



Shareholder Q&A Session

JULY 17, 2023



Agenda

1. Instructions on how to participate
2. FY2023 Results overview
3. Q&A

How to participate

- **Written questions:**

In the Zoom panel, **click “Q&A”** and submit your question.

(note: these will not be visible to other participants)

- **Verbal questions:**

In the Zoom control panel, **click “Raise Hand”**.

Facilitator will then unmute and prompt you to ask your question.

FY2023 Financial Summary – P&L

NZD	FY2022	FY2023	Mvmt
Total Revenue	\$33.8m	\$17.3m	(\$16.5m)
Gross Profit	\$16.7m	\$5.8m	(10.9m)
Gross Margin (%)	49%	34%	(15%)
Operating Expenses	\$16.7m	\$21.5m	(\$4.8m)
Significant Impairment	-	\$2.5m	(\$2.5m)
NPBT	\$0.4m	(\$17.7m)	(\$18.1m)

Comments

- Service revenue of \$8.6m, increase of \$3.5m
- Gross Margin decline due to mix: lower instrument sales, higher service revenue
- Operating expenses increase driven by:
 - Brand/lead generation (\$1.3m)
 - Flow through of FY2022 hiring (reversed in March 2023 headcount reduction)
 - Depreciation & amortization (\$1.2m)
 - FX losses (\$0.7m - approx 50% non-cash)
- Impairment relates to development costs

FY2023 Financial Summary – Balance Sheet

NZD	FY2022	FY2023	Mvmt	Comment
Working capital	\$5.7m	\$7.2m	\$1.5m	<ul style="list-style-type: none"> High inventory (\$9.3m) due to lower than expected sales
Non-current assets	\$34.6m	\$34.9m	\$0.3m	<ul style="list-style-type: none"> Intangibles increase \$5.6m due to capitalised development costs, offset by \$2.5m impairment. Deferred tax asset of \$6m (increase \$4.7m), a result of tax losses. Reduction in Right of Use asset \$7.6m, primarily due to a remeasurement (linked to lease liability below)
Non-current liabilities	\$16.6m	\$8.5m	(\$8.1m)	<ul style="list-style-type: none"> Reduction in lease liabilities of \$7.4m

FAQs

The independent advisor's report stated \$2.7m monthly cash burn. Does that mean the \$5.5m capital raise only provides 2 months runway?

- \$2.7m is approx. monthly gross cash outflow (ie excluding any revenue). Varies from month to month depending on customer receipts, timing of inventory purchase, major marketing events, etc
- “The money raised from this offer will be used to fund the ongoing operations of the business. It is expected to provide sufficient cash to fund operations until the business has returned to delivering positive net operating cashflows. However, operating cashflows are unlikely to be sufficient to repay the note in full on its repayment date of 31 December 2023 (if not extended).” *(from Offer Document)*

FAQs

What happens at 31 December 2023? How does conversion/extension of the Note work?

- Operating cashflows are unlikely to be sufficient to repay the note in full on its repayment date of 31 December 2023 (if not extended).
- Prior to the repayment date of 31 December 2023, the Company will likely need to:
 - (a) extend the Convertible Note until such time as it can be repaid through operating cashflows (maximum 6 months);
 - (b) convert the Convertible Note to Second Ranking Preference Shares (rank behind Ampersand's existing preference shares but ahead of ordinary shares);
 - or (c) enter into a subsequent transaction to repay the Convertible Note (plus interest) and secure permanent funding.
- Extending or converting the Note requires agreement of both Ampersand and ACC (all Notes will be subject to this decision).

FAQs

The funding round is conditional on the Company appointing an investment bank/adviser to consider strategic options, including the potential sale of the business or all securities in the Company (and shareholder approval). Has the investment bank/adviser been appointed? What is the purpose of this?

- Yes, the adviser has been appointed.
- The purpose is to ensure the company has maximum options available prior to 31 December 2023.

Convertible note participation

Convertible note offer closes 5pm, Wednesday 19 July

To participate in the offer, prior to the close date:

- Complete the application form and submit to investor@syft.com, heading Syft Convertible Note Offer.
- Direct credit your funds to the bank account as per the application form

Shareholder special meeting registration

Special shareholder meeting will be held on Friday, 21 July at 10am.

- Proxy forms must be submitted **before 10am, Wednesday 19 July**
- Registration link for the meeting can be found on Notice of Meeting, or the announcement of USX