



# FY 2024 Financial Results Investor Presentation

30 May 2024



# Disclaimer

This presentation has been prepared by Trade Window Holdings Limited (TradeWindow). All information is current at the date of this presentation, unless stated otherwise. All currency amounts are in NZ dollars unless stated otherwise.

## Information in this presentation:

- is for general information purposes only, and does not constitute, or contain, an offer or invitation for subscription, purchase, or recommendation of securities in TradeWindow for the purposes of the Financial Markets Conduct Act 2013 or otherwise, or constitute legal, financial, tax, financial product, or investment advice;
- should be read in conjunction with, and is subject to TradeWindow's Financial Statements and Annual Reports, market releases and information published on TradeWindow's website ([tradewindow.io](http://tradewindow.io));
- includes forward-looking statements about TradeWindow and the environment in which TradeWindow operates, which are subject to uncertainties and contingencies outside TradeWindow's control – TradeWindow's actual results or performance may differ materially from these statements;
- includes statements relating to past performance information for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance;
- may contain information from third-parties believed to be reliable, however, no representations or warranties are made as to the accuracy or completeness of such information; and
- non-GAAP financial information does not have a standardised meaning prescribed by GAAP and therefore may not be comparable to similar financial information presented by other entities. The non-GAAP financial information included in this document has not been subject to review by auditors. Non-GAAP measures are used by management to monitor the business and are useful to provide investors to access business performance.

# Agenda

Financial results overview	4
The opportunity and our advantage	6
Our growth strategy	8
Pathway to profitability	12
Financial overview	15
Outlook and summary	22



**AJ Smith**  
CEO & Director



**Deidre Campbell**  
Chief Financial Officer

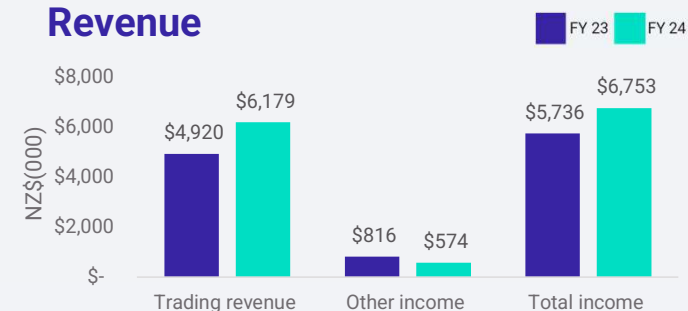
# FY 24: Growth and resilience

- A strong growth in revenue and prudent management of capital against a backdrop of challenging economic and capital market conditions.
- Trading revenue: \$6.2 million, a 26% increase on the \$4.9 million in the prior year.
- EBITDA<sup>1</sup> loss: \$6.6 million, down 43% from the prior year's \$11.7 million.
- Net loss after tax: \$8.0 million from a \$9.8 million loss in the prior year.
- Cash and cash equivalents: Ended the year at \$0.2 million, but substantially improved after year end with an oversubscribed \$2.2 million capital raising<sup>2</sup>.
- Monthly average cash consumption reduced from \$1 million in FY23 to \$0.7 million in 1H FY24 and \$0.3 million in 2H FY24 and improvements expected to continue in the current financial year.

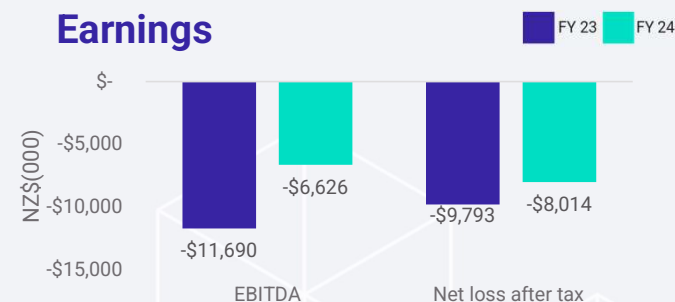
1. EBITDA is a non-GAAP measure of financial performance. It is defined and reconciled to the GAAP measure of net profit after tax on slide 16 of this presentation

2. Assumes shareholder approval of CEO AJ Smith's subscription agreement at a special meeting to be held on 11 June 2024

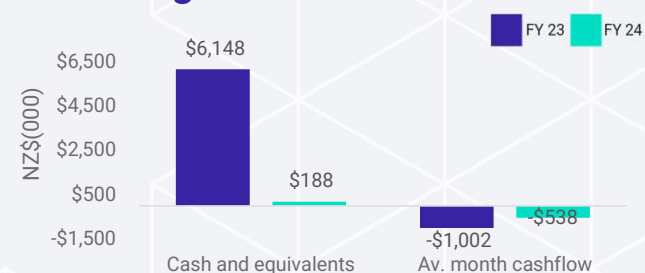
## Revenue



## Earnings



## Funding



# Key performance indicators – FY24



All comparisons are against FY23 unless otherwise indicated.  
 Annual recurring revenue is calculated using subscription revenue for March 2024 and the monthly average of transaction revenue for 4Q24 annualised.  
 Customer numbers and categorisation methodology has been refined to include contracted and pay as you go customers. Prior year comparatives have been restated



# The trade problem

Global trade is constrained by siloed systems which rely on manual paper-based processes to orchestrate the exchange of data

“  
*A single transaction often requires the interaction of more than 20 entities and involves between 10 and 20 paper documents and 5,000 data field exchanges.*”

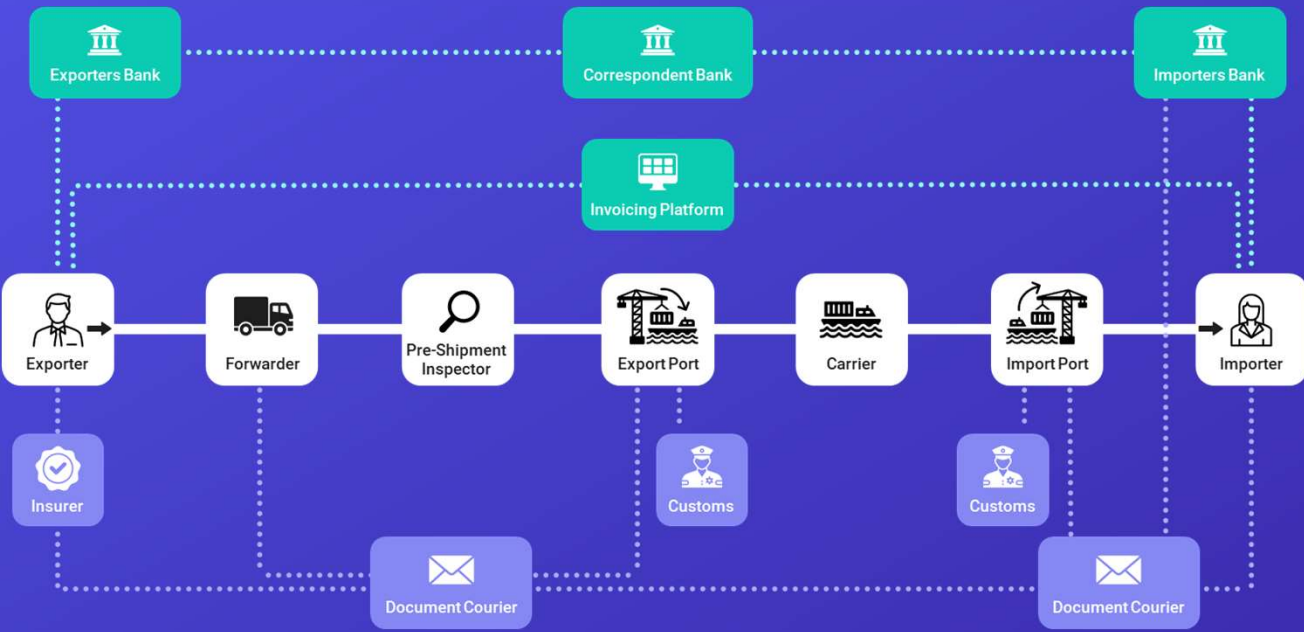
Boston Consulting Group<sup>1</sup>

- **Cost** – human intervention at each stage of the supply chain adds cost
- **Risk** – high volumes of commercially sensitive data is being exchanged over email and physical documents leaving businesses exposed to theft or fraud
- **Inconvenience** – data entry and associated errors can lead to shipment delays
- **Opaque** – lack of transparency hinders the ability to build trust between parties

1. Source: <https://www.bcg.com/en-gb/digital-ecosystems-in-trade-finance-seeing-beyond-the-technology>

# A significant global opportunity

Movement of goods and financial flows requires the timely movement of accurate information across the supply chain



Key:

- Financial (Green box with dollar sign icon)
- Physical (White box with cube icon)
- Information (Blue box with document icon)

1. USD Source: Gartner, Software Market Insights: Logistics and Supply Chain Management, 2022.

# Multiple growth levers

Capital efficient growth focused on acquiring market positions that can help sustain building a competitive advantage in innovation



## INNOVATION

of the Global Trade Platform



## GREATER USAGE

by existing customers



## NEW CUSTOMERS

on the platform



## ACQUISITION

to accelerate and de-risk growth



# 513 organisations use our technology

Some of the Australasia's most prolific shippers and freight forwarders rely on our solutions to run business critical operations

## Dairy



## Meat



## Seafood



## Horticulture



## Logistics & other



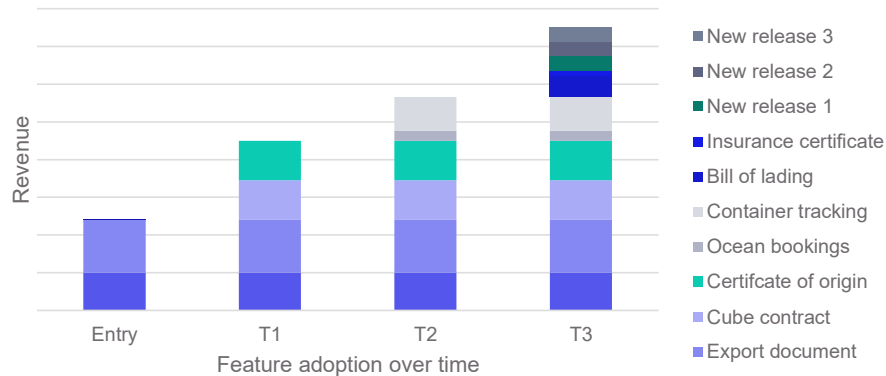
Note, logos don't necessarily correspond to top customers.

# Greater usage

Cube provides customers with easy access to a growing list of functionality on-demand

Cube's global trade platform capabilities currently include:

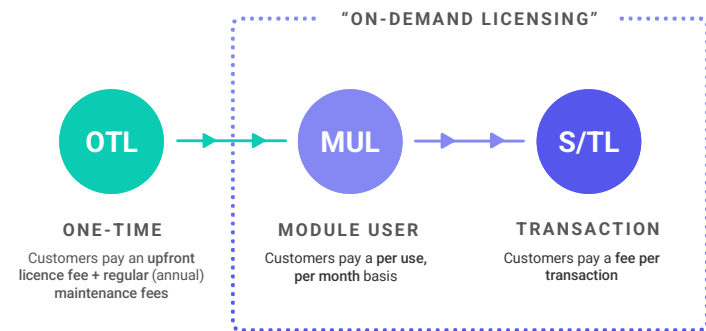
- Ocean carrier bookings
- Customs clearance
- E-commerce
- Supply chain event tracking and visibility
- Certificates of Origin
- Encrypted data storage
- Secure permissioned collaboration (both with internal and external parties)



Illustrative only to show revenue growth as a customer adopts Cube features overtime. It does not represent any one customer.

## Key benefits of an on-demand revenue model

- ✓ Enables customers to expand usage on an as-needed basis
- ✓ Allows customers to explore new functionality, become more familiar with the product, and over time add more users and grow usage
- ✓ Drives in-products sales as Cube becomes customers' default search for new functionality



# Revenue composition

Trading revenues highly predictable with 94% recurring

## Transactional revenue

- TradeWindow generates transactional revenue each time a customer either creates or shares a set of trade documents

## Subscription revenue

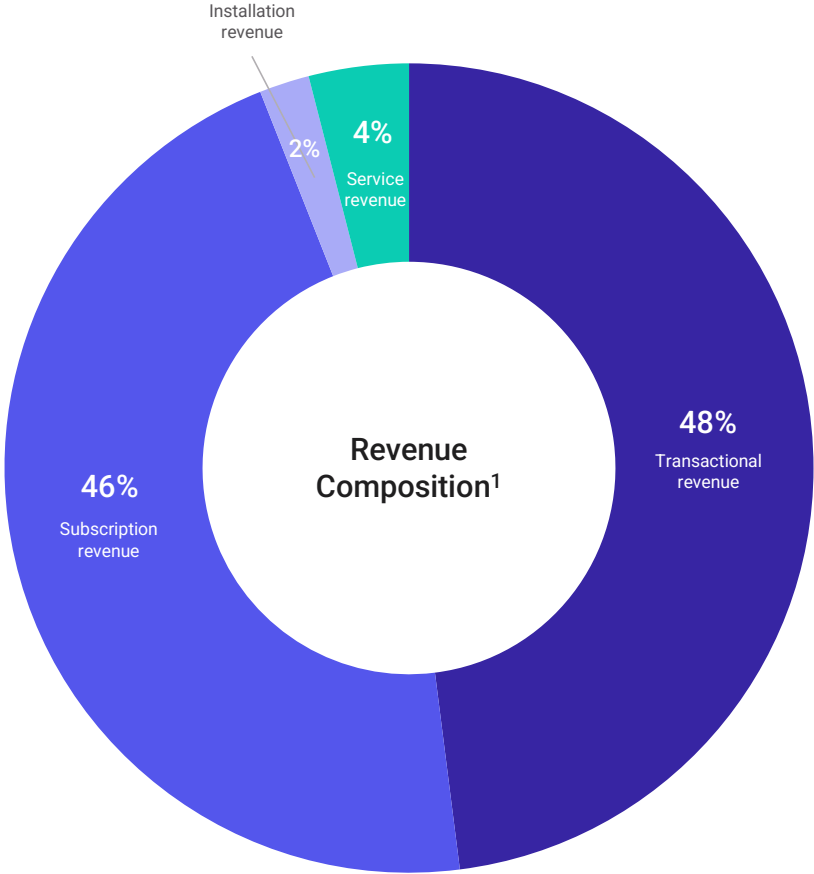
- Customers pay monthly, quarterly, or annual subscription fees to access solutions
- The amount of fee varies depending on the number of solutions subscribed for and the number of users

## Installation revenue

- TradeWindow earns one-off set up fees that vary depending on the level of service and complexity of installation

## Service revenue

- TradeWindow charges for ad-hoc customisation and enhancement requests



1. Based on actual unaudited trading revenue in the year to the end of March 2024

# Pathway to profitability

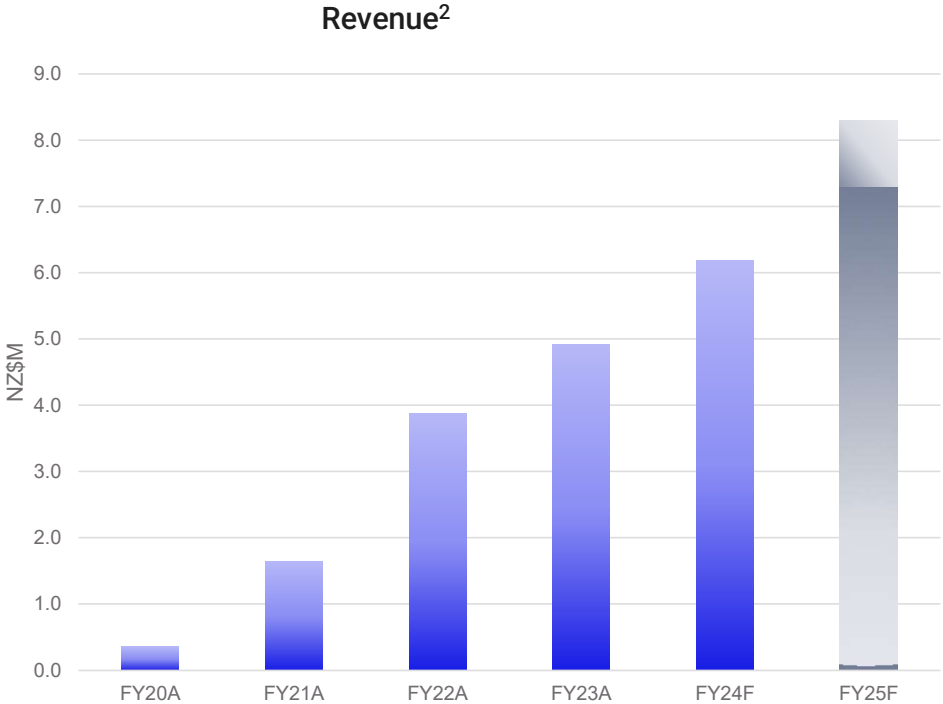
- Forecast growth supports monthly **EBITDA break-even in March 2025**<sup>1</sup>
- Predictable recurring revenues from over **513**<sup>2</sup> **customers** including some of the world's most prolific agriculture exporters and freight forwarders
- Strong market position with **more than 50%** of New Zealand's primary industry exporters using TradeWindow software with increasing volumes in Australia
- Focus on increasing revenue in winning products to fund a **self-sustainable innovation and development programme**
- Offshore innovation and development division to **reduce cost, access talent, and boost productivity**

1. Forward looking financial information should be read in conjunction with key assumptions on Slide 26  
2. Customers as at 31 March 2024



# Growing from solid foundations

- Delivered a CAGR of 104%<sup>1</sup> since the start of commercialisation in January 2020
- Forecasting continued revenue growth in the range of 20% to 34% year-on-year for FY25 (1 April 2024 to 31 March 2025)
- Trading revenue guidance of \$7.3m to \$8.3m for FY25
- Forecast revenue growth underpinned by cross-selling to existing customers and winning new customers in Australia



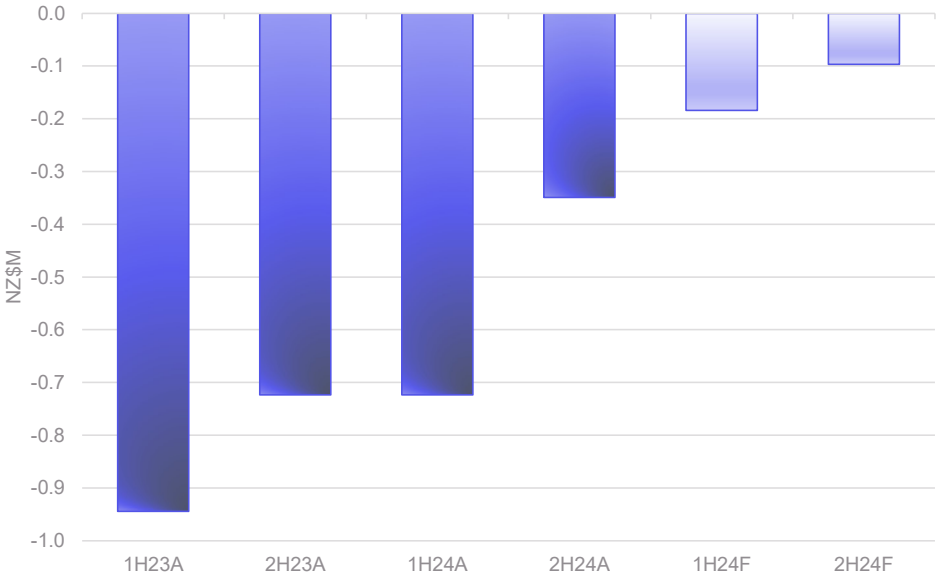
1. CAGR period FY20 to FY24  
2. Forward-looking financial information should be read in conjunction with key assumptions on Slide 26

# TradeWindow 2.0

Pathway to profitability and continued revenue growth

- Monthly EBITDA breakeven expected March 2025
- Positive monthly cash flow expected approximately six months later
- Rationalised cost base includes reduced headcount, hybrid working, and offshore innovation and development
- Supported via ASB Bank removal of 2x facility limit cash covenant and extended amortisation relief to March 2025

Average half year cash burn<sup>1</sup>



1. Forward-looking financial information should be read in conjunction with key assumptions on Slide 26

# Financial Overview

# Financial performance

Trading revenue up 26% driven by organic growth

Income Statement \$000	FY24	FY23	Change \$	Change %
Trading revenue	6,179	4,920	1,259	26%
Other income	574	816	(242)	-30%
<b>Total income</b>	<b>6,753</b>	<b>5,736</b>	<b>1,017</b>	<b>18%</b>
Personnel & employee expense	(9,454)	(13,064)	3,610	-28%
Other expenses	(3,925)	(4,362)	437	-10%
<b>Total expenses</b>	<b>(13,379)</b>	<b>(17,426)</b>	<b>4,046</b>	<b>-23%</b>
<b>EBITDA<sup>1</sup></b>	<b>(6,626)</b>	<b>(11,690)</b>	<b>5,064</b>	<b>-43%</b>
Revaluation of contingent consideration	1,216	3,438	(2,222)	-65%
Depreciation & amortisation	(2,512)	(2,412)	(100)	4%
Net finance expenses	(87)	(106)	19	-18%
Income tax	(5)	977	(981)	100%
<b>Net loss after tax</b>	<b>(8,014)</b>	<b>(9,793)</b>	<b>1,779</b>	<b>-18%</b>

<sup>1</sup> EBITDA – Earnings before interest, tax, depreciation & amortisation

- **Trading revenue** up 26% to \$6.2m, with sales across all core products
- **Employee costs** down 28%, reflecting cost reductions resulting from necessary reorganization
- **Other costs** down 10%, with reduced innovation and development activity
- **EBITDA loss** reduced \$5.1m with revenue growth and cost down
- **Contingent consideration** movement reflects a revaluation to nil of the of the deferred earnout relating to Rfider
- **Income tax** prior year included one-off accounting gain on acquired software platforms



# Revenue by type and country

Organic growth underpinning revenue increase

Revenue by type \$000	FY24	FY23	Change %
Transactional	2,971	2,332	27%
Subscription	2,815	2,078	36%
Services	269	202	33%
Installation	124	308	-60%
<b>Total trading revenue</b>	<b>6,179</b>	<b>4,920</b>	<b>26%</b>
Other income	574	816	-30%
<b>Total income</b>	<b>6,753</b>	<b>5,736</b>	<b>18%</b>

Trading revenue by country \$000	FY24	FY23	Change %
New Zealand	3,974	3,152	26%
Australia	1,828	1,675	9%
Asia, Pacific Is, & rest of world	377	93	304%
<b>Total trading revenue</b>	<b>6,179</b>	<b>4,920</b>	<b>26%</b>

- **Organic trading revenue growth** of 26%. driven by combination of existing customers taking up complementary solutions, attracting larger customers, and effectively passed on many inflation-driven operating cost
  - **Recurring revenue:** stable recurring transactional and subscription revenue forming 94% of trading revenue.
  - **Other income** down with lower R&D grants reflecting reduced innovation activity
- 
- Continued focus in New Zealand and good progress in Australia and Asia. Expect Origin to underpin Australian revenue growth in the upcoming year.

# Average revenue per customer (per month)

ARPC up for both customer segments

Freight	FY24	FY23	Change %
Subscriber <sup>1</sup> customer nos. period end	273	266	3%
Ave Subscriber customer nos.	268	266	1%
Ave monthly revenue per customer	\$638	\$543	17%
Shippers	FY24	FY23	Change %
Subscriber customer nos. period end	145	150	-3%
Ave Subscriber customer nos.	148	148	-
Ave monthly revenue per customer	\$1,707	\$1,292	32%
Customer numbers as at 31 March 2024	FY24	FY23	
Subscriber customer nos. – Freight	273	266	
Subscriber customer nos. - Shippers	145	150	
Pay As You Go customer nos.	95	82	
<b>Total Customer Numbers</b>	<b>513</b>	<b>498</b>	

<sup>1</sup> Subscriber customers are those that are licensing TradeWindow's software and generate monthly subscription revenue. These customers may also generate transaction, services & installation revenues. It excludes certificate and other revenue.

- **Increased monthly Average Revenue Per Customer (ARPC) for Freight** – up 17% continue to reflect higher value of new customers than current averages
- **Increased monthly ARPC for Shippers (exporters & Importers)** – up 32%, despite national export volumes falling, and reflects customers using more of our services
- Cost inflation passed on
- **Customer number** and categorisation methodology refined to include pay as you go and contracted customers. Prior year comparatives have been restated

# Operating expenses / staff numbers

Reflects reorganisation undertaken during the period

Personnel & employee expense \$000	FY24	FY23	Change \$	Change %
Cost of goods sold	2,089	1,991	98	5%
Research & Development	3,743	5,590	(1,847)	-33%
Sales & Marketing	1,777	2,815	(1,039)	-37%
General and Administration	1,846	2,667	(821)	-31%
<b>Total employee benefits expense</b>	<b>9,454</b>	<b>10,830</b>	<b>(3,610)</b>	<b>-28%</b>
Other expenses \$000	FY23	FY23	Change \$	Change %
Cost of goods sold	752	660	92	14%
Research & Development	464	538	(73)	-14%
Sales & Marketing	300	796	(496)	-62%
General and Administration	2,409	2,368	41	2%
<b>Total other expenses</b>	<b>3,925</b>	<b>4,362</b>	<b>(437)</b>	<b>10%</b>
Staff nos. (FTE)	FY24	FY23	Change	Change %
Cost of goods sold	14	24	(10)	-44%
Research & Development	16	53	(38)	-70%
Sales & Marketing	9	21	(12)	-56%
General and Administration	8	14	(6)	-41%
<b>Total staff nos. (FTE)</b>	<b>47</b>	<b>112</b>	<b>(65)</b>	<b>-58%</b>

- **Employee costs** down 28% reflect cost reductions:
  - 58% reduction in staff numbers
  - Full effect to come in upcoming year
  - Team in Philippines, providing new channel of talent including software development and customer support
- **Other costs** down 10%, with reduced innovation and development activity
- **No R&D cost capitalised** to balance sheet.

# Balance sheet

\$000s	FY24	FY23	Change \$	Change %	Movements
Current Assets	1,192	8,022	(6,830)	-85%	Reduction in cash reserves and receivables
Non-Current Assets	11,583	14,059	(2,926)	-20%	Intangibles asset amortization and exit of leased asset
<b>Total Assets</b>	<b>12,774</b>	<b>22,531</b>	<b>(9,757)</b>	<b>-43%</b>	
Current Liabilities	2,151	4,730	(2,580)	-55%	Deferred consideration revalued, loan repayments and lease exit
Non-Current Liabilities	1,383	1,828	(445)	-24%	Deferred consideration revalued
<b>Total Liabilities</b>	<b>3,534</b>	<b>6,558</b>	<b>(6,732)</b>	<b>-46%</b>	
<b>Net Assets</b>	<b>9,240</b>	<b>15,973</b>	<b>(6,732)</b>	<b>-42%</b>	
<b>Total Equity</b>	<b>9,240</b>	<b>15,973</b>	<b>(6,732)</b>	<b>-42%</b>	

# Cashflow

Successful share issue concluded in April - \$2.2million<sup>2</sup>

\$000s	FY24	FY23	Change \$	Change %
<b>Operating Activities</b>				
Cash Received from Customers	6,273	4,857	1,416	29%
Cash Paid to Suppliers and Employees	(12,906)	(16,949)	4,043	-24%
Income Tax Received	46	515	(469)	-91%
Grant Income	833	744	89	12%
<b>Operating net cash flow</b>	<b>(5,754)</b>	<b>(10,833)</b>	<b>5,079</b>	<b>-47%</b>
<b>Investing net cash flow</b>	<b>77</b>	<b>(2,509)</b>	<b>2,586</b>	<b>-103%</b>
<b>Financing cash flow</b>	<b>(283)</b>	<b>13,557</b>	<b>(13,840)</b>	<b>-102%</b>
Net Change in Cash	(5,960)	215	(6,176)	-2865%
Opening Cash	6,148	5,933	216	4%
<b>Closing Cash</b>	<b>188</b>	<b>6,148</b>	<b>(5,960)</b>	<b>-97%</b>
<b>Average monthly cash outflow<sup>1</sup></b>	<b>(538)</b>	<b>(1,002)</b>	<b>463</b>	<b>46%</b>

<sup>1</sup> Average monthly cashflow excludes capital raise and acquisition transactions

<sup>2</sup> Assumes shareholder approval of CEO AJ Smith's subscription agreement at a special meeting to be held on 11 June 2024

- **Balance date cash** and cash equivalents of \$0.2m
- Successful capital raise concluded in Apr24 of \$2.2m<sup>2</sup> expected to provide sufficient capital through to monthly EBITDA breakeven end of FY25.
- **Average monthly cash burn reduced**
  - From \$1 million in FY23 to \$0.7 million in 1H FY24 and \$0.3 million in 2H FY24
  - Reflects the net cash impact of revenue growth and cost reduction actions through out the year

# FY24 outlook: focused on financial sustainability

- TradeWindow is seeing a stabilisation in shipping costs and an easing in inflationary pressures. The productivity benefits offered by TradeWindow solutions continue to resonate with customers.
- We are well positioned to benefit from these trends should they translate into a broader economic recovery as this would see an increase in transaction volumes.
- New trade agreements and regulatory changes are also continuing to support digitisation of trade information and the long-term outlook for the company.
- TradeWindow is delighted with the progress we have made in the first two months of the new financial year.
- We continue to expect FY25 revenue to range between \$7.3 million and \$8.3 million and to achieve monthly EBITDA breakeven by the end of the financial year<sup>1</sup>.

<sup>1</sup> For the assumptions underlying this statement please refer to slide 26 of this presentation



# Appendix

# Our board of directors



**Alasdair MacLeod**  
Independent Chair

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

Former Deloitte Partner and Chair of NZX listed Napier Port. Currently Chair of Silverstripe Limited, Kotahi Engineering Studio, Hawkes Bay Regional Economic Development Agency, and Big Brothers Big Sisters Hawkes Bay, and independent director on the Board Appointments Committee for IHC.



**Phil Norman**  
Independent Director

Phil joined the board in October 2021.

Experienced technology sector executive, capital markets advisor and founding Chairman of Xero and current Director of ASX listed TASK Group Holdings Limited, NZX listed Just Life Group Limited, and Loyalty New Zealand Limited (Fly Buys).



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

Entrepreneur with track record for creating high growth companies including MediFin, GreenFin and Bonds (Africa) and Commonwealth Finance Group (Switzerland).



**Kerry Friend**  
Executive Director

Chartered Accountant with three decades working in senior finance roles with Take-Two Interactive Software (Singapore), Jupiter TV (Japan), Bloomberg (Japan) and News Corporation (Japan).



# Our senior leadership team

Highly experienced team with the domain expertise needed to scale globally



**AJ Smith**  
Founder & CEO

Entrepreneur with track record for creating high growth companies including MediFin, GreenFin and Bonds (Africa) and Commonwealth Finance Group (Switzerland).



**Kerry Friend**  
Executive Director

Chartered Accountant with three decades working in senior finance roles with Take-Two Interactive Software (Singapore), Jupiter TV (Japan), Bloomberg (Japan) and News Corporation (Japan).



**Deidre Campbell**  
Chief Financial Officer

Chartered Accountant with extensive financial management and leadership experience within a public company having been the Group CFO for Methven Limited, a formerly NZX listed manufacturing business.



**Andrew Balgarnie**  
Chief Strategy Officer

Business strategist, deal maker and problem solver with a background in the TMT sector having previously worked for NBN Co (Australia) on high profile projects including the procurement of the satellite network.



**Mitchell Pham**  
Chief Digital Officer

Technology leader with over 30 years of building and leading digital ventures across NZ and Asia. Worked across financial services, healthcare, social services, and logistics. Digital economy advisor to NZ and APEC Governments.



**Dewald van Rensburg**  
Chief Operating Officer

Operations leader with more than 20 years' experience in corporate and commercial law with a background working as the registrar at University of Zululand and private practice for Du Toit Attorneys (South Africa).

# Projected financials – key assumptions

Forward-looking financial information is inherently subject to uncertainty and judgement.

Key assumptions which may have a material risk to our projections include:



## **SPECIFIC**

- The rate and timing of new customer traction
- Successful retention of people with the required skills cost effectively
- No research and development costs have been capitalised to the balance sheet



## **GENERAL**

- No material change in the current economic conditions locally and globally
- No changes in accounting standards or other mandatory professional reporting requirements

# Glossary

## **Annualised Recurring Revenue (ARR)**

The recurring revenue for a specified month annualised.

## **Average Revenue Per Customer (ARPC)**

Is subscriber customers' monthly revenue divided by number of subscriber customers as at end of the month. The value provided is the average of the monthly ARPC for the period.

## **CAGR**

Compound annual growth rate.

## **Customer retention rate**

Customer retention rate is the number of subscriber customers who leave in a month as a percentage of the total subscriber customers at the start of that month. The percentage provided is the average of the monthly churn for the period. The customer retention rate is the inverse of customer churn.

## **Customs Broker**

A Customs Broker is a licenced individual who acts as an intermediary for Shippers and Freight Forwarders in handling the sequence of customs formalities involved in the customs clearance and importing goods.

## **EBITDA**

Earnings before interest, taxation, depreciation and amortisation.

## **Freight Forwarder**

A Freight Forwarder is an organisation who arranges and handles the transport of goods between countries on behalf of their customers. Responsibilities can also include storing products, negotiating transportation rates and booking cargo space.

## **Shipper**

A Shipper is an exporter or importer who requires carriers to transport goods for transport from one location to another.

## **Subscriber customers**

Customers that license and/or access Trade Window's software on a monthly basis. These customers may also generate transaction, services and installation revenues. It excludes customers of Trade Window's pay as you go platforms.

## **Recurring revenue**

Revenues that are predictable, stable and can be counted on to occur at regular intervals going forward with a relatively high degree of certainty. For Trade Window this is subscription and transactional revenue.

# Thank you

**Investor Contact**

Andrew Balgarnie  
Chief Strategy Officer  
TradeWindow  
+64 275 594 133  
andrew@tradewindow.io