



ASX Announcement | 17 May 2023

Removal from Official List of ASX

Gefen International A.I. Ltd (ASX:GFN) (**GFN or the Company**) advises that it has submitted a formal application for the removal of its fully paid ordinary shares (**Shares**) from the Official List of Australian Securities Exchange (**ASX**), under ASX Listing Rule 17.11 (**Delisting**).

The Company has sought, and received, in-principle advice from ASX that it will agree to the request for removal upon the satisfaction of certain conditions, which the Company intends to satisfy prior to its removal. Those conditions are as follows:

- The request for removal of the Company from the Official List of ASX is approved by a special resolution of shareholders of the Company.
- The notice of meeting seeking shareholder approval for the Company's removal from the Official List of ASX ('Notice') must include:
 - a timetable of key dates, including the time and date at which the Company will be removed from ASX if that approval is given;
 - details that if holders wish to sell their securities on the ASX, they will need to do so before the Company is removed from the Official List, and if they don't, details of the processes that will exist after the entity is removed from the Official List to allow a security holder to dispose of their holdings and how they can access those processes; and
 - the information prescribed in section 2.11 of ASX Guidance Note 33, to ASX's satisfaction.
- The removal of the Company from the Official List must not take place any earlier than one month after security holder approval has been obtained so that security holders have at least that period to sell their securities on ASX should they wish to do so.
- The Company must apply for its securities to be suspended from quotation at least two (2) business days before its proposed delisting date.
- The Company releases the full terms of this decision to the market upon making a formal application to ASX for its removal from the Official List of ASX.

The Delisting would mean that the Company's shares would no longer be quoted on the ASX. The Delisting will be put forward for shareholder approval at a general meeting of shareholders. At this stage the general meeting of shareholders is expected to be held on or around late June 2023. On this basis, the Delisting is expected to be finalised by late July or early August 2023. The proposed dates for both the general meeting of shareholders and for



the Delisting will be included in the notice of meeting to be sent to shareholders and to be announced to ASX.

The Delisting is considered by the Company's Board (**Board**) to be in the best interests of the Company for a number of reasons, which are included in the information below in accordance with ASX Guidance Note 33 titled 'Removal of Entities from the ASX Official List':

1. Reasons for seeking the removal of the Company from the ASX Official List

The Board considers that it is now in the best interests of the Company and its Shareholders for the Company to be removed from the Official List of ASX, including for the reasons set out below.

- *Limited expansion into the Australian and Asian regions* – One of the initial objectives for seeking a listing in Australia included opportunities for the Company's expansion in the Asia Pacific region. This has not eventuated and, more so, the Board now believes the Company has limited opportunities to explore acquisition and joint venture opportunities with regional players in that market.
- *Limited operations and presence in Australia* – Related to the above point, the Company does not currently have any tangible nexus with Australia from an operational perspective. The Company's main operations are outside of Australia and the APAC region. The senior managers of the Company, management teams, key employees, and most directors and officers are based outside of Australia.
- *Difficulty accessing Australian and the region's capital markets* – The Company's current low share price has meant that the Company has been unable to access capital markets in the region. The Board believes that the ability of the Company to raise capital in Australia is now remote.
- *Undervalued securities/low share price* – The Board consider that the current share price as quoted on ASX significantly undervalues the value of the Company and that delisting the Company from the ASX allows a different appraisal of the Company's valuation to take place.
- *Lack of liquidity in the trading of the Company's shares* – There has been very low liquidity of GFN shares on ASX. As such, the benefit of the Company's shares being quoted on a recognised stock exchange is not capable of being realised by many of the Company's shareholders given that lack of liquidity.
- *High costs of being a listed entity* – The Company incurs considerable costs associated with being listed on the ASX. The Board estimate those costs to be in the vicinity of US\$1.4 million per annum.
- *Future funding alternatives and strategic transactions* – The Board is of the view that de-listing will give the Company greater flexibility to progress future funding



alternatives and strategic transactions as an unlisted entity.

2. Consequences of removal for Company and security holders

The consequences for the Company and its security holders if it is removed from the Official List will include the following:

- the Company's shares will no longer be quoted on ASX and will no longer be traded on the ASX. This will mean that security holders will no longer have the ability to sell their shares and realise their investment in the Company via ASX trading.
- the Company's shares will only be capable of sale by private off-market transactions.
- a reduction of obligations associated with a listing on ASX. In particular, the Company will not be required to comply with the Listing Rules which currently imposes obligations on the Company in terms of reporting and disclosure requirements, restrictions on the issue of shares by the Company and requirements concerning significant changes to the Company's activities.
- the ASX Corporate Governance Principles and Recommendations will no longer be applicable to the Company.

Following the delisting, the Company will not be subject to the continuous disclosure provisions of the ASX Listing Rules or the Corporations Act. Rather, the Company will be governed by the requirements under Israeli law and the Company's Articles of Association. In terms of disclosure obligations, following the delisting, for the most part, the Company will be treated akin to private companies in that jurisdiction subject to the points set out below relating to disclosure of annual accounts and public offering of shares. Under Israeli Companies Law, for as long as the Company has at least 50 shareholders (excluding former employees holding equity under an ESOP), the Company must publicly disclose annually the balance sheet together with the Company's annual report and its audited financial statements. In terms of public offering of its shares, under the Israeli Securities Law, an offering of securities to more than 35 shareholders (excluding qualified investors, as defined under Israeli law, comparable to accredited investors in other jurisdictions) is deemed to be a "public offering", and requires the Company to publish a prospectus, unless the terms of another exemption are met.

Shareholders who are uncertain as to what action to take should seek guidance from their professional advisers. In particular, shareholders should seek appropriate legal, financial and tax advice about the potential impacts of holding shares in a company that is not listed on ASX.

3. Arrangement for sale of securities

The following arrangements will be in place for shareholders in the lead up to, and after, the Company's removal from the Official List:

- *Prior to removal from the Official List:* The Company's shareholders may continue to trade their shares on ASX up until two business days before the date that the Company is removed from the Official List of ASX. This will give security holders approximately two months from the date of this announcement to seek to trade their



securities on ASX to exit the Company prior to the delisting of the Company, if they do not wish to remain as shareholders.

- *Following removal from the Official List:* For the period after the Company's removal from the Official List, shares in the Company will only be capable of sale by private transaction and there will be no formal securities market or exchange in place to allow investors to dispose of their holdings. As such, shareholders wishing to trade their shares following the de-listing will only be entitled to transfer their Shares off-market in accordance with Israeli Companies Law and the Company's Articles of Association.

4. Remedies that may be pursued by security holders

The Company confirms that security holders of the Company may pursue legal remedies under Israeli law in connection with the removal from the Official List, if the security holder considers the removal from the Official List to be discriminatory against some or all security holders, under the following sections of the Israeli Companies Law - 1999:

- Section 191 which prohibits an Israeli company from depriving or discriminating against any of its shareholders and authorises courts of law to issue judicial orders against such deprivation in accordance with a shareholder's request.
- Section 192 which forbids a shareholder in an Israeli company from depriving or discriminating against other shareholders, with such deprivation being treated as breach of contract.
- Section 193 which establishes a duty for a controlling shareholder in an Israeli company to act fairly towards the company, with failure to do so being treated as breach of contract.

This announcement has been authorised for release by the Board of Gefen International A.I. Ltd.

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For further information, please contact:

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About Gefen Technologies

Gefen Technologies is the world's first platform provider that transforms agent-based networks into digital sales fleets.

GEFEN

Gefen's platform enables the fast transformation of existing agent networks at a large scale, empowering agents and the brands they represent to thrive in today's digital-first world. It is the only solution that enables the digital distribution of business strategy, tactics and processes through agents all the way to the last mile - the end customer.

Agent networks and global enterprises that have deployed Gefen's fully automated technology benefit from unique insights on their customers, compliance-at-scale and a more satisfied sales force. Agents become more efficient, productive and professional while also exceeding customer's omnichannel service and sales expectations. Gefen is already being used by some of the world's leading insurers and is currently expanding into new sectors and verticals.

With Gefen, any agent becomes a digital expert in an instant. Transform your agents into an entirely evolved digital distribution fleet - with unparalleled business results. To learn more, please visit: www.gefentechnologies.com

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