

# SYFT TECHNOLOGIES

## OFFER OF CONVERTIBLE NOTES AND WARRANTS

DATED: 10 July 2023

**This is an important Offer Document.**

This is an offer to Eligible Shareholders to participate in an offer of up to 5.5 million convertible notes (the **Convertible Notes**) in Syft Technologies Limited at an issue price of \$1.00 (face value) per note to raise capital of \$5.5 million (the **Offer**).

For every 4.5 Convertible Notes allotted under this Offer, Applicants will receive one Warrant. Each Warrant entitles a holder to subscribe for an ordinary shares in Syft for \$0.01 at any time until the date two years from the date the Warrants are issued at the holder's discretion.

This Offer Document outlines your entitlement to participate in this offer. You should read this Offer Document carefully and in full before deciding whether to purchase any shares. If you have any doubts as to what you should do, please consult your broker, financial, investment or other professional adviser.

# 1 | Important Information

## This Offer Document

This Offer Document is prepared as at and dated 10 July 2023. It has been prepared by Syft Technologies Limited (**Syft, the Company**) in relation to an offer of up to 5.5 million convertible notes (the **Convertible Notes**) in Syft on the terms set out herein.

In addition, for every 4.5 Convertible Notes allotted under this Offer, one Warrant will also be allotted for no additional consideration.

The Offer is made to Eligible Shareholders, being Shareholders who are “wholesale investors” (as defined in the Financial Markets Conduct Act 2013 (**FMCA**)) for those Shareholders resident in New Zealand, or who are the equivalent of “wholesale investors” or otherwise come under the applicable securities laws safe harbour for the applicable jurisdiction for those Shareholders not resident in New Zealand (as assessed by the Company and in accordance with this Offer Document). Shareholders who subscribe for their full entitlement of Convertible Notes may also apply for Additional Convertible Notes through the Oversubscription Facility.

This Offer Document is not a product disclosure statement for the purposes of the FMCA or a prospectus for the purposes of any jurisdiction, has not been lodged with the Financial Markets Authority in New Zealand or any regulatory authority in any country, and does not contain all of the information that a product disclosure statement or prospectus would contain or which an investor may require in order to make an informed investment decision about the Offer or Syft.

No person is authorised by Syft to give any information or make any representation in connection with the Offer that is not contained in this Offer Document, the enclosed Entitlement and Acceptance Form, or in other forms of written communication from the Directors of Syft. Any other information or representations may not be relied upon as having been authorised by Syft.

This Offer Document may not be sent or given to any person outside New Zealand in circumstances in which the Offer or distribution of this Offer Document would be unlawful. The distribution of this Offer Document (including an electronic copy) outside New Zealand may be restricted by law. In particular, this Offer Document may not be distributed to any person, and the Notes may not be offered or sold, in any country outside New Zealand except as Syft may otherwise determine in compliance with applicable laws.

You must ensure compliance with all laws of any country relevant to your application. Syft will take return of a duly completed Entitlement and Acceptance Form (along with any required certification and/or confirmations) as a representation by you that there has been no breach of any laws and that you are an Eligible Shareholder. Any receipt of this Offer Document by shareholders residing outside New Zealand should consult their professional advisers on requisite formalities and then coordinate with the Company to ensure compliance with all applicable laws.

## Additional Information about Syft

Syft is subject to continuous disclosure obligations under its Constitution. Market releases by Syft are available at [www.usx.co.nz/symbol/syft](http://www.usx.co.nz/symbol/syft). Further information about Syft can be found at the Company’s website [www.syft.com](http://www.syft.com) and on the public register of the Companies Office ([www.business.govt.nz/companies](http://www.business.govt.nz/companies)).

## No Guarantee

No person (including the Company or any of its Directors, officers, employees or any other person) gives any guarantee or promise as to the future performance of Syft, the future value of the Convertible Notes (or any shares), the return of capital or the payment of any distributions in relation to any shares in Syft.

## Offer Eligibility

The Offer is only open to Eligible Shareholders, being those persons who are Shareholders at 5:00pm on the Record Date.

This Offer Document is for use only in connection with the Offer to Eligible Shareholders and does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation.

## Decision to Participate in the Offer

Before making an investment decision in connection with this Offer, you should read this Offer Document in full and consider any relevant risk factors previously disclosed to the market.

The information in this Offer Document does not constitute financial product advice or a recommendation to acquire Convertible Notes. This Offer Document has been prepared without taking into account the investment objectives, or particular needs or circumstances (including financial or tax position) of any investor. You should decide whether or not to invest in Notes based on your personal circumstances.

If there is any matter on which you are unsure or require further information, you should consult your broker, financial, investment or other professional advisor.

## Offer Effectively Underwritten

Ampersand, the Company’s biggest shareholder, has effectively underwritten the Offer by agreeing to subscribe for all of the Convertible Notes under the Offer, less the Convertible Notes subscribed for by ordinary shareholders. Ampersand’s subscription, and so the Offer, is conditional on shareholder approval and the appointment of an investment adviser to consider strategic options for the Company moving forward.

ACC, the Company’s second largest shareholder, has agreed to participate in the Offer provided that Ampersand’s subscription becomes unconditional.

If the Offer does not become unconditional, and therefore no longer proceeds, then Applicants would be refunded any application monies received, without interest, within 10 Business Days of the date on which the Offer is no longer to proceed.

## 1 | Important Information

### Withdrawal

Syft reserves the right to cancel the Offer and the issue of Convertible Notes at any time prior to the Allotment Date.

### Privacy Act

Any personal information you provide on the Entitlement and Acceptance Form will be held by Syft and/or the Registry. This information will be used for the purposes of administering your investment in the Company. This information will only be disclosed to third parties with your consent or if otherwise required by law. Under the Privacy Act 2020 (New Zealand), you have the right to access and correct any personal information held about you.

### Governing Law

This Offer Document, the Offer and the contracts formed on acceptance of the Entitlement and Acceptance Form are governed by the laws of New Zealand. By submitting an Entitlement and Acceptance Form you submit to the exclusive jurisdiction of the courts of New Zealand.

### Disclaimers

No representation or warranty, express or implied, is made by any person in relation to the fairness, accuracy, completeness or reliability of all or part of this Offer Document, or any constituent or associated presentation, information or material, or the accuracy, likelihood of achievement or reasonableness of any forecasts, prospects or returns contained in, or implied by, the information or any part of it. The information in this Offer

Document may include information derived from third party sources that has not been independently verified.

Without limiting anything else in this Offer Document, to the maximum extent permitted by law, the Company, its subsidiaries, and their respective partners, directors, officers, employees, agents and advisers disclaim all liability and responsibility for any direct or indirect loss or damage which may be suffered by any recipient through the use or reliance on anything contained in or omitted from this Offer Document including, without limitation, any liability arising from fault or negligence on the part of the Company or its subsidiaries, directors, partners, officers, employees and advisers.

### Defined Terms

Capitalised terms used in this Offer Document have the specific meaning given to them in the Glossary at the back of this Offer Document.

Unless otherwise indicated, any references to dates and times are to dates and times in New Zealand and any references to dollars (\$) are to New Zealand dollars.

### Enquiries

Enquiries about the Offer should be directed to your broker, financial, investment or other professional advisor. If you have any questions about the number of Convertible Notes to which you are entitled, or how to complete the Entitlement and Acceptance Form, please contact the Registry.

## 2 | Letter From Chair

10 July 2023

### Dear Shareholders

On behalf of the directors of Syft, I am pleased to present you with the opportunity to participate in this Offer of Convertible Notes and Warrants to raise up to \$5.5 million. The Offer was referred to in our recent market announcement on 26 June 2023.

Our largest shareholder, Ampersand 2020 Limited Partnership (Ampersand) has agreed to effectively underwrite all of the Offer, and our second largest shareholder ACC has also agreed to participate in the Offer, both conditional on Syft obtaining shareholder approval for the fund raising. The Offer is being made available to all of our shareholders (who satisfy wholesale offer requirements) in order to give shareholders the opportunity to avoid dilution and fully participate in the future opportunity with Syft. The Directors considered numerous capital raising options and, in essence, the Offer is the only viable capital raising path for Syft at this stage.

As outlined in our market update of 26 June 2023, the first quarter of FY24 has seen a strong recovery from a challenging FY23. Syft's core technology remains powerful, often providing our customers with results 15x faster than the alternatives. This is highly valuable in the large and growing semiconductor and life sciences markets and, whilst purchasing cycles were delayed, we have strengthened our product, sales pipeline, and brand awareness in those markets. In the first quarter of FY24 we have received instrument orders amounting to more than 80% received in all of FY23, and we will launch our fully compliant life sciences solution later this year.

The Convertible Notes and Warrants offer potential returns for investors in a number of forms:

- *Interest.* The Convertible Note has a headline interest rate of 12% per annum. Interest is compounded daily, meaning it is calculated as 0.033% per day (12%/365). If the Convertible Note were held for one year, this would result in a return of 12.75%. Interest is not paid in cash during the term of the Convertible Note. It is compounded into the amount owing on the Convertible Note.
- *Conversion into Second Ranking Preferred Shares.* The Convertible Note (and any interest accrued) may be converted into Second Ranking Preferred Shares (SRPS) at a conversion price of \$0.30. Conversion into SRPS may provide additional returns in the case of favourable movements in Syft's share price. However, investors should consider that, in the case of a liquidation, the SRPS would rank behind any debt and the \$22.8m liquidation preference that Ampersand holds from their April 2022 investment. Investors will not be able to make individual decisions to convert their Convertible Notes. Instead, all Convertible Notes will be converted if Ampersand and ACC each independently decide that conversion should occur.
- *Warrants.* Warrants are stapled to the Convertible Note, at a rate of one Warrant per 4.5 Convertible Notes. This calculation comes from stapling on a 1:10 basis and using a price of \$0.45 i.e. a higher price was used to calculate the warrants than the conversion of the SRPS, reflecting the negotiations with the parties. Each Warrant gives the right to buy one share at an exercise price of \$0.01 at any time until the expiry of two years from the issue date.

The money raised from this offer will be used to fund the ongoing operations of the business. It is expected to provide sufficient cash to fund operations until the business has returned to delivering positive net operating cashflows. However, operating cashflows are unlikely to be sufficient to repay the note in full on its repayment date of 31 December 2023 (if not extended).

Prior to the repayment date of 31 December 2023, the Company will likely need to: (a) extend the Convertible Note until such time as it can be repaid through operating cashflows<sup>1</sup>; (b) convert the Convertible Note to Second Ranking Preference Shares, as permitted under the terms of the Convertible Note; or (c) enter into a subsequent transaction to repay the Convertible Note (plus interest) and secure permanent funding. The Board considers that the Company has a high probability of achieving one of these outcomes and will engage an independent advisor in coming days to maximise the likelihood of this occurring.

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<sup>1</sup> This is achievable, based on current forecasts, within the six month extension permitted under the terms of the Convertible Note.

## 2 | Letter From Chair

Information about the Offer, including eligibility criteria and how to participate, is set out in the Offer Document. This document contains important information. We encourage you to read this Offer Document carefully, ensure that your contact information is up to date and, importantly, seek independent financial advice before investing.

Your Directors recommend this Offer to you.

Yours faithfully

A handwritten signature in blue ink, appearing to read 'Alan Monro'.

**Alan Monro**

Chair, for and on behalf of the Directors

## 3 | Details of Offer

### 3.1 Overview of Offer

The Offer is an issue of up to 5.5 million Convertible Notes offered to ordinary shareholders on an equal basis (i.e. similar to a rights issue) at an issue price of \$1.00 (face value) per Convertible Note and conversion price of \$0.30 for each Second Ranking Preference Share on conversion and the issue of 1,222,222 Warrants (on a 1:10 basis stapled to the Convertible Notes) at an exercise price of \$0.01 per ordinary share on exercise, representing a funding round of \$5.5 million (the **Offer**).

The Convertible Note Terms (including the Second Ranking Preference Shares terms) and Warrant Terms are set out in Appendix 1 of this Offer Document.

The Convertible Notes are repayable by 31 December 2023, unless extended (up to 30 June 2024) with the agreement of Syft's two biggest shareholders, Ampersand and ACC. Any conversion of the Convertible Notes into Second Ranking Preference Shares will require the agreement of Ampersand and ACC (which would then bind all investors to convert).

The proceeds of the Offer will be used by the Company to meet its upcoming working capital requirements and in order to position the Company for growth over the coming months. This funding will also allow the Company an opportunity to explore the best strategic options for the Company moving forward.

Ordinary shareholders, who are on the Company's share register as at 5:00pm on the Record Date, are entitled to acquire one Convertible Note for every 0.24 ordinary shares held by them on the Record Date (**Entitlement**). Fractional Entitlements will be rounded up to the nearest whole number of Convertible Notes. For further details on persons who are entitled to participate in the Offer, see section 3.6.

If ordinary shareholders do not participate in the Offer they will be diluted on any conversion of the Convertible Notes and/or any exercise of the Warrants.

Eligible Shareholders are issued their Entitlements free of charge. A personalised Entitlement and Acceptance Form setting out your Entitlement accompanies this Offer Document. You have a couple of actions available to you in respect of your Entitlement:

- exercise all or some of your Entitlement by applying for the appropriate number of Convertible Notes; or
- exercise all of your Entitlement by applying for the appropriate number of Convertible Notes and apply for Additional Convertible Notes (via the Oversubscription Facility – see section 3.3).

You cannot transfer your Entitlement. If you do nothing with your Entitlement before the Closing Date, the Entitlement will lapse and you will not be able to subscribe for any Convertible Notes under the Offer or realise any other value for your Entitlement.

Assuming the Offer proceeds, Eligible Shareholders who do not take up all of their Entitlement will have their percentage shareholding in the Company effectively diluted.

The Issue Price is payable on application.

The Offer will open for receipt of acceptances on **10 July 2023**. The last day for receipt of the completed Entitlement and Acceptance Form with payment of the application monies is **5:00pm on Wednesday, 19 July 2023**, subject to Syft varying those dates and Syft's discretion to accept late applications or late application monies.

### 3.2 Details of Warrants Offered

The number of ordinary shares issued on exercise of a Warrant is equal to 10% of the Convertible Notes actually issued and paid for, divided by \$0.45 per share. For example, \$100,000 of Convertible Notes paid and issued would mean an entitlement to 22,222 Warrant Shares (i.e. \$10,000 divided by \$0.45).

Warrants may be exercised at the discretion of a Warrant holder at any time prior to the date two years from the issue date of the Warrants by paying the exercise price of \$0.01 to Syft. A Warrant holder will receive one fully paid ordinary share for every Warrant they exercise.

The maximum number of Warrants that are being offered under the Offer are 1,222,222 Warrants.

Warrants do not confer a right to receive dividends, vote or receive a proportionate share of the surplus assets of Syft in a winding up.

### 3.3 Oversubscription Facility

In addition to being able to apply for Convertible Notes, Eligible Shareholders who subscribe for their full entitlement will also have the opportunity to apply for Additional Convertible Notes.

Eligible Shareholders may only make an application for Additional Convertible Notes if they accept their full entitlement to Convertible Notes under the Offer.

The number of Convertible Notes available under the Oversubscription Facility will be the number of Convertible Notes for which valid applications are not received by the Closing Date (**Shortfall**).

Eligible Investors applying for Additional Convertible Notes will be allocated the lesser of:

- a. the number of Additional Convertible Notes applied for; and
- b. the number of Additional Convertible Notes applied for and scaled by the Company treating all ordinary shareholders equally.

You will not be allocated any greater number of Additional Convertible Notes than the number for which you have applied and paid

In the event of an application for Additional Convertible Notes not being accepted, including because of a scale back, the application monies received for an unsuccessful application for Additional Convertible Notes (or the applicable portion if the application is partly successful) will be refunded to the Applicant, without interest, within 10 Business Days of the date on which the Convertible Notes are allotted.

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Where Convertible Notes are not subscribed for under this Offer (including under the Oversubscription Facility), Syft reserves the right to offer the Convertible Notes to such persons and in such manner as the Board considers equitable and in the interests of Syft, provided that the price, terms and conditions of the issue of such Convertible Notes will not be materially more favourable to such persons than the terms of the Offer, and the issue of such Convertible Notes will be completed within three months of the closing date of the Offer.

#### 3.4 Underwriting

The Company has entered into a Convertible Note Agreement with the Company's largest shareholder, Ampersand (and a Warrant Agreement with Ampersand) (the **Ampersand Convertible Note Agreement** and the **Ampersand Warrant Agreement**) under which Ampersand will subscribe for up to \$5.5 million i.e. the full amount of the funding round. However, the offer of the Convertible Notes and the Warrants will also be made to ordinary shareholders, on a pro rata basis (including the ability to participate in any shortfall), who are "wholesale investors" under the FMCA (or equivalent in their jurisdiction for ordinary shareholders not based in New Zealand), so that the amount subscribed for by ordinary shareholders would reduce the amount of Ampersand's subscription. In essence, Ampersand is effectively underwriting the funding round and giving other shareholders the ability to participate. The Ampersand Convertible Note Agreement and the Ampersand Warrant Agreements (and therefore the funding round including this Offer) are conditional on, amongst other things, the shareholder approval the subject of a Special Meeting.

ACC, the Company second largest shareholder, has also committed to participate in the Offer.

If ordinary shareholders do not participate in the Offer they will be diluted on any conversion of the Convertible Notes and/or any exercise of the Warrants.

The Company currently has 17,545,000 preference shares on issue held by Ampersand, being first ranking preference shares. The Convertible Notes can convert into Second Ranking Preference Shares i.e. preference shares ranking behind Ampersand's preference shares but ranking ahead of ordinary shares. The Warrants would, on exercise, lead to the issue of ordinary shares (not any type of preference share).

The Convertible Notes would rank ahead of all shares in the event of a liquidation because noteholders would be unsecured creditors, ranking ahead of shareholders.

The Convertible Note Terms and Warrant Terms being offered to ordinary shareholders are on essentially the same terms as the Ampersand Convertible Note Agreement and the Ampersand Warrant Agreement. The terms of the Second Ranking Preference Shares, which are issued on conversion of the Convertible Notes, will be the same for all holders of such shares.

The Convertible Notes are repayable by 31 December 2023, unless extended (up to 30 June 2024) with the agreement of Syft's two biggest shareholders, Ampersand and ACC. Any

conversion of the Convertible Notes into Second Ranking Preference Shares will require the agreement of Ampersand and ACC (which would then bind all investors to convert).

The Convertible Note Terms (including the Second Ranking Preference Shares terms) and Warrant Terms are set out in Appendix 1 of this Offer Document.

#### 3.5 Use of Proceeds of the Offer

The purpose of the Offer is to raise up to \$5.5 million. The proceeds of the Offer are to be used by the Company to meet its upcoming working capital requirements and in order to position the Company for growth over the coming months. This funding will also allow the Company an opportunity to explore the best strategic options for the Company moving forward.

#### 3.6 Eligibility

The Offer is only open to Eligible Shareholders, being those persons who are Shareholders at 5:00pm on the Record Date and who are "wholesale investors" (as defined in the Financial Markets Conduct Act 2013 (**FMCA**)) for those Shareholders resident in New Zealand, or who are the equivalent of "wholesale investors" or otherwise come under the applicable securities laws safe harbour for the applicable jurisdiction for those Shareholders not resident in New Zealand (as assessed by the Company and in accordance with this Offer Document).

By returning a completed Entitlement and Acceptance Form or making payment for Convertible Notes you will be taken to have represented and warranted that you satisfy the criteria listed above. Eligible Shareholders who are nominees, trustees or custodians are advised to seek independent professional advice as to how to proceed.

#### 3.7 Applications for Convertible Notes

Applications must be made using the Entitlement and Acceptance Form that accompanies this Offer Document together with payment in New Zealand dollars. See further details under 'Section 5 - Options Available to Shareholders'.

Syft reserves the right to accept late applications and application monies, but has no obligation to do so. Syft reserves the right to:

- a. accept or reject (at its discretion) any Entitlement and Acceptance Form which it considers is not completed correctly;
- b. correct any errors or omissions on any Entitlement and Acceptance Form; and/or
- c. reject any Entitlement and Acceptance Form if (in its opinion) the resulting allotment would breach the Takeovers Code.

Subject to Syft's discretion to accept late applications or late application monies, if you fail to exercise any Entitlement you hold on or before the Closing Date (5.00pm on 19 July 2023) such Entitlement will lapse.

Any application monies received pursuant to the Offer will be held in a trust account established by Syft with the Registry until the corresponding Convertible Notes are allotted or the application monies are refunded. Interest earned on the

### 3 | Details of Offer

application monies will be for the benefit, and remain the property of Syft and will be retained by Syft whether or not the issue and allotment of Convertible Notes takes place. Any refunds of application monies will be made without interest within 10 Business Days of allotment of the Convertible Notes.

#### 3.8 Minimum Subscription

There is no minimum subscription for Convertible Notes.

#### 3.9 Terms and Ranking of Shares on Conversion/Exercise

The Company currently has 17,545,000 preference shares on issue held by Ampersand, being first ranking preference shares. The Convertible Notes can convert into Second Ranking Preference Shares i.e. preference shares ranking behind Ampersand's preference shares but ranking ahead of ordinary shares. The Warrants would, on exercise, lead to the issue of ordinary shares (not any type of preference share).

The Convertible Notes would rank ahead of all shares in the event of a liquidation because noteholders would be unsecured creditors, ranking ahead of shareholders.

The Second Ranking Preference Shares will be fully paid convertible preference voting shares in the Company and will rank equally in all respects (other than for liquidation preference as described below) with all existing ordinary shares in the Company. In the event of a "liquidation event", after payment to Ampersand in accordance with its first ranking preference under its preference shares, the holder of the Second Ranking Preference Shares would be entitled to receive their original investment amount back, in preference to ordinary shareholders. Any residual proceeds would be distributed pro rata to ordinary shareholders. In the event the holder of the Second Ranking Preference Shares would receive a greater amount in a "liquidation event" were they to convert their shares to ordinary shares, they would receive such greater amount. This is called a "non-participating preference share" in the Venture Capital/Private Equity industry and is common for capital raisings of this nature.

In essence, the Second Ranking Preference Shares have more "down-side protection" than ordinary shares, meaning that if

there is a shortfall where the Company has not succeeded, then the Second Ranking Preference Shareholder gets paid out before ordinary shareholders.

The definition of "Liquidation Event" in the Convertible Note Terms is:

- liquidation, winding up, dissolution, or the like entered into by the Company of its own volition by board, shareholder, or creditor action or any other return of capital by the Company (other than a dividend approved by the board of the Company or the conversion, redemption, or purchase of shares in the Company);
- sale of (or the grant of a right to acquire or to dispose of) any of the shares in the Company (in one transaction or as a series of transactions) which will result in the purchaser of such shares in the Company (or grantee of such right) and its associates together acquiring an interest giving (directly or indirectly) the ability to control 50% or more of the voting rights of the Company (whether such control is exercised individually or jointly);
- sale or other disposal of the assets of the Company which constitutes a "major transaction" as that term is defined in section 129 of the Companies Act 1993;
- sale, lease, transfer, exclusive licence or other disposition of all or substantially all of the assets of the Company; or
- merger or amalgamation (except where the shareholders of the Company own a majority by voting power of the outstanding shares of the surviving or acquiring company).

#### 3.10 Financial Statements

The latest available audited financial statements for Syft are the audited financial statements for the year ended 31 March 2023, which are to be announced to the market soon, anticipated to be on 13 July 2023.



## 4 | Offer Timetable

### ISSUE

Announcement of Issue	5 July 2023
Record Date for determining Entitlements	10 July 2023
Offer opens	10 July 2023
Offer Document and Entitlement and Acceptance Form sent to Eligible Shareholders	10 July 2023
Closing Date (last day for receipt of the completed Entitlement and Acceptance Form with payment)	19 July 2023
Announcement of the results of the Offer	21 July 2023
Allotment of Convertible Notes and Warrants	21 July 2023
Despatch of shareholder statements	26 July 2023

### WARRANTS

The timetable below is in relation to the Warrants issued to the subscribers of the Convertible Notes under the Offer. The Warrants will be allotted at the same time as Convertible Notes are allotted.

All dates in this Offer Document, including those in the above timetable, are indicative only. Syft reserves the right to amend the dates and times without prior notice.

Expiry Date	Two years from the issue date of the Warrants
Exercise Period	Within two years from the issue date of the Warrants

## 5 | Options Available to Shareholders

### 5.1 Your Choices

If you are an Eligible Shareholder, accompanying this Offer Document is a personalised Entitlement and Acceptance Form showing the Entitlement you have to subscribe for Convertible Notes under the Offer. You may take one of the following actions in respect of your Entitlement:

- a. take up all of your Entitlement in full (refer to section 5.2);
- b. take up all of your Entitlement in full and apply for additional Convertible Notes under the Oversubscription Facility (refer to section 5.3);
- c. take up part of your Entitlement and allow the balance to form part of the Shortfall which will be dealt with by the Oversubscription Facility (refer to section 5.4); or
- d. not take up any of your Entitlement and allow all of your Entitlement to form part of the Shortfall which will be dealt with in accordance with the Oversubscription Facility (refer to section 5.5).

Important: If you do nothing with your Entitlement before the Closing Date, it will lapse and you will not be able to subscribe for any Convertible Notes under the Offer or realise any other value for your Entitlement.

### 5.2 Accepting Your Entitlement in Full

If you wish to take up your Entitlement in full, complete the Entitlement and Acceptance Form in accordance with the instructions set out on the form and forward it to [investor@syft.com](mailto:investor@syft.com), together with your application monies for the amount shown on the form to Computershare (Share Registry) by the Closing Date.

### 5.3 Applying for Additional Convertible Notes

If you wish to apply for Additional Convertible Notes in addition to your Entitlement, complete the Entitlement and Acceptance Form for the number of the Convertible Notes to which you are entitled under your Entitlement, as well as for the Additional Convertible Notes you wish to subscribe for under the Oversubscription Facility and forward the Entitlement and Acceptance Form, together with your application monies for the amount shown on the form, to reach the Share Registry by the Closing Date.

Additional Convertible Notes will be allocated in accordance with the process described in section 3.3. You may not be allocated all or any of the Additional Convertible Notes you apply for, and will not be allocated any greater number of Additional Convertible Notes than the number for which you have applied and paid.

### 5.4 Accepting Part of Your Entitlement

If you wish to take up part of your Entitlement, complete the Entitlement and Acceptance Form for the number of Convertible Notes you wish to take up and forward it [investor@syft.com](mailto:investor@syft.com), together with your application monies for the amount shown on the form to the Share Registry (Computershare) by the Closing Date. In this case, the Convertible Notes not taken up by you will

form part of the Shortfall and will be dealt with in accordance with the Oversubscription Facility.

### 5.5 Not Take Up Any of Your Entitlement

If you do not wish to accept any part of your Entitlement, do not take any further action. In this case, your whole Entitlement will form part of the Shortfall and will be dealt with in accordance with the Oversubscription Facility.

### 5.6 Payment for Note

Payment instructions are provided in the instructions on the Entitlement and Acceptance Form. Payment can only be made by direct credit.

### 5.7 Entitlement and Acceptance Form is Binding

A completed and lodged Entitlement and Acceptance Form constitutes a binding offer to acquire Convertible Notes on the terms and conditions set out in this Offer Document and, once lodged, cannot be withdrawn. If the Entitlement and Acceptance Form is not completed correctly, it may still be treated as a valid application for Convertible Notes. The Directors' decision whether to treat an acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final.

### 5.8 No Confirmation of Receipt

No receipt or confirmation of payment will be provided, nor will you receive an acknowledgement that your Entitlement and Acceptance Form has been received.

### 5.9 Representations by Acceptances

By completing and returning your personalised Entitlement and Acceptance Form, in addition to the representations set out elsewhere in this Offer Document and in the Entitlement and Acceptance Form, you:

- a. represent to the Company that you are an Eligible Shareholder;
- b. acknowledge that you have read and understand this Offer Document and the Entitlement and Acceptance Form in their entirety;
- c. agree to be bound by the terms of the Offer, the provisions of this Offer Document and Syft's constitution;
- d. will provide the Company with any applicable "wholesale investor" certification and/or confirmation required under the Financial Markets Conduct Act 2013 (for New Zealand residents) and any applicable equivalent documentation for residents of any other jurisdiction, as required by the Company at any time (and as a pre-requisite to the Entitlement and Acceptance Form and this Offer Document representing a binding contract);
- e. authorise the Company to register you as the holder(s) of the Convertible Notes and Warrants allotted to you;
- f. declare that all details and statements in the Entitlement and Acceptance Form are complete and accurate;
- g. acknowledge that once the Company receives your completed personalised Entitlement and Acceptance Form,

## 5 | Options Available to Shareholders

- you may not withdraw your Entitlement and Acceptance Form or application monies except as allowed by law;
- h. agree to apply for and be issued up to the number of Convertible Notes specified in the Entitlement and Acceptance Form at the (face value) price of \$1.00 per Convertible Note;
  - i. agree to apply for and be issued the Warrants allotted to you;
  - j. declare that you were the registered holder(s) at the Record Date of the Shares indicated on your personalised Entitlement and Acceptance Form as being held by you on the Record Date;
  - k. acknowledge that this Offer Document is not a product disclosure statement or prospectus, does not contain all of the information that you require in order to assess an investment in the Company;
  - l. represent and warrant that the law of any place does not prohibit you from being given this Offer Document and the Entitlement and Acceptance Form, nor does it prohibit you from making an application for Convertible Notes and that you are otherwise eligible to participate in the Offer.

### Enquiries

If you have any queries about your Entitlement shown on the Entitlement and Acceptance Form which accompanies this Offer Document, or how to complete the Entitlement and Acceptance Form, please contact the Registrar at:

Computershare Investor Services Limited

Private bag 92119

Auckland, 1142

New Zealand

Telephone: +64 9 488 8777

## 7 | Directory

"**Additional Convertible Notes**" means Convertible Notes which an Eligible Shareholder may apply for over and above their Entitlement pursuant to the Oversubscription Facility.

"**Allotment Date**" means the date the Convertible Notes are allotted, which is targeted to be by 5:00PM on 19 July 2023.

"**Applicant**" means an applicant under the Offer.

"**Board**" means the board of directors of Syft.

"**Business Day**" is a day other than Saturday or Sunday or a bank or statutory public holiday in New Zealand.

"**Convertible Notes**" means up to 5.5 million convertible notes in Syft that are the subject of this Offer with the terms set out in Appendix 1 of this Offer Document.

"**Closing Date**" means 5.00pm on 19 July 2023, or such other date as Syft may specify.

"**Directors**" means the directors of Syft.

"**Eligible Shareholder**" has the meaning given in section 3.6.

"**Entitlement**" means the pro rata number of Convertible Notes to which an Eligible Shareholder is entitled to apply for under the Offer.

"**Entitlement and Acceptance Form**" means the personalised entitlement and acceptance form enclosed with this Offer Document to be completed to exercise Entitlements.

"**FMCA**" means the Financial Markets Conduct Act 2013.

"**Ineligible Shareholder**" means any Shareholder who is not an Eligible Shareholder.

"**Issue Price**" means \$1.00 (face value) per Convertible Note.

"**Offer**" means the offer to Eligible Shareholders to subscribe for Convertible Notes pursuant to the offer detailed in this Offer Document.

"**Offer Document**" means this Offer Document dated 10 July 2023.

"**Opening Date**" means 10 July 2023.

"**Oversubscription Facility**" means the facility that entitles an Eligible Shareholder who accepts their Entitlement of Convertible Notes in full to also apply for Additional Convertible Notes.

"**Record Date**" means 5.00pm on 10 July 2023.

"**Registry**" means Computershare.

"**Second Ranking Preference Shares**" means the second ranking preference shares issued on conversion of a Convertible Note, with the terms set out in Appendix 1 of this Offer Document.

"**Share**" means an ordinary share in Syft.

"**Shareholder**" means a registered holder of Shares.

"**Syft**" means Syft Technologies Limited.

"**Warrant**" means a warrant that is convertible into an ordinary share in Syft, issued on the terms set out in Appendix 1 of this Offer Document.

"**Warrant Shares**" means ordinary shares issued on exercise of a Warrant.

## **APPENDIX 1**

### **CONVERTIBLE NOTE TERMS**

(See attached.)

### **WARRANT TERMS**

(See attached.)