

23 August 2024  
ASX Market Release

**Spirit Technology Solutions Ltd (ASX Code: ST1)**  
**Notice under section 708AA(2)(f) of the Corporations Act 2001 (Cth)**

This notice is given by Spirit Technology Solutions Ltd ACN 089 224 402 (**Company**) under section 708AA(2)(f) of the *Corporations Act 2001* (Cth) (**Act**) as modified by *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84* and *ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73*.

The Company has today announced a fully underwritten pro-rata accelerated non-renounceable entitlement offer to shareholders with a registered address in Australia and New Zealand (**Eligible Shareholders**) of 1 new fully paid ordinary share (**New Share**) for every 4.024 fully paid ordinary shares held as at the record date, being 7:00pm (AEST) on 27 August 2024 (**Record Date**), at an issue price of \$0.053 per New Share (**Offer Price**), to raise up to approximately \$18 million (before transaction costs) (**Entitlement Offer**).

The Entitlement Offer is fully underwritten by Unified Capital Partners Pty Ltd (ACN 666 560 050).

The Company has also today announced that it is undertaking a placement to raise \$2 million via the issue of 37,735,850 New Shares at an issue price equal to the Offer Price per New Share (**Placement**).

263 Finance Pty Ltd ACN 626 872 115 (**263 Finance**) is a major shareholder of the Company and, as at the date of this notice, holds a 34.06% interest in the Company. 263 Finance is a related entity of Mr Shan Kanji, a Non-Executive Director of the Company. 263 Finance has committed to take up its full entitlement under the Entitlement Offer and agreed to sub-underwrite a portion of the Entitlement Offer up to \$10 million.

The Company confirms the following with respect to the Entitlement Offer:

- (a) The Company will offer the New Shares under the Entitlement Offer without disclosure to investors under Part 6D.2 of the Act.
- (b) This notice is being given under section 708AA(2)(f) of the Act.
- (c) As at the date of this notice, the Company has complied with:
  - (i) the provisions of Chapter 2M of the Act as they apply to the Company; and
  - (ii) section 674 and section 674A of the Act.
- (d) As at the date of this notice, there is no excluded information as defined in sections 708AA(8) and 708AA(9) of the Act, which is required to be set out in this notice.
- (e) The potential effect of the issue of the New Shares under the Entitlement Offer on the control of the Company and the consequences of that effect, will depend on a number of factors, including the extent to which Eligible Shareholders take up their entitlements and

any additional shares under the Shortfall Facilities (as defined below) for the Entitlement Offer and the allocation of any shortfall under the Entitlement Offer. However, the Company notes the following:

***General consequences***

- (i) If all Eligible Shareholders take up their entitlements under the Entitlement Offer, the Entitlement Offer will have no significant effect on the control of the Company.
- (ii) If Eligible Shareholders do not take up all their entitlements under the Entitlement Offer, the shareholding interest of those Eligible Shareholders will be diluted.
- (iii) The proportional interests of shareholders that are not Eligible Shareholders will be diluted because those shareholders are not entitled to participate in the Entitlement Offer.
- (iv) The Company will offer the following:
  - (A) a shortfall bookbuild process (**Institutional Shortfall Bookbuild**) as part of the institutional component of the Entitlement Offer (**Institutional Entitlement Offer**) to allocate any shortfall under the institutional component of the Entitlement Offer to eligible institutional investors; and
  - (B) a shortfall facility (**Retail Shortfall Facility**) as part of the retail component of the Entitlement Offer (**Retail Entitlement Offer**) whereby eligible retail investors who take up their entitlement in full may apply for additional New Shares at the Offer Price in excess of their entitlement, which may increase their interests beyond their entitlement,

(together, the **Shortfall Facilities**).

This could result in the dilution of holdings of those Eligible Shareholders who failed to accept their entitlements in full and those who failed to apply for additional New Shares under the Shortfall Facilities.

***Major shareholder participation and sub-underwriting by 263 Finance***

- (v) If there are significant shortfalls in applications under the Entitlement Offer (including after allocations are made under the Retail Shortfall Facility), the sub-underwriters of the Entitlement Offer, including 263 Finance, may acquire a significant number of New Shares, which would lead to an increase in the interests of 263 Finance and the other sub-underwriters and a dilution of other holdings.
- (vi) Any increase in 263 Finance's voting power under the Entitlement Offer will be made in reliance on item 10A of section 611 of the Act (**Item 10A Exception**).
- (vii) The Item 10A Exception does not extend to applications for additional New Shares under the Retail Shortfall Facility and 263 Finance has confirmed that it will not participate in the Retail Shortfall Facility.

- (viii) The issue of New Shares to 263 Finance (under the Entitlement Offer in relation to its entitlement and as sub-underwriter) (if required)) will have the following potential effect on the voting power of Mr Shan Kanji and his associates:

Scenario	Voting power of Mr Shan Kanji and his associates
<b>Position</b>	
Position prior to Entitlement Offer	34.06%
Position following Institutional Entitlement Offer and the Placement but prior to Retail Entitlement Offer	37.79%
Position if there is a \$0 shortfall under the Entitlement Offer	33.32%
Position if there is a \$4,500,000 shortfall under the Entitlement Offer	36.03%
Position if there is a \$9,000,000 shortfall under the Entitlement Offer	38.73%
Position if there is a \$11,869,729 <sup>1</sup> shortfall under the Entitlement Offer	40.45%

<sup>1</sup> This represents the maximum potential shortfall given 263 Finance's commitment to take up its entitlement in full.

The table above takes into account the following assumptions:

- (A) only 263 Finance participates in the Institutional Entitlement Offer and it takes up its entitlements in full;
  - (B) 263 Finance sub-underwrites \$10,000,000 of any shortfall under the Entitlement Offer (i.e. 100% of the shortfall up to 263 Finance's sub-underwriting limit);
  - (C) the Lead Manager underwrites any remaining shortfall (and 263 Finance does not terminate its sub-underwriting obligation); and
  - (D) 263 Finance does not participate in the Placement.
- (ix) As demonstrated in the above table, the voting power of Mr Shan Kanji and its associates could potentially increase from 34.06% up to a maximum of 40.45% in the very unlikely scenario that no shareholders take up their entitlements under the Entitlement Offer. The Company understands that even if this were the case, Mr Shan Kanji's intentions for the Company would remain unchanged, which are to maintain its support for the current business objectives and management of the Company.

This cleansing notice has been authorised by the board of directors of the Company.

Yours faithfully,



**Julian Challingsworth**

**Managing Director, Spirit Technology Solutions Ltd**

**IMPORTANT INFORMATION**

*This release may not be released or distributed in the United States. This release does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States or in any other jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. None of the Entitlements or the New Shares have been, or will be, registered under the U.S. Securities Act of 1933 (**Securities Act**) or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold in the United States, except in transactions exempt from, or not subject to, the registration requirements of the Securities Act and applicable US state securities laws. Nothing contained in this announcement constitutes investment, legal, tax or other advice.*

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