ASX Announcement
18 December 2024

Completion of Due Diligence for Acquisition of 2D Generation

Acquisition to accelerate the development of 2D Generation's leading semiconductor technology

Highlights:

- Adisyn has completed formal due diligence to acquire 100% of semiconductor IP business, 2D Generation
- Adisyn's shareholder meeting to approve the Acquisition will be held on Thursday 19 December 2024, with settlement expected shortly thereafter
- 2D Generation's shareholders have unanimously approved the Acquisition
- 2D Generation's semiconductor IP is a critical advancement in semiconductor technology that will enable the next generation of generative AI and semiconductor solutions for large data centres and beyond
- The semiconductor market is thriving as the data and computing power required for generative AI continues to grow exponentially – with the acquisition of 2D Generation, Adisyn will be well positioned to benefit from this significant opportunity
- 2D Generation continues to develop and refine its processes using its current Atomic Layer Deposition (**ALD**) machine, while awaiting delivery of the latest Beneq ALD in coming months

Adisyn Ltd **(ASX: AI1)** ("**Adisyn**" or the "**Company**") is pleased to announce the successful completion of due diligence investigations in respect of its proposed acquisition of a 100% interest in 2D Generation Ltd ("**2DG**") (the "**Acquisition**").

The Acquisition is subject to completion of conditions precedent as set out in the Company's announcement of 4 November 2024, including AI1 shareholder approval which is expected to be received at the General Meeting on Thursday 19 December 2024. 2DG's shareholders have already unanimously approved the Acquisition, and all remaining immaterial condition precedents are expected to be completed by the end of December 2024.

The Company expects final settlement to occur during the first week of January 2025. All securities proposed to be issued to shareholders of 2DG will be voluntarily escrowed for 6 months from settlement of the Acquisition.

Upon completion of the Acquisition, 2DG will have the right to appoint one non-executive director to the Adisyn board, which will be 2DG's Founder and CEO, Arye Kohavi. Arye has a successful track record as an entrepreneur and innovator. He was the founder, president & Co-CEO of Water-Gen,

which developed water-from-air and air dehumidification technologies and was acquired for a significant amount. Kohavi holds an MBA (Finance) and a BA in Economics and Accounting, both from the Hebrew University in Jerusalem. Arye has been the recipient of a number of awards:

- Arye has been chosen as one of the world's 100 Leading Global Thinkers, and one of the world's top innovators, by “Foreign Policy” magazine.
- Water-Gen, founded by Arye, was chosen as one of the World's 50 Most Innovative Companies, by “Fast Company” magazine.
- As part of Israel's 70th anniversary celebrations, the Israeli Ministry of Economy and Ynet readers chose Water-Gen as one of the “Nine Greatest Israeli Inventions of All Times”.
- Water-Gen's Genny was chosen as one of the world's 100 Best Inventions of year 2019, by TIME magazine.

It is anticipated that Justin Thomas will step down as non-executive director upon the appointment of Arye.

Background to 2D Generation’s Solution

2DG has developed a patented solution allowing graphene coating at sub-300 degrees centigrade, an achievement that has never been successfully completed prior to 2DG. This opens the door to the next generation of semiconductors capable of further miniaturisation, lower power consumption, less heat and greater computational power.

2D Generation’s innovative technology centres around the aim of improving the performance and capabilities of the interconnect.

- An interconnect in a semiconductor refers to the conductive pathways that connect different components or regions within an integrated circuit (IC).
- These interconnects are crucial for the functionality of the IC as they facilitate the flow of electrical signals between transistors, capacitors, resistors, and other elements on the chip.
- Interconnects can be made of various materials, typically metals like aluminium or copper, and they can be implemented in different layers within the semiconductor structure.
- As IC’s have become more complex, with smaller and more densely packed features, the design and materials used for interconnects have evolved to address issues such as resistance, capacitance, and signal integrity but have reached scalability limitations.

The interconnect field has emerged as a critical technological barrier hindering industry progress. Overcoming this challenge is recognised as the "Holy Grail" within the industry, promising accelerated rates of and continued miniaturisation. Industry giants recognise that the entity with a viable solution stands to gain a substantial competitive advantage.

Enter 2D Generation. With its groundbreaking innovation enabling in-situ ALD graphene deposition on the interconnect at below 300 degrees Celsius. An achievement that has never been done successfully prior to 2DG. This focus on graphene integration sets 2D Generation apart, presenting a disruptive technology that has the potential to reshape the landscape of semiconductor manufacturing.

Looking Forward

Managing Director of AI1, Blake Burton, says *"we are pleased to have completed a very thorough due diligence process. This provides us with confidence in 2DG's technological, financial, and legal position. We have no doubt that working together on developing cutting edge semiconductor IP will create a huge opportunity for us. We are looking forward to finalising the Acquisition and working closely with the team at 2D Generation."*

Chairman and CEO of 2D Generation, Arye Kohavi, says *"the transaction is an exciting evolution for 2D Generation. We are looking forward to receiving the highly specialised Atomic Layer Deposition (ALD) machine from Beneq, a global leader in ALD equipment serving the semiconductor and electronics industries. While we eagerly await the arrival of this advanced technology, we are continuing to develop and refine our processes using our current ALD machine, and we look forward to sharing the results it may generate during this interim period."*

-ENDS-

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

Further Information:

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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.