



Non-Binding Indicative Offer Received

16 September 2024

On 8 September Solution Dynamics (**SDL**) received a non-binding indicative offer (**NBIO**) from a subsidiary of NZX-listed Being AI Limited (**BAI**).

The SDL Board met and appointed advisers to assist in considering the terms of the proposed transaction outlined in the NBIO which was described as involving:

- either a partial or full takeover by BAI, and
- options for SDL shareholders to either take a combination of cash and BAI shares (relative proportions of cash and BAI shares were not specified) or all BAI shares.

The description of the proposed transaction indicated that there would not be an option for SDL shareholders to exit their holdings in SDL for a cash consideration only, or any indication of BAI's intentions for SDL should it obtain a controlling interest without full takeover. The SDL Board notes BAI's NZX public announcements of 12 September, ahead of its annual meeting of shareholders, stating it intends to seek a controlling interest in SDL, without specifying what that subsequently entails for either shareholders or SDL's business.

The NBIO was, and remains, an incomplete proposal and can only be seen as highly conditional. In the absence of sufficient detail to form an opinion that the proposed transaction was in the best interests of all SDL shareholders, the Board has declined BAI's request for access to confidential due diligence information.

For clarity, SDL has also signalled to BAI that any proposal to make a partial takeover offer is likely to face the hurdle that it would neither provide all of SDL's shareholders with the opportunity to exit their holdings nor any certainty as to the exact proportion of their holdings that may be able to be sold if any such partial takeover offer proceeds and is successful (because of the likelihood of scaling).

No takeover offer has been received. BAI has stated that further detail will be provided in the event that a formal takeover notice is provided to SDL.

The SDL Board is fully committed to acting in the best interests of all shareholders. It will consider and respond to any further approach or formal takeover offer in accordance with its directors' duties and its obligations under the Takeovers Code, and keep shareholders and the market informed of any material developments.

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