

5 July 2023

Dear Shareholders

On behalf of the directors of Syft, I am pleased to invite you to a Special Meeting and strongly recommend that you vote to approve both resolutions relating to a \$5.5m funding round.

FY23 was a challenging year for Syft. As outlined in our market update of 26 June 2023, the first quarter of FY24 has seen a strong recovery with instrument orders amounting to more than 80% received in all of FY23. Nonetheless, it has become necessary for the Company to raise additional capital to meet its upcoming working capital requirements and maintain its growth strategy in certain areas.

Syft's major shareholders have been highly supportive and have engaged constructively with the Company on this matter. Terms have been agreed with our largest investor, Ampersand Capital Partners, for a convertible note that will raise a total of \$5.5m. Ampersand have agreed to effectively underwrite all of the funding round and ACC (our second largest shareholder) have committed to invest up to \$2.03m in the round. All shareholders who are wholesale investors or otherwise eligible will have equal opportunity to participate. Ampersand and ACC will scale down their investment to accommodate investment by others, while maintaining a total raise of \$5.5m.

The proposed funding round will take place through the issue of:

- 5,500,000 Convertible Notes ('Convertible Notes'); and
- 1,222,222 Warrants, stapled to the Convertible Notes at a rate of one Warrant per 4.5 Notes, with an exercise price of \$0.01.

The Convertible Notes pay an interest rate of 12% compounded daily (ie 0.033% per day), with interest compounded into the amount owing rather than paid in cash during the term. This amount is repayable on 31 December 2023, or may be extended until 30 June 2024 or the Convertible Notes (and any interest accrued) may be converted into Second Ranking Preference Shares ('SRPS') at a rate of \$0.30 per share. The repayment date will be extended on all the Convertible Notes, and/or the Convertible Notes will be converted to SRPS, if Ampersand and ACC each independently decide that these should occur. This is not at the discretion of individual investors or the Company. In the case of a liquidation, the SRPS would rank ahead of ordinary shares but behind any debt and the \$22.8m liquidation preference that Ampersand holds from their April 2022 investment.

There would be a maximum of 21,892,589 additional shares issued as a result of the proposed capital raise (assuming conversion of the Convertible Note and exercise of the Warrants), an increase of 24.4% over current shares on issue. This is made up of:

- 20,670,367 Second Ranking Preferred shares, occurring if the Convertible Notes were extended until 30 June 2024 then Convertible Notes (plus accrued interest) were then converted into SRPS at the agreed rate of \$0.30 per share; and
- 1,222,222 ordinary shares, issued if all Warrants were exercised.

The Board considered operational changes and other sources of capital as alternatives to the proposed round. We concluded that none of the options provided certainty that the required level of cash would be realised. At this stage, the proposed funding round is the only viable capital raising path for Syft. Accordingly, the Directors recommend in the strongest possible terms that all shareholders vote in favour. We also recommend you seek independent professional advice (including legal and financial) before voting on the resolutions.

As of today, the issue of Convertible Notes and Warrants remains conditional on appointment of an independent advisor to consider future capital and strategic options for the business, including the potential sale of the business of the Company or all securities in the Company. The Directors consider that appointing an independent advisor is a prudent action to maximise business value, and we are on track to meet this condition.

The enclosed shareholder voting form has detailed instructions on how shareholders may lodge their vote or appoint a proxy to vote on their behalf if they are unable to attend.

If you have sold or otherwise transferred all of your shares in the Company, please pass this Notice of Meeting, together with the accompanying documents, as soon as possible to the purchaser or transferee or to the broker or other person who arranged the sale or transfer of your shares.

I look forward to your attendance at the Meeting.

Yours faithfully



Alan Monro
Chairman

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 Friday, 21 July 2023 commencing at 10am (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 Online Meeting Guide attached to this Notice of Meeting.

Business

The following business will be considered at the Special Meeting:

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

Resolution 1: *Funding Round*

That, for the purpose of clauses 4.2.1 and 4.2.5 of the Company's Constitution, the issue of 5,500,000 Convertible Notes at an issue price of \$1.00 (face value) per Convertible Note and conversion price of \$0.30 per Second Ranking Preference Share on conversion of a Convertible Note, and the issue of 1,222,222 Warrants (on a 1:10 basis, using a calculation price of \$0.45, stapled to the Convertible Notes) at an exercise price of \$0.01 per ordinary share on exercise of a Warrant, is approved.

Resolution 2: *Share Allocation on Conversion/Exercise*

That, pursuant to Rule 7(d) of the Takeovers Code, the Company may, on conversion of the Convertible Notes and/or exercise of the Warrants, issue such number of fully paid Second Ranking Preference Shares of the Company as is required on conversion under the Convertible Note Agreements and/or issue such number of fully paid ordinary shares of the Company as is required on exercise under the Warrant Agreements, and such issues will be a maximum of 13,812,233 shares to Ampersand and/or a maximum of 8,080,356 shares to ACC (as applicable).

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_4488SVEWTWeQUGoiY5cyaA#/registration

Record Date

Any person who is registered as a shareholder of the Company at 10am (New Zealand time) on Wednesday, 19 July 2023, is entitled to attend and vote at the Special Meeting or to appoint a proxy to attend and vote in their place.

Effect of Resolutions not being passed

Each of the two resolutions is conditional on the other. Accordingly, if Resolution 1 is not passed, or Resolution 2 is not passed, then neither resolution will pass and the funding round the subject of the resolutions will not proceed and completion will not occur under the relevant Convertible Note Agreements and Warrant Agreements.

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, Nicole Robinson, either by post to C/o CFO, Syft Technologies, 68 St Asaph Street, Christchurch 8011 or email to investor@syft.com at least 48 hours before the start of the special meeting (that is by 10am (New Zealand time) on Wednesday, 19 July 2023).

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

With respect to Resolution 1 (being a resolution to approve a funding round), clause 18.2 of the Constitution disqualifies from voting any person to whom it is proposed to issue the new securities referred to in the resolution. However, clause 18.4 provides that such disqualification does not apply if the new securities are to be offered on the same basis to all holders of securities of the same class as the securities held by that person. Accordingly, given that all ordinary shareholders will be offered the

new securities on the same basis then all ordinary shareholders can vote on Resolution 1. Ampersand is not able to vote on Resolution 1 because it is a resolution for ordinary shareholders only and Ampersand does not hold ordinary shares.

With respect to Resolution 2 (being a resolution to issue new shares in the Company to Ampersand and ACC under Rule 7(d) of the Takeovers Code), Rule 17 of the Takeovers Code prevents any person to whom the new shares in the Company are to be issued, which for Resolution 2 is Ampersand, and any associates (for the purposes of the Takeovers Code) of that person, from voting in favour of that resolution.

Accordingly, Ampersand and ACC are disqualified from voting on Resolution 2 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



Alan Monro
Chairman

5 July 2023

Explanatory Notes

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

Ordinary Resolutions

The resolutions set out in this notice of special meeting are ordinary resolutions that require approval by a majority of the votes of those shareholders entitled to vote and voting on those resolutions.

Resolution 1: Funding Round

1. The Company seeks the approval of its shareholders, for the purposes of clauses 4.2.1 and 4.2.5 of the Constitution, to issue 5,500,000 Convertible Notes 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.
2. The number of ordinary shares issued on exercise of a Warrant is equal to 10% of the Convertible Notes actually issued and paid for under a Convertible Note Agreement, divided by NZ\$0.45 per share. For example, \$100,000 of Convertible Notes paid under the Convertible Note Agreement would mean an entitlement to 22,222 Warrant Shares (i.e. NZ\$10,000 divided by NZ\$0.45).
3. The funding round is required in order for the Company to meet its upcoming working capital requirements and maintain its growth strategy in certain areas. This funding will also allow the Company an opportunity to explore the best strategic options for the Company moving forward.
4. The Company has entered into a Convertible Note Agreement with Ampersand 2020 Limited Partnership (**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 Warrant Agreement will also be made to ordinary shareholders, on an equal participation basis (including the ability to participate in any shortfall), who are “wholesale investors” under the Financial Markets Conduct Act 2013 (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) are conditional on the shareholder approval the subject of the Special Meeting and conditional on the Company appointing an investment bank/adviser to consider strategic options, including the potential sale of the business or all securities in the Company.
5. The Company has also entered into a Convertible Note Agreement with ACC (and a Warrant Agreement with ACC) (the **ACC Convertible Note Agreement** and the **ACC Warrant Agreement**) under which ACC will subscribe for up to \$2.03 million of the funding round i.e. reducing the amount of the funding round to be taken up by Ampersand and ACC’s subscription amount will also be reduced rateably to reflect participation in the round by other ordinary shareholders. These agreements have the same conditions as the Ampersand agreements described above.
6. 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).

7. 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.
8. The material terms of the Convertible Notes, Warrant Agreement and the Second Ranking Preference Shares are set out in Appendix 1.
9. The Convertible Note Agreement and Warrant Agreement being offered to ordinary shareholders will be on the same terms as the Ampersand Convertible Note Agreement, the Ampersand Warrant Agreement, the ACC Convertible Note Agreement and the ACC 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.

Effect if Resolutions are passed

10. If Resolutions 1 and 2 are passed then the funding round will proceed under the applicable Convertible Note Agreements and Warrant Agreements (provided that any other conditions are satisfied). This would mean that the Convertible Notes (and the Warrants) will be issued and the Company will receive NZ\$5.5 million of new funding.

Effect if Resolution 1 is not passed

11. If Resolution 1 is not passed, then completion will not occur under the Convertible Note Agreements and the Warrant Agreements and the funding round will not proceed. This is the case regardless of whether Resolution 2 is passed i.e. both resolutions must pass for the funding round to proceed. This would have significantly adverse consequences for the Company, including potential insolvency.

Dilutive effect on current shareholders

12. The total number of Second Ranking Preference Shares that could be issued on conversion under the Convertible Note Agreements for the funding round is 20,670,367. The total number of ordinary shares that could be issued on exercise under the Warrant Agreements for the funding round is 1,222,222.
13. The issue of such Second Ranking Preference Shares and ordinary shares would have the effect of diluting current shareholders' (other than Ampersand's and ACC's) percentage holdings in the Company by approximately 19.6% of each shareholder's holding, assuming that no shareholders other than Ampersand and ACC participate in the funding round (which is an unlikely scenario). As discussed above, each ordinary shareholder will have the opportunity to participate equally in the \$5.5 million funding round (provided that shareholder is a "wholesale investor" under the FMCA (or equivalent in their jurisdiction for ordinary shareholders not based in New Zealand).

Board recommendation

The Board recommends that shareholders approve Resolution 1.

Resolution 2: Share Allocation on Conversion/Exercise

Introduction

1. With Resolution 2, shareholders are being asked to approve the issue of the Second Ranking Preference Shares in the Company to Ampersand and/or ACC on conversion of the Convertible Notes under the Ampersand Convertible Note Agreement and/or the ACC Convertible Note Agreement and/or the issue of ordinary shares in the Company to Ampersand and/or ACC on exercise of the Warrants under the Ampersand Warrant Agreement and/or the ACC Warrant Agreement. For the purposes of this Resolution 2 it has been assumed (on a “worst case scenario” basis) that Ampersand and ACC take up all of the \$5.5 million subscription under the funding round and that no ordinary shareholders (other than ACC) participate in the round. This is an unlikely outcome however the approval sought in this Notice of Meeting needs to cover off all possibilities.

Takeovers Code approval

2. 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.
3. 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.
4. The Company is a code company.
5. Under the Takeovers Code, a person is an “associate” of another person if:
 - (a) the persons are acting jointly or in concert; or
 - (b) the first person acts, or is accustomed to act, in accordance with the wishes of the other person; or
 - (c) the persons are related companies; or
 - (d) the persons have a business relationship, personal relationship, or an ownership relationship such that they should, under the circumstances, be regarded as associates; or
 - (e) the first person is an associate of a third person who is an associate of the other person (in both cases under any of paragraphs (a) to (d)) and the nature of the relationships between the first person, the third person, and the other person (or any of them) is such that, under the circumstances, the first person should be regarded as an associate of the other person.
6. Ampersand, ACC and Syft are strongly of the view that ACC is not an associate of Ampersand under the Takeovers Code. Two decisions in the Convertible Note Agreements (on any conversion or extension) require both Ampersand and ACC to agree before they can proceed. Ampersand and ACC will make those decisions independently and have different financial incentives. Ampersand currently holds first ranking preference shares. The Convertible Notes rank ahead of those preference shares but, if converted, the resulting Second Ranking Preference Shares would rank behind Ampersand’s existing first ranking preference shares. In

order to avoid any possibility of a subsequent concern from any third party regarding this matter, Syft has decided to assume, in any event, purely for the purposes of this Resolution 2 that Ampersand and ACC are associates under the Takeovers Code.

7. Ampersand currently holds 19.6% of the shares in the Company. If Ampersand fully converted its Convertible Notes and fully exercised its Warrants then it may increase its percentage voting rights above the 20% threshold in the Takeovers Code.
8. The total percentage of the Company held by Ampersand after such full conversion and full exercise would be up to 28.1% (this amount is based on a maximum number of shares for approval purposes being issued, less the number reflecting ACC's maximum participation ie. assuming that other ordinary shareholders do not participate in the funding round) and converted to shares in the Company and the maximum amount of interest which may accrue is converted to shares in the Company and all of the Warrants are exercised.
9. ACC currently holds 15.8% of the shares in the Company. If ACC fully converted its Convertible Notes and fully exercised its Warrants then it would still not increase its percentage voting rights above the 20% threshold in the Takeovers Code i.e. the maximum total percentage of the Company held by ACC after such full conversion and full exercise would be up to 19.9%.
10. The total percentage of the Company held by Ampersand (and its associates, on the basis of assuming that ACC is an associate) if Ampersand and ACC fully converted their Convertible Notes and fully exercised their Warrants would be up to 48% (this amount is based on a maximum number of shares for approval purposes being issued, assuming the full \$5.5 million is paid under the Convertible Note Agreements (i.e. that other shareholders do not participate in the funding round) and converted to shares in the Company and the maximum amount of interest which may accrue on that \$5.5 million (being \$701,110) is converted to shares in the Company and all of the Warrants are exercised).
11. Under the Convertible Note Agreements, the notes can be converted into Second Ranking Preference Shares (the **Conversion Shares**) at the request of Ampersand and ACC (each acting independently and coming to its own decision, which would be binding on behalf of all noteholders). When the conversion notice is delivered to the Company, any accrued but unpaid interest on the amounts paid under the Convertible Note Agreements will also be converted into Second Ranking Preference Shares (the **Interest Shares**) in accordance with the Convertible Note Agreements. Please see more details in Appendix 1.
12. The table in Appendix 2 sets out the specific disclosures required by Rule 16 of the Takeovers Code for the issue of the Second Ranking Preference Shares and ordinary shares to Ampersand and ACC.

Issue of Conversion Shares

13. Please review Appendix 1 for additional information regarding the issue of the Conversion Shares.
14. If the full \$5.5 million subscription price for the Convertible Notes is paid to the Company, a maximum of 20,670,367 Conversion Shares could be issued on conversion of the Convertible Notes under the Convertible Note Agreements. The Conversion Shares issued under the Convertible Note Agreements are issued under Resolution 2 which, if passed, provides approval for such issue for the purposes of Rule 7(d) of the Takeovers Code.

Issue of Interest Shares

15. Please review Appendix 1 for additional information regarding the issue of Interest Shares.
16. The interest rate on amounts outstanding under the Convertible Note Agreements is 12% per annum. The interest is compounded daily (i.e. 0.033% per day), with interest compounded into the amount owing rather than paid in cash during the term.

17. The Company may issue Interest Shares in repayment of any interest owing on amounts outstanding under the Convertible Note Agreements. Total interest under the Convertible Note Agreements will not, regardless of any extension, exceed \$701,110. On conversion of up to this amount, the holders of the relevant number of Convertible Notes would be issued the Interest Shares, with the final number calculated by dividing the amount of interest outstanding by the Conversion Price (as defined in the Convertible Note Agreements).
18. Such Interest Shares are issued under Resolution 2 which, if passed, provides approval for such issue for the purposes of Rule 7(d) of the Takeovers Code.

Issue of Exercise Shares

19. Please review Appendix 1 for additional information regarding the issue of the ordinary shares on exercise of the Warrants (the **Exercise Shares**).
20. If all of the Warrants are exercised then a maximum of 21,892,589 Exercise Shares could be issued on exercise. The Exercise Shares issued under the Warrant Agreements are issued under Resolution 2 which, if passed, provides approval for such issue for the purposes of Rule 7(d) of the Takeovers Code

Possible dilution resulting from issue of the Second Ranking Preference Shares and ordinary shares

21. On the assumption that no other shares in the Company have been issued between the date of this Notice of Meeting and the dates of conversion and/or exercise, and on the assumption that no other shareholders participate in the funding round (which, as discussed above, is unlikely), if the Company issues the maximum number of Second Ranking Preference Shares and ordinary under the Convertible Note Agreements and the Warrant Agreements (i.e. all of the Conversion Shares, Interest Shares and the Exercise Shares) (being all shares authorised under Resolution 2), the dilution effect on shareholders would be:

Current shares on issue	89,656,692
Maximum number of shares which may be issued under the Convertible Note Agreements and Warrant Agreements	21,892,589
Total shares on issue after share issue	111,549,281
Example shareholder: pre-issue percentage holding	10.0%
Example shareholder: post-issue percentage holding	8.0%

Effect of the issue of the Second Ranking Preference Shares and ordinary shares on Ampersand's holding

22. Assuming that the maximum number of Second Ranking Preference Shares and ordinary shares under the Ampersand Convertible Note Agreement and the Ampersand Warrant Agreement are issued (i.e. all of the Ampersand Conversion Shares, Ampersand Interest Shares and the Ampersand Exercise Shares), less the number reflecting ACC's maximum participation), the effect of that issue on Ampersand's holding would be:

Current shares on issue	89,656,692
Maximum number of shares which may be issued to Ampersand under the Ampersand Convertible Note Agreement and the Ampersand Warrant Agreement	13,812,233
Total shares on issue after share issue	111,549,281

Ampersand's pre-issue percentage holding	19.6%
Ampersand's post-issue percentage holding	28.1%

Effect of the issue of the Second Ranking Preference Shares and ordinary shares on Ampersand's holding and its associates (assuming for this purpose that ACC is an associate)

23. Assuming that the maximum number of Second Ranking Preference Shares and ordinary shares under the Convertible Note Agreements and the Warrant Agreements are issued (i.e. all of the Conversion Shares, Interest Shares and the Exercise Shares), the effect of that issue on Ampersand's and its associates (assuming for this purpose that ACC is an associate) would be:

Current shares on issue	89,656,692
Maximum number of shares which may be issued to Ampersand and ACC under the Convertible Note Agreements and the Warrant Agreements	21,892,589
Total shares on issue after share issue	111,549,281
Ampersand's and ACC's pre-issue percentage holding	35.4%
Ampersand's and ACC's post-issue percentage holding	48%

24. Further details of the risk of dilution can be found in section 2.8, page 15 of the Independent Adviser's Report.
25. 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

26. As required by Rule 18 of the Takeovers Code, the Company has commissioned an Independent Adviser's Report on the issue of the Second Ranking Preference Shares and ordinary shares to Ampersand.
27. The Independent Adviser's Report is required by the Takeovers Code because, as a result of the issue of the Second Ranking Preference Shares and the ordinary shares, Ampersand (and its associates) 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.
28. 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 Convertible Note Agreements and the Warrant Agreements (being the issue of the Convertible Notes, Warrants and the issue of the Second Ranking Preference Shares and ordinary 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 Independent Adviser's Report.

Effect if Resolutions are passed

29. If shareholders pass Resolutions 1 and 2, the Company will be able to proceed with the funding round because the Convertible Note Agreements and the Warrant Agreements are both conditional on Resolution 1 and 2 being passed. The effect will also be that the Company can issue Second Ranking Preference Shares and ordinary shares on conversion of the applicable Notes and/or exercise of the applicable Warrants.

Effect if Resolution 2 is not passed

30. If Resolution 2 is not passed by shareholders, then completion will not occur under the Convertible Note Agreements and the Warrant Agreements and the funding round will not proceed. This is the case regardless of whether Resolution 1 is passed i.e. both resolutions must pass for the funding round to proceed. This would have significantly adverse consequences for the Company, including potential insolvency.

Board recommendation

The Board recommends that shareholders approve Resolution 2.

Glossary

In this Notice of Meeting:

ACC means Accident Compensation Corporation;

ACC Conversion Shares means the fully paid Second Ranking Preference Shares in the Company issued to ACC on conversion of the ACC Notes under the ACC Convertible Note Agreement;

ACC Convertible Note Agreement means the convertible note agreement dated 25 June 2023 between ACC and the Company;

ACC Convertible Notes means the convertible notes to be issued to ACC under the Convertible Note Agreement;

ACC Exercise Shares means the fully paid ordinary shares in the Company issued to ACC on exercise of the ACC Warrants under the ACC Warrant Agreement;

ACC Interest Shares means the fully paid Second Ranking Preference Shares in the Company issued to ACC in repayment of any interest owing on amounts outstanding under the Convertible Note Agreement;

ACC Warrant Agreement means the warrant agreement dated 25 June 2023 between ACC and the Company;

ACC Warrants means the warrants to be issued to ACC under the ACC Warrant Agreement;

Ampersand means Ampersand 2020 Limited Partnership;

Ampersand Conversion Shares means the fully paid Second Ranking Preference Shares in the Company issued to Ampersand on conversion of the Ampersand Notes under the Ampersand Convertible Note Agreement;

Ampersand Convertible Note Agreement means the convertible note agreement dated 25 June 2023 between Ampersand and the Company;

Ampersand Convertible Notes means the convertible notes to be issued to Ampersand under the Convertible Note Agreement;

Ampersand Exercise Shares means the fully paid ordinary shares in the Company issued to Ampersand on exercise of the Ampersand Warrants under the Ampersand Warrant Agreement;

Ampersand Interest Shares means the fully paid Second Ranking Preference Shares in the Company issued to Ampersand in repayment of any interest owing on amounts outstanding under the Convertible Note Agreement;

Ampersand Warrant Agreement means the warrant agreement dated 25 June 2023 between Ampersand and the Company;

Ampersand Warrants means the warrants to be issued to Ampersand under the Ampersand Warrant Agreement;

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

Conversion Shares means the Ampersand Conversion Shares and the ACC Conversion Shares;

Convertible Note Agreements means the Ampersand Convertible Note Agreement and the ACC Convertible Note Agreement;

Convertible Notes means the Ampersand Convertible Notes and the ACC Convertible Notes;

Exercise Shares means the Ampersand Exercise Shares and the ACC Exercise Shares;

Interest Shares means the Ampersand Interest Shares and the ACC Interest Shares;

Second Ranking Preference Shares means the second ranking preference shares issued on conversion under the Ampersand Convertible Note Agreement, with the terms set out in that agreement;

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;

Warrant Agreements means the Ampersand Warrant Agreement and the ACC Warrant Agreement;

Warrants means the Ampersand Warrants and the ACC Warrants.

Appendix 1: Material terms of the Ampersand Convertible Note Agreement and Second Ranking Preference Shares and Ampersand Warrant Agreement

The material terms of the Ampersand Convertible Note Agreement, Second Ranking Preference Shares and the Ampersand Warrant Agreement are set out below (and note that the terms of the ACC Convertible Note and ACC Warrant Agreement are the same):

Convertible Note Agreement

Conditions precedent

The Ampersand Convertible Note Agreement and the Ampersand Warrant Agreement are conditional on the shareholder approves the subject of this Notice of Meeting and also on the Company appointing an investment bank/adviser to consider strategic options, including the potential sale of the business of the Company or all securities in the Company.

Principal Terms

The Ampersand Convertible Note will:

- (a) be issued at face value (i.e. \$1 per note);
- (b) be paid for in full by Ampersand;
- (c) bear interest in accordance with the terms;
- (d) be repaid in accordance with the terms and/or convert into Shares in accordance with the terms;
- (e) be unlisted and not carry any dividend rights, or rights to vote at meetings of the Company's shareholders.

Calculation of Interest

- (a) Interest will accrue on each Ampersand Convertible Note and be payable:
 - (i) from the date on which the initial subscription price is paid up until either the Company issues shares under the terms or the Ampersand Convertible Note is repaid;
 - (ii) at 12% per annum; and
 - (iii) based on the number of days elapsed and a 365 day year.
- (b) Interest will compound daily and be payable in arrears from that date, with any payment to be made in respect of part of a year being made on a pro rata basis.

Allotment of Shares on Conversion

- (a) Ampersand may not individually decide to convert (to Second Ranking Preference Shares), but rather noteholders Ampersand and Accident Compensation Corporation (ACC) may together (i.e. unanimously) agree to convert all Convertible Notes on a date that is notified in writing to all holders of Convertible Notes and such a decision will be binding on all holders of Convertible Notes, including Ampersand. On that basis, noteholders Ampersand and ACC:
 - (i) may issue a conversion notice to the Company during the period beginning from the date on which subscription monies have been paid up until the final repayment date (being 31 December 2023, unless extended in accordance with the terms); and

- (ii) will be deemed to have issued a conversion notice in respect of the Convertible Notes that have not been converted, been repaid in full or in respect of which a repayment notice has not been issued prior to the final repayment date (and the conversion date in respect of such deemed notice will be the final repayment date).
- (b) Following issue (or deemed issue) of the conversion notice, on the conversion date, the Company will, issue Second Ranking Preference Shares to Ampersand so that Ampersand is issued such number of shares as equal the Conversion Amount (being the amount of the subscription actually paid and accrued interest) for the Convertible Notes divided by the Conversion Price (being \$0.30).

Ampersand may take up the Second Ranking Preference Shares on conversion of the Ampersand Convertible Note.

Repayment of Subscription Price

- (a) If Ampersand provides a repayment notice ahead of the final repayment date then the Company will repay on the final repayment date the subscription price along with all accrued but unpaid interest.
- (b) If the full balance of the subscription price is, at any time, no longer required to meet the Company's funding requirements moving forward (the "Recall Amount"), as confirmed by the Company in writing to Ampersand, then Ampersand may provide a repayment notice to the Company for the Recall Amount and the Company will repay such Recall Amount (in reduction of the subscription price and, accordingly, the cancellation of the relevant number of Convertible Notes).

Assignment of Convertible Notes

Ampersand will be entitled to assign, in whole or in part, all of its rights to and interests in the Ampersand Convertible Notes to any person.

Extension of Final Repayment Date

The Company and noteholders Ampersand and Accident Compensation Corporation (ACC) may, all together (i.e. unanimously), agree to extend the Final Repayment Date to a date that is notified in writing to all holders of Convertible Notes, being a date that is no longer than six months from 31 December 2023. Such an agreement to extend will be binding on all holders of Convertible Notes, including Ampersand.

Second Ranking Preference Shares

Rights

Second Ranking Preference Shares will have the following rights attached to them:

- (a) the right to one vote for every Second Ranking Preference Share on a poll at a meeting of Syft on any resolutions;
- (b) the right to an equal share in dividends authorised by the board;
- (c) subject to the ranking description below, the right to an equal share in the distribution of the surplus assets of Syft; and
- (d) the right of preference in any Liquidation Event of Syft as described below; and
- (e) to be reclassified at any time at the option of the holder by written notice to Syft such that it has the same terms as an ordinary share provided that a holder of Second Ranking Preference Shares

converts all (and not some only) of its Second Ranking Preference Shares to ordinary shares at the time of such reclassification.

Ranking

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 first before ordinary shareholders.

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

- (a) 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);
- (a) 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);
- (b) 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;
- (c) sale, lease, transfer, exclusive licence or other disposition of all or substantially all of the assets of the Company; or
- (d) 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).

Warrant Agreement

Warrant Shares

Ampersand is issued a warrant to be exercised into Ampersand Exercise Shares, being such number of ordinary shares equal in number to 10% of the number of Ampersand Convertible Notes actually issued and paid for under the Ampersand Convertible Note Agreement, divided by NZ\$0.45 per share. For example, NZ\$100,000 of Ampersand Convertible Notes paid under the Ampersand Convertible Note Agreement would mean an entitlement to 22,222 Ampersand Exercise Shares (i.e. NZ\$10,000 divided by NZ\$0.45).

Exercise Period

The Exercise Period for the Ampersand Warrant means the period commencing from the date of funding first being provided under the Ampersand Convertible Note and ending two years from such date.

Ampersand may take up the ordinary shares on exercise of the Ampersand Warrant.

Appendix 2: 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:	The approved maximum number is 13,812,233 fully paid Second Ranking Preference Shares and ordinary shares being allotted to Ampersand.	The approved maximum number is 8,080,356 fully paid Second Ranking Preference Shares and ordinary shares being allotted to ACC.
	a) the maximum number of voting securities that could be allotted (the approved maximum number) to the allottee; and		
	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	8.5%	4.1%
	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	48% in aggregate as follows: Ampersand 28.1%; ACC 19.9%	48% in aggregate as follows: Ampersand 28.1%; ACC 19.9%
	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 relying associates)); and	28.1%	19.9%
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	48%	48%	

	associates after completion of the allotment or allotments; and		
	f) the date used to determine the information referred to in this clause (the calculation date); and	5 July 2023	5 July 2023
	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 111,549,281, 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 Second Ranking Preference Shares and 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 is 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 111,549,281, 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 Second Ranking Preference Shares and 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), ACC is 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	\$0.30 per Second Ranking Preference Share, payable in accordance with the terms of the Convertible Note Agreements, being on a date decided by Ampersand and ACC, up to but no later than 30 June 2024 and \$0.01 per ordinary share, payable in accordance with the terms of the Warrant Agreements, being on a date decided by Ampersand and/or ACC (as applicable), up to but no later than two years from the date funding is provided under the Convertible Note Agreements.	\$0.30 per Second Ranking Preference Share, payable in accordance with the terms of the Convertible Note Agreements, being on a date decided by Ampersand and ACC, up to but no later than 30 June 2024 and \$0.01 per ordinary share, payable in accordance with the terms of the Warrant Agreements, being on a date decided by Ampersand and/or ACC (as applicable), up to but no later than two years from the date funding is provided under the Convertible Note Agreements.
(e)	the reasons for the allotment	To facilitate the receipt by the Company of additional funding under the Convertible Note Agreements by approving the issue of shares under	To facilitate the receipt by the Company of additional funding under the Convertible Note Agreements by approving the issue of shares under

		the Convertible Note Agreements and the Warrant Agreements.	the Convertible Note Agreements and the Warrant Agreements.
(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 Second Ranking Preference Shares under the Convertible Note Agreements and allotment of ordinary shares under the Warrant 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 Second Ranking Preference Shares under the Convertible Note Agreements and allotment of ordinary shares under the Warrant 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), other than the Convertible Note Agreements and Warrant Agreements, 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), other than the Convertible Note Agreements and Warrant Agreements, 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 Convertible Note Agreements and the Warrant Agreements, being Michael Bushell, Deshitha Edirisuriya, Jeffrey McDowall, Kathryn McGrath and Alan Monro, recommend that the shareholders vote in favour of Resolution 2 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 in certain areas. The Convertible Note Agreements (and Warrant Agreements) provides access to \$5.5 million and it is preferable that this amount converts to equity if possible rather than remaining as a debt the Company must repay.</p>	<p>The directors of the Company that are not interested in the Convertible Note Agreements and the Warrant Agreements, being Michael Bushell, Deshitha Edirisuriya, Jeffrey McDowall, Kathryn McGrath and Alan Monro, recommend that the shareholders vote in favour of Resolution 2 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 in certain areas. The Convertible Note Agreements (and Warrant Agreements) provides access to \$5.5 million and it is preferable that this amount converts to equity if possible rather than remaining as a debt the Company must repay.</p>