syft™ Technologies

Annual Meeting 2017

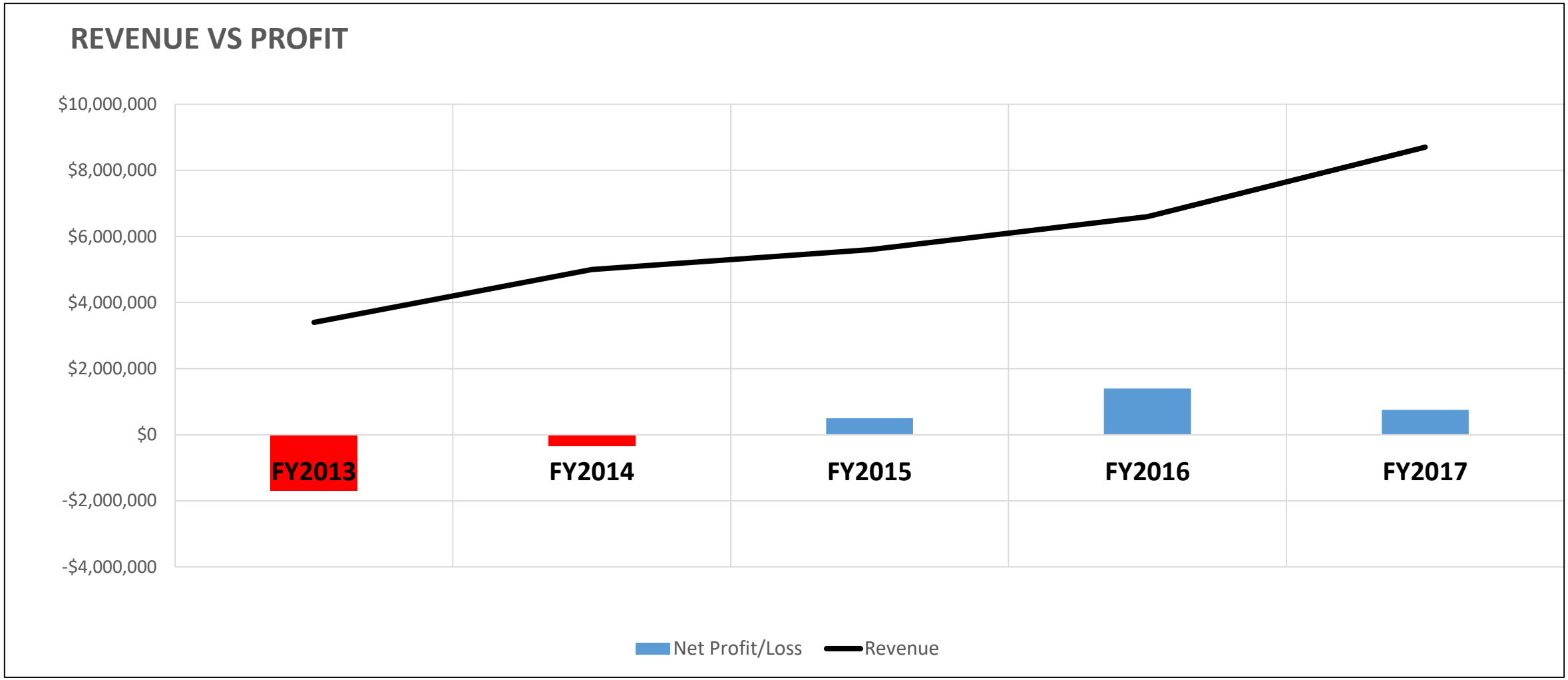
Syft fund raising offer

Total amount raised is $7.5m. This entire amount is underwritten.
Price is $1.15
$6.5m will come via a placement to wholesale investors.
$1.0m will come via a crowd funding platform to existing shareholders.
The purpose of the fund raise is to accelerate growth.

Syft Highlights

	2017 Results	% Increase
Number of Instruments Sold	28	▲ 87%
Operating Revenue	$8.3M	▲ 36%
Investment in Sales & R&D	$3.3M	▲ 62%
Full Time Employees	46	▲ 100%
Summer Internship	31	▲ 417%

Revenue vs Net Profit



Profit & Loss Statement

	FY 2017 ($000)	FY2016 ($000)	% Change
Operating Revenue	8,260	6,061	▲ 36%
Cost of Sales	4,655	3,644	
Gross Profit	4,655	3,644	▲ 28%
Expenses	4,358	2,855	▲ 53%
Other Income	449	573	
Net Profit Before Tax	746	1,362	▼ 45%

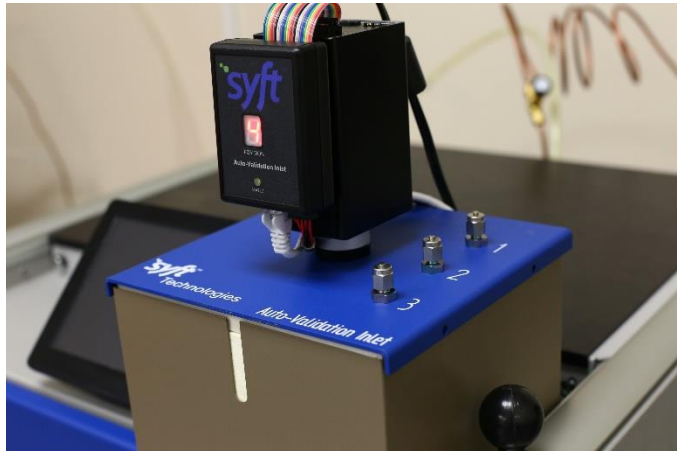
We have made major investment in Sales & R&D over the last 12 months

Sales	FY2017 ($000)	FY2016 ($000)	Increase
Salary	582	284	105%
Marketing	308	-	
German Office	60	-	
Travel	154	108	43%
Other	59	49	20%
Total Sales	1,163	441	164%

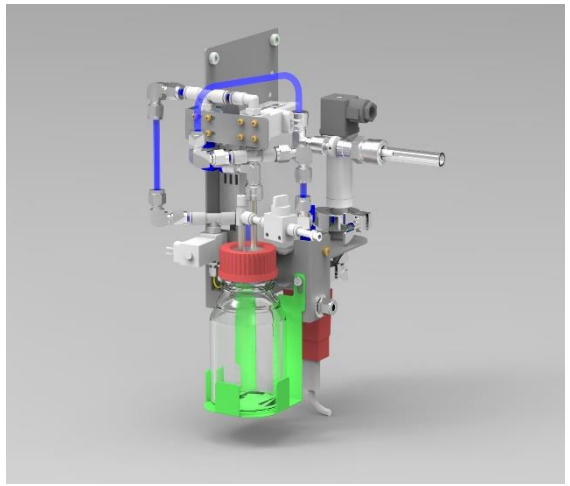
R&D	FY2017 ($000)	FY2016 ($000)	% Increase
Salary	1,648	1,370	20%
Travel	225	119	89%
Parts	209	86	143%
Other	26	-	
Total R&D	2,108	1,575	34%

2 R&D projects were commercialised in FY2017

AUTO-VALIDATION INLET (AVI)



DUAL POLARITY ION SOURCE (DPIS)



We wont give actual revenue and margin as it is commercially significant.

These developments are highly profitable to Syft as not only do they generate sales and margin, they enhance the utility of our instrument resulting in more sales.

The costs of these developments are recognised when they occur (i.e. up front), but the benefits accrue over a number of years.

The focus at Syft is profitable development.

Forecast for next 2 years

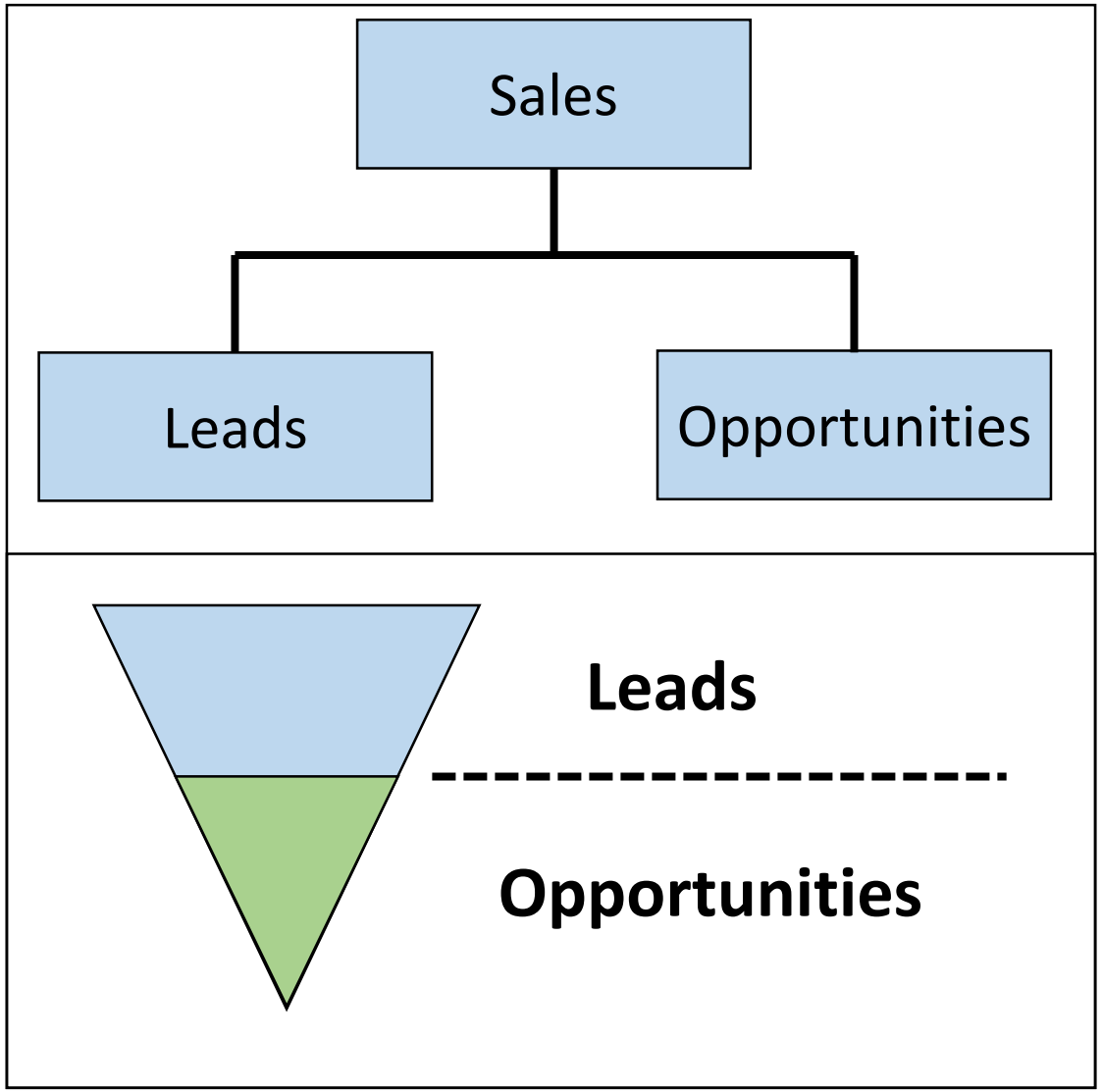
	FY2018	FY2019
Instruments Sold	**40**	**76**
Net Profit	**$2M**	**$10M**

These are forward looking numbers so there are no guarantee that we will produce these numbers.

Syft sell's capital items so timing of sales can vary significantly resulting to significant distortion in these results.

The driver for sales growth is our ability to add more sales people and for these sales people to produce more sales.

We have broken our sales into 2 teams to better create leads and turn them into sales



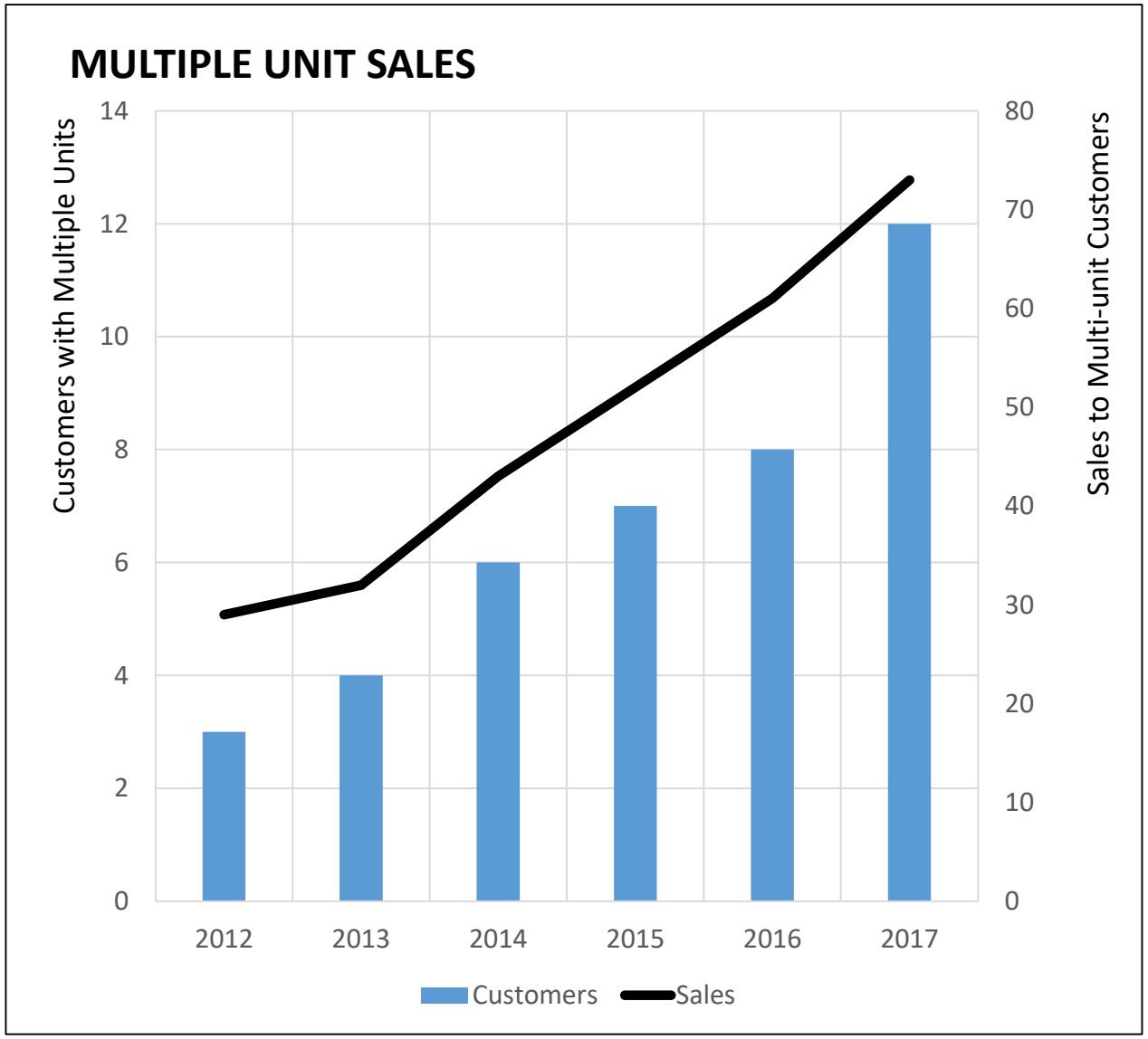
The biggest issue that Syft faces is making people aware of our technology and then getting them to trust it.

From our experience it is very hard to get the first sale but once customers have bought they end up buying multiple instruments.

Therefore our sales strategy is to increase our reach i.e. make more people aware of SIFT-MS. Then turn these leads into sale(s) by developing solutions in combination with our customers. Internally our mantra is creating more Samsung's.

We are also going direct in some markets to help us grow faster.

Syft is creating more Samsung's – i.e. large organizations that can buy multiple units

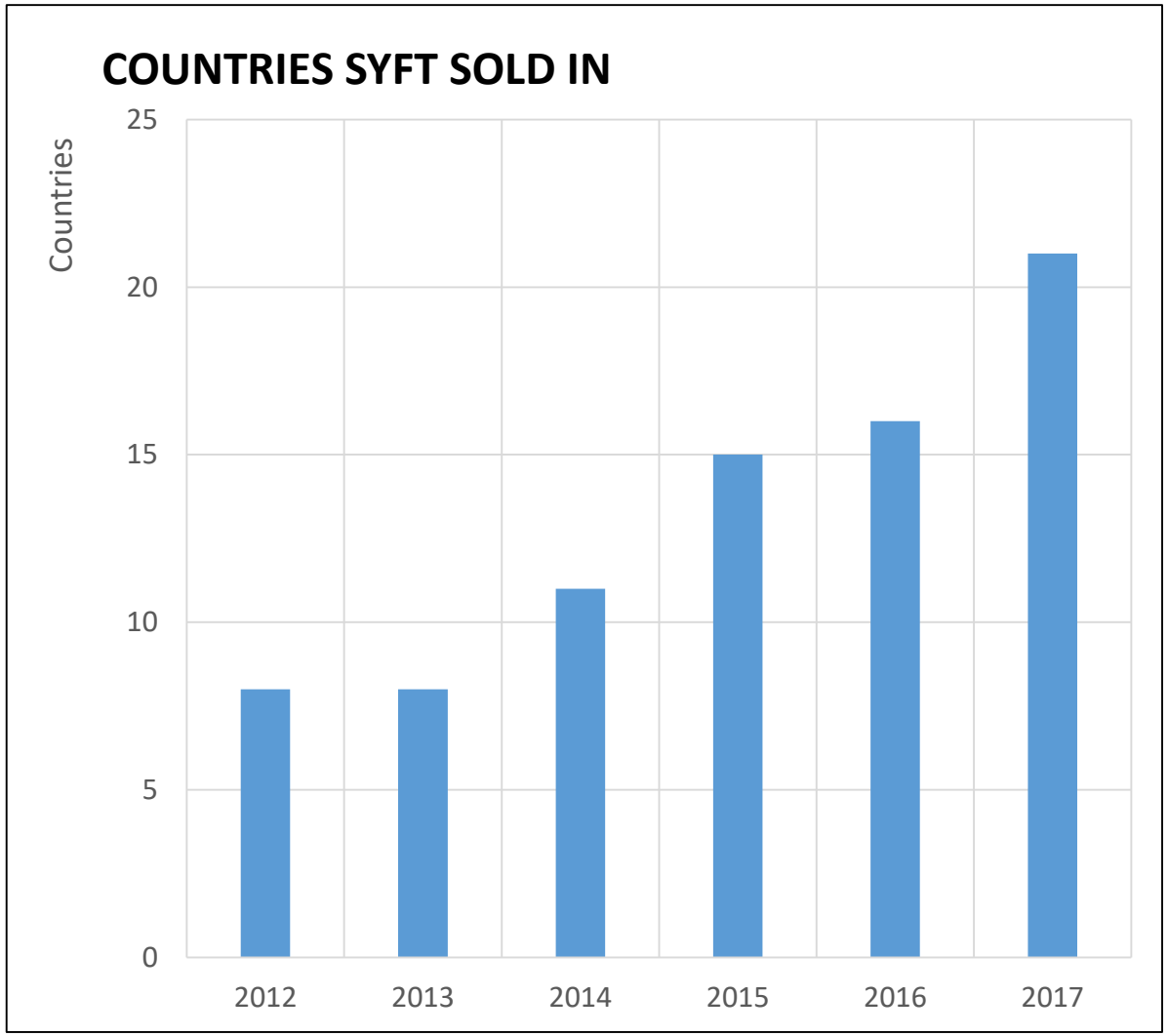


Samsung bought there 1st instrument in 2014 and have now bought over 20 units with the expectation to buy many more.

The first sale to a customer is hardest to achieve as Syft is perceived as a risk. Once they purchase and see the superior qualities of Syft, they end up buying multiple instruments

Syft now has many Samsung's i.e. customers that have already bought multiple instruments with the expectation of buying a lot more.

Syft – now sold in 21 countries

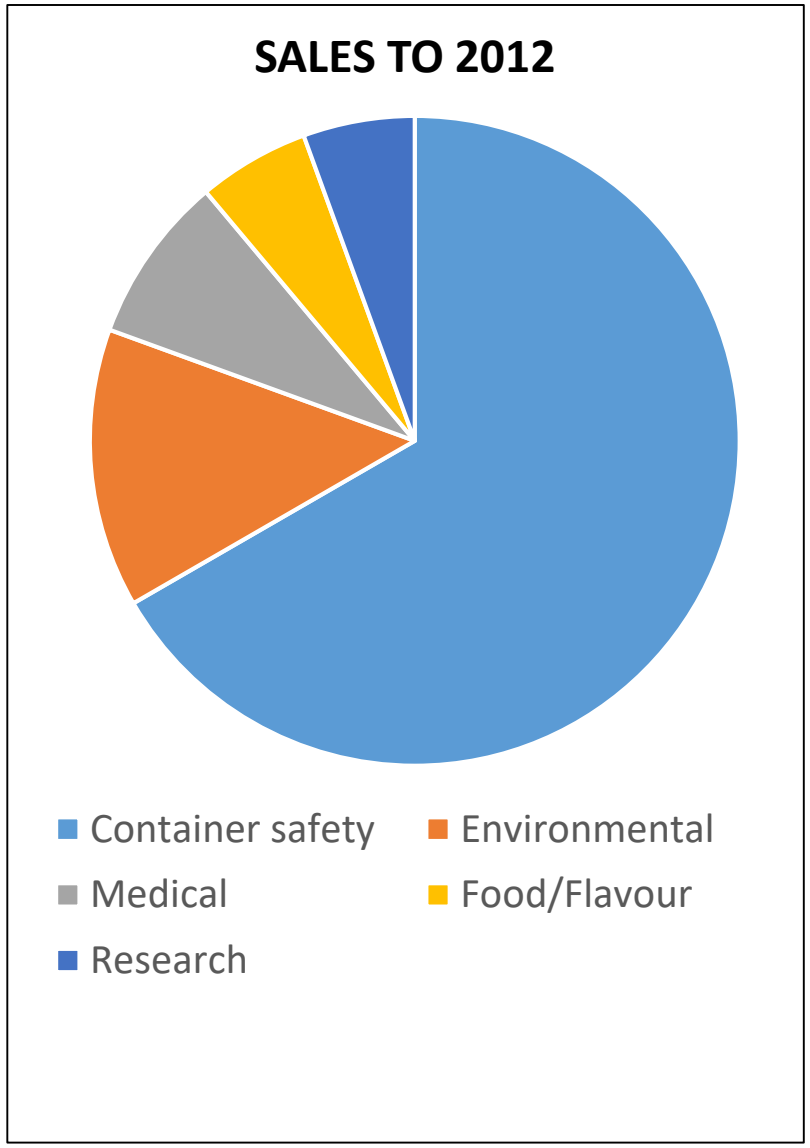


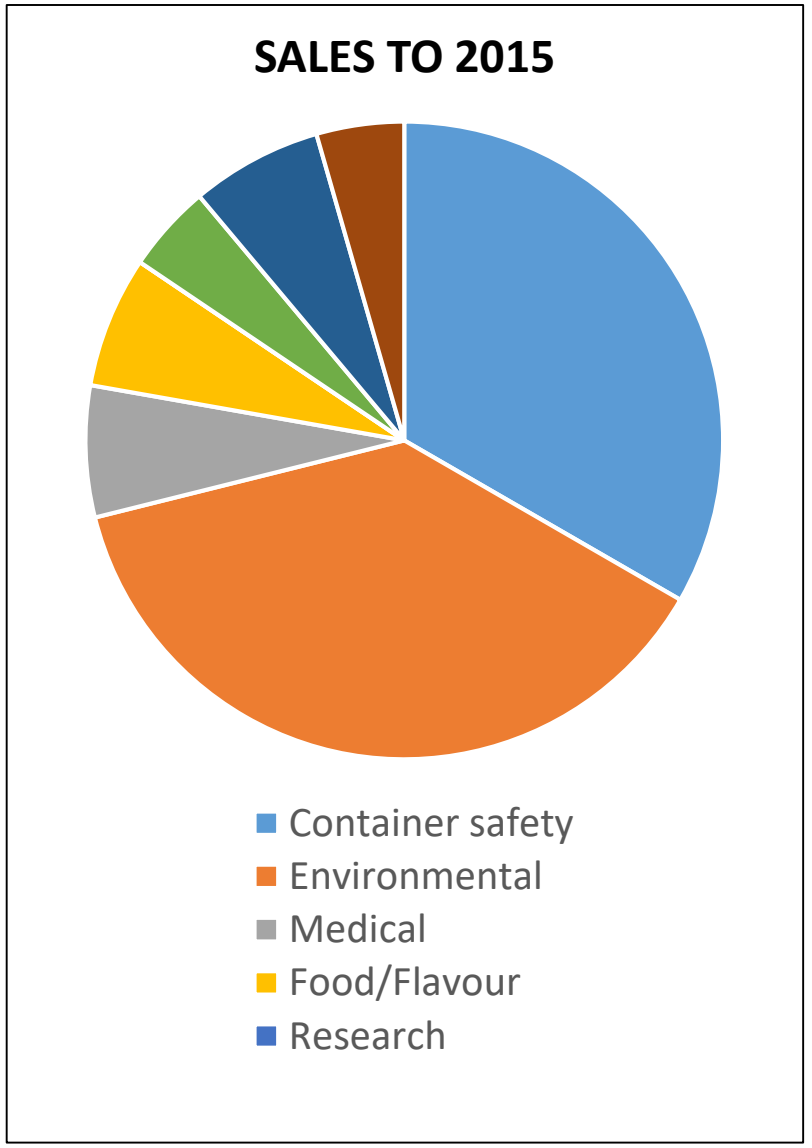
Syft has seen a steady increase in the number of countries our products are sold.

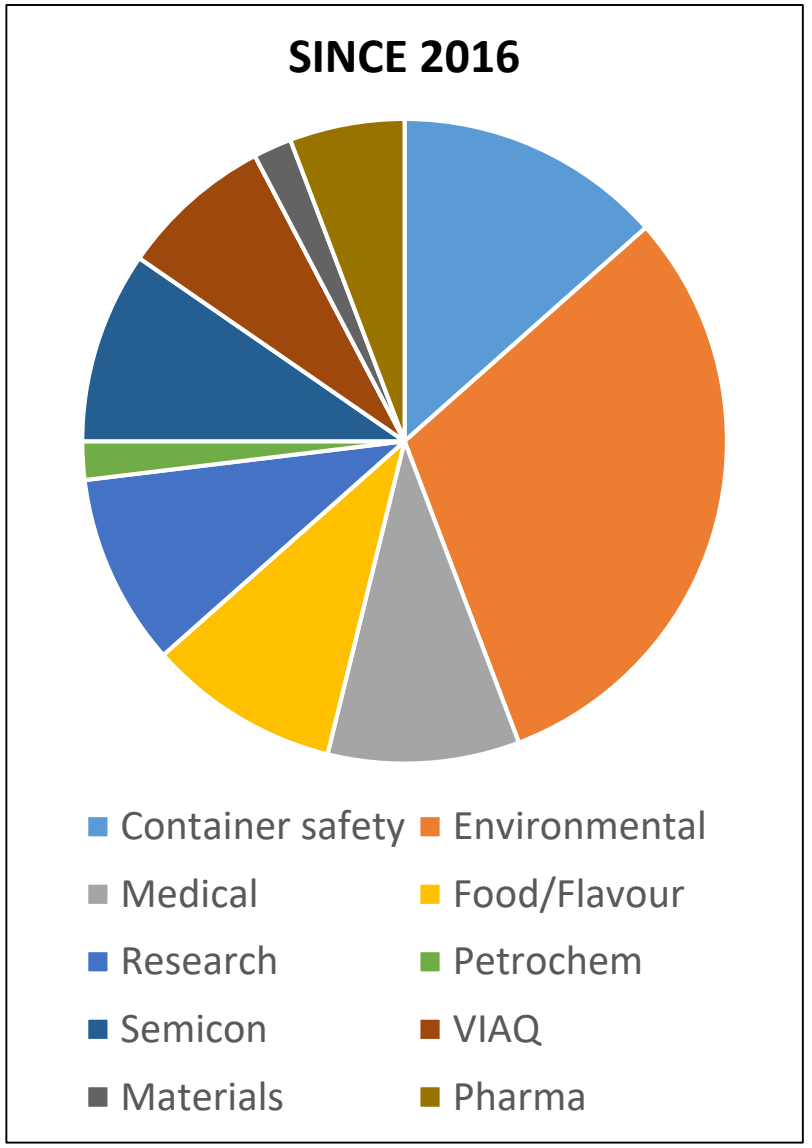
The first instrument sale in any country has a high barrier due to lack of trusted customer references.

These countries are not scattered randomly about the globe. They are focused in the key markets of North America, Eastern Asia and Western Europe.

Syft has sales in more and more applications







We are moving to a direct model in key markets so we can be more aggressive

Darmstadt, GERMANY

September 2016

Baltimore, USA

September 2017

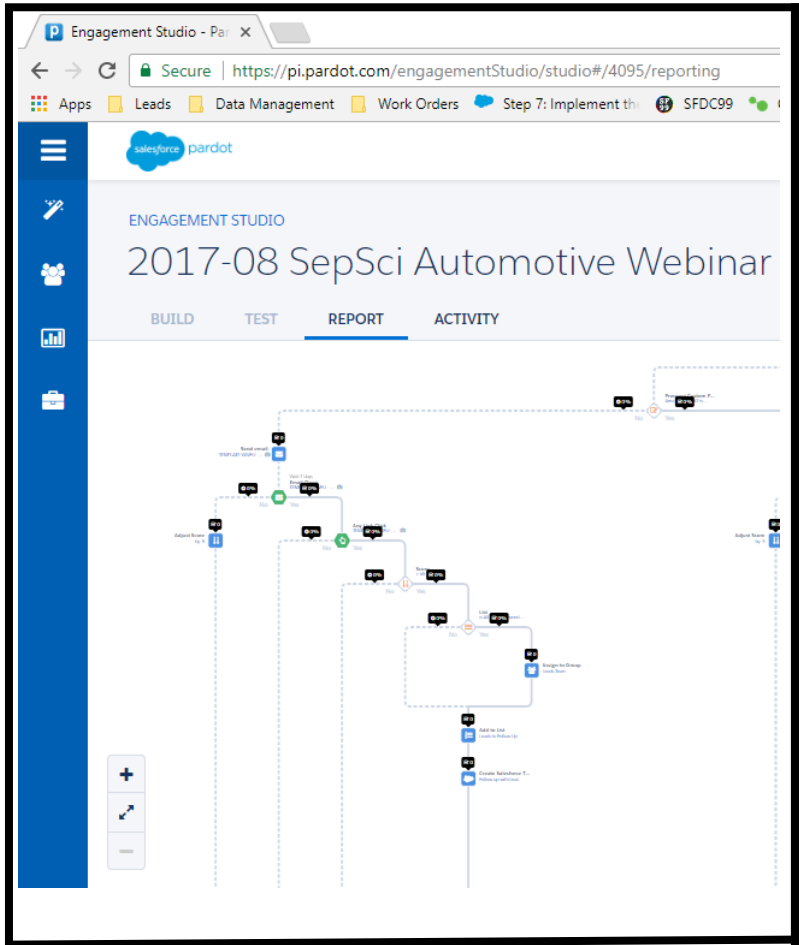
Shanghai, CHINA

2018

Webinars have been successful at raising awareness and generating leads!

	Webinars	Leads
FY 2017	10	2,000
FY 2018	50	10,000

Tools we use for building comfort and qualifying of leads

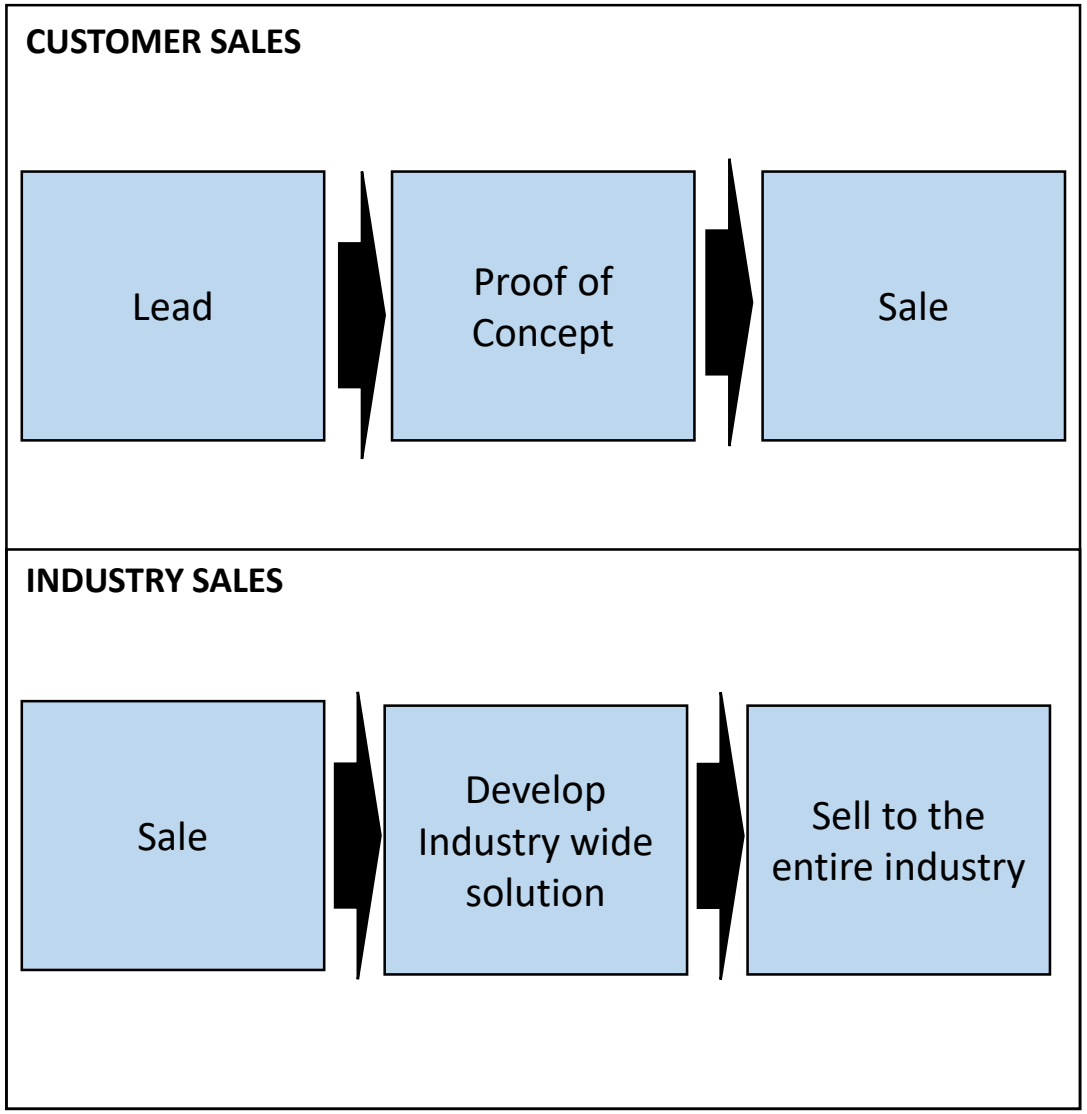


Marketing Automation

Workshops

Industry Specific Events

The Opportunities team takes these qualified opportunities and turns them into sales



The opportunities team has 2 roles:

1. Turn leads into sales
2. Expand single sale to industry standards

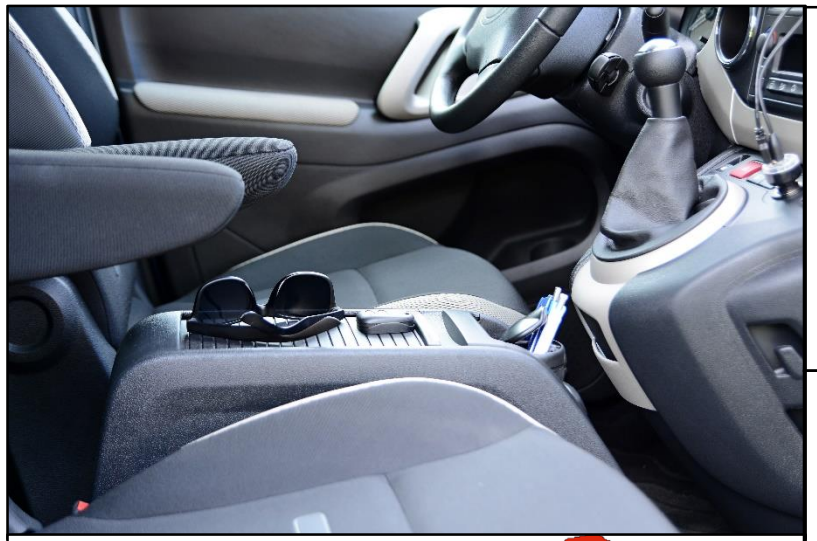
Customer centric sales mode – We don't do speculative work!

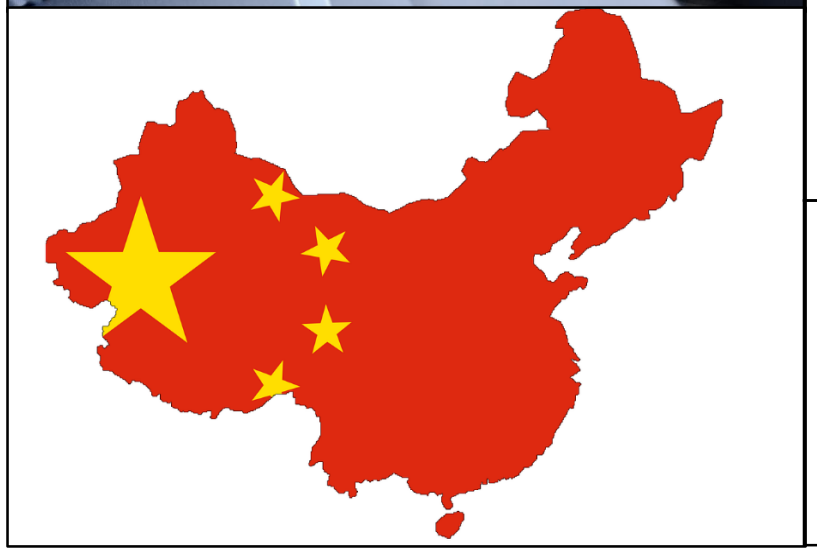
Cost and return assessment

Invest into solution development – science, hardware and software

Future outlook: More talent, more opportunities, more sales!

Vehicle Interior Air Quality (VIAQ) is a big opportunity





The new car smell is toxic to approximately 20% of Asians due to their different genetic makeup. Some of these VOC's are also cariogenic.

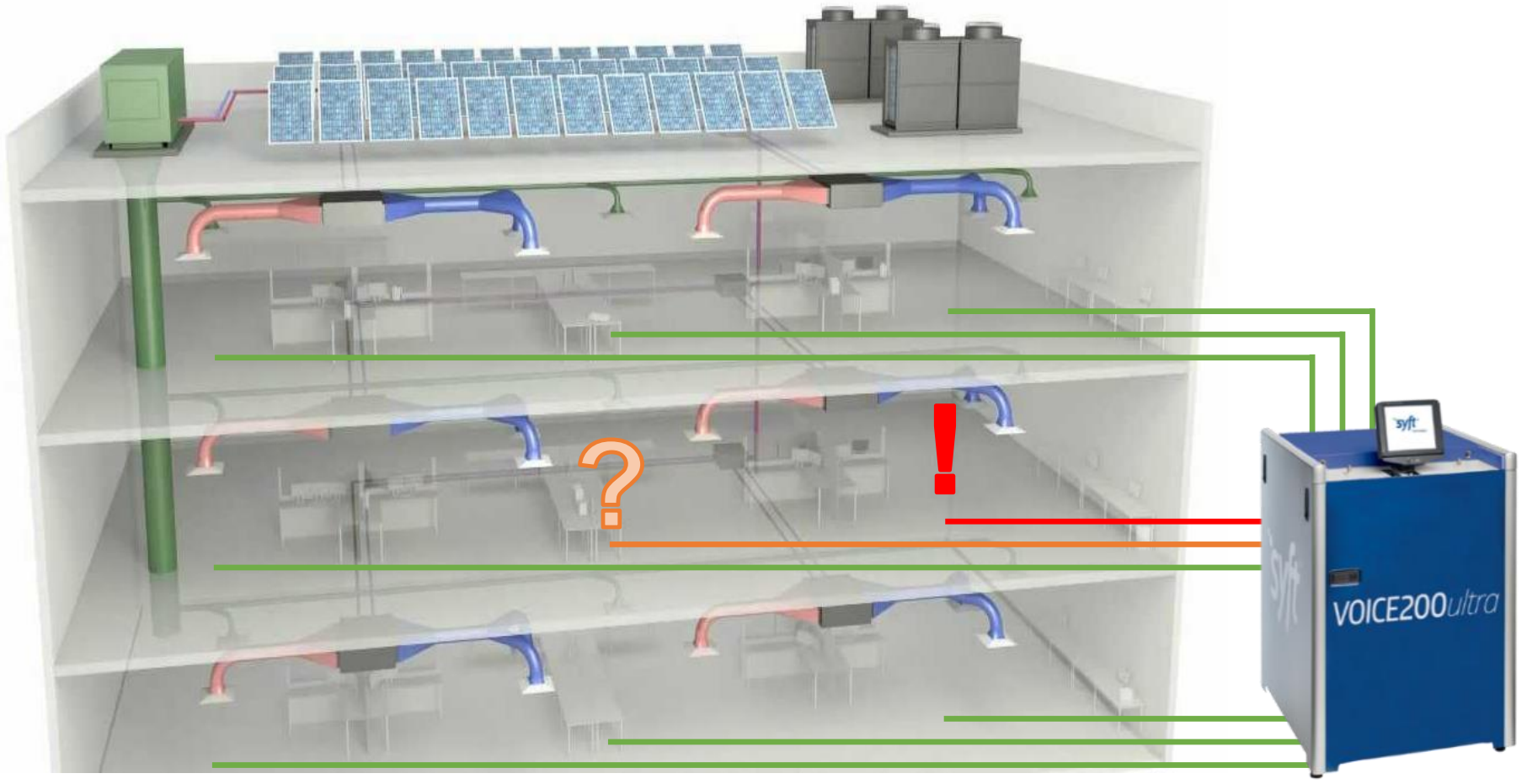
The standard test at present is 2 different techniques which is both costly and time consuming. Syft can do the all the required compounds in one test and in under 2 minutes.

At present we are working with the Chinese regulatory authorities, OEMs, ISO committee, Contract labs and material suppliers to make Syft a standard test.

We have sold 4 instruments in this application to date to customers including Ford, Lear Group and a lease to Jaguar Land rover.

If successful this also opens up opportunities in other vehicle testing applications and other ISO regulated tests in other industries.

The Semiconductor application is another big potential opportunity.

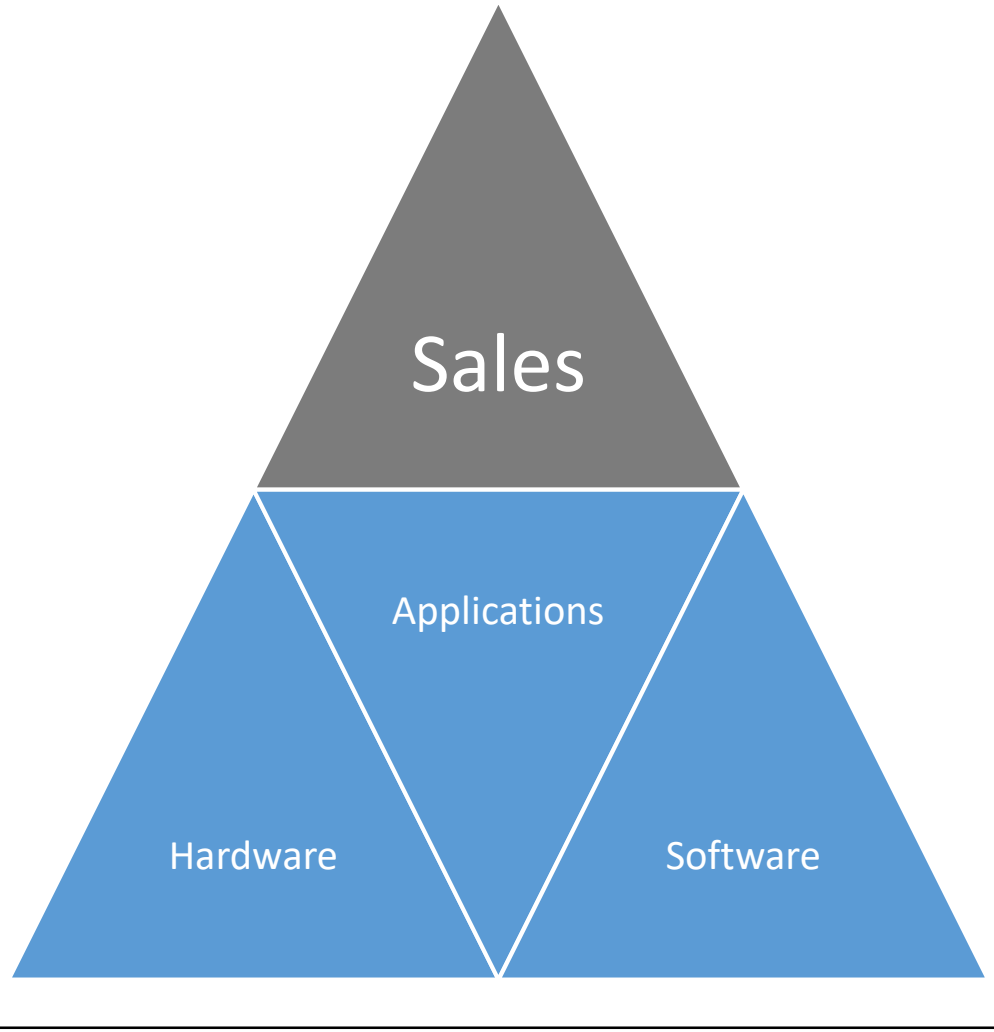


SAMSUNG

SMIC

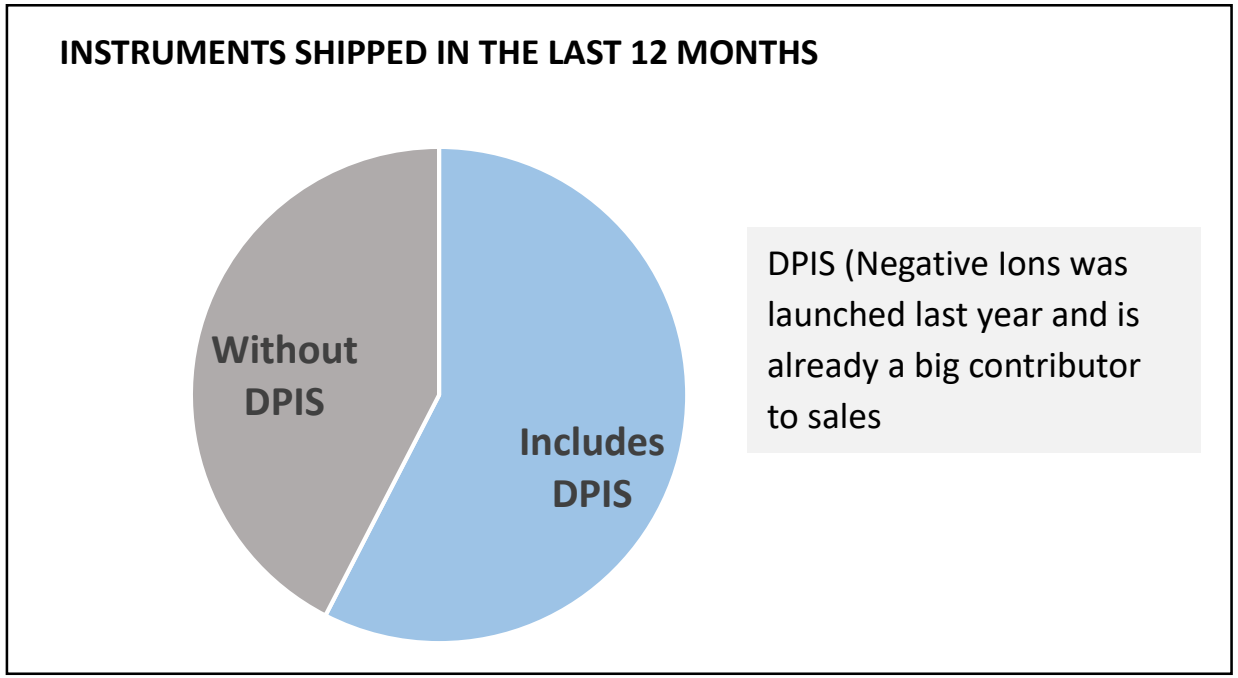
HHGrace

Development works to make sales easier

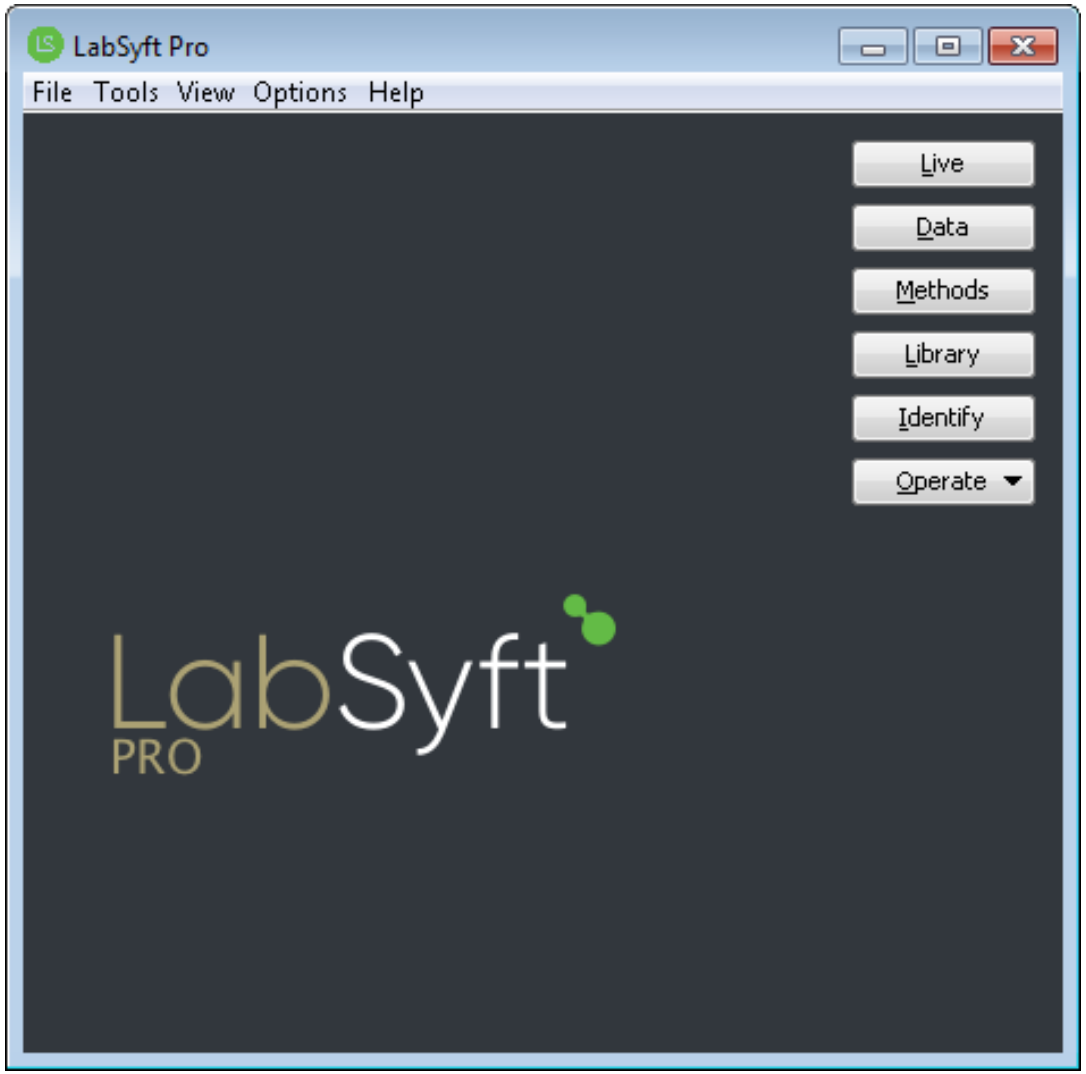


We work with our customers, our distributors, industry groups, and other partners to improve Syft's product offerings.

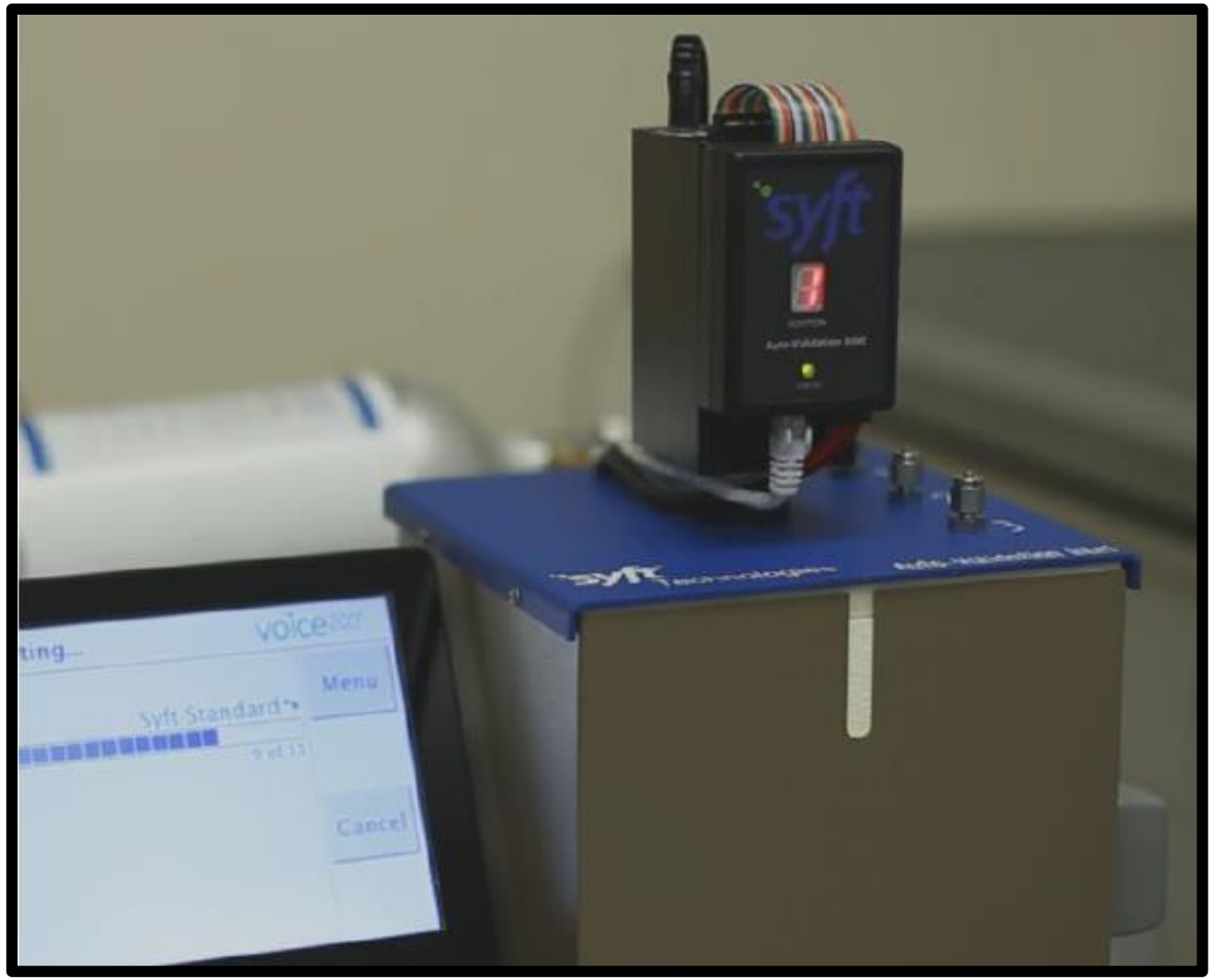
We also develop strategically to open new markets.



We have increased our focus on software to improve usability further



The Multi-Port Inlet Story – Part 1



Auto Validation Inlet (AVI)

- Released April 2016
- Delivered In Full, On Time, In Spec (DIFOTIS)
- On 40% of new instruments

Continuous Improvement

- Proactive post-release review
- Comprehensive spec for second iteration

The Multi-Port Inlet Story – Part 2

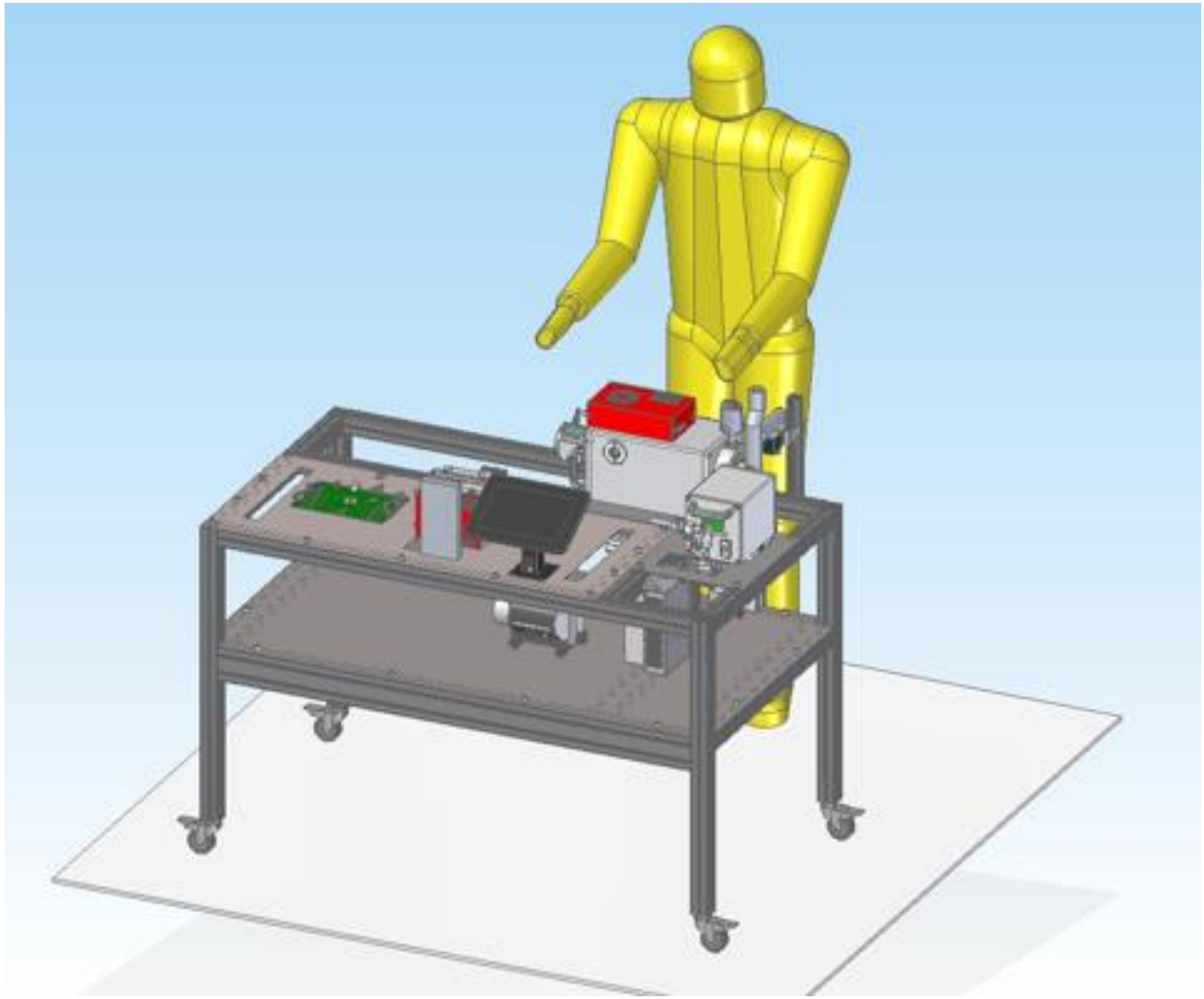
Multi Port Inlet (MPI) – a leap forward

- Polished
- Intuitive
- Intelligent
- Powerful

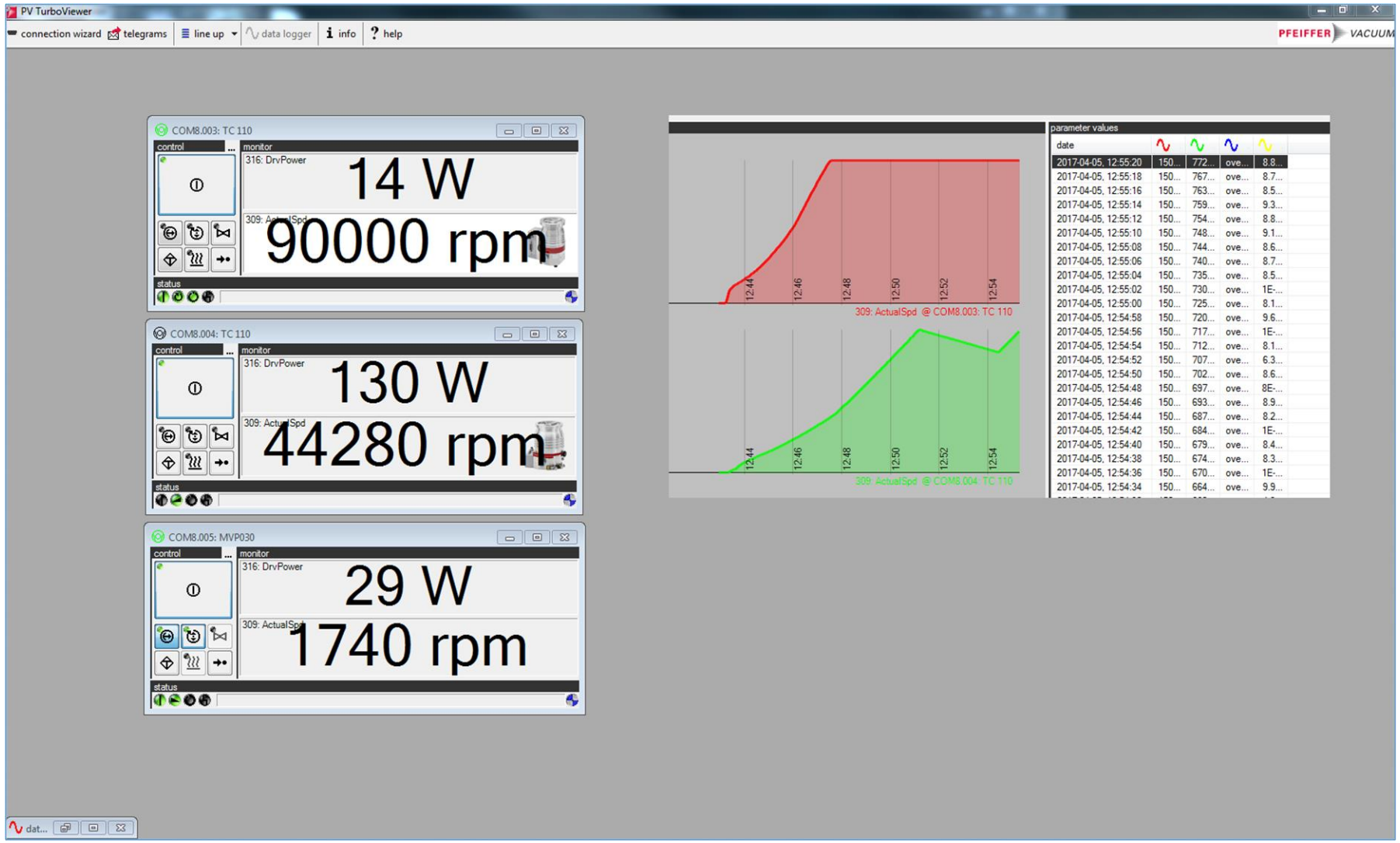
Better Inlets

- New applications
- New customers
- More sales

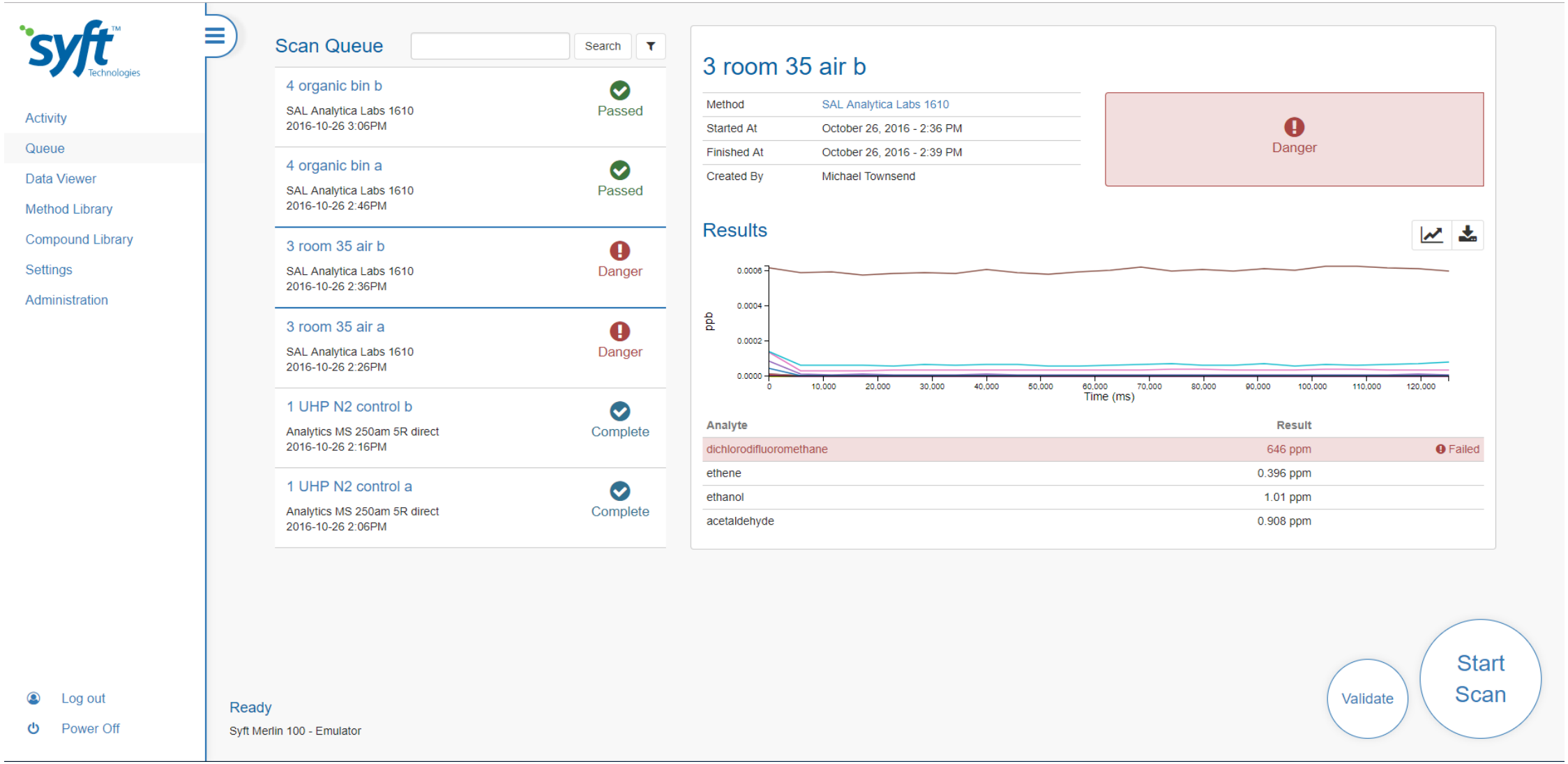
New Development Capabilities - Mechanical



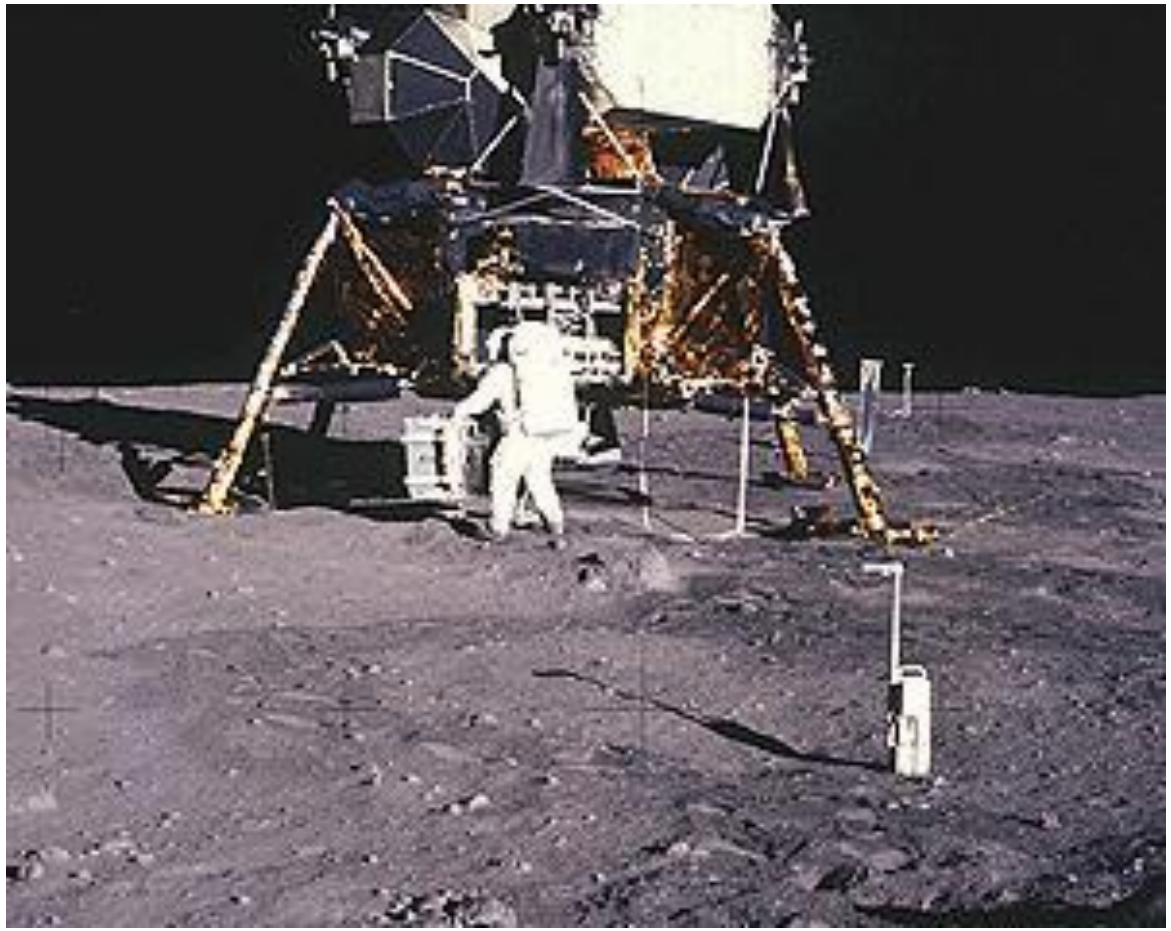
New Development Capabilities - Electronics



New Development Capabilities - API



The rise and acceptance of Syft and SIFT-MS



"That's one small step for a man – one giant leap for mankind!"

Syft's small steps began in 2002 and the progress in the past 2 years has been very significant.

Existing technology is based on Chromatography to separate samples

People have been monitoring trace amounts of volatile chemicals in the environment and on breath for more than 60 years.

The technology to make these measurements up until recently has largely depended on gas chromatography/mass spectrometry (GC/MS) or LC/MS.

The problem with chromatography is that the process takes time – sometimes more than 30 mins for a single sample.

SIFT-MS does not required time-consuming chromatography

The technology that we have developed – SIFT-MS does not require time-consuming chromatography.

Instead it provides an immediate report of the chemicals at trace level that are present in just seconds.

It takes time for the practitioners of an older established technology (GC/MS) to become acquainted with what is a new technology (SIFT-MS).

High-Throughput VOC and Inorganic Gas Analysis: Automated SIFT-MS

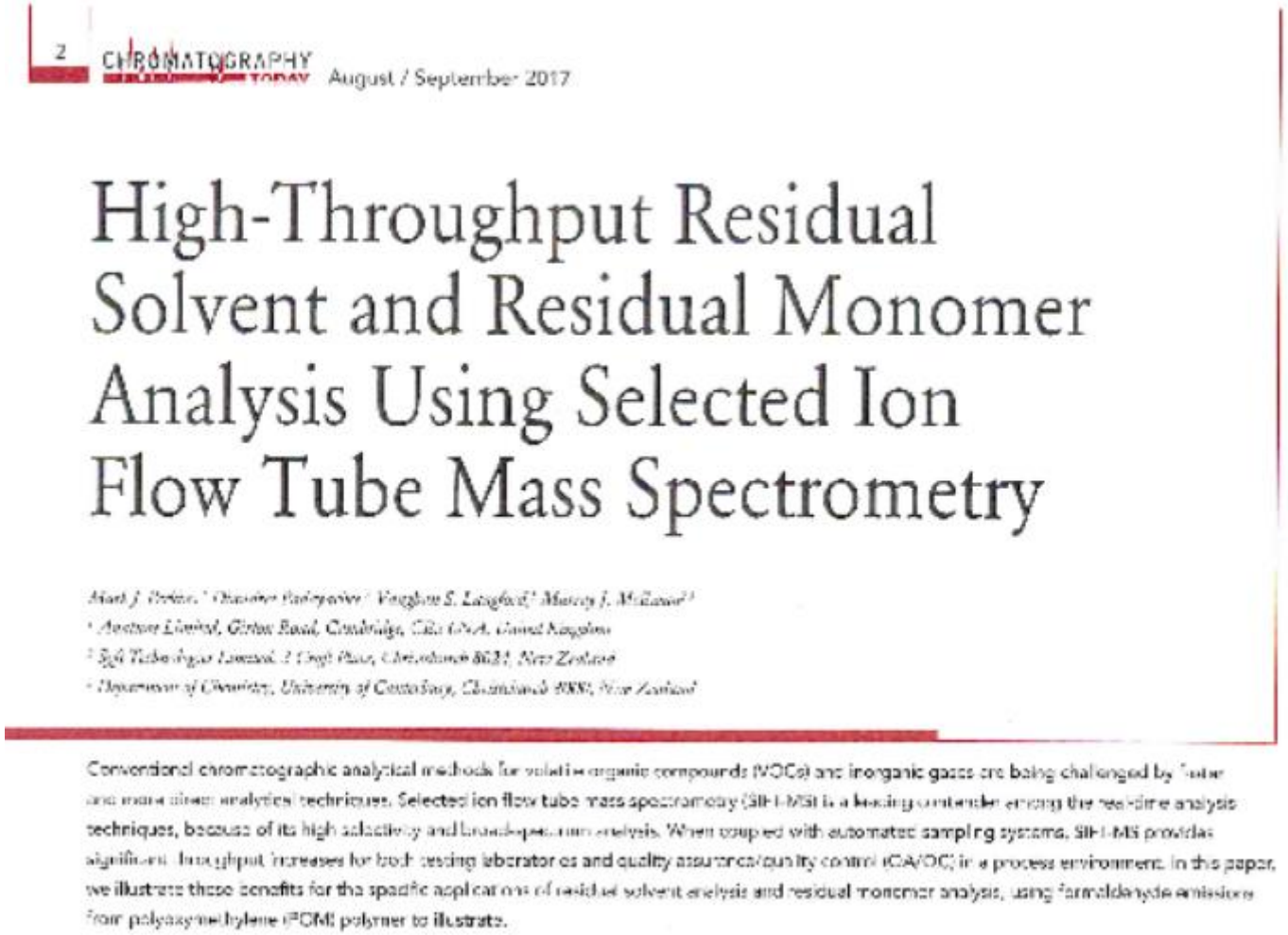
Mark J. Perkins Vaughan S. Langford Murray J. McEwan

Introduction

Selected ion flow tube mass spectrometry (SIFT-MS) enables direct, real-time monitoring of volatile organic compounds (VOCs) and inorganic gases. Unlike traditional chromatography-based techniques, there is no requirement to separate compounds prior to analysis. Not only can challenging compounds, such as formaldehyde, ammonia and small sulfur compounds, be analyzed without derivatization or preconcentration, but these analyses can be completed in seconds. Automating these analyses realizes the full potential of the fast SIFT-MS-based measurements for diverse applications.

Syft Feature Article in The Analytical Scientist

Invited article in Chromatography Today



2 CHROMATOGRAPHY TODAY August / September 2017

High-Throughput Residual Solvent and Residual Monomer Analysis Using Selected Ion Flow Tube Mass Spectrometry

Mark J. Perkins,[1] Charalambos Kolympiris,[2] Vaughan S. Langford,[3] Murray J. McEwan[3]

[1] Anatune Limited, Girton Road, Cambridge, CB3 0NA, United Kingdom

[2] Syft Technologies Limited, 3 Unit Place, Christchurch 8023, New Zealand

[3] Department of Chemistry, University of Canterbury, Christchurch 8140, New Zealand

Conventional chromatographic analytical methods for volatile organic compounds (VOCs) and inorganic gases are being challenged by faster and more direct analytical techniques. Selected ion flow tube mass spectrometry (SIFT-MS) is a leading contender among the real-time analysis techniques, because of its high selectivity and broad-spectrum analysis. When coupled with automated sampling systems, SIFT-MS provides significant throughput increases for both testing laboratories and quality assurance/quality control (QA/QC) in a process environment. In this paper, we illustrate these benefits for the specific applications of residual solvent analysis and residual monomer analysis, using formaldehyde emissions from polyoxymethylene (POM) polymer to illustrate.

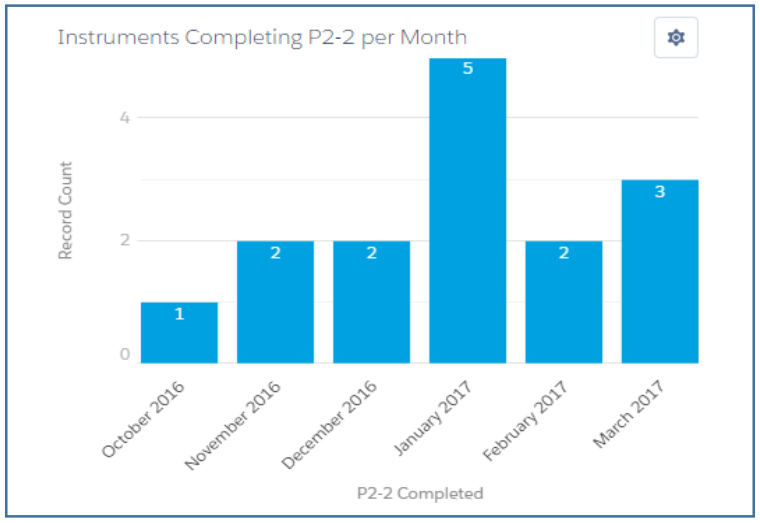
The rise and acceptance of SYFT and SIFT-MS

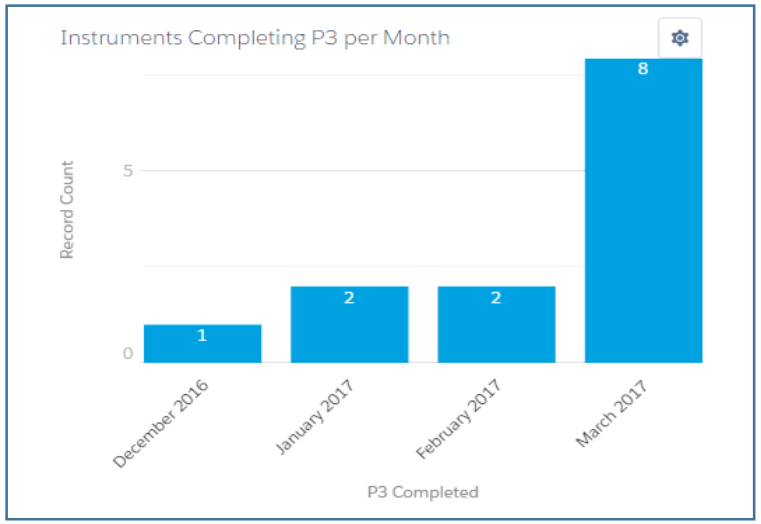
SIFT-MS has now arrived and is rapidly becoming an accepted method for quantitation of volatile chemicals down to parts per trillion.

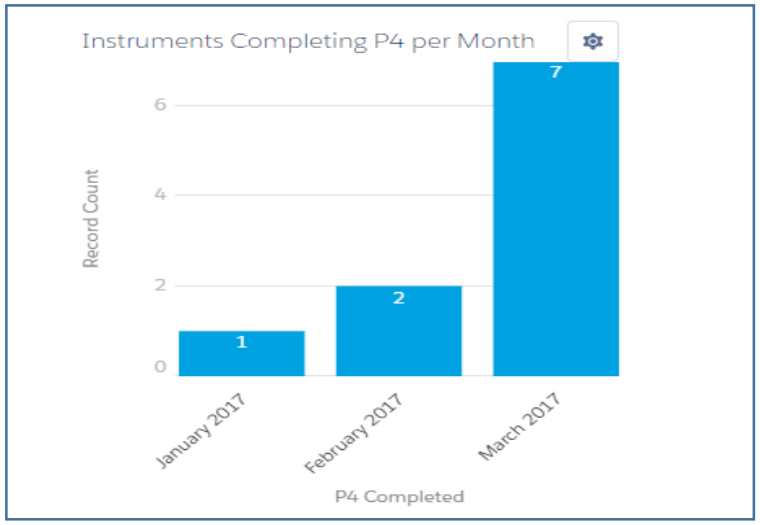
It has the advantage of being much faster than traditional methods and is also much simpler to use.

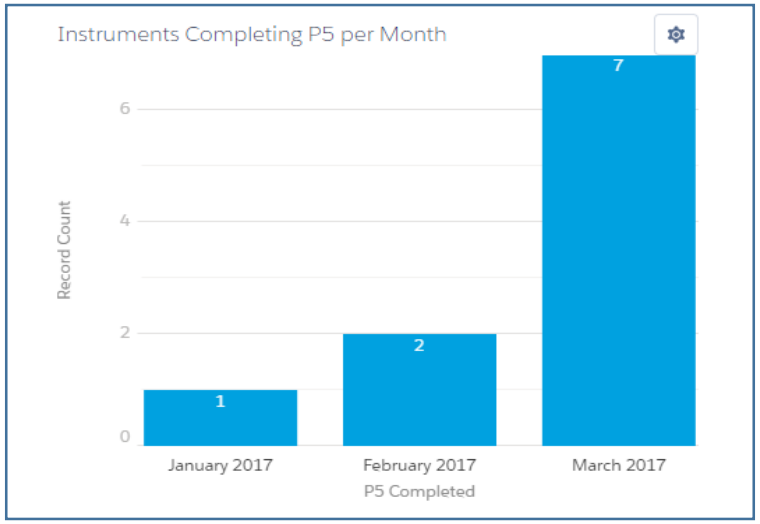
Production

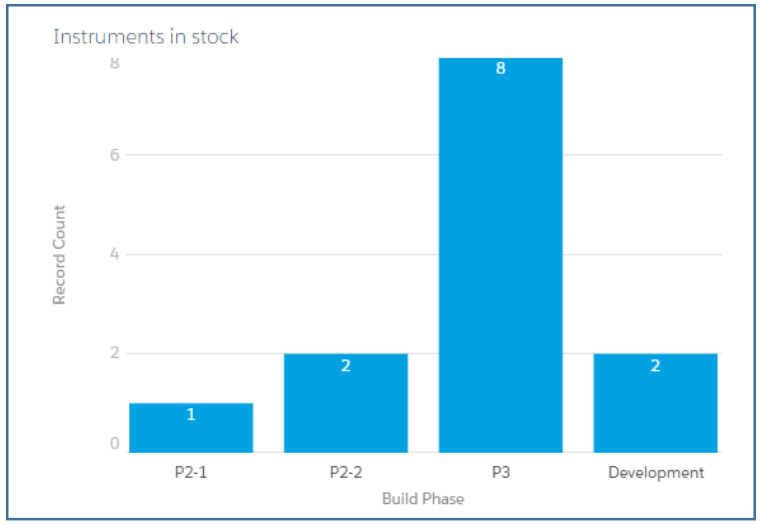
We have introduced metrics to improve production throughput and quality



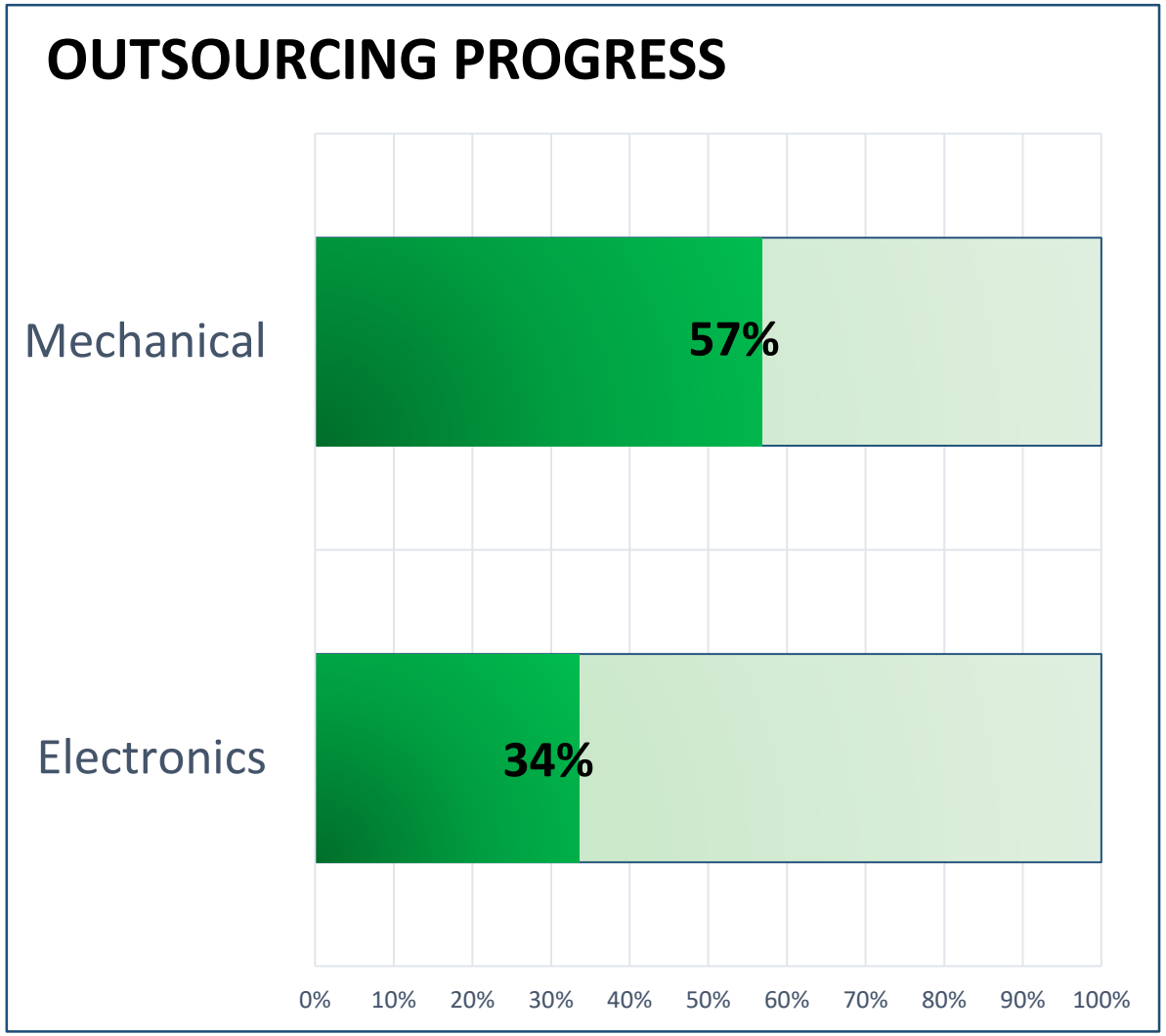








We are 6 months into an 18 month project to outsource manufacturing



Objective is to move all of our production to the UK and Europe.

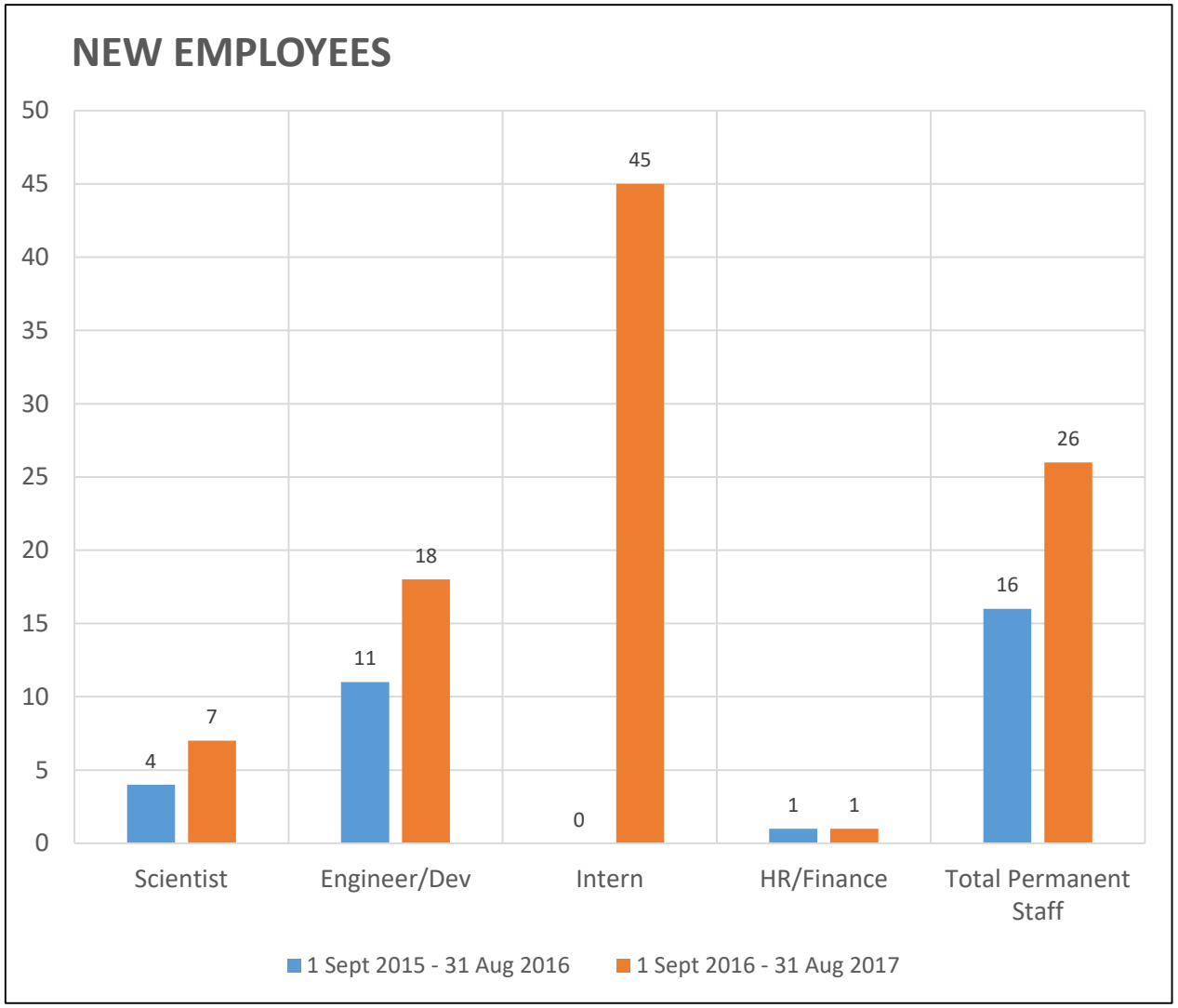
There are many reasons for out sourcing including:

- Increased capacity
- Better quality control
- Access to better suppliers
- Lower total cost of production
- Simplifies our business, ensuring our focus is on sales and development

We are taking this slowly to ensure we do it properly and reduce our risks.

We remain in control of the IP to ensure we aren't creating a competitor

The heart of our success is people



There has been a significant increase in the number of people at Syft as we accelerate growth.

We look for the following attributes:

- Good person
- Smart and Curious
- Motivated

Up to now our recruiting focus has been on graduates and people that can get things done.

As we grow larger we have found the need for more senior hires.

This internship recruiting video gives and indication of the culture at Syft

Summary

- We have built a foundation for growth
- We are now put the accelerator down
- We will take risks and we will make mistakes
- Only the paranoid survive!
- Our focus is the long term!
- We thank you for your support