



# Annual Report 2022

Annual Report  
For the year ended 31 March 2022



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## About this report

Welcome to our 2022 Annual Report, which documents the financial and operating performance of Trade Window Holdings Limited (TradeWindow) for the year to 31 March 2022.

In this report we have focused on what we believe matters most to our stakeholders and business. We have endeavoured to provide a clear view of our company, and to show how we are delivering against our strategic priorities of increasing market penetration and customer usage (Land and Grow); expanding our product offering (Unify); building capability (People); and accelerating our growth through targeted acquisitions (Acquire).

We have endeavoured to ensure all information in this report is accurate, including by internal verification and independent audit. The information has been compiled in line with NZX Listing Rules and recommendations for investor reporting. The financial statements on pages 59 – 119 have been prepared in accordance with appropriate accounting standards and have been independently audited by KPMG.

**Alasdair MacLeod** Chair

**AJ Smith** Chief Executive Officer

# 01

## About Trade Window

### Built to super-connect global trade

<b>Our vision</b> End-to-end connectivity across global supply chains	<b>Our mission</b> To make global supply chains more productive, connected and visible	<b>Our strategy</b> Trusted digital trade facilitation delivered through a global trade network that connects our customers with their supply chain ecosystem.
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### What we do

Founded in December 2018, Trade Window is an NZX-listed software company that provides digital solutions for exporters, importers, freight forwarders, and customs brokers to drive productivity, increase connectivity, and enhance visibility.

Trade Window's software solutions integrate to form a cohesive digital trade platform that enables customers to more efficiently run their back-end operations, share information and securely collaborate with a global supply chain made up of customers, ports, terminals, shipping lines, banks, insurance companies, and government authorities.

Visit [www.tradewindow.io](http://www.tradewindow.io) for more information.

## We're building a global trade platform

At the heart of it, we are a data company. Our customers supply data from their systems of record. Supply chain partners demand this data, since this is the information they require to fulfil their services.

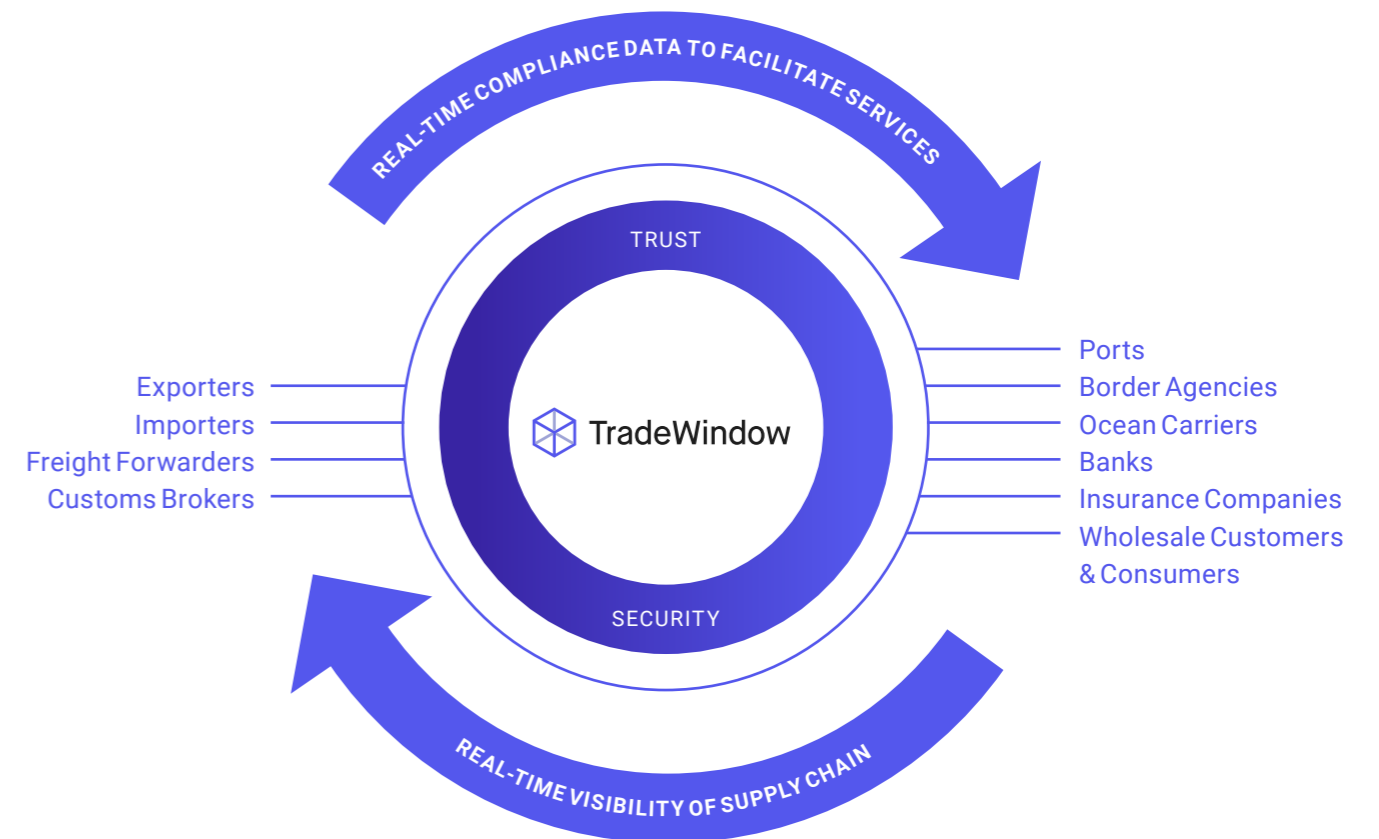
We are connecting with the systems used by the ports, banks, insurance companies and government. In essence, this creates a network of networks, with all parties working from the same data - a single source of truth.

### DATA SUPPLY




Software to capture, format and aggregate data to meet trade compliance requirements

### DATA DEMAND

Permissioned access to trusted data needed by supply chain partners to deliver their service



# We're building for global growth

-  Where we have customers
-  Remote staff
-  Offices

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Medium-term focus on New Zealand, Australia and Asia

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Team of 90<sup>1</sup> subject matter experts spanning four countries

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Customer base of 454 organisations across APAC

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Proven solutions with material revenue streams

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ISO 9001, ISO 27001, PAS99 certified

1. Full Time Equivalent as at 30 April 2022

# 02

## FY22 Highlights & performance summary

### Key performance indicators



## Financial summary

Our FY22 performance demonstrates strong progress in building a connected global trade platform for exporters, importers, freight forwarders and customs brokers. Our results reflect strong organic growth, accelerated by targeted acquisitions.

### TOTAL INCOME

**\$4.9m**  
up 108%

### TRADING REVENUE

**\$3.9m**  
up 136%

### TOTAL OPERATING EXPENSES

**\$14.4m**  
up 76%

### CASH AND CASH EQUIVALENTS

**\$5.9m**  
(up 320%)

### NET PROFIT (LOSS) AFTER TAX

**\$(10.8m)**  
up 64%

### EBIDTA<sup>1</sup>

**\$(9.5m)**  
up 63%

1. Earnings before interest, tax, depreciation & amortisation

# Business highlights



## Customers

- **20** new customers in A/NZ
- **16** mid-market and enterprise customers now on Cube



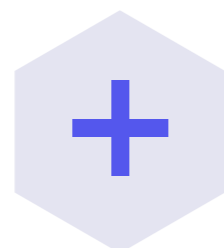
## Product

- Cube launched
- **348** product enhancements
- Multiple key ecosystem integrations<sup>1</sup>



## Organisation

- Listed on the NZX
- Established governance framework
- Increased expertise



## Acquisitions

- Freight (formerly Cyberfreight)
- SpeEDI Solutions
- FreightLegend
- Rfider (FY23)



Trade Window's Cube solution enables organisations involved in global trade to securely share mission-critical data and collaborate with partners across the supply chain ecosystem. Trusted collaboration is made possible using enterprise-grade security underpinned by blockchain technology. Permissioned parties can view and edit, with actions recorded on an immutable audit trail. Cube is designed to connect all parties through integration into incumbent systems used in each part of the supply chain.

### Key features of Cube include:

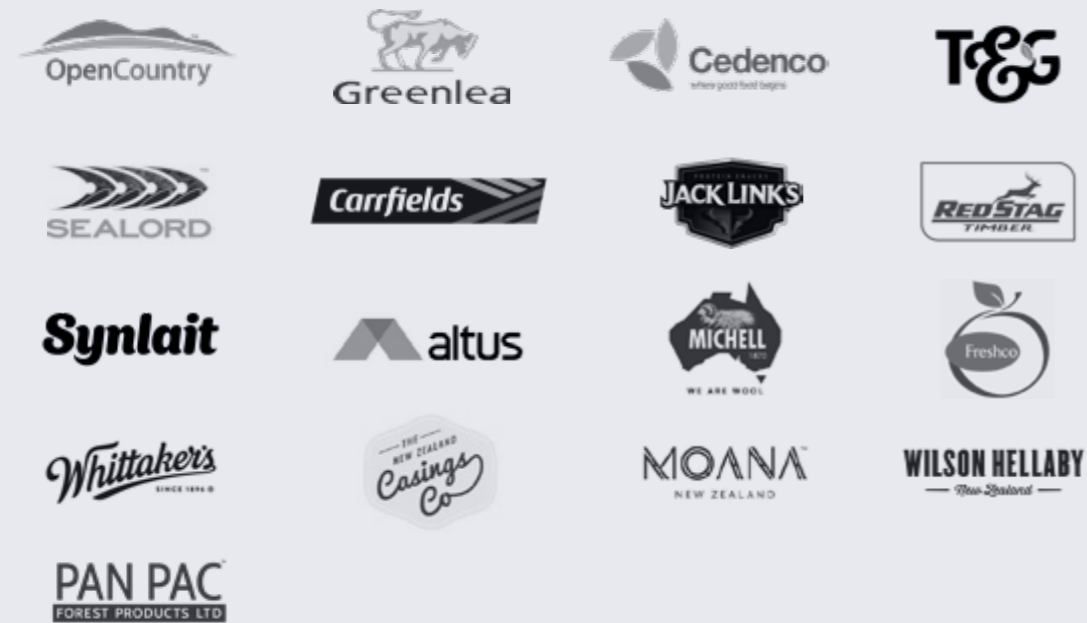
- **Origin** — online fast turnaround electronic Certificate of Origin service.
- **Vault** — scalable cloud-based data vault approved by The New Zealand Customs Service and New Zealand Inland Revenue.
- **Bookings & scheduling** — seamless access to INTTRA and CargoSmart, the booking systems used by the world's largest shipping lines.

# 450+ organisations use our technology

We have built a diversified client base of exporters, importers, freight forwarders and customs brokers.

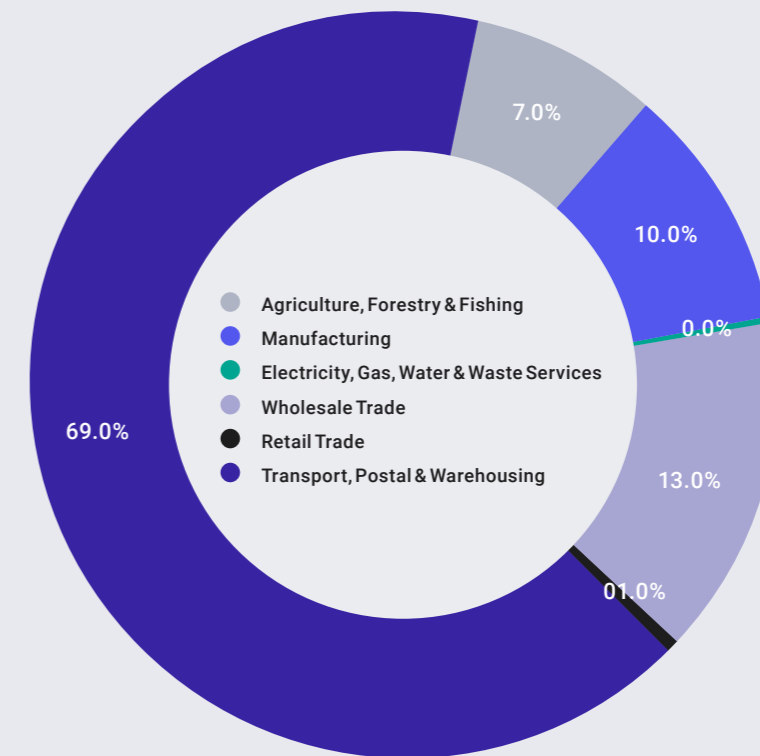
As shown in the client snapshot below, we serve leading Australasian export brands operating across key sectors including dairy, meat, seafood, horticulture, forestry and FMCG. Many of these enterprise clients have adopted our flagship solution Cube during the year.

Our customers are spread across a range of sectors and, with no customer contributing more than 3% of our trading revenue (see graphs opposite).

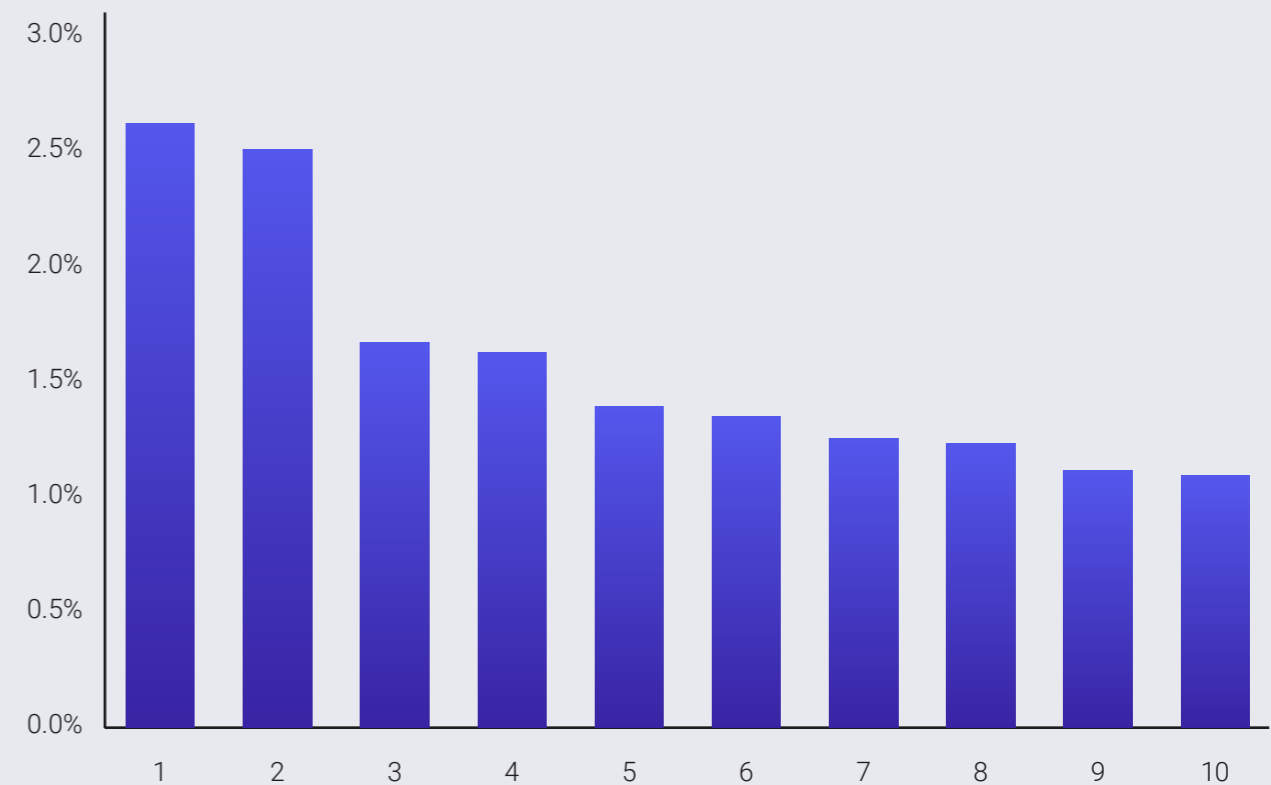


Note: Logos don't correspond to top 10 customers.

Customer base by sector



Top 10 Customers % of trading revenue



# Chair and CEO report

## Dear shareholders

2022 was a full and exciting year for TradeWindow. We experienced strong growth in New Zealand and Australia, continued our evolution to a global trade platform and listed on the New Zealand Stock Exchange (NZX).

Global trade is undergoing profound change as it transitions from manual, paper-based processes to digital. TradeWindow is ahead of this shift. We are providing the technology to help those involved in trade - exporters, importers, customs brokers, freight forwarders - be more efficient, connected and transparent.

Our focus is to continue to grow in our key markets of Australia and New Zealand, while continuing to lay the groundwork for Asia and beyond. Growth will be underpinned by the development of a global trade platform, which will evolve from our current suite of solutions.

## Our strategy and priorities

Our strategy, in place at the time of listing in November, remains unchanged as follows:

- Increasing our market penetration
- Achieving greater usage from existing customers
- Expanding our product offering
- Attracting, retaining and building the capability of our people
- Making strategic and targeted acquisitions.

We refer to these key elements of our strategy in shorthand as Land, Grow, Unify, People and Acquisitions.

We're making strong progress on executing our strategy since our listing on the NZX in November 2021 and have strong business momentum. We are pleased with the recurring revenue we are attracting, with 94% of our customers retained over the year. Trading revenue from subscriber customers is now at 92% of our total trading revenue.

In New Zealand, organic growth has primarily been driven by exporters using our trade documentation solution, Prodoc. In Australia, we have seen growth in take-up of both our Prodoc and Freight solutions. Additionally, we are pleased to report that our flagship connectivity product Cube, released commercially in January 2022, has already been adopted by exporters from a range of sectors.

During the year we continued to improve our core products with 348 enhancements and multiple key ecosystem integrations, including ocean booking platform INTTRA and Vero for marine insurance.

We have a talented, committed team who are focused on delivering growth in New Zealand, Australia and Asia, as part of our global ambitions. We have recently appointed senior leadership in Australia to drive market penetration.

Our listing was a milestone for the company and we have in place strong organisational capability and governance, including three independent directors as well as additional human resources and finance capability.

In the year to 31 March 2022, TradeWindow made three acquisitions. In April 2021, TradeWindow acquired the freight forwarding software solution Cyberfreight. In October 2021, TradeWindow acquired customs clearance software solution SpeEDI and freight quotation software solution FreightLegend. Following 31 March 2022, TradeWindow announced the conditional acquisition of Rfider to further strengthen its supply chain visibility offering.

Our FY22 acquisitions are not only providing established customers, they also provide the capabilities needed to differentiate our global trade platform. We will consider further acquisitions where they accelerate our organic growth strategy.

## Financial performance

During the 12 months to 31 March 2022, total income was \$4.9 million, up 108% while trading revenue was \$3.9 million, up 136%. Strong revenue growth reflected additional revenue from new and existing customers as well as acquisitions. Total income includes government R&D grants.

When acquisitions completed during FY22 were excluded, total income was up 35% and trading revenue was up 32%.

In the past year we have seen existing customers increase their average monthly spend with TradeWindow by 16%, and we anticipate a stronger growth rate going forward. We diversified and materially increased our customer base through acquisitions in FY22 to include freight forwarders and customs brokers. This has resulted in our overall average monthly revenue per customer decreasing by 30% during the period, reflecting freight customers' lower spend. However, we expect average monthly revenue to increase as existing and acquired customers further digitise their operations and expand the number of TradeWindow solutions they use.

Total operational expenses were \$14.4 million, up 76%. This largely reflects planned increases to support current and future growth. This included substantially increasing the scale and depth of TradeWindow's software development team, increasing our sales and commercialisation capability and building out the TradeWindow organisation contemporaneously with the NZX listing.

Reflecting TradeWindow's current strategy of investment for future growth, EBITDA losses were \$9.5 million, an increase from \$5.9 million in FY21. Net losses after tax were \$10.8 million, up from \$6.6 million a year ago.

Planned investments are in line with our strategy and business plans, and our general approach to research and development of ensuring concurrent revenue growth alongside software development.

We are pleased with our improvement in gross margin, up from 36% to 50%, representing our focus on efficiency and scale.

## Capital management

At 31 March 2022, the Group held cash and cash equivalents of \$5.9 million (FY21 \$1.4 million). Net cash outflow over the six months ended 31 March 2022 averaged \$1.0 million per month (excluding acquisition cash settlements in October 2021).

TradeWindow is committed to further investment in research, development and commercialisation, with particular focus on building TradeWindow's global trade platform, underpinned by Cube. This trade platform will provide global trade participants with end-to-end digital trading capability and is central to TradeWindow's growth ambitions.

As noted in our Financial Statements, to have sufficient liquidity in the next 12 months we have forecast that at least \$10 million of additional debt and equity will need to be raised, assuming forecast revenues and expenditures are realised, and excluding any significant acquisitions during the period. We are actively working with advisors and major shareholders to determine the best funding path for future growth.

## Environmental, Social & Governance

As an early-stage company, our aim is to embed sustainability into our thinking and decision-making, as we build the business. In addition to delivering solutions which drive greater productivity, digital connectivity and transparency, we are committed to demonstrating responsible citizenship through our environmental, social and governance (ESG) performance.

This includes maintaining a low environmental impact, having an open, inclusive and supportive workplace, making a positive contribution to our communities, and holding ourselves to high standards of ethical behaviour, governance and compliance.

Further information about our ESG performance and standard is provided on pages 28 to 53.



## Outlook

TradeWindow is confident in the global trends driving digital transformation in trade and is well positioned to take advantage of this shift with our proven technology.

We have a clear strategy for FY23 and beyond, with particular focus on continued revenue growth in New Zealand and Australia, alongside the building of a global trade platform.

We expect trading revenue to be within a range of \$5.5 million to \$7.0 million, and total income of \$6.0 million to \$7.5 million for the FY23 year.

Our guidance for FY23 remains subject to ongoing geopolitical and environmental uncertainty including the impact of ongoing supply chain challenges, and the timing of customer decisions and implementation of Cube and other solutions. Our guidance excludes revenue from any new acquisitions including the conditional Rfider acquisition as announced to the NZX in May 2022.

## Thank you

We thank our people for all of their dedication and hard work in the past 12 months. We also sincerely thank our customers and our shareholders for your continued support.



**Alasdair Macleod**  
Chair



**AJ Smith**  
Chief Executive Officer

## Governance

The Board's focus in the next 12 months will continue to be to support management and the company in monetising existing products and developing and commercialising a global trade platform.

To achieve this, we have a strong board in place with a range of expertise and experience. During the year I was pleased to join the board as independent chair, with a governance background in both software companies and the port sector.

In addition, two independent directors (Phil Norman and Diana Puketapu) joined the Board - ahead of our listing on the NZX.

Diana has a strong background in finance and governance with diverse directorships including NZX-listed Napier Port Holdings Limited, Ngati Porou Holdings and New Zealand Cricket. She also sits on the board of the New Zealand Olympic Committee. Phil is a professional director and business advisor for growth companies. He was founding chairman of Xero Limited for five years and he chairs a diverse group of NZX and ASX listed organisations.

The Board has established two committees: the Audit & Risk Committee, chaired by Diana, and the Remuneration & Nominations Committee, chaired by Phil.

- Alasdair MacLeod

# 03

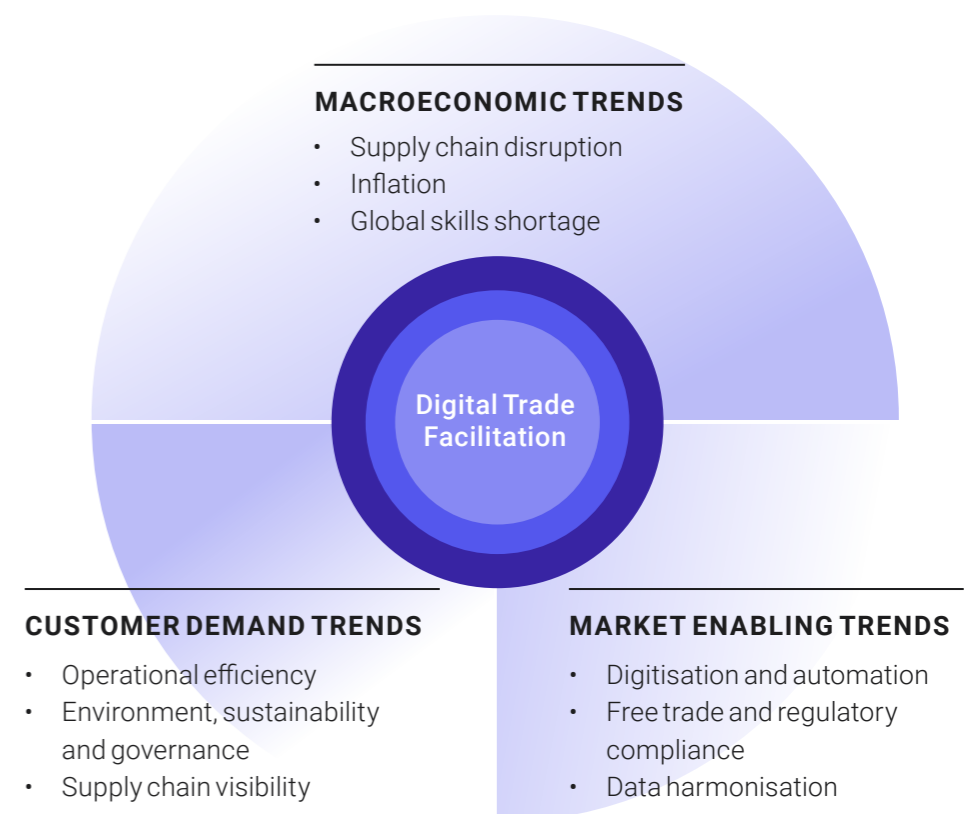
## Our strategy

### Digital trade is centre stage

#### Market trends have delivered a window of opportunity

The time for digital trade facilitation is right now. The confluence of market forces, enabling technology and customer demand have created the perfect environment for transformational change.

Macroeconomic trends including continued supply chain disruptions, inflation, and the global skills shortage are forcing businesses to be more efficient and innovative.



# Our opportunity

Productivity, connectivity and visibility are the foundational elements of our global trade platform. Our solutions for productivity drive efficiency for our customers.

Connectivity allows customers to securely share data and collaborate with supply chain partners. Cube, underpinned by blockchain technology, is the center piece of our global trade platform.

And Visibility – which enables the provenance of primary goods to be shown through traceability back towards the points of production and cultivation.

## Productivity

Implementation of operational systems for superior efficiency

## Connectivity

Safe collaboration & sharing through a fully integrated system

## Visibility

Differentiated quality assurance & provenance

**TradeTech is an emerging market with initial solutions displacing manual paper-based processes, emails and spreadsheets**

As a provider of electronic services and facilitator of data, TradeWindow operates in the digital trade segment of the TradeTech market. The values below represent the estimated trade compliance, processing and coordination costs displaced, as well as new opportunities presented by digital trade solutions.



1 Values are calculated from the A/NZ and Asia share of TEU volumes published by the United Nations Statistics Division applied as a percentage of compliance costs estimated in <https://www.marketsandmarkets.com/Market-Reports/food-traceability-market-103288069.html>

2 Cross-sales of Cube to existing New Zealand customers have achieved an increase in ARPC of over 100%.

3 Calculated from the TEU volumes published by United Nations Statistics Division, and trade compliance and processing costs published by the World Bank.

# Strategic summary

Trusted digital trade facilitation delivered through a global trade network that connects our customers with their supply chain ecosystem

Our strategy remains unchanged since the time of the listing in November, and in fact since inception. Our strategy as set out at time of listing are:

- Increasing our market penetration
- Achieving greater usage from existing customers
- Expanding our product offering
- Attracting, retaining and building the capability of our people
- Making strategic and targeted acquisitions.

You can see these mapped opposite in Land, Grow, Unify, People and Acquisitions.

## Our strategic priorities

### Land

#### Market penetration

Build on the foundations of our acquired customer base across A/NZ, and expand into Asia

### Grow

#### Add customer value

Build trusted relationships with our existing customers; with market leading brands taking up Cube

### Unify

#### Global trade platform

Converge proprietary and acquired software solutions into a highly scalable global trade platform

### People

#### Build capability

Create and maintain an environment focused on performance, innovation and accountability

### Acquire

#### Accelerate growth

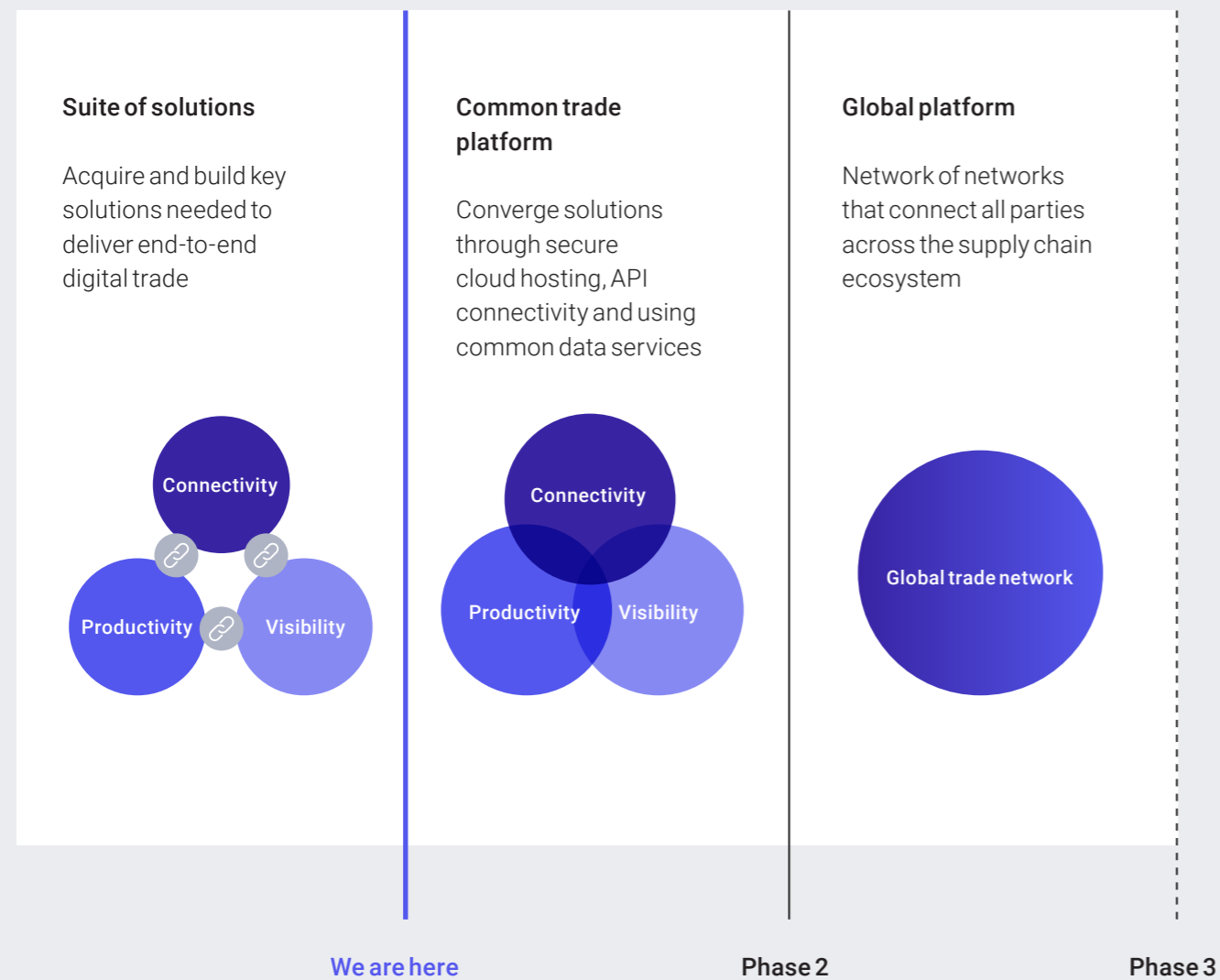
Continue to look for ways to accelerate our strategic priorities and growth through targeted acquisition

# Our product strategy

**We're converging proprietary and acquired solutions into a single global trade network**

Our products' evolution towards a single, global trade platform has three phases. At the moment we are in transition from the first phase – an interoperable suite of solutions - to phase two - a common trade platform.

Investments are being made to move across these three phases, and as we do that, both our customers and TradeWindow will benefit. With concurrent investment in building our commercialisation capability, we are monetising these solutions, and starting to achieve a return on these investments - before we reach phase 3.

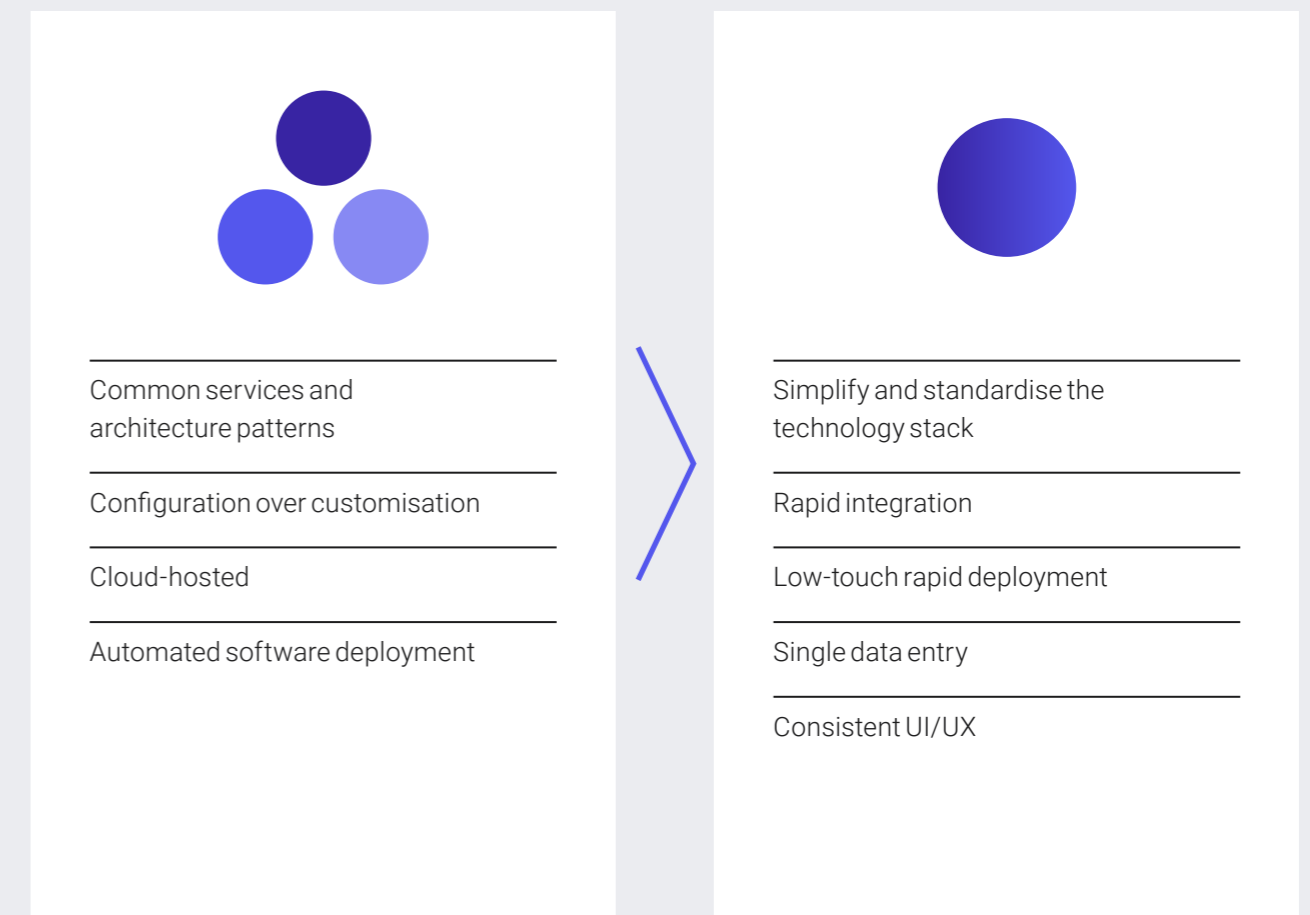


# A digital connected global trade platform

**Our vision is for a modular platform that consolidates and integrates data, back-end processes, and automates workflow**

At the heart of the proposition for our global trade platform is scale - our ability to increase the volumes we service without proportionally increasing the cost.

The platform will provide significant benefits for customers through integrated data and back-end processes and automated workflow. This will come through simplified technology management, rapid integrations to third parties, single data entry and consistent user experience. Most importantly it will enable customers to change how they work for greater cost efficiency and impact – not merely speed up what they are doing.



# Delivering on our strategy

Strategy	Strategy description	Key achievements in FY22	Focus for FY23 and beyond
<b>Land</b>	<b>Market penetration.</b> Build on the foundations of our acquired customer base across A/NZ, and expand into Asia.	<ul style="list-style-type: none"> <li>✓ 20 new customers.</li> <li>✓ Further consolidated market leadership in NZ</li> <li>✓ Entry into the Australian market, winning 'banner brand' customers</li> </ul>	<ul style="list-style-type: none"> <li>○ Build market share in Australia through organic sales focused on mid-market exporters and SME freight forwarders</li> <li>○ Establish a managed service offering in A/NZ to expand the potential market</li> <li>○ Establish indirect sales channels in A/NZ and Asia</li> </ul>
<b>Grow</b>	<b>Add customer value.</b> Build trusted relationships with our existing customers, with market leading brands taking up Cube.	<ul style="list-style-type: none"> <li>✓ Commenced cross-selling Cube to existing Prodoc customers. Successfully migrated 16 mid-market and enterprise customers</li> <li>✓ Commenced cross-selling FreightLegend to existing Freight customers</li> </ul>	<ul style="list-style-type: none"> <li>○ Deliver data visualisation and insights tools</li> <li>○ Establish 24/7 customer support</li> <li>○ Deliver customer capability training to provide a pipeline of certified users</li> <li>○ Continue to offer customers TradeWindow solutions to further their digital transformation</li> </ul>
<b>Unify</b>	<b>Global trade platform.</b> Converge proprietary and acquired software solutions into a highly scalable global trade platform.	<ul style="list-style-type: none"> <li>✓ Commercial release of trade contracts, bookings and schedules and origin modules within Cube</li> <li>✓ Assimilated acquired solutions and software into TradeWindow's product portfolio</li> </ul>	<ul style="list-style-type: none"> <li>○ Converge proprietary and acquired capabilities and new solutions into a single platform</li> <li>○ Convert legacy solutions to cloud native</li> <li>○ Deliver data-driven solutions</li> </ul>
<b>People</b>	<b>Build capability.</b> Create and maintain an environment focused on performance, innovation and accountability.	<ul style="list-style-type: none"> <li>✓ Established product, onboarding and support functions within TradeWindow</li> <li>✓ Increased Australia sales and support capability including a new Country Manager, Australia</li> <li>✓ Organisation restructure prioritising for speed of delivery and revenue growth</li> </ul>	<ul style="list-style-type: none"> <li>○ Offshore non-strategic roles to access talent and build resilience</li> <li>○ Establish a leadership training programme</li> <li>○ Attracting and retaining subject matter experts to support R&amp;D and commercialisation activities</li> <li>○ Recruit further team members across both commercial and R&amp;D roles</li> </ul>
<b>Acquire</b>	<b>Accelerate growth.</b> Continue to look for ways to accelerate our strategic priorities and growth through targeted acquisitions.	<ul style="list-style-type: none"> <li>✓ Acquired Cyberfreight (Freight), expanding TradeWindow's Australian footprint</li> <li>✓ Acquired SpeEDI Solutions (ExpressFreight), strengthening TradeWindow's capabilities in border clearance</li> <li>✓ Acquired FreightLegend, to enhance freight capabilities with streamlined quote management</li> </ul>	<ul style="list-style-type: none"> <li>○ Acquired Rfider (FY23)<sup>2</sup></li> <li>○ Target incumbent software solutions to accelerate entry into new markets</li> <li>○ Target adjacent software solutions that deliver complementary capability to the global trade platform</li> </ul>

1. SpeEDI solutions will be rebranded to ExpressFreight during FY23.  
2. Subject to completion.

# Directors and senior leadership team

## Board of directors



**Alasdair MacLeod**  
Independent Chair

Alasdair joined the Trade Window board in October 2021 and was appointed Chair at that time.

Alasdair has a broad range of experience in governance across software, technology, and not for profit sectors. Alasdair is currently Chair of Napier Port Holdings Limited and SilverStripe Limited, and serves as independent member of the Board Appointments Committee for IHC New Zealand. Alasdair was Chair of the Hawke's Bay chapter of ExportNZ (a division of BusinessNZ) for seven years, and is a Trustee and mentor with Big Brothers Big Sisters Hawkes Bay.

Alasdair started his career as a civil engineer, and then transitioned into management where he gained a broad range of experience across the energy, infrastructure, technology and primary sectors. As a Partner in Deloitte for 12 years, Alasdair led the teams that developed New Zealand's Aquaculture Strategy, Horticulture Strategy, and Red Meat Sector Strategy.

Alasdair has a Higher National Diploma in Civil Engineering from the Glasgow Caledonia University, later completing a Master of Business Administration from Massey University. He is a Chartered Member of the Institute of Directors.



**AJ Smith**  
Executive Director and Chief Executive Officer

AJ Smith is a founding shareholder of Trade Window and has been the CEO from the company's inception in 2018. AJ has a track record of innovation and investment with successful rapid-growth companies including MediFin, GreenFin and Bonds Africa (South Africa) and Commonwealth Finance Group (Switzerland). With a strong belief in building high-performance teams, AJ is an active executive member of the Young

Presidents Organisation and graduated from the University of Freestate (South Africa) with a Bachelor of Commerce majoring in Business Management, Marketing, and Law.

As Executive Director and CEO, AJ is focused on formulating and executing Trade Window's strategic growth objectives.



**Kerry Friend**  
Executive Director

Kerry Friend is a founding shareholder of Trade Window and has been a director since inception in 2018.

Kerry has three decades of financial management experience. He started his career with EY Wellington before following a career across Asia primarily in the media and entertainment sector. Kerry has previously held senior finance positions with

Take-Two Interactive Software (Singapore), Jupiter TV (Japan), Bloomberg (Japan) and News Corporation (Japan).

Kerry holds a Bachelor of Management Studies from the University of Waikato, is a Chartered Accountant, a Chartered Member of the NZ Institute of Directors, and a member of the Australian Institute of Company Directors.



**Diana Puketapu**  
Independent Director

Diana joined the Trade Window board in October 2021.

Diana has a strong governance background, with her current portfolio including directorships on Napier Port Holdings Limited, Ngati Porou Holdings and New Zealand Cricket. In 2015 she was elected to the board of the New Zealand Olympic Committee. She sits as either the Chair or a member of all of these entities' Audit Committees.

Diana's career began with PWC in Auckland and then Singapore. She was then Chief Financial Officer for ten years, both in the commercial sector and in the sporting environment. This included CFO roles for two America's Cup sailing campaigns, establishing businesses in Spain, the UK and the US.

Diana is a Fellow Chartered Accountant and a Chartered Member of the Institute of Directors. Her iwi affiliation is Ngati Porou.



**Phil Norman**  
Independent Director

Phil joined the Trade Window board in October 2021.

Phil brings extensive governance experience in the technology sector, he was the founding Chairman of Xero, one of New Zealand's most successful publicly listed technology companies, and is currently Chairman of NZX/ASX listed Plexure Group Limited, Chairman of ASX listed Straker

Translations Limited and Chair of NZX listed Just Life Group Limited. Phil is also the Independent Chairman of Loyalty New Zealand Limited (Fly Buys).

Phil holds an MBA degree from Auckland University and he is a Chartered Member of the Institute of Directors.

## Senior leadership team

Trade Window's senior leadership team brings a depth and breadth of experience across multiple industries including software, technology, finance, FMCG and services. The team have backgrounds that encompass early-stage start-ups through to corporate organisations both in New Zealand and overseas. The team have a proven track record of working effectively to lead the business strategy and culture. Trade Window's senior leadership team are committed to the long-term success of the business, each of the senior leaders listed below are shareholders in Trade Window .



**AJ Smith**  
Chief Executive Officer

See biography in the section under the heading "Board of Directors" on page 24.



**Kerry Friend**  
Executive Director

See biography in the section under the heading "Board of Directors" on page 25.



**Deidre Campbell**  
Chief Financial Officer

Deidre has extensive financial management and leadership experience within a public company having been the Group CFO for Methven Limited, a former NZX listed designer and manufacturer of showers and taps. During her 16 years as CFO, Deidre led the establishment of processes and systems to support Methven's growth from \$20 million to \$100 million in sales, transition to an international business, and from private ownership to an NZX listed company. Deidre is a Chartered Accountant and member of Chartered Accountants Australia and New Zealand.



**Andrew Balgarnie**  
Chief Revenue Officer

Andrew is an experienced business strategist, deal maker and problem solver with a broad background spanning strategy, corporate finance, and consultancy. Andrew has a track record for delivering large complex transactions and early-stage capital raising. Andrew spent six years in Australia with NBN Co where he worked on several high-profile projects including the procurement of a satellite network, strategic review, and business transformation. Andrew holds a Bachelor of Business Studies from Massey University, and a Master of Business Administration from the Australian Graduate School of Management.



**Gavin de Steur**  
Chief Operating Officer

Gavin is an experienced people leader with over 20 years of operational experience. His diverse background spans telecommunications, security, and technology. Gavin's early career started as an Electronics Engineer Telkom South Africa before moving into customer facing and managerial roles. Gavin previously founded Agic Technologies, a cash processing technology business, which was sold to Fidelity Security Group. Gavin and his family moved to New Zealand in 2019 where he helped establish the Customer Success team for Uneeq, an enterprise software company. Gavin holds a Bachelor of Engineering from the University of Pretoria (South Africa).



**Dr. Guy Kloss**  
Chief Technology Officer

Guy is an enterprise architect, computer scientist, chemical engineer, rocket scientist and thought leader in the world of data security. He has built up a wealth of experience by applying his unique skillset across a diverse range of organisations including Bayer, the German Aerospace Centre, Mega, Qrious, Gentrack and Nyriad. Guy holds a Master of Engineering from TU Dortmund University (Germany), and a PhD in Computer Science from Massey University.



**Dewald van Rensburg**  
Chief Legal Officer

Dewald is a lawyer with more than 20 years' experience in corporate and commercial law. Prior to joining Trade Window in December 2019, Dewald worked as Registrar at a South African university where he oversaw governance and compliance for more than 40 institutional committees. He has served as director on various boards and holds a Bachelor of Laws and a Master of Laws with specialisation in International Corporate Finance Law. He is currently pursuing a Doctorate in Business Administration.



**Adrian Collier**  
Chief Product and Supply Chain Officer

Adrian has more than 20 years' experience in leadership roles covering health, pharmaceuticals, manufacturing, retail, renewable energy and international trade. Before joining Trade Window in 2021 Adrian was the New Zealand Trade Commissioner to Taiwan for four years where he developed a first-hand appreciation of the challenges facing New Zealand exporters. Adrian has also lived and worked in mainland China with pharmaceuticals giant Pfizer where he held several technology leadership roles. Adrian holds a Bachelors and Masters degree (Hons) from the University of Auckland.

# Environmental, social & governance

This Environmental, Social and Governance ('ESG') Report, which incorporates TradeWindow's Statement on Governance was approved by the Board of TradeWindow Holdings Limited on 10 June 2022 and is accurate as at that date. The Board does not undertake any obligation to revise this Report to reflect events or circumstances after 10 June 2022 (other than in accordance with the continuous disclosure requirements of the applicable Listing Rules).

## Introduction

Responsible leadership, characterised by our values which emphasis accountability, integrity, competence, responsibility, fairness and transparency, has been the defining ethos of TradeWindow, and contributes towards ensuring corporate citizenship. Decisions, actions and deliberations are conducted with sensitivity to the legitimate interests and expectations of all stakeholders and TradeWindow fully understands the triple context in which it operates – economy, society and environment.

TradeWindow exercises leadership within a governance system to ensure that its mission is carried out within a framework that promotes diversity and inclusion, benefits society, protects the environment and ensures sustainability. TradeWindow aspires to have a low environmental impact and we encourage customers, suppliers, and other stakeholders to do the same.

## Environmental

As a software development company TradeWindow operates in an online environment, with its operational model primarily utilising office-based employees. For this reason, TradeWindow's direct environmental footprint is relatively small and is made up largely from third-party data centres, energy used in its offices, employee travel and from the typical consumables of an online, office-based business.

TradeWindow is committed to reduce our environmental impact as an integral part of our business strategy and operating methods. Our key environmental initiatives include:

- **Hybrid working** – TradeWindow employees can choose to work from home part of the time, reducing the carbon emissions associated with commuting. This practice has substantially increased, partly as a result of Covid-19 related lockdowns but also as a result of changes in employee preferences.
- **Travel** – We are conscientious when booking travel and, where possible, combine meetings to minimise our trips and reduce CO2 emissions. Covid-19-related travel restrictions meant almost no employees travelled internationally during the year under review.

- **Paperless office** – TradeWindow uses digital solutions to store and manage company records.
- **Low-emission vehicles** – TradeWindow's head office has a small fleet of Hybrid cars available for employees to use.
- **Cloud-computing** – TradeWindow partners with both Microsoft and Amazon Web Services ('AWS') as providers of cloud services. Microsoft has been carbon neutral since 2012 and is committed to zero-waste by 2030. AWS has a long-term commitment to use 100% renewable energy by 2027.
- **Recycling** – Our offices are equipped with, and staff fully embraces recycling.



## Social

TradeWindow is committed to creating an open workplace where every team member is welcomed, supported, and inspired, and where diversity is celebrated. TradeWindow's diversity and inclusion principles will be practically implemented across the business by:

- providing training and education that raises employee awareness of inclusion and diversity and associated benefits supported by Trade Window's membership to Diversity Works NZ;
- ensuring our recruitment, development and management approaches enable inclusion and diversity at all levels;
- ensuring our people receive fair and equitable pay and benefits;
- enhancing processes and policies to encourage greater flexibility and diversity;

- entrenching inclusion and diversity in our culture through engaging internal communications and events;
- regularly tracking progress against targets; and
- having zero tolerance for harassment, discrimination, or victimisation.

TradeWindow's growth plans rely on attracting and retaining highly skilled and experienced subject matter experts from both commercial and technical domains. As TradeWindow operates in an industry that is competitive for talent, the senior leadership team have been focused on shaping a culture that people aspire to be a part of. Our environment is focused on performance, innovation, and accountability.

Early in TradeWindow's history, the senior leadership team came together to define six values that underpin the Company's high-performance team culture. TradeWindow's values are listed in figure 1. below. They describe what is important, set expectations, and guide decisions.

### TradeWindow's values



#### Be real

We value diversity of thought, honesty, and openness. We challenge with respect.



#### Think big

We challenge the definition of possible.



#### Always engaged

We take time to understand our customers and stakeholders to deliver the best work of our lives.



#### Own it

We always deliver, and on-time.



#### One team

We take bold steps together to deliver the smartest solutions.



#### Fiercely efficient

We make each minute and every dollar count.

TradeWindow operates in a dynamic, fast-paced environment. Our people need to continuously acquire knowledge and learn new skills, as we believe new ideas spur opportunities for innovation. In addition to on-the-job training, TradeWindow offers employees the opportunity to build skills through paid courses best matched to the needs of the business, their ambition and experience.

We make wellbeing a priority at TradeWindow. Our people are provided with health insurance, five days paid Wellness Leave, and support from a dedicated Wellness Committee. TradeWindow provides a stimulating and healthy work environment with modern offices and flexible working options

## Governance focus

The Board and management of TradeWindow are committed to ensuring that TradeWindow maintains corporate governance practices that are in line with or, where possible, exceed best practice and that TradeWindow adheres to the highest ethical standards.

TradeWindow is listed on the New Zealand Stock Exchange ('NZX Main Board') and needs to comply with the NZX Listing Rules. The Board has had regard to the NZX Listing Rules and a number of corporate governance recommendations when establishing its governance framework, including the current NZX Corporate Governance Code dated 10 December 2020. TradeWindow's implementation of these recommendations is set out in the Corporate Governance Statement.

TradeWindow's Board has been appointed to protect and enhance the long-term value of TradeWindow and to act in the best interests of its shareholders. The Board is the ultimate decision-making body of the company and is responsible for the corporate governance of the company. The role and responsibilities of the Board are set out in the Board Charter, which can be found on the investor centre of the company's website.

The Board has established two standing Board Committees to assist in the execution of the Board's responsibilities namely the Audit and Risk Committee and the Nomination and Remuneration Committee. An overview of the composition of the Board and Board Committees is shown below.

### Board and Committee Composition

Board	Audit and Risk Committee	Nomination and Remuneration Committee
Alasdair MacLeod (Chairperson and Independent Director)	Diana Puketapu (Chair)	Phil Norman (Chair)
Diana Puketapu (Independent Director)	Alasdair MacLeod	AJ Smith
Phil Norman (Independent Director)	Phil Norman	Diana Puketapu
AJ Smith (Executive Director and CEO)	Kerry Friend	Alasdair MacLeod
Kerry Friend (Executive Director)		

The biographical data of the members are set out on pages 24 - 25 of this Annual Report.

# Corporate governance statement

TradeWindow actively embraces good corporate governance as it protects the interests of all stakeholders and creates and enhances value over the short and long term. At TradeWindow, we regularly review our corporate governance systems and are always looking at opportunities for improvement.

The NZX Listing Rules ('Listing Rules') require TradeWindow to formally report its compliance with the recommendations contained in the NZX Code. TradeWindow's implementation of these recommendations is set out in this Corporate Governance Statement. The Board considers that (unless specifically stated) TradeWindow's corporate governance structures, practices and processes have followed all of the recommendations in the NZX Code since listing on the NZX on 22 November 2021 until 31 March 2022.

This Corporate Governance Statement was approved by the TradeWindow Board (the 'Board') on 10 June 2022. All of the policies and charters referred to below are available on our website at <https://tradewindow.io/investor-centre> Unless stated otherwise, all of the information in this statement is current as at 31 March 2022. As at 31 March 2022, we comply with the recommendations of the NZX Corporate Governance Code ('NZX Code') in all material respects.

## 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."

We are committed to maintaining high standards of honesty, integrity, and ethical conduct. Our expectations in this respect are set out in our Code of Ethics, Continuous Disclosure Policy, and our Securities Trading Policy.

Employees receive information and training on ethical conduct, conflict of interest disclosures, whistleblowing, and securities trading. Breaches of policy are taken seriously. We have a Policy on Protected Disclosures which enables employees to raise breaches of policy confidentially, if required. We maintain conflicts of interest registers which are continuously being monitored internally and by the Board. The key policies are available on our website.

### Recommendation 1.2

An issuer should have a financial product dealing policy for directors and employees

Our Policy on Securities Trading summarises the law on insider trading and restrictions on Directors and employees dealing in our shares. The policy introduces a trading prohibition for Directors and certain employees ('Restricted Persons') at defined times ('blackout periods').

Compliance with the Securities Trading Policy is monitored through a consent process, through education and via notification by TradeWindow's share registrar ('Computershare') when any director or senior manager trades in TradeWindow securities.

### Recommendation 1.1

The board should document minimum standards of ethical behaviour to which the issuer's directors and employees are expected to adhere (a code of ethics). It should outline internal where to find it should be communicated to the issuer's employees. Training should be provided regularly reporting procedures for any breach of ethics, and describe the issuer's expectations about behaviour including around conflicts, acting honestly and with integrity, handling gifts and whistleblowing.

**PRINCIPLE 2 – BOARD COMPOSITION & PERFORMANCE**

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

**Recommendation 2.1**

**The board of an issuer should operate under a written charter which sets out the roles and responsibilities of the board. The board charter should clearly distinguish and disclose the respective roles and responsibilities of the board and management.**

The Board Charter sets out the roles and responsibilities of the Board, its composition, meeting administration, performance assessment and relationship with shareholders and stakeholders. It requires that the Board meets formally at least six times annually, and clearly distinguishes between the role of the Board, and the role of management.

The Board delegates responsibility to the CEO for implementing our strategic direction and day-to-day operations, as recorded in our Delegated Authorities Policy. Management provides detailed reports to the Board to keep the Board up to date with key operational activities and other aspects, including financial performance.

The Company Secretary supports the effectiveness of the Board by ensuring that its policies and procedures are followed. The Company Secretary coordinates the completion and dispatch of the Board agendas and papers and is directly

accountable to the Board, via the Chair, on all governance matters.

**Recommendation 2.2**

**Every issuer should have a procedure for the nomination and appointment of Directors to the board.**

The procedure for the appointment and removal of directors is ultimately governed by the company’s Constitution and relevant NZX Listing Rules. TradeWindow’s Board has established a Nomination and Remuneration Committee with an approved Charter. The Charter sets out the purpose and objectives of the committee as well as the role that it plays in the nomination and appointment of Directors to the Board.

The majority of committee members are non-executive, independent directors. It is a requirement that the Board will be structured to ensure that, as a collective group, it has the skills, experience, knowledge, diversity and perspective to fulfil its purpose and responsibilities.

The Committee makes recommendations to the board from time to time as to the appointment and re-election of directors, having regard to the board composition. It is the responsibility of the Committee to ensure that individuals that are recommended by the Committee are suitably qualified for eligibility for selection as a director.

In nominating candidates, the Committee takes into consideration the terms of reference for the directors and such other factors as it deems appropriate, such as experience, qualifications, character, criminal record, bankruptcy history, judgment, ability to work with others, current Board composition and skillset and diversity and inclusion.

The minimum number of Directors to be appointed to the TradeWindow Board comprises two independent, non-executive directors. The Board’s standards for determining independence include the requirements of the NZX. In particular, the Board will give preference to the non-exhaustive factors set out in the NZX Corporate Governance Code (as amended from time to time).

The Board will assess the independence of directors on their appointment and at least annually thereafter. Before any candidate is finally selected, appropriate fit and proper background checks are undertaken. Important information about candidates is provided to shareholders in the notice of meeting at which they will vote on the appointment of a new Director.

**Recommendation 2.3**

**An issuer should enter into written agreement with each newly appointed director establishing the terms of the appointment.**

All Directors enter into a written agreement with TradeWindow. The agreement outlines their appointment terms, and role requirements, including time commitments and remuneration, as well as indemnity and insurance arrangements.

**Recommendation 2.4**

**Every issuer should disclose information about each director in its annual report or on its website including a profile of experience, length of service, independence and ownership interests and director attendance at board meetings.**

Director Profiles are included on pages 24 - 25 of this Annual Report. Each profile contains information on the experience, length of service, capacity in which they serve on the board as well as disclosed interests. Ownership Interests are provided on pages 121 - 124 of this Annual Report. The table below provides an overview of Director attendances at board meetings immediately prior to and after listing on the NZX:

**Director meeting attendance as members**

		TWHL Board	TWL Board	Nomination and Remuneration Committee	Audit and Risk Committee
<b>Number of meetings FY22</b>		<b>5</b>	<b>5</b>	<b>4</b>	<b>2</b>
Alasdair MacLeod	Independent Director	5	5	4	2
Diana Puketapu	Independent Director	5	5	4	2
Phil Norman	Independent Director	5	5	4	2
AJ Smith	Executive Director and CEO	5	5	4	–
Kerry Friend	Executive Director	5	5	–	2

### Recommendation 2.5

**An issuer should have a written diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving diversity (which, at a minimum, should address gender diversity) and to assess annually both the objectives and the entity's progress in achieving them. The issuer should disclose the policy or a summary of it.**

TradeWindow is committed to cultivating an environment that promotes and values diversity and creating an open workplace where every team member is welcomed, supported, and inspired. We believe TradeWindow is a place where all our employees can express themselves, and our collective unique differences and experiences can contribute to the success of our people and the business.

We are committed to removing perceived or tangible barriers to becoming part of our team, treating everyone fairly and respectfully, and providing equal opportunities based on performance and potential. We have zero-tolerance for harassment, discrimination or victimisation. The policy provides that the Board is responsible for establishing measurable objectives for achieving diversity which reflect the principles set out in the policy and which address, at a minimum, gender diversity.

Each year TradeWindow will review the effectiveness and relevance of the policy; the metrics to identify areas for improvement of inclusion and diversity across the business; and measure TradeWindow's performance with respect to the policy, including that towards achieving the measurable objectives. The table below sets out the gender balance at TradeWindow as at 31 March 2022.

#### As at 31 March 2022

	Female	Male	Total
Directors	1	4	5
Senior Leadership Members	3	9	12
Employees and Contractors	25	54	79
Total (Including directors)	29	67	96
Percentage	30%	70%	100%

### Recommendation 2.6

**Directors should undertake appropriate training to remain current on how to best perform their duties as Directors of an issuer.**

The Board normally commits to sessions of organised visits and meetings focused on some aspect of the business. Directors also attend two separate workshops with Management annually to agree on TradeWindow's purpose and strategy.

New directors participate in an induction programme, designed to educate them about TradeWindow and our governance arrangements. Directors are expected to fulfil Continuing Professional Development obligations of professional organisations to which they belong.

### Recommendation 2.7

**An issuer should enter into written agreement with The board should have a procedure to regularly assess director, board and committee performance.**

The Board Charter regulates the performance assessment process of the Board, its committees and directors. The Board undertakes a bi-annual evaluation of its performance which includes a review of the Board's role, Board processes and committees to support that role; review of the performance of the Board and each director; and identify and effect any amendments to the Board Charter if deemed necessary. An external performance review may be conducted if required.

### Recommendation 2.8

**A majority of the board should be independent Directors.**

Three of the current five Directors are independent. TradeWindow has considered the independence of its three Independent Directors against the definition in the NZX Listing Rules, the commentary to Recommendation 2.4 in the Corporate Governance Code, and its Board Charter and is satisfied that the relevant Directors are independent.

### Recommendation 2.9

**An issuer should have an independent chair of the board. If the chair is not independent, the chair and the CEO should be different people.**

TradeWindow's Chair of the Board, Alasdair MacLeod, is an Independent Director.

## PRINCIPLE 3 – BOARD COMMITTEES

“The board should use committees where this will enhance its effectiveness in key areas, while still retaining board responsibility.”

### Recommendation 3.1

**An issuer's audit committee should operate under a written charter. Membership on the audit committee should be majority independent and comprise solely of non-executive Directors of the issuer. The chair of the audit committee should be an independent director and not the chair of the board.**

TradeWindow has established an Audit and Risk Committee. The roles and responsibilities are set out in the Committee Charter. The Audit and Risk Committee provides advice to the Board in respect of: external financial reporting; risk management and processes; internal and external audit processes; and internal control mechanisms.

The Chair of the Audit and Risk Committee reports back to the Board at each meeting and makes recommendations, as necessary. The Committee reviews its performance against its Charter at least once a year.

The Audit and Risk Committee comprises three members, with a maximum of five, the majority of which are independent directors. The chair of the Audit and Risk Committee is Diana Puketapu. She is an independent non-executive director with a financial background, and she is not the chair of the

Board. Whilst the Audit and Risk Committee does not solely comprise of non-executive Directors (per Recommendation 3.1), the Board considers that Kerry Friend provides important financial experience and skills that are valuable to the Committee.

### Recommendation 3.2

**Employees should only attend audit committee meetings at the invitation of the audit committee.**

External advisors, the Chief Financial Officer, Chief Executive Officer, and others as appropriate may be invited to attend Audit and Risk Committee meetings at the discretion and invitation of the Committee. Invitees may be requested to withdraw from the meeting at any time by the meeting Committee Chair.

### Recommendation 3.3

**An issuer should have a remuneration committee which operates under a written charter (unless this is carried out by the whole board). At least a majority of the remuneration committee should be independent Directors. Management should only attend remuneration committee meetings at the invitation of the remuneration committee**

TradeWindow has established a Nomination and Remuneration Committee. The roles and responsibilities are set out in the Committee Charter. The Committee's role is to assist the board in discharging its responsibilities in relation to the management and risk compliance of statutory and regulatory requirements in relation to human resources by the Chief Executive Officer and senior management; identifying and recommending candidates to the Board for appointment as a director; remuneration and benefits policies of TradeWindow's senior executives and management; appointment; remuneration and evaluation of the Chief Executive Officer and succession planning in relation to him/her; the composition of the board. Where necessary, it can engage external advisors for assistance in connection with the suitability of current or new board members; and reviewing annual incentive targets and TradeWindow-wide salary and incentive policies.

The Chair of the Nomination and Remuneration Committee report back to the Board at each meeting and makes recommendations, as necessary. The Committee reviews its performance against its Charter at least once a year.

The Nomination and Remuneration Committee comprises three members, with a maximum of five, the majority of which are independent directors. The acting chair of the Nomination and Remuneration Committee is Alasdair MacLeod. External advisors, the Chief Financial Officer, and others as appropriate may be invited to attend Nomination and Remuneration Committee meetings at the discretion and invitation of the Committee. Invitees may be requested to withdraw from the meeting at any time by the meeting Committee Chair

### Recommendation 3.4

**An issuer should establish a nomination committee to recommend director appointments to the board (unless this is carried out by the whole board), which should operate under a written charter. At least a majority of the nomination committee should be independent Directors.**

As previously indicated, the company does not have a standalone nomination committee but instead merged the function into the Nomination and Remuneration Committee. The Nomination and Remuneration Committee operates under a written charter and the majority of the Committee members are non-executive, independent directors.

As indicated under recommendation 2.2 the committee's role is to recommend director appointments to the board with due consideration to the terms of reference for the directors and such other factors as it deems appropriate, such as experience, qualifications, character, criminal record, bankruptcy history, judgment, ability to work with others, current Board composition and skillset and diversity and inclusion.

### Recommendation 3.5

**An issuer should consider whether it is appropriate to have any other board committees as standing board committees. All committees should operate under written charters. An issuer should identify the members of each of its committees, and periodically report member attendance.**

The board charter enables the Board to establish other committees, as required from time to time. The two established committees are the Audit and Risk Committee and the Nomination and Remuneration committee, each with its own charter. Membership and attendance is provided in the table under recommendation 2.4.

### Recommendation 3.6

**The board should establish appropriate protocols that set out the procedure to be followed if there is a takeover offer for the issuer including any communication between insiders and the bidder. The board should disclose the scope of independent advisory reports to shareholders. These protocols should include the option of establishing an independent takeover committee, and the likely composition and implementation of an independent takeover committee.**

TradeWindow's Takeovers Policy sets out the process to be followed if there is a takeover offer. The Policy records that the Board may establish an independent Takeover Committee to manage this process.

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## PRINCIPLE 4 – REPORTING & DISCLOSURE

“The board should demand integrity in financial and non-financial reporting, and in the timeliness and balance of corporate disclosures.”

### Recommendation 4.1

**An issuer’s board should have a written continuous disclosure policy.**

Our Continuous Disclosure Policy reflects TradeWindow’s commitment to: maintaining a fully informed market through effective communication with the NZX, the Company’s shareholders, investors, analysts, media and other interested parties (together “stakeholders”); and providing all stakeholders with equal and timely access to material information concerning the Company that is accurate, balanced, meaningful and consistent.

Everyone is required to be familiar with the Policy and associated procedures. Directors and Management are primarily responsible for compliance with our continuous disclosure obligations.

### Recommendation 4.2

**An issuer should make its code of ethics, board and committee charters and the policies recommended in the NZX Code, together with any other key governance documents, available on its website.**

TradeWindow’s Code of Ethics, board and committee charters and policies as recommended in the NZX Code and other key documents are available on the Company’s website.

### Recommendation 4.3

**Financial reporting should be balanced, clear and objective.**

Financial reporting and integrity remain the responsibility of the Board.

The Audit and Risk Committee closely monitors financial reporting risks in relation to the preparation of the financial statements. The Audit and Risk Committee, with the assistance of management, also works to ensure that the financial statements are founded on a sound and effective system of risk management and internal control.

After approval by the Audit and Risk Committee, the complete set of financial statements and related audit report is submitted to the full Board for approval. Management makes detailed representations to the Board to assist them in their consideration of the draft financial statements.

TradeWindow’s full and half-year financial statements are prepared in accordance with relevant financial standards. The Board remains ultimately responsible for overseeing and reviewing the Company’s audit, risk management and compliance systems to protect the Company’s assets and minimise the possibility of the Company operating beyond legal requirements or beyond acceptable risk parameters.

The Board further oversees the accounting and reporting systems (including the external audit) to ensure that the Company provides continuous disclosure of information to the investment community and that shareholders have all the information available that they may reasonably require to make informed assessments of the Company’s prospects.

TradeWindow is committed to ensuring the integrity and timeliness of its financial reporting, and to providing information to shareholders in a timely manner.

### Recommendation 4.4

**An issuer should provide non-financial disclosure at least annually, including considering environmental, economic and social sustainability factors and practices. It should explain how operational or non-financial targets are measured. Non-financial reporting should be informative, include forward looking assessments, and align with key strategies and metrics monitored by the board.**

To assist shareholders to make meaningful investment decisions, in addition, to reporting historical statutory financial information, TradeWindow is committed to providing shareholders with a balanced and understandable assessment of its performance, business model, strategic objectives and progress against meeting those objectives at each earnings announcement and in its full-year reports.

TradeWindow is committed to developing long-term value creation. As part of this commitment, TradeWindow’s Board is focused on delivering a sustainable future for its business, people, customers and communities by doing what is right. The Company’s ESG report provides an overview of how TradeWindow has both positively and negatively impacted the economic life of the community in which it operated during the year under review.

Sustainability is interlinked with the Company’s governance, strategy, risks and opportunities and key performance indicators. The ESG report also provides a forward-looking statement on how the Board believes that it can improve the positive aspects and eradicate or ameliorate the negative aspects concerning environmental, economic and social sustainability factors and practices in the coming year. Our ESG framework remains under development and will continue to be progressed over time.

## PRINCIPLE 5 – REMUNERATION

“The remuneration of Directors and executives should be transparent, fair and reasonable.”

### Recommendation 5.1

**An issuer should recommend director remuneration to shareholders for approval in a transparent manner. Actual director remuneration should be clearly disclosed in the issuer's annual report.**

Our Continuous Disclosure Policy reflects The Nomination and Remuneration Committee is responsible for reviewing and recommending Directors' remuneration to the Board for approval. Directors' remuneration is paid in the form of directors' fees.

The total fee pool available to be paid to directors is subject to shareholder approval unless there has been an increase in the number of directors following approval of the total fee pool by shareholders, in which case additional remuneration may be payable if permitted by the NZX Listing Rules.

The Nomination and Remuneration Committee obtains an independent review of remuneration and, if a change is proposed, makes that review available to shareholders, who then vote on the proposed remuneration at the applicable annual meeting.

Current Directors' remuneration is set out in the statutory information section of the annual report.

### Recommendation 5.2

**An issuer should have a remuneration policy for remuneration of Directors and officers, which outlines the relative weightings of remuneration components and relevant performance criteria.**

Our Strategic Remuneration Policy is designed to ensure that TradeWindow meets the strategic policy objective of attracting, rewarding, and retaining staff with the requisite skills and capabilities to ensure successful business outcomes.

Directors' remuneration is paid in the form of directors' fees. The remuneration of Executives may be made up of both fixed remuneration (base salary) and may also include short-term incentives (STIs) and long-term incentives (LTIs) as a means to encourage and incentivise the delivery of performance and align interests with shareholders.

STIs aim to reward the achievement of prescribed performance measures; and LTIs aim to reward the achievement of performance measures that are measured over a longer-term. The Employment Share Option Scheme (ESOP) governs the award of STIs and LTIs, its vesting, exercise and rights. Any benefits from the LTIs are based on company performance rather than individual performance and paid in addition to the market salary and other benefits agreed with the participating employees.

Vesting of annual awards is monitored to ensure that the value vested in any one year does not exceed 5% of market capitalisation, as required by NZX Listing Rules.

### Recommendation 5.3

**An issuer should disclose the remuneration arrangements in place for the CEO in its annual report. This should include disclosure of the base salary, short-term incentives and long-term incentives and the performance criteria used to determine performance-based payments.**

Current CEO remuneration is set out in the statutory information section of our annual report.

## 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 should regularly verify that the issuer has appropriate processes that identify and manage potential and material risks.”

### Recommendation 6.1

**An issuer should have a risk management framework for its business and the issuer's board should receive and review regular reports. An issuer should report the material risks facing the business and how these are being managed.**

The Audit and Risk Committee is responsible for reviewing and monitoring the effectiveness of the Company's Risk Management Policy (available on the website) and Risk Management Framework (RMF), and the maintenance of appropriate risk culture within TradeWindow.

ISO 31000 sets out eight principles of effective and efficient risk management which have been incorporated by TradeWindow in its Risk RMF. The goal of the RMF is to apply a consistent methodology for assessing the risks faced by TradeWindow. It provides the foundation for effective risk management and ensures significant risks and their potential business impacts are identified and assessed in a timely manner.

The risk assessment process covers risk identification, analysis and evaluation. The Audit and Risk Committee is responsible for reviewing risk capacity and exposure limits (risk appetite) and the alignment of TradeWindow's risk profile within limits set by the Board. The Committee regularly monitors and reviews the Company's material business risks and management of these risks as well as overseeing key risk-related processes and functions.

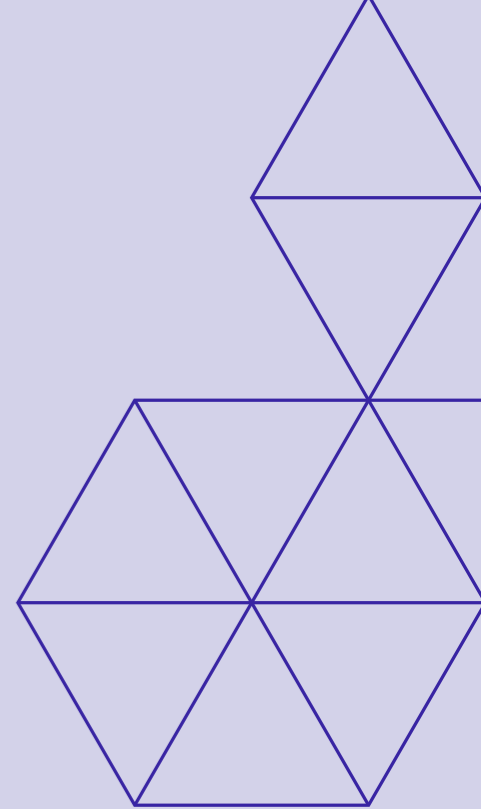
The Committee is required to report to the Board on the effectiveness of the risk-related processes and functions with respect to material business risks, as appropriate. In carrying out these responsibilities, the Committee reviews with management regularly and with the external auditors on at least an annual basis, the significant risks within the Company's Risk Registers and reviews how they have been assessed and managed.

The Committee also assesses the effectiveness of the related system of internal control in managing the significant risks, having regard to any significant failings or weaknesses in internal control that have been reported and considers whether necessary actions are being taken promptly to remedy any significant failings or weaknesses. In addition, the Committee reviews accounting and financial human resources and succession planning within the Company; the adequacy of insurance at each insurance renewal and recommends to the Board any significant changes to insurance cover; and considers the adequacy of business continuity planning.

The Board has ultimate responsibility for TradeWindow's risk management and internal control system. TradeWindow proactively and consistently manages its risk to enhance and protect the Company's value by delivering on our commitment to all stakeholders, pursuing opportunities in an informed way and in line with the Board's risk appetite and by ensuring a safe and secure work environment for all stakeholders.

The RMF defines parameters regarding TradeWindow's Calculated Residual risk scoring system whereby Likelihood, Severity, and Control Effectiveness are defined. The inherent risk score is calculated as Likelihood x Severity. The residual risk score is calculated as Likelihood x Severity x Control Effectiveness.

TradeWindow uses Nintex Promapp as risk management tool to ensure that risks are connected with the core business processes which makes risk management more effective and efficient with comprehensive visibility and controls.





The table below provides an overview of the material risks facing the Company and how these are being managed.

## Material Risks

<b>REAL OR PERCEIVED ERRORS, FAILURES, DEFECTS OR BUGS</b>	TradeWindow's solutions are put through several phases of testing including working with a small group of customers, to conduct 'real-world' usability testing. Once a solution has been commercially released, risk is further mitigated with a continued focus to deliver comprehensive customer support in the event of product failure, to minimise the negative impact on customers.
<b>CYBERSECURITY RISK</b>	TradeWindow maintains ISO accreditation and conducts ongoing penetration testing. Data encryption is in place (at rest and in transit) as well as password protection and 2 Factor authentication. Continuous log capturing and system monitoring is in place as well as internal training on cybersecurity risks.
<b>EMPLOYEE ATTRACTION, RETENTION</b>	<p>TradeWindow has in place a number of measures intended to mitigate the risks regarding employee attraction and retention, including:</p> <ul style="list-style-type: none"> <li>• the implementation of an appropriate employee share scheme with milestones linked to targets of TradeWindow, to allow employees to be able to share in the success and growth of the company in a meaningful way;</li> <li>• an appropriate employee compensation structure and benefits programme for an organisation of its size and nature which will continue to be monitored;</li> <li>• provision of paid courses and on-the-job training providing employees with the tools and support needed to define a career pathway best matched to their ambitions, skills, and experience;</li> <li>• strong focus on culture and values of the company, to create a reputation of a market-leading employer; and</li> <li>• the provision of wide-ranging staff benefits with a focus on wellbeing, including the provision of paid health insurance, flexible working arrangements and additional leave days.</li> </ul>
<b>SUPPLY CHAIN DISRUPTIONS</b>	TradeWindow operational and financial performance is highly correlated with the strength of the economies in which it has customers. TradeWindow seeks to diversify its customer base across industries and geographies to minimise impact.

<b>OPERATING IN COMPETITIVE MARKETS</b>	TradeWindow has in place measures aiming to mitigate the risk of losing customers to competition, including through continued engagement, attentive customer service and support, and a pipeline of updates to features and functionality which are designed to improve the user experience.
<b>COMPLIANCE WITH LAWS AND REGULATIONS</b>	TradeWindow's policies and procedures are designed to comply with laws and regulations of a particular subject matter generally. TradeWindow makes use of internal and external legal expertise and other advisors to review and ensure optimal compliance.
<b>INABILITY TO PROTECT INTELLECTUAL PROPERTY RIGHTS</b>	TradeWindow enters into non-disclosure agreements with its employees, licensees and other third parties who may have access to intellectual property and confidential and proprietary information to protect its intellectual property rights and prevent unauthorised use, disclosure, or reverse engineering of its technology.
<b>STRATEGIC ACQUISITION RISK</b>	TradeWindow develops a business plan in support of each acquisition which demonstrate positive returns and/or strategic advantages. TradeWindow's acquisition process also includes commercial, legal, and technical due diligence. An implementation plan with monitoring mechanism ensures integration, monitoring, and reporting.
<b>EARLY-STAGE BUSINESS</b>	TradeWindow's performance depends on the widespread adoption of digital trade solutions by mainstream exporters, importers, freight forwarders, and customs brokers.
<b>LIQUIDITY RISK</b>	<p>TradeWindow is an early-stage business that relies on investor capital until the Company reaches its break-even point. TradeWindow manages its liquidity risk with:</p> <ul style="list-style-type: none"> <li>• financial forecast and budgets to plan and monitor cashflows;</li> <li>• monthly financial performance reporting to monitor and delivery of the business plan.</li> </ul>

## Recommendation 6.2

### An issuer should disclose how it manages health and safety risks and should report on its health and safety risks, performance and management.

TradeWindow measures proactive and reactive measures of health, safety, and wellbeing. These include near miss and new hazard frequency rates, an injury severity frequency rate, and a total recordable injury frequency rate, (TRIFR). To manage these risks, we formed project teams to actively focus on controls and awareness; ensure safety messages are clear and learnings shared; and reviewed our safety culture and emergency preparedness.

TradeWindow has adopted a Health and Safety Policy that requires TradeWindow's people to take all practicable steps to provide a working environment that promotes health and wellbeing while minimising the potential for risk, personal injury, ill-health or damage. We are committed to providing and maintaining a safe and healthy working environment for our employees, visitors, and all people using our premises as a workplace. To enable this, we:

- Set health and safety objectives and performance criteria for all managers and work areas
- Annually review health and safety objectives and managers' performance against these
- Actively encourage the accurate and timely reporting and recording of all incidents and injuries
- Investigate all reported incidents and injuries to ensure all contributing factors are identified and, where appropriate, plans are developed to take corrective action
- Actively encourage people to report any pain or discomfort early on
- Provide a treatment and rehabilitation plan that ensures a safe, early and durable return to work
- Identify all existing and new hazards and take all practicable steps to eliminate, isolate or minimise the exposure to significant hazards

- Ensure all employees are aware of the hazards in their work area and are adequately trained to enable them to perform their duties in a safe manner
- Encourage employee consultation and participation in all matters relating to health and safety
- Promote a system of continuous improvement – this includes reviewing policies and procedures each year
- Work together to meet our obligations under the Health and Safety at Work Act 2015, the Health and Safety in Employment Regulations 1995, codes of practice, and any relevant standards or guidelines

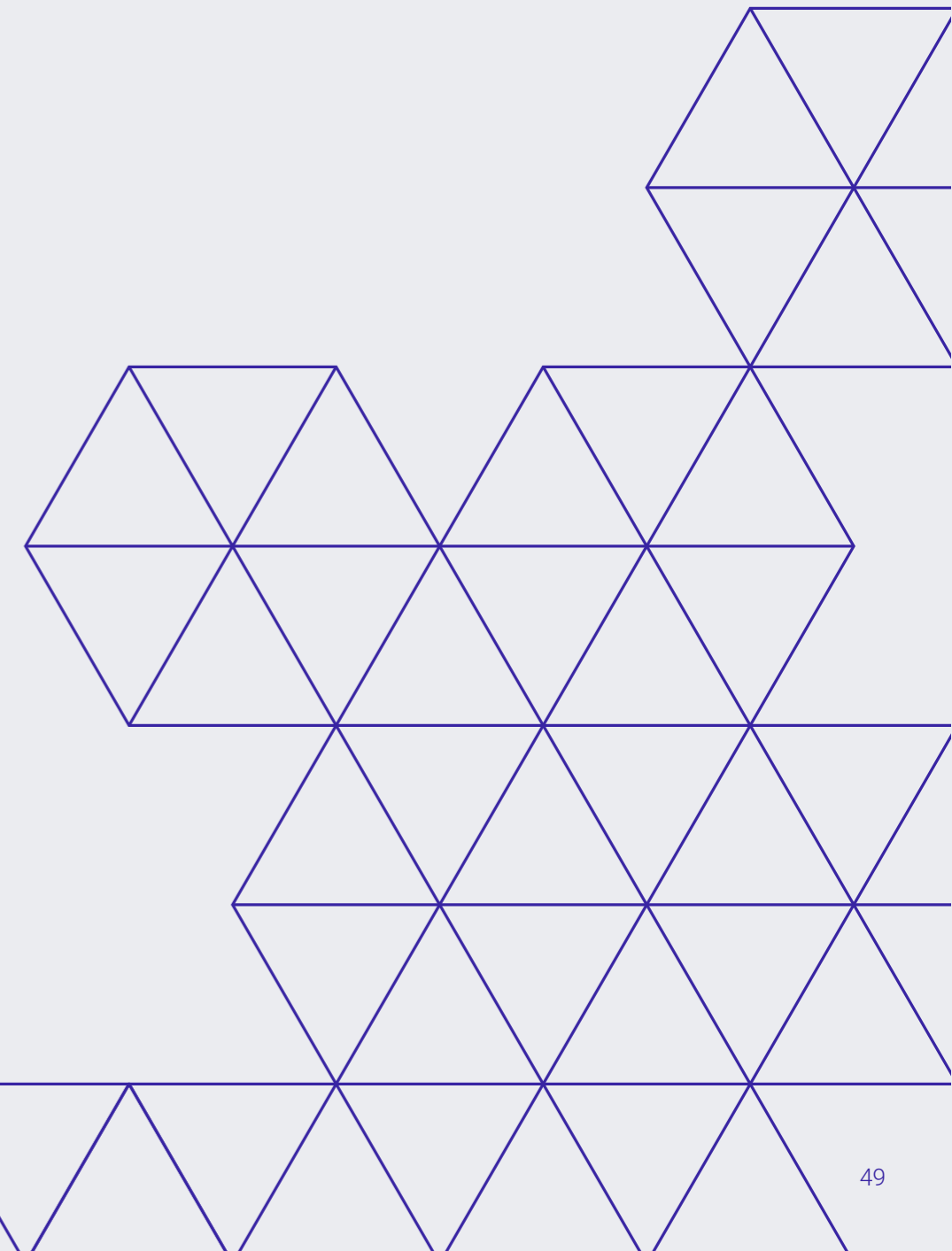
Every manager, supervisor or foreperson has a responsibility for the health and safety of employees working under their direction. Every employee is expected to share in this commitment to health and safety in the workplace. The Board reviews health and safety reports at each Board meeting and oversees a detailed programme of work to ensure TradeWindow remains compliant with its health and safety obligations under relevant health and safety legislation

TradeWindow is focused on the well-being and mental health of all our people and supporting employees to feel and perform at their best. TradeWindow supports staff by providing an outsourced globally accessible Employee Assistance Programme, which is promoted to encourage usage. In addition, our wellness programme continued to receive positive feedback from participants and was reinforced throughout our period of remote working during the Covid-19 pandemic, encouraging personal innovation, connectedness, resilience and personal support.

TradeWindow ensured rigorous health and safety practices throughout the pandemic, which included making swift decisions to close offices, providing personal protective equipment and encouraging social distancing and high levels of hygiene practices when offices did reopen. TradeWindow introduced new heightened levels of communication throughout

our organisation while employees were working from home. The Covid policy is under revision.

As a result, we saw strong employee engagement and retention throughout the year. These practices will carry through to the future, and with offices being able to reopen we are now evolving lessons learned from Covid-19 to further improve our flexible working practices to encourage increased levels of employee wellbeing.



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## PRINCIPLE 7 – AUDITORS

“The board should ensure the quality and independence of the external audit process.”

### Recommendation 7.1

**The board should establish a framework for the issuer's relationship with its external auditors. This should include procedures (a) for sustaining communication with the issuer's external auditors; (b) to ensure that the ability of the external auditors to carry out their statutory audit role is not impaired, or could reasonably be perceived to be impaired; (c) to address what, if any, services (whether by type or level) other than their statutory audit roles may be provided by the auditors to the issuer; (d) To provide for the monitoring and approval by the issuer's audit committee of any service provided by the external auditors to the issuer other than in their statutory audit role.**

The Audit and Risk Committee plays a key role in TradeWindow's relationship with its auditors, and the audit process generally. It is responsible for recommending the appointment of the external auditors to the Board, overseeing the independence and the work of the external auditors; as well as reviewing policies for the provision of non-audit services by the external auditors (including the framework for pre-approval of any such services).

The Committee meets regularly with KPMG, our external auditor, including meeting without management. The Committee annually reviews and assesses KPMG's performance through an internal questionnaire. The results, key themes and recommendations are reported to the Board. A representative from KPMG will attend our annual meeting to answer shareholders' questions.

KPMG confirmed their independence from the Company to the Audit and Risk Committee in March 2022. Non-audit services performed by KPMG are closely examined by Management and the Chair of the Audit and Risk Committee prior to engaging KPMG for these additional services, to ensure that they do not compromise KPMG's independence.

TradeWindow's policy on Auditor Independence is available on our website. The objective of the policy is to ensure that TradeWindow's auditors carry out their functions independently and without impairment, safeguarding the reliability and credibility of TradeWindow's external financial reporting.

The Policy recognises the importance of the Board's role in facilitating frank dialogue among the Audit and Risk Committee, the auditor and management.

The rotation of TradeWindow's client service partner and the Key Audit Partner (as that term is defined in the NZX Listing Rules) of TradeWindow and its subsidiaries will be required every five years with suitable succession planning to ensure consistency. Those partners are subject to a mandatory two-year stand-down period to be completed before those partners can next be engaged by TradeWindow.

### Recommendation 7.2

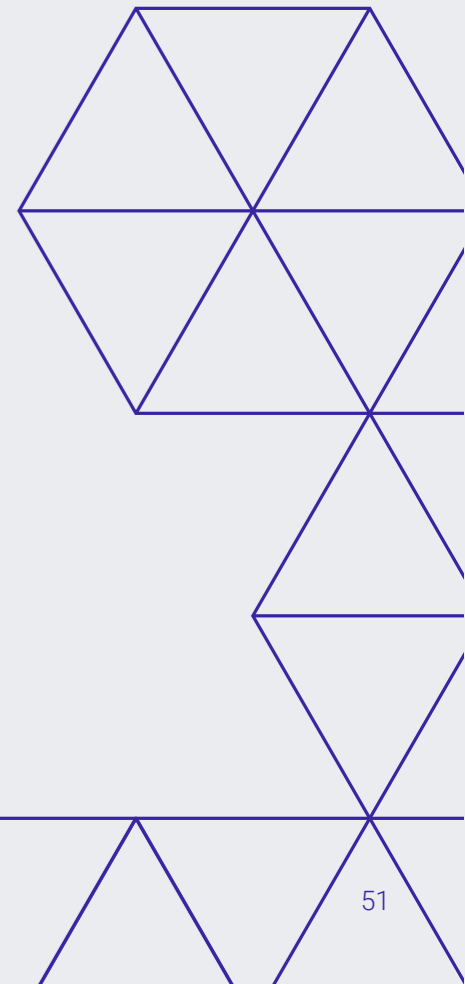
**The external auditor should attend the issuer's Annual Meeting to answer questions from shareholders in relation to the audit.**

KPMG, as external auditor, shall be invited to the Company's annual shareholders' meeting, and will be available to answer any questions from shareholders in relation to the audit.

### Recommendation 7.3

**Internal audit functions should be disclosed.**

TradeWindow does not have a dedicated internal auditor, instead, internal controls are managed on a day-to-day basis by the finance team. Compliance with internal controls is reviewed annually by TradeWindow's auditor. The Board and finance team regularly consider how TradeWindow can improve its internal audit and risk management practices during TradeWindow's annual governance review, regular risk reviews, preparation of interim and full-year financial statements and following TradeWindow's annual audit.



## PRINCIPLE 8 – SHAREHOLDER RIGHTS & RELATIONS

“The board should respect the rights of shareholders and foster constructive relationships with shareholders that encourage them to engage with the issuer.”

### Recommendation 8.1

**The board should establish a framework for the An issuer should have a website where investors and interested stakeholders can access financial and operational information and key corporate governance information about the issuer.**

The Investor Centre on our website is the primary information channel for shareholders. It includes:

- A share price feed, historical pricing and trading data.
- Announcements, disclosures, annual and interim reports, investor presentations, and other news.
- Corporate governance documents such as Charters and Policies, the Company Profile and this Corporate Governance Statement.
- Financial Reports
- Annual meeting materials and recordings.
- Share registry information.

In addition to the above, updates on our activities are posted on our social media channels (LinkedIn and Facebook).

### Recommendation 8.2

**An issuer should allow investors the ability to easily communicate with the issuer, including providing the option to receive communications from the issuer electronically.**

Contact information for the investor relations team is on the contacts page of our website. We aim to respond to all enquiries in a timely manner. Shareholders can elect to receive TradeWindow communications either electronically or via mail. Our share registry (Computershare) manages this process.

### Recommendation 8.3

**Quoted equity security holders should have the right to vote on major decisions which may change the nature of the issuer in which they are invested.**

Our Constitution, the Companies Act 1993 and the NZX Listing Rules afford shareholders the right to vote on certain matters affecting TradeWindow. Shareholders can vote at any meeting of shareholders in person or by using a proxy or representative. On a show of hands or by voice (at the election of the Chair), each shareholder attending in person, by proxy or by their representative has one vote (for each fully paid Share).

To the extent permitted by the Act, and if applicable, the NZX Rules, the Board may allow shareholders to vote by signifying their assent or dissent by electronic means (including, for the avoidance of doubt, voting on a personal computer, with such vote being transmitted to the meeting), instead of the Shareholder voting by another method permitted by the Act or this Constitution. If a poll is taken, each shareholder attending in person, by proxy or by their representative has one vote per fully paid-up share they hold. Postal votes are not permitted unless the Board notifies shareholders otherwise.

Further information on shareholder voting rights is set out in TradeWindow’s Constitution (available on the website)

### Recommendation 8.4

**If seeking additional equity capital, issuers of quoted equity securities should offer further equity securities to existing equity security holders of the same class on a pro rata basis, and on no less favourable terms, before further equity securities are offered to other investors.**

The Board is responsible for considering the interests of all existing equity holders when assessing their capital raising options. TradeWindow has not sought additional equity capital since listing on the NZX to the period ended 31 March 2022.

### Recommendation 8.5

**The board should ensure that the notices of annual or special meetings of quoted equity security holders is posted on the issuer's website as soon as possible and at least 20 working days prior to the meeting.**

The Company will hold its annual meeting of Shareholders in September 2022. A Notice of Meeting will be issued at least 20 working days before the meeting. A recording of the meeting will be made available afterwards on the Investor Centre page of the Company’s website.

04

# Consolidated financial statements

For the year ended 31 March 2022

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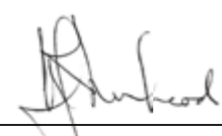
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# Directors' declaration

In the opinion of the Directors of Trade Window Holdings Limited, the financial statements and notes, on pages 59 - 119:

- comply with New Zealand generally accepted accounting practice and present fairly the financial position of the Group as at 31 March 2022 and the result of operations for the year ended on that date;
- have been prepared using the appropriate accounting policies, which have been consistently applied and supported by reasonable judgements and estimates.

The Directors believe that proper accounting records have been kept which enable, with reasonable accuracy, the determination of the



Alasdair MacLeod

30 May 2022

Date

financial position of the Group and facilitate compliance of the financial statements with the Financial Reporting Act 2013.

The Directors consider that they have taken adequate steps to safeguard the assets of the Group, and to prevent and detect fraud and other irregularities. Internal control procedures are also considered to be sufficient to provide reasonable assurance as to the integrity and reliability of the financial statements.

The board of Directors are pleased to present the financial statements of the Group for the year ended 31 March 2022.

Signed in accordance with a resolution of the Directors.



AJ Smith

30 May 2022

Date

# Directory

## INCORPORATION NUMBER

8233653

## PRINCIPAL ACTIVITIES

Develop and commercialise technology solutions that provide international trade participants with a secure platform and tools to establish trust and trade globally in an efficient manner across interconnected networks

There have been no significant changes in the nature of these activities during the year ended 31 March 2022.

## REGISTERED OFFICE

Trade Window Company Secretary  
Level 4, Partners Life House  
33-45 Hurstmere Road, Takapuna  
Auckland 0622  
New Zealand

## DIRECTORS

Albertus Johannes Smith  
Kerry Michael Friend  
Philip John Norman (appointed 15 October 2021)  
Diana Marie Puketapu (appointed 15 October 2021)  
Alasdair (Alexander) John Macleod (appointed 15 October 2021)

The Directors were in office for the whole period unless otherwise stated.

## AUDITOR

KPMG  
KPMG Centre  
18 Viaduct Harbour Avenue  
Auckland 1010  
New Zealand

## Consolidated statement of comprehensive income

	NOTES	2022 \$	2021 \$
Revenue	3.1	3,877,617	1,641,840
Other income	4	999,330	701,936
		<b>4,876,947</b>	<b>2,343,776</b>
Employee benefits expense	5.1	(10,830,303)	(6,342,880)
Depreciation and amortisation		(1,666,826)	(1,069,502)
Other expenses	5.2	(3,593,903)	(1,864,513)
		<b>(11,214,085)</b>	<b>(6,933,119)</b>
Net finance expense	6	(169,673)	(141,037)
<b>Loss before income tax</b>		<b>(11,383,758)</b>	<b>(7,074,156)</b>
Income tax	7	560,000	475,902
<b>Net loss after tax</b>		<b>(10,823,758)</b>	<b>(6,598,254)</b>
<b>Items that are or may be reclassified subsequently to profit of loss</b>			
Exchange differences on translating foreign operations		136	847
<b>Total comprehensive loss for the year</b>		<b>(10,823,622)</b>	<b>(6,597,407)</b>
<b>Earnings (loss) per share</b>			
Basic earnings (loss) per share \$	26	(0.13)	(1.14)
Diluted earnings (loss) per share \$	26	(0.13)	(0.52)

The above information is to be read in conjunction with the notes to the consolidated financial statements.

# Consolidated statement of financial position

ASSETS	NOTES	2022 \$	2021 \$
<b>Current assets</b>			
Cash and cash equivalents	8.1	5,932,558	1,413,224
Trade and other receivables	9	1,835,624	557,957
Income tax receivable	7	6,244	—
Contract assets	3.2	77,809	51,929
		<b>7,852,235</b>	<b>2,023,110</b>
<b>Non-current assets</b>			
Trade and other receivables	9	128,304	18,057
Property, plant and equipment	10	277,892	165,551
Right of use assets	11	1,395,315	38,329
Intangible assets	12	6,762,523	3,892,659
Restricted cash	8.2	98,604	—
		<b>8,662,638</b>	<b>4,114,596</b>
<b>Total assets</b>		<b>16,514,873</b>	<b>6,137,706</b>

## Consolidated statement of financial position

LIABILITIES	NOTES	2022 \$	2021 \$
<b>Current liabilities</b>			
Trade and other payables	13	1,512,709	781,509
Interest bearing loans and borrowings	14	486,248	489,864
Related party payables	16	7,071	40,470
Income tax payable	7	—	1,661
Lease liabilities	11	506,999	39,704
Dividend payable		—	30,380
Contract liabilities	3.2	453,605	39,831
		<b>2,966,632</b>	<b>1,423,419</b>
<b>Non-current liabilities</b>			
Trade and other payables	13	64,143	—
Interest bearing loans and borrowings	14	1,764,473	1,220,147
Lease liabilities	11	875,045	—
		<b>2,703,661</b>	<b>1,220,147</b>
<b>Total liabilities</b>		<b>5,670,293</b>	<b>2,643,566</b>
<b>Net assets</b>		<b>10,844,580</b>	<b>3,494,140</b>



Consolidated statement of financial position

<b>EQUITY</b>	<b>NOTES</b>	<b>2022 \$</b>	<b>2021 \$</b>
Share capital	19	31,333,484	6,147,047
Retained earnings		(20,585,200)	(9,761,442)
Convertible notes	20	-	6,818,964
Foreign currency translation reserve		7,574	4,946
Share based payments reserve		88,722	284,625
<b>Total equity</b>		<b>10,844,580</b>	<b>3,494,140</b>

# Consolidated statement of changes in equity

NOTES	ISSUED CAPITAL \$	RETAINED EARNINGS \$	EQUITY COMPONENTS OF CONVERTIBLE NOTES \$	FOREIGN CURRENCY TRANSLATION RESERVE \$	SHAREBASED PAYMENT RESERVE \$	TOTAL \$	NON-CONTROLLING INTEREST \$	TOTAL \$
<b>Balance at 1 April 2020</b>	<b>5,153,545</b>	<b>(3,127,133)</b>	<b>1,000,000</b>	<b>(2,446)</b>	<b>58,299</b>	<b>3,082,265</b>	<b>410,825</b>	<b>3,493,090</b>
<b>Comprehensive expense for the year</b>								
Loss for the year	-	(6,598,254)	-	-	-	(6,598,254)	-	(6,598,254)
Other comprehensive income/(expense)	-	-	-	847	-	847	-	847
	<b>-(6,598,254)</b>	<b>-</b>	<b>-</b>	<b>847</b>	<b>-</b>	<b>-(6,597,407)</b>	<b>-</b>	<b>-(6,597,407)</b>
<b>Transactions with owners of the company</b>								
Issue of capital/dividend to shareholders	19	(64,463)	(30,380)	-	-	(94,843)	-	(94,843)
Adjustment to foreign currency		-	-	6,545	-	6,545	-	6,545
Issue of convertible notes	20	-	-	5,818,964	-	5,818,964	-	5,818,964
Share issue on restructure	19	416,500	(5,675)	-	-	410,825	(410,825)	-
Share options exercised	19	641,465	-	-	-	641,465	-	641,465
Equity-settled share based payments		-	-	-	226,326	226,326	-	226,326
	<b>993,502</b>	<b>(36,055)</b>	<b>5,818,964</b>	<b>6,545</b>	<b>226,326</b>	<b>7,009,282</b>	<b>(410,825)</b>	<b>6,598,457</b>
<b>Balance at 31 March 2021</b>	<b>6,147,047</b>	<b>(9,761,442)</b>	<b>6,818,964</b>	<b>4,946</b>	<b>284,625</b>	<b>3,494,140</b>	<b>-</b>	<b>3,494,140</b>

## Consolidated statement of changes of equity

NOTES	ISSUED CAPITAL \$	RETAINED EARNINGS \$	EQUITY COMPONENTS OF CONVERTIBLE NOTES \$	FOREIGN CURRENCY TRANSLATION RESERVE \$	SHAREBASED PAYMENT RESERVE \$	TOTAL \$	NON-CONTROLLING INTEREST \$	TOTAL \$
<b>Balance at 1 April 2021</b>	<b>6,147,047</b>	<b>(9,761,442)</b>	<b>6,818,964</b>	<b>4,946</b>	<b>284,625</b>	<b>3,494,140</b>	<b>-</b>	<b>3,494,140</b>
<b>Comprehensive expense for the year</b>								
Loss for the year	-	(10,823,758)	-	-	-	(10,823,758)	-	(10,823,758)
Other comprehensive income/(expense)	-	-	-	136	-	136	-	136
	<b>-(10,823,758)</b>	<b>-</b>	<b>-</b>	<b>136</b>	<b>-</b>	<b>-(10,823,622)</b>	<b>-</b>	<b>-\$10,823,622</b>
<b>Transactions with owners of the company</b>								
Issue of capital/dividend to shareholders	19	15,092,532	-	-	-	15,092,532	-	15,092,532
Adjustment to foreign currency		-	-	2,492	-	2,492	-	2,492
Maturity of convertible notes	19,20	6,818,964	-(6,818,964)	-	-	-	-	-
Share issue on business acquisitions	18,19	2,353,037	-	-	-	2,353,037	-	2,353,037
Share options exercised		921,904	-	-	-	921,904	-	921,904
Equity-settled share based payments		-	-	-	(195,903)	(195,903)	-	(195,903)
	<b>25,186,437</b>	<b>-(6,818,964)</b>	<b>2,492</b>	<b>(195,903)</b>	<b>18,174,062</b>	<b>-</b>	<b>18,174,062</b>	
<b>Balance at 31 March 2022</b>	<b>31,333,484</b>	<b>(20,585,200)</b>	<b>-</b>	<b>7,574</b>	<b>88,722</b>	<b>10,844,580</b>	<b>-</b>	<b>10,844,580</b>

# Consolidated statement of cash flows

OPERATING ACTIVITIES	NOTES	2022 \$	2021 \$
Cash received from customers		4,039,791	1,672,594
Cash paid to suppliers and employees		(13,203,825)	(7,283,439)
Income tax received		(7,905)	475,368
Grant income		676,126	559,446
<b>Net cash to operating activities</b>	<b>27</b>	<b>(8,495,813)</b>	<b>(4,576,031)</b>
<b>INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment	10	(240,455)	(118,387)
Proceeds from sale plant and equipment		4,707	5,138
Purchase of intangible assets	12	(100,001)	–
Business acquisition	18	(1,538,445)	–
Payments to term deposit	8.2	(98,604)	–
Interest received	6	12,106	1,186
<b>Net cash used in investing activities</b>		<b>(1,960,692)</b>	<b>(112,063)</b>

## Consolidated statement of cash flows

FINANCING ACTIVITIES	NOTES	2022 \$	2021 \$
Interest paid on lease liability	6,11	(53,180)	(7,944)
Proceeds from/(repayment) of share capital	19	15,000,000	(64,463)
Proceeds from issue of convertible notes	20	–	5,818,964
Repayment of borrowings		(616,288)	(616,614)
Payments for lease liability - principal portion	11	(380,563)	(289,494)
Proceeds/(repayments) from exercise of share options		910	603
Proceeds from borrowings		1,145,000	400,000
Payments to related parties		(30,380)	–
Interest paid		(89,660)	(126,685)
<b>Net cash flows from financing activities</b>		<b>14,975,839</b>	<b>5,114,367</b>
<b>Net change in cash and cash equivalents</b>		<b>4,519,334</b>	<b>426,273</b>
Cash and cash equivalents at the beginning of the financial year		1,413,224	986,951
<b>Cash and cash equivalents at the end of the financial year</b>		<b>5,932,558</b>	<b>1,413,224</b>

# Notes to the consolidated financial statements

For the year ended 31 March 2022

## 1 General information and statement of compliance

Trade Window Holdings Limited is a profit orientated entity.

Trade Window Holdings Limited is incorporated and domiciled in New Zealand and is a company registered under the Companies Act 1993.

Consolidated financial statements for the Group are presented. The consolidated financial statements of Trade Window Holdings Limited (company) as at and for the year ended 31 March 2022 comprise of the Company and its subsidiaries (together referred to as the Group and individually as subsidiaries).

Trade Window Holdings Limited was incorporated on 10 September 2021 for the purpose of being the holding company for Trade Window Limited. Prior to Trade Window Holdings Limited's incorporation, the Group comprised of Trade Window Limited and its subsidiaries.

The subsidiaries are set out in note 17.

The principal activities of the Group during the year were developing and commercialising technology solutions that provide international trade participants with a secure platform and tools to establish trust and trade globally in an efficient manner across interconnected networks.

### Basis of preparation

These financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand ('NZ GAAP'). They comply with the New Zealand Equivalents to International Financial Reporting Standards and other applicable Financial Reporting Standards, as appropriate for Tier 1 for-profit entities. The consolidated financial statements of the Group also comply with

International Financial Reporting Standards (IFRS). The financial statements were authorised for issue by the directors on the date included on the inside cover page. The Group is a reporting entity for the purposes of the Financial Reporting Act 2013 and its financial statements comply with that Act.

### Accounting policies

The accounting policies set out below have been consistently applied to all periods presented in these financial statements. Where applicable, certain comparatives have been reclassified to comply with the accounting presentation adopted in the current year to ensure consistency with the current year classification.

### Comparative information

Trade Window Holdings Limited (TWHL) was incorporated as part of the Trade Window listing process. TWHL effectively acquired Trade Window Limited (TWL) on 19 November 2021. This was achieved through a share exchange where 10 TWHL shares were issued for 1 TWL share. TWHL is now the parent entity and listed on the NZX. There was no other change operationally and TWHL was effectively inserted above TWL. The comparative financial statements for the year ended 31 March 2021 are those of TWL and its subsidiaries only and reflect the fact that the insertion of TWHL is, in substance, a continuation of the existing group.

## Going concern

The Group prepares its financial statements on a going concern basis and expects to be able to realise its assets and meet its financial obligations in the normal course of business.

The Group is an early-stage organisation that is currently investing heavily in the development and commercialisation of a Global Trade Platform and as such has reported a loss for the year ended 31 March 2022 of \$10.8 million (2021: \$6.6 million), and operating cash outflows of \$8.5 million (2021: \$4.6 million), and is projected to continue to incur expenditure in excess of revenue for a period of at least 12 months from the date of issuing these financial statements. For the Group to continue as a going concern, it is dependent on its ability to continue to raise significant equity and/or debt funding to support continued product development and commercialisation of its products.

As an early-stage business further capital raising prior to achieving profitability was anticipated and this was indicated in the Company's listing profile in November 2021. Management has been closely monitoring forecast cash reserves each month with specific regard to the timing of a future capital raise.

The Board-approved FY23 annual budget and three-year financial forecast plans to raise sufficient capital to provide around 24 months forecast cash requirements which will provide sufficient liquidity to satisfy its financial obligations and comply with the terms of its debt facilities for a period of at least 12 months from the issuance of these financial statements should there be a reasonably possible downside in underlying assumptions. Key to the forecasts are relevant assumptions regarding the business and success of its products, business model, any legal or regulatory restrictions, financing,

and shareholder support, including the future capital raise. The inputs to the assumptions have been stress tested against a range of scenarios including a reduction in revenue without commensurate cost cutting, and a reduction in the target for the planned capital raise.

As at 31 March 2022 the Group held cash and cash equivalents of \$5.9 million (2021: \$1.4 million) and projects adequate cash available through to September 2022, by which time it is anticipated that the Group will have raised additional capital. To have sufficient liquidity for a period of at least 12 months from the issuance of these financial statements the Group has forecast that at least \$10 million of additional debt and equity will need to be raised, assuming forecast revenues and expenditures are realised, and there are no significant acquisitions during the period.

The Directors do acknowledge that until a capital raising is complete, there is material uncertainty concerning the Group's ability to achieve its financial forecasts which may cast significant doubt on the Group's ability to maintain sufficient liquidity to continue as a going concern.

Should the Group not raise sufficient debt and equity financing to fund projected cashflow deficits, the Group may not be able to continue as a going concern and realise the value in its assets and discharge its liabilities in the normal course of business.

The Directors consider the Group to be a going concern and believe that the Group will achieve its financial forecasts and secure projected funding requirements such that the Group will be able to meet its contractual obligations in the foreseeable future.

## Basis of measurement

The financial statements have been prepared on the historical cost basis.

These financial statements are presented in New Zealand dollars (\$) which is the Company's functional currency, rounded to the nearest dollar. They have been prepared on a GST exclusive basis except for receivables and payables that are stated inclusive of GST.

## Use of estimates and judgements

The preparation of the financial statements in conformity with NZ IFRS and IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The principal areas of judgement in preparing these financial statements are set out below. Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes

- Note 3.1 Revenue, in determining the revenue recognition of implementation revenue.
- Note 11 Leases, on determining whether a contract contains a lease, lease terms, incremental borrowing rate and lease renewal options.
- Note 18 Business acquisitions, in determining the fair value of the consideration transferred, and fair value of the assets acquired and liabilities assumed.
- Note 20 Convertible notes, on its classification as equity (in 2021).

## Covid-19

The year to 31 March 2022 presented a challenging environment as various restrictive lockdowns continued, however Trade Window continued to operate effectively to service and support its customers and to develop its products which are enabling organisations to move away from traditional on-premise and paper based operations.

While there has been no material impact on sales, the restrictions on physical movement have delayed the Australian market development. There has been no impact of COVID-19 on the statement of financial position.

Trade Window and its subsidiaries have not taken any government relief subsidies available to companies as a result of COVID-19 during the year ended 31 March 2022.

## New accounting standards and interpretations

No new standards have been issued for the period ended 31 March 2022 that materially impact the Group.

## New accounting standards and interpretations issued but not yet effective

At the date of authorisation of these consolidated financial statements, there are no new accounting standards or interpretations issued but not yet adopted that are expected to have a material impact on the Group.

## 2 Significant accounting policies

### Basis of consolidation

#### *Business combinations*

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The consideration transferred in the acquisition is generally measured at fair value, as are the identified net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities. The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

#### *Subsidiaries*

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

#### *Transactions eliminated on consolidation*

Intra company (refer to Note 17) balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains and losses) arising from intra-group transactions, are eliminated.

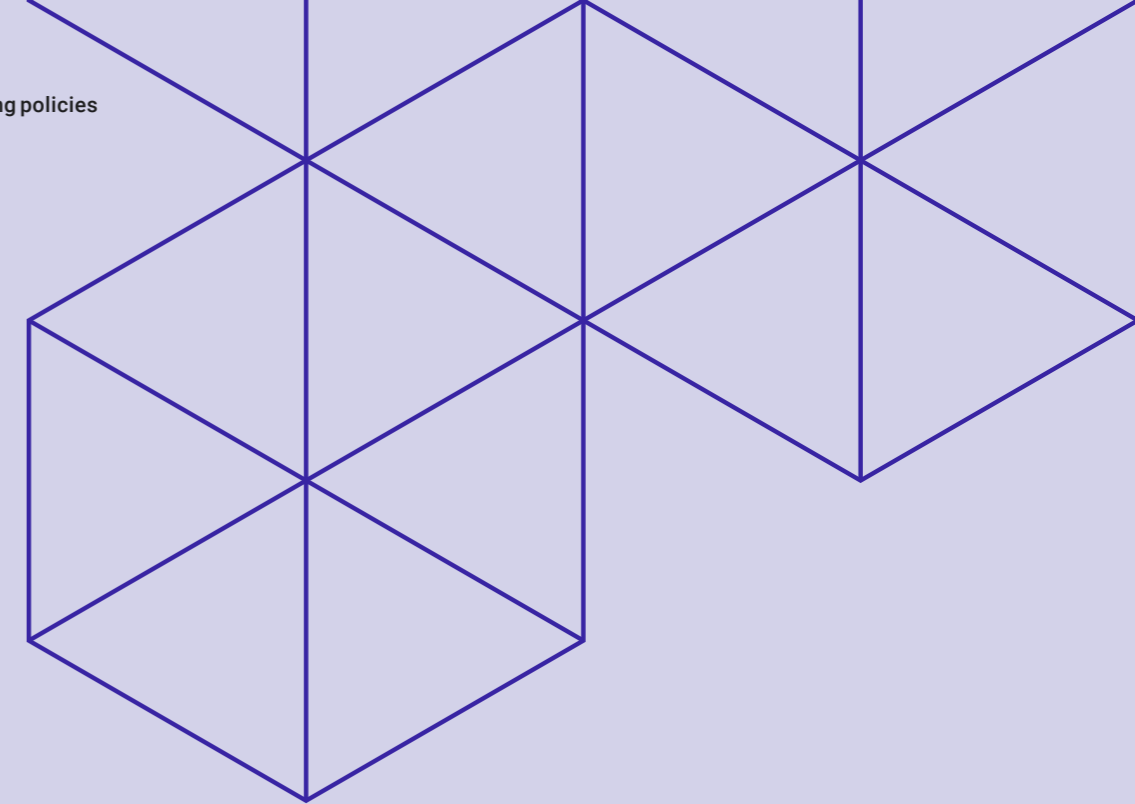
### Foreign currency

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

The foreign currency translation reserve arises from the translation of the Group's overseas operations into the presentation currency of these financial statements.

### Note 2 – Significant accounting policies



### Impairment

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill and indefinite-lived intangible assets are tested annually for impairment.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Fair value less cost of disposal (FVLCD) is deemed to be the more appropriate method given the Group is an early-stage business hence there are difficulties in assessing WACC, forecast revenue, cash flows and forecast accuracy. Further, as a publicly listed entity, the fair value can be easily ascertained.

Subject to an operating segment ceiling test, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

# 3.1 Revenue

The Group generates revenue primarily from customers subscribing to and utilising its software platforms. In the following table, revenue from contracts with customers is disaggregated by primary nature and timing of revenue recognition.

REVENUE	2022 \$	2021 \$
Transactional revenue	1,621,634	872,918
Subscription revenue	1,591,800	420,313
Service revenue	230,004	143,777
Installation revenue	434,179	204,832

## Note 3.1 – Revenue

### Revenue policy

Revenue is measured based on the consideration specified in the contract with a customer. The Group recognises revenue when it transfers control of a good or service to a customer. Revenue is disclosed net of credit notes and discounts. Unbilled revenue at year end is recognised as contract asset and any unearned revenue at year end is recognised as contract liabilities. See table 3.2 for details of contract assets and liabilities at year end.

#### Transactional revenue

Transactional revenue is recorded at the time the transactions are processed by the customer using the Group’s software platforms. Transaction revenue is based on volume of usage and is recognised at a point in time. Customers are invoiced monthly and have payment terms of up to 30-days.

#### Subscription revenue

Subscription revenue comprises recurring monthly fees from customers who have subscribed to the Group’s software platforms. The fee provides the customer with access to the various software platforms, regular software updates and customer support services. Subscription revenue is invoiced either in advance or monthly in arrears, depending on the software product. Subscription revenue is recognised over time as the service are used or delivered by the customer. Customers are mainly invoiced monthly and have payment terms of up to 30-days.

#### Service revenue

Service revenue relates to ad-hoc customer support services outside of the scope of the standard support agreement. The services are mainly for customer support to customers who request non- standard customisation or assistance with a specific project. Service revenue is recognised over time as the service is delivered to the customer, these range from a few hours to a week. Customers are invoiced monthly and have payment terms of up to 30-days.

#### Installation revenue

Installation revenue comprises of one-off installation, software customisation and user training services. The Group has assessed that installation is a separate performance obligation for certain products, and all the activities are considered as one performance obligation which is satisfied over the term of the contract as the customer simultaneously receives and consumes the benefits provided to them. After the software is installed, the customers subscribe to ongoing maintenance and support services to ensure that the software is regularly maintained by the Group. The majority of the Group’s Prodoc, Cube and Speedi customers also pay a transaction based fee for usage of the software products enabling the customer to match the cost to their seasonal cash inflows. The installation and transaction fees for Prodoc are a single performance obligation and are recognised over the contract period. The Group uses the output method of measuring progress of installation as it fairly depicts the entity’s performance towards complete satisfaction of the performance condition. Majority of customers are invoiced in advance and then on a monthly basis and have payment terms of up to 30- days.

## 3.2 Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.

	2022 \$	2021 \$
Receivables, which are included in "Trade and other receivables"	418,236	191,079
Contract assets	77,809	51,929
Contract liabilities	(453,605)	(39,831)
	<b>42,440</b>	<b>203,177</b>

The contract liabilities primarily relate to advance consideration the Group received from customers for installation and for subscribing to its software platforms, for which revenue is recognised over time.

The contract assets primarily relate to the Group's rights to consideration for work completed but not billed at the reporting date. Contract assets are assessed for impairment under the requirements in the financial instruments standard. Any unconditional rights to consideration are presented separately as a receivable.

Information about remaining performance obligation has not been provided as these have an expected duration of less than 12 months.



## 4 Other income

	2022 \$	2021 \$
Grant income	997,950	359,011
Wage subsidy	–	299,930
Other	1,380	42,995
<b>Total other income</b>	<b>999,330</b>	<b>701,936</b>

### *Grant income and wage subsidy*

The Group is entitled to the Government's R&D project grant scheme which makes it eligible to a percentage reimbursement of project related costs through Callaghan Innovation. Where the grant relates to expenditure, it is recognised as income over the periods in which the expenditure is incurred.

The Group is also eligible for the IRD's Research & Development Tax Incentive (RDTI) scheme which allows for a 15% tax credit for eligible R&D expenditure not claimed under any other scheme. In 2021, the Group was also entitled to the R&D experience funding grant for someone engaged in undergraduate or postgraduate study to work on a R&D project.

The Group is entitled to NZTE's International Growth Fund Grant to assist with acceleration of growth in the Australian market. This Grant allows for reimbursement of up to 50% of actual costs incurred in carrying out pre-approved growth projects in Australia.

The Group received government grants in 2021 in relation to a wage subsidy programme introduced in New Zealand in response to the COVID-19 coronavirus pandemic. Wage Subsidies received were recognised in profit or loss in 'other income', the related wages and salaries for employees were recognised in the profit or loss as "Employee Benefits Expense".

## 5.1 Employee benefits expense

	2022 \$	2021 \$
Short term employee benefits (salaries)	8,148,327	4,766,552
Post-employment benefits (superannuation)	266,346	105,525
Other employee benefits	2,415,630	1,470,803
<b>Total employee benefits expense</b>	<b>10,830,303</b>	<b>6,342,880</b>

## 5.2 Other expenses include the following:

	2022 \$	2021 \$
The following fees were paid or payable for services provided by KPMG		
- Fees relating to the annual audit	195,000	75,000
- Fees for other services (financial statement preparation)	-	9,000
Directors fees	107,896	-
Bad debts written off	252	-
Donations	-	300
Loss on sale or disposal of fixed assets	28,296	68,493

## 6 Net finance expense

	2022 \$	2021 \$
Interest income	12,106	1,186
Interest expense	(128,599)	(134,279)
Interest on lease liabilities	(53,180)	(7,944)
<b>Total net finance expense</b>	<b>(169,673)</b>	<b>(141,037)</b>

### Finance income and expenses policy

Finance income comprises interest income on funds invested using the effective interest method. Finance costs comprise interest expense on borrowings and interest on lease liabilities.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

## 7 Income tax

Tax expense	2022 \$	2021 \$
Loss before income tax	(11,383,758)	(7,074,156)
Domestic tax rate (28%)	28%	28%
<b>Expected income tax</b>	<b>(3,187,452)</b>	<b>(1,980,764)</b>
Non-deductible expenses	161,914	11,625
Deferred tax not recognised in current tax year	3,002,650	1,953,099
Prior year R&D tax losses cashed-out (Note 23)	(560,000)	(475,902)
Effect of different tax rates	22,888	16,040
<b>Actual income tax expense (income)</b>	<b>(560,000)</b>	<b>(475,902)</b>

### Income tax expense (income) is represented by:

Current tax	(560,000)	(475,902)
Deferred tax	-	-
	<b>(560,000)</b>	<b>(475,902)</b>

The current tax asset of \$6,244 (2021 current tax liability: \$1,661) represents the amount of income taxes receivable/payable in respect of the current period.

The research and development (R&D) tax loss cash-out is a 28% refund of the Groups tax losses from eligible R&D activity. R&D tax losses cashed-out reduce the Groups business losses carried forward to future years. The rules focus on start-up companies engaging in intensive R&D, and are intended to reduce their exposure to market failures and tax distortions arising from the general tax treatment of losses. It is intended to provide a cashflow timing benefit only.

### Note 7 – Income tax

#### Deferred tax assets and liabilities

The table below shows the movement in the deferred tax balances that are recognised at the beginning and end of the period.

#### Recognised deferred tax assets

FY2022	OPENING \$	RECOGNISED IN PROFIT OR LOSS \$	CLOSING \$
Intangibles	(151,971)	(270,945)	(422,916)
ESOP	-	(452,745)	(452,745)
Leases	(10,528)	(496,439)	(506,967)
Accruals and employee benefits	49,454	86,154	135,608
Net taxable loss	113,045	1,133,975	1,247,020
	-	-	-

FY2021	OPENING \$	RECOGNISED IN PROFIT OR LOSS \$	CLOSING \$
Intangibles	(52,217)	(99,754)	(151,971)
Leases	16,030	(26,558)	(10,528)
Accruals and employee benefits	39,974	9,480	49,454
Net taxable loss	(3,787)	116,832	113,045
	-	-	-

The Group has \$20,694,140 (2021: \$9,970,390) of tax losses for which no deferred tax asset has been recognised in the statement of financial position as it is not probable that the Group will be achieving sufficient taxable profits in the foreseeable future.

### Income tax policy

Tax expense comprises current and deferred tax and is calculated using rates enacted or substantively enacted at balance date. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case the tax is recognised as an adjustment against the item to which it relates.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised on the initial recognition of goodwill. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

## 8.1 Cash and cash equivalents

	2022 \$	2021 \$
Bank accounts	5,932,558	1,413,224
<b>Total cash and cash equivalents</b>	<b>5,932,558</b>	<b>1,413,224</b>

The bank accounts include cash balances held with ASB Bank Limited of \$5,825,531 (2021: \$1,314,649), which is a related party. The Group also had an undrawn overdraft facility with ASB Bank limited to a maximum of \$150,000; which was temporarily increased to \$350,000 in the prior financial year. The interest rate at balance date was 6.23% (2021: 6%) per annum.

### Cash and cash equivalents policy

Cash and cash equivalents comprises cash balances and call deposits used by the Group in the management of its short-term commitments.

## 8.1 Restricted cash

Restricted cash is comprised of cash balances held with Commonwealth Bank Australia of \$98,604 (2021: \$Nil), that is held as a rent guarantee over one of the leases.

## 9 Trade and other receivables

	2022 \$	2021 \$
<b>Current</b>		
Trade receivables	418,226	191,079
Other receivables	1,090,297	174,613
Prepayments	327,101	192,265
	<b>1,835,624</b>	<b>557,957</b>
<b>Non-Current</b>		
Trade receivables	–	18,057
Prepayments	128,304	–
	<b>128,304</b>	<b>18,057</b>
<b>Total trade and other receivables</b>	<b>1,963,928</b>	<b>576,014</b>

Bad debt expense of \$252 (2021: \$Nil) has been recorded within other expenses in the statement of comprehensive income.

### Trade and other receivables policy

Trade and other receivables (unless it is a trade receivable without a significant financing component) is initially recognised at fair value plus transaction costs. A trade receivable without a significant financing component is initially measured at the transaction price. It is then subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. Impairment is calculated based on an expected credit loss (ECL) model under NZ IFRS 9. Refer to note 15 for information about calculation and recognition of expected credit losses. The amount of the provision is recognised in profit or loss. There was no provision for impairment recognised during the year.

## 10 Property, plant and equipment

	LEASEHOLD IMPROVEMENTS \$	MOTOR VEHICLES \$	FURNITURE AND FITTINGS \$	PLANT AND EQUIPMENT \$	TOTAL \$
<b>Year ended 31 March 2022</b>					
Opening balance	–	37,904	22,201	194,062	254,167
Additions	39,208	–	48,042	153,205	240,455
Additions through business acquisition	–	–	–	47,921	47,921
Disposals	–	–	(9,757)	(32,038)	(41,795)
<b>Total property, plant and equipment at cost</b>	<b>39,208</b>	<b>37,904</b>	<b>60,486</b>	<b>363,150</b>	<b>500,748</b>
<b>Accumulated depreciation</b>					
Opening balance	–	11,044	2,602	74,970	88,616
Disposals	–	–	(1,976)	(6,815)	(8,791)
Depreciation expense	10,698	7,960	4,785	119,588	143,031
<b>Total accumulated depreciation</b>	<b>10,698</b>	<b>19,004</b>	<b>5,411</b>	<b>187,743</b>	<b>222,856</b>
<b>Summary</b>					
Net carrying amount at 31 March 2021	–	26,860	19,599	119,092	165,551
<b>Net carrying amount at 31 March 2022</b>	<b>28,510</b>	<b>18,900</b>	<b>55,075</b>	<b>175,407</b>	<b>277,892</b>

	LEASEHOLD IMPROVEMENTS \$	MOTOR VEHICLES \$	FURNITURE AND FITTINGS \$	PLANT AND EQUIPMENT \$	TOTAL \$
<b>Year ended 31 March 2021</b>					
Opening balance	43,100	50,078	16,500	126,041	235,719
Additions	29,572	–	6,600	82,215	118,387
Disposals	(72,672)	(12,174)	(899)	(14,194)	(99,939)
<b>Total property, plant and equipment at cost</b>	<b>–</b>	<b>37,904</b>	<b>22,201</b>	<b>194,062</b>	<b>254,167</b>

**Accumulated depreciation**

Opening balance	496	4,363	549	16,505	21,913
Disposals	(8,224)	(3,622)	(73)	(4,192)	(16,111)
Depreciation expense	7,728	10,303	2,126	62,657	82,814
<b>Total accumulated depreciation</b>	<b>–</b>	<b>11,044</b>	<b>2,602</b>	<b>74,970</b>	<b>88,616</b>

**Summary**

Net carrying amount at 31 March 2020	42,604	45,715	15,951	109,536	213,806
Net carrying amount at 31 March 2021	–	26,860	19,599	119,092	165,551

**Property, plant and equipment policy**

*Recognition and measurement*

All property, plant and equipment is measured at cost less accumulated depreciation and accumulated impairment losses.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss within other income or other expenses.

*Depreciation*

For property, plant and equipment, depreciation is based on the cost of an asset less its residual value.

Depreciation is recognised in profit or loss on a straight line basis over the estimated useful lives of each component of an item of property, plant and equipment.

The depreciation rates for significant items of property, plant and equipment are as follows:

Leasehold Improvements	7.00%
Motor Vehicles	21.00%
Furniture and Fittings	10.50%
Plant and Equipment	30.00% - 67.00%

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

*Impairment*

The carrying amounts of property, plant and equipment are reviewed at each balance date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses directly reduce the carrying amount of the assets and are recognised in profit or loss.

There was no impairment of assets recognised for during the year.

# 11 Leases

RIGHT OF USE ASSETS	BUILDINGS \$	TOTAL \$
<b>Year ended 31 March 2022</b>		
Opening balance	287,465	287,465
Additions	1,722,903	1,722,903
Make good provision	64,143	64,143
Disposals	(287,465)	(287,465)
<b>Total right of use assets at cost</b>	<b>1,787,046</b>	<b>1,787,046</b>
<b>Accumulated amortisation</b>		
Opening balance	249,136	249,136
Disposals	(287,043)	(287,043)
Amortisation expense	429,638	429,638
<b>Total accumulated amortisation</b>	<b>391,731</b>	<b>391,731</b>
<b>Summary</b>		
Net carrying amount at 31 March 2021	38,329	38,329
<b>Net carrying amount at 31 March 2022</b>	<b>1,395,315</b>	<b>1,395,315</b>

RIGHT OF USE ASSETS	BUILDINGS \$	TOTAL \$
<b>Year ended 31 March 2021</b>		
Opening balance	791,534	791,534
Remeasurement of right of use asset	(402,451)	(402,451)
Disposals	(101,618)	(101,618)
<b>Total right of use assets at cost</b>	<b>287,465</b>	<b>287,465</b>
<b>Accumulated amortisation</b>		
Opening balance	62,715	62,715
Disposals	(43,551)	(43,551)
Amortisation expense	229,972	229,972
<b>Total accumulated amortisation</b>	<b>249,136</b>	<b>249,136</b>
<b>Summary</b>		
Net carrying amount at 31 March 2020	728,819	728,819
<b>Net carrying amount at 31 March 2021</b>	<b>38,329</b>	<b>38,329</b>

	2022 \$	2021 \$
<b>Lease liabilities</b>		
Lease liability (current)	506,999	39,704
Lease liability (non-current)	875,045	–
<b>Total lease liabilities</b>	<b>1,382,044</b>	<b>39,704</b>

The interest rate applied to the initial lease liability was 4.20%.

The new lease liabilities have interest rates applied of 5.09% and 5.39%

The additions during the year relate to the Group entering into new leases for the New Zealand and Australian entities.

## Leases policy

### *Recognition and Measurement*

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;

- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases for low-value assets. Lease payments on these assets are expensed to the profit or loss as incurred.



**Note 11 – Leases**

The table below describes the nature of the Group's leasing activities by type of right-of-use asset recognised in the consolidated statement of financial position:

<b>RIGHT OF USE ASSET</b>	<b>BUILDINGS</b>
No. of right of use assets leased	2
Range of remaining terms in months	26-44
Average remaining term in months	35
No. of leases with options to purchase	–
No. of leases with termination options	–

<b>FUTURE LEASE PAYMENTS WERE AS FOLLOWS:</b>	<b>2022 \$</b>	<b>2021 \$</b>
Within 1 year	506,999	39,704
1-2 years	552,201	–
2-3 years	220,746	–
3-5 years	102,098	–
Over 5 years	–	–
<b>Total future lease payments</b>	<b>1,382,044</b>	<b>39,704</b>

*Impairment*

The Right of use asset is regularly assessed for impairment.

<b>AMOUNTS RECOGNISED IN STATEMENT OF COMPREHENSIVE INCOME</b>	<b>2022 \$</b>	<b>2021 \$</b>
Interest on lease liabilities	53,180	7,944
Depreciation on right of use assets	429,638	229,972
<b>AMOUNTS RECOGNISED IN STATEMENT OF CASH FLOW</b>	<b>2022 \$</b>	<b>2021 \$</b>
Interest on lease liabilities	53,180	7,944
Principal lease payments	380,563	289,494

## 12 Intangible assets

	<b>SOFTWARE</b> \$	<b>CUSTOMER RELATIONSHIPS</b> \$	<b>GOODWILL</b> \$	<b>TOTAL</b> \$
<b>Year ended 31 March 2022</b>				
Opening balance	3,390,605	456,016	995,691	4,842,312
Additions through business acquisition	2,389,951	–	1,474,070	3,864,021
Additions	100,001	–	–	100,001
<b>Total intangible assets at cost</b>	<b>5,880,557</b>	<b>456,016</b>	<b>2,469,761</b>	<b>8,806,334</b>
<b>Accumulated amortisation</b>				
Opening balance	892,651	57,002	–	949,653
Amortisation expense	1,048,556	45,602	–	1,094,158
<b>Total accumulated amortisation</b>	<b>1,941,207</b>	<b>102,604</b>	<b>–</b>	<b>2,043,811</b>
<b>Summary</b>				
Net carrying amount at 31 March 2021	2,497,954	399,014	995,691	3,892,659
<b>Net carrying amount at 31 March 2022</b>	<b>3,939,350</b>	<b>353,412</b>	<b>2,469,761</b>	<b>6,762,523</b>

	SOFTWARE \$	CUSTOMER RELATIONSHIPS \$	GOODWILL \$	TOTAL \$
<b>Year ended 31 March 2021</b>				
Opening balance	3,390,605	456,016	995,691	4,842,312
<b>Total intangible assets at cost</b>	<b>3,390,605</b>	<b>456,016</b>	<b>995,691</b>	<b>4,842,312</b>
<b>Accumulated amortisation</b>				
Opening balance	181,530	11,401	–	192,931
Amortisation expense	711,121	45,601	–	756,722
<b>Total accumulated amortisation</b>	<b>892,651</b>	<b>57,002</b>	<b>–</b>	<b>949,653</b>
<b>Summary</b>				
Net carrying amount at 31 March 2020	3,209,075	444,615	995,691	4,649,381
<b>Net carrying amount at 31 March 2021</b>	<b>2,497,954</b>	<b>399,014</b>	<b>995,691</b>	<b>3,892,659</b>

### Intangible assets policy

#### Recognition and policy

Goodwill is measured at cost less accumulated impairment losses.

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

#### Subsequent Expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands is recognised in profit or loss as incurred.

#### Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual value using the straight-line method over their estimated useful lives, and is recognised in profit or loss. Goodwill is not amortised.

The estimated useful lives for current and comparative periods are as follows:

Software	1 - 5 years
Customer Relationships	10 years

#### Impairment

The Group tests whether goodwill has suffered any impairment on an annual basis. No impairment on the carrying amount of goodwill has been recognised during the financial year (2021: Nil).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Fair value less cost of disposal (FVLCD) is deemed to be the more appropriate method given the Group is an early-stage business hence there are difficulties in assessing WACC, forecast revenue, cash flows and forecast accuracy. Further, as a publicly listed entity, the fair value can be easily ascertained.

## 13 Trade and other payables

	2022 \$	2021 \$
<b>Current</b>		
Trade payables	234,691	232,279
Sundry payables	101,044	1,082
Accruals	268,872	155,659
Employee benefits	908,102	392,489
	<b>1,512,709</b>	<b>781,509</b>
<b>Non-current</b>		
Accruals	64,143	–
<b>Total trade and other payables</b>	<b>1,576,852</b>	<b>781,509</b>

### Trade and other payables policy

Trade and other payables are measured at amortised cost. These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

### Employee benefits policy

Short-term employee benefits obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid for outstanding annual leave balances if the Group has a present legal or constructive obligation to pay this amount as a result of past services provided by the employee and the obligation can be estimated reliably.

## 14 Interest bearing loans and borrowings

	2022 \$	2021 \$
<b>Current</b>		
Vendor loan	–	235,580
ASB term loan	486,248	254,284
	<b>486,248</b>	<b>489,864</b>
<b>Non-current</b>		
ASB term loan	1,344,881	812,553
Callaghan R&D loan	419,592	407,594
	<b>1,764,473</b>	<b>1,220,147</b>
<b>Total interest bearing loans and borrowings</b>	<b>2,250,721</b>	<b>1,710,011</b>

### Terms and repayment schedule

	CURRENCY	INTEREST RATE	MATURITY DATE	2022 \$	2021 \$
Vendor loan	NZD	10%	17 July 2021	–	235,580
ASB term loan	NZD	5-6%	29 January 2025 - 30 October 2026	1,831,129	1,066,837
Callaghan R&D loan	NZD	3%	13 August 2030	419,592	407,594
				<b>2,250,721</b>	<b>1,710,011</b>

The face value and carrying value of the loans are the same.

The Company has met all of its covenants during the year and as at balance date.

The ASB loan is secured over the assets of TradeWindow Services Limited together with an unlimited guarantee and indemnity from Trade Window Limited.

On 13 August 2020, the Company received an R&D loan of \$400,000 from Callaghan Innovation as assistance for the economic impacts of COVID19 on the business. The loan balance at 31 March 2022 was \$419,592 which included an interest accrual of 3% (2021: \$407,594).

### Interest bearing loans and liabilities policy

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between proceeds (net of transaction costs) and the redemption amount is recognised in the statement of comprehensive income over the period of the borrowing using the effective interest method. 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 date.

## 15 Financial instruments classification and risk management

The Group's overall financial risk management programme focuses primarily on maintaining a financial risk profile that provides flexibility to implement the Group's strategies, while optimising return on assets. Financial risk management is centralised, which supports compliance with the financial risk management policies and procedures set by the Board.

Financial instruments are recognised in the statement of financial position when the Group becomes party to a financial contract. They include cash and cash equivalents, trade and other receivables, trade and other payables, interest bearing loans and borrowings, lease liabilities and related party payables.

All financial assets and liabilities (except for trade receivables that do not contain a significant financing component) are initially measured at fair value, adjusted for transaction costs (where applicable). Trade receivables without a significant financing component are initially measured at the transaction price in accordance with the recognition of revenue.

Financial assets and liabilities are classified into the following categories:

#### *Financial assets held at amortised cost*

A financial asset is measured at amortised cost if it meets both of the following conditions, and is not designated as at fair value through profit or loss (FVTPL):

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the amounts outstanding.

Financial assets at amortised cost are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial assets held at amortised cost comprise: cash and cash equivalents and trade and other receivables.

#### *Financial liabilities held at amortised cost*

Financial liabilities not designated as at FVTPL on initial recognition are classified as at amortised cost. Financial liabilities at amortised cost are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities held at amortised cost comprise: trade and other payables, interest bearing loans and borrowings, lease liabilities, and related party payables.

*Impairment - financial assets*

The Group recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

The Group makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

There were no financial instruments at fair value at balance date.

**Financial risk management**

The Group had exposure to the following risks from its use of financial instruments:

- Market risk (mainly interest rate risk)
- Credit risk
- Liquidity risk

**Risk management framework**

The Company’s board of directors has overall responsibility for the establishment and oversight of the Group’s risk management framework. The board of directors has established the Audit and Risk Committee, which is responsible for developing and monitoring the Group’s risk management policies. A risk register is maintained, and the Committee reports regularly to the board of directors on its activities. The Group’s risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits.

**Market risk**

Market risk is the risk that changes in market prices – e.g. foreign exchange rates, interest rates and equity prices – will affect the Group’s income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

*Interest rate risk*

The Group's exposure to the risk of changes in interest rates primarily affects borrowings. The Group had floating interest rates throughout the year.

The following table illustrates the sensitivity of profit/ (loss) and equity to a reasonably possible change in interest rates of +/- 1% (2021: +/- 1%). These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on a change in the average market interest rate for each period, and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant.

	2022		2021	
	CHANGE IN PROFIT/ (LOSS) \$	CHANGE IN EQUITY \$	CHANGE IN PROFIT/ (LOSS) \$	CHANGE IN EQUITY \$
Variable interest rates +1%	17,560	17,560	10,668	10,668
Variable interest rates -1%	(18,014)	(18,014)	(10,668)	(10,668)

*Foreign exchange risk*

The Group is not subject to material foreign exchange risk.

**Credit risk**

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from trade receivables.

In respect of trade receivables, the Group is not exposed to any significant credit risk. There is no

history of customer default and management consider the credit quality of trade receivables to be good. The Group trades with recognised, creditworthy third parties or requires payment in advance. The profile of future customers is expected to be similar to that of past customers. On this basis, the Group does not feel it necessary to have a written credit policy in place, however management continue to monitor this risk.

Credit risk relating to bank balances is managed by banking with major financial institutions with high quality external credit ratings.

### Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Group manages liquidity risk by maintaining adequate cash reserves and banking facilities. Forecast and actual cash flows are continuously monitored with the maturity profiles of the majority of financial assets and liabilities matched.

LIQUIDITY PROFILE OF FINANCIAL ASSETS	6 MONTHS \$	6-12 MONTHS \$	1-5 YEARS \$
<b>Year ended 31 March 2022</b>			
Cash and cash equivalents	5,932,558	–	–
Trade and other receivables	1,508,533	–	–
Restricted Cash	–	–	98,604
	<b>7,441,091</b>	<b>–</b>	<b>98,604</b>
<b>Year ended 31 March 2021</b>			
Cash and cash equivalents	1,413,224	–	–
Trade and other receivables	365,692	–	18,057
	<b>1,778,916</b>	<b>–</b>	<b>18,057</b>

FINANCIAL LIABILITIES BASED ON CONTRACTUAL CASHFLOWS DUE WITHIN	6 MONTHS \$	6-12 MONTHS \$	1-5 YEARS \$
<b>Year ended 31 March 2022</b>			
Trade and other payables	1,512,709	–	64,143
Interest bearing loans and borrowings	239,499	246,749	1,344,881
Related party payables	7,071	–	–
Lease liabilities	248,232	258,767	875,045
	<b>2,007,511</b>	<b>505,516</b>	<b>2,284,069</b>
<b>Year ended 31 March 2021</b>			
Trade and other payables	781,509	–	–
Interest bearing loans and borrowings	363,211	126,653	812,553
Related party payables	40,470	–	–
Lease liabilities	39,704	–	–
Dividend payable	30,380	–	–
	<b>1,255,274</b>	<b>126,653</b>	<b>812,553</b>

### Total financial liabilities exposed to liquidity risk

Although related party loans are repayable on demand, the shareholders do not intend to call upon these loans within the next 12 months.

# 16 Related party

## Key management personnel

The Group has related party relationships with its directors and other key management personnel as listed below. Remuneration of key management personnel during the year amounted to \$1,723,105 (2021: \$1,570,267), of which \$1,283,028 (2021: \$1,068,188) was for short-term employee benefits and \$440,077 (2021: \$502,079) was for share-based payment expense. There were directors fees of \$107,896 paid during the year (2021: Nil).

## Other related parties

ASB Bank Limited is a shareholder of the Group. During the previous year, the Group issued convertible notes amounting to \$1,250,000 (see Note 20) to ASB Bank Limited. The Group has bank balances with the ASB Bank (see Note 8.1) as well as some interest bearing loan facilities as stated in Note 14.

## Transactions involving related entities

The entities, the nature of the relationship and the types of transactions which the Group entered into during the period are detailed below:

RELATED ENTITY	NATURE OF RELATIONSHIP	TYPES OF TRANSACTIONS
ASB Bank Limited	Shareholder	Funds advanced, convertible notes issued, balances payable, cash at bank, shares issued
F40 Developments Ltd	Common ownership	Supplier of services
Independent Verification	Common ownership	Supplier of services
Kerry Friend	Executive director, beneficial shareholder	Employment agreement, ESOP
Albertus Johannes Smith	Executive director, shareholder	Employment agreement, ESOP

Technalise Limited and Prodoc Limited were both related parties during the previous financial year. This year they are no longer related parties.

When the 10:1 share exchange happened on 19 November 2021, all shares held by Trade Window Nominees Limited were transferred to the individuals. It is no longer a shareholder or related party.

## Note 16 – Related party

The following transactions and outstanding balances between related parties occurred during the year:

31 March 2022	PURCHASES/ SALARIES \$	BALANCES PAYABLE \$	INTEREST BEARING LOANS \$	CASH AT BANK \$	CONVERTIBLE NOTES \$
<b>Related Party Entity</b>					
ASB Bank Limited	–	–	1,831,129	5,825,531	–
Independent Verification Services Limited	74,469	7,071	–	–	–
F40 Developments Limited	153,833	–	–	–	–
Key Management Personnel	1,723,105	–	–	–	–
	<b>1,951,407</b>	<b>7,071</b>	<b>1,831,129</b>	<b>5,825,531</b>	<b>–</b>

31 March 2021	PURCHASES/ SALARIES \$	BALANCES PAYABLE \$	INTEREST BEARING LOANS \$	CASH AT BANK \$	CONVERTIBLE NOTES \$
<b>Related Party Entity</b>					
Technalise Limited	59,681	4,552	–	–	–
ASB Bank Limited	–	–	1,066,837	1,314,649	1,250,000
Prodoc Ltd	–	–	235,580	–	–
Independent Verification Services Limited	145,475	11,914	–	–	–
F40 Developments Limited	250,000	24,004	–	–	–
Key Management Personnel	1,570,267	–	–	–	158,964
	<b>2,025,423</b>	<b>40,470</b>	<b>1,302,417</b>	<b>1,314,649</b>	<b>1,408,964</b>

## 17 Interest in subsidiaries

Set out below is a list of material subsidiaries of the Group:

	COUNTRY OF INCORPORATION	PRINCIPAL PLACE OF BUSINESS	2022	2021
Trade Window Limited	New Zealand	New Zealand	100%	100%
Trade Window Pty Limited	Australia	Australia	100%	100%
Trade Window Pte Limited	Singapore	Singapore	100%	100%
TradeWindow Services Limited	New Zealand	New Zealand	100%	100%
Trade Window Origin Limited	New Zealand	New Zealand	100%	100%
Trade Window Nominees Limited	New Zealand	New Zealand	100%	100%
Trade Window CNCO Pte Limited	Singapore	Singapore	100%	100%

Trade Window Holdings Limited acquired all of the shares of Trade Window Limited on 19 November 2021 as part of Trade Window's listing process. There was no other change operationally and TWHL was effectively inserted above TWL and is, in substance, a continuation of the existing group.

Trade Window Limited acquired the remaining 49% minority interest in Trade Window Origin Limited (formerly known as IVS Origin Limited) on 31 March 2021.

Trade Window Nominees Limited was incorporated on 4 September 2020 with the sole purpose to hold on trust shares issued to staff under share option programmes.

All subsidiaries have a 31 March balance date.

## 18 Business acquisitions

### Speedi Software Limited (Speedi)

On 1 October 2021 the Group acquired the assets of Tauranga based border clearance software company, Speedi Software Limited. The acquisition provided the Group with a cost effective and lower risk way to acquire customers, capability and extend its ecosystem reach.

The details of the business combination are as follows:

Fair value of consideration transferred	2022 \$
Amount settled in shares (78,794 shares)	725,000
Amount settled via cash	725,000
<b>Total fair value of consideration transferred</b>	<b>1,450,000</b>

Recognised identifiable net assets	2022 \$
Software	1,200,000
Goodwill	250,000
<b>Total identifiable net assets</b>	<b>1,450,000</b>

The Speedi acquisition contributed \$0.3m to the consolidated revenue for the six months ended 31 March 2022. However, the business is not subject to significant seasonality. As such, annualized revenue for the 12 months ended 31 March 2022 is expected to be approximately \$0.6m. The business did not have a requirement to prepare NZ IFRS financial statements prior to acquisition.

The strategic rationale for acquiring the business is to integrate into Trade Window's suite of solutions and therefore a separate profit and loss is not maintained and impractical to desegregate.

As part of the recognised identifiable net assets, there is a portion of goodwill which has been recognised. This is composed of intangible benefits such as sales and product synergies.



## Cyberfreight

On 1 April 2021, the Group acquired the assets of Sydney based freight forwarding software company, Hi-Tech Freight Solutions (Aust.) Pty Limited ("HTFSL") for AU\$2.25 million. The Group also acquired at the same time the assets of Cyberfreight Solutions Pte. Limited ("CSPL"), a Singaporean company related to HTFSL for SG\$5,000 cash. HTFS and CSPL, were together known as "Cyberfreight", Cyberfreight has since been rebranded as "Trade Window Freight". The acquisition of Cyberfreight provided the Group with a cost-effective way to amass a high-quality customer base, access to freight management capabilities, and secure market share in Australia and further afield.

The details of the business combination are as follows:

<b>Fair value of consideration transferred</b>	<b>2022 \$</b>
Amount settled in shares (188,810 shares)	1,628,037
Amount settled via cash	813,445
<b>Total fair value of consideration transferred</b>	<b>2,441,482</b>
<b>Recognised identifiable net assets</b>	
Software	1,189,951
Plant and equipment	47,921
Deferred income	(20,460)
Goodwill	1,224,070
<b>Total identifiable net assets</b>	<b>2,441,482</b>

Cyberfreight contributed \$1.4 million to the consolidated revenue for the 12 months from 1 April 2021 to 31 March 2022. The business did not have a requirement to prepare NZ IFRS financial statements prior to acquisition.

The strategic rationale for acquiring the business is to integrate into Trade Window's suite of solutions and therefore a separate profit and loss is not maintained and impractical to desegregate.

As part of the recognised identifiable net assets, there is a portion of goodwill which has been recognised. This is composed of intangible benefits such as sales and product synergies.

**Equity instruments issued** – The fair value of the ordinary shares issued was based on the share price of the company at the date of listing.

**Measurement of fair values** – The valuation techniques used for measuring the fair value of material assets acquired in all business acquisitions were as follows:

**Property, plant and equipment** – as the value of the tangible assets purchased are immaterial, these have been recognised at the vendor's book value.

**Software** – where there is no comparable product which Trade Window could purchase off the shelf to continue serving its customers, software has been measured based on the estimated development cost to replicate the acquired software.

These valuations are key accounting estimates.

## 19 Share capital

<b>SHARES</b>	<b>2022 NUMBER OF SHARES</b>	<b>2021 NUMBER OF SHARES</b>	<b>2022 \$</b>	<b>2021 \$</b>
Balance 1 April	5,780,472	5,634,833	6,147,047	5,153,545
Issue of ordinary shares	1,630,239	–	15,000,000	(64,463)
Shares issued in respect of business acquisitions	267,604	48,206	2,353,037	416,500
Shares issued in respect of employee share options exercised	79,721	97,433	716,347	641,465
2020 Convertible note exchange	845,124	–	6,818,964	–
Shares issued in respect of 10:1 share exchange on formation of TWHL (see Note 1)	77,428,440	–	–	–
Staff listing day bonus shares	100,607	–	92,532	–
Shares issued in respect of employee share options exercised	241,109	–	205,557	–
<b>Balance at 31 March</b>	<b>86,373,316</b>	<b>5,780,472</b>	<b>31,333,484</b>	<b>6,147,047</b>

On 1 April 2021 Trade Window Limited issued 94,405 shares to Douglas Meuross valued at \$814,019 and 94,405 shares to Sally Wallace valued at \$814,019 as part of the Cyberfreight acquisition, to the total value of \$1,628,037.

On 1 October 2021 Trade Window Limited issued 7,880 shares to Russell and Margaret Beswick valued at \$72,506, 31,517 shares to Andrew Hickton valued at \$289,994 and 39,397 shares to RW and MJ Beswick Trust valued at \$362,500 as part of the acquisition of Speedi Software Limited to the total value of \$725,000.

On 31 March 2021, Trade Window Limited issued 24,103 shares to Masambri Holdings Limited valued at \$208,250 and 24,103 shares to Ngatoto Trust valued at \$208,250 as part of acquisition of Trade Window Origin Limited (formerly known as IVS Origin Limited) to the total value of \$416,500.

At 31 March 2022, share capital comprised 86,373,316 shares. All issued shares rank equally, are fully paid and have no par value.

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

### Share capital policy

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

### Capital management

For the purpose of the Group's capital management, capital includes issued capital, convertible notes and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Group's capital management is to maximise the shareholder value. The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. There are no externally imposed capital requirements.

## 20 Convertible notes

<b>CONVERTIBLE NOTES</b>	<b>2022 \$</b>	<b>2021 \$</b>
Balance 1 April	6,818,964	1,000,000
(Converted)/Issued to independent parties	(4,410,000)	4,410,000
(Converted)/Issued to related parties	(2,408,964)	1,408,964
<b>Balance at 31 March</b>	<b>–</b>	<b>6,818,964</b>

There were no convertible notes issued during the year (2021: \$5,818,964). All convertible notes previously issued were converted to share capital during the year.

## 21 Share based payment arrangements

The Group established a share option programme that entitled senior management to purchase shares in the Company on 31 October 2019, which was revised on 25 March 2020 and 19 November 2021. Under this programme, holders of vested options are entitled to purchase shares at the exercise price specified at grant date. All options are to be settled by the physical delivery of shares. During the year

ended 31 March 2021, an additional share option scheme for employees was also introduced and all options granted under this scheme vested and were exercised within that year.

The number and weighted average exercise prices of share options under the employee share option programmes were as follows:

	<b>NUMBER OF OPTIONS</b>	<b>WEIGHTED AVERAGE EXERCISE PRICE</b>
<b>Year ended 31 March 2022</b>		
Outstanding at the beginning of the period	40,511	0.00864
Granted prior to listing	98,801	0.00885
Vested prior to listing	(79,721)	0.00882
Revoked prior to listing	(1,022)	0.00864
10:1 Conversion on share exchange	527,121	0.00092
Cancelled after listing	(27,170)	0.00092
Vested after listing	(241,209)	0.00092
<b>Outstanding at the end of the period</b>	<b>317,311</b>	<b>0.00100</b>
<b>Year ended 31 March 2021</b>		
Outstanding at the beginning of the period	31,746	0.00315
Granted during period	106,198	0.00864
Vested options at end of 31 March 2021	(97,433)	0.00864
<b>Outstanding at the end of the period</b>	<b>40,511</b>	<b>0.00864</b>

Grant date	Number of instruments	Vesting conditions	Contractual life of options
Options granted to employees 1 May 2021 to 1 February 2022	910,141	Must be employed by the company on vesting date	5 years
<b>Total</b>	<b>910,141</b>		

### Expense recognised in profit or loss

The total expense recognised in the statement of comprehensive income during the year was \$725,065 (2021: \$867,188).

The share based payments reserve is used to record the value of share based payments provided to employees including key management personnel, as part of their remuneration.

### Shares granted for services provided

The Company has an ownership-based participation rights scheme for employees. In accordance with the provisions of the scheme, as approved by the directors and shareholders, grantees have been granted options to purchase ordinary shares at an exercise price based on the fair value of Trade Window Limited's shares on the date of the grant as approved by the directors.

No options were approved to be issued under the existing scheme since prior to listing on 19 November 2021. A new scheme is planned to be introduced to replace it.

### Share-based payments policy

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Once granted, options vest over a period of time which is stated in the options offer letter to the grantee. The grantee may exercise an option that has vested at any time during the period commencing on the date on which the option vested and ending on the expiry date.

Under the terms of the scheme unvested options lapse immediately on termination of service. For a good leaver, as defined, vested options must be exercised within three months following termination of services, and any options exercised and converted to shares may be retained. For a bad leaver, as defined, vested options are cancelled on the leaving date.

## 22 Capital commitments

There are no capital commitments at year end (2021: Nil).

## 23 Contingencies

The Group has a contingent liability in 2022 of \$1,035,902 relating to R&D tax losses cashed out (2021: \$475,902). If the Group becomes profitable in the future, there is a change in the shareholders greater than 90%, or a liquidation event occurs, it would become payable.

There are no other contingencies.

## 24 Subsequent events

On 17 May 2022 Trade Window entered a conditional agreement to acquire the business and assets of Rfider Limited, an Auckland-based software company. The transaction is conditional on Trade Window sourcing additional funding by 30 July 2022, or otherwise waiving the condition. At the date of signing these financial statements, Trade Window had not taken control and as such it is not practical to fair value the transaction.

There are no other subsequent events after 31 March 2022 that require disclosure.

## 25 Segment reporting

An operating segment is reported in a manner consistent with the internal reporting provided to the chief operating decision maker ("CODM") on a monthly basis. The CODM, who is responsible for allocating resources and assessing performance of the operating segment(s) is part of the senior leadership team and is involved in strategic decision making of the Group. Management has determined there is one operating segment based on the reports reviewed by the CODM.

The reason for looking at the business as one segment is because of the inter-related nature of the services and their dependence on the Trade Window software which cannot be separated between different products and services. The performance of the operating segment is reviewed by the CODM and action plans are agreed with the management where necessary to improve performance of the business.

The reportable operating segment derives its revenues from the provision of software solutions to its customers. There are no major customers that make up to 10% of revenues. The CODM assesses the performance of the operating segment from revenue to net income. The total revenue, direct costs, operating expenses, interest and foreign exchange gains and losses, tax and net income are reviewed.

The amounts reported with respect to segment total assets and liabilities are measured in a manner consistent with the consolidated statement of financial position. Reportable segment assets and liabilities are equal to total assets and liabilities hence no reconciliation is required. The majority of the Group's operations are within New Zealand and there are no other material geographic segments.

## 26 Earnings per share

Basic earnings/(deficit) per share is calculated by dividing the net profit/(loss) for the year attributable to the parent by the weighted average number of ordinary shares outstanding during the year. The weighted average number of ordinary shares outstanding during the year is the number of ordinary shares outstanding at the beginning of the year adjusted by the number of ordinary shares bought back or issued during the year multiplied by a time-weighting factor. Diluted earnings per share additionally considers the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The reconciliation of the weighted average number of shares for the purpose of diluted earnings per share to the weighted average number of ordinary shares used in the calculation of basic earnings per share is below.

The earnings per share for the year ended 31 March was as follows:

	2022	2021
<b>Profit (loss) attributable to ordinary shareholders</b>	<b>(10,823,622)</b>	<b>(6,597,407)</b>
<b>Weighted average number of shares</b>		
Basic (ordinary shares)	86,373,316	5,780,472
Effect of conversion of convertible notes	–	6,818,964
<b>Diluted (ordinary shares plus convertible notes)</b>	<b>86,373,316</b>	<b>12,599,436</b>
Basic EPS(\$)	(0.13)	(1.14)
Diluted EPS (\$)	(0.13)	(0.52)

## 27 Cash flow reconciliation

	2022 \$	2021 \$
<b>Net profit (loss) after tax</b>	<b>(10,823,758)</b>	<b>(6,598,254)</b>
<b>Classification differences</b>		
- Net finance expense	169,673	141,037
- Loss on disposal	28,296	68,493
- Make good provision	(64,143)	–
<b>Statement of financial position movements</b>		
- Trade and other receivables (excluding related party)	(1,387,913)	(252,317)
- Contract assets	(25,880)	(51,929)
- Trade and other payables	795,343	355,724
- Contract liabilities	413,774	(175,386)
- Income tax payable	(7,905)	(534)
- Other movements	(77,749)	445
<b>Other non-cash items</b>		
- Depreciation, amortisation and impairment	1,666,826	1,069,502
- Employee share scheme	817,623	867,188
<b>Net cash from operating activities</b>	<b>(8,495,813)</b>	<b>(4,576,031)</b>

## 28 Reconciliation of liabilities arising from financing activities

The changes in liabilities arising from financing activities can be classified as follows:

	LEASE LIABILITIES \$	LONG-TERM \$	SHORT-TERM \$	TOTAL \$
<b>1 April 2021</b>	<b>39,704</b>	<b>1,220,147</b>	<b>489,864</b>	<b>1,749,715</b>
Cashflows:				
- Repayment	(380,563)	-	(616,288)	(996,851)
- Proceeds	-	1,145,000	-	1,145,000
- Interest	(53,180)	-	(89,660)	(142,840)
Non-cash:				
- Reclassification	-	(612,672)	612,672	-
- Additions to right-of-use asset in exchange for increased lease liabilities	1,722,903	-	-	1,722,903
- Interest	53,180	11,998	89,660	154,838
<b>Balance at 31 March 2022</b>	<b>1,382,044</b>	<b>1,764,473</b>	<b>486,248</b>	<b>3,632,765</b>

### Note 28 – Reconciliation of liabilities arising from financing activities

	LEASE LIABILITIES \$	LONG-TERM \$	SHORT-TERM \$	TOTAL \$
<b>Year ended 31 March 2021</b>				
<b>Opening balance</b>	<b>731,649</b>	<b>1,067,085</b>	<b>851,946</b>	<b>2,650,680</b>
Cashflows:				
- Repayment	(289,494)	-	(616,614)	(906,108)
- Proceeds	-	400,000	-	400,000
- Interest	(7,944)	-	(126,685)	(134,629)
Non-cash:				
- Reclassification	-	(254,532)	254,532	-
- Remeasurement	(402,451)	-	-	(402,451)
- Interest	7,944	7,594	126,685	142,223
<b>Balance at 31 March 2022</b>	<b>39,704</b>	<b>1,220,147</b>	<b>489,864</b>	<b>1,749,715</b>

# General disclosures

## Interest register

In accordance with Section 140(2) of the Companies Act, 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 given by directors which remain current as at 31 March 2022 are as follows

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### Albertus J Smith

Trade Window Origin Limited	Director
TradeWindow Services Limited	Director
Trade Window Limited	Director
Trade Window Holdings Limited	Director/Shareholder
Trade Window Pty Limited	Director
Trade Window Pte Limited	Director
Trade Window CNCO Pte Limited	Director
Luxmarket Limited	N/A

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### Kerry M Friend

Tomadachi No.2 Trust	Trustee and Shareholder in TWHL
Trade Window Nominees Limited	Director
Trade Window Limited	Director
TradeWindow Services Limited	Director
Trade Window Holdings Limited	Director/Shareholder

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### Nigel C Annett (ceased 19 November 2021)

Foundation Group NZ Limited	Director
Coffee Distribution NZ Limited	Director
World Coffee Limited	Director
ASB Bank Limited	EGM - Corporate Banking

**Alasdair J MacLeod**

Silverstripe Limited	Chair
Napier Port Holdings Limited and subsidiary Napier Port Limited	Chair
Hold Fast Investments Limited	Chair
Silverstripe Trustees Limited	Director
Big Brothers Big Sisters Hawke's Bay	Trustee
IHC- Board Appointments Committee	Independent Director

**Diana M Puketapu**

Napier Port Holdings Limited and subsidiary Napier Port Limited	Director
Ngati Porou Holding Company Limited (and subsidiaries)	Director
Tamaki Regeneration Company Limited (and subsidiaries)	Director
Manawanui Support Limited	Director
DNA Designed Limited	Director
New Zealand Olympic Committee	Director
New Zealand Cricket	Director

**Phillip J Norman**

Straker Translations Limited (ASX listed)	Director/Shareholder/Options Holder
Plexure Group Limited (NZX & ASX listed)	Director/Shareholder
Just Life Group Limited (NZX listed)	Director
Trade Window Holdings Limited (NZX listed)	Director
Trade Window Limited	Director
Plexure Limited	Director
VMob IP Limited	Director
VMob Singapore Pte Limited	Director
Xero Limited (ASX listed)	Shareholder
Loyalty New Zealand Limited	Director
UBNZ World Markets (NZ) Limited	Shareholder
iSport Federation Holdings Limited	Shareholder

Nortek Management Services Limited	Director/Shareholder
TruScreen Limited (NZX listed)	Shareholder
MyWave Holdings Limited	Shareholder
Touchpoint Group Limited	Director/Shareholder/Options Holder
Bright Spark Innovations GP Limited	Director/Shareholder/Options Holder
Atrax Group New Zealand Limited	Advisory Board Member
Liquidity Pty Limited	Advisory Board Member

**Francis (Peter) J Webb**

Ngatoto Trust Limited	Trustee
Masambri Holdings Limited	Director
IVS Group Holdings Limited	Director
Independent Verification Services Limited	Director/CEO
IVS Training Limited	Director/CEO
IVS Labs Limited	Director/CEO
Project 42 Limited	Director
Ontracknz 2020 Limited	Director
Trade Window Origin Limited	Director
Trade Window Limited	Shareholder
Willomane Limited	Director

**Justin T Reynolds (Nominee)**

Trade Window Pty Limited	Director
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**Kelvin M Feng (Nominee)**

Trade Window Pte Limited	Director
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## Interest register

As required by Section 211 of the Companies Act 1993 we disclose the following information:

## Directors remuneration

The persons who held office as directors of Trade Window Holdings Limited at any time during the year ended 31 March 2022 and their remuneration, are as follows:

	DIRECTOR AND CONSULTING FEES \$	SALARY \$	ESOP \$	TOTAL \$
Albertus J Smith	–	296,958	94,918	391,876
Kerry M Friend	–	184,541	94,918	279,459
Alasdair J MacLeod	60,147	–	–	60,147
Diana M Puketapu	36,749	–	–	36,749
Phillip J Norman	36,833	–	–	36,833

No directors fees were paid to directors of subsidiary entities.

## Employee remuneration

Trade Window Holdings and our subsidiaries have employees in New Zealand, Australia and Singapore. Our pay levels reflect the different market rates in each country and region. The overseas remuneration amounts are converted into New Zealand dollars. Noted in the table to the right are employees who received remuneration and other benefits that exceed NZ \$100,000:

REMUNERATION INCLUDING SHARE-BASED REMUNERATION (\$)	NUMBER OF EMPLOYEES (TOTAL: 32)
100,001 - 110,000	7
110,001 - 120,000	4
120,001 - 130,000	6
130,001 - 140,000	2
140,001 - 150,000	2
190,001 - 200,000	1
200,001 - 210,000	1
210,001 - 220,000	1
250,001 - 260,000	1
260,001 - 270,000	1
270,001 - 280,000	1
300,001 - 310,000	3
390,001 - 400,000	1
420,001 - 430,000	1

## Donations

During the year ended 31 March 2022, the Group made donations of \$Nil (2021: \$300).



# Independent Auditor's Report

To the shareholders of Trade Window Holdings Limited

## Report on the audit of the consolidated financial statements

### Opinion

In our opinion, the consolidated financial statements of Trade Window Holdings Limited (the 'company') and its subsidiaries (the 'group') on pages 59 to 119:

- present fairly in all material respects the Group's financial position as at 31 March 2022 and its financial performance and cash flows for the year ended on that date in accordance with New Zealand Equivalents to International Financial Reporting Standards and International Financial Reporting Standards.

We have audited the accompanying consolidated financial statements which comprise:

- the consolidated statement of financial position as at 31 March 2022;
- the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended; and
- notes, including a summary of significant accounting policies.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) ('ISAs (NZ)'). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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)* issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ('IESBA Code'), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Our responsibilities under ISAs (NZ) are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

Other than in our capacity as auditor we have no relationship with, or interests in, the group.



### Material uncertainty related to going concern

We draw attention to Note 2 in the consolidated financial statements, which indicates for the year ended 31 March 2022 the Group reported a loss of \$10.8 million, had negative operating cashflows of \$8.5 million and is projected to continue to incur expenditure in excess of revenue for a period of at least 12 months from the date of issuing these financial statements. Should the Group not achieve its financial forecasts and raise sufficient debt and/or equity financing to fund projected cashflow deficits and continue to have support of its bankers and shareholders, the Group may not be able to continue as a going concern and realise the value in its assets and discharge its liabilities in the normal course of business. As stated in Note 2, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.



## 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 in the current period. Except for the matter described in the material uncertainty related to going concern, we summarise below those matters and our key audit procedures to address those matters in order that the shareholders as a body may better understand the process by which we arrived at our audit opinion. Our procedures were undertaken in the context of and solely for the purpose of our statutory audit opinion on the consolidated financial statements as a whole and we do not express discrete opinions on separate elements of the consolidated financial statements

### The key audit matter

### How the matter was addressed in our audit

#### Revenue recognition

Refer to Note 3.1 of the Consolidated Financial Statements.

The Group has several revenue streams and the revenue recognition policy for each stream is different.

We focused on this area because the recognition of revenue in accordance with NZ IFRS 15 involves judgement and the outcome has a significant impact on profit or loss and the financial position of the Group.

Our audit procedures included, among others:

- Assessing whether the Group’s revenue recognition policy is in compliance with NZ IFRS 15;
- Reviewing any changes or new contractual terms and conditions entered into with new customers or new revenue streams during the period to identify any potential impact on performance obligations required to satisfy the contract;
- Selecting a sample of contracts during the year for each revenue stream and agreeing the sample to the contract terms and assessing these contractual terms against the requirements of NZ IFRS 15;
- Checking a sample of customer invoices immediately prior to and after year end to ensure revenue is recognised in the correct period; and
- Performing high risk journal entry testing with the testing criteria specifically targeting revenue and debtor transactions.

We did not identify any matters that indicated that revenue is materially misstated.

#### Business acquisitions

Refer to Note 18 of the Consolidated Financial Statements.

On 1 April 2021, the Group acquired 100% of Hi-Tech Freight Solutions (Aust.) Pty Limited and Cyberfreight Solutions Pte. Limited for \$2.4 million.

On 1 October 2021, the Group acquired the business and assets of SpeEDI Software Limited for a consideration of \$1.45 million.

Our audit procedures included, among others:

- Assessing whether the business acquisition has been appropriately accounted for in accordance with applicable financial reporting standards and reflects terms and conditions of the sale and purchase agreement;
- Involving our own valuation specialists to support us in challenging the valuations produced by the Group and the methodologies used to identify the assets and liabilities acquired, in particular the methodologies adopted and key assumptions used to determine fair value of the software

### The key audit matter

### How the matter was addressed in our audit

The accounting for these transactions is complex due to the significant judgements and estimates that are required to determine the values of the consideration transferred and the identification and measurement of the fair value of the assets acquired and liabilities assumed.

intangible assets, which included challenging management’s assumption on the estimated cost to develop the software and comparing the opportunity cost with historical performance.

- Evaluating the adequacy of the financial statement disclosures, including disclosure of key assumptions, judgements and sensitivities.

Due to the size and complexity of the acquisition, we considered this to be a key audit matter

We did not identify any factors that were materially inconsistent with management’s overall conclusions.

## Other information

The Directors, on behalf of the group, are responsible for the other information included in the entity’s Annual Report. Our opinion on the consolidated financial statements does not cover any other information and we do not express any form of 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 materially misstated. If, based on the work we have performed, 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.

## Use of this independent auditor’s report

This independent auditor’s report is made solely to the shareholders as a body. Our audit work has been undertaken so that we might state to the shareholders those matters we are required to state to them in the independent 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 shareholders as a body for our audit work, this independent auditor’s report, or any of the opinions we have formed.

## Responsibilities of the Directors for the consolidated financial statements

The Directors, on behalf of the company, are responsible for:

- the preparation and fair presentation of the consolidated financial statements in accordance with generally accepted accounting practice in New Zealand (being New Zealand Equivalents to International Financial Reporting Standards) and International Financial Reporting Standards;
- implementing necessary internal control to enable the preparation of a consolidated set of financial statements that is fairly presented and free from material misstatement, whether due to fraud or error ; and
- assessing the ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate or to cease operations or have no realistic alternative but to do so.



xlr **Auditor's responsibilities for the audit of the consolidated financial statements**

Our objective is:

- 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 independent 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 will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They 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 these consolidated financial statements is located at the External Reporting Board (XRB) website at:

<http://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-1/>

This description forms part of our independent auditor's report.

The engagement partner on the audit resulting in this independent auditor's report is Aaron Woolsey

For and on behalf of

KPMG  
Auckland  
30 May 2022

