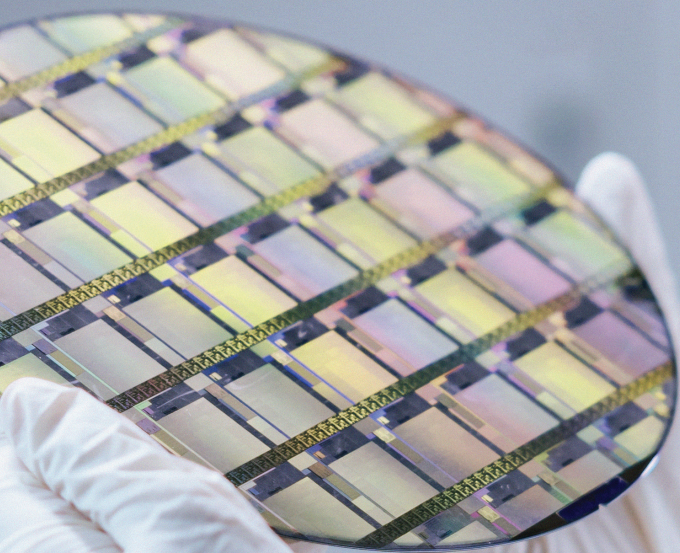


# 2023 Interim Report



 Syft™





# Contents

---

03

Consolidated Income Statement

04

Consolidated Statement of Comprehensive Income

05

Consolidated Statement of Changes In Equity

06

Consolidated Balance Sheet

08

Consolidated Cashflow Statement

09

Notes to the Consolidated Interim Financial Statements

# Consolidated Income Statement

For the six months ended 30 September 2022 (unaudited)

	Note	Six months Sep 2022 (\$'000)	Six months Sep 2021 (Restated) (\$'000)
<b>Operating revenue</b>			
Revenue from contracts with customers for sales at a point in time		7,753	19,706
Revenue from contracts with customers for services over time		1,272	498
Instrument rental revenue		5	182
<b>Total operating revenue</b>		<b>9,030</b>	<b>20,386</b>
Cost of sales		6,242	9,309
<b>Gross profit</b>		<b>2,788</b>	<b>11,077</b>
<b>Other income</b>			
Other income		191	141
<b>Total other income</b>		<b>191</b>	<b>141</b>
Administration expenses		2,671	1,829
Other operating expenses		2,838	1,845
Sales & marketing costs		2,735	2,189
Research costs		1,426	1,240
Finance costs		361	380
Net foreign exchange (gains) / losses		(572)	519
<b>Total expenses</b>		<b>9,459</b>	<b>8,002</b>
<b>Profit / (loss) before income tax</b>		<b>(6,480)</b>	<b>3,216</b>
Income tax expense		(1,334)	1,242
<b>Profit / (loss) after income tax attributable to equity holders of the Group</b>		<b>(5,146)</b>	<b>1,974</b>
<b>Earnings per share for profit attributable to the ordinary equity holders of the Company</b>			
Basic earnings per share (cents)	9	(5.78)	2.77
Diluted earnings per share (cents)	9	(5.74)	2.74

The above consolidated statements should be read in conjunction with the accompanying notes on pages 9 to 18.

# Consolidated Statement of Comprehensive Income

For the six months ended 30 September 2022 (unaudited)

	Six months Sep 2022	Six months Sep 2021 (Restated)
	(\$000)	(\$000)
<b>Profit / (loss) for the period</b>	<b>(5,146)</b>	<b>1,974</b>
<b>Other comprehensive income</b>		
Gain on translation of foreign operations	270	561
Effective portion of changes in fair value of cashflow hedges	(5,501)	-
Income tax benefit on other comprehensive income	1,540	-
<b>Other comprehensive income, net of tax</b>	<b>(3,691)</b>	<b>561</b>
<b>Total comprehensive income for the period</b>	<b>(8,837)</b>	<b>2,535</b>

The above consolidated statements should be read in conjunction with the accompanying notes on pages 9 to 18.



# Consolidated Statement of Changes in Equity

For the six months ended 30 September 2022 (unaudited)

	Share Capital (\$'000)	Employee Equity Benefit Reserve (\$'000)	Foreign Currency Translation Reserve (\$'000)	Cashflow Hedge Reserve (\$'000)	Retained Earnings/ (deficits) (\$'000)	Total (\$'000)
<b>Six months ended 30 September 2021 (Restated)</b>						
Opening balance at 1 April 2021	37,176	708	293	-	(17,040)	21,137
Profit for the period	-	-	-	-	1,974	1,974
Other comprehensive income	-	-	561	-	-	561
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>561</b>	<b>-</b>	<b>1,974</b>	<b>2,535</b>
Shares issued	-	113	-	-	-	113
Share based payments	1,867	(76)	-	-	-	1,791
Forfeited restricted shares	-	(27)	-	-	-	(27)
<b>Balance at 30 September 2021 (Restated)</b>	<b>39,043</b>	<b>718</b>	<b>854</b>	<b>-</b>	<b>(15,066)</b>	<b>25,549</b>
<b>Six months ended 30 September 2022</b>						
Opening balance at 1 April 2022	39,010	911	793	-	(17,047)	23,667
Loss for the period	-	-	-	-	(5,146)	(5,146)
Exchange differences on translation of foreign operations	-	-	270	-	-	270
Effective portion of changes in fair value of cash flow hedges	-	-	-	(5,501)	-	(5,501)
Income tax impact on other comprehensive income	-	-	-	1,540	-	1,540
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>270</b>	<b>(3,961)</b>	<b>(5,146)</b>	<b>(8,837)</b>
Shares issued	22,809	454	-	-	-	23,263
Share based payments	7	(2)	-	-	-	5
Cost of share issue	(102)	-	-	-	-	(102)
<b>Balance at 30 September 2022</b>	<b>61,724</b>	<b>1,363</b>	<b>1,063</b>	<b>(3,961)</b>	<b>(22,193)</b>	<b>37,996</b>

The above consolidated statements should be read in conjunction with the accompanying notes on pages 9 to 18.

# Consolidated Balance Sheet

As at 30 September 2022 (unaudited)

	Note	Sep 2022 (\$'000)	Mar 2022 (\$'000)
<b>Current assets</b>			
Cash and cash equivalents		13,364	408
Trade and other receivables		4,310	6,296
Inventories		8,345	5,598
GST receivable		233	-
Current tax asset		1,185	-
Current derivative asset		-	51
<b>Total current assets</b>		<b>27,436</b>	<b>12,353</b>
<b>Non current assets</b>			
Property, plant and equipment	2	12,099	11,523
Intangible assets	3	10,583	8,006
Right of use assets		13,186	13,613
Deferred tax asset		3,363	1,412
Non current derivative asset		-	44
<b>Total non current assets</b>		<b>39,231</b>	<b>34,598</b>
<b>Total assets</b>		<b>66,667</b>	<b>46,951</b>
<b>Current liabilities</b>			
Trade and other payables		5,286	4,287
Current lease liabilities		662	618
GST Payable		-	14
Current tax liabilities		-	62
Provisions	4	425	703
Current derivative liabilities	8	2,923	-
Short term borrowings		985	975
<b>Total current liabilities</b>		<b>10,281</b>	<b>6,659</b>
<b>Non current liabilities</b>			
Non current lease liabilities		13,156	13,474
Non current derivative liabilities	8	2,578	-
Long term borrowings		2,656	3,151
<b>Total non current liabilities</b>		<b>18,390</b>	<b>16,625</b>
<b>Total liabilities</b>		<b>28,671</b>	<b>23,284</b>
<b>Total net assets</b>		<b>37,996</b>	<b>23,667</b>

# Consolidated Balance Sheet continued

As at 30 September 2022 (unaudited)

	Note	Sep 2022 (\$000)	Mar 2022 (\$000)
<b>Equity</b>			
Share capital		61,724	39,010
Retained earnings / (deficits)		(22,193)	(17,047)
Reserves		(1,535)	1,704
<b>Total equity attributable to equity holders of the Group</b>		<b>37,996</b>	<b>23,667</b>

On behalf of the Board



**Alan Monro - Chairman**  
22 November 2022



**Michael Bushell - Non Executive Director**  
22 November 2022

The above consolidated statements should be read in conjunction with the accompanying notes on pages 9 to 18.



# Consolidated Cashflow Statement

For the six months ended 30 September 2022 (unaudited)

	Note	Six months Sep 2022 (\$'000)	Six months Sep 2021 (\$'000)
<b>Cash flows from operating activities</b>			
Receipts from customers		11,677	16,611
Interest paid		(85)	(52)
Grants received		15	3
Tax payments		(322)	(50)
Payments to suppliers and employees		(15,971)	(12,946)
<b>Net cash flows (used in) / from operating activities</b>	<b>10</b>	<b>(4,686)</b>	<b>3,566</b>
<b>Cash flows from investing activities</b>			
Payment of security deposit		(34)	-
Purchase of fixed assets		(750)	(2,428)
Purchase of intangible assets		(3,404)	(2,015)
<b>Net cash flows used in investing activities</b>		<b>(4,188)</b>	<b>(4,443)</b>
<b>Cash flows from financing activities</b>			
Proceeds from shares issued		22,713	1,777
Proceeds from borrowings		-	5,000
Interest received on term deposits		31	-
Repayment of borrowings		(485)	(441)
Principal elements of lease payments		(571)	(554)
<b>Net cash flows from financing activities</b>		<b>21,688</b>	<b>5,782</b>
<b>Net increase in cash and cash equivalents</b>		<b>12,814</b>	<b>4,905</b>
Cash and cash equivalents at the beginning of the period		408	1,573
Effects of exchange rates on cash and cash equivalents		142	(17)
<b>Cash and cash equivalents at the end of the period</b>		<b>13,364</b>	<b>6,461</b>

Cash and cash equivalents comprise of cash at bank and in hand, and term deposits.

The above consolidated statements should be read in conjunction with the accompanying notes on pages 9 to 18.



# Notes to the Consolidated Interim Financial Statements

(Unaudited)

---

## **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **a) Statement of compliance**

The unaudited interim financial statements presented are those of Syft Technologies Limited (the “Company”) and its subsidiaries (the “Group”). The Company is domiciled in New Zealand and is a profit orientated entity registered under the Companies Act 1993. The Group’s principal activities include researching, developing, refining and producing the Selected Ion-Flow Tube technology, and the marketing and sale of the applications and solutions associated with using the technology.

The Company is an issuer on the unlisted stock exchange (USX) and the Group financial statements have been prepared in accordance with the Financial Markets Conduct Act 2013.

The financial statements were authorised for issue by the Directors on 22 November 2022.

### **b) Basis of preparation**

These consolidated interim financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP) and comply with NZ IAS 34 Interim Financial Reporting. The consolidated interim financial statements do not include all notes of the type normally included in an annual report. Accordingly, they should be read in conjunction with the financial statements and related notes included in the Group’s annual report for the year ended 31 March 2022. The financial statements have been prepared on a historical cost basis, except for the fair value of certain balances.

Other than those stated below, the accounting policies, significant judgements, estimates, assumptions and methods of computation used in the preparation of these consolidated interim financial statements of the Group for the six months ended 30 September 2022 are consistent with those used in the audited consolidated annual report for 31 March 2022. A restatement was done as at 30 September 2021 as the Group recognised income tax expenses based on a best estimate. Amounts accrued for income tax expense in one interim period may have to be adjusted in accordance with NZ IAS 34.

### **c) New and amended standards adopted by the Group**

There are no new or amended standards that are applicable for the current reporting period. The Group did not change its accounting policies or make retrospective adjustments as a result.

### **d) New standards and interpretations not yet adopted**

A number of new standards have been published that are not mandatory for the 30 September 2022 reporting period and have not been early adopted by the Group. These standards are not expected to have a material impact on the Group’s current or future reporting periods.

### **e) Global considerations update**

Global considerations relating specifically to COVID-19 and the Russian military invasion of Ukraine were assessed by the Directors within note 25 of the 2022 annual report. The Group have not identified any further impacts to operations relating to these events, nor have any additional events been identified during the interim period.

### **f) Segment reporting**

An operating segment is a component of an entity that engages in business activities from which it may earn revenue and incur expenses, whose operating results are regularly reviewed by the entity’s chief operating decision-maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the Group, has been identified as the CEO.

The Group currently operates as one reportable segment and discrete financial information is not provided on a geographical or product basis. The operating results are reviewed at a Group level.



## 2. PROPERTY PLANT AND EQUIPMENT

	Plant and equipment (\$000)	Office equipment (\$000)	Furniture and fittings (\$000)	Leasehold improve- ments (\$000)	Motor vehicles (\$000)	Demo units (\$000)	Total (\$000)
<b>Gross carrying amount</b>							
<b>Balance at 31 March 2021</b> (restated)	<b>2,367</b>	<b>690</b>	<b>341</b>	<b>3,890</b>	<b>285</b>	<b>4,181</b>	<b>11,754</b>
Additions	1,007	216	64	1,207	272	2,024	4,790
Disposals	(88)	(102)	(4)	(208)	-	(476)	(878)
Effects of movements in exchange rates	(2)	(1)	-	(6)	(8)	(23)	(40)
<b>Balance at 31 March 2022</b>	<b>3,284</b>	<b>803</b>	<b>401</b>	<b>4,883</b>	<b>549</b>	<b>5,706</b>	<b>15,626</b>
Additions	246	55	18	161	-	886	1,366
Disposals	-	(3)	-	-	-	(155)	(158)
Effects of movements in exchange rates	167	5	1	19	55	99	346
<b>Balance at 30 September 2022</b>	<b>3,697</b>	<b>860</b>	<b>420</b>	<b>5,063</b>	<b>604</b>	<b>6,536</b>	<b>17,180</b>
<b>Accumulated depreciation</b>							
<b>Balance at 31 March 2021</b> (restated)	<b>(621)</b>	<b>(463)</b>	<b>(84)</b>	<b>(280)</b>	<b>(119)</b>	<b>(1,298)</b>	<b>(2,865)</b>
Depreciation charge	(465)	(161)	(58)	(383)	(104)	(720)	(1,891)
Disposals	88	99	4	208	-	254	653
<b>Balance at 31 March 2022</b>	<b>(998)</b>	<b>(525)</b>	<b>(138)</b>	<b>(455)</b>	<b>(223)</b>	<b>(1,764)</b>	<b>(4,103)</b>
Depreciation charge	(265)	(74)	(26)	(213)	(54)	(445)	(1,077)
Disposals	-	1	-	-	-	98	99
<b>Balance at 30 September 2022</b>	<b>(1,263)</b>	<b>(598)</b>	<b>(164)</b>	<b>(668)</b>	<b>(277)</b>	<b>(2,111)</b>	<b>(5,081)</b>
<b>Net book value</b>							
<b>As at 31 March 2022</b>	<b>2,286</b>	<b>278</b>	<b>263</b>	<b>4,428</b>	<b>326</b>	<b>3,942</b>	<b>11,523</b>
<b>As at 30 September 2022</b>	<b>2,434</b>	<b>262</b>	<b>256</b>	<b>4,395</b>	<b>327</b>	<b>4,425</b>	<b>12,099</b>

### 3. INTANGIBLE ASSETS

	Software (\$000)	Patents (\$000)	Trade- marks (\$000)	Develop- ment Costs (\$000)	Other Intangible Assets (\$000)	Goodwill (\$000)	Total (\$000)
<b>Gross carrying amount</b>							
<b>Balance at 31 March 2021</b> <small>(restated)</small>	<b>581</b>	<b>400</b>	<b>73</b>	<b>4,223</b>	<b>107</b>	<b>119</b>	<b>5,503</b>
Additions	3	-	15	4,945	12	-	4,975
Disposals	(11)	-	-	-	-	-	(11)
Impairment	(34)	-	-	(25)	-	-	(59)
<b>Balance at 31 March 2022</b>	<b>539</b>	<b>400</b>	<b>88</b>	<b>9,143</b>	<b>119</b>	<b>119</b>	<b>10,408</b>
Additions	114	18	-	3,302	-	-	3,434
Disposals	(2)	-	-	-	(50)	-	(52)
<b>Balance at 30 September 2022</b>	<b>651</b>	<b>418</b>	<b>88</b>	<b>12,445</b>	<b>69</b>	<b>119</b>	<b>13,790</b>
<b>Accumulated amortisation</b>							
<b>Balance at 31 March 2021</b> <small>(restated)</small>	<b>(500)</b>	<b>(400)</b>	<b>(73)</b>	<b>(557)</b>	<b>(33)</b>	<b>-</b>	<b>(1,563)</b>
Amortisation Charge	(57)	-	-	(847)	(22)	-	(927)
Disposals	62	-	-	25	-	-	87
<b>Balance at 31 March 2022</b>	<b>(495)</b>	<b>(400)</b>	<b>(73)</b>	<b>(1,379)</b>	<b>(55)</b>	<b>-</b>	<b>(2,402)</b>
Amortisation Charge	(32)	-	-	(794)	-	-	(826)
Disposals	-	-	-	-	21	-	21
<b>Balance at 30 September 2022</b>	<b>(527)</b>	<b>(400)</b>	<b>(73)</b>	<b>(2,173)</b>	<b>(34)</b>	<b>-</b>	<b>(3,207)</b>
<b>Net book value</b>							
<b>As at 31 March 2022</b>	<b>44</b>	<b>-</b>	<b>15</b>	<b>7,764</b>	<b>64</b>	<b>119</b>	<b>8,006</b>
<b>As at 30 September 2022</b>	<b>124</b>	<b>18</b>	<b>15</b>	<b>10,272</b>	<b>35</b>	<b>119</b>	<b>10,583</b>

Other intangible assets relate to externally purchased intellectual property.

#### Impairment of Goodwill

Goodwill has been tested for impairment during the period. No impairment indicators have been noted at the end of the period.

#### 4. PROVISIONS

	General Provisions (\$000)	Warranty Provision (\$000)	Total (\$000)
<b>Balance at 1 April 2022</b>	<b>435</b>	<b>268</b>	<b>703</b>
Amounts used during the period	(421)	(161)	(582)
Current year provision recognised	192	-	192
Effects of movements in exchange rates	27	85	112
<b>Balance at 30 September 2022</b>	<b>233</b>	<b>192</b>	<b>425</b>

##### General provisions

General provisions are made for present obligations with expected future outflows. This category includes provisions for short term incentives and a credit for purchase of parts from a vendor.

##### Warranty provision

A provision is made for estimated future warranty costs in respect of instruments sold which are still within their warranty period. Significant estimates and judgements were used when determining these future costs which are based on historical claims, adjusted for outliers and one-off occurrences. The assumptions made when making these estimates are consistent with prior year.

#### 5. BORROWINGS

In April 2021, Syft Technologies Limited drew down on a \$5m term loan with BNZ.

This five year term loan has a fixed interest rate, payable monthly over the term of the loan with no penalty for early repayment. The difference between the competitive interest rate offered under the Government Business Finance Guarantee Scheme, and a current comparable market rate has been recognised as a government grant in the income statement.

Syft Technologies Limited also holds a \$4m overdraft facility with BNZ. As at 30 September 2022, nil had been drawn down against this facility.

The overdraft facility has a prevailing interest rate of 4.6% and may be drawn at any time. The bank has the ability to demand repayment at their discretion.



## 6. RELATED PARTY DISCLOSURE

### Ultimate parent

The ultimate parent company is Syft Tehnologies Limited.

### Subsidiaries

The consolidated interim financial statements include the financial statements of Syft Technologies Limited and the subsidiaries listed in the following table:

Name	Country of Incorporation	%Equity Interest		Advances to / (from)	
		Six months Sep 2022	Year Ended Mar 2022	Six months Sep 2022	Year Ended Mar 2022
Syft Technologies Inc (STI)	United States	100%	100%	3,548	2,432
Syft Technologies GmbH (STG)	Germany	100%	100%	1,274	1,189
Syft Technologies Korea Ltd (STK)	South Korea	100%	100%	(2,168)	(2,050)
Syft Technologies Singapore Pte. Ltd (STS)	Singapore	100%	100%	637	399
Syft Technology (Shanghai) COI	China	100%	100%	-	-
Syft Technologies Taiwan Ltd (STW)	Taiwan	100%	100%	1,280	624
				<b>4,571</b>	<b>2,594</b>

## 7. EMPLOYEE SHARE EQUITY SCHEME

### Employee Share Option Scheme (ESOS)

The original share scheme was approved by the Board in June 2014 giving key employees 0.30% ownership in the Company. The scheme was set up to align the key employees' incentives with that of the Company and shareholders and also serves as a reward and retention scheme.

The Company has provided the key employees with a non-recourse loan to assist the key employees to participate in the share scheme. The principal terms of the scheme are noted below:

- Loan is non-recourse, interest free and does not have a fixed repayment date; and
- If the key employees sell any of the shares, then the cash received must first be put towards repayment of the loan; and
- If the key employees sell shares at a current market price that is below the issue price, the relevant part of the loan relating to the difference between the issue price and the price achieved will effectively be forgiven.

The shares held by the key employees are restricted and cannot be sold unless the employee remains with Syft for a minimum of three years (with the current parcels of shares having restrictions relating to FY23).

Since 2014, the Board and shareholders have approved seven additional share schemes, rewarding key employee's with ownership of the Company and with the terms stated above. One in May 2015 (0.20% ownership), April 2016 (0.61% ownership), June 2016 (0.01% ownership), June 2017 (0.26% ownership), August 2018 (1.59% ownership), August 2019 (2.2% ownership), and June 2020 (0.24% ownership). The total number of shares issued and unpaid under the above schemes is 1,442,370.

### Long Term Incentive Scheme - Restricted Share Units (RSU)

On 1 April 2021, a long term incentive scheme began for the CEO. In addition to this, a similar scheme was introduced for members of the Senior Leadership Team on 21 September 2022. The purpose of the schemes is to support significant long term reward for increasing shareholder value. Both schemes are equity settled through Restricted Share Units (RSU).

The table below sets out the movements in the LTI Share Scheme RSU's during the year:

	Sep 2022	Mar 2022
Opening 1 April	920,914	-
Initial awards granted during the period	380,000	500,000
Annual awards granted during the period	493,000	420,914
<b>Total</b>	<b>1,793,914</b>	<b>920,914</b>

During the period, no RSU's were forfeited, or exercised.

The above RSU's relate to participants located in New Zealand and Germany.

#### Long Term Incentive Scheme - CEO

The scheme consists of:

- an initial award of 500,000 RSU's that vest over a four year service requirement, issued at \$0.81 amounting to an estimated fair value of \$405,000, and;
- an annual award based on 50% of base salary, is allocated at the beginning of each financial year calculated using 90 day VWAP. However the award for FY22 was set at \$0.81. The RSU's vest in equal tranches over years two and three, and;
- additional special performance rights linked to market conditions, with the minimum share price of \$3.00 required for RSU's to be issue

#### Long Term Incentive Scheme - Non-CEO

The scheme consists of:

- an initial award of RSU's vest over a four year service requirement, issued at a price ranging between \$0.76-\$1.15 depending on the grant date. Certain participants' initial awards have been backdated as agreed in individual employment agreements. The total estimated fair value of the joining RSU's amount to \$328,148;
- an annual award calculated as a percentage of each participants base salary, is allocated at the beginning of each financial year using the 90 day VWAP at grant date. The RSU's vest in equal tranches over years two and three.

During the interim period, \$331k was recognised through the profit and loss in relation to the above mentioned schemes. This reflects both RSU's for the initial award and RSU's for the annual award. No RSU's have been issued in relation to the special performance rights.

A \$300k deferred tax impact has also been recognised in relation to the expected future tax benefits of the scheme.

## 8. FINANCIAL INSTRUMENTS BY CATEGORY

This note provides an update on the fair values of the financial instruments since the last audited consolidated annual report, as at 31 March 2022.

	Sep 2022 (\$'000)		Mar 2022 (\$'000)	
	FVPL	Amortised Cost	FVPL	Amortised Cost
<b>Financial Assets</b>				
Cash and cash equivalents	-	13,364	-	408
Trade and other receivables	-	4,310	-	6,295
Derivative asset	-	-	95	-
	<b>-</b>	<b>17,674</b>	<b>95</b>	<b>6,703</b>
<b>Financial Liabilities</b>				
Trade and other payables	-	5,286	-	4,287
Borrowings	-	3,641	-	4,126
Lease Liabilities	-	13,818	-	14,092
Derivative liabilities	5,501	-	-	-
	<b>5,501</b>	<b>22,745</b>	<b>-</b>	<b>22,505</b>

Due to the short term nature of the current receivables and payables, their carrying amount is considered to be the same as their fair value.

Derivative liabilities relate to the movement in foreign exchange contracts held at period end, in line with NZ IFRS 9. Movements in effective contracts are accounted for in other comprehensive income, while ineffective contracts are recognised in net profit before tax.

### Fair value measurements recognised in the balance sheet

Financial instruments that are measured subsequent to initial recognition at fair value use the following classification based on the degree to which the inputs to the fair value are observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Group's derivative liabilities are classified under level 2 fair value measurements.



## 9. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit after tax attributable to equity holders of the Company by the weighted average number of ordinary shares on issue during the year, excluding shares held in treasury stock under the Employee Share Scheme (note 7). Diluted earnings per share assumes conversion of all dilutive potential ordinary in determining the denominator.

	Sep 2022 (\$000)	Sep 2021 (Restated) (\$000)
Profit attributable to the ordinary share holders of the Company (\$000)	(5,146)	1,974
<b>Weighted average number of shares</b>		
Ordinary shares	88,963,692	71,193,025
Effect of dilutive ordinary shares (non-vested Employee Share Scheme)	693,000	951,583
<b>Weighted average number of ordinary shares for diluted earnings per share</b>	<b>89,656,692</b>	<b>72,144,608</b>
<b>Earnings per share (cents)</b>		
Basic earnings per share	(5.78)	2.77
Diluted earnings per share	(5.74)	2.74

On 29 March 2022, Syft announced that it has reached an agreement with Ampersand Capital Partners (Ampersand) to invest \$22.8m in the Group, subject to shareholder approval, which was obtained at the Special meeting of shareholders on 13 April 2022. Ampersand has been issued 17,545,000 convertible preference shares, equivalent to 19.6% of the total shares post-investment, at a price of \$1.30 per share.

## 10. RECONCILIATION OF PROFIT AFTER TAXATION WITH NET CASH FLOWS FROM OPERATING ACTIVITIES

	Six Months Sep 2022 (\$000)	Six Months Sep 2021 (Restated) (\$000)
<b>Net Profit / (Loss)</b>	<b>(5,146)</b>	<b>1,974</b>
<i>Adjustments for:</i>		
Depreciation and amortisation	1,792	1,263
Gain on sale of non current assets	(57)	(17)
Unrealised foreign exchange loss	616	713
Share based payment expense	331	102
(Increase) / decrease in income tax expense	(1,334)	1,242
Increase in derivative liabilities	-	323
Short term benefit expense	142	-
Government grants - non cash	(107)	(67)
<b>Adjusted profit</b>	<b>(3,763)</b>	<b>5,533</b>
<i>Changes in working capital items:</i>		
(Increase) / decrease in trade and other receivables	1,893	(3,830)
(Increase) / decrease in inventory	(2,650)	1,146
(Increase) / decrease in GST	(238)	148
Decrease in provisions	(261)	(146)
Increase in trade and other payables	333	715
	<b>(923)</b>	<b>(1,967)</b>
<b>Net cash flow from / (to) operating activities</b>	<b>(4,686)</b>	<b>3,566</b>

## 11. CONTINGENCIES

The Group has no contingencies at reporting date (Mar 2022: nil, Sep 2021: nil)

## 12. SUBSEQUENT EVENTS

The Group had no subsequent events after the reporting date.



