

RESPONSE TO SGX-ST QUERIES

The Board of Directors (the “**Board**”) of iWOW Technology Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) has received the following queries from the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) in respect of The Straits Times article published on 22 April 2022 on “TraceTogether no longer required in most settings from April 26” and its implications on iWOW Technology Limited, and wishes to provide its response as follows:

SGX-ST Query 1:

Please explain how the Company’s financial performance will be affected by the latest changes? (ie. the removal of TraceTogether requirements in most settings.)

Company’s Response to Query 1:

In our forecast, conservative assumptions were made with respect to Trace Tokens’ contribution to the Group’s FY2023 forecasted revenue, as the Group has always been mindful that orders for Trace Tokens would not last indefinitely. Therefore, despite the latest changes, the Board expects the Group to remain profitable and to generate positive operating cashflows for FY2023.

Our Trace Token orders, as disclosed in the order book in the Offering Document which is stated as S\$11.3m, was used as the base for our assumption regarding Trace Token contribution for FY2023 and to date there has been no cancellations or suspension of any amount of the Trace Tokens order book disclosed in the Offering Document notwithstanding the media release on 22nd April 2022. The outstanding orders as disclosed in the Offering Document are expected to be fulfilled by the end of 1st quarter of FY2023 tentatively.

The Board is of the opinion that it may be premature to assume the absence of any remnant demand for the Trace Tokens given:

- i) there remains over 11 months in FY2023 for potential orders;
- ii) the continued application of vaccination-differentiated safe management measures for higher-risk settings, such as events with over 500 participants at any one time (e.g MICE, large-scale dinners and religious events), nightlife establishments and F&B establishments;
- iii) the possible emergence of new Covid-19 variants of concern; and
- iv) the authorities’ strong encouragement of the public to retain the Trace Together application or the Trace Tokens and the fact that the channels for Trace Token replacement (such as vending machines) remain operational islandwide.

Nonetheless, the Company will continue to focus on the plans, as detailed in the response for query 5 and 6, to minimize the potential impact of any revenue shortfall from the Trace Tokens for FY2023. The Company will monitor the developments closely and provide updates when there is any significant development.

SGX-ST Query 2:

Please provide the Board's assessment on the impact of the removal of TraceTogether in most settings with regards to the following:

- a. Current Operations of the Company
- b. Forecasts of the Company's performance
- c. Existing Contracts entered into by the Company
- d. Company's Order Books

Company's Response to Query 2:

Query 2a - Current Operations of the Company

The Board has assessed that there is no material impact to the current operations from the above, given:

- i) the Group is continuing to fulfil the outstanding orders from the order book. The orders are expected to be fulfilled by the end of 1st quarter of FY2023 tentatively;
- ii) the Group adopts a fables business model and thus, the impending reduction and/or cessation of token orders will not result in excess / onerous manufacturing capacity; and
- iii) the Group also operates with a lean organisational structure and resources currently utilised for the product will be redeployed accordingly to other growing business segments.

Query 2b - Forecasts of the Company's performance

The Board has been cognizant of the fact that TraceTogether will no longer be required as such time Covid-19 is treated as endemic. As such, the assumptions used in its forecast have been conservative with respect to Trace Tokens orders as mentioned in the response for query 1.

Our Trace Token orders, as disclosed in the order book in the Offering Document which is stated as S\$11.3m, was used as the base for our assumption regarding Trace Token contribution for FY2023 and to date there has been no cancellations or suspension of any amount of the Trace Tokens order book disclosed in the Offering Document notwithstanding the media release on 22nd April 2022. The outstanding orders as disclosed in the Offering Document are expected to be fulfilled by the end of 1st quarter of FY2023 tentatively.

While uncertainty remains for the remnant demand for Trace Tokens, the Board is of the opinion it may be premature to assume the absence of any remnant demand for the Trace Tokens, as detailed in the response for query 1.

In addition, TraceTogether tokens only constitute approximately 17 percent of the Group's order book as disclosed in Offering Document.

Query 2c - Existing Contracts entered into by the Company

The Board has assessed that there is no impact to existing contracts, given:

- i) the Group is expected to and remains on track to fulfil the outstanding Trace Token orders as disclosed in the order book and there has been no cancellation or suspension of any part of the Trace Token order book disclosed in Offering Document to date, as mentioned above; and
- ii) the Group's production plans / schedule with its manufacturer and supplier partners, are only committed on a back-to-back basis, i.e., based on secured orders from the end customer.

Query 2d - Company's Order Books

The Board has assessed that there is no impact to the Group's secured order book as the Company has not received any cancellation or suspension of orders or any indication of such action to date.

Following the Health Minister's statement on 4th April 2022 and 22th April 2022, the end customer affirms the above, as the existing orders will serve to:

- i) fulfill on-going demand;
- ii) enable the government to maintain the capability to restart the TraceTogether program at any time, should a new Covid-19 variant of concern surfaces; and

- iii) minimize the lead time to restart the TraceTogether program, if required, in view of the continual shortage in supply of semiconductor chips worldwide.

As such, the disclosed order book in the Offering Document remains in place and committed.

SGX-ST Query 3:

Please elaborate whether current developments will have a material impact on previous assumptions used in its forecasts and how the Company intends to address them.

Company's Response to Query 3:

As mentioned in the response for query 1, conservative assumptions were made for Trace Token contribution for the FY2023 forecast, and the Trace Token disclosed in the order book of the Offering Document remains unchanged. In addition, TraceTogether tokens only constitute approximately 17 percent of the Group's order book as disclosed in Offering Document.

Notwithstanding the above, the Group plans to address the decline of Trace Token revenue by:

- i) growing its recurring and higher margin IoT-as-a-service revenue streams for proprietary products such as (a) Electronic Monitoring Solutions; (b) Alarm Alert System; and (c) Smart Metering Solutions through enlargement of its customer base;
- ii) pursuing existing and new IoT opportunities for the Smart City Solutions segment;
- iii) accelerating the development of new products such as (a) new range of Electronic Monitoring Solutions; (b) Smart Test Kit; and (c) Silver Concierge Services via our proprietary Alarm Alert System; and
- iv) offering our IoT solutions in other countries beyond Singapore.

SGX-ST Query 4:

Please elaborate on the impact of the latest updates on the Company's working capital confirmation provided in the issued prospectus during the IPO.

Company's Response to Query 4:

The working capital confirmation for the 12 months period after the Company's Listing on the Catalist Board of SGX-ST, *excluding consideration of the net proceeds from the Placement*, remains unchanged based on the following:

- i) The Board has been cognizant of the fact that TraceTogether will no longer be required at such time Covid-19 is treated as endemic. As such, the previous assumptions used in its forecast have been conservative with Trace Tokens, as mentioned in response to query 1;
- ii) the Group remains forecasted to generate positive operating cashflows in FY2023;
- iii) the Group remains on track to grow the other business segments' revenue, by the growth of recurring and higher margin IoT-as-a-service revenue streams from (a) the renewed Electronic Monitoring Solutions contract; (b) maintenance services for Alarm Alert System; and (c) smart metering solutions;
- iv) TraceTogether tokens only constitute approximately 17 percent of the Group's order book as disclosed in Offering Document; and
- v) unutilised banking and credit facilities of over S\$5.0 million remain available to the Group for utilisation, if required.

SGX-ST Query 5:

Please elaborate on what are the Company's plans with its other products in light of the latest changes.

SGX-ST Query 6:

Please elaborate on the Company's plans moving forward in consideration of the latest changes on the TraceTogether requirements.

Company's Response to Queries 5 and 6:

In consideration of the latest changes on the TraceTogether requirements, the Group plans to:

- i) build upon the growth of its existing products by:
 - (a) accelerating the adoption rate for the renewed Electronic Monitoring Solutions contract;
 - (b) growing the subscription base for its Alarm Alert System by pursuing new projects; and
 - (c) enlarging its customer base for its Smart Metering Solutions.
- ii) leveraging on its expertise on IoT wireless technology and ability to provide one stop end to end solutions to pursue new IoT opportunities, as well as other use cases for its proprietary solutions;
- iii) accelerating the development of planned products by deploying additional resources. Our pipeline includes: (a) a new range of Electronic Monitoring Solutions; (b) Smart Test Kit; and (c) Silver Concierge Services via our proprietary Alarm Alert System; and
- iv) offering our IoT solutions in other countries beyond Singapore through leads and/or existing partners.

By Order of the Board

Bo Jiang Chek Raymond
Chief Executive Officer and Executive Director
28 April 2022

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, Evolve Capital Advisory Private Limited ("Sponsor"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"). The Sponsor has not independently verified the contents of this announcement.

This announcement 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.

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