

Preparing
to unleash
our
potential.

MOVE

Annual Report 2023

Management commentary
(no financial statements)

We're preparing to unleash our potential.

With a legacy of over 150 years, we've cemented our position as one of New Zealand's premier transport and logistics providers. More recently, we've grown our business, bringing in new capability and services. Now a new chapter begins, one that will define our future. We're getting ready to unleash our potential – delivering innovative solutions that meet our customers' needs and creating value for our people and our shareholders.







Business with a smile.

We believe in doing business with a smile. It's not just the expertise, unique skills and commitment to excellence that fuel our success, it's the genuine connection that our people forge with our customers that sets us apart. Our people are passionate about our industry and excited about the transformation underway in our business. Together, we are driving positive change that will benefit our team, our customers and our shareholders.

With a bubbly personality and a strong work ethic, Pearl Henshaw is a valued driver for MOVE's Fuel business. She loves being out and about, delivering fuel to customers across the region. Having top-of-the-line trucks to drive and a great team to work with are added bonuses. Initially from the West Coast, Pearl has worked her way up through the industry, from class 2 to class 5 trucks. Now based in Christchurch, she is one of the few female fuel drivers in the region. She recommends it as a great career pathway for young people leaving school, saying it is ideal for those not wanting a desk job and provides good hours and pay.

Connecting the dots.

We are connecting the dots to create a seamless and efficient end to end supply chain solution for our customers. Through our extensive network, specialised services and sector-specific expertise, we have the ability to meet our customers' needs and exceed their expectations.

Ian Pascoe is one of MOVE's specialised aquaculture drivers, transporting mussels around the country for some of New Zealand's biggest suppliers.

With more than 30 years of driving under his belt, in both Australia and New Zealand, Ian always had a fascination for trucks and got his Heavy Vehicle licence not long after leaving school. His career has spanned the dairy, mining and fresh food sectors, with jobs in the past two decades revolving around his role as a solo parent. But now his young family has grown up, Ian has moved back to his first love, line haul driving across the country. He can often be found travelling between Nelson, Tauranga and the Coromandel, picking up and delivering loads of live mussels. The job is a specialised one, with MPI-certified trucks, and drivers trained in the secure, quality transportation of live seafood.

Ian says driving is a passion, not a job. "It's interesting and challenging. It's not just driving – it's loading, strapping and unloading, and ensuring your truck is in top condition. I like the variety of going to different places each day and being personally responsible for delivering a great service for MOVE and our customers."

Ian is a valued member of the MOVE team and his experience and passion are much appreciated.





Welcome.

The Board and Management of MOVE Logistics Group Limited are pleased to present our Annual Report for the year ended 30 June 2023.



Lorraine Witten
Chair



Craig Evans
Chief Executive Officer

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About us.

OUR VISION

To be the preferred freight and logistics provider in Australasia.

This means delivering the best solution and service for our customers, providing secure and rewarding work opportunities for our people, and generating value for our shareholders.

OUR MISSION

To keep our customers moving.

Our expert team provides comprehensive freight and logistics solutions to help our clients stay ahead and succeed.

OUR MANTRA

Customer, Safety, Team

We work together to deliver the best possible customer experience and business performance, strive to exceed our customer's expectations and remain unwavering in our dedication to ensuring the well-being and safety of our people, partners and communities in our work.

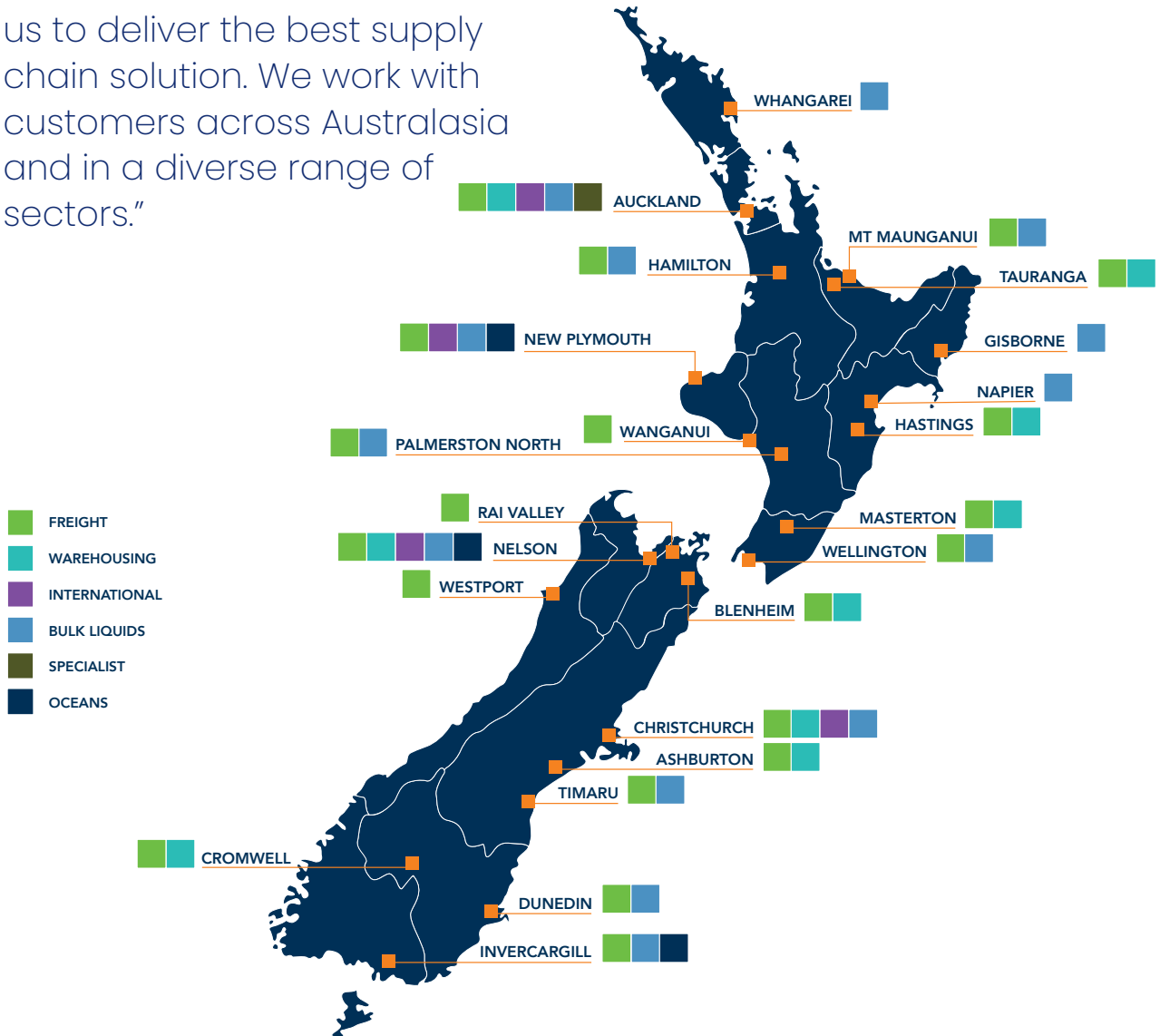
WHAT WE DO

MOVE is a one stop shop for all logistics services. We can provide a solution for supply chain challenges of all kinds. Store your goods with us and transport them where you need with our domestic and international networks.

| FREIGHT | CONTRACT LOGISTICS WAREHOUSING/ BULK LIQUIDS | SPECIALIST | INTERNATIONAL |
|--|---|--|---|
| <p>We are one of the largest domestic freight providers in New Zealand.</p> <p>Our services include general freight, household relocations, temperature-controlled goods, project cargo and full truck loads. There's nothing we can't move.</p> | <p>We offer contracted solutions for customers including warehousing and supply chain capability. Our warehouses are central to main routes and easy for port access.</p> <p>Our specialist road tanker division is one of the largest operators in the New Zealand fuel delivery market.</p> | <p>We move oversized and large items that require specialist haulage.</p> <p>From heavy haulage, and machinery transports to oversized freight movements – we can move anything.</p> | <p>We are global logistics specialists, moving all kinds of goods to and from anywhere. We provide international freight forwarding and shipping agency services across a broad range of industries.</p> <p>Our new trans-Tasman shipping service adds another valued service to our offer.</p> |

Our network.

“Our network connects us to our customers and allows us to deliver the best supply chain solution. We work with customers across Australasia and in a diverse range of sectors.”



TEAM

- 1,147 team members
- 19% of our team are female
- 71% of our team are based outside of Auckland
- 34% of our our Freight fleet drivers are Owner Drivers

NETWORK

- 41 branches, depots, crossdocks, warehouses and support offices across New Zealand
- 197,000 square metres of warehouse capacity
- 1,104 owned trucks, trailers and forklifts

CORPORATE

- 1,900 shareholders
- 23% of issued capital held by Australian shareholders

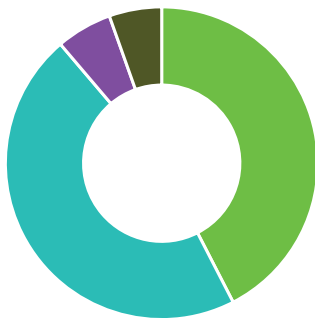
FY23 at a glance.

Continuing to reshape and strengthen our business as we look to unleash our potential.

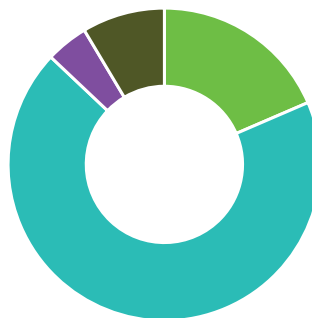
| | |
|------------------------------------|--|
| Operating Environment | <p>Reduced volatility as pandemic and freight congestion issues ease</p> <p>Moderation in customer demand following post-Covid surge - increasing economic headwinds putting pressure on demand across most sectors</p> <p>Severe weather events in 2H23 created freight movement challenges and impacted customers</p> <p>Inflationary cost escalation increasing the cost to serve and putting pressure on margins</p> |
| Work our assets smarter | <p>Progressed the Freight improvement programme</p> <p>Accelerated the fleet replacement programme and optimised fleet to improve utilisation</p> <p>Digital transformation continuing with successful pilot of new transport management system and investment in hardware</p> |
| Optimise our earnings | <p>Results reflect investment in growth initiatives, moderation in customer demand in response to economic conditions, ongoing freight improvement programme and weather events</p> <p>Tight cost control with gross margin in line with prior year</p> <p>Transitioning towards higher margin customers</p> |
| Build our multi-modal offer | <p>Increased collaboration across the group to create a one stop shop for end to end supply chain solutions</p> <p>Launch of new trans-Tasman shipping service with encouraging early signs</p> |
| Deliver for our customers | <p>Increasing market share as businesses look for alternative provider to add value</p> <p>Accelerated the rebranding programme to build awareness of MOVE's unified offer</p> <p>Focus on higher value, higher margin business</p> |
| Upsize our business | <p>Specialist division welcomed back into the group following review</p> <p>Investing in and expanding core competencies to drive organic growth</p> |
| Taking care of what matters | <p>Appointment of Craig Evans as CEO from February 2023</p> <p>Appointment of Rachel Hustler as the new GM People & Culture from 1 July 2023</p> <p>Appointment of new National Sales Manager from October 2023</p> <p>Priority focus on health & safety, people and culture</p> <p>Well progressed towards CRD reporting in FY24</p> |

| | | | |
|---|--|---|---|
| <p>INCOME</p> <p>\$347.7M</p> <p>FY22: \$364.0M</p> | <p>NORMALISED EBITDA¹</p> <p>\$47.4M</p> <p>FY22: \$56.2M</p> | <p>NORMALISED EBIT¹</p> <p>\$3.9M</p> <p>FY22: \$11.5M</p> | <p>NLAT²</p> <p>\$(7.2)M</p> <p>FY22: \$(4.2)M</p> |
| <p>LTIFR</p> <p>14.72</p> <p>FY22: 15.81</p> | <p>CAPEX</p> <p>\$19.5M</p> <p>FY22: \$5.7M</p> | <p>GEARING</p> <p>17.2%</p> <p>FY22: 22.3%</p> | <p>FREE CASHFLOW</p> <p>\$35.4M</p> <p>FY22: \$45.1M</p> |

REVENUE BY DIVISION



NORMALISED EBITDA BY DIVISION



¹ Normalised EBITDA and Normalised EBIT exclude non-controlling interest and non-trading adjustments of \$1.7m pre-tax related to asset impairment & restructuring the business (FY22: \$3.4m). FY23 EBITDA before non-trading was \$45.7m.

² Attributable to owners of the company.



MOVE CEO, Craig Evans & Chair, Lorraine Witten

From the Chair.

Lorraine Witten, Chair

In a world where the economic and market landscape is constantly being reshaped, adaptability is the key to survival. Over the past two years, we have embraced this wholeheartedly, navigating through a transformative period in which we redefined our goals, charted our course and developed strategies to enable us to thrive in an ever-evolving market.

MOVE was founded more than 150 years ago. Built on a nationwide network of leading regional brands and businesses, we have now brought these together into one cohesive group. By leveraging the strength and expertise of each entity within our organisation, we have created an end to end supply chain solution with capability across a wide range of sectors and industries.

Innovative customer solutions have been a cornerstone of our approach, as we seek to meet our clients' evolving needs. From MOVE's new trans-Tasman shipping service, which we have been piloting this year, through to how, when and where we freight and store our customer's goods, our focus is always on delivering value for our clients. This ethos is enabling us to forge strong relationships and establish ourselves as a trusted partner in the industry.

Beyond the strategic decisions that drive our business, it is MOVE's people who truly set us apart. We firmly believe that a company is only as strong as its workforce and we are proud to have a dedicated team of more than 1,100 professionals who embody our values, are passionate about our industry and believe in MOVE's potential. We value the diverse skills and perspectives our team members bring, and our aim is to foster an inclusive and supportive environment where they can thrive. On behalf of the Board, we would like to acknowledge and thank our people for all they have done for our business over the past year. We know that change can be challenging and we thank them for staying the course.

Our commitment to Environmental, Social and Governance principles remains steadfast. We recognise that to earn our social licence to operate, we must act responsibly and for a wider purpose than simply profit. Our ideal is to not just reduce our impact, but to contribute positively for our people, our communities and the environment. We believe this will have beneficial outcomes for our business, thereby creating long term value for our shareholders. More can be read on our approach in the Taking Care of What Matters section of this report.

MOVE's financial results for FY23 reflect the investments made into our business and new initiatives, the ongoing reset of our Freight division, and the transition towards higher margin business as well as the more challenging economic conditions. We recognise that there is more work to be done to unleash the potential of our business and achieve the results our shareholders are looking for.

Central to the next stage of our journey has been the appointment of our new CEO, Craig Evans, whose significant industry expertise and experience have brought a fresh perspective to our business. We welcomed Craig to our company in early 2023 and already he has infused the organisation with a renewed sense of purpose, positivity and passion.

Following his appointment, Craig undertook an in-depth business review which has resulted in Project Blueprint, a 12 to 18 month dual pathway to reshape and strengthen the business, and drive growth.

We continue to steadfastly pursue our strategy, which centres around three core areas – building a better, stronger business; smart growth and expansion; and taking care of what matters. Under Craig's direction, new priorities have been set, with our focus sharpened on our customers, our offer, our people and driving revenue and returns. These priorities reflect our commitment to delivering exceptional value to our customers, nurturing our talented team, and ensuring the long-term success and prosperity of our company.

As part of our recognition of the contribution our people make to our business, the Board intends to implement a company-wide cash profit sharing scheme that aligns incentives for the MOVE team directly with Company's financial performance. Craig is a big supporter of this and has surrendered the 1 million restricted share units (RSUs) he was issued upon commencing his role, to ensure that his incentives are aligned with those offered to the wider MOVE team.

As Chair of the Board, I would like to thank my fellow Directors for their support, strategic guidance, diverse perspectives and governance as we steer MOVE in the right direction. In particular, I would like to acknowledge and thank director, Chris Dunphy, who took on the role of Executive Director over the last 18 months. With Craig's appointment as CEO in February 2023, Chris has now stepped back into a non-executive board role.

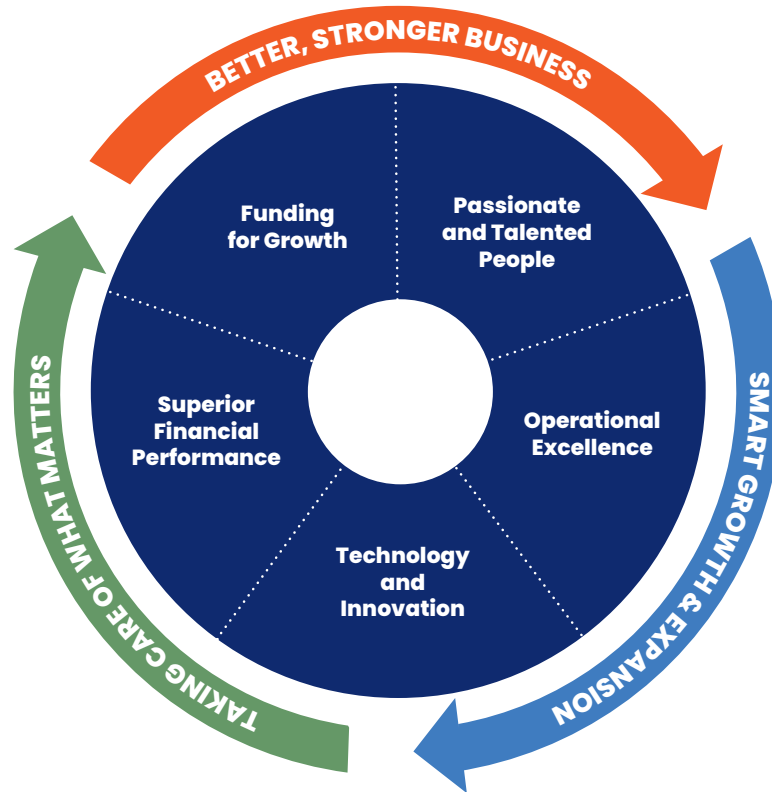
We were pleased to welcome Julia Raue as an independent director from 3 May 2023. Julia has a strong background in business transformation and digital change, which is of significant value as MOVE continues its digital transformation. Her appointment is in line with the Board's succession planning, with Danny Chan intending to step down at this year's Shareholder Meeting. Danny joined the Board when MOVE first listed in 2017 and has provided valued governance and advice as the company has evolved.

I would also like to express my appreciation for MOVE's leadership team who have embraced change and worked collaboratively together to lay the foundations for our future growth.

In this annual report, we share our journey and the pathways we have chosen to propel us forward. We thank our shareholders for your ongoing support and trust in our abilities. Together, we will continue moving the dial as we unlock our potential and chart a clear path toward long-term profitability and shareholder value.

Lorraine Witten
Chair

Our strategy.



BETTER, STRONGER BUSINESS

Work our assets smarter:

Investing in what matters and driving better returns on our businesses and assets

Optimise earnings:

Focused on optimising our earnings and delivering strong earnings growth and value for shareholders

SMART GROWTH & EXPANSION

Deliver for our customers: Putting our customers at the heart of all we do and delivering the best customer solution and service

Upsize our business:

Maximising organic and acquisition opportunities to expand our market presence across Australasia, extend our offer and grow our customer base

Build our multi-modal offer:

Creating a multi-modal offer that utilises the best freight modes to deliver our customers' goods where and when needed

Industry collaboration and partnerships:

Work in partnership with best-in-class providers to ensure the optimal solution for our customers and help us grow while preserving our capital

TAKING CARE OF WHAT MATTERS

Having a positive impact on our people, communities and the environment

Introducing MOVE's new CEO, Craig Evans.

Craig Evans joined MOVE on 1 February 2023, with a remit to rejuvenate our 150-plus year old company and establish a strong business positioned for the future. Craig comes with an impeccable pedigree, having worked in the transport industry since leaving school, including a 35-year stint with Mainfreight where he held the role of New Zealand country manager for the last seven years. He's now applying his skills and experience to one of New Zealand's longest standing freight and logistics companies, MOVE Logistics Group.

My colleagues would describe me as a people person, very approachable and keen to hear what others have to say. I'm also very energetic, particularly when I'm passionate about something. I'm always thinking two or three years ahead, about cause and effect, and that often takes me down a whole lot of different tangents.

I always told my kids two things; Be the best you can be and be considerate to others. They're not really kids anymore. I've got three children and 11 mokopuna. So now I tell those things to my grandchildren. People do business with people they like. Being courteous and considerate gets you a long way in life.

Every kid should do sport. It's a great way to learn teamwork, competition and sportsmanship. I was pretty good at sport at school and considered going to the States to pursue an athletics career. I've also got a Black Belt in Zen Do Kai, which is a freestyle martial art.

My first job was cleaning toilets. I worked a variety of jobs while I was growing up, my brothers and I were all expected to pay our own way for the things that we wanted, there were no handouts. I'm a big believer in looking at people's experience and attitude towards work, rather than the degrees they hold.

I was made redundant when I was 23 years old and on my honeymoon. I'd been managing the bulk line haul business for a transport company, one that I'd joined straight out of school. A few days after I was made redundant, I met Bruce Plested from Mainfreight, which was an emerging company at the time. He offered me a store manager job. When I turned that down, he offered me a management role instead.

I did the equivalent of an MBA at Macquarie University. I was a guinea pig for their accelerated programme. We completed it over 31 days' straight, no breaks, 12 hour days, 320 hours in total. It nearly broke us but it was an incredible learning experience.

I love to see people grow and excel. The biggest joy I get in business is seeing people recognise and then work towards realising their potential. If we can create a sense of unity, achievement and a strong culture, then that will translate to business success.

The secret to being a good CEO is to recognise you're not an expert at everything and listen to people. CEOs are not here to make decisions, we're here to find the right answers. People need to feel safe to provide ideas. Collaboration is a word I'm big on.

Tackling climate change is a journey. We all need to be on it if we want our planet to survive. However, we need to keep it real and do-able, and not get caught up in the PR hype. At MOVE, we're looking at new technologies and alternative fuels and how we can operate our business more sustainably, but we recognise it's not a quick fix.

Skilled labour is one of the biggest issues for our industry. We need a robust, skilled workforce – and to do that, we need to make our industry fun and a great place to work. Our young people need to see a career and opportunities for themselves. We're very focused on growing our own talent and developing people within our business.

Reputation is everything. When people talk about MOVE Logistics Group, I want them to think three things – we are problem solvers, we are great to do business with and our word is our bond. I want every one of our people to be proud of who they work for and to take pride in doing the best possible job. That's my focus for now and I'm bringing everyone in our company along on the journey with me.





Management report.

Craig Evans, Chief Executive Officer

I am delighted to be reporting to shareholders for the first time since taking on the mantle of MOVE's CEO earlier this year. It has been an interesting first few months as I have travelled our network, listening to our people, talking to our customers and understanding the challenges we are facing, but more exciting for us all, the huge potential for our business.

The initiatives undertaken over the past two years, some of which are still in progress, are creating a step change for this organisation. My priority now is to continue that transformational change and strengthen our value proposition.

The company has been in survival mode for some time. Now we are moving to a new mindset as we reshape and strengthen our business, create a unified platform and start hunting for new opportunities and prospects.

The demand is out there – businesses are telling us they want a strong alternative in the market; a provider who is focused on New Zealand customers, with a breadth of product and service capability, and who can move quickly to deliver a solution that is tailored to their needs.

However, we are not just hunting for any business. For many years, MOVE was predominantly a low margin bulk freight business. The business grew through strategic acquisitions, particularly in recent years, and as these businesses have been integrated into the group, our ability to offer an end to end solution has been enhanced, along with specialised services and industry-specific expertise. This evolution has paved the way to establishing a higher margin business model, built upon a compelling customer value proposition that capitalises on MOVE's strengths. There is still work to do in this area as we untangle years of siloed regional-focused behaviour to create a single unified group.

MOVE has one of New Zealand's largest freight networks, well located warehouses, a fledgling trans-Tasman shipping service that is already performing well, and international freight forwarding services. We will continue to strengthen, invest in and expand these core competencies as we grow our business.



We are also looking to collaborate more across our industry, working in partnership with best-in-class providers to ensure the optimal solution for our customers and help us grow while preserving our capital.

Our people will be the driving force for our success and we are taking them with us on our journey. During my visits to MOVE's branches, depots and warehouses across the country, I have been truly impressed by the remarkable individuals who make up MOVE's team. Their passion, professionalism and unwavering dedication to excellence are the pillars upon which we will build our future success. If we do right by our people, we believe they will do right by us as we work together to deliver the ultimate customer experience.

We have recently appointed Rachel Hustler as GM of People and Culture and are building a strategy that will create a unified culture with a high level of trust and accountability, where people are empowered and believe in our MOVE brand. Rachel was an integral leader within Mainfreight NZ, heading compliance, training and development.

We recognise that there is still work to be done as we reshape our business, particularly in our Freight division. As has been said previously, this is the division that needs the most work, however, it also offers a key opportunity to drive revenue and profit for our group.

Over the next few pages, you can read about the progress and performance in each of our divisions over FY23, and the work we are doing in the areas which enable our business.

PROJECT BLUEPRINT

We are stepping up the work commenced last year, to significantly improve MOVE's financial and operating performance. Project Blueprint will create a strong launch pad to support our future growth ambitions, with a more efficient, higher margin business model, that capitalises on MOVE's strengths.

We are focused on organic growth, through careful customer acquisition and a focus on building base volumes while allowing capacity for higher margin

business. Alongside this is our pathway to reshape our business. This will provide more immediate financial benefit for the business and involves a comprehensive review of our operating costs and structure to ensure we are best placed to maximise our performance while the growth strategy takes hold.

Initiatives already in play are delivering early benefits, including improved cost disciplines, stronger leadership across the business and a continuing transition from silo businesses to a unified group which allows us to better service our customers and enhances our end to end supply chain solution. The Freight improvement programme remains in progress and the gains from this will be a key driver of improving financial returns.

TRADING CONDITIONS

Challenging economic conditions, extreme weather events and softening customer demand following the post-Covid surge in activity all affected our business over FY23.

Customer activity softened from the peaks seen in FY22 in response to slowing economic conditions, particularly in the second half of the year. This has been felt across both Warehousing and Freight.

In addition, our realignment of Freight rates to market, which was undertaken in FY22, saw a contraction of the customer base. We have maintained our existing infrastructure during this period, ensuring the capacity to deliver for our customers as demand grows.

Inflationary pressures have increased the cost to serve. To mitigate this, there has been tight control over fixed costs which remained in line with the previous year.

Weather events affected the Freight business in particular, with road closures and Cook Strait ferry delays causing delays and blockages in the supply chain. Again this increased the cost to serve, with additional driver hours and costs incurred.

Large commercial and infrastructure projects have also been affected by the weather, which in turn has impacted on our Specialist business, which

does a lot of work in the energy and commercial construction sectors. Projects have been delayed, with activity pushed out into FY24. Likewise, the launch of MOVE's new trans-Tasman shipping route was also delayed due to weather events, as well as the difficulty in getting parts for repairs and maintenance over the Christmas/New Year period prior to the service being launched.

FINANCIAL RESULTS

This year's results reflect the operating conditions noted above as well as the ongoing work to strengthen our business, build resilience for the ongoing economic cycle and prepare for growth. The business transformation, which started in FY22, has seen good progress being made in some areas, however, there is still work to be done ahead of improving results. The company has now embarked on Project Blueprint to drive organic growth and improvements in operational and financial performance over the next 12 to 18 months.

Excluding Freight, MOVE's businesses all delivered year on year revenue increases, with EBITDA reflecting inflationary pressure on costs, investment into digital tools and piloting of new initiatives, including MOVE's new Oceans trans-Tasman shipping service. Pleasingly, Contract Logistics, MOVE's largest division, delivered a solid year on year performance, helping to offset a disappointing result from the Freight division.

FY23 income was down 4.5% year on year to \$347.7m. Normalised EBITDA³ was \$47.4m including a \$3.4m impact from investment in growth initiatives. MOVE reported a Net Loss After Tax of \$(7.2)m.

Freight was the biggest contributor to the softer result, with a decrease in revenue driven in part by the rate realignment, as well as the unexpected loss of a customer contract of \$11m in annualised revenue, from December 2022. A key focus has been on rebuilding activity.

Following a review, the Specialist business was reintegrated into the Group and FY22 results have been restated to include Specialist. It had a strong year in FY23 following Covid impacts in FY22 and is

a high performing business which delivers robust margins.

Tight control of costs and disciplined working capital management supported free cash flow of \$35.4m, which reflects the acquisition of the new trans-Tasman vessel. Under Project Blueprint, we have commenced a programme to rightsize our Freight business for current trading, while preserving the ability to quickly scale for growth, with cost benefits expected from FY24.

Net capital expenditure increased in FY23 with the acquisition of the new vessel (\$8.5m) and continued investment in technology. The year on year increase reflects a catch-up on lower spending in prior years and a prudent approach to balance sheet management during the pandemic.

Net debt reduced by 25% to \$15.6m as a result of the conversion of the convertible note in June 2023 and from cashflows. MOVE has a solid balance sheet which will support the company through the economic cycle.

BUSINESS PERFORMANCE

FREIGHT

Revenue \$146.0m ▼19%

EBITDA \$9.3m ▼50%

EBITDA Margin 6.3%

MOVE is one of the largest domestic freight providers in New Zealand, offering both general freight and specialised services. This is MOVE's heritage business and has been built up over 150 years, through both organic growth and acquisitions.

The Freight improvement programme is driving change across the business, however, there is more work to be done. It took some time to get traction following the rate realignment in FY22 and customer demand has also been impacted by wet weather and economic headwinds. Over the last six months, the focus has been on stabilising the team and focusing on higher margin business.

MOVE is seen as a very credible alternative to other large providers in the market, and our team culture and focus on building relationships with

³ Normalised EBITDA excludes non-trading adjustments of \$1.7m pre-tax related to restructuring and resetting the business as part of the strategic plan. Further details included in appendix to the FY23 Results presentation

our customers appeals to businesses looking for a partnership approach. We are moving into FY24 with an expanded sales team as we continue to enhance our customer value proposition.

The division has been restructured into two clear offers – LCL (less than a container load) and FTL (full truck load). LCL provides the most opportunity for our business, with higher margins and increased opportunity for value-add services. MOVE also has a specialised fleet of trucks, tankers and hi-ab trucks servicing the apiary, aquaculture, construction, wine and other sectors.

The LCL branch network is very robust, with capacity to take on new business with limited extra cost. In Napier and Tauranga, we have combined Freight and Contract Logistics onto one site, providing synergies and cost benefits. This is something we will continue to look at in other cities and regions. We have significant talent within our business and are building the capability of our branch leaders as we entrust them with responsibility for the financial and operational performance of their branch. Our priority is to improve productivity and utilisation in the LCL business.

The digital journey is underway, with the new Transport Management System (FuseIT) piloted and due to be rolled out over the coming year. A \$1.1m investment cost was included in the FY23 result.

This year's Freight results were disappointing, reflecting the continuation of the improvement programme, with a weak first half year as the customer base was reset and stabilised as well as the impact of weather and economic conditions in Q1 2023. The unexpected contract loss of \$11m in annualised revenue also impacted on results from December 2022.

Our priorities in FY24 are focused around our LCL business – improving fleet utilisation and productivity, driving sales, the rollout of a fit for purpose technology platform, improved data collation and analysis, and robust processes and operational disciplines.

We expect improving returns from 2H24 as changes are bedded in and with a renewed focus on our customer value proposition.

FREIGHT IMPROVEMENT PROGRAMME

COMPLETED

- New leadership
- Business review to identify areas of strength and opportunity
- Restructure into separate LCL and FTL offers
- Customer review and realignment of rates to market
- Devolve operational and profit responsibility to branch level
- Exited low margin activity
- Optimise branch network
- Establish a robust and reliable Freight network

ONGOING

- Ongoing focus on margin improvement
- Significant sales push
- Strengthen branch leadership
- Continue to grow Owner Driver team
- Continued fleet replacement programme, with MOVE to leased vehicles
- Optimisation of fleet to improve utilisation
- Look for synergies within the branch network

CONTRACT LOGISTICS**Revenue \$159.4m ▲3%****EBITDA \$34.4m ▼2%****EBITDA Margin 21.6%**

Contract Logistics provides solutions for large customers and is built on long term relationships. It comprises our warehousing and fuels assets and works with the other businesses within our group to provide end to end supply chain solutions.

The focus in FY23 was on utilisation of capacity and getting the most out of the assets which we already own. This has largely been achieved, with strong warehousing demand and activity despite the economic conditions. While there has been some customer churn, this has been more than made up for with contract renewals and new customer wins. The business has been stabilised and delivered a solid EBITDA result in line with the prior year. A focus on cost control in the high inflation environment is helping to deliver consistent margin performance.

MOVE's specialist road tanker division is one of the largest operators in the New Zealand fuel delivery market. A highlight for the Fuels business was the renewal of the Z Energy fuel transport and distribution contract. This covers delivery of fuel from Z's terminals to its nationwide network of retail and truck stops, which includes Caltex branded sites. Investment has been made in new trucks and trailers, ensuring a safe and modern fleet. Results were down slightly year on year due to the loss of a customer contract in 2H22, and higher driver and R&M costs.

While there is still positive momentum, a softer year is expected in FY24 as customer activity slows in response to economic conditions. The continuing focus is on customer service, utilisation of capacity and getting the most out of the assets we own.

INTERNATIONAL**Revenue \$19.8m ▲82%****EBITDA \$2.2m ▼42%****EBITDA Margin 11.1%**

While small, MOVE's International division provides valuable freight forwarding and shipping agency services through a number of joint ventures and partnerships. It is also home to our latest initiative, MOVE's new shipping service, which commenced in January 2023.

The costs associated with the start-up of the new trans-Tasman shipping route, as well as lower international freight demand has seen across the industry, resulted in a year on year reduction in EBITDA for the division.

The launch of the new trans-Tasman service was not without its challenges, with weather delaying the arrival of the vessel and then difficulties sourcing parts over the New Year period for maintenance prior to the first voyage. A charter vessel was contracted for January to meet customer obligations prior to the Atlas Wind starting her maiden voyage. It has been smooth sailing since then, and we are now onto our eighth voyage.

The first six months of this start-up have provided us with the opportunity to refine our offer, including our port schedule and frequency. Our focus on secondary ports provides a unique advantage, helping to avoid the congestion at bigger ports. We have had positive feedback from customers, with a number of new opportunities opening up.

The shipping service also provides valuable add-on services for the MOVE group, with our trucks, crossdocks and warehouses used to deliver cargo once it arrives in New Zealand. Our people are excited and engaged with this new initiative with useful input being provided from across the group.

There is potential to build this part of MOVE's supply chain and we are looking to grow our team and capability to increase efficiency and make the most of the opportunity available to us.



SPECIALIST

Revenue \$18.7m ▲32%

EBITDA \$4.3m ▲132%

EBITDA Margin 23.0%

The Specialist business comprises Tranzcarr Heavy Haulage and Machinery Movers, both offering specialised services, with a focus on project work. MOVE's breadth, scale and expertise in this area is unsurpassed by any other provider in New Zealand. After a strategic review of the business in FY22, it has now been removed from sale and reintegrated back into the group. The Specialist division is high performing and delivers strong margins.

Much of the work undertaken by Tranzcarr Heavy Haulage is project-based and therefore revenue is lumpier than our other businesses, and we are more impacted by changes to project timelines. After being severely impacted by Covid-related delays and disruption in FY21/22, projects have been coming back on stream, however, this year we have seen road closures affecting large windfarm projects, as well as solar energy and geothermal developments. This has seen some project timelines extended further, with activity and the corresponding revenue pushed out into 1H24.

Machinery Movers carries large and oversize items, and is one of the largest carriers of pre-cast concrete panels for the construction industry. After a very busy period in FY22 and early FY23, activity is now slowing, driven by a moderation in apartment buildings under construction in Auckland at this time. However, a strong pipeline of work is in place over the next 12 months, especially in the power generation sector, where Specialist is recognised as a market leader, with significant expertise.

There are good opportunities to grow market share and expand into other sectors. The dismantling of Marsden Point, expansion of the Tiwai aluminium smelter, wind energy and the potential for offshore windfarms all offer opportunities for our business.

The FY23 results were a strong rebound from the prior year, and a substantial pipeline of work is in place for FY24.

ENABLING OUR GROWTH**Passionate and Talented People**

MOVE has a team of extraordinary people. Our culture revolves around "We MOVE as One" and this has been increasingly important as we have moved away from silo businesses into an integrated group. The biggest change over the last six months has been in how we engage with our people. Their own insights into their roles and their businesses are key to making MOVE a better company, and we are putting more trust in our people to solve problems and deliver solutions that drive positive outcomes.

A new general manager has been appointed to lead our People & Culture focus. Rachel Hustler has significant industry experience and is a talented leader. Her goal is to develop a long term strategy where our people are united, engaged, believe in our brand and are provided with career pathways and opportunities for growth. She has hit the ground running and already a number of exciting new initiatives are in the planning stages.

Technology and Innovation

We are making good progress on our journey to digitally transform our business. The first phase, to standardise the various IT systems across the group, is complete. The focus for 2023/4 is now on optimising the environment which will enable our extended MOVE team to work and collaborate effectively.

A significant investment in new, fit for purpose scanners has resulted in a significant improvement in real time visibility of our customer's freight, especially Proof of Delivery. This has resulted in more accurate tracking and reporting, timely invoicing, and better support and engagement with our drivers.

We have continued the roll out of the real time fatigue alert monitoring system across our fleet, as part of our commitment to ensuring safety on New Zealand roads.

Phase 1 of our transport management system (FuseIT) program is complete, and we are on track to commence the deployment to the rest of the MOVE Freight business in the first half of 2024. Logistics will follow in mid-2024. FuseIT will allow us to provide a superior customer experience and operating efficiencies.

The payroll functionality of our new People & Culture platform (Ready Workforce) will be rolled out across the group late this calendar year. From 2024 onwards, we will be leveraging the onboarding and training functionality of system.

OUTLOOK

We expect the slowing economic conditions to prevail into FY24, along with the usual slowdown of activity prior to an election. While this will inevitably lead to a reduction in activity levels across the freight and logistics sectors, our focus is on embedding change, building our market share and improving margins.

Inflationary pressures are expected to continue and will demand regular interaction with clients as to rate levels and sustainability. The Freight improvement remains in progress and the gains from this will be a key driver of improving financial returns. Our new trans-Tasman shipping route is also opening up new opportunities for us and we will be building on these over the next year. We are pleased to be welcoming a new National Sales Manager from October 2023. Ricky Clark has a strong operational and sales background in the logistics sector and will lead our sales team as we promote our end to end supply chain offer and position MOVE as the preferred supplier for New Zealand and Australian businesses.

The work we have been doing, and continue to do, to strengthen our business stands us in good stead in the more challenging economic cycle with a better understanding of our drivers, more efficient management of our businesses, and a strong and engaged workforce. We now have a more resilient business and are prepared for economic and market changes. We will continue to drive

improvement under Project Blueprint as we reshape and strengthen our business and drive growth. We have identified the opportunities in our business and are looking forward to unlocking our potential.

MOVE is an iconic New Zealand company, which has been operating for over 150 years. I am privileged to be leading the MOVE team as we focus on excellent customer service, providing a rewarding workplace and delivering improving value for our shareholders.



Craig Evans
Chief Executive Officer

Project Blueprint: Greenshoots.

We have identified what needs to be done across the business to achieve success and have a clear plan in place. Early benefits are being seen from the work underway.

BETTER, STRONGER BUSINESS

- Creating higher levels of accountability and measurability across the business, particularly at regional branch level
- FuselT piloted and being refined, with rollout targeted for completion in 1H CY2024
- Implementing robust processes and operational disciplines
- Priority focus on productivity and utilisation
- Standardisation of rates, operating costs and processes across the different Freight businesses

SMART GROWTH & EXPANSION

- Increasing awareness of MOVE's end to end supply chain solution – more customer enquiries and invitations to tender (up to six month lag between initial discussions and contract)
- Transition to a sales-led organisation, including appointment of a new National Sales manager and investment into an expanded sales team

TAKING CARE OF WHAT MATTERS

- Established a strong leadership team, with the right people in the right roles
- Engaging with our people and taking them on the journey
- Attracting and developing our pool of quality people – new GM P&C, development of Graduate Programme
- Sense of excitement across the organisation

Providing strength and expertise to our customers.

MOVE's Specialist group are the experts in the transport, delivery and installation of heavy machinery and oversize items. Using specialised equipment and expertise, the team recently transported and installed a new 163 tonne Stator at Tauhara Geothermal Power Station, northeast of Taupo.

The generator was lifted in two stages, rising 11m up in the air and then travelling approximately 30 metres to its final position. The 440 tonne Lift n Lock Hydraulic Gantry Lift system utilised is a specialised piece of equipment that has also been used on several other jobs in New Zealand and the South Pacific. Move Specialist Lifting and Transport are the only company in New Zealand that operates this special heavy lift equipment on projects for the power industry.





Taking care of what matters.

We are actively seeking to have a positive impact on our people, communities and the environment.

We recognise that the effects of what we do every day go beyond our company and impact on our people, our communities and our environment. We are committed to ensuring that, as much as possible, these effects are beneficial and sustainable.

Our Environmental, Social, and Governance (ESG) practices are focused around those areas where we can drive meaningful change. We believe that by focusing on these areas, we will earn our social licence to operate, secure a sustainable future for our company and thereby create long term shareholder value.

While we are at the early stages of our ESG journey, we are making good progress. We have completed a materiality assessment to identify those areas which are most important for long term sustainability. Over the past year, we have undertaken further steps to understand our resilience to climate-related impacts and prepare for the mandatory Climate-Related Disclosures (CRD) reporting regime in FY24. This included scenario analysis, identifying and integrating climate related risks into our risk framework, and measuring full Scope 3 emissions.

A Board-approved Sustainability Policy is also now in place and available to view on MOVE's website. From 1 July 2023, MOVE will be implementing a new ESG tool to provide more granular information and reporting across the business.

MOVE's sustainability journey.

5 minutes with MOVE's sustainability lead, Rebecca Dearden



Is there a viable alternative fuel technology for the trucking industry?

All the major truck manufacturers are investing heavily in R&D to create viable low emissions options for our industry, including EV, hydrogen and hybrid technologies. While this may suit smaller metro vehicles, at this stage there are no commercially proven alternatives for larger, long distance trucks. We are awaiting the delivery of two hydrogen fuel cell trucks which will allow us to trial this technology for long haul routes. In the meantime, we are replacing our light vehicle and forklift fleets with hybrid and full electric options as vehicles come up for replacement.

How are you creating a culture of sustainability at MOVE?

We are taking our people on the journey with us and encourage them to be actively involved in setting and achieving our goals. With the assistance of new technology, we will be able to provide our teams with information on sustainability performance that relates directly to their area of the business. This will increase the transparency of our actions and foster a sense of accountability within our teams for the delivery of our sustainability goals.

How is technology assisting with MOVE's sustainability strategy?

New digital tools are allowing us to capture detailed information on carbon emissions, on a more granular level. This provides more insight on how we are tracking towards our goals, the impact of carbon reduction projects and supports more accurate reporting to stakeholders.

What is the benefit to MOVE's customers?

Customers who prioritise sustainability appreciate working with a supplier, like MOVE, which shares their values. By focusing on sustainable practices such as route optimisation, upgrading our fleet to Euro 6 and investing in other low emissions options, we can help our customers reduce their carbon emissions. This alignment with sustainable values can enhance the customer's reputation and in turn, help them attract environmentally conscious consumers.

Sustainable practices also promote greater supply chain resilience. By incorporating sustainable logistics options like coastal shipping and rail, we can minimise disruptions and risks. Sustainability is a long-term commitment and customers benefit from building strong partnerships with companies that share their values. By collaborating on sustainable initiatives, we can foster a mutually beneficial relationship built on trust, shared goals and a common vision for a sustainable future.

We acknowledge the urgent need to address climate change and are mindful that, by nature, the transport industry is a high carbon emitter. While alternative fuels are still many years from being commercially accessible for the transport industry, we are looking at other avenues to reduce our footprint.

We have identified a number of opportunities to help us on our journey, from investing in newer, lower emitting trucks through to route optimisation to reduce empty kms; collection and recycling of waste to electrifying our forklifts. We are constantly evaluating and improving our practices and are proactively integrating climate considerations into our investment decisions.

OPPORTUNITIES AND INITIATIVES

| Energy and carbon efficiency | Climate resilience | Waste reduction | Responsible sourcing |
|---|--|--|---|
| <p>Route optimisation to reduce kms travelled and empty kms</p> <p>More carbon-efficient supply chain solutions, such as coastal shipping and rail</p> <p>Fuel efficiency through driver training and technology</p> <p>Transition to a lower emitting vehicle fleet, including electric forklifts. Piloted EV metro truck in Auckland</p> <p>Reduce energy consumption across our buildings</p> <p>Updating infrastructure to incorporate increasing electric vehicle charging</p> <p>Continue to investigate alternative fuel options (hydrogen and electric)</p> | <p>Identify risks and integrate into risk framework</p> <p>CRD reporting</p> | <p>Data collection</p> <p>Identification of problem materials and suppliers</p> <p>Waste diversion programme</p> | <p>Modern Slavery Statement</p> <p>Supplier Code of Conduct</p> <p>Sustainable procurement guidelines</p> |

TONNES CO2E
EMISSIONS⁴

145,871

REDUCTION IN EMISSIONS
SINCE FY22 BASE YEAR⁵

3%

EMISSIONS PER
TEAM MEMBER

127.73

⁴ Includes Scope 1, 2 and 3 carbon emissions, verified by Toitū Envirocare, an independent third-party assurance provider

⁵ Base year reset to FY22 to include Scope 1, 2 and full Scope 3 emissions

OUR JOURNEY TOWARDS CLIMATE-RELATED DISCLOSURES

MOVE has established an internal CRD implementation team who are responsible for developing and implementing systems and processes relating to climate related risks and their disclosure under the Act. The team has utilised external expertise in the first stages of developing a CRD regime. In FY23 MOVE has identified three climate scenarios, appropriate time horizons based on asset life, undertaken a series of internal workshops to identify physical and transitional risks and opportunities and has integrated the identified risks into the enterprise risk management process.

| CDR Reporting Framework | | FY23 | FY24 | FY25 |
|------------------------------|---|------|------|------|
| GOVERNANCE | <ul style="list-style-type: none"> a. Describe the Board’s oversight of climate-related risks and opportunities. b. Describe management’s role in assessing and managing climate-related risks and opportunities. | ✓ | ● | |
| STRATEGY | <ul style="list-style-type: none"> a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term. b. Describe the impact of climate-related risks and opportunities on the organisation’s businesses, strategy, and financial planning. c. Describe the resilience of the organisation’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario. | ✓ | | ● |
| RISK MANAGEMENT | <ul style="list-style-type: none"> a. Describe the organisation’s processes for identifying and assessing climate-related risks. b. Describe the organisation’s processes for managing climate-related risks. c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation’s overall risk management. | ✓ | ● | |
| METRICS & TARGETS | <ul style="list-style-type: none"> a. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process. b. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks. c. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets. | ✓ | ● | ● |

MOVE Logistics Group intends to utilise the “First time adoption relief” provided under NZ Climate Standard 2 for some climate related disclosures.



Our community.

“We are focused on the needs of our customers and communities.”

OUR COMMUNITIES

MOVE was founded on regional businesses and this connection to local New Zealand communities remains true today. Our people live and work locally and we support their communities through job opportunities and support for local causes. We provide a positive impact through work opportunities and are investigating new training programmes, particularly for those looking to enter the transport industry.

OUR CUSTOMERS

The delivery of exceptional customer service is at the heart of our business. We believe that by actively listening to our customers, understanding their unique needs, and consistently exceeding their expectations, we can create an ecosystem of trust and loyalty that benefits everyone involved.

We are taking our customers with us on our sustainability journey, sharing with them our progress and providing them with relevant metrics for their own emissions reporting.

As a responsible and sustainable organisation, we understand the importance of safeguarding our customers' data and ensuring the security and privacy of their sensitive information. Over the last few years, we have invested in our digital platform to create a solid and secure foundation to protect our customers and their data from potential breaches. Our comprehensive approach involves regular external assessments, ongoing employee training and deploying the full Microsoft Defender Cyber suite. By securing our digital infrastructure, we demonstrate our dedication to ensuring our customers' peace of mind and protecting the integrity of our business operations.

Our commitment to reliability ensures that our customers can depend on us to deliver their goods and services on time, every time, reducing potential waste and maximising their operational efficiency. We have taken learnings from the recent extreme weather events to plan for future network outages. We are also using technology to improve delivery times, reduce carbon emissions and drive an overall increase in customer satisfaction.

We are also committed to being innovative in how we freight our customers' goods around New Zealand. Faster and smaller is not necessarily better. While for some businesses, a Just-In-Time delivery model makes sense, for many in New Zealand, it's just added cost for expensive high speed deliveries. By utilising alternative modes of transport, such as shipping and rail which often only take a day or two longer, we can deliver larger loads in a timely manner, while reducing costs to our customers and benefitting the environment.

MOVE'S new trans-Tasman shipping service commenced in January 2023, providing a lower carbon, reliable transport route that connects our customers through secondary ports in Australia and New Zealand.



Our team.

“We MOVE as one.”

Our greatest asset lies in the people who form the backbone of our organisation. It is their efforts, talent and passion for our industry that will drive our success.

Our goals are to provide a rewarding work environment, that celebrates diversity, encourages inclusion and recognises the contributions of our people. Health and safety remains a priority. Our aspiration is for all our people to excel and we are putting in place the tools and structure to help them realise their potential.

The appointment of a new People & Culture Leader, Rachel Hustler, from 1 July 2023, reflects our commitment to driving positive change and ensuring our team members’ well being and growth. The Covid-pandemic restricted the opportunity to engage in person, across our network. It was therefore even more pleasing this year to hold our Inaugural Branch Managers’ conference, bringing together more than 50 of our executive team, branch managers and future leaders from across the group, to share with them our vision and aspirations for MOVE.

We are designing a new induction and onboarding programme, to ensure every new team member has a seamless transition into the MOVE family; and we also provide mentorship, hands-on experience, and learning opportunities for all our people.

Looking ahead, we envision a sustainable future through knowledge transfer and fresh perspectives. It is our plan to introduce School Leaver and Graduate Programmes that will attract young talented individuals, allowing them to grow and contribute to our organisation.

Pleasingly, we have seen recruitment and retention metrics improve, as we create a culture where our people feel supported, empowered and where their efforts are recognised and rewarded.

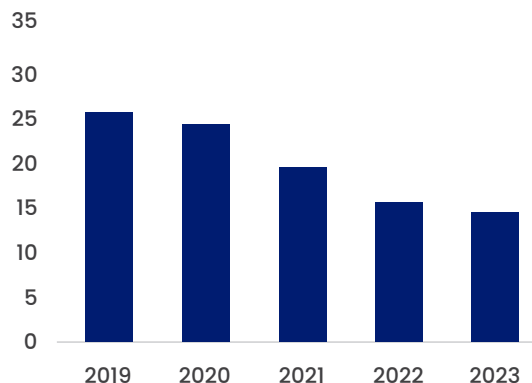
Staying safe, keeping others safe and supporting each other are fundamental to who we are as an organisation. Technology plays an important role, with electronic log books and in-cab technology to monitor fatigue and vehicle activity, and digitised pre-start truck checks to ensure all essential checks

are carried out before a driver heads out on the road.

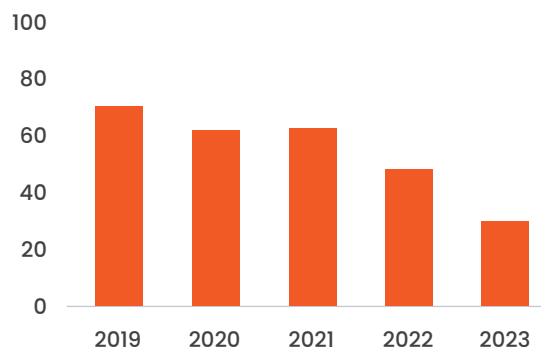
MOVE was recertified for Tertiary level under the ACC Accredited Employers Programme in FY23, and the Specialist division was also successfully audited and recertified under Health and Safety ISO 45001. MOVE’s monthly safety awards continue to be popular across the group, with team members proud to be recognised for their contributions towards creating a safer workplace.

MOVE’s injury frequency rates provide a lag indicator of performance with LTIFR rates reducing for the third year in a row and a strong improvement in TRIFR.

LOST TIME INJURY FREQUENCY RATE (LTIFR)



TOTAL RECORDABLE INJURY FREQUENCY RATE (TRIFR)



RALLYING TOGETHER FOR TEAM AND COMMUNITY

Hastings branch manager, Matt Hiscock, was on the front line during the February cyclone. As a volunteer fireman, he could see the severity of the situation and rallied his team as the Hastings branch was cut off from Napier by flood waters.

All line haul trucks were diverted and those team members with access were brought back into work to help with despatching essential items. As generators arrived in Hastings, the warehouse team undertook to get them out as quickly as possible, often using their own vehicles to make deliveries. The team mantra was 'to get the job done', despite all being affected personally by the floods in some way.

Matt's leadership style of firm but fair saw him shortlisted for MOVE's Branch of the Year awards in 2023. It's a style he has developed over his career, with the last 10 years making his way up the ranks in the organisation. His passion for MOVE and his drive to grow both the business and brand has seen the Hastings branch become one of the fastest growing in the network, with new customers and additional capacity being added over the last 12 months.

"MOVE is an organisation that provides opportunities for those that have the right work ethic. I'm excited about the forward plan for our organisation and creating a strong team that's focused on our customers."



MOVE Board.

MOVE's Board comprises directors with a wealth of skills, experience and knowledge that add value to the business and for shareholders.

LORRAINE WITTEN

INDEPENDENT CHAIR

Appointed 6 December 2017

Lorraine is an experienced director, executive and entrepreneur with extensive commercial experience in high growth and high change environments. Her skills are in strategy and entrepreneurship, in the technology and ICT sectors where she has 20 years' experience in senior leadership and finance roles. She currently sits on the board of a number of private and public companies including NZX listed Mercury and as Chair of Rakon. Lorraine is a Chartered Fellow of the Institute of Directors and a Fellow of Chartered Accountants ANZ. Lorraine has been a director of MOVE since 2017 and was appointed Chair in September 2021.

CHRIS DUNPHY

DIRECTOR

Appointed 1 July 2021

Chris has a deep knowledge of the transport and logistics industry and was formerly an executive director of Mainfreight and general manager of Mainfreight's international division. Chris joined Mainfreight in 1993 and helped take it public in 1996. After ten years of senior management roles in Mainfreight, spearheading their global growth-by-acquisition strategy, Chris resigned as executive director in 2003 to pursue private investments in a number of freight, shipping and logistics businesses.

MARK NEWMAN

INDEPENDENT DIRECTOR

CHAIR OF GOVERNANCE AND REMUNERATION COMMITTEE

Appointed 27 July 2021

Mark has extensive domestic and international transport and logistics industry expertise, having held senior leadership roles with Mainfreight for over 20 years, as CEO Mainfreight Europe and General Manager New Zealand Transport. He has a deep understanding of the New Zealand transport landscape along with a wealth of experience in building successful teams and developing strong culture. He is a Chartered Member of the Institute of Directors (CMInstD).



GRANT DEVONPORT

INDEPENDENT DIRECTOR

CHAIR RISK ASSURANCE & AUDIT COMMITTEE

Appointed 23 November 2021

Grant was CFO of both Toll NZ (2006– 2008) and Toll Holdings Group from late 2011 until his departure in 2015 when the business was sold to Japan Post. He is currently CFO of Australian Pacific Airports Corporation – owner of both Melbourne and Launceston Airports. As well as being CFO of both ASX and privately owned businesses, Grant's responsibilities have included strategy, procurement, technology, risk, safety & environment, company secretariat, treasury and investor relations.



Danny Chan, Grant Devonport, Chris Dunphy, Lorraine Witten, Mark Newman, Julia Raue

JULIA RAUE

INDEPENDENT DIRECTOR

Appointed 3 May 2023

Julia has a strong background in business transformation and digital change and was Chief Information Officer at Air New Zealand for nine years, winning a number of global Awards during that time, including NZ CIO of the year. She has significant governance experience across a variety of sectors, including current directorships with Southern Cross, The Warehouse Group, Jade Software and Global Women. Previously Julia has been a director of Z Energy and TVNZ. She is a Chartered Member of the Institute of Directors (CMInstD).

DANNY CHAN

INDEPENDENT DIRECTOR

Appointed 6 December 2017

Danny is an experienced New Zealand director with extensive accounting, finance and investment management and education experience. He holds several directorships with public and private companies. He was a founder of Academic Colleges Group (ACG), one of the largest education businesses in New Zealand. Danny has announced his intention to retire from the MOVE Board at the 2023 Annual Shareholders' Meeting later this year.

MOVE Leadership team.



CRAIG EVANS
CHIEF EXECUTIVE OFFICER
JOINED MOVE FEBRUARY 2023

Craig has a long and distinguished career in the logistics sector, including 35 years at Mainfreight, with the last six years as Mainfreight's New Zealand country manager. Prior to this, he was with Freightways for four years. He has extensive experience and knowledge across the industry and is passionate about the positive role the sector plays in the New Zealand economy.



LEE BANKS
CHIEF FINANCIAL OFFICER
JOINED MOVE IN 2013

Lee has been with MOVE since 2013 and was appointed CFO in January 2019. She is an experienced, senior financial executive who has previously held international roles in the USA and Australia, in both the service and manufacturing sectors. Lee has been involved in all areas of MOVE's financial management, from acquisitions and mergers through to the reverse listing and listed company reporting.



ANTHONY BARRETT
CHIEF FINANCIAL OFFICER
JOINED MOVE IN APRIL 2022

Anthony is passionate about the role digital technology can play in enhancing performance and delivering operational and customer service excellence. He has more than 30 years' experience, working at senior levels with large logistics organisations, both internationally and in New Zealand.



RACHAEL HUSTLER
GM PEOPLE AND CULTURE
JOINED MOVE IN JULY 2023

Rachel Hustler has over 25 years of industry experience, specialising in culture, leadership, talent and transformation. Her goal is to develop a long-term strategy where MOVE's people are collaboratively working together, are provided with opportunities for growth and development and where MOVE is seen as an employer of choice.



JUSTIN MARSHALL
NATIONAL FREIGHT MANAGER
JOINED MOVE IN 2021

Justin started his career in the logistics sector for more than 15 years before moving to manage an international film logistics business and car racing team. He has an experienced team leader with a diversity of skills and knowledge. He joined MOVE in 2021 and moved into his current role in February 2023.



JAMES WATTERS
COO CONTRACT LOGISTICS
JOINED MOVE IN NOVEMBER 2021

James has significant experience in the logistics sector, having worked in Australia, the US and New Zealand for global and domestic logistics brands and businesses. He brings executive experience in sales & marketing, supply chain management and logistics.



DALE SLADE
GM OCEANS
JOINED MOVE MAY 2020

Dale is focused on achieving results through innovative thinking and an in-depth understanding of client requirements and expectations. He joined MOVE as GM Sales & Marketing and took on the role of GM Oceans in July 2022 to oversee the launch and management of MOVE's new shipping service.



WARWICK BELL
GM SPECIALIST LIFTING AND TRANSPORT
JOINED MOVE IN 2018

Warwick has worked in leadership roles within the Specialist group of companies (Tranzcarr Heavy Haulage and Machinery Movers) for more than two decades and joined the MOVE team in 2018 when the Specialist group was acquired. He now leads this division for MOVE, using his in-depth knowledge and expertise to deliver for customers on large, oversize, and custom jobs. Warwick is a Life Member of the NZ Heavy Haulage Association.

Financial measures.

MOVE uses several non-GAAP measures to report on financial performance.

An explanation of these is in the following column.

NON-GAAP FINANCIAL INFORMATION

MOVE uses several non-GAAP measures when discussing financial performance. These include normalised EBIT, normalised EBITDA and normalised NPAT. The board and management believe these measures provide useful underlying information on MOVE's business. They are used internally to evaluate performance, analyse trends and allocate resources. Non-GAAP financial measures should not be viewed as a substitute for measures reported in accordance with NZ IFRS.

NON-TRADING ADJUSTMENTS

The financial results for FY23 include transactions considered to be non-trading in nature or size. Unusual transactions can be as a result of specific events or major acquisitions, disposals or divestments that are not expected to occur frequently. Excluding these transactions from normalised measures can assist users in forming a view on the underlying performance of MOVE. Pre-tax non-trading adjustments totalled \$1.7 million in FY23.

EBITDA/EBIT

EBITDA is Earnings/(Loss) before the deduction of interest, tax, depreciation and amortisation and excludes income and impairment from associates. EBIT is EBITDA including depreciation and amortisation. These are both non-GAAP financial measures.

NORMALISED EBITDA/EBIT

This is EBITDA/EBIT excluding non-trading adjustments and unusual transactions. Management believe that normalised measures provide a more appropriate measure of MOVE's performance and more useful information on the normalised earnings of the company.

RECONCILIATION NON-GAAP TO GAAP

| \$MILLIONS | FY23 | FY22 |
|---|---------------|--------------|
| Net profit/(loss) before income tax from continuing operations (GAAP measure) | (7.59) | (3.21) |
| Add back: | | |
| Share of loss of associates | .07 | .10 |
| Net finance costs | 9.66 | 11.18 |
| Loss in investment in associates | - | .06 |
| Restructuring costs | .59 | 1.63 |
| Share acquisition costs | .11 | .14 |
| Goodwill and asset impairment | 1.03 | 1.62 |
| Depreciation & Amortisation | 43.48 | 44.67 |
| EBITDA excluding non-trading items (non-GAAP measure) | 47.35 | 56.19 |
| Net profit/(loss) after income tax (GAAP measure) attributable to owners | (7.19) | (4.21) |
| Add back: | | |
| Non-controlling interests | 1.35 | 1.10 |
| Other non-trading expenses, net of tax: | | |
| Goodwill and asset impairment | 1.03 | 1.62 |
| Restructuring costs | .43 | 1.18 |
| Share acquisition costs | .11 | .14 |
| Net profit/(loss) after tax excluding non-trading items (non-GAAP measure) | (4.27) | (.17) |

Consolidated annual financial statements.

For the year ended
30 June 2023

DIRECTORS' STATEMENT FOR THE YEAR ENDED 30 JUNE 2023

The Directors of MOVE Logistics Group Limited are pleased to present the financial statements for MOVE Logistics Group Limited and its subsidiaries (together the Group) for the year ended 30 June 2023 contained on pages 49-84.

Financial statements for each financial year fairly present the financial position of the Group and its financial performance and cash flows for that period and have been prepared using appropriate accounting policies, consistently applied and supported by reasonable judgments and estimates and all relevant financial reporting standards have been followed.

Proper accounting records have been kept that enable, with reasonable accuracy, the determination of the financial position of the Group and facilitate compliance of the financial statements with the Financial Markets Conduct Act 2013.

Adequate steps have been taken to safeguard the assets of the Group to prevent and detect fraud and other irregularities.

The Directors hereby approve and authorise for issue the financial statements for the year ended 30 June 2023. They do not have the power to amend these financial statements after issue.

For and on behalf of the Board



Lorraine Witten - Chair
29 August 2023



Grant Devonport - Director
29 August 2023

CONSOLIDATED STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2023

| | NOTES | 30 JUNE 2023 \$000 | 30 JUNE 2022 \$000* |
|--|----------|-----------------------|------------------------|
| Revenue | 7 | 343,873 | 360,121 |
| Gains on disposal of assets | | 1,587 | 456 |
| Lease income | | 1,539 | 1,550 |
| Other income | | 675 | 1,888 |
| Total Income | | 347,674 | 364,015 |
| Transport costs | | (145,311) | (151,655) |
| Employee costs | | (117,040) | (122,696) |
| Rental / lease expenses | | (4,602) | (4,313) |
| Other operating expenses | | (33,373) | (29,160) |
| Depreciation of right of use assets | 8 | (29,451) | (31,113) |
| Other depreciation / amortisation expenses | 8 | (14,031) | (13,554) |
| Other non-operating expenses | 5 | (1,728) | (3,387) |
| Impairment of investment in associates | | - | (61) |
| Total Operating Expenses | 8 | (345,536) | (355,939) |
| Finance costs relating to lease liabilities | | (7,418) | (8,079) |
| Other finance costs - interest on borrowing | | (2,399) | (3,111) |
| Interest income on short term deposit | | 161 | 10 |
| Operating loss before income tax | | (7,518) | (3,104) |
| Share of (loss) of associates | | (74) | (103) |
| Loss Before Income Tax | | (7,592) | (3,207) |
| Income tax credit | 9 | 1,755 | 103 |
| LOSS FOR THE YEAR FROM CONTINUING OPERATIONS | | (5,837) | (3,104) |
| (Loss) / Profit attributable to: | | | |
| Owners of the company | | (7,190) | (4,208) |
| Non-controlling interests | | 1,353 | 1,104 |
| | | (5,837) | (3,104) |
| Other comprehensive income: | | | |
| Comprehensive Income for the Period, Net of Tax | | - | - |
| TOTAL COMPREHENSIVE LOSS FOR THE YEAR, NET OF TAX | | (5,837) | (3,104) |
| Earnings per share attributable to the ordinary equity holders of the Company | | CENTS | CENTS |
| Basic and diluted earnings per share for profit attributable to the ordinary equity holders of the company | 11 | (6.18) | (3.97) |

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 note 21.

CONSOLIDATED BALANCE SHEET

AS AT 30 JUNE 2023

| | NOTES | 30 JUNE 2023 \$'000 | 30 JUNE 2022 \$'000 |
|---|-------|------------------------|------------------------|
| ASSETS | | | |
| Current Assets | | | |
| Cash and cash equivalents | 12.1 | 8,744 | 14,940 |
| Inventories | | 219 | - |
| Trade and other receivables | 12.2 | 53,318 | 60,294 |
| Assets held for sale | 21 | - | 25,263 |
| Total Current Assets | | 62,281 | 100,497 |
| Non-Current Assets | | | |
| Property, plant and equipment | 13.1 | 82,048 | 57,761 |
| Right of use assets | 13.2 | 144,594 | 150,381 |
| Intangible assets | 13.3 | 14,843 | 18,058 |
| Deferred Income tax asset | 13.4 | 1,152 | 149 |
| Other receivables | | 318 | - |
| Investments in associates | | - | 271 |
| Total Non-Current Assets | | 242,955 | 226,620 |
| TOTAL ASSETS | | 305,236 | 327,117 |
| EQUITY | | | |
| Share capital | 14 | 84,262 | 75,188 |
| Other reserves | | (615) | 88 |
| Accumulated losses | | (12,271) | (5,081) |
| Equity attributable to owners of the parent | | 71,376 | 70,195 |
| Non-controlling interest in equity | | 3,527 | 2,798 |
| TOTAL EQUITY | | 74,903 | 72,993 |
| LIABILITIES | | | |
| Current Liabilities | | | |
| Trade and other payables | 12.3 | 33,852 | 38,092 |
| Tax payable | | 121 | 211 |
| Deferred revenue | 7 | 341 | 521 |
| Borrowings | 12.5 | 3,708 | 3,713 |
| Lease liability | 13.2 | 25,793 | 26,393 |
| Employee entitlements | 12.4 | 11,023 | 10,476 |
| Liabilities directly associated with assets classified as held for sale | 21 | - | 6,149 |
| Total Current Liabilities | | 74,838 | 85,555 |
| Non-Current Liabilities | | | |
| Borrowings | 12.5 | 20,615 | 24,324 |
| Lease liability | 13.2 | 129,603 | 133,338 |
| Convertible note | 12.6 | - | 7,792 |
| Derivative financial instrument | 12.6 | - | 849 |
| Deferred revenue | 7 | 3,000 | - |
| Provisions for other liabilities and charges | 13.5 | 2,277 | 2,266 |
| Total Non-Current Liabilities | | 155,495 | 168,569 |
| TOTAL LIABILITIES | | 230,333 | 254,124 |
| TOTAL EQUITY & LIABILITIES | | 305,236 | 327,117 |

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2023

| | 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 | | |
| Balance as at 1 July 2021 | | 37,054 | (873) | 48 | 36,229 | 1,738 | 37,967 |
| Comprehensive income | | | | | | | |
| (Loss)/Profit for the year | | - | (4,208) | - | (4,208) | 1,104 | (3,104) |
| Other comprehensive income | | - | - | - | - | - | - |
| Total comprehensive income | | - | (4,208) | - | (4,208) | 1,104 | (3,104) |
| Cumulative translation adjustment | | - | - | 67 | 67 | - | 67 |
| Transactions with owners: | | | | | | | |
| Employee share scheme | 20 | 34 | - | (27) | 7 | - | 7 |
| Issue of Ordinary Shares | | 38,100 | - | - | 38,100 | - | 38,100 |
| Dividends | | - | - | - | - | (44) | (44) |
| Balance as at 30 June 2022 | | 75,188 | (5,081) | 88 | 70,195 | 2,798 | 72,993 |
| Balance as at 1 July 2022 | | 75,188 | (5,081) | 88 | 70,195 | 2,798 | 72,993 |
| Comprehensive income | | | | | | | |
| (Loss)/Profit for the year | | - | (7,190) | - | (7,190) | 1,353 | (5,837) |
| Other comprehensive income | | - | - | - | - | - | - |
| Total comprehensive income | | - | (7,190) | - | (7,190) | 1,353 | (5,837) |
| Cumulative translation adjustment | | - | - | (673) | (673) | - | (673) |
| Transactions with owners: | | | | | | | |
| Employee share scheme | 20 | - | - | (30) | (30) | - | (30) |
| Issue of Ordinary Shares | 14 | 9,074 | - | - | 9,074 | - | 9,074 |
| Dividends | | - | - | - | - | (624) | (624) |
| Balance as at 30 June 2023 | | 84,262 | (12,271) | (615) | 71,376 | 3,527 | 74,903 |

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2023

| | NOTES | 30 JUNE 2023 \$000 | 30 JUNE 2022 \$000* |
|--|-------|-----------------------|------------------------|
| Cash flows from operating activities | | | |
| Receipts from customers | | 355,038 | 349,762 |
| Interest received | | 161 | 10 |
| Dividends received | | 3 | 4 |
| Payments to suppliers and employees | | (306,617) | (305,261) |
| Government subsidy received | | 114 | 1,197 |
| Notional finance charge on NZ IFRS 16 leases | 15.2 | (7,418) | (8,081) |
| Interest paid | | (1,950) | (2,613) |
| Income tax paid | | (920) | (481) |
| Net cash generated from operating activities | 15.1 | 38,411 | 34,537 |
| Cash flows used in investing activities | | | |
| Purchase of property, plant and equipment | | (19,132) | (5,090) |
| Proceeds from sale of property, plant and equipment | | 3,031 | 4,731 |
| Purchase of intangible assets | | (7) | (214) |
| Government grant | | 3,000 | - |
| Advances to associates | | 198 | 200 |
| Net cash used in investing activities | | (12,910) | (373) |
| Cash flows from financing activities | | | |
| Repayment of borrowings | 15.2 | (3,755) | (123,869) |
| Proceeds from borrowings | 15.2 | - | 81,642 |
| Proceeds from share issue | 14 | - | 38,100 |
| Repayment of lease liability (NZ IFRS 16) | 15.2 | (27,318) | (28,266) |
| Dividends paid to shareholders / non-controlling interests | | (624) | (45) |
| Net cash flow used in financing activities | | (31,697) | (32,438) |
| Net increase in cash and cash equivalents | | (6,196) | 1,726 |
| Cash and cash equivalents at beginning of year | | 14,940 | 13,214 |
| Cash and cash equivalents 30 June | | 8,744 | 14,940 |

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 note 21.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

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 330 Devon Street East, New Plymouth, New Zealand. The consolidated financial statements of the Company as at, and for the year ended 30 June 2023, comprise the Company and its subsidiaries (refer note 16.1), together referred to as the “Group”.

1.2. Basis of Preparation

These financial statements have been prepared on a historical cost basis.

The preparation of financial statements in conformity with NZ IFRS requires the use of certain critical accounting estimates. It also requires Management to exercise its judgement in the process of applying the Group’s accounting policies. The areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 4.

The consolidated financial statements have been prepared in accordance with the Financial Markets Conduct Act 2013 and the Companies Act 1993.

The principal accounting policies adopted in the preparation of the financial statements are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transaction and other events is reported. These policies have been consistently applied to all the periods presented, unless otherwise stated. To ensure consistency with the current period, comparable figures have been restated where appropriate.

1.3. Statement of Compliance

The Group is a for-profit entity. Its financial statements have been prepared in accordance with, and comply with, New Zealand Generally Accepted Accounting Practice (NZ GAAP). They comply with New Zealand Equivalents to International Financial Reporting Standards and other applicable Financial Reporting Standards and Authoritative Notices, as appropriate for for-profit entities. The financial statements comply with International Financial Reporting Standards (IFRS).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1. Consolidation

a. Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group 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 to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interest issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement and the elimination of any balances arising between the Group and the acquiree.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer’s previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gain or loss arising from remeasurement is recognised in profit or loss.

Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition by acquisition basis, the Group recognises any non-controlling interest in the acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree, and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired, is recorded as goodwill.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently re-measured to fair value with changes in fair value recognised in profit or loss.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated Statement of Profit or Loss & Other Comprehensive Income, Statement of Changes in Equity and Balance Sheet respectively.

b. Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting after initially being recognised at cost. The Group's investment in associates includes goodwill identified on acquisition, net of an accumulated impairment loss. The Group's share of its associates post-acquisition profits or losses is recognised under 'Share of (loss) / profit of associates' in the Statement of Profit or Loss & Other Comprehensive Income, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

c. Assets held for sale

Non-current assets and disposal groups classified as held for sale are measured at the lower of carrying amount or fair value less costs to sell. Non-current assets and disposal groups are classified as held for sale if their carrying amount is expected to be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition and the sale of the asset (or disposal group) is expected to be completed within one year from the date of classification. Impairment losses on initial classification as held for sale and subsequent gain or loss on remeasurement is recognised in profit or loss. Once classified as held for sale, intangible assets and property, plant and equipment are no longer amortised or depreciated.

2.2. Foreign Currency Translation

a. Functional and presentation currency

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.

b. Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

2.3. New Accounting Standards & Interpretations

The accounting policies applied in the preparation of the consolidated financial statements are consistent with prior year. There are no new accounting standards or interpretations during the year that have impacted on the preparation of the financial statements.

2.4. Standards Issued But Not Yet Adopted

There are no new standards or amendments to standards and interpretations that are effective for periods beginning on or after 1 July 2023 that will have a material impact on the consolidated financial statements.

3. FINANCIAL RISK MANAGEMENT

The Group's principal financial instruments comprise bank loans and overdrafts, cash, trade creditors and accruals and trade debtors. The main purpose of these financial instruments is to raise and provide working capital for the Group's operations.

This note explains the Group's exposure to financial risks and how these risks affect the Group's future financial performance.

| Risk | Exposure arising from | Measurement |
|-----------------------------|--|---------------------------------|
| Credit risk | Cash and cash equivalents and trade receivables. | Aging analysis & credit ratings |
| Market risk – interest rate | Long term borrowing at variable rates | Sensitivity analysis |
| Liquidity risk | Borrowings and other liabilities | Rolling cash flow forecast |

The Group's risk management is carried out by a central treasury department (Group Treasury) under policies approved by the Board of Directors. Group Treasury identifies, evaluates and manages financial risks in close co-operation with the Group's operating units. The Board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, funding risk, interest rate risk, credit risk and use of derivative financial instruments and non-derivative financial instruments.

3.1. Credit Risk Management

In the normal course of business the Group incurs credit risk from trade debtors and transactions with financial institutions. The Group has a credit policy that it uses to manage this risk. As part of this policy limits on exposures with counter-parties have been set and approved by the Board of Directors and are monitored on a regular basis.

The Group has no significant concentrations of credit risk. The Group does not require any collateral or security to support financial instruments due to the quality of the financial institutions and trade debtors dealt with. The Group normally gives 30 or 60 days credit on its trade receivables. At 30 June the Group's credit risk exposure is equal to the carrying value of its financial assets.

| | 2023 \$000 | 2022 \$000 |
|--|---------------|---------------|
| Trade and other receivables | | |
| Trade receivables | 50,374 | 56,831 |
| Credit loss provision | (1,965) | (1,402) |
| Total trade receivables | 48,409 | 55,429 |
| Accrued revenue | 2,934 | 3,530 |
| Sundry receivables | 176 | 317 |
| Cash and short term bank deposits | | |
| Bank with AA- credit rating | 8,744 | 14,940 |

a. Impaired trade receivables

Individual receivables which are known to be uncollectible are written off by reducing the carrying amount directly. The other receivables are assessed collectively to determine whether there is objective evidence that an impairment has been incurred but not yet been identified. For these receivables the estimated impairment losses are recognised in a separate provision for impairment. The Group considers that there is evidence of impairment if any of the following indicators are present:

- significant financial difficulties of the debtor
- probability that the debtor will enter bankruptcy or financial reorganisation, and
- default or delinquency in payments.

Receivables for which an impairment provision was recognised are written off against the provision when there is no expectation of recovering additional cash.

Impairment losses are recognised in profit or loss within other expenses. Subsequent recoveries of amounts previously written off are credited against other expenses.

Movements in the provision for impairment of trade receivables that are assessed for impairment collectively are as follows:

| | 2023 \$000 | 2022 \$000 |
|--|---------------|---------------|
| At 1 July | 1,402 | 1,152 |
| Provision for impairment recognised during the year | 629 | 308 |
| Provision for credit notes to revenue | (57) | 265 |
| Transfer to Asset held for Sale | 20 | (20) |
| Receivables written off during the year as uncollectible | (29) | (303) |
| At 30 June | 1,965 | 1,402 |

The table below sets out information about the credit quality of trade receivables net of the expected credit loss provision:

| | Current \$000 | 1 -29 days overdue \$000 | 30 - 59 days overdue \$000 | 60+ days overdue \$000 | Total \$000 |
|---------------------------------|------------------|--------------------------------|----------------------------------|------------------------------|----------------|
| 30 June 2022 | | | | | |
| Gross carrying amount | 48,635 | 5,426 | 1,726 | 1,044 | 56,831 |
| Baseline | 105 | 128 | 170 | 734 | 1,137 |
| Specific | - | - | 120 | 145 | 265 |
| Total expected credit loss rate | 0.2% | 2.4% | 16.8% | 84.2% | |
| Credit loss provision | 105 | 128 | 290 | 879 | 1,402 |
| 30 June 2023 | | | | | |
| Gross carrying amount | 44,644 | 3,323 | 1,066 | 1,341 | 50,374 |
| Baseline | 435 | 68 | 154 | 984 | 1,641 |
| Specific | 28 | 4 | 46 | 246 | 324 |
| Total expected credit loss rate | 1.0% | 2.2% | 18.8% | 91.7% | |
| Credit loss provision | 463 | 72 | 200 | 1,230 | 1,965 |

Critical Estimates and Judgements

a. Credit loss provision

To measure expected credit losses, trade receivables have been grouped and reviewed on the basis of the number of days past due. The credit loss provision has been calculated by considering the impact of the following characteristics:

- The baseline loss rate takes into account the average write-off history of the Group over a two-year period as a predictor of future conditions and applies an increasing expected credit loss estimate by trade receivables aging profile.
- Specific credit loss provisions are made based on any specific customer collection issues that are identified. Collections and payments from our customers are continuously monitored and a credit loss provision is maintained to cover any specific customer credit losses anticipated.

The Group has performed an assessment of credit risk on its customer base taking into consideration the factors below:

- profile of the customer, i.e. corporate or individual customers
- region the customer is based in
- industry the customer operates within
- size and nature of the customer
- and, the Group's understanding of and experience with the customer

As a result of this assessment, the Group has assessed its baseline provision to \$1,965,000 (2022: \$1,402,000), to reflect the estimated financial impact of its assessment of the credit risk.

3.2. Interest Rate Risk

The Group's main interest rate risk arises from long term borrowing with variable rates which exposes the Group to cash flow interest rate risk. The Group adopts a policy of ensuring that some of its exposure to changes in interest rates on borrowings is on a fixed rate basis by entering into interest rate swaps.

The table below summarises the Group's current interest rate swaps:

| Date effective | Face value | Maturity date | Base Interest rate paid |
|----------------|------------|---------------|-------------------------|
| 29 July 2019 | 20,000,000 | 29 April 2024 | 1.625% pa |

The Group does not hedge account so all market adjustments are recognised in the Statement of Profit or Loss & Other Comprehensive Income.

Sensitivity analysis

The effect of a 1% increase or decrease in the floating interest rates for the Group would be a decrease/increase in profit and equity of \$43,000 (2022: \$80,000).

3.3. Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying businesses, the Group maintains flexibility in funding through having flexible funding lines available to them. Management monitors rolling forecasts of the Group's liquidity reserve, which comprises its undrawn borrowing facility and cash and cash equivalents (note 12.1) on the basis of expected cash flows.

The Group had access to the following undrawn borrowing facilities at the end of the reporting period:

| | 2023 \$000 | 2022 \$000 |
|---|---------------|---------------|
| Expiring within one year (bank overdraft) | 4,567 | 5,000 |
| Expiring beyond one year (flexible credit facility) | 15,000 | 15,000 |
| Total | 19,567 | 20,000 |

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances or the impact of discounting is not significant.

| | Less than 1 year | Between 1 and 2 years | Between 2 and 5 years | Beyond 5 years | Total contractual cash flows | Carrying amount (assets)/ liabilities |
|--------------------------|------------------|-----------------------|-----------------------|----------------|------------------------------|---------------------------------------|
| | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 |
| 2022 | | | | | | |
| Borrowings | 6,417 | 6,163 | 19,061 | - | 31,641 | 28,037 |
| Convertible note | 410 | 410 | 752 | - | 1,572 | 7,792 |
| Lease liabilities | 32,685 | 28,104 | 57,125 | 80,058 | 197,972 | 159,731 |
| Trade and other payables | 38,092 | - | - | - | 38,092 | 38,092 |
| Employee entitlements | 10,476 | - | - | - | 10,476 | 10,476 |
| Total | 88,080 | 34,677 | 76,938 | 80,058 | 279,753 | 244,128 |

| | | | | | | |
|--------------------------|---------------|---------------|---------------|---------------|----------------|----------------|
| 2023 | | | | | | |
| Borrowings | 5,263 | 20,871 | - | - | 26,134 | 24,323 |
| Lease liabilities | 32,658 | 26,478 | 61,750 | 68,596 | 189,482 | 155,396 |
| Trade and other payables | 33,852 | - | - | - | 33,852 | 33,852 |
| Employee entitlements | 11,023 | - | - | - | 11,023 | 11,023 |
| Total | 82,796 | 47,349 | 61,750 | 68,596 | 260,491 | 224,594 |

The Group provides guarantees, these are detailed in note 17.

3.4. Capital Management

The Group's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the gearing ratio and bank covenant compliance. The Group's gearing ratio at 30 June is as follows:

| | 2023 \$000 | 2022 \$000 |
|---|---------------|---------------|
| Bank borrowings | 24,323 | 28,037 |
| Convertible note | - | 7,792 |
| Less: cash and cash equivalents | (8,744) | (14,940) |
| Net debt (excluding lease liabilities) | 15,579 | 20,889 |
| Equity | 74,959 | 72,993 |
| Gearing ratio | 17.2% | 22.3% |

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. Other critical accounting estimates will be disclosed in the relevant notes.

a. Estimated impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates. Refer to note 13.3 for further details.

5. RECONCILIATION TO GAAP MEASURE

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

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

| Reconciliation to GAAP measure | 12 months to June 2023 \$000 | 12 months to June 2022 \$000 |
|--|------------------------------------|------------------------------------|
| Loss Before Income Tax (GAAP Measure) | (7,592) | (3,207) |
| Add back: | | |
| Share of loss of associates | 74 | 103 |
| Finance costs | 9,656 | 11,180 |
| Impairment of investment in associates | - | 61 |
| Other non operating expenses | | |
| - Goodwill impairment | 1,027 | 555 |
| - Asset impairment | - | 1,064 |
| - Restructuring Costs | 592 | 1,630 |
| - Acquisition related costs | 109 | 138 |
| Depreciation & amortisation | 43,482 | 44,667 |
| Adjusted EBITDA (non-GAAP measure) | 47,348 | 56,191 |

| Reconciliation to GAAP measure | 12 months to June 2023 \$000 | 12 months to June 2022 \$000 |
|--|------------------------------------|------------------------------------|
| Loss Before Income Tax (GAAP Measure) | (7,592) | (3,207) |
| Add back: | | |
| Share of loss of associates | 74 | 103 |
| Finance costs (net) | 9,656 | 11,180 |
| Impairment of investment in associates | - | 61 |
| Other non operating expenses | | |
| - Goodwill impairment | 1,027 | 555 |
| - Asset impairment | - | 1,064 |
| - Restructuring Costs | 592 | 1,630 |
| - Acquisition related costs | 109 | 138 |
| Adjusted EBIT (non-GAAP measure) | 3,866 | 11,524 |

6. 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.

During the reportable period there was a change in the Chief Operating Decision Maker (CODM) assessed now as the Group CEO.

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 revised reportable operating segments have been determined as:

INTERNATIONAL

This segment includes international freight forwarding and shipping 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.

The segment information for the year ended 30 June is as follows:

| | International | Specialist | Freighting | Contract Logistics | Corporate | Total |
|--|---------------|---------------|----------------|--------------------|---------------|----------------|
| | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 |
| Year ended 30 June 2022 | | | | | | |
| Total segment revenue | 10,878 | 14,339 | 195,354 | 158,759 | - | 379,330 |
| Inter-segment revenue | (16) | (111) | (14,489) | (4,593) | - | (19,209) |
| Revenue from external customers | 10,862 | 14,228 | 180,865 | 154,166 | - | 360,121 |
| EBITDA | 3,852 | 1,861 | 18,502 | 34,981 | (3,005) | 56,191 |
| Depreciation - tangible assets | 138 | 1,639 | 5,072 | 3,908 | 291 | 11,048 |
| Depreciation - ROU assets | 217 | 811 | 10,574 | 19,351 | 161 | 31,114 |
| Depreciation - intangible assets | 1 | 62 | 6 | 1,850 | 586 | 2,505 |
| EBIT | 3,496 | (651) | 2,850 | 9,872 | (4,043) | 11,524 |
| Assets | 20,460 | 25,263 | 130,567 | 141,331 | 9,496 | 327,117 |
| Liabilities | 13,704 | 6,149 | 95,880 | 102,795 | 35,596 | 254,124 |
| Capital expenditure including intangibles | 1,036 | 91 | 1,432 | 2,881 | 267 | 5,707 |

| | | | | | | |
|--|---------------|---------------|----------------|----------------|---------------|----------------|
| Year ended 30 June 2023 | | | | | | |
| Total segment revenue | 19,894 | 18,760 | 154,446 | 163,192 | - | 356,292 |
| Inter-segment revenue | (133) | (28) | (8,449) | (3,809) | - | (12,419) |
| Revenue from external customers | 19,761 | 18,732 | 145,997 | 159,383 | - | 343,873 |
| EBITDA | 2,220 | 4,324 | 9,306 | 34,403 | (2,905) | 47,348 |
| Depreciation - tangible assets | 973 | 2,244 | 4,541 | 3,620 | 245 | 11,623 |
| Depreciation - ROU assets | 247 | 878 | 10,746 | 17,422 | 158 | 29,451 |
| Depreciation - intangible assets | 3 | 87 | 4 | 1,745 | 569 | 2,408 |
| EBIT | 997 | 1,115 | (5,985) | 11,616 | (3,877) | 3,866 |
| Assets | 35,347 | 21,388 | 111,193 | 134,675 | 2,633 | 305,236 |
| Liabilities | 16,901 | 4,834 | 84,939 | 97,919 | 25,740 | 230,333 |
| Capital expenditure including intangibles | 12,589 | 747 | 2,344 | 3,608 | 202 | 19,490 |

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.

Revenues of approximately \$53,000,000 (2022: \$47,100,000) are derived from a single external customer which exceeds 10% or more of the entity's revenue. These revenues are attributed to the Contract Logistics segment.

7. REVENUE & OTHER SOURCES OF INCOME

Revenue comprises the fair value of the consideration received or receivable for the sale of services in the ordinary course of the Group's activities. Revenue is shown net of GST, rebates and after eliminating sales within the Group.

a. Sale of services

Freight Services

The Group performs transportation services. Revenue is recognised over the time of delivery, being from the time of acceptance of the goods to delivery to the final destination.

Warehousing Services

The logistics function provides warehousing and storage services. Revenue from providing these services is recognised in the accounting period in which the services are rendered. Some contracts include multiple deliverables. However, these are easily identifiable and are accounted for as separate performance obligations.

Trading Services

The Group performs freight forwarding, trans tasman shipping and agency services. Revenue is recognised over the time of delivery, being from the time of acceptance of the job to completion of the shipment. Revenue is recognised for agency and freight forwarding on a net basis after disbursements as the Group are acting as an agent for the customer.

For fixed priced contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided. This is because the customer receives and uses the benefits of the service simultaneously.

Customers are invoiced on a daily, weekly or monthly basis and consideration is payable when invoiced. There are no significant financing arrangements for any of the Group's revenue streams. The Group does not offer any refunds or warranties.

The Group derives the following types of revenue:

| | 2023 \$000 | 2022 \$000 |
|----------------------|----------------|----------------|
| Freight | 269,884 | 296,302 |
| Warehousing | 53,365 | 51,207 |
| Trading | 20,624 | 12,612 |
| Total Revenue | 343,873 | 360,121 |

| Timing of revenue recognition | June 2023 \$000 | June 2022 \$000 |
|-------------------------------|--------------------|--------------------|
| Over time | 343,873 | 360,121 |
| At a point in time | - | - |
| Total Revenue | 343,873 | 360,121 |

b. Interest income

Interest income is recognised on a time-proportion basis using the effective interest method.

c. Dividend income

Dividend income is recognised when the right to receive payment is established.

d. Lease income

Lease income from operating leases where the Group is a lessor is recognised as rental income on a straight-line basis over the lease term.

e. Financing component

The Group does not expect to have any contracts where the period between the transfer of the promised service to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

f. Contract liability

The Group recognises a contract liability (deferred revenue) when the Group has recognised consideration for performance obligations yet to be fulfilled. The opening balance has been recognised in revenue in the current year. In the current year, there was \$341,000 (2022: \$504,000) of revenue recognised relating to contract liabilities at the prior year end. The average timing of satisfaction of performance obligation in relation to the payment of the contract liability is between 1 and 5 days. Management expects that 100% of the revenue (transaction price) allocated to unsatisfied performance obligations as of 30 June 2023 will be recognised as revenue during the next reporting period (\$521,000).

g. Government grants

Grants from the Government are recognised at their fair value where there is reasonable assurance that the grant will be received, and the Group will comply with the attached conditions.

COVID-19 wage subsidy grants of \$114,000 (2022: \$447,000) and a grant from Waka Kotahi to support a co-funded coastal shipping initiative \$0 (2022: \$750,000) are both included in the 'other income' line item. There are no unfulfilled conditions or other contingencies attached to these grants.

During the year the Group received \$3,000,000 (remaining grant to be received of \$6.25m) from Waka Kotahi to support the co-funded coastal shipping initiative. The funding is included as deferred revenue as this relates to funding for a ship of which the build is yet to be completed. Once completed, the grant will be recognised in profit or loss over the period necessary to match them with the conditions they are intended to compensate (over the life of the asset).

8. OPERATING EXPENSES BY NATURE

| | 2023 \$000 | 2022 \$000 |
|--|----------------|----------------|
| Transport costs ¹ | 145,311 | 151,655 |
| Employee costs (note 8.1) | 117,040 | 122,696 |
| Property lease expenses | 595 | 618 |
| Operating lease expenses | 4,007 | 3,695 |
| Trading and warehousing expenses | 9,898 | 6,273 |
| Communications | 6,205 | 5,407 |
| Occupancy costs | 7,398 | 7,381 |
| Travel and accommodation | 3,568 | 2,916 |
| Bad debts | 369 | 425 |
| Foreign exchange gain | (363) | (231) |
| Remuneration paid to principal auditors (PwC) | | |
| Assurance services | | |
| Audit and review of financial statements, including associated disbursements | 352 | 310 |
| Non-assurance services | | |
| Other advisory services related to: | | |
| - ASX Compliance Listing | - | 41 |
| Donations | 6 | 23 |
| Directors fees | 448 | 471 |
| Depreciation and amortisation | 43,482 | 44,667 |
| Impairment of investment in associates | - | 61 |
| Non operating expenses (refer note 5) | 1,728 | 3,387 |
| Share based payments | 15 | 6 |
| Other expenses | 5,477 | 6,138 |
| Total operating expenses | 345,536 | 355,939 |

¹ Includes costs relating to transportation including road user charges (RUC), fuel, tyres, repairs and maintenance, owner driver and subcontractor costs.

8.1. Employee Costs

a. Superannuation benefits

The Group operates a defined contribution superannuation scheme. The scheme is funded through employee and Group contributions to a trustee-administered fund. The Group has no further payment obligations once contributions have been paid. Contributions are recognised as an employee benefits expense when they are due.

MOVE Freight Limited has a historic defined contribution company superannuation scheme that has been operating for a number of years. The Company has contribution rates from 4% - 6%.

Members contribute a minimum of 4% of their salary/wage and can go as high as 15%. The Company contributions are vested to the member at the rate of 20% per year of service with the Company i.e. 100% after five years of service.

b. Other employee benefits

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave are expected to be settled within 12 months. They are measured at the amounts expected to be paid when the liabilities are settled.

c. Long service leave

The liabilities for long service leave and annual leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured at the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of high-quality corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Re-measurement as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

d. Profit-sharing and bonus plans

The Group recognises a liability and an expense for bonuses and profit-sharing based on a formula that takes into consideration the profit attributable to the Company's shareholders after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

| | 2023 \$000 | 2022 \$000 |
|-----------------------------------|----------------|----------------|
| Wages, salaries & leave costs | 99,636 | 107,722 |
| Superannuation fund contributions | 2,615 | 2,831 |
| Other employee related costs | 14,789 | 12,143 |
| Total | 117,040 | 122,696 |

9. INCOME TAX EXPENSE

The tax expense for the year comprised current and deferred tax. Tax is recognised in the profit or loss component of the Statement of Profit or Loss & Other Comprehensive Income except to the extent that it relates to items recognised directly in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or equity respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income.

| | 2023 \$000 | 2022 \$000 |
|---------------------------------------|---------------|---------------|
| Current tax on loss for the year | (676) | (968) |
| Adjustments in respect to prior years | 261 | 10 |
| Deferred tax | 2,170 | 1,061 |
| | 1,755 | 103 |

The prima facie income tax expense on pre-tax accounting profit from operations reconciles to the income tax expense in the financial statements as follows:

| | 2023 \$000 | 2022 \$000 |
|--|----------------|----------------|
| Loss from operations before tax | (7,592) | (3,207) |
| Add back: | | |
| Impairment of investment in associates | - | 61 |
| Share of loss of associates | 74 | 103 |
| | (7,518) | (3,043) |
| Prima facie tax receivable/(payable) at 28% | 2,105 | 852 |
| Tax effects of: | | |
| Expenses not deductible | (651) | (540) |
| Effect of tax rates in foreign jurisdictions | 40 | 37 |
| Tax losses utilised in prior year | - | (256) |
| Prior year adjustment | 261 | 10 |
| Income tax credit | 1,755 | 103 |

Imputation credits

| | 2023 \$000 | 2022 \$000 |
|--|---------------|---------------|
| Imputation credits available for use in subsequent periods | 3,884 | 3,194 |

10. DIVIDENDS PAID AND PROPOSED

Dividends to the company shareholders are recognised in the Group's financial statements in the period in which the dividends are declared. Intercompany dividends are eliminated on consolidation.

No dividends have been declared by the company or recognised in the current year (2022: nil).

11. EARNINGS PER SHARE

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is computed based on the weighted average number of ordinary shares outstanding during the period. Diluted EPS is computed based on the weighted average number of ordinary shares plus the effect of dilutive potential ordinary shares outstanding during the period. At balance date, the effects of the potential ordinary shares were antidilutive. The potential ordinary shares include the share options.

| | 12 months to 30 June 2023 | 12 months to 30 June 2022 |
|--|------------------------------|------------------------------|
| | \$000 | \$000 |
| Loss attributable to the owners for the year | (7,190) | (4,208) |
| Weighted average number of shares | 116,370,142 | 106,048,755 |
| | Cents | Cents |
| Basic & diluted earnings per share | (6.18) | (3.97) |

12. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The Group classifies its financial assets at amortised cost. The classification depends on the purpose for which the financial assets are held. Management determines the classification of its financial assets at initial recognition.

Financial assets are included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non-current assets. The Group's financial assets comprise 'Trade and other receivables', 'Cash and cash equivalents' and 'Advances to associates' in the Balance Sheet. Financial assets that are stated at amortised cost are reviewed individually at balance date to determine whether there is objective evidence of impairment. Any impairment losses are recognised in the consolidated Statement of Profit or Loss and other comprehensive income.

This note provides information about the Group's financial instruments, including:

- An overview of all financial instruments held by the Group
- Specific information about each type of financial instrument
- Information about determining the fair value of the instruments, including judgements and estimations of uncertainty involved.

The Group holds the following financial instruments:

| Financial Assets | Notes | AMORTISED COST | |
|--|-------|----------------|---------------|
| | | 2023 \$000 | 2022 \$000 |
| Cash and cash equivalents | 12.1 | 8,744 | 14,940 |
| Trade and other receivables ¹ | 12.2 | 51,519 | 59,276 |
| Total | | 60,263 | 74,216 |

¹excluding non financial assets

| Financial Liabilities | Notes | FINANCIAL LIABILITIES AT AMORTISED COST | |
|-----------------------------|-------|---|---------------|
| | | 2023 \$000 | 2022 \$000 |
| Trade Payables ¹ | 12.3 | 32,778 | 36,592 |
| Employee entitlements | 12.4 | 11,023 | 10,476 |
| Borrowings | 12.5 | 24,323 | 28,037 |
| Convertible note | 12.5 | – | 8,641 |
| Total | | 68,124 | 83,746 |

¹excluding non-financial liabilities

The Group's exposure to various risks associated with the financial instruments is discussed in note 3. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial assets mentioned above, other than for trade and other receivables where the maximum credit risk is the balance before impairment, being \$53,318,000 (2022: \$60,678,000).

12.1. Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held on call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the Balance Sheet.

Cash and cash equivalents include the following for the purpose of the cash flow statement:

| | 2023 \$000 | 2022 \$000 |
|---|---------------|---------------|
| Cash | 9,177 | 14,940 |
| Bank overdrafts (undrawn, refer note 3.3) | (433) | – |
| Total | 8,744 | 14,940 |

12.2. Trade and Other Receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method less provision for expected credit loss.

The Group assesses on a forward looking basis the expected credit losses associated with trade receivables carried at amortised cost. The Group applies the simplified approach permitted by NZ IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. Impairment of trade receivables is recognised in profit or loss.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable has been impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the original effective interest rate.

| | 2023 \$000 | 2022 \$000 |
|---|---------------|---------------|
| Trade receivables | 50,374 | 56,829 |
| Trade receivables with related parties | – | 2 |
| Less expected credit loss (refer note 3.1(a)) | (1,965) | (1,402) |
| Net trade receivables | 48,409 | 55,429 |
| Accrued revenue | 2,934 | 3,530 |
| Sundry receivables | 176 | 317 |
| Financial assets at amortised cost | 51,519 | 59,276 |
| Prepayments | 1,799 | 1,018 |
| Total trade and other receivables | 53,318 | 60,294 |

Trade receivables are generally due for settlement within 30 to 90 days.

12.3. Trade and Other Payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

| | 2023 \$000 | 2022 \$000 |
|--------------------------------|---------------|---------------|
| Trade payables | 16,732 | 17,583 |
| Trade payables related parties | - | 74 |
| GST payable | 1,074 | 1,500 |
| Lease incentive | 86 | 12 |
| Accrued expenses | 15,960 | 18,923 |
| Total | 33,852 | 38,092 |

Trade payables are unsecured and are usually paid within 30 to 60 days of recognition.

12.4. Employee Entitlements

| | 2023 \$000 | 2022 \$000 |
|--------------------------|---------------|---------------|
| Leave provision | 7,393 | 7,731 |
| Salary and wage accruals | 3,630 | 2,745 |
| Total | 11,023 | 10,476 |

12.5. Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost using the effective interest method. Any 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.

Borrowing costs are expensed as incurred, unless they relate to the acquisition, construction or production of a qualifying asset in which case the borrowing costs are capitalised.

The ANZ Bank Limited (ANZ) facilities include a \$15m flexible credit facility (undrawn at 30 June 2023), an overdraft facility of \$5m, a term loan of \$24.3m and bank guarantee's totalling \$11.6m (refer note 17).

| | 2023 \$000 | 2022 \$000 |
|---------------------------------|---------------|---------------|
| Non-Current | | |
| Secured loan ANZ | 20,615 | 24,324 |
| | 20,615 | 24,324 |
| Current | | |
| Secured loan ANZ | 3,708 | 3,708 |
| Secured loan Mainland Capital | - | 5 |
| | 3,708 | 3,713 |
| Total secured borrowings | 24,323 | 28,037 |

The Group is required to comply with a number of financial covenants. These are as follows:

- Leverage Ratio of <2.5x
- Fixed Charge Cover Ratio of >1.25x
- Net capital expenditure not exceeding 110% of budgeted capital expenditure
- Guarantor coverage Assets of >85%
- Guarantor coverage EBITDA of >90%

The Group has fully complied with the ANZ facility covenants to 30 June 2023.

Post year end the Group forecast potential covenant breaches due to the FY23 performance of Freight and the economic headwinds being faced at the start of the 2024 financial year. Accordingly, the Group sought and obtained credit approval from ANZ to amend the quarterly covenants as below:

- EBITDA actual > 85% of EBITDA budget on a YTD basis
- Net capital expenditure not exceeding 110% of budgeted capital expenditure (annual test)
- Guarantor coverage Assets of >85%
- Guarantor coverage EBITDA of >90%

The Group has also agreed with ANZ that the undrawn \$15m flexible credit facility be reduced to \$7.5m and that the overdraft facility be adjusted from \$5.0m to \$2.5m as part of the credit approval process.

The revised agreements are subject to final review by the respective legal teams.

The Group is forecasting compliance with the credit approved financial covenants for at least 12 months from the date of signing the financial statements. Accordingly, the consolidated financial statements are prepared on a going concern basis.

12.6. Convertible Note

Convertible notes are comprised of two elements: a debt note liability component and an embedded derivative component. At the inception, the fair value of the host liability portion of the convertible notes is determined as being the difference between the proceeds and the fair value of any identifiable derivative contained within the note. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or maturity of the notes.

The fair value of the embedded derivative component is calculated through a valuation model using a variety of assumptions, with the residual value assigned to the debt host components. The estimates and associated assumptions are based on various factors that are believed to be reasonable under the circumstances, the results for which form the basis of making the judgements. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. No gain or loss on fair value changes is recognised on inception. Valuation of the embedded derivative is calculated at each year end, with any gain or loss recognised in the consolidated Statement of Profit or Loss and Other Comprehensive income.

The debt liability component is subsequently carried at amortised cost. Each note has a principal amount of \$50k with a maturity date of 30 April 2026. Interest of 5% per annum is paid quarterly on the convertible notes.

Embedded derivatives

Derivatives are initially recognised at fair value and are subsequently remeasured to their fair value at each reporting date.

An embedded derivative is a component of a hybrid contract that also includes a non-derivative host (e.g. convertible notes). Derivatives embedded in hybrid contracts that are financial liabilities are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to the host contract and the host contract is not measured at fair value through profit or loss.

The conversion option of the convertible note represents an embedded derivative which is separated from the debt host contract on initial recognition and measured through the profit and loss. The debt component is held at amortised cost and on initial recognition is offset by the fair value of the conversion element, this is incorporated in the effective interest which is recognised over the term to optimal conversion date.

On 30 June 2023 in line with the option to convert, all note holders converted the total of \$8.2m notes into shares. All notes were converted to shares at a variable rate based on a 10% discount to the market price totaling 11,228,890 shares (refer note 14).

The movement in the carrying value of the convertible notes liability is as follows:

| | 2023 \$000 | 2022 \$000 |
|--|---------------|---------------|
| As at 1 July | 7,792 | 7,395 |
| Amortisation of embedded derivative liability at date of issue | 408 | 397 |
| Issue of shares on conversion | (8,200) | - |
| As at 30 June | - | 7,792 |

The movement in the carrying value of the convertible note derivative liability is as follows:

| | 2023 \$000 | 2022 \$000 |
|----------------------|---------------|---------------|
| As at 1 July | 849 | 834 |
| Fair value movement | (874) | 15 |
| Conversion | 25 | - |
| As at 30 June | - | 849 |

13. NON-FINANCIAL ASSETS AND LIABILITIES

This note provides information about the Group's non-financial assets and liabilities, including specific information about each type of non-financial asset and non-financial liability:

- Property, plant and equipment (note 13.1)
- ROU assets and lease liabilities (note 13.2)
- Intangible assets (note 13.3)
- Deferred tax balances (note 13.4)
- Provisions for other liabilities and charges (note 13.5)

Impairment of non-financial assets

Goodwill, indefinite-life intangible assets and intangible assets that are not yet ready for use are tested annually for impairment. Assets that are subject to depreciation and amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to dispose and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets, other than goodwill, that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

13.1. Property, Plant and Equipment

All property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Depreciation on assets is calculated using the diminishing value (DV) or straight-line (SL) method.

| | Years | Depreciation rate | Method |
|--|----------|-------------------|--------|
| Plant and equipment - leasehold improvements | 1 - 16 | 2.5% - 50% | SL/DV |
| Motor vehicles - trucks | 0.5 - 14 | - | SL |
| Motor vehicles - trailers | 0.5 - 18 | - | SL |
| Plant and equipment | 1 - 30 | 7.5% - 67% | SL/DV |
| Motor vehicles - other | 1 - 25 | 13% - 30% | SL/DV |
| Office equipment | 1.5 - 14 | 8% - 67% | SL/DV |
| Furniture and fittings | 0.5 - 14 | 4% - 67% | SL/DV |
| Leased assets | 1 - 14 | - | SL |
| Land and buildings | | 0% - 30% | DV |
| Ship | 5 | - | SL |

The assets' useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'Gains on disposal of assets' in the Statement of Profit or Loss & Other Comprehensive Income.

| | Land and buildings | Motor vehicles | Office equipment and F&F | Plant and equipment | Ship | Work in progress | Total |
|---|--------------------|----------------|--------------------------|---------------------|----------|------------------|---------------|
| | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 |
| At 1 July 2021 | | | | | | | |
| Cost | 580 | 155,944 | 5,491 | 25,788 | - | 320 | 188,123 |
| Accumulated depreciation | (277) | (82,619) | (3,958) | (13,484) | - | - | (100,338) |
| Net book amount | 303 | 73,325 | 1,533 | 12,304 | - | 320 | 87,785 |
| Year ended 30 June 2022 | | | | | | | |
| Additions | - | 1,215 | 242 | 1,588 | - | 2,474 | 5,519 |
| Disposals | (18) | (4,034) | (40) | (223) | - | - | (4,315) |
| Transfers | - | 303 | (24) | 213 | - | (492) | - |
| Depreciation charge | (6) | (8,377) | (488) | (2,177) | - | - | (11,048) |
| Impairment | - | - | - | - | - | (932) | (932) |
| Transfers to assets classified as held for sale | - | (16,308) | (13) | (2,868) | - | (59) | (19,248) |
| Closing net book amount | 279 | 46,124 | 1,210 | 8,837 | - | 1,311 | 57,761 |

| | Land and buildings | Motor vehicles | Office equipment and F&F | Plant and equipment | Ship | Work in progress | Total |
|---|--------------------|----------------|--------------------------|---------------------|--------------|------------------|---------------|
| | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 |
| At 1 July 2022 | | | | | | | |
| Cost | 556 | 134,679 | 5,561 | 26,977 | - | 1,370 | 169,143 |
| Accumulated depreciation | (277) | (72,247) | (4,338) | (15,272) | - | - | (92,134) |
| Transfers to assets classified as held for sale | - | (16,308) | (13) | (2,868) | - | (59) | (19,248) |
| Net book amount | 279 | 46,124 | 1,210 | 8,837 | - | 1,311 | 57,761 |
| Year ended 30 June 2023 | | | | | | | |
| Transfers from assets classified as held for sale | - | 16,308 | 13 | 2,868 | - | 59 | 19,248 |
| Additions | - | 1,564 | 385 | 1,706 | 8,543 | 7,285 | 19,483 |
| Disposals | (1) | (2,013) | (4) | (111) | - | (15) | (2,144) |
| Transfers | - | 1,807 | 72 | 2,246 | - | (4,125) | - |
| Depreciation charge | (5) | (8,337) | (376) | (2,083) | (822) | - | (11,623) |
| Foreign currency adjustment | - | - | - | 5 | (682) | - | (677) |
| Closing net book amount | 273 | 55,453 | 1,300 | 13,468 | 7,039 | 4,515 | 82,048 |
| At 30 June 2023 | | | | | | | |
| Cost | 547 | 124,205 | 5,490 | 29,401 | 7,877 | 4,515 | 172,035 |
| Accumulated depreciation | (274) | (68,752) | (4,190) | (15,933) | (838) | - | (89,987) |
| Closing net book amount | 273 | 55,453 | 1,300 | 13,468 | 7,039 | 4,515 | 82,048 |

13.2. Right Of Use (ROU) Assets and Lease Liabilities

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments, less any lease incentives receivable and
- variable lease payments that are based on an index or a rate.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

Right of use assets are measured at the amount equal to the lease liability, adjusted by the amount of any lease incentives received or restoration costs estimated. There were no onerous lease contracts that would have required an adjustment to the right of use assets at the date of initial application. These assets are subsequently depreciated using the straight-line method.

Lease liabilities are measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate. The weighted average lessee's incremental borrowing rate applied to the lease liabilities is 4.66% (2022: 4.49%).

The Group uses a build up approach that starts with a risk free interest rate adjusted to reflect changes in credit risk for leases held by the Group and then makes specific adjustments for lease terms.

During the year, the Group applied the following practical expedients:

- the accounting for operating leases with a remaining lease term of less than 12 months as short-term leases
- the use of historical experience in determining the lease term where the contract contains options to extend or terminate the lease
- recognising rental concessions obtained as a direct result of the COVID-19 pandemic as a reduction to rental expenses in the Statement of Profit or Loss and Other Comprehensive Income

The recognised right of use assets relate to the following types of assets:

| Right of use assets | 2023 \$'000 | 2022 \$'000 |
|---|----------------|----------------|
| Opening net book value 1 July | 150,381 | 164,826 |
| Transfers from assets classified as held for sale | 2,733 | - |
| Additions | 14,118 | 6,468 |
| Disposals | (7,170) | (4,523) |
| Modifications to leases | 13,983 | 17,457 |
| Transfers to assets classified as held for sale | - | (2,733) |
| Depreciation for the period | | |
| - Property | (19,207) | (20,842) |
| - Motor vehicles | (9,659) | (9,643) |
| - Other | (585) | (629) |
| Closing net book value 30 June | 144,594 | 150,381 |
| Cost | 253,839 | 238,007 |
| Accumulated depreciation | (109,245) | (84,893) |
| Transfers to assets classified as held for sale | - | (2,733) |
| Net book value at 30 June | 144,594 | 150,381 |
| Property | 112,841 | 121,820 |
| Motor vehicles | 30,238 | 26,460 |
| Other | 1,515 | 2,101 |
| Total right of use assets | 144,594 | 150,381 |

| Lease liabilities | \$000 |
|--|----------------|
| Opening lease liabilities at 1 July 2022 | 159,731 |
| Additions | 14,118 |
| Interest for the period | 7,418 |
| Lease payments made | (34,736) |
| Disposals | (6,400) |
| Modifications | 12,504 |
| Transfers from liabilities classified as held for sale | 2,761 |
| Lease liabilities at 30 June 2023 | 155,396 |

| Lease liabilities maturity analysis | Minimum lease payment \$000 | Interest \$000 | Present value \$000 |
|--|--|---------------------------|--------------------------------|
| Within one year | 32,658 | 6,865 | 25,793 |
| One to five years | 88,228 | 18,356 | 69,872 |
| Beyond five years | 68,596 | 8,865 | 59,731 |
| Total | 189,482 | 34,086 | 155,396 |
| Current lease liabilities | 32,658 | 6,865 | 25,793 |
| Non-current lease liabilities | 156,824 | 27,221 | 129,603 |
| Total | 189,482 | 34,086 | 155,396 |

| Lease liabilities | 2023 \$000 | 2022 \$000 |
|-------------------------------|-----------------------|-----------------------|
| At 30 June | | |
| Current lease liabilities | 25,793 | 26,393 |
| Non-current lease liabilities | 129,603 | 133,338 |
| Total | 155,396 | 159,731 |

Lease related expenses included in the Consolidated Statement of Profit & Loss & Other Comprehensive Income:

| | 2023 \$000 | 2022 \$000 |
|-----------------------------------|-----------------------|-----------------------|
| For the year ended 30 June | | |
| Depreciation | 29,451 | 31,113 |
| Short term lease | 4,602 | 4,313 |
| Interest on leases | 7,418 | 8,079 |
| Total | 41,471 | 43,505 |

13.3. Intangible Assets

a. Goodwill

Goodwill represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree, and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired. Goodwill on acquisitions of subsidiaries is included in 'Intangible assets' in the Balance Sheet. Goodwill on acquisitions of associates is included in 'Investments in associates' in the balance sheet and is tested for impairment as part of the overall balance. Separately recognised goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination on which the goodwill arose.

b. Computer software and Software-as-a-service (SaaS) arrangements

Acquired computer software is capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised, using the diminishing value method at a rate of 48% and recognised in the profit or loss. Costs associated with maintaining computer software programmes are recognised as an expense when incurred.

SaaS arrangements are service contracts providing the Company with the right to access the cloud provider's application software over the contract period. Costs incurred to configure or customise, and the ongoing fees to obtain access to the cloud provider's application software, are recognised as operating expenses when the services are received.

Some of these costs incurred are for the development of software code that enhances or modifies, or creates additional capability to, existing on-premise systems and meets the definition of and recognition criteria for an intangible asset. These costs are recognised as intangible software assets and amortised over the useful life of the software on a straight-line basis. The useful lives of these assets are reviewed at least at the end of each financial year, and any change accounted for prospectively as a change in accounting estimate.

c. Customer contracts and lists

Acquired customer contracts and lists are recognised at their fair value at the date of acquisition and are subsequently amortised on a straight-line basis over the appropriate contract term. Amortisation expense is recognised in the profit or loss.

| | Goodwill | Computer software | Work in progress | Customer lists | Total |
|------------------------------------|---------------|-------------------|------------------|----------------|---------------|
| | \$000 | \$000 | \$000 | \$000 | \$000 |
| At 1 July 2021 | | | | | |
| Cost | 15,217 | 4,902 | 138 | 10,505 | 30,762 |
| Accum. amortisation and impairment | - | (2,848) | - | (6,741) | (9,589) |
| Net book amount | 15,217 | 2,054 | 138 | 3,764 | 21,173 |
| Year ended 30 June 2022 | | | | | |
| Additions | - | 180 | 34 | - | 214 |
| Disposals | - | (13) | - | - | (13) |
| Transfer to held for sale | - | - | - | (255) | (255) |
| Transfers | - | 138 | (138) | - | - |
| Amortisation charge | - | (854) | - | (1,652) | (2,506) |
| Impairment | (555) | - | - | - | (555) |
| Closing net book amount | 14,662 | 1,505 | 34 | 1,857 | 18,058 |

| | Goodwill | Computer software | Work in progress | Customer lists | Total |
|------------------------------------|---------------|-------------------|------------------|----------------|---------------|
| | \$000 | \$000 | \$000 | \$000 | \$000 |
| At 1 July 2022 | | | | | |
| Cost | 15,217 | 5,198 | 34 | 10,505 | 30,954 |
| Transfer to held for sale | - | - | - | (255) | (255) |
| Accum. amortisation and impairment | (555) | (3,693) | - | (8,393) | (12,641) |
| Net book amount | 14,662 | 1,505 | 34 | 1,857 | 18,058 |
| Year ended 30 June 2023 | | | | | |
| Transfer from held for sale | - | - | - | 255 | 255 |
| Additions | - | 7 | - | - | 7 |
| Disposals | - | (42) | - | - | (42) |
| Transfers | - | 34 | (34) | - | - |
| Amortisation charge | - | (764) | - | (1,644) | (2,408) |
| Impairment | (1,027) | - | - | - | (1,027) |
| Closing net book amount | 13,635 | 740 | - | 468 | 14,843 |
| At 30 June 2023 | | | | | |
| Cost | 13,635 | 5,060 | - | 1,681 | 20,376 |
| Accum. amortisation and impairment | - | (4,320) | - | (1,213) | (5,533) |
| Closing net book amount | 13,635 | 740 | - | 468 | 14,843 |

The Group has classified its goodwill into the following cash-generating units (CGUs):

| | 2023 \$000 | 2022 \$000 |
|---|---------------|---------------|
| MOVE Freight Limited | - | 1,027 |
| Alpha Customs Limited | 776 | 776 |
| MOVE Logistics & Warehousing Limited | 12,492 | 12,492 |
| TNL International Limited | 170 | 170 |
| TNL International Australia Pty Limited | 197 | 197 |
| Total | 13,635 | 14,662 |

The Group tests goodwill for impairment using the higher of value in use calculations with cash flow projections based on a five-year period and the fair value less costs to sell. Management has prepared an upside, downside and base scenario for each CGU. Each of these include the Board approved cash flow projections with cashflows beyond this extrapolated using the assumptions as noted below. The final value in use calculations for each CGU apply an assessed probability weighting to the three scenarios.

As part of the impairment assessment, MOVE Freight Limited goodwill of \$1,027,000 has been fully impaired as a result of an overall decrease in sales and a loss of a key customer contract (\$11m in sales per annum). The impairment charge is recognised in the non operating expenses in the statement of Profit or Loss and Other Comprehensive Income. No other class of assets have been impaired. Management has concluded that there are no other impairments for any other of the CGUs at 30 June 2023. The MOVE Logistics & Warehousing Limited CGU has a significant goodwill balance at 30 June 2023.

The key assumptions for the value in use calculations of MOVE Logistics & Warehousing Limited CGU is summarised below:

| | Discount rate post-tax | Discount rate pre-tax | Terminal growth rate | Revenue growth rate year 1* | Revenue growth rate year 2* | Revenue growth rate year 3 - 5* |
|--------------------------------------|------------------------|-----------------------|----------------------|-----------------------------|-----------------------------|---------------------------------|
| 30 June 2022 | | | | | | |
| MOVE Logistics & Warehousing Limited | 10.3% | 13.8% | 1.2% | 2.9% | 1.9% | 0.0% - 1.0% |
| 30 June 2023 | | | | | | |
| MOVE Logistics & Warehousing Limited | 10.7% | 14.8% | 1.2% | 4.5% | 0.0% | 0.0% |

*Probability weighted

The discount rate represents the current market assessment of the risks specific to the CGU considering the time value of money and individual risk of the underlying assets. The discount rate is calculated based on the specific circumstances of the CGU and its operations and is derived from its weighted average cost of capital (WACC). The Group engaged an independent third party to assess the post-tax weighted average cost of capital for each of the CGUs. These post-tax discount rates were applied to post-tax cash flows.

The long-term growth rate is based on growth projections, market conditions and opportunities for growth within the industry.

The net right of use assets and lease liabilities have been included in the carrying amount of net operating assets that have been tested for impairment for each of the CGUs.

Future revenue projections are based on assumed growth in sales revenue for both new and existing customers in the warehousing division. Management have confidence in the strategy to achieve this given the opportunities both internally and the demand within the market.

Based on the probability weighted value in use calculations, the recoverable amounts of the CGU exceed their carrying value at 30 June 2023 by the following amounts:

- MOVE Logistics & Warehousing Limited CGU: \$30.4m

In respect of the MOVE Logistics & Warehousing Limited CGU any reasonable possible change in the key assumptions used in the calculations would not cause the carrying value to exceed their recoverable amounts. Management has concluded that the goodwill balances at 30 June 2023 are not impaired (either using the probability weighted case or any of the individual scenarios), although they will continue to monitor the position closely for any evidence that the goodwill has become impaired.

13.4. Deferred Income Tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Temporary differences arise from the following:

| Deferred tax asset/ (liabilities) | Opening balance \$000 | Recognised in profit or loss \$000 | Prior year adjustment \$000 | Transfer of liabilities to held for sale \$000 | Deferred tax on disposal group \$000 | Closing balance \$000 |
|---------------------------------------|-----------------------------|---|-----------------------------------|---|---|-----------------------------|
| 2022 | | | | | | |
| Property, plant and equipment | (8,112) | 904 | - | 1,686 | 134 | (5,388) |
| Right of use assets / lease liability | 1,876 | 733 | - | (8) | 17 | 2,618 |
| Provisions and accruals | 3,298 | (320) | - | (92) | 33 | 2,919 |
| Carry forward losses | 256 | (256) | - | - | - | - |
| Total deferred income tax | (2,682) | 1,061 | - | 1,586 | 184 | 149 |
| 2023 | | | | | | |
| Property, plant and equipment | (5,388) | 859 | 367 | (1,686) | - | (5,848) |
| Right of use assets / lease liability | 2,618 | 749 | - | 8 | - | 3,375 |
| Provisions and accruals | 2,919 | 21 | 52 | 92 | - | 3,084 |
| Tax losses | - | 541 | - | - | - | 541 |
| Total deferred income tax | 149 | 2,170 | 419 | (1,586) | - | 1,152 |

13.5. Provisions for Other Liabilities and Charges

Provisions for make good obligations are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Provisions are measured at the present value of Management's best estimate of the expenditure required to settle the present obligations at the end of the reporting period.

| | Make good lease provision \$000 |
|---|---------------------------------------|
| At 1 July 2021 | 2,455 |
| Additional provisions | 61 |
| Utilised / released to profit or loss | (230) |
| Transfers to liabilities classified as held for sale | (20) |
| At 30 June 2022 | 2,266 |
| At 1 July 2022 | 2,266 |
| Additional provisions | 7 |
| Utilised / released to profit or loss | (16) |
| Reverse transfer from liabilities classified as held for sale | 20 |
| At 30 June 2023 | 2,277 |

a. Information about individual provisions estimates

Make good lease provision

The Group is required to restore the leased premises of its depot and warehouses to their original condition at the end of the respective lease terms. A provision has been recognised for the estimated expenditure required.

14. SHARE CAPITAL

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax from the proceeds.

| | 30 June 2023 | | 30 June 2022 | |
|---|--------------------|---------------|--------------------|---------------|
| | Shares | \$000 | Shares | \$000 |
| Issued & paid-up capital - ordinary shares | | | | |
| Balance at the beginning of the period | 116,385,129 | 75,188 | 87,684,882 | 37,054 |
| Shares issued - Convertible note (refer note 12.6) | 11,228,890 | 9,074 | 45,877 | 34 |
| Shares issued - AREO | - | - | 28,654,370 | 38,100 |
| Balance at the end of the period | 127,614,019 | 84,262 | 116,385,129 | 75,188 |

15. CASH FLOW INFORMATION

15.1. Cash Generated From Operations

| | 2023 \$000 | 2022 \$000 |
|--|---------------|---------------|
| Reported loss after tax | (5,837) | (3,104) |
| Non-cash items | | |
| Gain on lease modification | (711) | (188) |
| Depreciation expense | 41,074 | 42,161 |
| Amortisation expense | 2,408 | 2,506 |
| Bad debts | 369 | 210 |
| Amortisation of bank fees | 42 | 101 |
| Non cash movements on convertible note | 433 | 410 |
| Impairment of investment in associates | 3 | 61 |
| Foreign exchange losses on operating activities | (363) | (231) |
| Non trading expenses | 1,027 | 1,620 |
| Share based payments | (30) | 6 |
| Cumulative translation adjustment | 3 | 67 |
| | 38,418 | 43,619 |
| Impact of changes in working capital | | |
| Tax receivable / deferred tax | (2,675) | (585) |
| Trade and other receivables | 9,068 | (13,658) |
| Creditors and accruals/employee entitlements | (5,122) | 6,133 |
| Creditors relating to purchase of PPE | (352) | (403) |
| Inventories | (116) | (285) |
| | 39,221 | 34,821 |
| Items classified as investing or financing activities | | |
| Profit on disposal of property, plant and equipment | (880) | (387) |
| Loss for associates | 70 | 103 |
| Net cash flow from operating activities | 38,411 | 34,537 |

15.2. Net Debt Reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

| | 2023 \$000 | 2022 \$000 |
|--|------------------|------------------|
| Cash and cash equivalents | 8,744 | 14,940 |
| Lease liability - repayable within one year | (25,793) | (26,393) |
| Borrowings - repayable within one year (including overdraft) | (3,708) | (3,713) |
| Lease liability - repayable after one year | (129,603) | (133,338) |
| Borrowings - repayable after one year | (20,615) | (24,324) |
| Convertible note - repayable after one year | - | (7,792) |
| Net debt | (170,975) | (180,620) |
| Cash and liquid investments | 8,744 | 14,940 |
| Liability - incremental borrowing rate | (155,396) | (159,731) |
| Borrowings - fixed interest rates | (20,000) | (27,797) |
| Borrowings - variable interest rates | (4,323) | (8,032) |
| Net debt | (170,975) | (180,620) |

| | Liabilities from financing activities | | | | Cash/bank overdraft | Total |
|------------------------------------|---------------------------------------|-----------------|------------------|------------------|------------------------|------------------|
| | Convertible note | Borrowings | Leases | Subtotal | | |
| | \$000 | \$000 | \$000 | \$000 | | |
| Net debt as at 1 July 2021 | (7,395) | (70,163) | (171,528) | (249,086) | 13,214 | (235,872) |
| Cash flows | - | 42,226 | 35,342 | 77,568 | 1,726 | 79,294 |
| Lease additions | - | - | (6,834) | (6,834) | - | (6,834) |
| Other non-cash movements | (397) | (100) | (16,711) | (17,208) | - | (17,208) |
| Net debt as at 30 June 2022 | (7,792) | (28,037) | (159,731) | (195,560) | 14,940 | (180,620) |
| Cash flows | - | 3,755 | 34,736 | 38,491 | (6,196) | 32,295 |
| Lease additions | - | - | (14,118) | (14,118) | - | (14,118) |
| Other non-cash movement | 7,792 | (41) | (16,283) | (8,532) | - | (8,532) |
| Net debt as at 30 June 2023 | - | (24,323) | (155,396) | (179,719) | 8,744 | (170,975) |

16. INTEREST IN OTHER ENTITIES

16.1. Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2.1.

All subsidiaries results up to 30 June 2023 have been incorporated in the consolidated financial statements.

| Subsidiary | Shareholding 30 June 2023 | Shareholding 30 June 2022 | Balance date | Country of Incorporation | Principal activity |
|---|------------------------------|------------------------------|-----------------|-----------------------------|---------------------------------|
| MOVE Freight Limited | 100% | 100% | 30 June | New Zealand | Transport operator |
| MOVE Fuel Limited | 100% | 100% | 30 June | New Zealand | Transport operator |
| Alpha Custom Services Limited | 60% | 60% | 30 June | New Zealand | International freight forwarder |
| Pacific Asset Leasing Limited | 100% | 100% | 30 June | New Zealand | Asset leasing |
| MOVE International Limited | 100% | 100% | 30 June | New Zealand | Shipping agent and logistics |
| MOVE Logistics & Warehousing Limited | 100% | 100% | 30 June | New Zealand | Warehousing and distribution |
| Southern Fleet Leasing Limited | 100% | 100% | 30 June | New Zealand | Asset leasing |
| TNL International Limited | 50% | 50% | 30 June | New Zealand | International freight forwarder |
| Appian Transport Limited | 100% | 100% | 30 June | New Zealand | Non trading |
| Global Logistics Group Limited | 100% | 100% | 30 June | New Zealand | Non trading |
| MOVE Specialist Lifting and Transport Limited | 100% | 100% | 30 June | New Zealand | Heavy Haulage |
| MOVE Investments Limited | 100% | 100% | 30 June | New Zealand | Corporate services |
| MOVE Liquid Logistics Limited | 100% | 100% | 30 June | New Zealand | Non trading |
| MOVE Oceans Singapore PTE Limited | 100% | 100% | 30 June | Singapore | Trans Tasman Shipping |
| TNL International (Australia) Pty Limited | 40% | 40% | 30 June | Australia | International freight forwarder |

MOVE (McAuley's) Limited and MOVE (NZL) Limited were amalgamated into MOVE Freight Limited from 1 November 2022.

16.2. Interests in Associates

In October 2022, the asset of Emerald Truck Services were sold and then the company was wound up. The Groups 50% interest recorded a loss on wind up of \$3,000.

17. CONTINGENCIES

Bank Guarantee

The Group provides (via ANZ Bank) the below guarantees

| | 2023 \$000 | 2022 \$000 |
|---|---------------|---------------|
| Bank guarantees – property | 7,039 | 5,140 |
| Bank guarantees – fuel purchases ¹ | 4,500 | 4,500 |
| Bank guarantees – other | 75 | 75 |
| Total | 11,614 | 9,715 |

¹ At 1 July 2023 this has been cancelled leaving \$7,114,000 remaining bank guarantees.

18. CAPITAL COMMITMENTS

Capital expenditure contracted for at the reporting date but not yet incurred is as follows:

| | 2023 \$000 | 2022 \$000 |
|-----------------------------|---------------|---------------|
| Trucks and trailers | 6,077 | 1,841 |
| Other assets | 16 | 18 |
| Ship new build ¹ | 6,000 | - |
| Total | 12,093 | 1,859 |

¹ Associated with this commitment is a co-funded grant receivable from Waka Kotahi of \$6.25m (refer note 7).

19. RELATED-PARTY TRANSACTIONS

19.1. Transactions with Key Management

a. Key management compensation

Key management includes Directors, the CEO and his direct reports:

| | 2023 \$000 | 2022 \$000 |
|---|---------------|---------------|
| Salaries, short term and post employee benefits | 2,953 | 4,392 |
| Directors fees | 448 | 471 |

19.2. Transactions with Other Related Parties

The following transactions occurred with related parties:

| | 2023 \$000 | 2022 \$000 |
|--|---------------|---------------|
| Sales and purchases of goods and services | | |
| Sales of services to associates | 3 | 296 |
| Purchases of services from associates | 130 | 942 |
| Purchases from entities controlled by key management employees | - | 165 |

| | 2023 \$000 | 2022 \$000 |
|--|---------------|---------------|
| Outstanding balances arising from sales and purchases of services | | |
| Trade receivables from associates | - | 2 |
| Trade payables to associates | - | 22 |
| Trade payables to entities controlled by key management employees | - | 52 |

20. SHARE BASED PAYMENTS

The group had a long term incentive plan for selected employees which has since been withdrawn by the Directors as per the discretion allowed for under the plan rules. No options were granted during the year ended 30 June 2023. There are some existing share options under the plan where the vesting of these is dependant on certain performance standards being met which expire 30 June 2023.

Share-based payment reserve

The reserve is used to record the accumulated value of the plan which has been recognised in the Statement of Profit or Loss & Other Comprehensive Income. The long-term incentive plan was an equity settled-share-based payment which provided eligible employees with the opportunity to acquire shares in the Group. The fair value of shares granted is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the vesting period. The fair value of the plan has been assessed by an independent valuer.

Amounts accumulated in the employee share scheme reserve are transferred to share capital on redemption of the redeemable shares or to retained earnings where they are forfeited. At the end of each reporting period the Group revises its estimate of the number of redeemable shares that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to the employee share scheme reserve.

Set out below are summaries of options granted under the plan:

| | Average exercise price per share option | Number of options |
|--|--|-------------------|
| As at 30 June 2021 | \$0.90 | 881,786 |
| Granted during the year | | - |
| Exercised during the year | | (45,877) |
| Forfeited during the year | | (661,273) |
| As at 30 June 2022 | \$0.70 | 174,636 |
| Vested and exercisable at 30 June 2022 | - | - |
| As at June 2022 | | |
| Granted during the year | | - |
| Exercised during the year | | - |
| Cash settlements | | (85,811) |
| Forfeited during the year | | (88,825) |
| As at 30 June 2023 | | - |
| Vested and exercisable at 30 June 2023 | - | - |

As at 30 June 2023 for the share options granted 1 July 2020 the total shareholder return was 22.1% which met the performance hurdle. Based on a straight line basis 62% of the options were exercisable. In agreement with the eligible participants these were settled in cash. The remaining share options were forfeited.

There are no share options outstanding at 30 June 2023.

During the year the Group CEO was issued RSU's which have subsequently been surrendered. These were surrendered by him to ensure that his incentives aligned with the incentives of the wider MOVE team.

Total expenses arising from share-based payment transactions recognised during the period as part of the employee expenses were as follows:

| | June 2023 \$000 | June 2022 \$000 |
|-------------------------------|-----------------------|-----------------------|
| Share based employee expenses | 15 | 6 |
| | 15 | 6 |

21. 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 is a discontinued operation under NZ IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations at 30 June 2022.

In March 2023, it was determined after appointment of new CEO and a strategic review that MOVE Specialist Lifting and Transport Ltd no longer met the criteria to be disclosed as held of sale resulting in it no longer being actively marketed for sale. As a result, the Profit or Loss has been restated for the year ended 30 June 2022 to reflect comparable numbers consistent with that presented in the year ended 30 June 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.

22. EVENTS AFTER THE REPORTING DATE

Post year end the Group has obtained credit approval from the ANZ to amend the quarterly covenants and reduce its overdraft and flexible credit facilities (refer note 12.5).



Independent auditor's report

To the shareholders of Move Logistics Group Limited

Our opinion

In our opinion, the accompanying consolidated financial statements of Move Logistics Group Limited (the Company), including its subsidiaries (the Group), present fairly, in all material respects, the financial position of the Group as at 30 June 2023, its financial performance and its cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) and International Financial Reporting Standards (IFRS).

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated balance sheet as at 30 June 2023;
- the consolidated statement of profit or loss and other comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) and International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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)* (PES 1) issued by the New Zealand Auditing and Assurance Standards Board and the *International Code of Ethics for Professional Accountants (including International Independence Standards)* issued by the International Ethics Standards Board for Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

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 of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



| Description of the key audit matter | How our audit addressed the key audit matter |
|---|--|
| <p>Carrying value of Goodwill</p> <p>As at 30 June 2023, the Group had a total goodwill balance of \$13.6m, as disclosed in note 13.3. This is allocated across four cash generating units (CGU's).</p> <p>Management performed a value-in-use (VIU) impairment test at 30 June 2023 using a discounted cash flow model based on probability-weighted forecast cash flows for the Move Logistics and Warehousing Limited CGU and determined that there was no impairment of goodwill required. Key estimates and assumptions in the VIU models include the discount rates and long-term growth rates used in the impairment model.</p> <p>As disclosed in Note 13.3, the Group saw a decrease in sales and a loss of a key customer contract in the Move Freight Limited CGU. As a result of this, the full amount of Goodwill was impaired in the year.</p> <p>The goodwill impairment test for the Move Logistics and Warehousing Limited CGU is considered a key audit matter due to the significant level of management judgement applied in estimating future cash flows and other key assumptions in determining the recoverable amount of this CGU.</p> | <p>We obtained the impairment tests prepared by management for Move Logistics and Warehousing Limited, as this is the largest CGU representing \$12.5m of the balance, and understood the process undertaken to prepare the forecasts and the assumptions used.</p> <p>We understood the controls that management have in relation to the impairment assessment of goodwill and evaluated their design.</p> <p>We considered management's assessment of the respective CGUs in the Group and the allocation of corporate assets in the CGUs.</p> <p>We gained an understanding of the forecast outlook for the industry and CGUs, and for the strategic direction of the business. We compared the forecasts used within the impairment models against historical actual trading results, taking into account the impact of the Covid-19 pandemic, to assess if the growth rates used in the model were reasonable.</p> <p>We assessed the reliability of management's forecasting process in previous years and considered the impact on the assessment of forecast earnings.</p> <p>We tested the mathematical accuracy of the models used, including that they utilised the assumptions disclosed in note 13.3, and that the recoverable amount calculated was greater than the carrying amount of the CGU.</p> <p>We considered the Move Freight Limited impairment model, including the impact of the loss of the key customer contract, which supported the goodwill impairment.</p> <p>We used our auditor's expert, to assist us in assessing and challenging whether the assumptions used in the model were reasonable. The key areas assessed included:</p> <ul style="list-style-type: none"> ● the valuation methodology used; ● the reasonableness of the discount rate; and ● comparing inputs to relevant market and industry information. <p>We audited the disclosures in note 13.3 of the consolidated financial statements to ensure that they are compliant with the requirements of the relevant accounting standards.</p> |



Our audit approach

Overview



Overall group materiality: \$1.14 million, which represents approximately 2.5% of Earnings before Interest, Tax, Depreciation and Amortisation ('EBITDA').

We chose Earnings before Interest, Tax, Depreciation and Amortisation ('EBITDA') as the benchmark because, in our view, it is the benchmark against which the performance of the Group is most commonly measured by users, and is a generally accepted benchmark.

Full scope audits were performed for 5 of 13 entities in the Group based on their financial significance;

Specified audit procedures and analytical review procedures were performed on the remaining entities.

As reported above, we have one key audit matter, being:

- Carrying value of Goodwill

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Group materiality for the consolidated financial statements as a whole as set out above. These, together with qualitative considerations, helped us to determine the scope of our audit, the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the consolidated financial statements as a whole.

How we tailored our group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated financial statements and our auditor's report thereon.



Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of audit opinion or 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 to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, 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.

Responsibilities of the Directors for the consolidated financial statements

The Directors are responsible, on behalf of the Company, for the preparation and fair presentation of the consolidated financial statements in accordance with NZ IFRS and IFRS, and for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

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

Our objectives are 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 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) and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and 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 the consolidated financial statements is located at the External Reporting Board's website at:

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

This description forms part of our auditor's report.

Who we report to

This report is made solely to the Company's shareholders, as a body. Our audit work has been undertaken so that we might state those matters which we are required to state to them in an 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 Company and the Company's shareholders, as a body, for our audit work, for this report or for the opinions we have formed.

The engagement partner on the audit resulting in this independent auditor's report is Maxwell John Dixon.

For and on behalf of:

A handwritten signature in black ink that reads 'PricewaterhouseCoopers'.

Chartered Accountants
29 August 2023

Christchurch

ADDITIONAL STATUTORY INFORMATION

REMUNERATION

REMUNERATION OF DIRECTORS

The total pool of Directors' Fees available to non-executive Directors for the year ended 30 June 2023 was \$750,000, which was approved by shareholders at the 2017 Special Meeting of Shareholders. Of this, \$447,500 was paid to non-executive Directors in FY23.

The table below sets out the total of the remuneration and the value of other benefits received by each Director during the financial year to 30 June 2023. The Board Charter provides that no sum is paid to a Director upon retirement or cessation of office.

| Director | Board Fees | Risk Assurance and Audit Committee Fees | Governance & Remuneration Committee Fees | Total Directors Fees FY23 | Current Director or Date Appointed or Resigned |
|-------------------------|----------------|---|--|---------------------------|--|
| Lorraine Witten | 140,000 | - | - | 140,000 | Current |
| David (Grant) Devonport | 75,000 | 10,000 | - | 85,000 | Current |
| Mark Newman | 75,000 | - | 6,667 | 81,667 | Current |
| Christopher Dunphy | 25,000 | - | - | 25,000 | Current |
| Danny Chan | 75,000 | - | - | 75,000 | Current |
| Julia Raue | 12,500 | - | - | 12,500 | Appointed 3 May 2023 |
| Peter Dryden | 25,000 | - | 3,333 | 28,333 | Resigned 20 October 2022 |
| Total | 427,500 | 10,000 | 10,000 | 447,500 | |

EMPLOYEE REMUNERATION

Executive remuneration framework

MOVE's executive remuneration policies and practices are designed to attract, retain and motivate high calibre people.

The Board has reviewed executive remuneration with the assistance of external independent advice. Executive remuneration comprises a fixed component.

CEO/EXECUTIVE DIRECTOR REMUNERATION DISCLOSURE

The CEO/Executive Director's remuneration as at 30 June 2023 consisted of a base salary only. The CEO/Executive Director's remuneration is reviewed annually by the Governance and Remuneration Committee and approved by the Board.

| | Executive Director / CEO | Fixed Remuneration | | | Pay for Performance | Total Remuneration |
|------|--------------------------|--------------------|------------|----------|---------------------|--------------------|
| | | Salary | Benefits** | Subtotal | STI earned in FY* | |
| FY23 | Craig Evans | 246,808 | 9,560 | 256,368 | n/a | 256,368 |
| FY23 | Christopher Dunphy | 338,000 | n/a | 338,000 | n/a | 338,000 |
| FY22 | Christopher Dunphy | 560,000 | n/a | 560,000 | n/a | 560,000 |

* STI payable in the financial year following the achievement of performance targets in respect of the prior financial year, as agreed with the Board

** Benefits include company car and Kiwisaver employer contributions

Christopher Dunphy stepped down from his Executive Director role effective 28 February 2023. Craig Evans was appointed to the role of CEO on 2 February 2023. Craig Evans does not have any short term or long term incentive components as part of his remuneration. As discussed in the Corporate Governance section of this Report, the Board is currently working through implementing a Company-wide profit sharing scheme for FY24. It is intended that the CEO will participate in this Scheme once it is finalised and implemented.

Employee Remuneration

The number of employees of the Company (not being directors of the Company) who received remuneration and other benefits in their capacity as employees during the year ended 30 June 2023 that in value was or exceeded \$100,000 per annum is set out in the table below. The remuneration amounts include all monetary amounts and benefits actually paid during the year, including the face value of any long-term incentives that vested during the year (which for FY23 was nil).

| Remuneration | No. of Employees | Remuneration | No. of Employees |
|-----------------------|------------------|-----------------------|------------------|
| \$100,000 - \$109,999 | 63 | \$210,000 - \$219,999 | 2 |
| \$110,000 - \$119,999 | 67 | \$230,000 - \$239,999 | 1 |
| \$120,000 - \$129,999 | 60 | \$250,000 - \$259,999 | 1 |
| \$130,000 - \$139,999 | 41 | \$300,000 - \$309,999 | 1 |
| \$140,000 - \$149,999 | 24 | \$310,000 - \$319,999 | 1 |
| \$150,000 - \$159,999 | 11 | \$350,000 - \$359,999 | 2 |
| \$160,000 - \$169,999 | 7 | \$360,000 - \$369,999 | 1 |
| \$170,000 - \$179,999 | 5 | \$410,000 - \$419,999 | 1 |
| \$180,000 - \$189,999 | 2 | | |
| \$190,000 - \$199,999 | 4 | | |
| \$200,000 - \$209,999 | 2 | | |

DISCLOSURES

DIRECTORS

The following persons were Directors of MOVE Logistics Group Limited as at 30 June 2023:

| Director | |
|-------------------------|----------------------|
| Lorraine Witten | Independent Chair |
| Christopher Dunphy | Director |
| David (Grant) Devonport | Independent Director |
| Danny Chan | Independent Director |
| Julia Raue | Independent Director |
| Mark Newman | Independent Director |

Peter Dryden retired as a director at the 2022 annual shareholders meeting.

DISCLOSURE OF INTERESTS BY DIRECTORS

In accordance with Section 140(2) of the Companies Act 1993 the Company maintains an interests register in which Directors interests are recorded. The following are disclosures of interest by Directors holding office at 30 June 2023 that are recorded in the interests register.

| Director | Name of Business or Entity | Nature of Activities of that Business or Entity | Nature and Extent of Your Interest |
|--------------------------------|--|---|------------------------------------|
| Lorraine Witten | Mercury NZ Limited | Energy Generation and Retailing | Director |
| | Rakon Limited | Global Technology Business | Chair and Shareholder |
| | vWork Limited | Software for Mobile Workforce | Director and Shareholder |
| | Simply Security | Security Guard Services | Chair and Shareholder |
| Christopher Dunphy | Irongate Trust | Family Trust | Trustee |
| | Balmer Jeffs and Company Limited | Financial Advisory | Director |
| | Dos Equis Pty Limited | | Director and Shareholder |
| | Speedmark Australia Pty Limited | Freight Forwarding | Director and Shareholder |
| | Speedlink Pty Limited | Financial Investment | Director and Shareholder |
| | QCoast Holdings Pty Limited | Industrial Services | Director and Shareholder |
| | ADG Global Supply Limited | Industrial Services | Director and Shareholder |
| | Jamieson Valley Estate | Vineyard | Sole Proprietor |
| | Christabell Maritime Pte Limited | Singaporean shipping company | Director and Shareholder |
| | Generis Trade Facilitation Australia Pty Limited | Trade Funding Services | Shareholder |
| David (Grant) Devonport | Melbourne Airport Limited | Airport Infrastructure | Chief Financial Officer |
| | BoudiWoudi SMSF | Self-Managed Superannuation Fund | Manager/Beneficiary |

| Director | Name of Business or Entity | Nature of Activities of that Business or Entity | Nature and Extent of Your Interest | |
|-----------------------------|--------------------------------------|---|------------------------------------|-------------|
| Danny Chan | SimTutor Limited | e-learning | Director/Shareholder | |
| | Superthriller Jet Sprint Limited | Entertainment | Shareholder | |
| | Fastcom Limited | IT Services | Shareholder | |
| | iMonitor Intellectual Property Ltd | Temperature Monitoring | Shareholder | |
| | The Digital Café Limited | Digital Promotion/Marketing | Shareholder | |
| | Flowerzone International Ltd | Flower Exporter | Director/Shareholder | |
| | Marlborough Wine Estates Group Ltd | Wine Manufacturer | Director | |
| | Orient Pacific Management Limited | Financial Services | Director/Shareholder | |
| | Impac Services Limited | Health and Safety Advisory | Shareholder | |
| | Microgem International PLC | Biomedical | Director and Shareholder | |
| | New Education Investment Limited | Private NZ Companies (non-trading) | Director and Shareholder | |
| | Taiwan New Zealand Screen Limited | | | |
| | Turners Flower Exports N.Z. Limited | | | |
| | Marino Kids Limited | | | |
| | Danting Investments Limited | | | |
| | New Zealand Yacon Limited | | | |
| | Hushaberry Limited | | | |
| | Cartier For Flowers Limited | | | |
| | APCFI Management Limited | | | |
| | Diabetic Food Limited | | | |
| | Orient Pacific Investments Limited | | | |
| | The Academic Coaching School Limited | | | |
| | Green Harvest Pacific Limited | | | |
| | The Curated Group Limited | | | |
| | Griff Trading Limited | | | |
| | Karaka Nurseries Limited | | | |
| | Talafor Investments Limited | | | |
| | CSCO Investments Limited | | | |
| | Orpac International Limited | | | |
| | Chai Limited | | | |
| | Orient Asset Management Limited | | | |
| | Sharp Multi-Media Production Limited | | | |
| Tahere Group Limited | | | | |
| Rawhiti Manuka Honi Limited | Private NZ Company | | | Shareholder |

| Director | Name of Business or Entity | Nature of Activities of that Business or Entity | Nature and Extent of Your Interest |
|-------------|--|---|---|
| Julia Raue | The Warehouse Group Limited | Retail | Director and Shareholder |
| | Jade Software Corporation Limited | Data and Software | Director |
| | Southern Cross Medical Care Society | Health and Insurance | Director |
| | Southern Cross Healthcare Limited | Health and Insurance | Director |
| | Southern Cross Benefits Limited | Health and Insurance | Director |
| | ROWDY Consulting Limited | Management Consultancy Services | Director and Shareholder |
| | Southern Cross Health Trust | Health and Insurance | Trustee |
| | New Zealand Global Women | Non-government Organisation | Trustee |
| | NZ Rugby Appointments & Remuneration Committee | Sport Governance | Chair |
| | Ports of Auckland Limited | Port Operator | An Associated Person is in a Senior Management Position |
| | Jeeps Investments Limited | Family Investment Entity | Director and Shareholder |
| Mark Newman | C and M Newman Trustee Limited | Family Trust Corporate Trustee | Director |

No entries were made in the interests register of any subsidiary companies during the year ended 30 June 2023.

DIRECTORS' SHARE DEALINGS

In accordance with the Companies Act 1993, between 1 July 2022 and 30 June 2023 the Board received the following disclosures from Directors of acquisitions of relevant interests in shares issued by the Company and details of such dealings were entered in the Company's interests register.

| Director | Transaction | Number of Securities | Price per Security | Date |
|--------------------|--------------------------------|----------------------|--------------------|---------------|
| Christopher Dunphy | Purchase of Shares – On-Market | 38,000 | \$1.024 | 10 March 2023 |

As noted in the Company's annual report for FY22, on 12 July 2021 Christopher Dunphy entered a call option deed with certain founder shareholders (or interests associated with them) of the Company where he may, at his discretion, acquire up to 5 million ordinary shares in the Company over a 36-month term from those founder shareholders. Under this call option 2 million shares may be acquired at a price of \$1.00 per share, 2 million shares may be acquired at a price of \$1.20 per share and 1 million shares may be acquired at a price of \$1.50 per share. James Ramsay (who served as a director during FY22 and retired 23 November 2021) was one of the founder shareholders. James granted a call option over 1 million shares that he held. This call option has not been exercised in full or part during FY23.

DIRECTORS' SHAREHOLDINGS INTERESTS

As at 30 June 2023 the Directors of the Company had the following relevant interests in the Company's shares.

| Director | Ordinary Shares |
|-------------------------|-----------------|
| Lorraine Witten | 139,308 |
| Danny Chan | 1,685,932 |
| Christopher Dunphy | 6,838,062* |
| Mark Newman | 832,679 |
| David (Grant) Devonport | 132,679 |

*Includes 5 million shares that are subject to the call option arrangement described above.

USE OF COMPANY INFORMATION

There were no notices from Directors of the Company pursuant to section 145 of the Companies Act 1993 requesting to use Company information received in their capacity as directors that would not otherwise have been available to them.

SUBSIDIARY COMPANY DIRECTORS

The following persons held office as Directors of subsidiary companies as at 30 June 2023. Employee directors of subsidiary companies appointed by the Group do not receive director's fees, remuneration or other benefits in their capacity as directors. The remuneration and other benefits of such employees, received as employees, are included in the relevant bands for remuneration disclosed under Employee Remuneration on page 90.

| Company | Directors | | | | | |
|--------------------------------------|--------------------|-------------------------|--------------|-------------|-----------------|------------|
| MOVE Investments Limited | Christopher Dunphy | David (Grant) Davenport | Danny Chan | Mark Newman | Lorraine Witten | Julia Raue |
| Alpha Customs Services Limited | Craig Evans | Lee Banks | Clayton Imbs | | | |
| Appian Transport Limited | Christopher Dunphy | Lee Banks | Craig Evans | | | |
| Global Logistics Group Limited | Christopher Dunphy | Lee Banks | Craig Evans | | | |
| MOVE International Limited | Christopher Dunphy | Lee Banks | Craig Evans | Dale Slade | | |
| MOVE Logistics & Warehousing Limited | Christopher Dunphy | James Watters | Lee Banks | Craig Evans | | |
| Pacific Asset Leasing Limited | Christopher Dunphy | James Watters | Lee Banks | Craig Evans | | |
| MOVE Fuel Limited | Christopher Dunphy | James Watters | Lee Banks | Craig Evans | | |
| Southern Fleet Leasing Limited | Christopher Dunphy | James Watters | Lee Banks | Craig Evans | | |
| MOVE Freight Limited | Christopher Dunphy | Lee Banks | Craig Evans | | | |

| Company | Directors | | | | |
|---|--------------------|---------------|---------------|--------------|--|
| MOVE Specialist Lifting & Transport Limited | Christopher Dunphy | Lee Banks | Craig Evans | | |
| TNL International Limited | Craig Evans | John Lowden | Mario Di Leva | Shayne Miers | |
| MOVE Liquid Logistics Limited | Christopher Dunphy | James Watters | Craig Evans | | |

Peter Dryden stepped down as a director of MOVE Investments Limited during FY23.
 Christopher Dunphy stepped down as a director of Alpha Customs Services Limited during FY23.
 Christopher Knuth stepped down as a director of MOVE Freight Limited during FY23.
 Christopher Knuth stepped down as a director of MOVE Specialist Lifting & Transport Limited during FY23.
 Christopher Dunphy stepped down as a director of TNL International Limited during FY23.
 Lee Banks stepped down as a director of MOVE Liquid Logistics Limited during FY23.

SPREAD OF SECURITY HOLDERS

As at 31 July 2023:

| Size of Shareholding | Number of Holders | Total Shares Held | % of Shares |
|----------------------|-------------------|--------------------|----------------|
| 1-1000 | 949 | 253,050 | 0.20% |
| 1001-5000 | 425 | 1,173,170 | 0.92% |
| 5001-10000 | 207 | 1,594,414 | 1.25% |
| 10001-50000 | 224 | 4,902,931 | 3.84% |
| 50001-100000 | 38 | 2,793,433 | 2.19% |
| 100001 or more | 71 | 116,897,021 | 91.60% |
| | 1,914 | 127,614,019 | 100.00% |

TOP 20 SHAREHOLDERS

The names and holdings of the twenty largest registered shareholders in the Company as at 31 July 2023 were:

| | Total Shares Held | % of Shares |
|--|-------------------|-------------|
| National Nominees Limited | 17,307,601 | 13.56% |
| New Zealand Central Securities Depository Limited | 15,273,316 | 11.97% |
| Gregory Peter Whitham | 9,023,227 | 7.07% |
| Custodial Services Limited | 8,856,933 | 6.94% |
| James Ramsay & Nerida Joy Ramsay & Ramsay Family Trustee Limited | 8,339,503 | 6.53% |
| Kevin Garnet Smith | 7,324,280 | 5.74% |
| Larry William Stewart & Kaylene Joy Stewart & Sr Taranaki Trustees Limited | 6,944,279 | 5.44% |
| Anacacia Pty Limited | 6,942,960 | 5.44% |

| | Total Shares Held | % of Shares |
|---|-------------------|-------------|
| David Gregory Carr & Lynette Maree Duncan | 3,812,001 | 2.99% |
| James Ramsay & Nerida Joy Ramsay | 3,612,902 | 2.83% |
| Yvonne Yu Hua Chen | 2,738,754 | 2.15% |
| New Zealand Depository Nominee | 2,345,438 | 1.84% |
| Elizabeth Beatty Benjamin & Michael Murray Benjamin | 1,990,176 | 1.56% |
| Alan Terris | 1,742,862 | 1.37% |
| Danny Chan | 1,685,932 | 1.32% |
| Leveraged Equities Finance Limited | 1,597,383 | 1.25% |
| Wairahi Investments Limited | 1,500,000 | 1.18% |
| Selenium Corporation Limited | 957,724 | 0.75% |
| Rangatira Limited | 817,307 | 0.64% |
| C & M Newman Trustee Limited | 773,694 | 0.61% |

SUBSTANTIAL PRODUCT HOLDERS

The following substantial product holder information is given pursuant to section 293 of the Financial Markets Conduct Act 2013 and is based on substantial product holder notices filed with the Company during FY23 and the Company's share register as at 30 June 2023. As at 30 June 2023, details of the substantial product holders in the Company and their relevant interests in the Company's ordinary shares are shown in the table below. The total number of voting securities (fully paid ordinary shares) of the Company as at 30 June 2023 was 127,614,019.

| | Number of Shares |
|--|------------------|
| NAOS Asset Management Limited | 16,972,048 |
| James Ramsay, Nerida Joy Ramsay & Ramsay Family Trustee Limited | 11,952,405 |
| Gregory Peter Whitham | 9,023,227 |
| Custodial Services Limited | 8,856,933 |
| Kevin Garnet Smith | 7,324,280 |
| Larry William Stewart & Kaylene Joy Stewart & Sr Taranaki Trustees Limited | 6,944,279 |
| Anacacia Pty Limited | 6,942,960 |
| Mitsubishi UFJ Financial Group, Inc. | 6,267,862 |

OTHER INFORMATION

Auditor's Fees

PwC has continued to act as auditor of MOVE Logistics Group Limited.

During the year ended 30 June 2023, the amount payable by MOVE Logistics Group Limited to PwC as audit and review fees was \$352,000. The amount of fees payable to PwC for non-audit work during the year ended 30 June 2023 was \$0. This is detailed in Note 8 of the Financial Statements.

Donations

The Company and its subsidiaries made donations totalling \$6,000 during the year ended 30 June 2023. The Company's policy is for no political donations.

NZX Waivers

There were no waivers granted by NZX or relied on by the Company in the 12 months preceding 30 June 2023.

NZX Powers

The NZX has not publicly exercised any of its powers under rule 9.9.3 of the Listing Rules in relation to the Company in FY23.

Credit Rating Status

The Company does not hold a credit rating.

CORPORATE GOVERNANCE

At MOVE Logistics Group Limited (**MOVE**)(the **Company**), we believe good corporate governance is essential to protect the interests of investors and create and enhance value over the short and long term. We are committed to conducting business in the right way: ethically, sustainably and in line with our legal and regulatory obligations.

The Board has adopted corporate policies and procedures that reflect best practice and MOVE follows the principles and recommendations of the NZX Corporate Governance Code (**the Code**). We believe that the Company's corporate governance practices in FY23 materially align with the Code dated 1 April 2023. The following pages summarise our corporate governance practices and progress in FY23.

The information contained in this corporate governance statement has been prepared in accordance with NZX Listing Rule 3.8.1(a). This governance statement is current as at 30 June 2023 and was approved by the Board on 29 August 2023.

1. ETHICAL STANDARDS

1.1 Code of Ethics

MOVE expects its Directors and employees to act with integrity and professionalism and undertake their duties in the best interests of the Company. The Company's Code of Ethics is available on the Company website and is available to all team members.

The Code of Ethics is included in the New Employee Induction pack and all employees are required to attest that they have reviewed and understand the scope of relevant governance policies. With the appointment of a new GM People & Culture, MOVE will be establishing a framework for ongoing training on the Code of Ethics.

MOVE encourages employees to speak out if they have concerns about any area of the Company. The avenues for doing so are detailed in the Company's Whistleblower Policy which is on the Company website. In FY24, MOVE will consider providing access to a third party confidential agency as part of its whistle-blowing processes.

1.2 Securities Trading Policy

MOVE's Securities Trading Policy and the Financial Markets Conduct Act 2013, impose limitations and requirements on Directors and employees dealing in the Company's shares. These limitations prohibit dealing in shares while in possession of inside information and impose requirements for seeking consent to trade. MOVE's Securities Trading Policy is available in the Investor centre on MOVE's website.

While there is no formal requirement to do so, the majority of MOVE's directors hold shares in the company either directly or through affiliates. Details of directors' share dealings are set out on page 93 of this report.

2. BOARD COMPOSITION AND PERFORMANCE

2.1 Board Charter

The roles and responsibilities of the Board are detailed in the Board Charter, which is reviewed at least every two years and is available on the Company's website. The Board's primary objective is to enhance shareholder value and protect the interests of other stakeholders by improving corporate performance and accountability.

The Board has delegated authority for day-to-day leadership and management of the business to the Group CEO, who in turn has sub-delegated authority to other Company management with specified financial and non-financial limits. MOVE has a Delegations of Authority Policy, which is reviewed annually by the Board.

2.2 Nomination and Appointment of Directors

The number of elected Directors and the procedure for their retirement, nomination and election is set out in the Company Constitution and NZX Listing Rules. Directors must retire and may stand for re-election by shareholders at least every three years. A Director appointed since the previous annual meeting may hold office only until the next annual meeting but is then eligible for re-election at that meeting.

All Directors are involved in the consideration of Board composition and nominations and take into account a number of factors including qualifications, capability, experience, judgement and skills, and the ability to work with other Directors. The Board is supported in this work by the Governance and Remuneration Committee. The collective capability of the current Board is assessed against requirements and the search then focuses on finding a board member who will best complement the current mix of capabilities on the board.

Shareholders may also nominate candidates for election to the Board, in accordance with the constitution of the Company and the NZX Listing Rules. Reference checks are carried out on all candidates and key information about candidates is provided to shareholders to assist their decision whether or not to elect or re-elect a candidate.

Key information is provided to shareholders when a director stands for election or re-election.

2.3 Written agreements

The Company has written agreements with each Director, establishing the terms of their appointment. The Company has arranged a policy of Directors' and Officers' liability insurance. This policy covers the Directors and Officers so that any monetary loss suffered by them as a result of actions undertaken by them as Directors or Officers is insured to specified limits (subject to legal requirements and/or restrictions).

The Company has also entered a Deed of Indemnity and Access with each Director. The terms of the indemnities granted to Directors (as permitted by the MOVE constitution) are included in these Deeds together with information access rights and agreed procedures for the conduct of legal claims.

2.4 Director Information

As at the date of this Annual Report, the MOVE Board comprises five independent Directors and one non-independent, non-executive Director. Profiles of Directors are available on the Company's website and on pages 40 and 41 of this Report.

Julia Raue was appointed as a Director in May 2023. Julia has a strong background in business transformation and digital change. Prior to Julia's appointment to the Board, MOVE undertook a full governance review, considered its skills matrix and identified that Julia's skills and experience would add value to the Board. The Board considers that Julia is an independent director in accordance with the guidance set out in the Code.

Peter Dryden resigned as a Director at the annual shareholders meeting held in October 2022. Peter's intention to not stand for re-election at that meeting was signalled in MOVE's 2022 Annual Report. The Board acknowledges the valuable contribution Peter made to MOVE during his time as a Director.

Danny Chan is scheduled to retire at the 2023 Annual Shareholders' Meeting. He has advised the Board that he will not be standing for re-election. The Board acknowledges and thanks Danny for the significant contribution he has made to the business during his time as a Director, having held office since the time that MOVE became a listed company. The Board is in the early stages of searching for a new Director to replace Danny and is considering the optimal skill set and experience that it will seek in candidates. The Board will update Shareholders on progress with this in due course.

The Board uses a skills matrix and considers several factors including qualifications, experience and skills of Directors when appointing new Directors or considering Board composition. The Board is confident that the current Directors offer valuable and complementary skills, experience and expertise that are of value to the Company.

| Skill | High Capability | Moderate Capability |
|---|-----------------|---------------------|
| Board/Corporate Governance | ●●●● | ●● |
| Corporate Social Responsibility | ● | ●●●●●● |
| Customer Insight / International Market Knowledge | ●● | ●●● |
| Diversity (gender/culture/balance) | | ●●●●●●● |
| Financial Expert | ●●●● | ● |
| Human Resources & Talent Management | ●● | ●●●● |
| Industry Experience | ●●● | ●●● |
| Legal / Regulatory | ● | ●●●●●● |
| Listed Company Governance | ●●●● | ●● |
| Marketing | | ●●●●●●● |
| Risk Management & Audit | ●●●● | ●● |
| Strategic Growth / Value / Business Development | ●●●●● | ● |
| Technology - Information / Digital / Social Media | ●●● | ●●● |

2.4 Diversity

Diversity at MOVE refers to characteristics of individuals and includes factors such as gender, marital status, religious beliefs, colour, race, ethnic or national origin, disability, age, political views, employment status, family status or sexual orientation. Diversity encompasses the way MOVE's people differ in terms of their education, life experience, job function, work experience, personality, location and career responsibilities. The key aspects being sought at MOVE are diversity of thought and skills, as these attributes are most likely to assist MOVE in delivering better outcomes for its stakeholders.

MOVE is committed to equal employment opportunities and treating all individuals fairly and with respect. The Company recognises that everyone has individual differences which can be leveraged to create stronger teams that will ultimately drive stronger business performance.

MOVE's approach to diversity is outlined in the Diversity Policy, which is available on the Company's website.

Key areas of focus are:

- Recruitment and retention of a diverse workforce;
- Supportive working environment;
- People development; and
- Recognition and reward based on merit.

As at 30 June 2023, females represent 27% (FY22: 19%) of Directors and Officers of the Company (an officer is a person who is concerned or takes part in the management of the company business and reports directly to the Board or CEO). Females represent 19% (FY22: 14%) of all employees of the Company.

| | FY23 | | FY22 | |
|---------------|--------|------|--------|-------|
| | Female | Male | Female | Male |
| Directors | 2 | 4 | 1 | 5 |
| Officers | 1 | 4 | 1 | 6 |
| All Employees | 221 | 926 | 247 | 1,067 |

The Board is satisfied with the initiatives being implemented by the Company and its performance with respect to the Diversity Policy. The Board has not currently set measurable objectives under the Policy for achieving diversity, as the Board considers diversity outcomes can be achieved without measurable objectives.

2.6 Director Training and Education

Directors are encouraged to undertake appropriate training and education to ensure they remain current on how to best perform their duties. In addition, management provide regular updates on relevant industry and Company issues, including briefings from senior executives.

All Directors have access to executives to discuss issues or obtain information on specific areas in relation to matters to be discussed at Board meetings, or other areas as they consider appropriate. The Board Committees and Directors, subject to the approval of the Board Chair, have the right to seek independent professional advice at the Company's expense, to enable them to carry out their responsibilities.

2.7 Board Performance and Review

The Board monitors its own performance and will, from time to time, commission an external review to assess the performance of individual Directors and the Board's effectiveness (including the effectiveness of Board Committees). An external review was last conducted and presented to the Board in June 2022. This has assisted the Board in identifying the skills and experience desired of new Directors and to plan longer term Board succession in a manner that ensures the Board remains fresh but also provides MOVE with governance continuity.

2.8 Director Independence

In order for a Director to be independent, the Board has determined that he or she must not be an executive of MOVE Group and must have no disqualifying relationships. Independence is determined by the Board, having regard to the factors described in Recommendation 2.4 of the Code. The Board has determined that, aside from Christopher Dunphy, all current directors are independent and have no disqualifying relationships. Christopher Dunphy is not an independent Director as he is a substantial product holder in the Company and worked in an executive role for MOVE during the past three years.

Directors are required to notify MOVE of any interests they have that could impact an assessment of their independence or their ability to act in the best interests of MOVE. MOVE has processes in place to manage any conflicts of interest with Directors who are interested in a matter. Directors' interests are disclosed on page 91 to 93 of the Annual Report.

2.9 Independent Chair

MOVE's Chair is required to be an independent Director and is elected by the Directors. Lorraine Witten was appointed as Chair from 30 September 2021 and is considered by the Board to be independent.

2.10 Separation of the role of Chair and CEO

The Board supports the separation of the roles of Chair and CEO. MOVE's CEO is not a Director or Chair of the company.

3. BOARD COMMITTEES

The Board has delegated a number of its responsibilities to Committees to assist in the execution of the Board's responsibilities. The use of Committees allows issues requiring detailed consideration to be dealt with separately by members of the Board with specialist knowledge and experience, thereby enhancing the efficiency and effectiveness of the Board. However, the Board retains ultimate responsibility for the functions of its Committees and determines their responsibilities.

The Committees meet as required and have terms of reference (Charters), which are approved and reviewed by the Board.

Minutes of each Committee meeting are available to all members of the Board, who are all entitled to attend any Committee meeting. Each Committee is empowered to seek any information it requires from employees in pursuing its duties and to obtain independent legal or other professional advice.

The membership and performance of each Committee is reviewed annually.

The Board committees as at 30 June 2023 were as follows:

| Committee | Role | Members as at 30 June 2023 |
|---|---|--|
| Risk Assurance and Audit (RAAC) Committee | Assist the Board in its oversight of the integrity of financial reporting, financial management and controls, external audit quality and independence, and the risk management framework. | David (Grant) Devonport (Chair) Danny Chan Mark Newman |
| Governance and Remuneration Committee | Assist the Board to establish and maintain a strong governance framework overseeing the management of the company's people, remuneration and diversity policies. | Mark Newman Julia Raue Chris Dunphy |

Attendance at Board and Committee Meetings for the year ended 30 June 2023 was:

| | Board | RAAC | REM |
|----------------------------|-----------|----------|----------|
| Total Meetings Held | 13 | 6 | 5 |
| Lorraine Witten | 13 | 5 | 5 |
| Danny Chan | 13 | 5 | 4 |
| Christopher Dunphy | 13 | 6 | 3 |
| Mark Newman | 13 | 6 | 5 |
| David (Grant) Devonport | 11 | 6 | - |
| Julia Raue ¹ | 2 | 1 | 1 |
| Peter Dryden ² | 3 | 1 | 2 |

¹ Julia Raue was appointed as a Director from 3 May 2023

² Peter Dryden retired as a Director at the 2022 ASM on 20 October 2022

3.1 Risk Assurance and Audit Committee

The Board has a Risk Assurance and Audit Committee which acts as a delegate of the Board on financial reporting, internal control and risk management issues. There are a minimum of three members, who are all independent Directors. The Chair of the Committee, Grant Devonport, is not the Chair of the Board, is independent and has significant accounting and financial expertise. Other members of the Committee all have significant commercial and/or financial expertise.

The role and responsibilities of the Committee are detailed in the Risk Assurance and Audit Committee Charter which is available on MOVE's website.

3.2 Management attendance at Audit Committee meetings

Employee (including management) attendance at all Committee meetings is by invitation only.

3.3 and 3.4 Governance and Remuneration Committee

The purpose of the Governance and Remuneration Committee is to:

- identify and recommend individuals to the Board for nomination as members of the Board and its committees; and
- oversee and regulate compensation and organisation matters affecting MOVE, including:
 - remuneration and benefits policies;
 - performance and remuneration of MOVE' Directors and senior executives;
 - management development;
 - succession planning for the Chief Executive Officer and direct reports to the Chief Executive Officer; and
 - major organisational changes providing a more focused and streamlined process where Board approval would otherwise be required.

All members of the Committee are independent Directors. Management may only attend meetings at the invitation of the Committee.

The Governance and Remuneration Committee Charter is available on MOVE's website.

3.5 Other Board Committees

Special purpose Committees may be formed to review and monitor specific projects with senior management. There were no other Board Committees formed during FY23.

3.6 Takeover protocols

In the case of a takeover offer, MOVE would engage expert legal and financial advisors to provide advice on procedure. An Independent Takeover Committee would be formed to oversee disclosure and response and MOVE would disclose the scope of the required independent advisor reports to its shareholders. Formal Takeover protocols have been developed and formally adopted by the Board in compliance with Recommendation 3.6 of the Code.

4. REPORTING AND DISCLOSURE

4.1 Disclosure Policy

MOVE is committed to keeping investors and the market informed of all material information about the Company and its performance in a timely manner. In addition to all information required by law, the Company also seeks to provide sufficient meaningful information to ensure stakeholders and investors are well informed. The Company's Market Disclosure Policy sets out the principles and requirements of this commitment to timely and balanced disclosures. The policy is available on MOVE's website.

4.2 Access to key governance policies

MOVE takes a continuous improvement approach to corporate governance. Governance policies are reviewed and approved by the Board on a regular basis in line with best practice.

Key governance policies and charters can be viewed on the MOVE website at www.movelogistics.com/investors/governance.

4.3 Financial Reporting

The Board is responsible for ensuring that the financial statements give a true and fair view of the financial position of the Company and have been prepared using appropriate accounting policies, consistently applied and supported by reasonable judgements, estimates; and for ensuring all relevant financial reporting and accounting standards have been followed.

The Risk Assurance and Audit Committee oversees the quality and integrity of external financial reporting, including the accuracy, completeness, balance and timeliness of financial statements. It reviews MOVE's full and half year financial statements and makes recommendations to the Board concerning accounting policies, areas of judgement, compliance with accounting standards, stock exchange and legal requirements, and the results of the external audit.

For the financial year ended 30 June 2023, the Directors believe that proper accounting records have been kept which enable, with reasonable accuracy, the determination of the financial position of the Company and facilitate compliance of the financial statements with the Financial Markets Conduct Act 2013. All matters required to be addressed, and for which the Committee has responsibility, were addressed during the reporting period.

Senior management has confirmed in writing that MOVE Group's external financial reports present a true and fair view in all material aspects.

4.4 Non-financial reporting

MOVE's strategic pathways, set out earlier in this report, lay out the framework for a sustainable future for the Company. MOVE is actively seeking to have a positive impact on its people, communities and the environment. The Company believes this will have a beneficial impact on the business, thereby creating long term value for shareholders.

MOVE periodically updates shareholders and the market on its strategy, non-financial objectives and its progress against these objectives, in shareholder reports and newsletters and at other investor events during the year including investor presentations and the Annual Shareholders' Meeting.

MOVE has initiatives supporting its focus on the environment, people and communities and a formal ESG framework is being developed. MOVE will report against the mandatory climate-related disclosures regime from FY24.

MOVE is committed to using its resources responsibly and will look for opportunities to reduce any negative environmental risk or impact from business operations, products and services. MOVE is committed to providing fair and responsible products and services. The Board encourages diversity, and is developing a Modern Slavery Policy. MOVE will consider how it encourages its suppliers and contractors to stop business practices which facilitate human rights and labour standard abuses.

5. REMUNERATION

Remuneration of Directors and senior executives is the key responsibility of the Governance and Remuneration Committee.

The Board promotes the alignment of the interests of the Directors, the CEO and management with the long-term interests of shareholders. Remuneration policies and structures are reviewed regularly to ensure remuneration of management and Directors is fair and reasonable in a competitive market for the skills, knowledge and experience required by MOVE. External advice is also sought to ensure remuneration is benchmarked to the market for senior management positions and Board positions.

Details of Director and executive remuneration and benefits in FY23 are provided on pages 89 to 90.

5.1 Directors' Remuneration

While MOVE does not have a formal remuneration policy for directors, it follows the guidelines of the Code. MOVE seeks to offer remuneration that attracts quality directors, with the right skills and experience and appropriately compensates them for their input and time.

MOVE's Governance and Remuneration Committee is responsible for overseeing and regulating compensation matters, including remuneration of Directors. The Committee Charter is available on MOVE's website.

Shareholders fix the total remuneration available for Directors. Approval is sought for any increase in the pool available to pay Directors' fees, and any recommendations to shareholders regarding Director remuneration are provided for approval in a transparent manner. If independent advice is sought by the Board, it will be disclosed to shareholders as part of the approval process.

The last increase in the total pool fee for Director remuneration was approved by shareholders in 2017 at \$750,000. The Board Charter provides that no retirement allowance is payable to a Director.

While there is no formal requirement to do so, the majority of Directors hold shares in the Company either personally or through related interests. Directors' share dealings and interests in the Company are detailed on page 93 to 94.

Remuneration per annum for each Board role is as follows:

| | |
|---|-----------|
| Chair | \$140,000 |
| Non-executive Director | \$75,000 |
| Chair of Risk Assurance and Audit Committee | \$10,000 |
| Chair Governance and Remuneration Committee | \$10,000 |

5.2 Executive remuneration

MOVE's executive remuneration policies and practices are designed to attract, retain and motivate high calibre people and create a performance-focused culture. Executive remuneration comprises a fixed component. The Board has reviewed executive remuneration with the assistance of external independent advice. The Company has written agreements with the Chief Executive Officer and executive team members setting out the terms of their employment.

Short-term incentives (STIs) are at-risk share payments designed to motivate and reward for performance, in that financial year. Some MOVE executives have received STIs however these are being phased out. During FY24, MOVE intends to implement a Company-wide cash profit sharing scheme that aligns incentives for the MOVE team directly with Company's financial performance.

5.3 CEO Remuneration

The remuneration of the Chief Executive Officer comprises a fixed component commensurate with experience and industry benchmarks, and participation in the profit sharing scheme intended to be finalised and implemented in FY24.

Upon commencing the role of CEO in February 2023, Craig Evans was issued 1 million unlisted restricted share units (RSUs) at a value of NZ\$0.99 per RSU. However, Craig has subsequently surrendered these RSUs to ensure that his incentives are aligned with the incentives offered to the wider MOVE team.

Details of CEO and Executive Director remuneration in FY23 are provided on page 90.

6. RISK MANAGEMENT

6.1 Risk Management Framework

MOVE has continued to strengthen its risk management capabilities under the direction of the Risk Assurance and Audit Committee and the Executive Team. A dedicated internal role (Risk and Compliance Manager) supports risk and compliance management at MOVE by developing and managing MOVE's assurance, risk and compliance frameworks.

The RAAC ensures MOVE has appropriate risk management policies in place and provides the Board with assurance that key risks relevant to MOVE have been appropriately identified, managed and reported to the Board. The RAAC regularly reports to the Board on the operation of MOVE's risk management and internal control processes. It is also responsible for overseeing and monitoring that MOVE's management implements and operates adequate risk assurance, internal controls and audit systems within MOVE. The Board as a whole is responsible for monitoring corporate risk assessment processes and this is not delegated to a subcommittee.

The Board carries out a review of the effectiveness of the Group's risk management and internal control systems at least annually. MOVE's risk management policy provides clarity on roles and responsibilities to minimise the impact of financial, operational and sustainability risk on its business.

MOVE's current governance and risk management structure is:



Foundational governance and risk documents are regularly reviewed and updated to ensure MOVE continues to find the best ways of working to achieve its business goals while remaining within risk appetite and adhering to its regulatory obligations.

MOVE's risk management framework has been created to ensure there is clear ownership and delegation of responsibility for the management and oversight of risks and to support the appropriate flow of information throughout the Group.

MOVE assesses its risks by understanding the likelihood of occurrence and the potential consequences using the following categories:

Current key risks are:

- **Economy** – Heightened economic or market uncertainty could impair long-term planning affecting revenue optimisation and growth.
- **Financial risk** – The risk that MOVE will not be able to meet its debt repayment obligations when they fall due.
- **Climate change and sustainability** – Physical climate impacts and related policy and/or market changes may disrupt our operations or impact demand for our services.
- **Execution of strategy** – Poor reputation; loss of revenue; loss of large customers; loss of business, loss-making contracts.
- **Cyber-security** – A cyber-attack could result in lost integrity or access to information, loss of control systems or a significant data privacy breach.
- **Health & Safety** – Events that could adversely affect employee health and wellbeing.

6.2 Health and safety

Staying safe, keeping others safe, and being responsible are fundamental to what MOVE is as an organisation. Operating the business in this way helps deliver on MOVE's vision of "No Harm to People, the Environment or Assets". Paying close attention to safety, wellbeing, sustainability, ethics and integrity go hand in hand with that vision.

The Board is committed to ensuring a high quality, safe and healthy environment for all of MOVE's people, visitors, partners and those in the community.

People safety is a key priority, one of MOVE's core values and an essential component across the business. MOVE is committed to developing, improving and reinforcing its safety culture, including by improving leadership capacity, simplifying tools and systems and requiring 'near-miss' reporting.

Safety performance is tracked to identify patterns to help prevent incidents. "Health, Safety and Sustainability" results and reported data from each Business Unit and at a Group level, are reviewed at each National Health & Safety Committee Meeting. The Committee is an executive group that meets monthly for the purposes of health and safety management across the Group. In addition, the Board receives monthly reports on the health and safety performance across the Group, including performance against plan, near miss reporting, progress with safety related initiatives and reviewing lead and lag indicators of performance.

In recent years, further steps were taken to operationalise the safety and sustainability teams with a revised focus and functional framework, using improved measurement and analytics tools, "in cab" and other technologies that move reporting beyond traditional safety metrics, bringing factors like weather and vehicle data into the picture, to identify leading indicators of injuries and illness and factoring learnings into revised safety practices in all parts of the business.

In addition, an independent external review of the Company's health and safety management system was undertaken and the Company was admitted into the Accident Compensation Corporation's Accredited Employer Program. As a company with over 900 vehicles in the fleet, road safety is a critical risk factor. MOVE has a dedicated team of driver trainers to educate and support drivers, alongside the increased use of in cab technologies. An increasing mitigation focus is on the risks generally in MOVE's warehouses, freight depots and cross docks.

The Company's injury frequency rates provide a lag indicator of performance with LTIFR rates reducing for the third year in a row and a strong improvement in TRIFR.

| | 2019 | 2020 | 2021 | 2022 | 2023 |
|--|-------|-------|-------|-------|-------|
| Lost Time Injury Frequency Rate (LTIFR) | 26.36 | 24.50 | 19.84 | 15.81 | 14.72 |
| Total Recordable Injury Frequency Rate (TRIFR) | 71.35 | 62.18 | 63.5 | 46.75 | 29.96 |

7. AUDITORS

7.1 External audit

For the year ended 30 June 2023, PricewaterhouseCoopers (PwC) was the external auditor of MOVE Group Limited. PwC was first appointed as auditor in 2017. The most recent Audit Partner rotation occurred in 2021, with the next rotation due no later than 2026.

The RAAC monitors the relationship and communications with the external auditors, and monitors ongoing independence, quality and performance. The RAAC also monitors audit partner rotation.

The RAAC pre-approves any non-audit work undertaken by PwC. The non-audit services in the year ended 30 June 2023 are set out on page 97. Those services were provided in accordance with the company's External Auditor Independence Policy and were assessed by the RAAC as not affecting PwC's independence. The fees paid for audit and non-audit services in FY23 is identified on page 97 of the Annual Report.

PwC has provided the MOVE Board with written confirmation that, in their view, they were able to operate independently during the year.

7.2 Attendance at Annual Meeting

The external auditors attend the Annual Shareholders Meeting and are available to answer questions from shareholders relevant to the audit.

7.3 Internal Audit

MOVE has an Internal Audit Framework and Annual Plan which is overseen by the RAAC. MOVE continues to outsource the majority of its internal audit work while it assesses the long-term requirements for an internal audit in-house function.

The internal audit function for MOVE's business needs a broad range of skills to be effective and comprehensive. There is also a requirement for expertise in a growing range of specialist skills such as IT audit; data mining; data analytics and in-depth knowledge of different regulatory regimes. Outsourcing the Internal Audit function means having access to specialist expertise, innovations in the latest audit techniques and technology and the opportunity for benchmarking.

The reports from the Internal Audits are presented to the RAAC who then monitors performance against the audit recommendations.

During FY24, MOVE will continue to develop and further refine the options in the Internal Audit function to meet the future needs of the business.

8. SHAREHOLDER RIGHTS AND RELATIONS

8.1 Investor website

Easy access to financial, operational and governance information is available through the Investor Centre on company's website at www.movegroup.com/investors/governance.

8.2 Engagement with shareholders

The Board is committed to open and regular dialogue and engagement with shareholders. MOVE has developed an investor relations programme which includes regular dialogue with investors, analysts and investor meetings, and earnings announcements. The programme is designed to provide shareholders and other market participants the opportunity to obtain information, express views and ask questions.

Shareholders are actively encouraged to attend the Annual Meeting and may raise matters for discussion at this event. Shareholders are also able to vote by proxy ahead of meetings without having to physically attend those meetings. In 2022, MOVE held a hybrid meeting to allow shareholders to participate in person or online.

Shareholders are encouraged to communicate with the Company and its share registry electronically. Approximately 67% of MOVE's shareholders have opted in for email communications.

In addition to shareholders, MOVE has a wide range of stakeholders and maintains open channels of communication for all audiences in New Zealand and Australia, including brokers, the investing community and the New Zealand Shareholders' Association, as well as its employees, suppliers and customers.

8.3 Voting on major decisions

In accordance with the NZX Listing Rules, MOVE refers major decisions which may change the nature of MOVE's business to shareholders for approval. All voting by shareholders is undertaken by poll, upholding the 'one share, one vote' requirement of the NZX Listing Rules.

8.4 Equity offers

MOVE did not undertake any capital raising during FY23. Should MOVE consider raising additional capital, MOVE will structure the offer having regard to likely levels of shareholder participation and optimising and enhancing the ability to maximise the level of capital raised. Subject to these factors the Board will look to give all shareholders a proportionate opportunity to participate in any capital raising.

8.5 Notice of meeting

MOVE aims to provide at least 20 working days of the notice of the Annual Shareholders Meeting, which is posted on MOVE's website, announced to the NZX and ASX markets and sent to shareholders prior to the meeting each year. This goal was achieved in 2022.

| NZX Code Principle | NZX Code Recommendation | Key Difference | Status |
|-----------------------------------|--|---|--|
| Board Composition and Performance | 2.5 The Board should set measurable objectives for achieving diversity | The Board has not set measurable objectives under the Policy | The Board considers that diversity outcomes can be achieved without measurable objectives |
| Remuneration | 5.1 The Board should have a remuneration policy for directors | MOVE does not have a formal remuneration policy for Directors | The Board follows the guidelines of the NZX Corporate Governance Code and seeks to offer remuneration that attracts quality directors, with the right skills and experience and appropriately compensates them for their input and time. Directors' salaries are disclosed in the Annual Report on page 89. |



**REGISTERED OFFICE AND
ADDRESS FOR SERVICE**
330 Devon Street East, New Plymouth
0800 845 5494
movelogistics.com

AUDITORS
PricewaterhouseCoopers
PWC Centre, Level 4, 60 Cashel Street
Christchurch

BANKERS
ANZ Bank
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

Management commentary
(no financial statements)