



## **Presto escalates activities to collect up to \$11.1M of non-dilutive cash awarded to the company from XAC in Singaporean ruling**

December 5, 2023

SAN CARLOS, Calif., Dec. 05, 2023 (GLOBE NEWSWIRE) -- [Presto Automation Inc.](#) (Nasdaq: [PRST](#)) today announced it is escalating its activities to act on a previously reported (June 2022) favorable arbitration ruling from the Singapore International Arbitration Center related to a matter with its third-party subcontractor, XAC Taiwan, with respect to the legacy tablets used in its Touch business. Pursuant to the ruling, Presto was awarded approximately \$11.1 million in damages.

This arbitration ruling was affirmed on March 28, 2023 by the High Court in Singapore. The vendor appealed the ruling to the Singapore Court of Appeal, which is now scheduled to be heard in January 2024. This decision will be the vendor's last chance to attempt to set aside the arbitration ruling. In conjunction, Presto is actively involved in local court procedures in Taiwan, a "domestication" process that is required in the vendor's home jurisdiction to enforce the international damages award. This process may take another 12 to 18 months to domesticate the arbitration ruling in Taiwan. The vendor has limited defenses to such domestication and enforcement, provided that Singapore Court of Appeal rules against it.

"We are owed \$11M and intend to pursue every last dollar awarded to us from XAC as soon as possible, given that the ruling and first appeal went in our favor and that the final appeal is now going to be held in January. This is non-dilutive cash Presto can put to good work in 2024," said Presto Chairman Krishna Gupta. "The legacy tablets developed by XAC caused significant harm to our Touch business and, while our new generation of tablets are built with a larger vendor, we must collect what we are owed from the past. We are escalating our engagement with XAC with, among other options, an offer to reach a negotiated settlement in order for us to collect maximal non-dilutive cash in 2024."

### **About Presto Automation Inc.**

Presto (NASDAQ: PRST) provides enterprise-grade AI and automation solutions to the restaurant industry. Our solutions are designed to decrease labor costs, improve staff productivity, increase revenue, and enhance the guest experience. We offer our AI solution, Presto Voice™, to quick service restaurants (QSR) and our pay-at-table tablet solution, Presto Touch, to casual dining chains. Some of the most recognized restaurant names in the United States are among our customers, including Carl's Jr., Hardee's, and Checkers for Presto Voice™ and Applebee's, Chili's, and Red Lobster for Presto Touch.

### **Forward-Looking Statements**

This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Statements that refer to projections, forecasts or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking statements. Forward-looking statements are typically identified by words such as "plan," "believe," "expect," "anticipate," "intend," "outlook," "estimate," "forecast," "project," "continue," "could," "may," "might," "possible," "potential," "predict," "should," "would" and other similar words and expressions, but the absence of these words does not mean that a statement is not forward-looking.

The forward-looking statements are based on management's current expectations and assumptions about future events and are based on currently available information as to the outcome and timing of future events. The forward-looking statements speak only as of the date of this press release or as of the date they are made. Except as otherwise required by applicable law, Presto disclaims any duty to update any forward-looking statements, all of which are expressly qualified by the statements in this section, to reflect events or circumstances after the date of this press release. Presto cautions you that these forward-looking statements are subject to numerous risks and uncertainties, most of which are difficult to predict and many of which are beyond the control of Presto. In addition, Presto cautions you that the forward-looking statements contained in this press release are subject to the following risks and uncertainties: our ability to manage our growth effectively, to sustain our recent revenue growth or attract new customers; the limited operating history with our new Voice products in a new and developing market; our ability to roll out new locations within a specified amount of time; our ability to achieve revenue growth while our expenses increase; continued adverse impacts from COVID-19 (including as a result of global supply chain shortages); the loss of any of our three largest customers or a reduction in their business with us; our ability to improve and enhance the functionality, performance, reliability, design, security, or scalability of our platform to respond to customers' evolving needs; our ability to protect the security of our customers' information; changing privacy laws, regulations and standards, and our ability to comply with contractual obligations and laws related to data privacy and security; unfavorable conditions in the restaurant industry or the global economy, including with respect to food, labor, and occupancy costs; the availability of capital or financing on acceptable terms, if at all; financial covenants and other restrictions on our actions contained in our financing agreements that may limit our operational flexibility; the length and unpredictability of our sales cycles and the amount of investments required in sales efforts; material weaknesses in our internal control over financial reporting and, our ability to remediate these deficiencies; our ability to continue as a going concern; our ability to receive additional financing in a timely manner; shortages, price increases, changes, delays or discontinuations of hardware; our ability to maintain relationships with our payment processors; our reliance on computer hardware, licensed software and services rendered by third parties; U.S. laws and regulations (including with respect to payment transaction processing), many of which are unsettled and still developing, and our or our customers' ability to comply with such laws and regulations; significant changes in U.S. and international trade policies that restrict imports or increase tariffs; any requirements to collect additional sales taxes or be subject to other tax liabilities that may increase the costs to our customers; our ability to adequately protect our intellectual property rights; claims by third parties of intellectual property infringement; our use of open-source software in our platform; and other economic, business, competitive and/or regulatory factors affecting Presto's business generally as set forth in our filings with the Securities and Exchange Commission.

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