

ASX Announcement
13 December 2024

Proposed Divestment of Miner Hosting assets

Highlights:

- Adisyn has entered into formal negotiations to divest 100% of its Miner Hosting business to Metacorp
- Proposed transaction is for \$300k (plus GST) cash consideration, with up to \$300k (plus GST) in additional consideration subject to various earn-out criteria
- Proposed transaction is for the sale of the physical assets only of the Company's Miner Hosting business, and does not include any intellectual property developed by the Company within the Miner Hosting business
- Company structure continues to be optimised as it is streamlined to focus on new opportunities, including the acquisition of semiconductor IP business, 2D Generation

Adisyn Ltd (**ASX: AI1**) ("**Adisyn**" or the "**Company**") is pleased to announce that it has entered into a non-binding indicative offer ("**NBIO**") with Metacorp Developments Pty Ltd ("**Metacorp**") for the proposed divestment of 100% of the legal and beneficial interest in its Miner Hosting business ("**Miner Hosting Assets**") ("**Proposed Divestment**").

As announced on 28 February 2024, an ongoing internal review was undertaken by the Company to assess the potential for disposal of any non-core assets within the Group which do not align with the Group's strategy. On 9 July 2024, the Company announced the outcome of the strategic review which outlined the following four primary objectives:

- (a) continue to divest non-core assets;
- (b) streamline business with focus on AI and Cyber Security;
- (c) target business development activity towards SME market in defence industry supply chain; and
- (d) optimise the Company structure.

Since the internal review was announced, the Company has continued to explore options for its non-core Miner Hosting division (ASX: 24 April 2024, 31 July 2024, 30 September 2024), and has

been focused on divesting the division to further streamline the existing operations within the Company and realise further shareholder value for the division.

Adisyn is delighted to advise that the Company and Metacorp have reached indicative terms for Metacorp to acquire 100% of the legal and beneficial interest in the Miner Hosting Assets, which the parties will now look to finalise into a legally binding agreement. The Proposed Divestment is for 100% of the legal and beneficial interest in physical assets only of the Company's Miner Hosting business, and does not include any intellectual property developed by the Company within the Miner Hosting business.

The Company and Metacorp are working towards finalising and executing a binding asset sale agreement ("**ASA**"). The key indicative terms of the Proposed Divestment are included in Annexure A of this announcement ("**Indicative Terms**"). Should the parties execute a binding ASA, settlement of the Proposed Divestment will still remain subject to satisfaction of various Conditions Precedent outlined in Annexure A.

This announcement should be read in conjunction with the Indicative Terms. The Company is optimistic about concluding the ASA and the Proposed Divestment. However, the Indicative Terms remain subject to negotiation by the parties and the execution of the ASA for the Proposed Divestment. Completion under the ASA will be subject to a number of conditions, as set out in Annexure A. No binding agreement has been reached at this time and there is no certainty that the Proposed Divestment will eventuate. The Indicative Terms (and this announcement) is preliminary, incomplete and non-binding and does not constitute a commitment to proceed with the Proposed Acquisition.

As announced on 2 December 2024, completion of the Company's acquisition of 2D Generation (ASX: 4 November 2024) is expected to take place following shareholder approval of the necessary resolutions to be sought at the general meeting scheduled for 19 December 2024, subject to satisfaction of certain conditions precedent. Further details regarding the terms of the acquisition are set out in the Company's announcement dated 4 November 2024.

-ENDS-

This announcement has been approved for release by the board of Adisyn Ltd.

Further Information:

Blake Burton

Managing Director, Adisyn

investors@adisyn.com.au

1300 331 888

About 2D Generation

2D Generation is a high-tech company specialising in graphene-based solutions for the semiconductor industry. Founded by experienced entrepreneurs and scientists, the company is dedicated to overcoming current technological limitations by developing faster, stronger, and more energy-efficient computer processing solutions. These advancements will support the next generation of AI, data storage, telecommunications, cybersecurity, mobile devices, and more.

About Adisyn

Adisyn (ASX: AI1) is a provider of managed technology services and solutions, primarily targeting the SME market. The company aims to be the preferred sovereign provider for SMEs in the Australian defence industry supply chain. Adisyn's offerings include a range of solutions tailored to this growing market segment, leveraging internal capabilities and strategic partnerships, particularly in cybersecurity and AI.

Forward-looking statements:

Statements contained in this release, particularly those regarding possible or assumed future performance, revenue, costs, dividends, production levels or rates, prices, or potential growth of Adisyn Ltd are, or may be, forward-looking statements. Such statements relate to future events and expectations and as such, involve known and unknown risks and uncertainties. These forward-looking statements are not guarantees or predictions of future performance and involve known and unknown risks, uncertainties, and other factors, many of which are beyond the Company's control, and which may cause actual results to differ materially from those expressed in the statements contained in this release.

The Company cautions shareholders and prospective shareholders not to put undue reliance on forward-looking statements, which reflect the Company's expectations only as of the date of this announcement. The Company disclaims any obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by law.

ANNEXURE A

Asset Sale Agreement Terms

The Company and Metacorp (“**Purchaser**”) have entered into a Non-Binding Indicative Offer agreement and are currently working towards finalising a formal Asset Sale Agreement on the following key Indicative Terms:

- (a) (**Acquisition**): Subject to satisfaction (or waiver) of the completion conditions, the Company agrees to sell, and the Purchaser agrees to purchase, 100% of the legal and beneficial interest in physical assets of the Company’s Miner Hosting Australia business (**Sale Assets**). For the avoidance of doubt, the Sale Assets do not include any intellectual property developed by the Company within the Miner Hosting business.
- (b) (**Exclusivity**):
- i. The Purchaser has paid to the Company AUD\$20,000 (plus GST) in cash (**Initial Payment**) in consideration for a four (4) week exclusivity period (**Exclusivity Period**). The Exclusivity Period may be extended by the Company (at its absolute discretion) for a further two (2) weeks (or such period as reasonably required);
 - ii. during the Exclusivity Period the Purchaser will be entitled to undertake preliminary enquiries on the Sale Assets;
 - iii. within seven (7) days of the Company receiving confirmation from ASX that Listing Rules 11.1.2, 11.1.3 and 11.2 do not apply to the Proposed Transaction, the Purchaser must pay the Company AUD\$80,000 (plus GST) in Cash (**Second Payment**); and
 - iv. during the Exclusivity Period the Parties will negotiate a formal legally binding asset sale agreement (**Formal Agreement**) in good faith on terms consistent with the NBIO and such other provisions which are customary for transactions of this nature. In the event the Formal Agreement is not entered into before expiry of the Exclusivity Period (or such longer period agreed in writing between the Parties), the NBIO will expire and automatically terminate.
- (c) (**Consideration**): Total upfront consideration is \$300,000 (plus GST), which includes the \$20,000 (plus GST) Initial Payment and \$80,000 (plus GST) Second Payment outlined above. Subject to satisfaction of the Completion Conditions, the Purchaser will pay the Company a cash payment of \$200,000 (plus GST) as consideration for the Acquisition of the Sale Assets.
- (d) (**Earn-Out**):
- i. The Parties agree that post-Completion, the following additional consideration will be paid by the Purchaser to the Vendor, subject to the respective conditions being met (“**Earn-Out**”):

- A. a cash payment of AUD\$100,000 (plus GST) to be paid to the Vendor, if 12 months post-Completion, the electricity usage (measured in kWh) for the Sale Assets is 50% of the electricity usage of the Sale Assets for the 12 month period prior to Completion (“**Earn-Out Condition 1**”); or
 - B. a cash payment of AUD\$200,000 (plus GST) to be paid to the Vendor, if 12 months post-Completion, the electricity usage (measured in kWh) for the Sale Assets is 100% of the electricity usage of the Sale Assets for the 12 month period prior to Completion (“**Earn-Out Condition 2**”); or
 - C. a cash payment of AUD\$300,000 (plus GST) to be paid to the Vendor, if 12 months post-Completion, the electricity usage (measured in kWh) for the Sale Assets is 200% of the electricity usage of the Sale Assets for the 12 month period prior to Completion (“**Earn-Out Condition 3**”),
(together the “**Earn-Out Conditions**”).
- (e) (**Completion Conditions**): It is anticipated that completion of the Acquisition under the Proposed Acquisition will be subject to satisfaction (or waiver) of a number of completion conditions, including but not limited to:
- i. the Parties entering into the Formal Agreement; and
 - ii. receipt of any required approvals, consents and/or waivers by the Company from shareholders, regulators and third parties (including, but not limited to novation and/or assignment of any lease agreements which relate to the Sale Assets).

The NBIO otherwise contains terms and conditions that are considered standard for agreements of this nature.

As the final ASA is still the subject of negotiation by the parties based on the Indicative Terms. The Company advises that the final terms of the Proposed Divestment are still being negotiated and may be subject to change.

ASX has provided confirmation that, based on the Indicative Terms , Listing Rule 11.1.2 and 11.1.3 do not apply to the Proposed Divestment.