



## Syft Technologies Limited

### Notice of Special Meeting

Notice is hereby given that a special meeting of shareholders of Syft Technologies Limited (the **Company**) will be held virtually via an online platform on Monday, 26 August 2024 commencing at 10:00am (the **Special Meeting**).

Shareholders attending and participating at the Special Meeting virtually via the online platform will be able to vote and ask questions during the Special Meeting. More information regarding virtual attendance at the Special Meeting is available in the Virtual Meeting Guide attached to this Notice of Meeting as Attachment A.

#### **Business**

The following business will be considered at the Special Meeting:

To consider and, if thought fit, pass the following ordinary resolution:

***Resolution: Issuance of Ordinary Shares to Ampersand and ACC under Rights Issue (assuming no participation from any shareholders other than Ampersand and ACC i.e. reflecting a “worst-case maximum scenario”)***

*That, pursuant to Rule 7(d) of the Takeovers Code, the Company may issue (a) up to 50,000,000 fully paid ordinary shares in the Company to Ampersand 2020 Limited Partnership (“Ampersand”); and (b) up to 30,000,000 ordinary shares to the Accident Compensation Corporation (“ACC”), at an issue price of \$0.10 per ordinary share, under a rights issue in accordance with the Company’s Constitution, such that the shareholding in the Company of Ampersand and ACC may be up to 66.65% in aggregate.*

Please see the Explanatory Notes for further information.



## Important information

### ***Virtual Meeting***

The Special Meeting will be held virtually through the Zoom Online Meeting Platform.

You can register for the meeting through the following link:

[https://us06web.zoom.us/webinar/register/WN\\_PoPOozzXQ-i883NLf8f-FA](https://us06web.zoom.us/webinar/register/WN_PoPOozzXQ-i883NLf8f-FA)

### ***Record Date***

Any person who is registered as a shareholder of the Company at 5.00pm (New Zealand time) on Wednesday, 21 August 2024, is entitled to attend and vote at the Special Meeting or to appoint a proxy to attend and vote in their place.

### ***Proxies***

All shareholders are entitled to attend and vote at the Special Meeting or to appoint a proxy to attend and vote in their place.

Enclosed with this notice of special meeting is a proxy form. For the appointment of a proxy to be valid, the proxy form must be received by the Company's CFO, Brian Travers, either by post to C/o CFO, Syft Technologies, 68 St Asaph Street, Christchurch 8011 or email to [investor@syft.com](mailto:investor@syft.com) at least 48 hours before the start of the special meeting (that is by 10am (New Zealand time) on Thursday, 22 August 2024.

Any shareholder of the Company entitled to attend and vote at the Special Meeting may appoint another person or persons as proxy to attend and vote on his or her behalf. A proxy need not be a shareholder of the Company. If the proxy form is returned without direction as to how the proxy should vote on a resolution, then the proxy may vote as he or she thinks fit on that resolution.

All joint holders of a share must sign the proxy form.

A shareholder that is a corporation may sign under the hand of a duly authorised officer or by power of attorney. If the proxy form has been signed under a power of attorney, a copy of the power of attorney (unless already deposited with the Company) and a signed certificate of non-revocation of the power of attorney must be delivered to the Company with the proxy form.

### ***Corporate Representatives***

A shareholder that is a corporation may appoint a representative to attend the Special Meeting on its behalf in the same manner as that which it could appoint a proxy.

### ***Powers of attorney***

Any person representing a shareholder(s) by virtue of a power or attorney must bring to the meeting a copy of the power of attorney (unless already deposited with the Company) and a signed certificate of non-revocation of the power of attorney must be produced to the Company.

### ***Postal Voting***

Pursuant to clause 17.3 of the Company's Constitution, the Board has decided that shareholders may not exercise their right to vote at the meeting by casting a postal vote.

### ***Voting restrictions***

Rule 17 of the Takeovers Code prevents any person to whom the new shares in the Company are to be issued, which is Ampersand, ACC and any associates (for the purposes of the Takeovers Code) of

those persons, from voting in favour of that resolution. Accordingly, both Ampersand and ACC are disqualified from voting on the Resolution in accordance with Rule 17(2) of the Takeovers Code.

***Glossary***

Capitalised terms will, unless the context requires otherwise, have the meaning set out in the Glossary at the back of this Notice of Meeting (and before the Appendices).

**By Order of the Board**

A handwritten signature in blue ink, appearing to read 'A Monro', written over a horizontal line.

Alan Monro  
Chairman

9 August 2024

## Explanatory Notes

These Explanatory Notes set out the details of the matters that are the subject of the Resolution required to be approved by the shareholders of the Company under the constitution of the Company (the **Constitution**).

### *Ordinary Resolution*

The Resolution is an ordinary resolution that requires approval by a majority of the votes of those shareholders entitled to vote and voting on the Resolution.

### **Resolution: Issuance of Ordinary Shares**

#### *Introduction*

1. The Company intends to issue up to 80,000,000 new ordinary shares (**Shares**) at \$0.10 per share in a renounceable rights issue (i.e. on a pro rata basis) to raise up to \$8,000,000 (the **Rights Issue**).
2. The rationale behind the funding needed under the Rights Issue lies with the lead times for opportunity conversion being quite long for the Company resulting in inconsistent sales month to month, and the Company's primary revenue stream is from such capital expenditure sales. This has created a timing issue in the short term where the Company is unable to meet its ongoing business costs with expected cash receipts. This capital raise would provide the Company with the necessary cash in the short term to meet its ongoing business expenses and allow the needed time to convert on its sales opportunities that are heavily weighted towards the second half of the year. The Company expects, based on reasonable assumptions, to achieve 30% revenue growth, and be cash flow positive, by the end of the current financial year. Such assumptions supporting this revenue growth expectation are a strong instrument sales pipeline that covers 132% of the instrument revenue forecast, and 12% year over year growth in service and rental annuity revenue.
3. Shareholders who subscribe for their full pro rata entitlement will also have the opportunity to apply for any Shares not taken up by other shareholders (**Oversubscribing Shareholders**) i.e. where shareholders decide not to participate in whole or in part (Shortfall Shares). Accordingly, **Additional New Shares** means Shares which an Oversubscribing Shareholder has applied for over and above their pro-rata entitlement of Shares under the Rights Issue.
4. Ampersand has conditionally agreed to subscribe for its pro rata entitlement under the Rights Issue and, at Ampersand's election, up to a total of 50,000,000 shares (i.e. its pro rata entitlement and potentially for available Shortfall Shares) pursuant to a subscription agreement entered into with the Company. ACC has also conditionally agreed to subscribe for its pro rata entitlement under the Rights Issue and, at ACC's election, up to a total of 30,000,000 shares (i.e. its pro rata entitlement and potentially for available Shortfall Shares) pursuant to a subscription agreement entered into with the Company (together, the **Subscription Agreements**). The Subscription Agreements, and the Rights Issue, are each conditional on the shareholder approval the subject of the Special Meeting.
5. The number of Shortfall Shares subscribed for by Ampersand and ACC under the Subscription Agreements will be scaled depending on take up by other Oversubscribing Shareholders under the Rights Issue i.e. Ampersand and ACC will be scaled on the same basis as all other shareholders if other shareholders also seek to oversubscribe. All shareholders will have an opportunity to apply for Shortfall Shares above their pro rata entitlement. The process for dealing with Shortfall Shares is as follows:
  - (a) Oversubscribing Shareholders will be allocated the lesser of:
    - (i) the number of Additional New Shares applied for; and

- (ii) their pro rata share of the Shortfall Shares calculated based on their shareholding percentage (treating all shareholders equally) proportionate to the shareholdings of all other Oversubscribing Shareholders (excluding in each case, for the avoidance of doubt, any Shares to be issued under the Rights Issue); and
  - (b) if there remains any balance of Shortfall Shares following the first allocation round of the Shortfall Shares under paragraph (a) above or any allocation rounds pursuant to this provision, the allocation process under paragraph (a) will be repeated in rounds until either all of the Shortfall Shares have been allocated or all applications for Additional New Shares have been satisfied in full (with the pro rata share under paragraph (a)(ii) calculated with reference to the shareholdings of all other Oversubscribing Shareholders participating in the relevant Shortfall Shares allocation round (but, for the avoidance of doubt, excluding any Shares to be issued under the Rights Issue)).
  - (c) Where there is a balance of Shares under the Rights Issue once the allocation process in paragraphs (a) and (b) above is completed (**Unsubscribed Balance**), the Unsubscribed Balance will not be offered or issued and the number of Shares to be issued under the Rights Issue will be reduced by the number of Unsubscribed Balance.
- 6. Shareholders resident in New Zealand will need to provide details to Crowdsphere Limited, the crowd funding entity that the Company is using for the Rights Issue for such New Zealand resident shareholders. Accordingly there is no requirement for such shareholders to be “wholesale investors” for the purposes of this Rights Issue (as the Rights Issue offer is approved as a financial promotion, and will be communicated, by Crowdsphere Limited in accordance with part 6 of the Financial Markets Conduct Act 2013), unless shareholders resident in New Zealand collectively subscribe for \$2 million or more of Shares in which case Crowdsphere Limited will ensure some shareholders investing come within an applicable “wholesale investor” category. Shareholders resident overseas will need to provide relevant certification or other details to ensure that they are exempt from the applicable securities laws in their jurisdiction in order to participate in the Rights Issue.
- 7. The Rights Issue is renounceable meaning that the rights themselves (**Rights**) can be sold privately. The Rights will not be quoted on the USX and accordingly there will be no established market for Rights. If a shareholder wishes to sell their Rights, they will need to get in contact with the Company to complete the necessary forms and to check in that the purchaser of such Rights is a “wholesale investor” under the Financial Markets Conduct Act 2013 (or the equivalent in the overseas jurisdiction if the purchaser is not resident in New Zealand).
- 8. The Company is required to seek shareholder approval of the potential allotment of shares to Ampersand and ACC under the Rights Issue in accordance with Rule 7(d) of the Takeovers Code.
- 9. For the purposes of this Resolution, it has been assumed (on a “worst case maximum scenario” basis) that both Ampersand and ACC take up the maximum number of Shares able to be issued under the Subscription Agreements (i.e., there is no reduction as a result of uptake by other shareholders). The Company’s Board of Directors considers that is highly likely that some non-associated shareholders will take up their entitlements under the Rights Issue and accordingly such “worst case maximum scenario” is highly unlikely.
- 10. It has also been assumed that Ampersand and ACC are “associates” for the purposes of the Takeovers Code and accordingly the Resolution includes a reference to the maximum aggregate holding of Ampersand and ACC following the Rights Issue of up to 66.65%. The Company notes that both Ampersand and ACC do not consider that they are “associates” for the purposes of the Takeovers Code, however out of an abundance of caution the Company has decided to treat them as if they are “associates” for the technical purposes of the Takeovers Code.

#### *Takeovers Code approval*

- 11. Under Rule 6 of the Takeovers Code, a person who holds or controls:

- (a) no voting rights, or less than 20% of the voting rights, in a code company may not become the holder or controller of an increased percentage of the voting rights in the code company unless, after that event, that person and the person's associates hold or control not more than 20% of the voting rights in the code company; or
  - (b) 20% or more of the voting rights in a code company may not become a holder or controller of an increased percentage of the voting rights in the code company.
12. There are a number of exceptions to this Rule, including where a person becomes the holder or controller of more than 20% of voting rights in a code company by allotment of shares that have been approved by an ordinary resolution pursuant to Rule 7(d) of the Takeovers Code.
  13. The Company is a code company.
  14. Ampersand currently holds 24.57% of the Company's voting rights, and ACC currently holds 17.92% of the Company's voting rights.
  15. The total percentage of the Company held by Ampersand after such issue would be up to 40.50% (this amount is based on a maximum number of shares for approval purposes being issued, assuming the full \$5.0 million is paid under Ampersand's Subscription Agreement).
  16. The total percentage of the Company held by ACC after such issue would be up to 26.15% (this amount is based on a maximum number of shares for approval purposes being issued, assuming the full \$3.0 million is paid under ACC's Subscription Agreement).
  17. The table in Appendix 1 sets out the specific disclosures required by Rule 16 of the Takeovers Code for the issue of the ordinary shares to Ampersand and ACC.

*Possible dilution resulting from issue of the ordinary shares*

18. On the assumption that no other shareholders participate in the Rights Issue, if the Company issues the maximum number of Shares under the Subscription Agreements (being all Shares authorised under the Resolution), the dilution effect on shareholders who do not take up their rights under the Rights Issue would be:

<b>Current shares on issue</b>	110,466,920
<b>Maximum number of shares which may be issued under the Subscription Agreements</b>	80,000,000
<b>Total shares on issue after share issue</b>	190,466,920
<b>Example shareholder: pre-issue percentage holding</b>	1%
<b>Example shareholder: post-issue percentage holding</b>	0.58%

*Effect of the issue of the Shares on Ampersand's and ACC's holdings*

19. Assuming that the maximum number of Shares under the Subscription Agreements are issued, the effect of those issues on Ampersand's and ACC's holdings would be:

	<b>Ampersand</b>	<b>ACC</b>
<b>Current shares on issue</b>	27,145,482	19,797,604
<b>Maximum number of shares which may be issued under Subscription Agreement</b>	50,000,000	30,000,000

<b>Total shares on issue after share issue</b>	77,145,482	49,797,604
<b>Pre-issue percentage holding</b>	24.57%	17.92%
<b>Post-issue percentage holding</b>	40.50%	26.15%

20. Further details of the risk of dilution can be found in sections 2.7 to 2.8, pages 13 to 15 of the Independent Adviser's Report.
21. Details of the impact of the proposed share issues on the Company's financial position can be found in section 2.6 (Impact on Financial Position), page 13 of the Independent Adviser's Report.

*Independent Adviser's Report*

22. As required by Rule 18 of the Takeovers Code, the Company has commissioned an Independent Adviser's Report on the issue of the Shares to Ampersand and ACC.
23. The Independent Adviser's Report is required by the Takeovers Code because, as a result of the issue of the Shares, Ampersand may increase its control of the voting rights in the Company, and ACC may end up holding or controlling more than 20% of the voting rights in the Company. The Takeovers Code requires that, where shareholders are being asked to give their approval under Rule 7(d) of the Takeovers Code, the directors must obtain a report from an independent adviser on the merits of the proposed allotment having regard to the interests of those persons who may vote to approve the allotment.
24. Simmons Corporate Finance Limited has prepared the Independent Adviser's Report and a copy of that report is attached to this Notice of Meeting. We encourage you to review the Independent Adviser's Report in its entirety. We note that in the Independent Adviser's opinion, the positive aspects of the Subscription Agreements (being the issue of Shares) outweigh the negative aspects from the perspective of the shareholders of the Company other than Ampersand and ACC. For a summary of the Independent Adviser's findings, we draw your attention to section 2.2 (Summary of the Evaluation of the Merits of the Rights Issue), pages 8 to 9 of the Independent Adviser's Report.

*Effect if Resolution is passed*

25. If shareholders pass the Resolution, the Company will be able to complete the Rights Issue because the Subscription Agreements, and the Rights Issue, are conditional on the Resolution being passed. The effect will also be that the Company can issue Shares to Ampersand and ACC.

*Effect if Resolution is not passed*

26. If the Resolution is not passed by shareholders, then completion will not occur under the Subscription Agreements and the Rights Issue will not proceed. This would have significantly adverse consequences for the Company. The Company would need to urgently seek alternative sources of capital which may or may not be available and if such capital was not available then the Company would, after a short period, no longer be able to pay its debts as they are due.

**Board recommendation**

The Board recommends that shareholders approve the Resolution.



## **Glossary**

In this Notice of Meeting:

**ACC** means Accident Compensation Corporation;

**ACC's Subscription Agreement** means the subscription agreement dated 26 July 2024 between ACC and the Company;

**Ampersand** means Ampersand 2020 Limited Partnership;

**Ampersand's Subscription Agreement** means the subscription agreement dated 26 July 2024 between Ampersand and the Company;

**Company** or **Syft** means Syft Technologies Limited;

**Takeovers Code** means the takeovers code set out in the schedule to the Takeovers Regulations 2000 (SR2000/210), as amended by any applicable exemption granted by the Takeovers Panel under the Takeovers Act 1993.



## Appendix 1: Specific Disclosures Required by Rule 16 of the Takeovers Code

	Rule 16 of the Takeovers Code	Compliance information (Ampersand)	Compliance information (ACC)
(a)	the identity of the allottee and, if different from the allottee, the identity of any person who will become a controller of an increased percentage of voting securities in the code company as a result of the allotment or allotments	Ampersand	ACC
(b)	particulars of the voting securities to be allotted, including: a) the maximum number of voting securities that could be allotted (the <b>approved maximum number</b> ) to the allottee; and	The approved maximum number is 50,000,000 fully paid ordinary shares being allotted to Ampersand.	The approved maximum number is 30,000,000 fully paid ordinary shares being allotted to ACC.
	b) the percentage of the aggregate of all existing voting securities and all voting securities that could be allotted that the approved maximum number represents; and	26.25%	15.75%
	c) the maximum percentage of all voting securities that could be held or controlled by the allottee after completion of the allotment or allotments; and	40.50%	26.15%
	d) the maximum aggregate of the percentages of all voting securities that could be held or controlled by the allottee and the allottee's associates after completion of the allotment or allotments (not including voting securities of any of the allottee's associates who are also relying on rule 7(d) in relation to the allotment or allotments (the <b>relying associates</b> )); and	40.50%	26.15%
	e) if there are relying associates, the maximum aggregate of the percentages of all voting securities that could be held or controlled by the allottee and the allottee's associates after completion of the allotment or allotments; and	66.65% in aggregate as follows: Ampersand 40.50% ACC 26.15%	66.65% in aggregate as follows: Ampersand 40.50% ACC 26.15%

	f) the date used to determine the information referred to in this clause (the <b>calculation date</b> ); and	18 July 2024	18 July 2024
	g) the assumptions on which the particulars in paragraphs (a) to (f) above are calculated	<p>(i) that the total number of shares in the Company is 190,466,920, being the number on issue on the calculation date;</p> <p>(ii) that there is no change in the total number of shares on issue between the calculation date and the end of the allotment period (other than as a result of the issue of ordinary shares);</p> <p>(iii) that, in relation to paragraphs a) to c), Ampersand and ACC are allotted the approved maximum number under the allotment or allotments;</p> <p>(iv) that, in relation to paragraph d), Ampersand and ACC are allotted the maximum number of voting securities;</p> <p>(v) (not applicable);</p> <p>(vi) (not applicable).</p>	<p>(i) that the total number of shares in the Company is 190,466,920, being the number on issue on the calculation date;</p> <p>(ii) that there is no change in the total number of shares on issue between the calculation date and the end of the allotment period (other than as a result of the issue of ordinary shares);</p> <p>(iii) that, in relation to paragraphs a) to c), Ampersand and ACC are allotted the approved maximum number under the allotment or allotments;</p> <p>(iv) that, in relation to paragraph d), Ampersand and ACC are allotted the maximum number of voting securities;</p> <p>(v) (not applicable);</p> <p>(vi) (not applicable).</p>
(c)		Not applicable	
(d)	the issue price for the voting securities to be allotted and when it is payable	\$0.10 per Share, payable in accordance with the terms of the Subscription Agreements, being on the date set out in the offer document for the Rights Issue.	\$0.10 per Share, payable in accordance with the terms of the Subscription Agreements, being on the date set out in the offer document for the Rights Issue.
(e)	the reasons for the allotment	To facilitate the receipt by the Company of additional funding. See the explanation in paragraph 2 of the Explanatory Notes.	To facilitate the receipt by the Company of additional funding. See the explanation in paragraph 2 of the Explanatory Notes.

(f)	a statement to the effect that the allotment, if approved, will be permitted under rule 7(d) of the Takeovers Code as an exception to rule 6 of the Takeovers Code	The allotment of ordinary shares under the Subscription Agreements, if approved, will be permitted under rule 7(d) of the Takeovers Code as an exception to rule 6 of the Takeovers Code.	The allotment of ordinary shares under the Subscription Agreements, if approved, will be permitted under rule 7(d) of the Takeovers Code as an exception to rule 6 of the Takeovers Code.
(g)	a statement by the allottee setting out particulars of any agreement or arrangement (whether legally enforceable or not) that has been, or is intended to be, entered into between the allottee and any other person (other than between the allottee and the code company in respect of the matters referred to in paragraphs (a) to (e)) relating to the allotment, holding, or control of the voting securities to be allotted, or to the exercise of voting rights in the code company	There is no agreement or arrangement (whether or not legally enforceable) that has been, or is intended to be, entered into between Ampersand or ACC and any other person relating to the allotment, holding, or control of the voting securities to be allotted, or to the exercise of voting rights in the Company.	There is no agreement or arrangement (whether or not legally enforceable) that has been, or is intended to be, entered into between Ampersand or ACC and any other person relating to the allotment, holding, or control of the voting securities to be allotted, or to the exercise of voting rights in the Company.
(h)	the report from an independent adviser that complies with rule 18	The Independent Report from Simmons Corporate Finance Limited accompanies this Notice of Meeting.	The Independent Report from Simmons Corporate Finance Limited accompanies this Notice of Meeting.
(i)	the statement by the directors of the Code company referred to in rule 19	<p>The directors of the Company that are not interested in the Subscription Agreements, being Michael Bushell, Kathryn McGrath, Jeff McDowell, and Alan Monro recommend that the shareholders vote in favour of the Resolution for the purposes of the Takeovers Code.</p> <p>The grounds for supporting this recommendation are that the Company requires access to working capital to maintain its current operations and growth strategy. The Subscription Agreements provide potential access to \$8.0 million and will ensure that the Rights Issue proceeds.</p>	<p>The directors of the Company that are not interested in the Subscription Agreements, being Michael Bushell, Kathryn McGrath, Jeff McDowell, and Alan Monro recommend that the shareholders vote in favour of the Resolution for the purposes of the Takeovers Code.</p> <p>The grounds for supporting this recommendation are that the Company requires access to working capital to maintain its current operations and growth strategy. The Subscription Agreements provide potential access to \$8.0 million and will ensure that the Rights Issue proceeds.</p>