

11 December 2023

## AIR FUTURE LIMITED

### Background to Resolution

The board considers that the proposed structural re-organisation of Air Future Ltd will provide significant advantages. A simpler company structure will enable significant financial auditing savings, will reduce administrative overheads, reduce director liabilities, provide an important opportunity to include key executive personnel to ensure their ongoing commitment and appropriately deliver a company structure more suitable to encourage investment by cornerstone investors and partners which aligns with our current and future policies.

#### Current realisation basis.

The principal asset of Air Future Ltd is its 85.22% shareholding in Air Future Group Pty Ltd.

The existing MDI licence and option agreements relating to transport and energy are held within the operating entities of Air Volution Ltd (transport) and Air to Energy Ltd (energy and energy storage). See associated Company Structure diagram for details.

The 31 December 2022 Air Future Ltd financial statements were prepared on a realisation basis with the Company's auditors, Baker Tilly Staples Rodway Audit Ltd,

Assets have been written off in the accounts based on the uncertainty of recoverability due to the technology not having been commercially deployed in our Australasian geographic region.

#### Potential value.

In assessing the future potential of the Company the Directors are optimistic as to the developing new opportunities of the business spanning three areas: manufacturing, distribution, and technology.

MDI has acknowledged that Australasia is the leading area globally to progress a showcase for their technology and for its foundation mass manufacture and market distribution.

The Air Future small executive, and especially our CEO, in conjunction with parties referred to above, have forged over the last 6 months a close commercialisation relationship with MDI. This has been the result of the extensive work undertaken by your executive us in 2023 to clearly define the substantial market niches where the MDI technology has unique advantages. This Compressed Air Energy Storage and paper is available for download on the Company Web site:

<https://www.airfuture.co.nz/linksandbrochures>

A key matter past, present and future is raising funds through the issue of share capital.

A Company structure that encourages new investment, minimises administration overheads, encourages executive participation and equitably rewards contributing shareholders' investment and support is required. The current Air Future Ltd structure does not make this possible.



### **New structure proposal.**

Air Future 2024 Ltd, offers to acquire at nominal value the shareholding that Air Future Ltd holds in Air Future Group Pty Ltd.

Air Future 2024 Ltd offers all shareholders of Air Future Ltd an opportunity to participate in future growth within a company structure that is significantly more attuned to corporate and investor expectations than is currently available to Air Future Ltd.

Under the proposal current Air Future Ltd shareholders will become beneficiaries within trusts with the trustees recorded as a single shareholder.

Air Future 2024 Ltd will enable existing shareholders to maintain their interest but within a company having less than 50 shareholders and initially less than 10 shareholders. Access to the Orchestra share register platform will continue to be available.

Under the proposed reorganisation all Air Future Ltd shareholders will be allocated within Air Future 2024 Ltd, under trust the same number of shares that they hold in Air Future Ltd as at 31 December 2023.

**Trust 1-** It is intended that all existing Air Future Ltd shareholders will be included as beneficiaries of this trust. The trust will hold shares held by current Air Future Ltd shareholders i.e. the same number of shares currently held individually by a shareholder in Air Future Ltd will be allocated within the trust to shareholder as a beneficiary of the trust with the allocation being held by the trustee on the shareholders behalf.

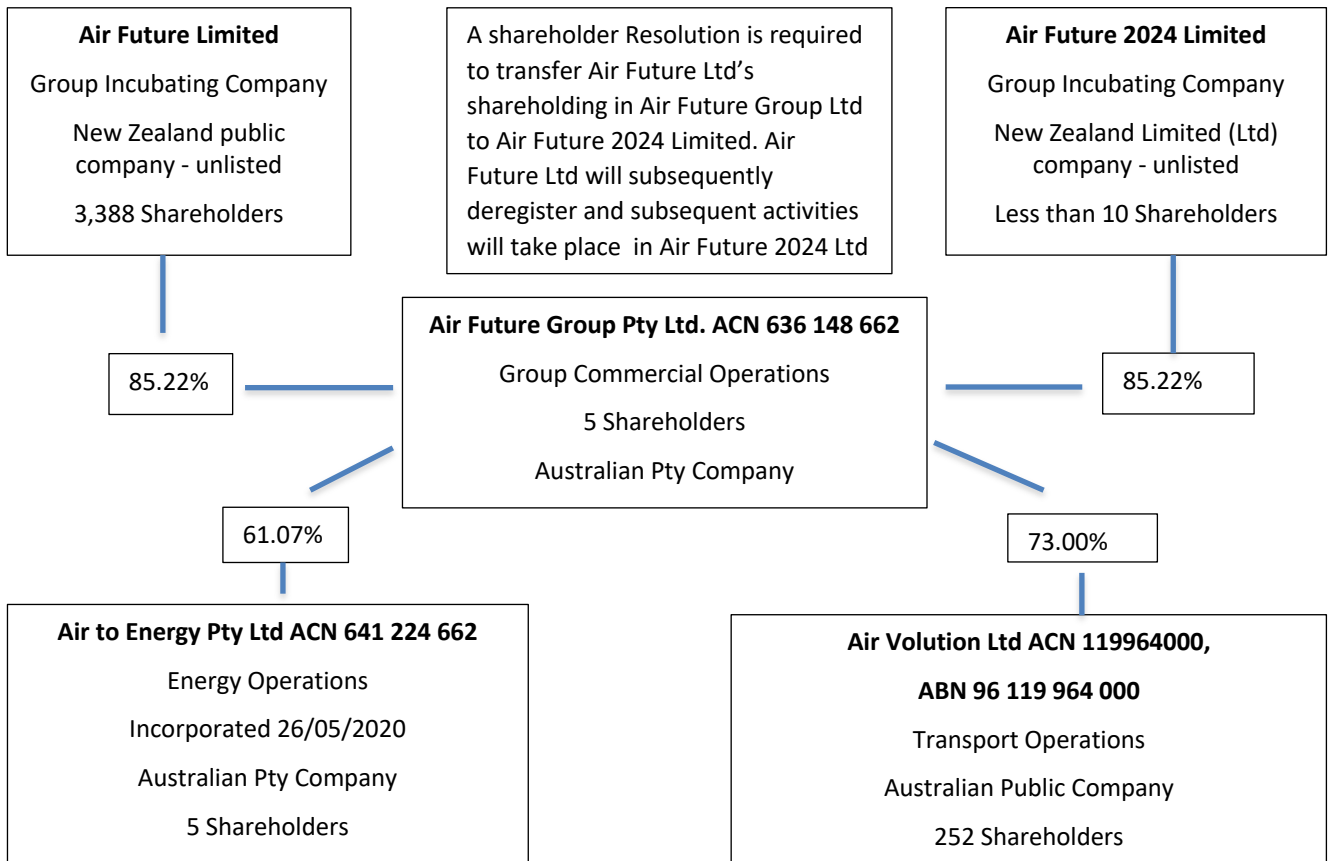
**Trust 2 –** Shareholders who have invested and supported Air Future Ltd following the Company focus and name change to Air Future Ltd in December 2015 will in addition to their allocation in Trust 1 be included as beneficiaries of a second trust. Allocations will be relative to the number of shares an investor was issued during the post name change period on a one for one basis.

Shareholders who have invested or will be investing during 2023 will receive an additional entitlement over and above any entitlement they would have been provided above as a post December 2015 investor recognising their continuing and valuable support.

**Trust 3 –** An additional trust that will hold shares on behalf of current and future team members who demonstrate strong support to Air Future 2024 Ltd and whom the trustees consider should be appropriately recognised with equity in the Company at a future date. This type of trust arrangement has proved invaluable within Air Future Ltd and is included in all its subsidiaries as an alternative to issuing of options.

**Executive Members.** It is important, if not essential, with the income and expenditure limitations of a pre revenue company to be able to source and include key personnel and maintain their commitment for an ongoing and critical period. It is intended to allocate shares to key executive members. Numbers and percentages have not yet been defined but will be limited to a maximum of 30% of the capital of the company being allocated in total to executive personnel at this formation stage.

## Company Structure Diagram



### Summary

The Directors are reluctant to continue their support of Air Future Ltd in its current equity structure. The auditing, associated administrative overheads, financial costs and director exposure are placing unacceptable burdens on the company executive and are an improvident overhead as to valuable shareholder funds. Additionally with the company in an expansion phase having over three thousand shareholders as individuals as against being grouped within a trust is contrary to the expectations of the providers of the substantial investment that the company is now seeking.

It is the Directors intention that Air Future Limited will cease trading. Consequently, it will be deregistered from the Companies Register and at this point in time the company will absolve from all debt arrangements.

Air Future 2024 Ltd is intended to embrace and significantly enhance the activities of Air Future Ltd and provide a regenerated opportunity for Air Future Ltd shareholders to share in the growth of this new company

The Directors support this opportunity and encourage all Air Future Ltd shareholders to support the resolution.

R H Fitts  
Chairman  
Air Future Ltd