

# MOVE

## INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTH PERIOD ENDED 31 DECEMBER 2023



## CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME

SIX MONTHS ENDED 31 DECEMBER 2023

	NOTES	UNAUDITED 6 MONTHS TO DECEMBER 2023 \$000	UNAUDITED 6 MONTHS TO DECEMBER 2022* \$000
Revenue		158,250	178,253
Gains on disposal of assets		175	773
Lease income		547	739
Other income		376	278
<b>Total Income</b>		<b>159,348</b>	<b>180,043</b>
Transport costs		(67,632)	(77,232)
Employee costs		(60,836)	(61,064)
Rental / lease expenses		(2,129)	(2,509)
Trading and Warehousing costs		(4,418)	(2,701)
Other operating expenses		(11,115)	(11,883)
Depreciation of right of use assets		(15,485)	(14,611)
Other depreciation / amortisation expenses		(6,330)	(7,005)
Other non operating expenses		(883)	(1,023)
<b>Total Operating Expenses</b>		<b>(168,828)</b>	<b>(178,028)</b>
Finance costs relating to lease liabilities		(3,956)	(3,711)
Other finance costs - interest on borrowing		(882)	(1,206)
Interest income on short term deposit		126	55
<b>Operating deficit before income tax</b>		<b>(14,192)</b>	<b>(2,847)</b>
Share of loss of associates		-	(66)
<b>Loss Before Income Tax</b>		<b>(14,192)</b>	<b>(2,913)</b>
Income tax credit		3,862	189
<b>LOSS FOR THE PERIOD FROM CONTINUING OPERATIONS</b>		<b>(10,330)</b>	<b>(2,724)</b>
Loss attributable to:			
Owners of the company		(10,669)	(3,311)
Non-controlling interests		339	587
		<b>(10,330)</b>	<b>(2,724)</b>
<b>Other comprehensive income:</b>			
Comprehensive Income for the Period, Net of Tax		-	-
<b>TOTAL COMPREHENSIVE LOSS FOR THE PERIOD, NET OF TAX</b>		<b>(10,330)</b>	<b>(2,724)</b>
<b>Earnings per share for loss attributable to the ordinary equity holders of the Company</b>		<b>CENTS</b>	<b>CENTS</b>
Basic earnings per share for loss attributable to the ordinary equity holders of the company		(8.36)	(2.85)

The above consolidated Statement of Profit or Loss & Other Comprehensive Income should be read in conjunction with the accompanying notes.

\*Certain amounts and relevant notes have been restated to reflect adjustments relating to previously discontinued operations (refer note 7).



Lorraine Witten - Chair  
22 February 2024



Grant Devonport - Director  
22 February 2024

## CONSOLIDATED INTERIM BALANCE SHEET

AS AT 31 DECEMBER 2023

	NOTES	UNAUDITED 31 DECEMBER 2023 \$'000	AUDITED 30 JUNE 2023 \$'000
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents		12,018	8,744
Inventories		126	219
Trade and other receivables		45,552	53,318
<b>Total Current Assets</b>		<b>57,696</b>	<b>62,281</b>
<b>Non-Current Assets</b>			
Property, plant and equipment		69,950	82,048
Right of use assets		168,637	144,594
Intangible assets		14,371	14,843
Deferred income tax asset		5,277	1,152
Other receivables		330	318
Tax receivable		239	-
<b>Total Non-Current Assets</b>		<b>258,804</b>	<b>242,955</b>
<b>TOTAL ASSETS</b>		<b>316,500</b>	<b>305,236</b>
<b>EQUITY</b>			
Share capital		84,262	84,262
Other reserves		(867)	(615)
Accumulated losses		(22,940)	(12,271)
Equity attributable to owners of the parent		60,455	71,376
Non-controlling interest in equity		3,746	3,527
<b>TOTAL EQUITY</b>		<b>64,201</b>	<b>74,903</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables		30,444	33,852
Tax payable		-	121
Deferred revenue		338	341
Borrowings	6	-	3,708
Lease liability		29,103	25,793
Employee entitlements		9,613	11,023
<b>Total Current Liabilities</b>		<b>69,498</b>	<b>74,838</b>
<b>Non-Current Liabilities</b>			
Borrowings	6	28,907	20,615
Lease liability		151,640	129,603
Deferred revenue		-	3,000
Provisions for other liabilities and charges		2,254	2,277
<b>Total Non-Current Liabilities</b>		<b>182,801</b>	<b>155,495</b>
<b>TOTAL LIABILITIES</b>		<b>252,299</b>	<b>230,333</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>316,500</b>	<b>305,236</b>

The above consolidated Balance Sheet should be read in conjunction with the accompanying notes.

## CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

	NOTES	ATTRIBUTABLE TO OWNERS OF THE COMPANY				NON-CONTROLLING INTEREST	TOTAL EQUITY
		SHARE CAPITAL	RETAINED EARNINGS/ (ACCUM. LOSSES)	OTHER RESERVES	TOTAL		
		\$000	\$000	\$000	\$000	\$000	\$000
<b>Balance as at 1 July 2022</b>		75,188	(5,081)	88	70,195	2,798	72,993
<b>Comprehensive income</b>							
(Loss) / profit for the period		-	(3,311)	-	(3,311)	587	(2,724)
Other comprehensive income		-	-	-	-	-	-
<b>Total comprehensive income</b>		-	<b>(3,311)</b>	-	<b>(3,311)</b>	<b>587</b>	<b>(2,724)</b>
Cumulative translation adjustment		-	-	(52)	(52)	-	(52)
<b>Transactions with owners:</b>							
Employee share scheme		-	-	8	8	-	8
<b>Balance as at 31 December 2022*</b>		<b>75,188</b>	<b>(8,392)</b>	<b>44</b>	<b>66,840</b>	<b>3,385</b>	<b>70,225</b>
<b>Balance as at 1 July 2023</b>		<b>84,262</b>	<b>(12,271)</b>	<b>(615)</b>	<b>71,376</b>	<b>3,527</b>	<b>74,903</b>
<b>Comprehensive income</b>							
(Loss) / profit for the period		-	(10,669)	-	(10,669)	339	(10,330)
Other comprehensive income		-	-	-	-	-	-
<b>Total comprehensive income</b>		-	<b>(10,669)</b>	-	<b>(10,669)</b>	<b>339</b>	<b>(10,330)</b>
Cumulative translation adjustment		-	-	(252)	(252)	-	(252)
<b>Transactions with owners:</b>							
Issue of ordinary shares		-	-	-	-	-	-
Dividends		-	-	-	-	(120)	(120)
<b>Balance as at 31 December 2023</b>		<b>84,262</b>	<b>(22,940)</b>	<b>(867)</b>	<b>60,455</b>	<b>3,746</b>	<b>64,201</b>

The above consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

\*Certain amounts and relevant notes have been restated to reflect adjustments relating to previously discontinued operations (refer note 7).

## CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

	NOTES	UNAUDITED 6 MONTHS TO DECEMBER 2023 \$000	UNAUDITED 6 MONTHS TO DECEMBER 2022* \$000
<b>Cash flows from operating activities</b>			
Receipts from customers		168,403	184,713
Interest received		126	55
Dividends received		4	3
Payments to suppliers and employees		(152,838)	(155,487)
Government subsidy received		5	78
Notional finance charge on NZ IFRS 16 leases		(3,956)	(3,712)
Interest paid		(861)	(981)
Income tax paid		(623)	(504)
<b>Net cash generated from operating activities</b>		<b>10,260</b>	<b>24,165</b>
<b>Cash flows used in investing activities</b>			
Purchase of property, plant and equipment		(1,424)	(12,430)
Proceeds from sale of property, plant and equipment		4,112	1,208
Purchase of intangible assets		(12)	(10)
<b>Net cash used in investing activities</b>		<b>2,676</b>	<b>(11,232)</b>
<b>Cash flows from financing activities</b>			
Repayment of borrowings		(938)	(1,879)
Proceeds from borrowings		5,500	-
Repayment of lease liability (NZ IFRS 16)		(14,104)	(13,404)
Dividends paid to shareholders / non-controlling interests		(120)	-
<b>Net cash flow used in financing activities</b>		<b>(9,662)</b>	<b>(15,283)</b>
Net increase in cash and cash equivalents		3,274	(2,350)
Cash and cash equivalents at beginning of the period		8,744	14,940
<b>Cash and cash equivalents 31 December</b>		<b>12,018</b>	<b>12,590</b>

The above consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

\*Certain amounts and relevant notes have been restated to reflect adjustments relating to previously discontinued operations.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 1. GENERAL INFORMATION

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### 1.1. REPORTING ENTITY

The core operations of MOVE Logistics Group Limited (“MOVE Logistics” or the “Company”) and its subsidiaries (collectively “the Group”) are in the New Zealand logistics sector. These include general transport, bulk liquids, heavy haulage, shipping, warehousing and distribution, freight forwarding, national and international household removals and storage.

The Company is incorporated and domiciled in New Zealand, registered under the Companies Act 1993 and is a FMC Reporting Entity under part 7 of the Financial Markets Conduct Act 2013. The Company is dual listed with its primary listing of ordinary shares quoted in New Zealand on the NZX Main Board, and a secondary listing in Australia as a foreign Exempt Entity on the Australian securities exchange (ASX).

The registered office of the Company is at 24-30 Paraite Road, Bell Block, New Plymouth, New Zealand. The interim financial statements were approved for issue by the MOVE Logistics Board of Directors on XX February 2024.

### 1.2. BASIS OF PREPARATION

This consolidated interim financial report for the half-year reporting period ended 31 December 2023 has been prepared in accordance with accounting standards IAS 34 Interim Financial Reporting and NZ IAS 34 Interim Financial Reporting. They have also been prepared on a going concern basis in accordance with New Zealand Generally Accepted Accounting Principles (GAAP).

The interim report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2023 and any public announcements made by MOVE Logistics during the interim reporting period.

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

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The accounting policies used in the preparation of these financial statements, unless disclosed below are consistent with those used in the previously published audited consolidated financial statements as at and for the year ended 30 June 2023. There were no new standards, interpretations and amendments effective from 1 July 2023 that would have a material impact on the Group.

Items included in the financial statements of each of the Group’s entities are measured using the currency of the primary economic environment in which the entity operates (‘the functional currency’). The financial statements are presented in New Zealand dollars (rounded to thousands), which is the functional and the presentation currency of all companies in the Group except MOVE Oceans Singapore PTE Limited and TNL Australia Pty Limited, whose functional currencies are United States dollars and Australian Dollars respectively.

### 3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

#### a. Impairment of Goodwill

The Group tests intangible assets for impairment to ensure they are not carried at above their recoverable amounts

- At least annually for goodwill
- Where there is an indication that the assets may be impaired (which is assessed at least each reporting period)

The Group concluded that there are no indicators of impairment for any of the CGU's at 31 December 2023, although they will continue to monitor the position closely for any evidence that the goodwill has become impaired.

### 4. RECONCILIATION TO GAAP MEASURE

The Group results are prepared in accordance with New Zealand Generally Accepted Accounting Practice ("GAAP") and comply with International Financial Reporting Standards Accounting Standards ("IFRS Accounting Standards") and the New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS").

These interim financial statements include non-GAAP financial measures that are not prepared in accordance with IFRS. The non-GAAP financial measures used in this presentation are as follows:

- Adjusted EBITDA (a non-GAAP measure) represents profit before income taxes from continuing operations (a GAAP measure), excluding interest income, interest expense, depreciation and amortisation, share of loss of associates, asset/goodwill impairment, restructuring costs and share acquisition costs (non operating expenses) as reported in the financial statements.
- Adjusted EBIT (a non-GAAP measure) represents profit before income taxes from continuing operations (a GAAP measure), excluding interest income, interest expense, share of loss of associates, asset/goodwill impairment, restructuring costs and share acquisition costs (non operating expenses) as reported in the financial statements.

The Group believes that these non-GAAP measures provide useful information to readers to assist in the understanding of the financial performance and position of the Group as they are used internally to evaluate the performance of business units and to establish operational goals. They should not be viewed in isolation, nor considered as a substitute for measures reported in accordance with IFRS. Non-GAAP measures as reported by the Group may not be comparable to similarly titled amounts reported by other companies.

The following is a reconciliation between these non-GAAP measures and net loss after tax from continuing operations:

Reconciliation to GAAP measure	6 months to December 2023 \$000	6 months to December 2022 \$000
Loss Before Income Tax from continuing operations (GAAP measure)	(14,192)	(2,913)
<b>Add back:</b>		
Share of loss of associates	-	66
Finance costs	4,712	4,862
<b>Other non operating expenses:</b>		
- Asset / goodwill impairment	487	1,027
- Restructuring costs	396	(112)
- Acquisition related costs	-	108
Depreciation & amortisation	21,815	21,616
<b>Adjusted EBITDA (non-GAAP measure)</b>	<b>13,218</b>	<b>24,654</b>

## 4. RECONCILIATION TO GAAP MEASURE (CONTINUED)

Reconciliation to GAAP measure	6 months to December 2023 \$000	6 months to December 2022 \$000
Loss Before Income Tax from continuing operations (GAAP Measure)	(14,192)	(2,913)
<b>Add back:</b>		
Share of loss of associates	-	66
Finance costs	4,712	4,862
<b>Other non operating expenses:</b>		
- Goodwill impairment	487	1,027
- Restructuring costs	396	(112)
- Acquisition related costs	-	108
<b>Adjusted EBIT (non-GAAP measure)</b>	<b>(8,597)</b>	<b>3,038</b>

## 5. SEGMENT INFORMATION

Operating segments are reported in a manner consistent with the internal reporting to the Chief Operating Decision Maker (CODM). The CODM is responsible for allocating resources and assessing performance of the operating segments.

The Group has made the decision that the eleven operating segments that form part of the reporting to the Group CEO can be aggregated into five reporting segments. Reportable segments have been determined by having regard to the nature of the services, the processes the various business units undertake to service customers, the allocation of capital, the type of customers serviced, and the nature of the distribution channels.

In addition to GAAP measures, the Group CEO also uses non-GAAP measures (EBITDA and EBIT) to assess the commercial performance of the segments. The reportable operating segments have been determined as:

### INTERNATIONAL

This segment includes international freight forwarding, shipping and agency services across a broad range of industries.

### SPECIALIST

This segment provides transport and lifting solutions for oversized and large items.

### FREIGHT

This segment provides nationwide general freight transport services with regional strength. It is able to transport a wide range of freight types.

### CONTRACT LOGISTICS

This segment specialises in contracted solutions providing services for customers including warehouse and supply chain capability and delivery of bulk liquids.

### CORPORATE

This segment includes our corporate services function.



## 5. SEGMENT INFORMATION (CONTINUED)

The segment information for the period ended 31 December 2023 is as follows:

	International	Specialist	Freight	Contract Logistics	Corporate	Total
	\$000	\$000	\$000	\$000	\$000	\$000
<b>6 months to 31 December 2022</b>						
Total segment revenue	6,590	10,345	86,132	82,388	-	185,455
Inter-segment revenue	(37)	(9)	(5,269)	(1,887)	-	(7,202)
<b>Revenue from external customers</b>	<b>6,553</b>	<b>10,336</b>	<b>80,863</b>	<b>80,501</b>	<b>-</b>	<b>178,253</b>
EBITDA	1,170	2,741	4,584	17,797	(1,638)	24,654
Depreciation - tangible assets	268	1,273	2,329	1,769	110	5,749
Amortisation - ROU assets	98	535	5,154	8,744	80	14,611
Amortisation - intangible assets	1	50	2	918	285	1,256
EBIT	803	883	(2,901)	6,366	(2,113)	3,038
<b>Assets</b>	<b>34,757</b>	<b>23,634</b>	<b>120,298</b>	<b>139,814</b>	<b>3,318</b>	<b>321,821</b>
<b>Liabilities</b>	<b>17,426</b>	<b>6,083</b>	<b>90,791</b>	<b>101,876</b>	<b>35,419</b>	<b>251,595</b>
<b>Capital expenditure including intangibles</b>	<b>8,637</b>	<b>436</b>	<b>2,063</b>	<b>2,210</b>	<b>76</b>	<b>13,422</b>

<b>6 months to 31 December 2023</b>						
Total segment revenue	9,335	9,517	63,988	79,432	-	162,472
Inter-segment revenue	(13)	(22)	(2,241)	(1,946)	-	(4,222)
<b>Revenue from external customers</b>	<b>9,522</b>	<b>9,495</b>	<b>61,747</b>	<b>77,486</b>	<b>-</b>	<b>158,250</b>
EBITDA	(1,238)	2,045	(769)	14,933	(1,753)	13,218
Depreciation - tangible assets	736	1,144	2,041	1,825	102	5,848
Amortisation - ROU assets	177	485	5,837	8,907	79	15,485
Amortisation - intangible assets	1	37	1	302	141	482
EBIT	(2,152)	379	(8,648)	3,899	(2,075)	(8,597)
<b>Assets</b>	<b>28,349</b>	<b>19,372</b>	<b>111,274</b>	<b>148,030</b>	<b>9,475</b>	<b>316,500</b>
<b>Liabilities</b>	<b>11,211</b>	<b>4,662</b>	<b>89,523</b>	<b>115,865</b>	<b>31,038</b>	<b>252,299</b>
<b>Capital expenditure including intangibles</b>	<b>55</b>	<b>62</b>	<b>109</b>	<b>1,115</b>	<b>111</b>	<b>1,452</b>

Interest income and expense are not allocated to segments, as this type of activity is driven by the central treasury function, which manages the cash position of the Group.

Sales between segments are eliminated on consolidation. The amounts provided to the CODM with respect to segment revenue are measured in a manner consistent with that of the financial statements.

The Group has a diverse range of customers from various industries, with only one customer contributing more than 10% of the Group's revenue. These revenues are attributed to the Contract Logistics segment.

## 6. BORROWINGS

As at the reporting period the Group's borrowings consisted of the below:

	31 December 2023 \$000	30 June 2023 \$000
<b>Non-Current</b>		
Secured loan ANZ (expiry 7 March 2025)	28,907	20,615
	<b>28,907</b>	<b>20,615</b>
<b>Current</b>		
Secured loan ANZ	-	3,708
	<b>-</b>	<b>3,708</b>
<b>Total secured borrowings</b>	<b>28,907</b>	<b>24,323</b>

The Group is required to comply with a number of financial covenants. During the 6 months to December 2023 the Group forecasted potential breaches to the amended covenants as a result of the ongoing reset of the Freight Business and the start-up of the Oceans service. The Group obtained a waiver from ANZ for the December 2023 test period. On 22 February 2024 the ANZ formally reset the financial covenants out to 31 March 2025 as below. This amendment as well as principal repayment relief indicates the continued support of the Groups banking partner ANZ.

- EBITDA actual > 85% of EBITDA Forecast on a YTD basis
- Net capital expenditure restricted to \$1.9 million in FY24 and \$3.2 million in FY25
- Guarantor coverage Assets >85%
- Gaurantor coverage EBITDA >90%

Based on the forward looking forecast approved by the Board and the above financial covenants the Group is expected to comply for at least 12 months from the date of signing the financial statements. Accordingly, the consolidated interim financial statements have been prepared on a going concern basis.

## 7. DISCONTINUED OPERATIONS AND NON-CURRENT ASSETS HELD FOR SALE

In May 2022, the Board approved and announced its intention to undertake a formal sales process to investigate the market interest in the sale/asset disposal of its subsidiary company MOVE Specialist Lifting & Transport Ltd which operates in the Specialist segment. The Specialist company had been classified as held for sale and was a discontinued operation under NZ IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations at 31 December 2022.

In March 2023, it was determined after the appointment of the Groups new CEO and a strategic review that MOVE Specialist Lifting and Transport Ltd no longer met the criteria to be disclosed as held for sale resulting in it no longer being actively marketed for sale. As a result, the Profit or Loss has been restated for the period ended 31 December 2022 to reflect comparable numbers consistent with that presented in the period ended 31 December 2023. The carrying value of the assets and liabilities was assessed and then reclassified to the relevant sections in the Consolidated Balance Sheet. No impairment was recognised.

## 8. EVENTS AFTER THE REPORTING DATE

On 22 February 2024 the Group signed an amendment with the ANZ Bank NZ Ltd to vary the financial covenants and banking arrangements (refer note 6).

A claim of \$3.7M was received on 14 February 2024 for alleged non-performance of a contractual obligation by the Group. No court proceedings have been filed in respect of this claim at this time. The Group disputes liability and intends to defend the claim.

# DIRECTORY

## DIRECTORS

Lorraine Witten (Chair)  
Independent Director  
Appointed 6 December 2017  
Appointed Chair 30 September 2021

Chris Dunphy  
Director  
Appointed 1 July 2021

Mark Newman  
Independent Director  
Appointed 27 July 2021

Grant Devonport  
Independent Director  
Appointed 23 November 2021

Julia Raue  
Independent Director  
Appointed 3 May 2023

## RISK ASSURANCE & AUDIT COMMITTEE

Grant Devonport (Chair)  
Mark Newman  
Chris Dunphy

## GOVERNANCE AND REMUNERATION COMMITTEE

Mark Newman (Chair)  
Chris Dunphy  
Julia Raue

## REGISTERED OFFICE AND ADDRESS FOR SERVICE

24-30 Paraitē Road, Bell Block  
New Plymouth

## AUDITORS

PricewaterhouseCoopers  
PwC Centre  
Level 4, 60 Cashel Street  
Christchurch

## BANKERS

ANZ Bank New Zealand Limited  
23-29 Albert Street  
Auckland

## SOLICITORS

Duncan Cotterill  
Level 2, Chartered Accountants House  
50 Custom House Quay  
Wellington

## SHARE REGISTRAR

Link Market Services Limited  
Deloitte Centre  
80 Queen St, Auckland

The logo for MOVE, featuring the word "MOVE" in a bold, sans-serif font. The letters "M", "O", "V", and "E" are dark blue, while the letter "V" is a vibrant orange. The letters are closely spaced and have a slight shadow effect.