Director**”).

2.2.6 Reserved matters

The JVA sets out certain customary matters which require (i) prior unanimous written consent of Parties representing one hundred percent (100%) of the share capital of the JV Company for Shareholder Reserved Matters (as defined in the JVA); or (ii) the unanimous consent of all directors one of whom is a nominee of the Company for Board Reserved Matters (as defined in the JVA).

2.2.7 Rights to Intellectual Property

All Intellectual Property Rights (as defined in the JVA) used in the design and development of, and/or incorporated in the product to be developed by the JV Company shall be owned by the JV Company (the “**Joint IP**”). The Parties agree that the JV Company may grant each Party a licence to reproduce, enhance, vary, modify, decompile, reverse engineer, distribute, sub-license, market and support such Joint IP, with the royalties and/or licensing fees to be paid to the JV Company.

2.2.8 Others

The JVA sets out customary matters in relation to, amongst others, pre-emption rights on new shares issue, transfer of shares, non-solicitation, and indemnification.

3. RATIONALE OF THE JOINT VENTURE

Further to the MOU and the Strategic Teaming Agreement, the Board believes that the Joint Venture marks a significant milestone that will best align the interest of the Parties. This partnership between TOTM Tech and Presight will accelerate the development and deployment of new intellectual property. A global ready, cloud based biometric identify platform equipped with citizen services at the onset. Together, the Parties will continue its mission of delivering digital transformation using AI solutions to partners and clients in the Middle East, Africa and Southeast Asia. Accordingly, the Board believes that the entry into the JVA is in the best interests of the Company.

4. FINANCIAL EFFECTS OF THE PROPOSED SUBSCRIPTION

The Proposed Subscription of shares payable by the Company under the JVA, will be funded through the Group’s internal resources and, at present, is not expected to have any material impact on the net tangible assets and earnings per share of the Group for the financial year ending 31 May 2024.

5. INTERESTS OF DIRECTORS, CONTROLLING SHAREHOLDERS AND SUBSTANTIAL SHAREHOLDERS

None of the directors, controlling shareholders, substantial shareholders and their associates of the Company has any interest, direct or indirect, in the Joint Venture, other than through their respective shareholdings in the Company.

6. FURTHER ANNOUNCEMENTS

The Company will make further announcement(s) as appropriate when there are material developments to the Joint Venture.

7. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the JVA are made available for inspection during normal business hours at the registered office of the Company at 47 Scotts Rd, #02-03/04, Singapore 228233 for a period of three (3) months from the date of this announcement.

8. CAUTIONARY STATEMENT

Shareholders and potential investors are advised to exercise caution in dealing or trading in the shares of the Company as there is no certainty or assurance as at the date of this announcement that the Joint Venture will be completed.

Shareholders and potential investors are advised to read this announcement and any further announcements by the Company carefully, and should consult their stockbrokers, bank managers, solicitors or other professional advisors if they have any doubts about the actions they should take.

BY ORDER OF THE BOARD

Mr. Pierre Prunier

Chief Executive Officer and Executive Director

18 October 2023

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 (the "Exchange") and the Exchange 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.