



Interim Report **FY23**

Interim Report
For the six months ended 30 September 2022



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Built to super-connect global trade

TradeWindow provides digital solutions for exporters, importers, freight forwarders, and customs brokers to drive productivity, increase connectivity, and enhance visibility.

Key performance indicators



Note, all comparisons are against 2H22 unless otherwise indicated.

Chair and CEO letter

Dear shareholders

During the half we have spoken with many current and potential shareholders about the opportunity for TradeWindow and what we want to achieve. Many people’s assumption is that global trade is already substantially underpinned by technology.

They are surprised to learn that large parts of the trading environment still operate using paper. In fact, four billion pages of documents are produced annually. Email remains a primary communications mechanism. According to Boston Consulting Group, a single transaction requires 20 entities to interact and involves 10 and 20 paper documents. The likelihood of inefficiency and error is high.

Global trade is now undergoing profound change as it transitions from manual, paper-based processes to digital. What TradeWindow is doing is providing the technology to help those involved in trade – exporters, importers, customs brokers and freight forwarders – be more efficient, connected and transparent. The opportunity is significant and TradeWindow is at the forefront.

Pleasing progress during the first half

We have continued to make pleasing progress on our strategic priorities during the first half, including advancing our global trade platform, market penetration and revenue growth.

We continue to see encouraging market demand for our solutions and have experienced further increases in customer numbers.

Highlights include the milestones we are achieving to deliver our global trade platform and releasing product enhancements. This includes the release of a new solution – ExpressDoc – TradeWindow’s global export documentation tool. ExpressDoc is a key component of the global trade platform.

TradeWindow acquired Rfider during the period. This is the fourth acquisition by TradeWindow in the past 18 months and another successful example of our ability to acquire and integrate diverse businesses that accelerate our strategy. We are seeing encouraging interest in the rebranded Rfider product Assure+. This is a mobile-device based solution able to be rapidly deployed in complex supply chains to provide traceability all the way back to the points of cultivation and production.

As ESG (Environmental, Social & Governance) expectations on food producers continue to grow, our customers are seeking ways, such as Assure+, to prove where their food comes from and provide visibility all the way from the paddock to the plate. In New Zealand, new mandatory climate-related disclosure laws will require approximately 200 large entities and their directors, including exporters and importers, to disclose climate risks.

Following the balance date, a global partnership agreement has been announced with FoodChain ID, a leading provider of technology-enabled food safety, quality and sustainability solutions for the food and agricultural industry. Under the partnership, Assure+ will be available to FoodChain ID’s 30,000 clients as an integrated solution. The signing of this agreement coincided with TradeWindow making its first fulltime permanent staff appointment in the United States.

Financial results

During the half we saw trading revenue performance of \$2.4 million, up 16% on the second half of 2022 and up 34% on the first half. Higher revenue reflected both organic growth from increased sales and contribution from acquisitions. Excluding acquisitions made since 1 October 2021, trading revenue was up 14% on both the previous corresponding period and the prior period. Total income was \$2.7 million, up 1%, reflecting timing of R&D grants which are subject to Inland Revenue’s approval process.

Expenses reflect planned investments in market development and the global trade platform. Total expenses were \$8.6 million, up 5% from \$8.1 million.

TradeWindow’s EBITDA loss was \$5.9 million, up 7%, and its net loss after tax was \$7.1 million, up 18%, reflecting disciplined execution of planned investments.

TradeWindow’s average revenue per customer was up 13% in the past six months to \$804 per month. Excluding Rfider, average revenue per customer was up 11%.

Gross margin was 50%, the same as the prior year and reflecting an ongoing focus on operational efficiency and scale.

We achieved an encouraging number of new sales in the first half, which included both new and existing customers. These wins will be reflected in revenue in future periods as adoptions and implementations occur. We have been working with customers to have the right systems in place to increase the speed of onboarding.

New Zealand continued to perform solidly, with trading revenue up 17%. The number of mid-market and enterprise customers now on Cube further increased from 16 to 19 during the period, with an additional 20 Cube customers won during the half with revenues expected to come on stream in future periods. Following the balance date, we have entered into a partnership, which includes a reseller agreement, with the Employers and Manufacturers Association to help upskill exporters.

We continue to focus on establishing ourselves in the Australian market, where revenue was up 14%. Our focus continues to be on expanding our product coverage in Australia to support sales efforts and revenue growth.

We are also laying the groundwork in Asia with the appointment of sales agencies in Thailand, Indonesia and the Philippines, which are showing early positive signs.

Capital management

At 30 September, TradeWindow’s cash balance was \$7.3 million. Average monthly cash outflow, excluding acquisition transactions, was in line with expectations at \$1.0 million, reflecting planned investments and disciplined cost management.

The future growth and success of TradeWindow relies on ongoing investment with a particular focus on building the global trade platform. TradeWindow continues to monitor and assess its capital needs.

Outlook

TradeWindow is experiencing encouraging demand for its products and in the six months to 30 September won a large number of contracts that include implementations.

Many of these implementations are continuing and as a result recurring revenue from these new wins will be realised in future periods.

We are focused on accelerating the opportunity presented by the partnership with FoodChain ID.

While we continue to 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, this will be inclusive of Rfider revenue, which is performing in line with expectations.

Without including the Rfider revenue, guidance would have been at the lower end of the ranges.

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.

Thank you

We thank the TradeWindow team, our customers and of course our shareholders for your continued support.



Alasdair MacLeod
Chair



AJ Smith
Chief Executive Officer

Interim Financial Statements

For the six months ended

30 September 2022

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Directors' declaration

In the opinion of the Directors of Trade Window Holdings Limited, the consolidated condensed financial statements and notes, on pages 10 to 32:

- comply with New Zealand generally accepted accounting practice and present fairly the financial position of the Group as at 30 September 2022 and the result of operations for the 6 months ended on that date;
- have been prepared using the appropriate accounting policies, which have been consistently applied and supported by reasonable judgements and estimates.

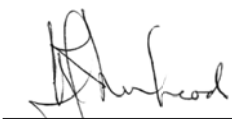
The Directors believe that proper accounting records have been kept which enable, with reasonable accuracy, the determination of the

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 consolidated condensed financial statements of the Group for the six months ended 30 September 2022.

Signed in accordance with a resolution of the Directors.


Alasdair MacLeod

17 November 2022

Date


AJ Smith

17 November 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 six months ended 30 September 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 Diana Marie Puketapu Alasdair (Alexander) John MacLeod 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 condensed statement of comprehensive income

	NOTES	6 months to 30-Sep-2022 Unaudited	6 months to 30-Sep-2021 Unaudited	12 months to 31-Mar-2022 Audited
Revenue	3	2,407,203	1,802,227	3,877,617
Other income		273,999	428,981	999,330
		2,681,202	2,231,208	4,876,947
Employee benefits expense		(6,532,364)	(4,824,456)	(10,830,303)
Depreciation and amortisation		(1,133,210)	(712,122)	(1,666,826)
Other expenses		(2,028,742)	(1,465,728)	(3,593,903)
		(7,013,114)	(4,771,098)	(11,214,085)
Net finance expense		(48,331)	(60,652)	(169,673)
Loss before income tax		(7,061,445)	(4,831,750)	(11,383,758)
Income tax		-	-	560,000
Net loss after tax		(7,061,445)	(4,831,750)	(10,823,758)
Items that are or may be reclassified subsequently to profit of loss				
Exchange differences on translating foreign operations		(19,304)	3,220	136
Total comprehensive loss for the year		(7,080,749)	(4,828,530)	(10,823,622)
Earnings (loss) per share				
Basic earnings (loss) per share \$		(0.07)	(0.57)	(0.13)
Diluted earnings (loss) per share \$		(0.07)	(0.57)	(0.13)

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

Consolidated condensed statement of financial position

ASSETS	NOTES	As at 30-Sep-2022 Unaudited \$	As at 30-Sep-2021 Unaudited \$	As at 31-Mar-2022 Audited \$
Current assets				
Cash and cash equivalents		7,305,544	12,278,148	5,932,558
Trade and other receivables		1,205,438	626,204	1,835,624
Income tax receivable		30,080	1,554	6,244
Contract assets		127,419	33,753	77,809
		8,668,481	12,939,659	7,852,235
Non-current assets				
Trade and other receivables		125,131	10,087	128,304
Property, plant and equipment		280,962	343,865	277,892
Right of use assets		1,141,963	1,109,989	1,395,315
Intangible assets	4	13,711,422	5,831,823	6,762,523
Restricted cash		103,862	-	98,604
		15,363,340	7,295,764	8,662,638
Total assets		24,031,821	20,235,423	16,514,873

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

Consolidated condensed statement of financial position

LIABILITIES	NOTES	As at 30-Sep-2022 Unaudited \$	As at 30-Sep-2021 Unaudited \$	As at 31-Mar-2022 Audited \$
Current liabilities				
Trade and other payables		1,764,843	1,239,672	1,512,709
Interest bearing loans and borrowings		677,100	337,995	486,248
Related party payables		-	-	7,071
Lease liabilities		539,142	378,265	506,999
Contingent consideration	10	2,376,000	-	-
Contract liabilities		431,438	393,034	453,605
		5,788,523	2,348,966	2,966,632
Non-current liabilities				
Trade and other payables		65,004	48,000	64,143
Interest bearing loans and borrowings		1,346,843	1,403,713	1,764,473
Contingent consideration	10	2,180,000	-	-
Lease liabilities		616,596	702,083	875,045
Deferred income tax liability	10	666,000	-	-
		4,874,443	2,153,796	2,703,661
Total liabilities		10,662,966	4,502,762	5,670,293
Net assets		13,368,855	15,732,661	10,844,580

Consolidated condensed statement of financial position

EQUITY	NOTES	As at 30-Sep-2022 Unaudited \$	As at 30-Sep-2021 Unaudited \$	As at 31-Mar-2022 Audited \$
Share capital	9	41,051,247	30,310,310	31,333,484
Retained earnings		(27,646,645)	(14,593,192)	(20,585,200)
Foreign currency translation reserve		(85,999)	15,543	7,574
Share based payments reserve	11	50,252	-	88,722
Total equity		13,368,855	15,732,661	10,844,580

Consolidated condensed statement of changes in equity

	NOTES	ISSUED CAPITAL \$	RETAINED EARNINGS \$	EQUITY COMPONENTS OF CONVERTIBLE NOTES \$	FOREIGN CURRENCY TRANSLATION RESERVE \$	SHAREBASED PAYMENT RESERVE \$	TOTAL \$
Balance at 1 April 2021		6,147,047	(9,761,442)	6,818,964	4,946	284,625	3,494,140
Comprehensive expense for the year							
Loss for the year		–	(4,831,750)	–	–	–	(4,831,750)
Other comprehensive income/(expense)		–	–	–	3,220	–	3,220
		–	(4,831,750)	–	3,220	–	(4,828,530)
Transactions with owners of the company							
Issue of capital/dividend to shareholders	9	14,999,974	–	–	–	–	14,999,974
Adjustment to foreign currency		–	–	–	7,377	–	7,377
Maturity of convertible notes	9	6,818,964	–	(6,818,964)	–	–	–
Share issue on business acquisitions		1,628,037	–	–	–	–	1,628,037
Share options exercised	9	716,288	–	–	–	–	716,288
Equity-settled share based payments		–	–	–	–	(284,625)	(284,625)
		24,163,263	–	(6,818,964)	7,377	(284,625)	17,067,051
Balance at 30 September 2021 - Unaudited		30,310,310	(14,593,192)	–	15,543	–	15,732,661

Consolidated condensed statement of changes of equity

	NOTES	ISSUED CAPITAL \$	RETAINED EARNINGS \$	EQUITY COMPONENTS OF CONVERTIBLE NOTES \$	FOREIGN CURRENCY TRANSLATION RESERVE \$	SHAREBASED PAYMENT RESERVE \$	TOTAL \$
Balance at 1 April 2022		31,333,484	(20,585,200)	–	7,574	88,722	10,844,580
Comprehensive expense for the year							
Loss for the year		–	(7,061,445)	–	-	–	(7,061,445)
Other comprehensive income/(expense)		–	-	–	(19,304)	–	(19,304)
		–	(7,061,445)	–	(19,304)	–	(7,080,749)
Transactions with owners of the company							
Issue of capital/dividend to shareholders	9	9,628,892	–	–	–	–	9,628,892
Adjustment to foreign currency		–	–	–	(74,269)	–	(74,269)
Share options exercised	9	88,871	–	–	–	–	88,871
Equity-settled share based payments		–	–	–	–	(38,470)	(38,470)
		9,717,763	–	–	(74,269)	(38,470)	9,605,024
Balance at 30 September 2022 - Unaudited		41,051,247	(27,646,645)	–	(85,999)	50,252	13,368,855

Consolidated condensed statement of changes of equity

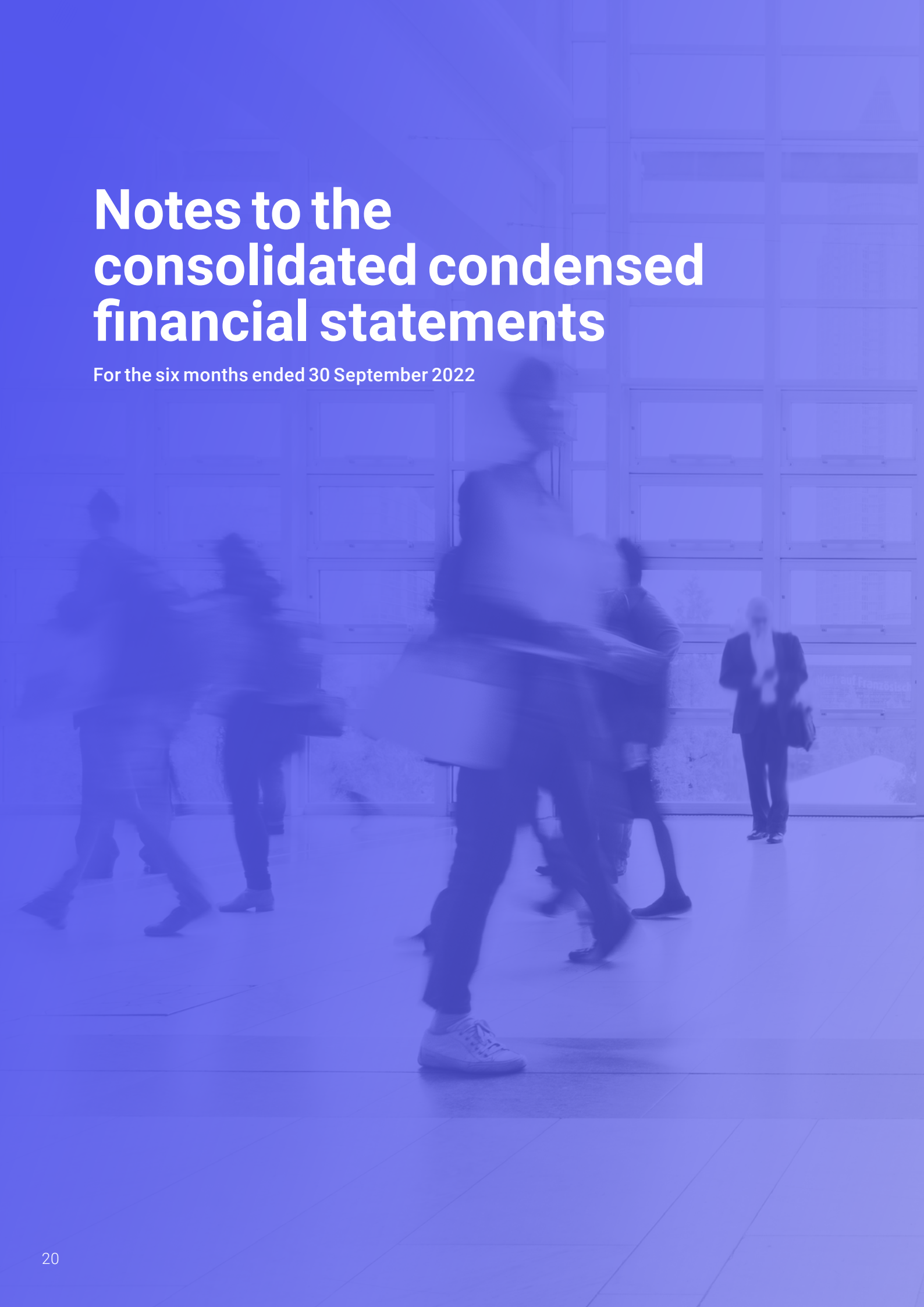
	NOTES	ISSUED CAPITAL \$	RETAINED EARNINGS \$	EQUITY COMPONENTS OF CONVERTIBLE NOTES \$	FOREIGN CURRENCY TRANSLATION RESERVE \$	SHARE BASED PAYMENT RESERVE \$	TOTAL \$
Balance at 1 April 2021		6,147,047	(9,761,442)	6,818,964	4,946	284,625	3,494,140
Comprehensive expense for the year							
Loss for the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

Consolidated condensed statement of cash flows

Consolidated condensed statement of cash flows

OPERATING ACTIVITIES	NOTES	6 months to 30-Sep-2022 Unaudited \$	6 months to 30-Sep-2021 Unaudited \$	12 months to 31-Mar-2022 Audited \$
Cash received from customers		2,310,087	2,077,417	4,039,791
Cash paid to suppliers and employees		(8,498,855)	(5,437,409)	(13,203,825)
Income tax received		536,164	(3,215)	(7,905)
Grant income		495,354	510,783	676,126
Net cash to operating activities	13	(5,157,250)	(2,852,424)	(8,495,813)
INVESTING ACTIVITIES				
Purchase of property, plant and equipment		(101,343)	(201,779)	(240,455)
Proceeds from sale plant and equipment		28,536	–	4,707
Purchase of intangible assets		–	–	(100,001)
Business acquisition	10	(2,500,000)	(813,445)	(1,538,445)
Payments to term deposit		–	–	(98,604)
Interest received		54,737	1,683	12,106
Net cash used in investing activities		(2,518,070)	(1,013,541)	(1,960,692)

FINANCING ACTIVITIES	NOTES	6 months to 30-Sep-2022 Unaudited \$	6 months to 30-Sep-2021 Unaudited \$	12 months to 31-Mar-2022 Audited \$
Interest paid on lease liability		(32,800)	(19,372)	(53,180)
Proceeds from/(repayment) of share capital	9	9,628,892	15,000,000	15,000,000
Repayment of borrowings		(232,793)	(394,318)	(616,288)
Payments for lease liability - principal portion		(250,882)	(208,093)	(380,563)
Proceeds/(repayments) from exercise of share options		142	–	910
Proceeds from borrowings		–	420,000	1,145,000
Payments to related parties		–	(30,380)	(30,380)
Interest paid		(64,253)	(36,948)	(89,660)
Net cash flows from financing activities		9,048,306	14,730,889	14,975,839
Net change in cash and cash equivalents				
		1,372,986	10,864,924	4,519,334
Cash and cash equivalents at the beginning of the period				
		5,932,558	1,413,224	1,413,224
Cash and cash equivalents at the end of the financial year		7,305,544	12,278,148	5,932,558



Notes to the consolidated condensed financial statements

For the six months ended 30 September 2022

1 General information and statement of compliance

Trade Window Holdings Limited (TWHL) 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 condensed interim financial statements for the Group are presented. The consolidated interim financial statements of Trade Window Holdings Limited (company) as at and for the six months ended 30 September 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 (TWL). Prior to Trade Window Holdings Limited's incorporation, the Group comprised of TWL and its subsidiaries.

Basis of preparation

These interim financial statements have been prepared consistently with those of the annual financial statements for the year ended 31 March 2022. The same accounting policies and methods of computation have been used.

These interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting. They do not include all of the notes normally included in an annual financial report, and should be read in conjunction with the audited financial statements for the year ended 31 March 2022.

The interim financial statements were authorised for issue by the directors on the date included on page 8.

Accounting policies

The accounting policies set out below have been consistently applied to all periods presented in these financial statements.

Comparative information

Trade Window Holdings Limited was incorporated as part of the Trade Window listing process. There was no change operationally and TWHL was effectively inserted above TWL. The comparative financial statements for the 6 months ended 30 September 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.

Use of estimates and judgements

The preparation of the interim 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 judgements, estimates and assumptions used in these interim financial statements are consistent with those from the 31 March 2022 annual financial statements.

2 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 6 months ended 30 September 2022 of \$7.1 million (30 September 2021: \$4.8 million) and operating cash outflows of \$5.2 million (30 September 2021: \$2.9 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 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 and the March 2022 Annual Report.

The company raised capital of \$9.6 million (net of capital raise expenses) in July 2022. Management has been closely monitoring forecasted cash reserves each month with specific regard to the timing of a future capital raise. In addition, a financial forecast has been prepared until the period ended 31 March 2025. The financial forecast plans to raise sufficient capital to provide liquidity to satisfy the Group’s 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.

Key to the financial forecast is relevant assumptions regarding the business and success of its products, business model, any legal or regulatory restrictions, global economic and geopolitical factors, financing, and shareholder support, including the future capital

raise. The forecast’s 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 30 September 2022 the Group held cash and cash equivalents of \$7.3 million (30 September 2021: \$12.3 million) and projects adequate cash available through to March 2023. To have sufficient liquidity for a period of 12 months from the issuance of these financial statements the Group has forecasted that circa \$10 million of additional equity and/or debt will need to be raised, assuming forecasted 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 equity and/or debt 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.

However, 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.

3 Revenue

REVENUE	6 months to 30-Sep-2022 Unaudited \$	6 months to 30-Sep-2021 Unaudited \$	12 months to 31-Mar-2022 Audited \$
Transactional revenue	1,113,839	669,968	1,621,634
Subscription revenue	992,409	746,522	1,591,800
Service revenue	107,474	155,167	230,004
Installation revenue	193,481	230,570	434,179
Total revenue	2,407,203	1,802,227	3,877,617

There is no significant seasonality or cyclicity of interim operating revenue.

4 Intangible assets

Additions:

During the 6 months ended 30 September 2022 the Group had additions to Software of \$2,980,000 and Goodwill of \$4,737,200. These arose due to the acquisition of Rfider (see Note 10).

5 Related party

ASB Bank Limited is a shareholder of the Group. During the period ASB Bank Limited provided capital of \$1,800,000 in exchange for 2,571,429 additional shares as part of the capital raise (see Note 9).

6 Subsequent events

In August 2022, the Group began the process of winding up Trade Window CNCO PTE. Ltd, a non- trading wholly owned subsidiary. It is expected to be wound up in November 2022.

There are no other subsequent events after 30 September 2022 that require disclosure.

7 Commitments

The Group is in the process of implementing an ERP system. The spend to date is \$29,643. Additional expected expenditure to completion is \$214,678. A licensing agreement has been entered into for 36 months at \$8,100 per month, starting from August 2022 and continuing until July 2025.

8 Contingencies

The Group has a contingent liability in September 2022 of \$1,035,902 relating to R&D tax losses cashed out (March 2022: \$1,035,902, September 2021: \$475,902). This would become payable if one of the following loss recovery events occurs:

- disposal of intellectual property
- appointment of a liquidator
- company migration or no longer a company
- change of shareholding greater than 90%

There are no other contingencies.

9 Share capital

	6 MONTHS TO 30-SEP-2022 NUMBER OF SHARES	6 MONTHS TO 30-SEP-2021 NUMBER OF SHARES	12 MONTHS TO 31-MAR-2022 NUMBER OF SHARES	6 MONTHS TO 30-SEP-2022 UNAUDITED \$	6 MONTHS TO 30-SEP-2021 UNAUDITED \$	12 MONTHS TO 31-MAR-2022 AUDITED \$
Shares						
Balance 1 April	86,373,316	5,780,472	5,780,472	31,333,484	6,147,047	6,147,047
Issue of ordinary shares	14,285,576	1,630,239	1,630,239	9,628,892	15,000,000	15,000,000
Shares issued in respect of business acquisitions	–	188,810	267,604	–	1,628,037	2,353,037
Shares issued in respect of employee share options exercised	145,807	79,721	79,721	88,871	716,262	716,347
2020 Convertible note exchange	–	845,124	845,124	–	6,818,964	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
Balance at end of period	100,804,699	8,524,366	86,373,316	41,051,247	30,310,310	31,333,484

During July 2022 Trade Window Holdings Limited raised \$10,000,000 (2021: \$15,000,000) before capital raise expenses, by way of a private placement (issuing 12,857,142 shares) and a Share Purchase Plan (issuing 1,428,434 shares).

10 Business acquisitions

Rfider

With effect from 1 July 2022, the Group acquired the assets of Auckland based software as a service company, Rfider for a maximum purchase price of NZ\$10 million. NZ\$2.5 million was paid on settlement, with up to NZ\$7.5 million deferred subject to revenue targets. Rfider has since been rebranded

as "TradeWindow Assure+". The acquisition of Rfider provided the Group with a complete supply chain transparency solution.

The details of the business combination are as follows:

Fair value of consideration transferred	Sep-2022 \$
Amount subject to earn-out based on revenue targets (current)	2,376,000
Amount subject to earn-out based on revenue targets (non-current)	2,180,000
Amount settled via cash	2,500,000
Total fair value of consideration transferred	7,056,000
Recognised identifiable net assets	Sep-2022 \$
Software	2,980,000
Deferred tax liability	(666,000)
Plant and equipment	4,800
Goodwill	4,737,200
Total identifiable net assets	7,056,000

Rfider contributed \$50,465 to the consolidated revenue for the 3 months from 1 July 2022 to 30 September 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 disaggregate.

The fair value of software and other intangible assets have been determined on a provisional basis.

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.

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

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.

11 Share based payment arrangements

2019/20 Share option scheme

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, subject to being employed by the company on vesting date. All options are to be

settled by the physical delivery of shares. No options were approved to be issued under this scheme since prior to listing on 19 November 2021.

The number and weighted average exercise prices of share options under this employee share option programme as follows:

	NUMBER OF OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE
Six months ended 30 September 2022		
Outstanding at the beginning of the period	317,311	0.00100
Granted prior period	–	0.00100
Revoked prior period	(4,520)	0.00092
Vested & exercised at end of 30 September 2022	(145,801)	0.00081
Outstanding at the end of the period	166,990	0.00092

2022 Share option scheme

During the period the Group introduced a share option programme to replace the 2019/20 scheme. This entitles senior management and select staff to purchase shares in the Company. Under this programme, options were issued at the equivalent price of \$0.74. This price was determined with reference to TWL’s closing share price on 29 July 2022. Holders of vested options are entitled to purchase shares at nil exercise price. All options are to be settled by the physical delivery of shares.

Also during the period the Group introduced a share option programme for Non-Executive Directors.

This entitles recipients to purchase shares in the Company. Under this programme, holders of vested options are entitled to purchase shares at an exercise price equal to the VWAP of TradeWindow shares over the 20 Business Day period prior to the date of issuance of the Options, subject to a floor price of \$0.70 per share. All options are to be settled by the physical delivery of shares.

The number and weighted average exercise prices of share options under this employee share option programme as follows:

	NUMBER OF OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE
Six months ended 30 September 2022		
Granted during period	1,577,778	0.13310
Vested at end of 30 September 2022	–	0.13310
Outstanding at the end of the period	1,577,778	0.13310

The conditions of the share options granted under this share option programme follows:

Grant date	Number of instruments	Exercise price	Vesting date	Vesting conditions	Contractual life of options
Options granted to employees					
July 2022	1,169,670	nil	1 July 2025	Subject to hurdle rate of 17.5% per annum growth in the share price, based on the issue price.	5 years
July 2022	54,054	nil	1 July 2025	Must be employed by the company on vesting date.	5 years
Sep 2023	54,054	nil	1 Sep 2023	Options would be pro-rated if employee resigns within 12 months from 1 September 2022.	5 years
Options granted to non-executive directors					
Sep 2022	300,000	\$0.70	Progressively over two years from grant date.	None	3 years
Total	1,577,778				

12 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 contribute more than 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.

13 Cash flow reconciliation

	6 months to 30-Sep-2022 Unaudited \$	6 months to 30-Sep-2021 Unaudited \$	12 months to 31-Mar-2022 Audited \$
Net profit (loss) after tax	(7,061,445)	(4,831,750)	(10,823,758)
Classification differences			
- Net finance expense	48,331	60,652	169,673
- Loss on disposal	(11,218)	–	28,296
- Make good provision	–	–	(64,143)
Statement of financial position movements			
- Trade and other receivables (excluding related party)	633,359	(60,275)	(1,387,913)
- Contract assets	(49,610)	18,176	(25,880)
- Trade and other payables	252,995	506,163	795,343
- Contract liabilities	(22,167)	332,743	413,774
- Income tax payable	(23,836)	(3,215)	(7,905)
- Other movements	(70,397)	(18,677)	(77,749)
Other non-cash items			
- Depreciation, amortisation and impairment	1,133,210	712,122	1,666,826
- Employee share scheme	13,528	431,637	817,623
Net cash from operating activities	(5,157,250)	(2,852,424)	(8,495,813)

