



## **Presto Automation Raises \$6.0 Million and Wins Final Appeal in Case Against XAC**

February 12, 2024

SAN CARLOS, Calif., Feb. 12, 2024 (GLOBE NEWSWIRE) -- Presto Automation Inc. (Nasdaq:PRST) ("Presto" or the "Company"), one of the largest AI and automation technology providers to the restaurant industry, today announced it has closed a financing led by its existing investors, including Remus Capital, a fund controlled by the Company's Chairman, Krishna K. Gupta, and other investors, involving the sale of \$6.0 million of convertible subordinated notes (the "Notes"). One of the existing investors is also exchanging 3.0 million shares of the Company's common stock which was purchased on November 21, 2023 for \$3.0 million of Notes. Chardan acted as the placement agent for the offering.

"This capital injection is a strong signal of my commitment to Presto and its shareholders - we have tremendous belief in the Company's prospects in its rapidly-growing market and our continuing efforts to enhance shareholder value," said Mr. Gupta.

"On the commercial side, our Presto AI Voice product serving the drive-thru restaurant market is enjoying significant momentum. Over a period of 2 months, we have more than doubled our total number of live stores on the Presto Voice technology to 145 as of February 1, 2024, including 54 locations that use the most advanced version of our AI technology. Restaurant operators are embracing our solution in part due to the California \$20/hour minimum wage mandate which is taking effect on April 1," Mr. Gupta added.

Presto also announced that its Chief Executive Officer, Xavier Casanova, has resigned effective immediately, and the Company wishes him well. The Company will be announcing a replacement in the near future.

"The board has full confidence in our exceptional executive management team's experience and ability to continue executing on the commercial scale-up opportunity immediately in front of Presto," said Mr. Gupta

The Company has on February 8, 2024 received a court order representing the favorable verdict received from the Singapore Court of Appeal in the final hearing of its case against XAC Automation Corp (5490.TWO) on January 16, 2024. The favorable verdict dismissed XAC's appeal and upheld the award of \$11.1 million previously made to the Company adding an additional SGD 50,000 (approximately \$32,000) award for costs associated with the appeal. XAC has no further recourse to set aside the award. Domesticating the award in Taiwan may take between several months to more than a year, but the Company is currently exploring alternatives to enforce or monetize the award in a shorter timeline.

In addition, Presto said that it recently entered into an amendment to its Cooperation Agreement with Hi Auto Ltd. ("Hi Auto") which supplies the AI technology used at 347 Checkers corporate and franchised locations. Commencing on May 1, 2024, the Company and Hi Auto will each be permitted to compete for the Checkers relationship, including franchised locations.

The Notes are convertible into 36 million shares of common stock at an initial conversion price of \$0.25 per share and carry an interest rate of 7.5% per annum on a pay-in-kind basis. The issuance of the Notes triggered antidilution adjustments associated with the Company's previous financing rounds.

The Company projects that the net proceeds from the offering, together with its other cash resources and projected revenue, are sufficient to sustain operations through the end of February 2024. The Company is required to raise at least an additional \$6.0 million in gross proceeds on or before March 8, 2024 pursuant to the terms of the Forbearance Agreement it entered into with its lenders in order to receive additional forbearance.

In connection with the recent financing, Presto announced that Matthew MacDonald had joined its Board of Directors. Mr. MacDonald is a Managing Director of Erithmitic Inc., a commercial real estate bridge lending platform, which he joined in June 2022. He is also the founder of Cottage Avenue, a hospitality-focused investment company, and a partner in Great Canadian Heli-Skiing. Mr. MacDonald was a founder of Ventoux Acquisition Holdings, the co-sponsor of Ventoux CCM Acquisition Corporation, the special purpose acquisition company that merged with Presto.

### **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.

### **Contact**

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### **Forward Looking Statements**

This press release contains statements that constitute "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements, other than statements of present or historical fact included in this press release, regarding the Company's strategy, future operations, prospects, plans and objectives of management, are forward-

looking statements. When used in this press release, the words “could,” “should,” “will,” “may,” “believe,” “anticipate,” “intend,” “estimate,” “expect,” “project,” “initiates,” “continue,” the negative of such terms and other similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain such identifying words. These 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. The Company 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 the Company. In addition, the Company cautions you that the forward-looking statements contained in this press release are subject to risks and uncertainties, including but not limited to, the Company’s ability to secure additional capital resources, the Company’s ability to compete successfully to maintain the relationship with Checkers, the Company’s ability to continue to roll out its AI technology with current franchisees, the Company’s ability to engage with new customers for its AI technology, and those additional risks and uncertainties discussed under the heading “Risk Factors” in the Form 10-K filed by the Company with the Securities and Exchange Commission (the “SEC”) on October 11, 2023 and the other documents filed, or to be filed, by the Company with the SEC. Additional information concerning these and other factors that may impact the operations and projections discussed herein can be found in the reports that the Company has filed and will file from time to time with the SEC. These SEC filings are available publicly on the SEC’s website at [www.sec.gov](http://www.sec.gov). Should one or more of the risks or uncertainties described in this press release materialize or should underlying assumptions prove incorrect, actual results and plans could differ materially from those expressed in any forward-looking statements. Except as otherwise required by applicable law, the Company 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.