2024 Annual Report

Syft™

Contents

Chairman and Acting CEO's Report

As was stated in last year's Annual Report, FY 2023 was a challenging year as we experienced significant decline in our revenue as a result of a pause in purchasing by our two major semiconductor customers. The first half of FY 2024 saw a continuation of the lack of investment by our major customers as we sought to diversify revenues and prepare for the launch of products into the Life Sciences market. Actions were taken to reduce cost, and a capital raise by way of a convertible note was issued and subsequently converted to equity by all noteholders.

In the second half of 2024, the sales momentum increased. While we did not meet the revenue target we set ourselves, this was primarily the result of delayed decisions rather than lost sales. That momentum has continued into the first quarter of FY 2025. We have also further reduced our cost base.

Financials

Financial Year 2024 has seen a return to revenue growth, with positive results from market diversification, derisking the Company's reliance on the aforementioned two semiconductor customers, while continuing to exploit the global semiconductor opportunity via the addition of new key customers. These objectives were met.

Revenue was $26.2m, up >51% from $17.3m in the prior year. Of that, instrument revenue was $16.0m and services and rental revenue was $10.2m, the latter stable recurring revenue approaching nearly 40% of Group turnover. While gross margin of 48% was up on previous year's 31%, it remains lower than historical averages due to the weighting of service revenue which attracts a lower average gross margin. 28% of the instrument revenue was from the semiconductor industry.

EBITDA was -$4.2m compared to the prior year's -$13.7m, and net loss of -$10.4m.

Customers

At Syft, we have three major pillars to our Go-To-Market strategy – winning in Semiconductor, Life Sciences, and Environmental and Air Quality.

In the Semiconductor market, the geopolitical situation is one we are following closely. While the US Creating Helpful Incentives to Produce Semiconductors (CHIPS) Act 2022 promises to provide opportunities for new fabrication (fab) plants across the US, it will take some years for these plants to become reality. In Europe, the European Chips Act is on track to help attract more than 100 billion euros (US$108.41 billion) worth of private investment to the European semiconductor industry by 2030.

After a downturn in the semiconductor industry in 2023, 2024 has seen a return to growth and a shortage in some key areas. With Moore's Law (stating that the number of transistors on a microchip doubles every two years… true since 1965) and the advancements in Artificial Intelligence, in addition to the geopolitical climate, we are seeing renewed investment in new and expanded fabs globally.

For Syft, our primary solution is in the identification of Airborne Molecular Contaminants (AMC's) and we have identified memory chips as our key subsegment to this market. Fab plants for memory chips require a higher level of monitoring of AMC's to control the yield, and therefore require more instruments per facility.

In our markets of Life Sciences and in Environmental and Air Quality, Syft's business is about health and safety.

Environmental and Air Quality, long a strength of Syft, has been added as a core pillar to our strategy. It speaks not only to our product strength in this area, but also to our brand as being a leader in providing solutions to real-world problems in identifying harmful substances in the environment, with customers such as the US Environmental Protection Agency (US EPA), Korean Government and Samsung, for fence-line monitoring.

Our entry into the Life Sciences market has progressed well with key certifications gained and early customer engagements focussed on better understanding our value proposition for this increasingly regulated market. Identification of cancer-causing compounds (nitrosamines) and residual solvents in the manufacturing process are the areas gaining most interest from our prospects.

Products

Product development has continued strongly, and while we have very good products in the market today, it is exciting that we still have a solid roadmap of continued improvement.

Our focus is on the three 'S's of Stability, Sensitivity and Selectivity – making the product increasingly stable, improving uptime, and decreasing servicing requirements; making the instruments more sensitive to enable increased detection of target compounds; and increasing the number and types of compounds that can detect.

Executive and Governance

As previously disclosed, our previous CEO, Alex Fala resigned in April of 2024 for personal reasons; Board Chair, Al Monro, stepped in as Acting CEO while a search is undertaken for a new CEO. On behalf of the board, I would like to thank Alex for his contribution.

In August of 2023 Desh Edirisuriya announced his intention to step down from the Board and was not replaced at the ASM.

In the last year we have continued to review our policies, including Delegated Authorities, Securities Trading Policy, Anti-Bribery and Anti-Corruption, Treasury Policy, Fraud Risk Assessment and Accounting Judgments and Estimates. In addition, the Board conducts regular health and safety reviews to ensure we maintain a strong focus on health and safety and quality management.

I would like to sincerely thank the Board, Jeff McDowall, Michael Bushell, Kate McGrath, Desh Edirisuriya, and Dave Patteson for their support throughout the past year. I would also like to thank the senior team, the scientists and all of sales, production, product development, and finance and administration staff as well as the shareholders for your continued support.

The 2024 Financial Year saw the start of a recovery, and early signs in FY25 indicate a continued growth in revenue, while maintaining a strict focus on cost control.

Looking forward, the team at Syft remains confident in our technology and the value that it delivers in markets we choose to serve – Semiconductor, Life Sciences, and Environmental and Air Quality. We have a strong product, and our sales pipeline continues to strengthen on the back of our outbound sales efforts and tradeshow attendance.

Alan Monro
Chairman

Directors' Report

The Directors are responsible for ensuring that the financial statements present fairly the consolidated balance sheet of the Group as at 31 March 2024 and its consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement for the year ended on that date.

The Directors consider that the consolidated financial statements of the Group have been prepared using the appropriate accounting policies, consistently applied and supported by reasonable judgements and estimates and that all relevant financial reporting and accounting standards have been followed.

The Directors believe that proper accounting records have been kept which enable, with reasonable accuracy, the determination of the financial position of the Group and facilitate compliance of the financial statements with the Financial Markets Conduct Act.

The Directors consider they have taken adequate steps to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The Directors present the financial statements set out in pages 8 - 51 of Syft Technologies Limited and subsidiaries for the year 1 April 2023 to 31 March 2024.

The Board of Directors of Syft Technologies Limited authorised these financial statements for issue on 31 July 2024.

Donations

No donations were made in the current year.

Auditor

It is proposed that the auditor, PricewaterhouseCoopers, is appointed in accordance with section 196(1) of the Companies Act 1993.

Other statutory information

Additional information required by the Companies Act 1993 is set out in Shareholder information.

On behalf of the Directors

Alan Monro
Chairman

Michael Bushell
Non Executive Director

Consolidated Financial Statements Contents

Consolidated Income Statement

For the year ended 31 March 2024

	Note	2024 ($000)	2023 Restated ($000)
Operating revenue			
Revenue from contracts with customers for sales at a point in time		21,135	14,455
Revenue from contracts with customers for services over time		4,066	2,693
Instrument rental revenue		1,002	125
Total operating revenue		**26,203**	**17,273**
Cost of sales		13,522	11,943
Gross profit		**12,681**	**5,330**
Other income			
Other income	3	622	525
Total other income		**622**	**525**
Administration expenses		4,224	4,036
Other operating expenses	4	9,302	7,431
Sales & marketing costs	4	6,829	5,927
Research costs	4	2,177	3,429
Finance costs		1,160	689
Impairment of intangible assets	11	–	2,530
Total expenses		**23,692**	**24,042**
Loss before income tax		**(10,389)**	**(18,187)**
Income tax expense (credit)	6	(736)	1,276
Loss after income tax attributable to equity holders of the Group		**(9,653)**	**(19,463)**
Earnings per preference and ordinary share			
Basic earnings per preference and ordinary share (cents)	21	(10.78)	(21.96)
Diluted earnings per preference and ordinary share (cents)	21	(10.77)	(21.86)

The above consolidated statements should be read in conjunction with the accompanying notes on pages 15 to 51.

Consolidated Statement of Comprehensive Income

For the year ended 31 March 2024

	2024 ($000)	2023 Restated ($000)
Loss for the year	**(9,653)**	**(19,463)**
Other comprehensive income/(expense)		
Items that will be subsequently reclassified to profit and loss		
Gains/(losses) on translation of foreign operations	(413)	148
Effective portion of changes in fair value of cashflow hedges	1,074	(1,252)
Income tax benefit on other comprehensive income/ (expense)	(301)	350
Other comprehensive income /(expense), net of tax	**360**	**(754)**
Total comprehensive income/(expense) for the year	**(9,293)**	**(20,217)**

The above consolidated statements should be read in conjunction with the accompanying notes on pages 15 to 51.

Consolidated Statement of Changes in Equity

For the year ended 31 March 2024

	Note	Share Capital ($000)	Employee Equity Benefit Reserve ($000)	Foreign Currency Translation Reserve ($000)	Cashflow Hedge Reserve ($000)	Retained Earnings/ (Deficits) ($000)	Total Equity ($000)
Balance at 31 March 2022		**39,010**	**911**	**793**		**(17,047)**	**23,667**
Profit for the year (restated)		–	–	–	–	(19,463)	(19,463)
Other comprehensive income (restated)	19	–	–	148	–	–	148
Effective portion of changes in fair value of cash flow hedges		–	–	–	(1,252)	–	(1,252)
Income tax impact on other comprehensive income		–	–	–	350	–	350
Total comprehensive income for the year (restated)				**148**	**(902)**	**(19,463)**	**(20,217)**
Shares issued	18,19	22,809	843	–	–	–	23,652
Share based payments	19	11	10	–	–	–	21
Forfeited restricted shares	19	–	–	–	–	–	–
Cost of share issue	18	(102)	–	–	–	–	(102)
Balance at 31 March 2023 (restated)		**61,728**	**1,764**	**941**	**(902)**	**(36,510)**	**27,021**
Profit for the year		–	–	–	–	(9,653)	(9,653)
Other comprehensive income	19	–	–	(413)	–	–	(413)
Effective portion of changes in fair value of cash flow hedges		–	–	–	1,074	–	1,074
Income tax impact on other comprehensive income		–	–	–	(301)	–	(301)
Total comprehensive income for the year				**(413)**	**773**	**(9,653)**	**(9,293)**
Shares issued	18,19	5,985	173	–	–	–	6,158
Share based payments	19,20	–	–	–	–	–	–
Forfeited restricted shares	19	–	(53)	–	–	53	–
Cost of share issue	18	–	–	–	–	–	–
Balance at 31 March 2024		**67,713**	**1,884**	**528**	**(129)**	**(46,110)**	**23,886**

The above consolidated statements should be read in conjunction with the accompanying notes on pages 15 to 51.

Consolidated Balance Sheet

As at 31 March 2024

	Note	2024 ($000)	2023 Restated ($000)
Current assets			
Cash and cash equivalents	7, 17	526	2,178
Trade and other receivables	8	6,889	4,003
Inventories	9	7,438	8,253
GST receivable		–	328
Current tax asset		–	122
Total current assets		**14,853**	**14,884**
Non current assets			
Property, plant and equipment	10	11,096	12,663
Intangible assets	11	12,493	10,106
Right of use assets	12	5,362	6,022
Deferred tax asset	6	560	560
Total non current assets		**29,511**	**29,351**
Total assets		**44,364**	**44,235**
Current liabilities			
Bank overdraft	7,17	3,918	863
Trade and other payables	13	7,403	4,432
Current lease liabilities	12	972	661
GST payable		50	–
Current derivative liabilities	17	548	1,322
Current tax liabilities		74	–
Provisions	14	208	384
Short term borrowings	15	2,153	1,080
Total current liabilities		**15,326**	**8,742**
Non current liabilities			
Non current derivative liabilities	17	–	295
Non current lease liabilities	12	5,152	6,106
Long term borrowings	15	–	2,071
Total non current liabilities		**5,152**	**8,472**
Total liabilities		**20,478**	**17,214**
Total net assets		**23,886**	**27,021**

Consolidated Balance Sheet continued

As at 31 March 2024

	Note	2024 ($000)	2023 Restated ($000)
Equity			
Share capital	18	67,713	61,728
Retained earnings/(deficits)		(46,110)	(36,510)
Reserves	19	2,283	1,803
Total equity attributable to equity holders of the Group		**23,886**	**27,021**

On behalf of the Board

Alan Monro - Chairman
31 July 2024

Michael Bushell - Non Executive Director
31 July 2024

The above consolidated statements should be read in conjunction with the accompanying notes on pages 15 to 51.

Consolidated Cash Flow Statement

For the year ended 31 March 2024

	Note	2024 ($000)	2023 Restated ($000)
Cash flows from/(used in) operating activities			
Receipts from customers		23,233	20,017
Interest paid		(339)	(11)
Grants received		328	159
Tax receipts/(payments)		1,048	(568)
Payments to suppliers and employees		(27,091)	(30,451)
Net cash flows used in operating activities	**22**	**(2,821)**	**(10,854)**
Cash flows from/(used in) investing activities			
Purchase of fixed assets		(810)	(2,399)
Purchase of intangible assets		(4,423)	(6,448)
Net cash flows used in investing activities		**(5,233)**	**(8,847)**
Cash flows from/(used in) financing activities			
Net proceeds from shares issued		5,509	22,716
Proceeds from borrowings		3,055	863
Repayment of borrowings		(998)	(975)
Principal elements of lease payments		(1,180)	(1,173)
Net cash flows provided by/(used in) financing activities		**6,386**	**21,431**
Net increase/(decrease) in cash and cash equivalents		**(1,668)**	**1,730**
Cash and cash equivalents at the beginning of the year		2,178	408
Effects of exchange rates on cash and cash equivalents		16	40
Cash and cash equivalents at the end of the year	**7**	**526**	**2,178**

The above consolidated statements should be read in conjunction with the accompanying notes on pages 15 to 51.

Notes to the Consolidated Financial Statements

1. GOING CONCERN

Material uncertainty related to going concern

The Directors of the Group have prepared the financial statements on a going concern basis, and expect the Group to be able to realise its assets and meet its financial obligations in the normal course of business.

The Group continued to suffer from a slow market in financial year 2024 and ended with a loss before tax of $10.4m (2023: $18.2m). Operating cash outflows for FY24 of $2.8m improved significantly from the $10.9m operating cash outflow in FY23.

In July 2023, the Group issued 5.5m convertible notes at the price of $1.00 per note to its existing shareholders and the funds were received in the same month. The convertible notes with the associated interests accrued totalling $6m were fully converted to secondary preference shares on 31 March 2024.

As at 31 March 2024, the Group held Cash and Cash Equivalents of $0.5 million (2023 $2.1 million) while $3.9m out of its $4m overdraft facility was drawn down. Post year end, while customers have placed a number of orders, with the current cost levels and the long lead sales cycle, it has become necessary for the Group to raise additional funding to meet its upcoming working capital requirements. Recognising the current financial position, the Directors have considered a range of funding options and concluded that a rights issue would provide sufficient funding, and as a result Syft would be able to continue as a going concern for the foreseeable future which is at least, but not limited to, 12 months from 31 March 2024.

On 10 July 2024, the Directors approved to undertake a rights issue of 80m ordinary shares at $0.1 per share to raise up to $8m to all existing shareholders. On 26 July 2024, final terms were agreed with Ampersand 2020 Limited Partnership (Ampersand) and Accident Compensation Corporation (ACC) to subscribe up to $8m.

The agreement has the following conditions attached:

- Syft obtaining the required approvals of its shareholders (including approval of the Ampersand / ACC Allotment under the Takeovers Code)
- Rights issue completed and funds received by not later than 6 September 2024.

If shareholders approval and funds from the rights issue are not obtained, this will have severe adverse effects on the Group, including the potential that the Group may not be able to obtain sufficient funds to remain solvent.

It is expected to provide sufficient cash until the business has returned to delivering positive net operating cash flows.

The Directors believe that the rights issue, combined with the financial forecast for FY25 will provide sufficient funds to be able to satisfy all forecast financial obligations which arise in the 16 months following balance date. However, these projections are subject to a number of uncertainties as outlined below:

a) Completion rights issue and receipt of the funds

The Directors' financial forecast assumes the successful completion of the rights issue and receipt of the funds. A Special Meeting of shareholders to obtain approval for the transaction is to be scheduled in August 2024. This requires a majority vote by shareholders to pass (greater than 50% of those who vote on the day).

b) Level and timing of instrument sales and achievement of FY25 targeted revenue growth.

Revenue has shown significant recovery in FY24 and increased by 52% overall compared to FY23. The Group has also successfully diversified its customer base and markets. FY25 sales are forecast to increase 41% from FY24 based on a thorough review of all instruments opportunities in the current pipeline. Forecast service revenue is largely expected to come from renewal of contracts from existing customers and therefore are considered highly predictable.

However, while the Directors are confident with the strength of the forecast sales pipeline, uncertainty remains around the timing of conversion of future instrument sales.

c) Compliance with banking covenants

The Group has EBIT and Equity covenants associated with the $5m term loan with BNZ under the Business Finance Guarantee Scheme (refer to note 15). As at 31 March 2024, the group was not compliant with the EBIT covenant and no waiver had been received prior to the year end. Post year end, a non-waiver letter on the EBIT covenant was received from BNZ which stated that no immediate action is to be taken (note 15). The Directors' cash flow forecast does not assume repayment of existing borrowings based on the strong and transparent relationship with BNZ.

These events and conditions identified indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The Directors have concluded that, whilst a material uncertainty exists, it remains appropriate to continue to prepare the financial statements on a going concern basis as:

- With the support of the shareholders, the Directors are confident that rights issue will be completed with the timeframe outlined above;
- FY25 has started positively with orders in line with budget in the first quarter ending 30 June 2024;
- The Group has a solid pipeline for the year. Approximately 50% of the instrument pipeline is in semiconductor, and 50% is in Environmental and Air Quality and Life Sciences, demonstrating the ongoing diversification of revenue; and
- There are mitigating strategies under a downside revenue scenario that the Group could implement to further reduce costs.

These financial statements do not include any adjustments that may be necessary should the Group not be able to continue as a going concern and realise the value of their assets and discharge their liabilities in the ordinary course of business.

2. MATERIAL ACCOUNTING POLICIES

a) Statement of compliance

The 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 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 31 July 2024.

b) Basis of preparation

These consolidated financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP). They comply with New Zealand equivalents to International Financial Reporting Standards Accounting Standards (NZ IFRS Accounting Standards) and with International Financial Reporting Standards Accounting Standards. The financial statements have been prepared on a historical cost basis, except for the fair value of certain balances.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events are reported.

c) New and amended standards adopted by the Group

The group has applied the following amendments for the first time for their annual reporting period commencing 1 April 2023:

NZ IAS 1 and IFRS Practice Statement 2 amendments - Disclosure of accounting policies - Disclosure of Accounting Policies – Amendments to NZ IAS 1 and IFRS Practice

Statement 2. The financial statement has been updated to reflect changes to the disclosure of accounting policies. Previously, "significant" accounting policies were disclosed. The amendments require disclosing material accounting policies instead. There is no material impact to the Group's financial statements as a result of this amendment.

There are no other standards or amendments to standards that are effective for annual periods beginning 1 April 2023 that have material effect on the financial statements of the Group.

d) New standards and interpretations not yet adopted

As at 31 March 2024, the following standards and interpretations had been issued but were not mandatory and may impact the group for annual reporting periods ending on 31 March 2024.

NZ IAS 1 amendment - Classification of liabilities as current or non-current; and NZ IAS 1 amendment - non-current liabilities with covenants

Amendments made to NZ IAS 1 Presentation of Financial Statements in 2020 and 2022 clarified that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity's expectations or events after the reporting date (for example, the receipt of a waiver or a breach of covenant).

Covenants of loan arrangements will not affect classification of a liability as current or non-current at the reporting date if the entity must only comply with the covenants after the reporting date. However, if the entity must comply with a covenant either before or at the reporting date, this will affect the classification as current or non-current even if the covenant is only tested for compliance after the reporting date.

The amendments require disclosures if an entity classifies a liability as non-current and that liability is subject to covenants with which the entity must comply within 12 months of the reporting date. The disclosures include:

- the carrying amount of the liability;
- information about the covenants; and
- facts and circumstances, if any, that indicate that the entity might have difficulty complying with the covenants.

The amendments also clarify what NZ IAS 1 means when it refers to the 'settlement' of a liability. Terms of a liability that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instrument can only be ignored for the purpose of classifying the liability as current or non-current if the entity classifies the option as an equity instrument. However, conversion options that are classified as a liability must be considered when determining the current/non-current classification of a convertible note.

The amendments must be applied retrospectively in accordance with the normal requirements in NZ IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. The Group is currently assessing the impact and will disclose more detailed assessments in the future.

FRS-44 amendment - Disclosure of fees for audit firms' services

The amendments to FRS 44 aim to address concerns about the quality and consistency of disclosures an entity provides about fees paid to its audit or review firm for different types of services. The enhanced disclosures are expected to improve the transparency and consistency of disclosures about fees paid to an entity's audit or review firm.

Application of this amendment is required for accounting periods beginning on or after 1 January 2024 and is expected to be adopted in time. The Group is currently assessing the impact and will disclose more detailed assessments in the future.

NZ IFRS 18 Presentation and Disclosure in Financial Statements (NZ IFRS 18)

In May 2024, the XRB introduced NZ IFRS 18 as replacement for NZ IAS 1 *Presentation of Financial Statements* (IAS 1). Most of the presentation and disclosure requirements would largely remain unchanged together with other disclosures carried forward from NZ IAS 1 (e.g., capital management, debt covenants. etc.) NZ IFRS 18 primarily introduces the following:

- a defined structure for the statement of profit or loss by classifying items into one of the five categories: operating, investing, financing, income taxes and discontinued operations. Entities will also present expenses in the operating category by nature, function, or a mix of both, based on facts and circumstances
- disclosure of management-defined performance measures (a subset of non-GAAP measures) in a single note together with reconciliation requirements, and
- additional guidance on aggregation and disaggregation principles (applied to all primary financial statements and notes).

IFRS 18 also made limited changes to certain presentation and disclosure requirements in the financial statements, e.g., NZ IAS 7 *Statement of Cash Flows*; as well as consequential changes to various NZ IFRS Accounting Standards.

NZ IFRS 18 will be effective for annual reporting periods beginning on or after 1 January 2027 and entities could early adopt this accounting standard. The Group expects to adopt NZ IFRS 18 and relevant consequential changes of other accounting standards in time. The Group is currently assessing the impact and will disclose more detailed assessments in the future.

e) Basis of consolidation

The consolidated financial statements comprise the financial statements of Syft Technologies Limited and its subsidiaries (refer to note 16) as at 31 March each year.

Subsidiaries are all those entities over which the Group has the power to govern the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the consolidated entity controls another entity. All entities in the Group are wholly owned by the Company and therefore fully controlled by the Company.

All intercompany transactions are eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Company.

f) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Interest payable as per the loan agreement is recognised in the income statement as finance costs on a monthly basis.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

g) Foreign currency translation

Functional and presentation currency

Transactions included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates, being the functional currency. The consolidated financial statements are presented in New Zealand Dollars ($), being the Company's functional and presentation currency. All foreign transactions are translated to the presentation currency (see below).

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities held in a foreign currency at year end exchange rates, are generally recognised in profit or loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

Translation of the Group companies' functional currency to presentation currency

The results of the foreign subsidiaries are translated into New Zealand Dollars using the average exchange rate for the year. Assets and liabilities are translated at exchange rates prevailing at balance date. Exchange variations resulting from the translation are recognised in the foreign currency translation reserve in equity. On consolidation, exchange differences arising from the translation of the net investment in the foreign subsidiaries are taken to the foreign currency translation reserve. If the foreign subsidiaries were sold, the proportionate share of exchange differences would be transferred out of equity and recognised in other comprehensive income. Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

h) Significant accounting judgements, estimates and assumptions

The preparation of the financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies.

Judgements, estimates and assumptions are continually evaluated and are based on historical experience and other various factors management believe to be reasonable under the circumstances. As judgement is applied, actual results may differ from these estimates. Estimates and assumptions are reviewed periodically, and the effects of any changes are reflected in the financial statements.

The following provides an overview of the areas that involved a higher degree of judgement or complexity, and items which are more likely to be materially adjusted due to estimates and assumptions turning out to be incorrect. Detailed information about each of these estimates and judgements is included in the policies below and in further notes.

The areas involving significant estimates are:

- Leases (refer to note 12)
- Employee share scheme (refer to note 20)
- Impairment of intangible assets (refer to note 11)

The areas involving significant judgments are:

- Research and Development expenses (refer to note 4 and 11)
- Deferred tax assets recognition on tax losses (refer to note 6)
- Going concern (refer to note 1)

i) 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.

j) Business combinations

The acquisition method of accounting is used to account for all business combinations. The consideration transferred for the acquisition of a business comprises the fair value of the assets and liabilities transferred.

Identifiable assets acquired and liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

Acquisition related costs are expensed as incurred.

The excess of the consideration transferred, and the fair value of the net identifiable assets acquired is recorded as goodwill.

k) Revenue recognition

The revenue is measured at the transaction price agreed under the contract. The following specific recognition criteria must also be met before revenue is recognised:

Sale of goods

Revenue for the sale of goods is recognised at a point in time when they are delivered and the legal title has passed to the customer.

No element of financing is deemed present as sales are made with a credit term of 30-60 days, which is consistent with market practice. The Group's obligation to repair or replace faulty or defect products under standard warranty terms is recognised under the warranty provision, refer to note 13. A receivable is recognised in line with the shipping terms, as this is the point in time that control is transferred to the customer.

Some contracts include multiple deliverables, such as the sale of goods and related site performance testing. However, the customer still obtains benefit from the sale of the goods and the performance testing is therefore accounted for as a separate performance obligation. Where the contracts include multiple performance obligations, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. Where these are not directly observable, they are estimated based on the residual approach. Revenue for the goods are recognised at a point in time when they are delivered and the legal title has passed.

Rendering of services

Revenue from services is derived through installation, support, maintenance and training under both fixed and variable contracts and is recognised in the period in which the services are rendered. For fixed-price contracts, revenue is recognised on a straight-line basis over the period of the contract. For variable priced contracts, revenue is recognised when the service is provided.

Rental revenue

Rental revenue is accounted for on a straight-line basis over the term of the agreement.

Interest revenue

Revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Sale of goods principal arrangements

The Group holds arrangements in which it acts as the principal. The following factors have been used by the Group in distinguishing whether it acts as the principal in specific arrangements:

- Primary responsibility for fulfilling the promise to provide the goods or services to the end customer.
- Inventory risk before goods are transferred to the end customer.
- The discretion to establish the price of goods and services above.

l) Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received, and all attaching conditions will be complied with.

Government grants relating to income are recognised as income over the periods necessary to match them with the related costs. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised as income in the period in which it becomes receivable.

m) Income tax

Current tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income, based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred income tax is provided in full, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is determined using tax rates (and laws) that have been enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised.

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax for the period

Current and deferred tax is recognised as an expense or income in the consolidated income statement, except when it relates to items credited or debited directly to equity, in which case the deferred tax or current tax is also recognised directly in equity.

n) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise of cash at bank and in hand and bank overdrafts.

o) Trade and other receivables

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any expected credit losses. Trade receivables are generally due for settlement within 30 days and therefore are all classified as current. The Group applies NZ IFRS Accounting Standards 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets, see note 16 for further details. Related party receivables are mainly trade in nature and are on terms consistent with external customers.

p) Inventories

Inventories are valued at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Raw materials and manufactured parts – cost of purchase comprises the purchase price of raw materials and manufactured parts on a First In First Out ("FIFO") method, and appropriate proportion of the variable and fixed overhead expenditure, which are assigned on a standard cost basis. Volume discounts and rebates are included in determining the cost of purchase.

Finished goods and work in progress – costs comprise of direct materials, direct labour and appropriate proportion of the variable and fixed overhead expenditure, which are assigned on a standard cost basis. Costs of purchased inventory are determined after deducting rebates and discounts.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

q) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Cash flows are included in the cash flow statement on a net basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

r) Property, plant and equipment

All items of property, plant and equipment are stated at historical cost, including costs directly attributable to bringing the asset to its working condition, less accumulated depreciation and impairment of the asset.

Any expenditure that increases the economic benefits derived from an asset is capitalised. Expenditure on repairs and maintenance that does not increase the economic benefit is expensed in the period it occurs.

Depreciation

Depreciation for the Group is calculated on a Diminishing Value (DV) or Straight-Line (SL) basis at the following rates:

· Plant and equipment	3 – 20 years
· Office equipment	3 – 20 years
· Furniture and fittings	4 – 20 years
· Leasehold improvements	3 – 20 years
· Motor vehicles	5 – 8 years
· Demo units	7 years

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at the end of each annual reporting period.

Disposal

An item of property, plant and equipment is disposed of when no further future economic benefits are expected from its use.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement in the period the asset is derecognised.

s) Intangible assets

Research and development costs

Research expenditure is recognised in the period in which it is incurred. Development costs relate to the design, construction and testing of a selected alternative for new or improved materials, devices, processes and services which have been deemed saleable to the customer. Development costs are capitalised as internally generated intangible assets if all of the following are demonstrated:

i. The technical feasibility of completing the intangible asset so that it will be available for use or sale;

ii. The intention to complete the intangible asset and use or sell it;

iii. The ability to use or sell the intangible asset;

iv. The ability to demonstrate how the intangible asset will generate probable future economic benefits;

v. The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and

vi. The ability to measure reliably the expenditure attributable to the intangible asset during its development.

Directly attributable costs that are capitalised as part of the development include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

Research and development expenditure that do not meet the criteria (i-vi) above are recognised as an expense as incurred. Costs associated with research have been expensed as they relate to activities to obtain new knowledge and find new applications and solutions for our customers. These costs have been capitalised when the technical feasibility and functionality as a complete solution is evidently known.

Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Software costs

All externally purchased software is recorded at cost less accumulated amortisation and impairment. Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets where the criteria i) – vi) outlined in research and development costs above, are met.

Goodwill

Goodwill is carried at cost less any accumulated impairment losses. It is not amortised but is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired.

Other intangible assets

Externally purchased intangible assets are recorded at cost less accumulated amortisation and impairment.

Amortisation

Amortisation for the Group is calculated on a diminishing value basis, apart from development costs which are on a straight-line basis over the estimated useful life of the asset as follows:

Software costs	3-4 years
Development costs	5 years

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at the end of each annual reporting period.

t) Leases

Group as a lessee

The Group calculates their right of use asset as the present value of all lease payments, plus any restoration costs, deposits, and other direct costs, discounted to their present value using the lessee's incremental borrowing rate at the date of lease inception. The associated lease liability is calculated as the present value of all lease payments yet to be made.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease life so as to produce a constant periodic rate of interest on the remaining balance of the liability each period. The asset is depreciated on a straight-line basis over the life of the lease.

Payments relating to short term leases of equipment and office locations, and all low value assets are recognised on a straight-line basis as an expense in profit or loss. Short term leases are those with a lease term of less than 12 months. Low value assets comprise of office equipment.

The lease liability is reassessed when there are changes to the lease circumstances. and adjusted against the right of use asset.

Group as a lessor

A lease is classified as a Finance lease when substantially all of the risks and rewards pass to the lessee. To determine this the following conditions are met, either individually or in combination:

a. Transfers ownership
b. There is an option to purchase the asset at the end of the lease, and it is probable the option will be exercised
c. The lease term is for a major part of the economic life of the asset
d. At inception date, the present value of the lease payments amounts to substantially all of the fair value
e. The asset is of a specialized nature, that only the lessee can use it
f. The lessee has the ability to continue the lease for a secondary period, at a rate substantially lower than market rent

For those leases which are classified as a Finance lease, a lease receivable is recognised for the present value of all lease payments expected to be received over the life of the lease. Leases that do not meet any of the above conditions are classified as an operating lease and income is recognised on a straight line over the life of the lease.

u) Impairment of assets

At each reporting date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets are subject to impairment. If any such impairment exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Goodwill and any other intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimate of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

v) Investments and other financial assets

Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income (OCI) or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

The Company has provided the key employees with a non-recourse, interest free loan to assist them in participating in the employee share scheme (see note 20).

w) Trade and other payables

Trade and other payables are carried at amortised cost. They represent liabilities for goods and services provided to the Group prior to the end of the financial period that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is due greater than 12 months from reporting date.

x) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of managements best estimate of the expenditure required to settle the present obligation at balance date. When the Group expects some or all of a provision to be reimbursed the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

y) Employee benefits

A provision is recognised for benefits accruing to employees in respect of annual leave and short term incentives when it is probable that settlement will be required, and they are capable of being measured reliably.

Provisions made in respect of employee benefits expected to be settled within twelve months are measured at their nominal values using the remuneration rate expected to apply at the time of settlement. Provisions made in respect of employee benefits which are not expected to be settled within twelve months are measured as the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to the reporting date.

Pension obligations

The Group operates a defined contribution plan in South Korea. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as an employee benefit expense when they are due, and any prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments in available.

z) Share-based payment transactions

Equity settled transaction:

The Group provides benefits to its employees (including key management personnel) in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled (the vesting period), ending on the date on which the relevant employees become fully entitled to the award (the vesting date).

At each subsequent reporting date until vesting, the cumulative charge to the income statement is the product of:

i. the grant date fair value of the award;
ii. the current best estimate of the number of awards that will vest, taking into account such factors as the likelihood of employee turnover during the vesting period and the likelihood of non-market performance conditions being met; and
iii. the expired portion of the vesting period.

The charge to the income statement for the period is the cumulative amount as calculated above less the amounts already charged in previous periods. There is a corresponding credit to equity.

Until an award has vested, any amounts

recorded are contingent and will be adjusted if more or fewer awards vest than were originally anticipated to do so. Any award subject to a market condition is considered to vest irrespective of whether or not that market condition is fulfilled, provided that all other conditions are satisfied.

aa) Financial liabilities and equity instruments issued by the Group

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement. Bank overdrafts are repayable on demand and are included in current liabilities in the balance sheet and as a function of financial liabilities are measured at cost and included as a component of cash and cash equivalents in the statement of cash flows. At balance date the overdraft facility was drawn on, see note 16.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

ab) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributed to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

ac) Earnings per share

i. Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company, by the weighted average number of ordinary shares outstanding during the financial year.

ii. Diluted earnings per share

Diluted earnings per share takes into consideration the issuance of restricted shares under the employee share scheme. There are no changes in income or expense that would result from the conversion of diluted ordinary shares and therefore the profit used under this calculation in consistent with basic earnings per share.

ad) Statement of cash flows

For the purpose of the statement of cash flows, cash and cash equivalents include cash on hand and in banks, net of any outstanding bank overdrafts. The following terms are used in the statement of cash flows;

- operating activities are the principal revenue producing activities of the Group and other activities that are not investing or financing activities;
- investing activities are the acquisition and disposal of long-term assets and other investments not included in cash equivalents; and
- financing activities are activities that result in changes in the size and composition of the contributed equity and borrowings of the entity.

3. OTHER INCOME

	2024 ($000)	2023 Restated ($000)
Gain/(loss) on disposal of assets	(10)	(58)
RDTI tax credit	515	192
Government grant interest	37	50
Government wage subsidies	10	40
Other income	61	133
Interest income	9	131
NZTE funding	–	37
	622	**525**

Government wage subsidies received relates to the Singapore Job Support Scheme paid under their government COVID-19 response that has ended during the current financial year.

4. EXPENSES

	Note	2024 ($000)	2023 Restated ($000)
Other operating expenses include:			
Amortisation		2,843	1,817
Depreciation		2,303	2,196
Repairs & Maintenance		16	64
Employee share scheme	19, 20	173	858
Occupancy costs		303	264
Professional service fees		1,691	1,084
Net foreign exchange losses		1,738	978
Other expenses		235	169
		9,302	**7,430**
Sales & marketing costs			
Sales salaries		4,448	3,506
Marketing costs		1,731	1,563
Other sales & marketing expenses		650	858
		6,829	**5,927**
Research costs			
Research salaries		1,722	2,248
Research parts and other expenses		455	1,181
		2,177	**3,429**

During the year, $4,783k (2023: $5,590k) of development costs and $809k (2023: $745k) depreciation charges were capitalised to Plant & Equipment and Development Costs. Therefore the above cost represents only the Group's research expense for the year.

	Note	2024 ($000)	2023 Restated ($000)
Employee benefits expense			
Salaries and wages		12,444	11,769
Employee share scheme	19, 20	173	858
Employment benefit obligations		140	156
		12,757	**12,783**

The above salaries and wages balance includes $4.7m (2023: $4.4m) of expense relating to production and support staff which are included in Cost of Sales, and $1.4m of administration salaries (2023: $1.6m) reported in Administration expenses.

5. AUDITORS REMUNERATION

The auditor of Syft Technologies Limited is *Pricewaterhouse Coopers* (PwC NZ) (2023: PwC NZ).

	2024 ($000)	2023 Restated ($000)
Amounts paid or due to PwC NZ for:		
Audit of financial statements of the Group	158	194
Prior year under accrual of audit fees	26	–
	184	**194**
Non audit related services:		
Tax compliance	–	30
Tax advice	–	16
Training	2	–
	2	**46**

Current year audit fees above include disbursements of $7.5k (2023: $8k).

The above tax advice includes fees for group transfer pricing agreement reviews, employee share scheme advice and deferred tax advice.

In addition to the above, $9k (2023: $11k) of audit fees were incurred from Bestar Singapore for the audit of the financial statements of Syft Technologies Singapore Pte Ltd.

6. TAXATION

a) Income Tax Expense

The numerical reconciliation between aggregate tax expense recognised in the income statement and tax expense calculated per the statutory income tax rate.

	2024 ($000)	2023 Restated ($000)
Accounting profit before tax from continuing operations	(10,389)	(18,187)
At the Group's statutory income tax rate of 28%	(2,909)	(5,092)
(Non-assessable income) / Non-deductible expenses	(44)	418
Adjustments due to different rate in different jurisdictions	(64)	175
Prior period adjustment	(16)	194
Derecognition of previously recognised deferred tax assets	2,297	5,581
Aggregate income tax expense	**(736)**	**1,276**

	2024 ($000)	2023 Restated ($000)
Made up of:		
Current tax expense	(435)	3
Deferred tax expense	(301)	1,273
Tax losses available to carry forward	**26,704**	**16,757**
Opening balance on carried forward losses	2,226	540
Prior period adjustment	(394)	19
Tax losses recognised	3,327	3,724
Current year tax losses	(123)	–
Tax losses unrecognised	(3,113)	(2,057)
Closing balance of carried forward losses	**1,923**	**2,226**
Deferred tax asset recognised	(1,923)	(2,226)
Unrecognised losses carried forward	**5,170**	**2,057**

b) Deferred tax asset

Deferred tax asset	2024 ($000)	2023 Restated ($000)
Provisions	–	–
Intangible assets	–	–
Deferred research and development expenditure	–	–
Right of use asset	(1,363)	(1,666)
Lease liability	–	–
Tax losses	1,923	2,226
Employee share scheme	–	–
Cashflow Hedge Reserve	–	–
Total deferred tax asset	**560**	**560**

The $560k deferred tax assets as at 31 March 2024 reflects the R&D tax credit arising from R&D tax losses the Group is likely to receive. The Group are entitled to utilising the tax losses accumulated when future taxabile profit is available, however due to the significant uncertainties around the timing and extent of taxable profit availability, $3,113k of deferred tax assets arising from unused tax losses and deductible temporary differences are unrecognised. The 2023 comparative balance of deferred tax assets was restated, refer to Note 23 for the details.

7. CASH AND CASH EQUIVALENTS

	2024 ($000)	2023 Restated ($000)
Cash in hand	526	2,178
Drawn overdraft	(3,918)	(863)
	(3,392)	**1,315**

Cash at bank and in hand includes overdraft facilities, see note 17 for details.

8. TRADE AND OTHER RECEIVABLES

	2024 ($000)	2023 Restated ($000)
Trade receivables	5,061	2,493
Prepaid expenses	648	673
Other receivables	1,180	837
	6,889	**4,003**

Classification as trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 - 60 days and therefore are all classified as current. Trade receivables are initially recognised at the amount of consideration that is unconditional unless they contain significant financing components, then they are recognised at fair value. The Group holds trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

Fair values of trade receivables

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

Impairment and risk exposure

During the year the $nil of trade receivables provided for in the prior period was written down as uncollectable (2023: nil).

The maximum exposure to credit risk is the fair value of receivables, less those covered by credit insurance. Collateral is not held as security, nor is it the Group's policy to transfer (on-sell) receivables to special purpose entities.

For further information on the impairment of trade receivables and the Group's exposure to credit risk, foreign currency risk and interest rate risk refer to note 17.

Aging

The aging of trade receivables at balance date are as follows:

	2024 ($000)	2023 Restated ($000)
0-30 days	5,000	2,383
31-60 days	23	22
61-90 days	–	–
91 days +	38	88
	5,061	**2,493**

Past due and impaired

As at balance date, $38k of receivables were considered past due (2023: $88k) and none impaired.

9. INVENTORIES

	2024 ($000)	2023 Restated ($000)
Raw materials	5,790	3,763
Work in progress	855	1,118
Finished goods	838	3,419
Inventory Provision	(45)	(47)
	7,438	**8,253**

During the year the Group wrote off $89k of damaged or obsolete stock (2023: $134k).

10. PROPERTY, PLANT AND EQUIPMENT

Reconciliation of carrying amounts at the beginning and end of the period:

	Plant and equipment ($000)	Office equipment ($000)	Furniture and fittings ($000)	Leasehold improvements ($000)	Motor vehicles ($000)	Demo units ($000)	Total ($000)
Gross carrying amount							
Balance at 31 March 2022	**3,284**	**803**	**401**	**4,883**	**549**	**5,706**	**15,626**
Additions	532	69	26	183	–	2,939	3,749
Disposals	(9)	(3)	–	–	–	(675)	(687)
Effects of movements in exchange rates	155	3	2	17	31	44	252
Balance at 31 March 2023	**3,962**	**872**	**429**	**5,083**	**580**	**8,014**	**18,940**
Additions	348	27	–	–	–	855	1,230
Disposals	(120)	(43)	–	–	–	(451)	(614)
Effects of movements in exchange rates	9	2	1	3	9	38	62
Balance at 31 March 2024	**4,199**	**858**	**430**	**5,086**	**589**	**8,456**	**19,618**
Accumulated depreciation							
Balance at 31 March 2022	**(998)**	**(525)**	**(138)**	**(455)**	**(223)**	**(1,764)**	**(4,103)**
Depreciation charge	(549)	(154)	(55)	(448)	(104)	(970)	(2,280)
Disposals	11	3	–	–	–	92	106
Balance at 31 March 2023	**(1,536)**	**(676)**	**(193)**	**(903)**	**(327)**	**(2,642)**	**(6,277)**
Depreciation charge	(518)	(104)	(44)	(420)	(87)	(1,191)	(2,364)
Disposals	35	40	–	–	–	44	119
Balance at 31 March 2024	**(2,019)**	**(740)**	**(237)**	**(1,323)**	**(414)**	**(3,789)**	**(8,522)**
Net book value							
As at 31 March 2023	**2,426**	**196**	**236**	**4,180**	**253**	**5,372**	**12,663**
As at 31 March 2024	**2,180**	**118**	**193**	**3,763**	**175**	**4,667**	**11,096**

11. INTANGIBLE ASSETS

Reconciliation of carrying amounts at the beginning and end of the period:

	Software ($000)	Patents ($000)	Trade-marks ($000)	Develop-ment Costs ($000)	Other Intangible Assets ($000)	Goodwill ($000)	Total ($000)
Gross carrying amount							
Balance at 31 March 2022	**539**	**400**	**88**	**9,143**	**119**	**119**	**10,408**
Additions	200		30	6,334	–	–	6,564
Disposals	(19)		–	(71)	(50)	–	(140)
Effects of movements in exchange rates	–	–	–	–	–	–	–
Balance at 31 March 2023	**720**	**400**	**118**	**15,406**	**69**	**119**	**16,832**
Additions	–	–	30	5,387	–	–	5,417
Disposals	(36)	–	–	(164)	–	–	(200)
Effects of movements in exchange rates	–	–	(1)	–	(1)	–	(2)
Balance at 31 March 2024	**684**	**400**	**147**	**20,629**	**68**	**119**	**22,047**
Accumulated amortisation							
Balance at 31 March 2022	**(495)**	**(400)**	**(73)**	**(1,379)**	**(55)**	**-**	**(2,402)**
Amortisation charge	(84)	–	–	(1,784)	(16)	–	(1,884)
Disposals	18	–	–	41	31	–	90
Impairment	–	–	–	(2,530)	–	–	(2,530)
Balance at 31 March 2023	**(561)**	**(400)**	**(73)**	**(5,652)**	**(40)**	**-**	**(6,726)**
Amortisation charge	(82)	–	–	(2,839)	(12)	–	(2,933)
Disposals	27	–	–	78	–	–	105
Impairment	–	–	–	–	–	–	–
Balance at 31 March 2024	**(616)**	**(400)**	**(73)**	**(8,413)**	**(52)**		**(9,554)**
Net book value							
As at 31 March 2023	**159**	**-**	**45**	**9,754**	**29**	**119**	**10,106**
As at 31 March 2024	**68**	**-**	**74**	**12,216**	**16**	**119**	**12,493**

Other intangible assets relate to externally purchased intellectual property.

Impairment of Intangible Assets excluding Goodwill

Intangible Assets are tested annually for impairment. No impairment of intangible assets was recognised for 2024 (2023: $2.5m) due to impairment of paused projects that are incomplete and where there are no immediate plans to recommence works.

Indicator of impairment at Cash Generating Unit level (including Goodwill)

Due to the Group's loss-making position, Management has noted that there are indicators of impairment present at Group level. The Group operates within a single operating segment and is considered as one Cash Generating Unit (CGU). The recoverable amount of the CGU, including Goodwill, Intangible Assets and Property, Plant and Equipment, has been determined based on higher of the value in use (VIU) and fair value less costs to sell, which requires the use of assumptions.

A VIU model was used by management to determine the recoverable amount of the CGU. The VIU model uses cash flow projections based on an approved financial budget over a five-year period, adjusted on historical trends and available market information. The present value of the expected cash flows from the CGU is determined by applying an appropriate discount rate.

The following paragraphs describe the key assumptions on which management has based its cash flow projections for the period covered by the VIU model, and a description of management's approach to determining the value(s) assigned to each key assumption:

- *Revenue assumptions*. The forecast FY25 revenue is based on a thorough review of the current sales pipeline with appropriate probabilities applied to each sales opportunity. An annual growth rate of 18% (FY23: 18%) on instrument sales revenue was applied on the FY25-FY29, (2023: FY24-FY28), which is less than the historical trend from FY16-24 (25%) and management's expectation of market development in line with the strategic focus of the business and with reference to the size of the addressable markets for the Group.
- *Gross Margin.* The VIU model assumes the gross margin remains consistent over time at the range between 53% to 55%, although the Directors expect this to improve due to economies of scale in operations. There are no sales price increases or cost saving measures factored in which would positively impact gross margin.
- *Operating expenses of the CGU.* The VIU model assumes operating costs do not vary significantly with sales volumes. The costs are forecast based on the current structure of the business, adjusting for inflationary increases and industry benchmarks over the five year period. No future cost saving measures are considered in the VIU model.
- *Discount rate.* The pre-tax discount rate of 12.17% (FY23: 12.17%) was derived from the weighted average cost of capital (WACC) for the Group taking into consideration comparable entities in the Semiconductor and Life Sciences categories, based on publicly available information. The discount rates reflect appropriate adjustments relating to market risk and specific risk factors from each revenue source (incorporating adjustments for geographic location and currency risk) as well as risk factors pertaining to the Group itself.

By applying the current assumptions above, the estimated recoverable amount of the CGU exceeded its carrying amount, therefore no impairment is required.

The model is sensitive to changes in the key assumptions and as such sensitivity analysis has been performed on each assumption. The following table shows the amount by which the assumptions above would need to change individually for the estimated recoverable amount to be equal to the carrying amount:

	% change required for carrying amount to equal recoverable amount
Revenue growth rate	-1%
Gross Margin	-0.75%
Operating expense	+1.2%
Discount rate	+1.7%

In 2023, the recoverable amount of the CGU was based on a VIU model and was assessed to be $36m.

12. LEASES

This note provides information for leases where the Group is a lessee.

i) The Group's leasing activities

Assets and liabilities arising from a lease are initially measured on a present value basis. The lease payments are discounted using the lessee's incremental borrowing rate, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right of use asset in a similar economic environment with similar terms, security and conditions.

Significant estimates were made in calculating the right of use asset and the related lease liability, specifically relating to determining the incremental borrowing rate (IBR) of all leases and the lease term of the New Zealand lease. In order to calculate the IBR, the Group has used third-party country specific finance interest rates adjusted for the lease term, currency and security.

The following IBR and lease terms have been used:

Country	Currency	Lease Term	IBR
New Zealand	NZD	10 years	3.66%
South Korea	KRW	2 years	3.69%
Singapore	SGD	3 years	3.02%
Taiwan	TWD	5 years	0.61%

The Group is exposed to potential future increases in lease payments based on market rates, which are not included in the lease liability until they take effect. When adjustments to the lease payments take effect, the lease liability will be reassessed and adjusted against the right of use asset.

Lease payments are allocated between principal and finance costs. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right of use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability; and
- any lease payments made at or before the commencement date less any lease incentives received; and
- restoration costs; and
- any initial direct costs.

Right of use assets are depreciated over the shorter of the asset's useful life and the lease term on a straight line basis.

Payments associated with short term leases of equipment and all leases of low-value assets are recognised on a straight line basis as an expense in the profit or loss. Short term leases are leases with a lease term of 12 months or less. Low-value assets comprise office printers and water coolers.

Significant estimates were made in calculating the right of use asset and the related lease liability. The IBR is considered to be a high risk estimate, in which a movement +/-0.5% can have a material impact on the value of the lease. Management have taken appropriate measures to ensure that the IBR used in all lease calculations is appropriate.

Estimates have also been made in determining the lease term of the New Zealand lease. As at 31 March 2023, Management reassessed the New Zealand office lease term due to negotiations on a convertible note that was accompanied with a strategic review of the business. Given the range of potential outcomes of the review, it is reasonable to take the position that the exercise of renewal rights beyond the initial lease of 10 years could be uncertain. As a result of the reassessment, the New Zealand lease was remeasured on a 10 year lease term as at 31 March 2023, and the financial effect of revising the lease term is a decrease of both the right of use assets and lease liabilities by $6.8m. No change is applied to the discount rate in the lease remeasurement as the current rate is the interest rate implicit in the lease.

i) Amounts recognised in the balance sheet

The balance sheet shows the following amounts relating to leases:

	2024 ($000)	2023 Restated ($000)
Right of use assets		
Buildings	5,362	6,022
	5,362	**6,022**
Lease liabilities		
Current	972	661
Non current	5,152	6,106
	6,124	**6,767**

ii) Amounts recognised in the income statement

The income statement shows the following amounts relating to leases:

	2024 ($000)	2023 Restated ($000)
Depreciation charge of right of use assets	975	950
Interest expense	242	496
Expense relating to short term leases	69	76

13. TRADE AND OTHER PAYABLES

	2024 ($000)	2023 Restated ($000)
Trade and other payables	3,851	1,928
Employee entitlements	901	1,089
Contract liabilities	2,651	1,415
	7,403	**4,432**

	Contract liabilities ($000)
Opening balance	1,415
Revenue recognised during the period	(1,171)
Additional liabilities incurred	2,407
Closing balance	**2,651**

Due to the short term nature of the payables above, the carrying value is determined to be representative of the fair value of the liabilities. $2,320k of the Contract Liabilities will be recognised as service revenue in the next 12 months (2023: $1,171k).

14. PROVISIONS

	General Provisions ($000)	Warranty Provision ($000)	Total ($000)
Balance at beginning of year	89	295	384
Amounts used during the period	(49)	(294)	(343)
Current year provision recognised	55	112	167
Balance at end of year	**95**	**113**	**208**

General provisions

General provisions are made for present obligations with expected future outflows. This category includes provisions for redundancy payments and dilapidation provisions.

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 were used when determining these future costs which are based on historical claims, adjusted for outliers and one-off occurrences.

15. BORROWINGS

In April 2021, Syft Technologies Limited drew down on a $5m term loan with BNZ under the Business Finance Guarantee Scheme.

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.

	2024			2023		
	Drawn amount	Fees	Carrying amount	Drawn amount	Fees	Carrying amount
Term loan	2,153	–	2,153	1,080	–	1,080
Current liabilities	**2,153**	**-**	**2,153**	**1,080**	**-**	**1,080**
Term loan	–	–	–	2,071	–	2,071
Non current liabilities	**-**	**-**	**-**	**2,071**	**-**	**2,071**

The Group is subject to two banking covenants agreed as part of the facility arrangements.

- EBIT (earnings before interest and tax expense) is to be maintained at a minimum of 2 times gross interest expense.
- Total shareholder funds is no less than 30% of total assets.

As at 31 March 2024, the group was not compliant with the EBIT covenant and no waiver had been received prior to the year end. Post year end, a non-waiver letter on the EBIT covenant was received which stated that no immediate action is to be taken however the loan is presented as current. The Company is in compliance with the covenant of “Total shareholder funds is no less than 30% of total assets” during the financial year.

16. RELATED PARTY DISCLOSURES

Ultimate parent

The ultimate parent company is Syft Technologies Limited.

Subsidiaries

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

		% Equity Interest	
Name	Country of Incorporation	2024 ($000)	2023 ($000)
Syft Technologies Inc (STI)	USA	100%	100%
Syft Technologies GmbH (STG)	Germany	100%	100%
Syft Technologies Korea Ltd (STK)	South Korea	100%	100%
Syft Technologies Singapore Pte. Ltd (STS)	Singapore	100%	100%
Syft Technologies Taiwan Limited (STW)	Taiwan	100%	100%

Transactions with related parties

Trade amounts owing between related parties are payable under normal commercial terms. No related party debts have been written off or forgiven during the year.

Key management personnel

Key management personnel includes the Board of Directors and senior leadership team members. Details relating to key management personnel, including remuneration paid, are disclosed below:

	2024 ($000)	2023 Restated ($000)
Directors fees	233	255
Short term employee costs	2,785	3,365
Post employment benefits	77	94
Share based payment	173	853
Total compensation	**3,268**	**4,567**

17. FINANCIAL INSTRUMENTS BY CATEGORY

The accounting policies for financial instruments have been applied to the line items below:

31 March 2024	FVTPL ($000)	Amortised cost ($000)	Total ($000)
Assets per balance sheet			
Cash and cash equivalents	–	526	526
Trade and other receivables	–	6,889	6,889
Total	**-**	**7,415**	**7,415**

Liabilities per balance sheet	FVTPL ($000)	Amortised cost ($000)	Total ($000)
Trade and other payables	–	7,403	7,403
Bank overdraft	–	3,918	3,918
Borrowings	–	2,153	2,153
Lease liabilities	–	6,124	6,124
Derivative liabilities	548	–	548
Total	**548**	**19,598**	**20,146**

31 March 2023 (Restated)	FVTPL ($000)	Amortised cost ($000)	Total ($000)
Assets per balance sheet			
Cash and cash equivalents	–	2,178	2,178
Trade and other receivables	–	4,003	4,003
Total	**-**	**6,181**	**6,181**

Liabilities per balance sheet	FVTPL ($000)	Amortised cost ($000)	Total ($000)
Trade and other payables	–	4,432	4,432
Bank overdraft	–	863	863
Borrowings	–	3,151	3,151
Lease liabilities	–	6,767	6,767
Derivative liabilities	1,617	–	1,617
Total	**1,617**	**15,213**	**16,830**

Financial risk management objectives and policies

The Group is exposed to a number of financial risks that arise as a result of its operational activities. These risks are managed in accordance with the Group's Financial Management Risk policy which aims to support the delivery of the Group's financial targets whilst protecting future financial security.

The primary responsibility for identification and control of financial risks rests with the Audit and Risk Management Committee under the authority of the Board of Directors. The Board reviews and agrees policies for managing each of these risks as summarised below.

Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to United States Dollars, Korean Won, Euro, Great Britain Pound, Singapore Dollars, Australian Dollars and New Taiwan Dollars. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the functional currency of the Company.

The carrying amounts of the foreign currency denominated assets and liabilities at balance date, all expressed in New Zealand Dollars, are as follows:

	2024 ($000)	2023 ($000)
Assets		
Australian Dollars	33	139
Euro	158	1,257
Great Britain Pound	2	112
Korean Won	2,114	2,153
US Dollars	4,508	1,660
Singapore Dollars	131	563
New Taiwan Dollar	138	20
Liabilities		
Australian Dollars	28	32
Canadian Dollars	(9)	13
Euro	447	465
Great Britain Pound	604	35
Korean Won	636	273
US Dollars	3,428	1,899
Singapore Dollars	321	203

The following table details the Group's profit and loss sensitivity to an increase or decrease in the NZD against the main currencies that the Group was exposed to at the end of each balance date. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end rate for an increase or decrease in the currency rates relative to the fluctuation observed throughout the period.

The Group has assessed the recent foreign currency trends and have adjusted the sensitivity rates used to reflect the current economic climate and volatility.

	2024		2023	
Increase/(decrease) in profit or loss and equity	**($000) 10% increase**	**($000) 10% decrease**	**($000) 10% increase**	**($000) 10% decrease**
NZD:AUD	–	–	(10)	12
NZD:EUR	26	(32)	(72)	88
NZD:GBP	55	(67)	(7)	9
NZD:KRW	(134)	164	(171)	209
NZD:USD	(98)	120	22	(27)
NZD:CAD	–	–	–	–
NZD:SGD	17	(21)	(33)	40
NZD:NTD	33	(41)	62	(76)

Derivatives

As per the Group treasury policy, derivatives are only used for economic hedging purposes and not as speculative investments. Where derivatives do not meet the hedging criteria, they are classified as 'held for trading' for accounting purposes and are presented as assets or liabilities on the balance sheet. Those derivatives expected to be settled wihtin 12 months of the reporting date are classified as current assets or liabilities, and those expected to be settled greater than 12 months are classified as non current.

The group has the following derivative financial instruments:

	2024 ($000)	2023 ($000)
Current liabilities		
Forward foreign exchange contracts	548	1,322
Non current liabilities		
Forward foreign exchange contracts	–	295

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.

Price risk

The Group purchases raw materials and manufactured parts as part of the production of finished goods. As a result of these transactions the Group is exposed to fluctuations in commodity prices.

The portion of the raw materials and manufactured parts that are affected by commodity prices is small, as a result the Group's exposure to commodity price risk is minimal.

Credit risk

Credit risk arises from cash and cash equivalents and trade and other receivables, including outstanding receivables. Exposure comes from the potential default of the counter party, with a maximum exposure equal to the carrying amount of these instruments and the value at balance date is addressed in each applicable note.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 120 days past due.

The Group applies NZ IFRS Accounting Standards 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. Credit risk is managed on a Group basis. The Group has a trade credit insurance policy with QBE to offset majority of the credit exposure and only trades with recognised, creditworthy third parties, and as such collateral is not requested nor is it the Group's policy to securitise its trade and other receivables. Receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

The measurement of expected credit losses is a function of the probability of default, loss given default and the estimated exposure at default. When assessing the Group's exposure to credit risk the following considerations have been taken into account:

- Credit checks and third party debtor insurance coverage on a customer by customer basis
- Historical customer payment trends
- Operating cashflow and earnings forecast for current customers
- Forecast market trends and industry information currently available

After taking the above characteristics into consideration, no loss allowance has been provided for (2023: $nil).

While cash and cash equivalents are also subject to the impairment requirements of NZ IFRS Accounting Standards 9, the identified impairment loss is immaterial.

Cash and cash equivalents are held with reputable institutions:

Institution	Country	Moody's Rating
Bank of New Zealand	NZ	A1
DBS Bank (Singapore)	Singapore	Aa1
DBS Bank (Taiwan)	Taiwan	A2
Deutsche Bank	Germany	A1
KEB Hana	South Korea	Aa3
Shinhan Bank	South Korea	Aa3
Silicon Valley Bank	USA	Baa1*
US Bank	USA	A1

*Syft Technologies Inc. banked with Silicon Valley Bank which is a division of First Citizen Bank, USA

Interest rate risk

The Group is exposed to interest rate risk which is managed by the Group through maintaining an appropriate mix between fixed and variable rates.

At balance date the Group's interest-bearing financial instruments were:

	2024 ($000)	2023 ($000)
Financial assets:		
Interest earning cash deposits	–	16
Financial liabilities:		
Overdraft facility	(3,918)	(863)
Term Loan	(2,153)	(3,151)

Interest rate sensitivity analysis

Interest rates on term debts are fixed and therefore the Group is not subject to any interest rate risk exposure relating to these balances.

Financial assets are subject to variable interest rates, and the sensitivity analysis below has been determined based on this exposure. The analysis is prepared assuming the exposure at 31 March 2024 was outstanding for the whole year.

A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Company and Group's profit for the year ended 31 March 2024 would increase/decrease by $nil (2023: increase/decrease by $nil).

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting its financial commitments as they fall due. The Group actively manages liquidity risk through monitoring rolling forecasts of the Group's liquidity reserves, comprising of a $4m working capital facility and actual cash flows. As at March 2024, $3.9m of funds had been drawn from the facility.

The Group has drawn on the following borrowing facilities at the end of the year:

	2024 ($000)	2023 ($000)
Drawn BNZ overdraft facility	3,918	863
Business Finance Government Scheme Loan	2,153	3,151

The overdraft facility has a prevailing interest rate of 9.11% as at 31 March 2024 and may be drawn at any time. The bank has the ability to demand repayment at any time.

The terms of the Loan are described in note 14.

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on their contractual maturities for:

a. all non-derivative financial liabilities; and

b. net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Contractual maturities of financial liabilities

31 March 2024	0-30 days ($000)	31-60 days ($000)	61-90 days ($000)	91-365 days ($000)	365 days+ ($000)	Total contractual cash flows ($000)	Carrying amount ($000)
Non-derivatives							
Trade and other payables	7,207	63	60	73	–	7,403	7,403
Borrowings	84	84	84	768	1,133	2,153	2,153
Interest on borrowings	4	4	4	27	15	54	54
Total non-derivatives	**7,295**	**151**	**148**	**868**	**1,148**	**9,610**	**9,610**

	0-30 days ($000)	31-60 days ($000)	61-90 days ($000)	91-365 days ($000)	365 days+ ($000)	Total contractual cash flows ($000)	Carrying amount ($000)
31 March 2023							
Non-derivatives							
Trade and other payables	4,432	–	–	–	–	4,432	4,432
Borrowings	83	82	83	750	2,153	3,151	3,151
Interest on borrowings	6	6	5	44	54	115	115
Total non-derivatives	**4,521**	**88**	**88**	**794**	**2,207**	**7,698**	**7,698**

18. SHARE CAPITAL

	2024 ($000)	2023 Restated ($000)
First rank preference shares	22,809	22,809
Second rank preference shares	5,975	–
Fully paid ordinary shares	38,929	38,919
	67,713	**61,728**

At balance date,the first rank preference shares and second rank preference shares are entitled to higher rank than ordinary shares for distribution on winding up of the Company. All the shares carry equal rights in respect of voting and dividend payments. All subsidiaries outlined in note 16 are 100% owned by Syft Technologies Limited.

Share movements	2024 ($000)	2023 Restated ($000)
Movement in preference and ordinary shares		
Balance at beginning of year	61,728	39,010
Issue of shares	5,985	22,820
Cost of share issue	–	(102)
Balance at end of year	**67,713**	**61,728**

Number of shares on issue	2024	2023
Ordinary shares		
Balance at beginning of year	72,111,692	72,111,692
Issue of ordinary shares	891,774	–
Balance at end of year	73,003,466	72,111,692
First rank preference shares		
Balance at beginning of year	17,545,000	–
Issue of first rank preference shares	–	17,545,000
Balance at end of year	17,545,000	17,545,000
Second rank preference shares		
Balance at beginning of year	–	–
Issue of second rank preference shares	19,918,454	–
Balance at end of year	19,918,454	–

Total shares	2024 ($000)	2023 ($000)
Balance at beginning of year	89,656,692	72,111,692
Issue of shares	20,810,228	17,545,000
Balance at end of year	**110,466,920**	**89,656,692**

On 21 July 2023, a special shareholders meeting was held and approved the issue of 5,500,000 convertible notes at the price of $1.00 (face value) per convertible note and the issue of 1,222,222 warrants (on a 1:10 basis, using a calculation price of $0.45, stapled to the convertible notes) at an exercise price of $0.01 per ordinary share on exercise of a warrant.

The convertible notes receive interest at 12% compounding daily which is added to the amount owing under the note. An interest of $475,536 was accrued on the convertible notes as at 31 March 2024.The convertible notes and compounding interest totalling $5,975,536 were converted into Second Ranking Preference Shares at a rate of $0.30 per share on 31 March 2024.

Capital management

When managing capital, the Group's objective is to ensure the entity continues as a going concern, as well as to maintain optimal returns to shareholders and benefits for other stakeholders. The Group also aims to maintain a capital structure that ensures the lowest cost of capital available to the entity.

The Group is not subject to any externally imposed capital requirements.

19. RESERVES

	2024 ($000)	2023 Restated ($000)
Foreign currency translation reserve	528	941
Employee equity benefit reserve	1,884	1,764
Cashflow hedge reserve	(129)	(902)
	2,283	**1,803**

Foreign currency translation reserve

The foreign currency translation reserve is used to record differences arising from the translation of the financial statements of foreign subsidiaries.

Movements in translation reserve	2024 ($000)	2023 Restated ($000)
Balance at beginning of year	941	793
Translation of foreign operations	(413)	148
Balance at end of year	**528**	**941**

Employee equity benefit reserve

Movement in employee benefit reserve	2024 ($000)	2023 Restated ($000)
Balance at beginning of year	1,764	911
Issued shares	173	843
Recognition of share based payments	–	10
Forfeited restricted shares	(53)	-
Balance at end of year	**1,884**	**1,764**

The employee equity benefit reserve arises on the grant of share options to employees under the Employee Share Option Scheme and the shares issued under the Chief Executive Share Scheme. Amounts are transferred into issued capital when the options are exercised.

Forfeited restricted shares relate to those shares previously recognised as an expense, however have not met the performance criteria when the employee ceases employment. This results in the reversal of the share based expense during the period the shares were forfeited.

20. EMPLOYEE SHARE EQUITY SCHEME

a) 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; and
- 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 parcels of shares having restrictions relating from FY21 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 1,653,972.

Summary of restricted employee shares

Grant date	Restricted shares at start of the year	Granted during the year	Vested during the year	Forfeited during the year	Restricted shares at end of the year	Exercise price $
Jun-20	14,166	–	14,166	–	–	1.15
Total	**14,166**	**-**	**14,166**	**-**	**-**	**1.15**

Summary of vested employee shares

Grant date	Vested shares at start of the year	Vested during the year	Forfeited during the year	Vested shares at end of the year	Exercise price $
May-15	145,000	–	–	145,000	0.60
Apr-16	371,250	–	–	371,250	0.50
Jun-16	3,400	–	–	3,400	0.60
Jun-17	62,499	–	–	62,499	1.08
Aug-18	271,299	–	–	271,299	0.76
Aug-19	523,000	–	–	523,000	1.15
Jun-20	155,834	14,166	–	170,000	1.15
Total	**1,532,282**	**14,166**	**-**	**1,546,448**	

The following table illustrates the number and fair value of the shares vested relating to the Employee Share Option Scheme during the year. The fair value has been recognised as an expense in the income statement during the year:

	2024			2023		
Grant date	Vested during the year	Fair Value per share $	Fair Value ($000)	Vested during the year	Fair Value per share $	Fair Value ($000)
Jun-20	14,166	0.06	1	14,166	0.06	1
Total	**14,166**		**1**	**14,166**		**1**

Pricing Model

There is significant estimates used in determining the fair value of the employee share scheme. The scheme is consistent with that of a call option and has been valued according to the Black-Scholes option pricing model. Inputs are consistent with current market data and independent professional advice.

b) 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:

	2024	2023
Opening 1 April	2,085,914	920,914
Initial awards granted during the period	–	580,000
Annual awards granted during the period	641,000	585,000
RSU forfeited	(957,000)	–
Total	**1,769,914**	**2,085,914**

The above RSU's relate to participants located in New Zealand, South Korea and USA.

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 issued.
- 650,000 RSU were forfeited due to the departure of CEO in April 2024.

Long Term Incentive Scheme - Non-CEO

The scheme consists of:

- an initial award of RSU's vest over a four year service requirement as a percentage of each participant's remuneration, 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 $472,084;
- an annual award calculated on 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.
- 307,000 RSU were forfeited due to the departure of certain participants during the year.

During the period, $173k 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.

21. 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 preference and ordinary shares on issue during the year, excluding shares held in treasury stock under the Employee Share Scheme (note 20). Diluted earnings per share assumes conversion of all dilutive potential preference and ordinary shares in determining the denominator. First and second rank preference shares are included in the calculation of earnings per share since all the shares carry equal rights in respect of voting and dividend payments.

	2024	2023 Restated
Profit attributable to the share holders of the Company ($000)	(9,653)	(19,463)
Weighted average number of shares		
Weighted average number of shares	89,586,363	88,642,571
Effect of dilutive ordinary shares (non-vested Employee Share Scheme)	70,329	389,230
Share warrants	330,448	–
Weighted average number of shares for diluted earnings per share	**89,656,692**	**89,031,801**
Earnings per preference and ordinary share (cents)		
Basic earnings per preference and ordinary share	(10.78)	(21.96)
Diluted earnings per preference and ordinary share	(10.77)	(21.86)

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

	Note	2024 ($000)	2023 ($000) Restated
Net loss		(9,653)	(19,463)
Adjustments for:			
Depreciation and amortisation	4	5,146	4,013
Loss/(Gain) on sale of non current assets		10	58
Impairment of assets		–	2,530
Unrealised foreign exchange (gain)/loss		124	418
Share based payment expense	20	173	853
Income tax		(736)	1,277
Ineffective portion of changes in fair value of cash flow hedges		370	365
Provisions		28	88
Interest portion of lease payment		242	496
Convertible notes interests		476	–
Government Grants – non cash		(103)	(192)
Adjusted profit		**(3,923)**	**(9,557)**
Changes in working capital items			
(Increase)/decrease in trade and other receivables		(2,886)	2,072
(Increase)/decrease in inventories		815	(2,593)
Increase/(decrease) in GST		378	(338)
Increase/(decrease) in provisions		(176)	(418)
Increase/(decrease) in trade and other payables		2,971	(20)
		1,102	**(1,297)**
Net cash flows from operating activities		**(2,821)**	**(10,854)**

23. RESTATEMENT OF PRIOR YEAR FINANCIAL STATEMENTS

Financial statements for the year ended 31 March 2023 were restated for the following reasons:

An error was discovered in the Group consolidated financial statements as at 31 March 2023, where it was identified that unrealised intercompany profit on sale of inventory from Syft Technologies Limited to other entities within the Group had not been eliminated. The prior year error resulted in understatement of cost of sales for the year ended 31 March 2023, overstatement of foreign currency translation reserve as at 31 March 2023 and overstatement of inventories as at 31 March 2023.

In addition, as there were multiple uncertainties regarding the ability of the Group to continue as a going concern, management assessed that deferred tax asset was overstated as at 31 March 2023 as it was not sufficiently certain that sufficient future taxable profits would exist against which the total deferred tax asset recognised could be utilised.

Hence, the Group has recognised a deferred tax asset to the extent that there are sufficient deferred tax liabilities relating to the same taxable subsidiary and taxation authority against which the deferred tax asset can be utilised. As a result, the deferred tax asset as at 31 March 2023 was restated to $560k which represents the R&D tax credit arising from the R&D tax losses the Group was entitled to. The deferred tax asset as at 31 March 2023 decreased by $5,581k and income tax expense increased by the same amount as a result of the restatement.

As the uncertainties did not exist at 31 March 2022, no impact on the opening statement of financial position as at 1 April 2022 has been identified.

The impacts of the restatements of the financial statement line items for the prior year are presented as follows:

	31 March 2023 ($000)	Increase/ (Decrease) ($000)	(Restated) 31 March 2023 ($000)
Statement of financial position (extract)			
Inventories	9,348	(1,095)	8,253
Deferred tax asset	6,141	(5,581)	560
Total net assets	**33,697**	**(6,676)**	**27,021**
Foreign currency translation reserve	1,554	(613)	941
Retained earnings	(30,446)	(6,063)	(36,509)
Total equity	**33,697**	**(6,676)**	**27,021**

	31 March 2023	(Loss) Increase/ (Decrease)	(Restated) 31 March 2023
Statement of profit or loss (extract)			
Cost of sales	11,461	482	11,943
Income tax expense	(4,305)	5,581	1,276
Loss for the year	**(13,400)**	**(6,063)**	**(19,463)**
Statement of Comprehensive income (extract)			
Loss for the year	(13,400)	(6,063)	(19,463)
Other comprehensive income	(141)	(613)	(754)
Total comprehensive income	**(13,541)**	**(6,676)**	**(20,217)**

	31 March 2023	(Restated) Increase/ (Decrease)	31 March 2023
Earnings per preference and ordinary share			
Basic earnings per preference and ordinary share (cents)	(15.12)	(6.84)	(21.96)
Diluted earnings per preference and ordinary share (cents)	(15.12)	(6.74)	(21.86)

24. COMMITMENTS

Capital Commitments

Syft Technologies Limited have no capital commitments as at balance date (2023: $nil).

25. CONTINGENCIES

The Group has no contingencies at balance date (2023: nil).

26. SUBSEQUENT EVENTS

On 10 July 2024, the Group announced to undertake a rights issue of 80m ordinary shares at $0.1 per share to raise up to $8m to all existing shareholders. On 26 July 2024, final terms were agreed with Ampersand 2020 Limited Partnership (Ampersand) and Accident Compensation Corporation (ACC) to subscribe up to $8m. A shareholders meeting was to be scheduled in August 2024 to seek the required approval of the rights issue.

Auditor's Report

Independent auditor's report

To the shareholders of Syft Technologies Limited

Our opinion

In our opinion, the accompanying consolidated financial statements of Syft Technologies Limited (the Company), including its subsidiaries (the Group), present fairly, in all material respects, the financial position of the Group as at 31 March 2024, its financial performance and its cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) and International Financial Reporting Standards Accounting Standards (IFRS Accounting Standards).

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated balance sheet as at 31 March 2024;
- the consolidated income statement for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated cash flow statement for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) and International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* (PES 1) issued by the New Zealand Auditing and Assurance Standards Board and the *International Code of Ethics for Professional Accountants (including International Independence Standards)* issued by the International Ethics Standards Board for Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our firm provides access to training material through an on-line platform. The provision of the access to training materials has not impaired our independence as auditor of the Group.

Material uncertainty relating to going concern

We draw attention to Note 1 in the financial statements, which indicates that the Group incurred a net loss before tax for the year of $10.4m (2023 $18.2m), generated negative cash flows from operating activities of $2.8m during the year ended 31 March 2024 (2023 negative $10.9m) and had negative working capital of $0.5m and a total bank overdraft of $3.9m as at 31 March 2024. The Group was also not in compliance with its EBIT covenant with the bank as at 31 March 2024.

As stated in Note 1 to the financial statements, if the Group were unable to successfully finalise a proposed rights issue and, following this, to achieve its cash flow forecasts and continue meeting its obligations under its bank facility agreement, it may need to obtain alternative sources of finance, or raise new capital. These events or conditions, along with other matters as set forth in Note 1, indicate that material uncertainties exist that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Description of the key audit matter	How our audit addressed the key audit matter
Classification of research and development costs between capitalisation and expenditure As disclosed in note 11, the Group has $12.2m of internally generated intangible assets (2023: $9.8m). The Group has incurred $5.4 million of development costs which were capitalised during the year (FY23 $6.3 million). As disclosed in note 4, the Group has recognised $2.2 million of research expenditure in profit or loss in FY24 (FY23 $3.4 million). The Group's research and development personnel are involved in the research, development and maintenance of the Group's products. Our audit focused on this area due to the magnitude of the research and development spend and the judgment involved in assessing whether the costs meet the criteria detailed in the accounting standard (NZ IAS 38 Intangible Assets) that require capitalisation, or whether they should be expensed. Management determined the most significant of these judgments to be the availability of adequate technical resources to complete the development and economic feasibility criteria.	In responding to the significant judgments involved in determining whether research and development spend has been recognised in accordance with the accounting standard, our audit procedures included: ● Updating our understanding of management's process and controls for assessing how much of the research and development spend has met all of the NZ IAS 38 recognition criteria; ● Obtaining the detailed analysis of the Group's research and development spend for the year allocated by project and tested the reconciliation of amounts reported to accounting and payroll records; ● For a sample of the capitalised projects and for a sample of expensed projects: ○ We held discussions with management, including research and development personnel to discuss the nature of the work being completed and their assessment of the areas of judgement for each, in particular whether the project was technologically and economically feasible; ○ Assessed the nature of the projects against the requirements of NZ IAS 38 to determine if they were capital in nature; and ○ For capitalised costs, we reviewed management's papers which detail how the NZ IAS 38 recognition criteria are met.
Instrument revenue recognition As disclosed in Note 1, revenue is recognised when the customer obtains control of the good or service. Control can transfer over time or at a point in time. Some revenue contracts contain multiple distinct performance obligations such as the sale of an instrument, installation, training and site testing. The timing of the revenue recognition for each performance	We obtained an understanding of the Group's relevant processes and controls over the recognition of instrument sale revenue. We have evaluated the appropriateness of recognition of instrument sales (which makes up the majority of the Group's revenue) during the year by: ● Reading all new contracts with customers entered into during the year and considering the

Description of the key audit matter	How our audit addressed the key audit matter
obligation is dependent on when the individual performance obligation is met. Instrument revenue recognition is considered a key audit matter as each individual instrument sale is material to the financial statements and judgement might be required to determine when the various performance obligations have been met.	reasonableness of management's assessment and identification of distinct performance obligations within the contract; ● Testing all material contracts, that include an instrument sale, throughout the year and in the month subsequent to year-end to supporting shipping documentation to ascertain whether revenue was recognised when control transferred in the correct period; ● Analysing credit notes issued for one month after year-end for evidence of material post year-end reversal of revenues recognised during the year; ● Analysing the level of credit notes issued throughout the year to identify any unusual trends of reversal entries later in the year; and ● Testing a sample of journals that credit revenue with unusual debits to supporting documentation to gain audit evidence over the occurrence of the sales journal transaction.

Our audit approach

Overview

Overall group materiality: $260,000, which represents approximately 1% of revenue.

We chose revenue as the benchmark because, in our view, it is a more stable measure than loss before tax and is a generally accepted benchmark.

- Full scope audits were performed for 3 of 6 entities in the Group based on their financial significance;
- Specified audit procedures and analytical review procedures were performed on the remaining entities.

As reported above, in addition to the matter described in the *Material uncertainty related to going concern* section, we have two key audit matters, being:

- Classification of research and development costs between capitalisation and expenditures; and
- Revenue recognition.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Materiality
The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Group materiality for the consolidated financial statements as a whole as set out above. These, together with qualitative considerations, helped us to determine the scope of our audit, the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the consolidated financial statements as a whole.

How we tailored our group audit scope
We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor’s report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the consolidated financial statements

The Directors are responsible, on behalf of the Company, for the preparation and fair presentation of the consolidated financial statements in accordance with NZ IFRS and IFRS Accounting Standards, and for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Directors are responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor’s responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located at the External Reporting Board’s website at:

https://www.xrb.govt.nz/assurance-standards/auditors-responsibilities/audit-report-1/

This description forms part of our auditor’s report.

Who we report to

This report is made solely to the Company's shareholders, as a body. Our audit work has been undertaken so that we might state those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders, as a body, for our audit work, for this report or for the opinions we have formed.

The engagement partner on the audit resulting in this independent auditor's report is Nathan Wylie.

For and on behalf of:

PricewaterhouseCoopers.

Chartered Accountants | Christchurch

31 July 2024

Corporate Governance

This Corporate Governance Statement provides an overview of Syft Technologies Limited's (Syft, the Company) governance framework. It is structured to follow the NZX Corporate Governance Code (NZX Code) and discloses the practices relating to the NZX Code's recommendations. Syft is not listed on NZX however the Board regards it as being in the Company's and investors' best interests that Syft should meet the NZX Code's standards.

The Board's view is that Syft complies with the majority of the NZX Code's principles and recommendations. The Board continues to remain focused on the alignment of Syft's governance structures with the NZX code.

This Corporate Governance Statement was approved by the Board on 31 July 2024

Principle 1 – Code of Ethical Behaviour

Directors should set high standards of ethical behaviour, model this behaviour and hold management accountable for these standards being followed throughout the organisation.

Share trading by Company Directors and Employees

Formal procedures regarding trading in Syft's securities by Directors, employees and advisors of the Company are in place. Approval of trade in company securities is required to be obtained from the CFO or Chairman. A blackout window is imposed for all Directors and employees between the end of the half year and full year and the release to USX of the result for that period. This ensures that shares may not be traded at any time by any individual holding material information. There is no compulsion for the Company Directors to hold company shares.

Principle 2 – Board Composition & Performance

To ensure an effective Board, there should be a balance of independence, skills, knowledge, experience and perspectives.

The role of the Board

The Board has ultimate responsibility for the strategic direction of Syft and oversight of the Company's management for the benefit of shareholders. Specifically, the responsibilities of the Board broadly include:

- working with management to establish the strategic direction of Syft;
- monitoring management and financial performance;
- monitoring compliance and risk management;
- establishing and monitoring the health and safety policies of Syft;
- establishing and ensuring implementation of succession plans for senior management; and
- ensuring effective disclosure policies and procedures.

The Board monitors these matters by meeting regularly, having committees address certain matters and receiving reports and plans from management. The Board retains ultimate responsibility for the functions of its committees and determines their responsibilities.

In discharging their duties, Directors have direct access to and may rely upon Syft's management and external advisers. Directors have the right, with the approval of the Chairman or by resolution of the Board, to seek independent legal or financial advice at the expense of Syft for the proper performance of their duties.

The Board regularly reviews its performance to assess its effectiveness in carrying out its functions and responsibilities and to ensure that the Board's skill set is robust and appropriate for the business.

At balance date, the Board comprised of five Directors including a non executive Chairman. Board members have an appropriate range of proficiencies, experience and skills to ensure that the Board's responsibilities are met. (Alan Monro has been appointed Acting Chief Executive Officer of the Company since the departure of the former CEO Alexander Fala on 12 April 2024).

Directors meetings

The Board met 11 times during the year including sessions to consider Syft's strategy and business plans.

Board Committees

The Board has two formal committees of Directors; the Audit and Risk Management Committee and the Remuneration Committee

The Audit and Risk Management Committee is responsible for:

- overseeing the Company's risk management, treasury, insurance, accounting and audit activities;
- reviewing the adequacy and effectiveness of internal controls;
- meeting with and reviewing the performance of external auditors;
- reviewing the consolidated financial statements and making recommendations on financial and accounting policies.

The members of the Committee are Michael Bushell (Chair), Al Monro and Jeff McDowall. All Directors are independent.

The Remuneration Committee is responsible for setting the salary and performance reward structures for the Company, recognising that attracting and retaining key talent is at the core of the Company's success. The Committee works with the CEO to build the culture that is so critical to Syft's ability to produce and sell in a technically demanding market.

The members of the Committee are Jeff McDowall (Chair), Al Monro and Michael Bushell.

Director nomination and appointment

Nominations are handled by the Board as a whole.

Each year as part of the Board's annual review process the capability mix is assessed to evolve in line with the Company's strategy and business plans.

Board of Directors

A profile of each of the Director's including information on the year of appointment, skills, experience and background is included in this report.

Al Monro (Board Chairman), Michael Bushell, Jeff McDowall and Kate McGrath are all independent directors for the year ended 31 March 2024.

The roles of Board Chair, Audit and Risk Management Committee Chair, Remuneration Committee Chair and CEO are not held by the same person for the year ended 31 March 2024.

A majority of the Board are Independent Directors based on the guidelines set out in the NZX Code. The Board determines annually on a case-by-case basis who, in its view, are Independent Directors.

Interests Register

The Board maintains an Interests Register. Any Director who is interested in a transaction with the Company must immediately disclose to the Board the nature, monetary value and extent of the interest. A Director who is interested in a transaction may attend and participate at a Board meeting at which the transaction is discussed but may not be counted in the quorum for that meeting or vote in respect of the transaction, unless it is one in respect of which Directors are expressly required by the Companies Act 1993 to sign a certificate.

Particulars of entries made in the Interests Register for the year ended 31 March 2024 are included in the Director Disclosures section.

Diversity

Syft recognises the value in diversity of thinking and skills, and seeks to ensure that both its Board and its workforce reflect diversity. Our recruitment philosophy is to only employ people who are smart, curious and motivated. As a result, our hiring reflects the whole market and has provided us with a very diverse group of staff.

Syft is at the starting stage of a company wide diversity education program. A workshop of Diversity and Belonging Program was launched for the Group in June 2024

The gender composition of Syft's Directors and senior management team was as follows:

	As at 31 March 2024		As at 31 March 2023	
Position	**Female**	**Male**	**Female**	**Male**
Director	1 (20%)	4 (80%)	1 (17%)	5 (83%)
Senior management team	1 (14%)	6 (86%)	2 (22%)	5 (62%)

Director Training

Directors are encouraged to undertake continuing professional development to maintain their skills and knowledge.

Principle 3 – Board Committees

The Board use's Committees where it will enhance its effectiveness in key areas, while still retaining Board responsibility. The Board has two standing committees – an Audit and Risk Committee and a Remuneration Committee. Committees do not have delegated authority to make decisions but make recommendations to the Board.

Attendance at Meetings

The full Board met 11 times between 1 April 2023 and 31 March 2024.

	Full Board	
	Eligible to attend	Attended
Al Monro	11	11
Michael Bushell	11	11
Desh Edirisuriya (resigned September 2023)	6	6
Jeff McDowall	11	11
Kate McGrath	11	11
David Patteson	11	11

Audit and Risk Management Committee

This Committee assists the Board with overseeing all matters relating to risk and financial management, accounting, audit and reporting. The Committee met on two occasions during the year.

Members of the Committee are appointed by the Board and must comprise solely non-executive Directors, a majority of which must be Independent Directors.

As at 31 March 2024 the Committee comprised of three Directors: Michael Bushell (Chair), Al Monro and Jeff McDowall. All members are independent directors with Jeff McDowall being a member of Chartered Accountants Australia and New Zealand.

The Chair of the Audit and Risk Committee is neither the Board Chair nor the Company's CEO. The Chair of the Audit and Risk Committee has had no association with PwC, the external auditor.

Meeting Attendance

The CEO and Chief Financial Officer (CFO) are regularly invited to attend Audit and Risk Committee meetings.

Remuneration Committee

The Committee has responsibility for considering matters related to remuneration and human resources. It undertakes an annual review of management's performance and remuneration levels. The Committee also develops the Company's remuneration policy and recommends to the Board the annual director fees. The Committee met on one occasion during the year.

As at 31 March 2024 the Committee comprised of Jeff McDowall (Chair), Al Monro and Michael Bushell.

Nomination Committee

Director nominations are handled by the Board as a whole.

Principle 4 – Reporting and Disclosure

The Board demand's integrity in financial and non-financial reporting, and in the timeliness and balance of corporate disclosures.

Shareholder Communications and Market Disclosure

Syft's Board is committed to the principle that high standards of reporting and disclosure are essential for proper accountability between the Company and its investors, employees and stakeholders.

Market announcements and shareholder communications are approved by the Board before being released.

Financial

The Company is committed to ensuring integrity and timeliness in its financial reporting and in providing information to the market and shareholders which reflects a considered view on the present and future prospects of the Company. The Board takes an active role in overseeing financial reporting. Half year and full-year financial statements are prepared in accordance with relevant reporting standards and are subject to Board review.

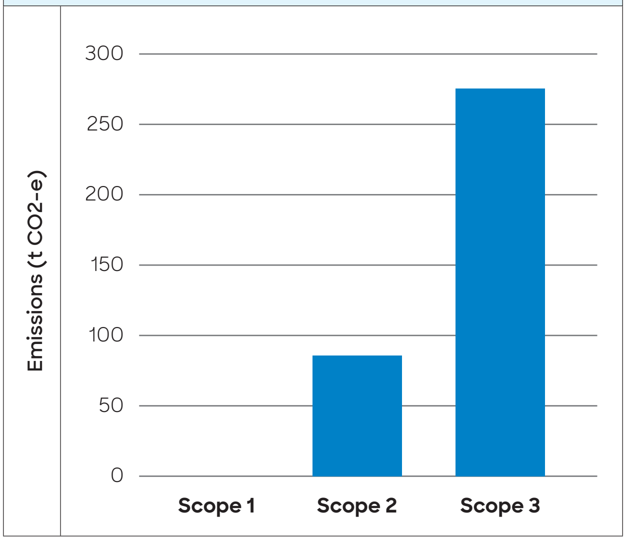
Environmental Sustainability Reporting

Syft recognises that its operations may have a direct impact on the environment. The Group is in its early stage developing its Environmental Sustainability Framework and aim to incorporate environmental management as an integral part of its management system.

During FY2024, the Group has collected the greenhouse gas (GHG) emissions data for its New Zealand operations with reference to the methodology in the GHG Protocol and ISO14064-1:2006 standards*.)

Total FY24 Emissions	
Emission Source	(t CO2-e)
Scope 1	**0.7**
Fuels	0.7
Scope 2	**86.1**
Electricity	86.1
Scope 3	**273.7**
Flights	94.7
Accommodation	12.4
Transport	1.0
Commuting	51.3
Freight	103.0
Waste	11.0
Other	0.2

Emissions by Scope



Next steps in FY25:

- The FY24 data will be used as the baseline for future years reporting. A target of reducing emission will be determined with action plan put in place.
- A systematic approach will be developed to collect climate related information for the operations of the Group outside New Zealand and will form part of the Environmental Sustainability Reporting for FY25.

Principle 5 - Remuneration

The remuneration of Directors and senior management should be transparent, fair and reasonable.

Remuneration Report

Syft's approach to remuneration aims to attract, motivate and retain talented employees at all levels of the Company and seeks to align the interests of its shareholders and employees, whilst driving performance and growth in shareholder value and return.

Director Remuneration

Non-Executive Directors receive fees determined by the Board and approved by shareholders plus reasonable travelling, accommodation and other expenses incurred in the course of performing duties or exercising powers as Directors.

The Board reviews its fees periodically to ensure the Company's non-executive directors are fairly remunerated for their services, recognising the time commitment together with the level of skill and experience required to fulfil the role, and to enable the Company to attract and retain talented non-executive directors. The last review was undertaken on 26 March 2024 and the annual fee of $75k for the Chairman and $45k for all other Directors remained unchanged.

Non-executive directors have no entitlement to any performance-based remuneration or participation in any share-based incentive schemes. No retirement entitlements are payable.

The following people held office or ceased to hold office as a Director during the year and received the following remuneration including benefits and fees for work performed:

Director	Category	Directors Fees
Michael Bushell	Non-Executive	45,000
Desh Edirisuriya (resigned September 2023)	Non-Executive	22,500
Jeff McDowall	Non-Executive	45,000
Kate McGrath	Non-Executive	45,000
Alan Monro	Chairman	75,000

The GHG Protocol places emission sources into Scope 1, Scope 2, and Scope 3 activities.

- *Scope 1: Direct GHG emissions from sources owned or controlled by the organisation (i.e., within the organisational boundary). For example, emissions from combustion of fuel in vehicles owned or controlled by the organisation.*
- *Scope 2: Indirect GHG emissions from the generation of purchased energy (in the form of electricity, heat, or steam) that the organisation uses.*
- *Scope 3: Other indirect GHG emissions occurring because of the activities of the organisation but generated from sources that it does not own or control (e.g., air travel).*

Remuneration of the CEO and Employees

Alex Fala joined the Company as CEO on 1 March 2021. For the financial year ended 31 March 2024, he received $400,000 (2023: $400,000) in fixed annual remuneration, with no (2023: nil) short term incentives (STI) and $251k (2023: $251k) in long term incentives (LTI).

The CEO's short term incentives are linked to company performance and further details on the long term incentives can be found in note 20 to the annual accounts. No termination payments were made at the departure of Alex Fala in April 2024.

During the year the number of employees or former employees not being Directors of Syft Technologies Limited received remuneration including the value of other benefits in excess of $100,000 in the following bands:

Category	Count
100,001-110,000	12
110,001-120,000	8
120,001-130,000	8
130,001-140,000	6
140,001-150,000	6
150,001-160,000	3
180,001-190,000	2
200,000-210,000	1
210,001-220,000	1
220,001-230,000	2
250,001-260,000	1
260,001-270,000	1
270,001-280,000	1
300,001-310000	1
330,001-340,000	1
370,001-380,000	1
510,001-520,000	1
640,001-650,000	1
650,001-660,000	1

Principle 6 – Risk Management

Directors should have a sound understanding of the material risks faced by the issuer and how to manage them. The Board regularly verify that the issuer has appropriate processes that identify and manage potential and material risks.

Risk Management Framework

The Company's risk management framework integrates risk management across the Company's operations, formalising risk management as a key feature of the Company's operating and governance practices.

The Board is responsible for ensuring that key business and financial risks are identified, and that appropriate controls and procedures are in place to effectively manage those risks. The Board has overall responsibility for ensuring that Syft's risk management framework is appropriate and that it appropriately identifies, considers and manages risks. The Company's senior management are required to regularly identify the major risks affecting the business, record them in a risk management register, develop strategies to mitigate these risks and advise the Board of any emerging risks.

The Board regularly reviews the Company's risk profile and risk management register. It receives reports on the operation of risk management policies and procedures. Significant risks are discussed at each Board meeting, or as required.

Health and Safety

The Company considers the health and safety of its employees, contractors, clients and authorised visitors to its premises to be of utmost importance. The key principle applied is that "everyone who works at or visits the premises can expect to leave uninjured". The Board oversees the implementation of a Health and Safety Management System that is subject to an annual audit by appropriately qualified independent auditors.

The Board closely monitors a series of key lag and lead indicators including hazard reporting, incidents/ near misses, safety briefings held, training sessions, contractor inductions and audits undertaken.

Principle 7 – Auditors

The Board ensures the quality and independence of the external audit process.

External Auditor

Oversight of the Company's external audit arrangements to safeguard the integrity of financial reporting is the responsibility of the Audit and Risk Management Committee. The areas of responsibility include:

- Appointment of the external auditor.
- Provision of other assurance services by the external auditor.
- Pre-approval process for the provision of the other assurance services.
- External auditor lead and engagement partner rotation.
- Hiring of staff from the external auditor.
- Relationships between the external auditor and the Company.
- Reporting on fees and non-audit work.

The role of the external auditor is to audit the financial statements of the Group in accordance with applicable auditing standards in New Zealand and to report on its findings to the Board and shareholders of the Company.

Pricewaterhouse Coopers (PwC) Limited has been the Company's external auditor since February 2014. All services provided by the Company's external auditor are considered on a case by case basis by the Audit and Risk Management Committee to ensure there is no actual or perceived threat to independence in accordance with the policy. The external auditor has provided the Audit and Risk Management Committee with written confirmation that, in its view, it was able to operate independently during the year.

Fees paid to the external auditors are included in note 5 of the notes to the financial statements. A total of $184k was paid for assurance-related services. All non-assurance services provided must have the prior approval of the Audit and Risk Management Committee. A total of $2K was paid for non-assurance services relating to the PwC Academy subscription to the firm's accounting courses.

The effectiveness, performance and independence of the external auditors is reviewed by the Audit and Risk Management Committee. The auditor met with the Committee two times during the year.

ASM attendance

The auditor has been invited to attend the Annual Shareholder's Meeting and will be available to answer questions about the audit process and PwC's independence.

Internal Audit

The Company has internal processes and controls that are considered to be appropriate for the size and complexity of the organisation. The Audit and Risk Committee carefully considers the auditor's management report which lists its key findings and recommendations about significant matters arising from the audit.

Principle 8 - Shareholder Relations

The Board respect's the rights of shareholders and foster constructive relationship with shareholders that encourage them to engage with the issuer.

Shareholder Communications

Syft seeks to ensure that investors understand the Company's activities by communicating effectively with them and giving them access to clear and balanced information. The key information channels used by the Company are periodic corporate announcements released first to USX and then to shareholders, the annual and half year results announcements, annual reports, the Company's website and the Annual Meeting of shareholders.

Website

Annual reports, corporate releases and a variety of corporate information is posted onto the Company's website. The Company's and management contact details are provided on the website.

Electronic Communications

Extensive use is made of electronic communications with each shareholder being emailed a link to the Company's annual report, investor updates and other documents. Computershare's contact details are provided on the website and in the annual report.

Major Decisions

Where voting on a matter is required the Board encourages investors to attend the meeting or to send in a proxy vote. Shareholders may raise matters for discussion at the Annual General Meeting or Special Meeting, either in person or by emailing the Company with a question to be asked.

Equity raising

The Board is responsible for considering the interests of all existing shareholders when assessing capital raise options. When practical, a pro rata offer is the preferred approach as this gives all shareholders the option to take up their entitlements to avoid dilution.

Notice of Meeting

The Notice of Meeting will be available at least 10 working days prior to the meeting on the Investors section of the website.

Shareholder Information

DIRECTOR DISCLOSURES

Directors

The following persons were Directors of Syft during the year ended 31 March 2024:

Michael Bushell
Desh Edirisuriya (ceased on 28 September 2023)
Jeffrey McDowall
Kathryn McGrath
Alan Monro
David Patteson

Directors' Interests

In accordance with Section 140(2) of the Companies Act 1993 and Section 19(U) of the Securities Markets Act 1988, the Directors named below have made a general disclosure of interest, by a general notice disclosed to the Board and entered in the Company's interests register. General notices were given by these Directors which remain current at 31 March 2024.

Michael Bushell	SVO Consulting Limited	Director
	TMB Management Limited	Director
	SF Holdings (2014) Limited	Director
	PFNZ Limited	Director
	Southern Financial Services Limited	Director
	DOT 6 Limited	Director
	Pacific Invoice Finance PTY Limited	Director
	Pacific Invoice Finance Limited	Director
	Cominvest Limited	Director
Jeff McDowall	Hekerua Advisory Ltd	Director
Kate McGrath	Council of SPHERE	Director
Alan Monro	Tarras Cherry Corp Limited	Director
	Broadfield Advisory Limited	Director
	Estaronline Limited	Director
	Ear Shots Limited	Director
David Patteson	Gene Solutions, LLC	Chairman
	Resolian, Inc	Chairman
	Specac Holdco Ltd.	Director

There were no notices from the Directors of the Company requesting to use Company information received in their capacity as Directors which would not otherwise have been available to them.

DIRECTORS' SHAREHOLDINGS

Directors' shareholdings as at balance date are shown below:

Name	Beneficial ownership at 31 March 2024
Michael Bushell	1,748,207
Desh Edirisuriya (resigned September 2023)	–
Jeff McDowall	92,034
Kate McGrath	–
Alan Monro	244,451

TOP 20 REGISTERED SHAREHOLDERS AS AT 31 MARCH 2024

Name	Shareholding	
AMPERSAND 2020 LIMITED PARTNERSHIP	27,145,482	24.57
ACCIDENT COMPENSATION CORPORATION	19,797,604	17.92
WHALE WATCH HOLDINGS LIMITED	10,526,537	9.53
LEVERAGED EQUITIES FINANCE LIMITED	3,294,176	2.98
STEPHEN JOHN COLLINS & WILLIAM JOHN DWYER & BILL PARSONS TRUSTEE LIMITED	3,000,000	2.72
DOUGLAS ZIFFEL & SMOOT (NEW YORK) LIMITED	2,666,750	2.41
WING KAI LEUNG	2,168,783	1.96
ICONIC INVESTMENTS LIMITED	2,108,706	1.91
OPIHI INVESTMENTS LIMITED	2,062,447	1.87
MAARTEN ARNOLD JANSSEN	1,881,780	1.70
CUSTODIAL SERVICES LIMITED	1,815,931	1.64
FORSYTH BARR CUSTODIANS LIMITED	1,699,861	1.54
NIGEL ROY GOLDTHORPE	1,514,291	1.37
SF HOLDINGS (2014) LIMITED	1,444,635	1.31
PAUL BERNARD MCCORMACK	1,169,983	1.06
PUBLIC TRUST – NZCSD <THE ASPIRING FUND>	1,000,000	0.91
LOUISE ANNE PATERSON	839,991	0.76
SIMON JOHN NICHOLS	824,772	0.75
STROWAN INVESTMENTS LIMITED	685,000	0.62
FORSYTH BARR CUSTODIANS LIMITED	664,700	0.60

SPREAD OF SHAREHOLDERS AS AT 31 MARCH 2024

Size of shareholding	Number of holders	%	Total number held	%
1 – 49,999	430	78.04	5,316,083	4.81
50,000 – 99,999	40	7.26	2,505,134	2.27
100,000 – 499,999	52	9.44	11,098,667	10.05
500,000 – 999,999	13	2.36	8,250,070	7.47
1,000,000 +	16	2.90	83,296,966	75.40
Total	**551**	**100.00**	**110,466,920**	**100.00**

Included above are 17,545,000 first rank preference shares, 19,918,454 second rank preference shares and 73,003,466 ordinary shares.

Board of Directors

ALAN MONRO LLB
Chairman, Director

Appointed: 20 August 2019
Committees: Audit and Risk Committee, Remuneration Committee

Al's extensive governance and business experience includes 18 years at IBM and taking optical touch screen company NextWindow from start-up in 2002 to acquisition by NASDAQ-listed Smart Technologies in 2011. He works with expansion-stage technology companies as an advisor and/or director helping them put strategies in place to grow globally. Al is currently Chair of eStar and the Tarras Cherry Corp. He is a past Director of Callaghan Innovation and a past Trustee of the New Zealand Hi-Tech Trust.

MICHAEL BUSHELL
Independent Director

Appointed: 17 June 2013
Committees: Audit and Risk Committee, Remuneration Committee

Michael has worked in Corporate and Commercial banking and finance for 43 years, the last 18 as a partner in a private finance company specialising in funding working capital for manufacturing, export, Import Companies in New Zealand and Australia. Michael was part of an independent advisory board to Syft set up in April 2011 and has been involved regularly with Syft and its board on an on-going basis.

JEFFREY MCDOWALL BCA, CA
Independent Director

Appointed: 1 March 2020
Committees: Remuneration Committee, Audit and Risk Committee

Jeff has worked in a variety of businesses during his career, including six years as a management consultant with PricewaterhouseCoopers and three years with Mobil Oil in New Zealand and the UK.

He joined Air New Zealand in 2000 and was appointed Chief Financial Officer in January 2018. He served as Acting Chief Executive Officer of Air New Zealand for four months from September 2019 to February 2020. Jeff resigned from Air New Zealand on 30 April 2021.

Jeff is a fellow of Chartered Accountants Australia and New Zealand

KATHRYN MCGRATH BSC (HONS) (CHEMISTRY), PHD, PGDIPCOM (FINANCE)

Independent Director

Appointed: 1 January 2020

Professor McGrath is Deputy Vice-Chancellor and Vice-President (Research) at the University of Technology Sydney, providing the vision and leadership to build UTS's national and international profile in research training, external research engagement and innovation. She was previously Vice-Provost (Research) at Victoria University of Wellington and led the MacDiarmid Institute for Advanced Materials and Nanotechnology, a New Zealand Centre of Research Excellence.

DAVID PATTESON

Non-executive Director

Appointed: 13 April 2022

David, who joined Ampersand as an Operating Partner in 2015, leads Ampersand's Portfolio Acceleration Team™, serves as Chairman of Resolian and is on the Board of Syft Technologies. Previously, David was Chairman/CEO of Advion Interchim Scientific, and CEO of Advion, sold to Bohui Innovation Technology in 2015. He served as a Board member of Gyros Protein Technologies, sold to Mesa Labs in 2019. David also served as CEO of Advion BioSciences, a bioanalytical CRO business acquired by Quintiles Transnational in 2011, and CEO of Biotage, which was acquired by Pyrosequencing AB in 2003. David holds two separate B.S. degrees from The University of Richmond and Virginia Polytechnic Institute, and completed an International Management program through IMD in Lausanne, Switzerland.

Company Directory

DIRECTORS
Michael Bushell
Jeffrey McDowall
Kathryn McGrath
Alan Monro (Chairman)
David Patteson

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