

ASX Announcement
26 October 2023

Debt Conversion and Further Cost Reduction

Highlights:

- Previously reported cost savings increases by ~\$450k to ~\$750k
- Restructure of ~\$736k of deferred consideration to unrelated parties from acquisition of Attained Group Pty Ltd
- The Company's COO and CIO have converted a considerable portion of their deferred consideration for equity in the Company, highlighting their commitment to the Company's strategy.

Adisyn Ltd (**ASX: AI1**) ("**Adisyn**" or the "**Company**") is pleased to announce that it has entered into a debt for equity subscription agreement (**agreement**) with Esidium Group Pty Ltd (**Esidium Group**) and Aviso IT Pty Ltd (**Aviso IT**) for \$736,639 owing as cash consideration for the acquisition of Attained Group Pty Ltd (**Attained**), along with the implementation of further cost reduction measures.

Cost Savings

On 31 July 2023 the Company announced it is expecting to achieve annual costs savings of \$300,000. The management team have remained focused on cost reductions and streamlining the operations of the Company, with the Company now expecting to achieve annual cost savings of more than \$750,000 once various restructuring initiatives are implemented by the end of H1 FY24. This is a direct result of the synergies achieved from the acquisitions of Attained (ASX: 4 April 2023) and Thomas Cyber (ASX: 17 July 2023) and is in addition to the more than \$500,000 in annual cost savings implemented in FY23.

Deferred consideration restructure

The Company continues to maintain a strong focus on cost reduction and improving cashflow. As a further measure to improve the cashflow position of the Company, Adisyn has agreed to issue up to 8,831,950 shares at a deemed issue price of \$0.02 per share (Consideration Shares) to Esidium Group and Aviso IT to offset \$176,639 of cash consideration. The issue of the Consideration Shares has been conducted pursuant to the Company's existing placement capacity and will be issued under ASX Listing rule 7.1 with settlement expected to occur on Thursday, 26 October 2023. The deemed issue price has been determined from a nil discount to the Company's last closing pricing (2 cents, 25 October 2023), with the remaining cash consideration to be deemed a loan payable over twelve to twenty four months. The terms and background of the agreement are included as an annexure to this announcement.

As a result of the agreement, Paul Arch and Liam Gale have converted a considerable portion of their deferred consideration to equity in the Company, highlighting their commitment to the Company's strategy. The Company's Chief Operating Officer, Paul Arch (via Esidium Group), will become a substantial shareholder of the Company.

-ENDS-

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

Further Information:

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About Adisyn:

Adisyn is a technology and data sciences company that provides a suite of vertically integrated solutions driven by cutting-edge AI powered microservices. With divisions focused on cybersecurity, development, infrastructure, and managed services, Adisyn gives businesses the necessary tools to enhance control, flexibility, and automation. The Company is actively working to create proprietary solutions built on generative AI models which are focused on contextual data that is unique to each business.

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

Background to agreement

As announced on 30 December 2022, the Company entered into a share sale and purchase agreement with the shareholders of Attained, namely; Burton Capital Holdings Pty Ltd, Esidium Group Pty Ltd and Aviso IT Pty Ltd, pursuant to which the Company agreed to acquire all of the issued capital in Attained.

As part of the consideration for the Acquisition, the Company agreed to pay Esidium Group and Aviso IT (**Unrelated Parties**) cash consideration of \$1,108,776, comprising four cash instalments of approximately \$277,194 per instalment to be paid in aggregate to the Unrelated Parties on the three, six, nine and twelve month anniversaries of the completion date, representing a total value of \$1,108,776.

Completion of the acquisition occurred on 31 March 2023, and to date the Company has paid the consideration up to the value of \$372,137 with a remaining outstanding cash consideration amount of \$736,639 to be paid by the Company to the Unrelated Parties.

Consideration Shares

The Company has agreed to issue up to 8,831,950 shares in aggregate at a deemed issue price of \$0.02 per share (Consideration Shares) to the Unrelated Parties, as follows:

Entity	Outstanding Cash Consideration	Offset amount	Consideration Shares
Esidium Group	\$546,753	\$146,753	7,337,650
Aviso IT	\$189,886	\$29,886	1,494,300
TOTAL	\$736,639	\$176,639	8,831,950

The issue of the Consideration Shares has been conducted pursuant to the Company's existing placement capacity and will be issued under ASX Listing rule 7.1 with settlement expected to occur on Thursday, 26 October 2023.

Debt agreement

Under the agreement, remaining cash consideration will be deemed a loan and will be paid over a period of twelve to twenty four months as follows:

Entity	Outstanding Cash Consideration	Subscription Amount	Loan Amount	Loan Period
Esidium Group	\$546,753	\$146,753	\$400,000	24 months
Aviso IT	\$189,886	\$29,886	\$160,000	12 months
TOTAL	\$736,639	\$176,639	\$560,000	

The loan amount accrues interest on a monthly basis for the term of each loan period at a fixed rate of 12% per annum. The debt to equity agreement otherwise contains terms and conditions considered standard for an agreement of this nature.