

# MOVE

# Annual Report 2022

# Only you can make a difference



MOVE  
only  
delivers  
fresh  
mussels  
from  
sea  
to  
plate

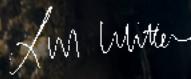
## / CUSTOMER STORY

### SANFORD

**Sanford is the largest producer of Greenshell Mussels in New Zealand, with the majority of its operations based in the pristine Marlborough Sounds. As with any fresh product, timeliness and reliability is critical.**

**MOVE has partnered with Sanford for over 20 years, providing fast and efficient collection and cartage of more than 27,000 tonnes of fresh mussels per annum. Mussels are collected from Sanford's aquaculture farms in the Coromandel, Marlborough Sounds, Golden Bay and Bluff and transported to processing plants in Havelock and Tauranga. MOVE then delivers the processed live, frozen and containerised mussels to regional ports in peak condition for export. MOVE's specialised fleet of MPI-approved trucks and experienced drivers ensure the highest transport standards are met for these in-demand New Zealand products.**

The Board of MOVE Logistics Group Limited is pleased to present the Annual Report for the year ended 30 June 2022.



Lorraine Witten  
Chair



Chris Dunphy  
Executive Director

14 September 2022

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# FY22 AT A GLANCE

## / LAYING THE FOUNDATIONS FOR GROWTH

<b>Operating Environment</b>	<ul style="list-style-type: none"> <li>Increasing inflationary pressure, supply chain disruption and impact of pandemic on customer trading levels</li> <li>Driver shortages becoming more acute</li> <li>Opportunities to grow market share as competitors start to wane</li> </ul>
<b>Strategic Reset</b>	<ul style="list-style-type: none"> <li>Changed name to MOVE Logistics Group</li> <li>Refreshed MOVE's strategy for growth</li> <li>Restructured the business to focus on core areas and announced sale process for Specialist business</li> <li>Completed \$40m capital raise to reset the financial platform</li> <li>Strengthened the leadership team with new appointments</li> </ul>
<b>Sweat our Assets</b>	<ul style="list-style-type: none"> <li>Commenced Freight reset</li> <li>Commissioned new transport management and HR software</li> <li>Transition to asset light model underway</li> </ul>
<b>Multi-modal Offer</b>	<ul style="list-style-type: none"> <li>Assessed opportunity in coastal and trans-Tasman shipping</li> <li>Announcement of \$10 million in co-funding from Waka Kotahi to support MOVE Oceans coastal shipping strategy</li> </ul>
<b>Optimise Earnings</b>	<ul style="list-style-type: none"> <li>Results in line with guidance</li> <li>Significantly reduced net debt</li> <li>Refinanced bank facilities with improved terms and longer tenure</li> </ul>
<b>Deliver for our Customers</b>	<ul style="list-style-type: none"> <li>Strong customer retention and growth across the group</li> <li>Rate review to ensure appropriate reimbursement for services</li> </ul>
<b>Upsize our Business</b>	<ul style="list-style-type: none"> <li>Expansion in industry verticals where MOVE has strong competency</li> <li>Assessed a number of M&amp;A opportunities</li> </ul>
<b>Taking Care of What Matters</b>	<ul style="list-style-type: none"> <li>Continued priority focus on health and safety</li> <li>Build culture around 'We MOVE as one'</li> <li>Focus on ESG and decarbonisation with initiatives underway</li> </ul>
<b>Governance</b>	<ul style="list-style-type: none"> <li>Rejuvenated the Board; Lorraine Witten appointed as Chair</li> <li>Diversified the share register</li> <li>Dual listed on the ASX</li> </ul>

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## / EARNINGS IN LINE WITH GUIDANCE

CONTINUING OPERATIONS <sup>1</sup>	INCOME	EBITDA Normalised <sup>2</sup>	EBIT Normalised <sup>2</sup>	NPAT/NLAT <sup>3</sup>
	<b>\$349.1M</b> FY21: \$332.3M	<b>\$54.3M</b> FY21: \$54.5M	<b>\$12.2M</b> FY21: \$11.2M	<b>\$(4.2)M</b> FY21: \$0.9M
	<b>NPAT Normalised<sup>2</sup></b>	<b>LTIFR</b>	<b>GEARING</b>	<b>FREE CASHFLOW</b>
	<b>\$0.4M</b> FY21: \$(0.2)M	<b>15.81</b> FY21: 19.84	<b>22.3%</b> FY21: 62.9%	<b>\$43.9M</b> FY21: \$45.0M

<sup>1</sup> Continuing operations excludes Specialist due to the planned divestment of this division

<sup>2</sup> Normalised EBITDA, Normalised EBIT and Normalised NPAT exclude non-controlling interest and non-trading adjustments of \$3.4m pre-tax related to restructuring and resetting the business as part of the strategic plan (FY21: \$1.5m)

<sup>3</sup> Including discontinued operations, attributable to owners of the company

# ABOUT MOVE

## / OUR BUSINESS

### We're in business to keep our customers moving.

Our expert team provides comprehensive freight and logistics solutions to help our clients stay ahead in a fast paced world.

Our network of branches and depots connects us to our customers and allows us to deliver the best warehousing and freight solution – whether that is by road, rail, ocean, air or a mix of all four.

We work with customers right across New Zealand and in a diverse range of sectors.

### Our mantra is Customer, Safety, Team.

We're focused on excellence and are using technology to help us deliver the most efficient, seamless, simple service for our customers and manage our business.

Keeping our people safe is a priority and supports our goal of 'No harm to people, the environment or our assets'.

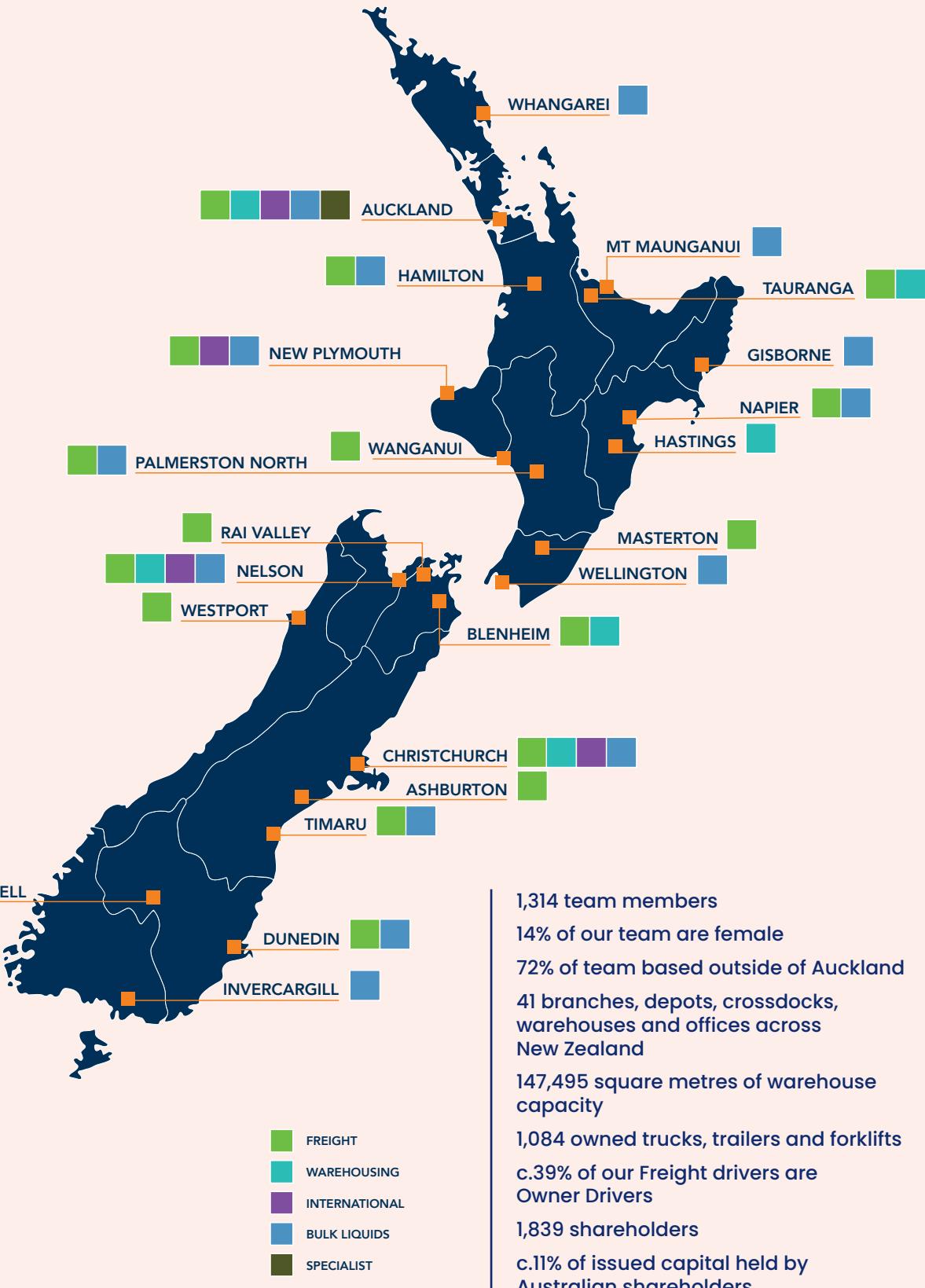
Our culture is built on unity and team spirit, which is summed up in our statement '**We MOVE as one**'. At MOVE, our team have each other's backs, we recognise and acknowledge achievements and we work together to deliver the best possible customer experience and business performance.

We think it's important that everyone has the opportunity to shine, to perform at their best and to realise their ambitions.

### Our vision.

Our vision for MOVE is to be the best freight and logistics company in Australasia and a leader in sustainable logistics services. That means delivering the best solution and service for our customers, providing secure and rewarding job opportunities for our people and generating value for our shareholders.

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## / OUR STRENGTHS

- One of New Zealand's largest transport and logistics providers.
- Refreshed Board and experienced leadership team, many of whom are industry veterans.
- Multi-modal offer across road, rail, shipping and air freight.
- National network with regional strength.
- Working in partnership with our customers, to deliver the best solution to meet their needs.
- Digital transformation underway, delivering benefits for our people, our customers and our business.
- Dynamic growth strategy with targeted opportunities to deliver near, mid and long term value.
- Inclusive and diverse culture where all team members '**MOVE as one**'.
- Priority focus on health and safety.
- Future focused, with a goal to be a leader in sustainable logistics solutions in Australasia.
- Robust sector dynamics with growth in projected demand.
- Supportive shareholders who strongly believe in MOVE's future.



## / CUSTOMER STORY

### BRIDGESTONE TYRES

Bridgestone is a major supplier to the New Zealand automotive industry, with a range of quality tyres distributed through a retail network across the country. MOVE has partnered with Bridgestone for over 10 years, offering a same/next day delivery service from Bridgestone's distribution hubs to its retail stores and commercial customers.

"We transport over 150,000 tyres per annum for Bridgestone, from car tyres for domestic and performance cars, through to truck tyres and 3 tonne tyres for the mining industry. One of our largest jobs this year was the cartage of 10 earthmover tyres from Auckland to Otago, using a unique loading system and log bolsters to secure the load for the journey down the country, highlighting the expertise and innovative thinking of our team."

# OUR STRATEGY



## BETTER, STRONGER BUSINESS

### Work our assets smarter:

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

### 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

### 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

## TAKING CARE OF WHAT MATTERS

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

## / STRATEGIC PATHWAY

	CURRENT SETTING THE COURSE	24 MONTHS BUILDING STRENGTH	>24 MONTHS FLYING HIGH
Expand presence in targeted customer sectors	Identify	Build	Strengthen
MOVE Oceans strategy	Pilot	Rollout	Fully integrated
Freight Reset	Underway	Complete	Full benefit
Grow Contract Logistics	Reset completed	Customer growth	Preferred provider
Transition towards asset light model (owner drivers)	Commenced	Build	Hit target
Digital transformation	Commissioned	Implement	Enhance
Upsize our business through organic growth and bolt on acquisitions	Investigate	Progress	Build
Expand into Australia	Investigate	Beachhead	Expand
Deliver improving financial results and shareholder returns	Reset and strengthen	Initial benefits	Increasing returns
Continued focus on ESG	Underway	Clear strategy and actions	Improving metrics

## MOVE Chair Lorraine Witten and Executive Director

Chris Dunphy celebrated with the team as MOVE joined the ASX as a dual listed entity on 1 July 2022. This takes our company one step closer to achieving our aspirations to be a significant transport and logistics provider across Australasia.

MOVE  
Only  
Business  
Takes  
Control





# REPORT FROM THE CHAIR AND EXECUTIVE DIRECTOR

## / LAYING THE FOUNDATIONS FOR GROWTH

Dear Shareholder

For over 150 years, MOVE has been transporting and storing goods for customers around New Zealand. But as the world changes, so our company also needs to evolve to achieve our goal of being a world leading, integrated supply chain provider across Australasia.

For the past year, we have been resetting our business, recognising those areas that need improvement and seeking out opportunities for growth. We have redefined our strategy and have set ambitious growth targets that will deliver value for our shareholders. We are putting the foundations in place that will allow us to expand our market presence, grow our footprint and optimise our earnings while delivering better service for our customers. While there is still work to be done, we are confident we have the people, the strategy and the passion to achieve our goals.

New Zealand has a plethora of truck operators and warehouse owners, but few have the scale, strength and expertise to deliver a seamless end to end supply chain solution for business customers across the country. While the operating environment is creating challenges for businesses, it is also presenting opportunities for those with the desire and resources to grow as competitors wane.

At MOVE, our goal is to keep our customers moving – providing reliable, innovative and efficient solutions to transport, store and deliver their goods. We make it easy for our customers, using technology, expertise and our assets to create tailored solutions which meet their needs.

### OUR STRATEGIC PROGRESS IN FY22

We started a journey under the MOVE brand in July 2021, signifying a new stage in our company's history.

We are working our assets smarter, investing in what matters and driving better returns for our business. Early in the year, we completed a comprehensive business review, identifying strengths, opportunities and importantly, those areas that were under performing. We restructured our business into two core divisions – Freight and Contract Logistics – and have put in place a comprehensive plan to reset the Freight business. Following unsolicited offers, we also commenced a sale process for our smaller Specialist business which we do not consider as core to our offer.

We are investing in technology and innovation, passionate and talented people and operational excellence, all of which are essential enablers for our growth. A digital transformation has commenced which will provide benefit across the company. During the year, we strengthened the leadership team from both within our ranks and by bringing in people with deep industry knowledge and expertise.

A capital raise in November 2021 helped to considerably strengthen the financial structure of our company. We were pleased to welcome new shareholders to the register, including several Australian institutions. We structured the raise so that existing shareholders were treated fairly and thank all our shareholders for their ongoing support. More recently, we joined the ASX as a foreign exempt listing (dual listed), with trading officially commencing on 1 July 2022.

As our core businesses come up to full capability over the next 12 to 18 months, our focus will move more strongly to growth and capitalising on the multiple opportunities we have identified.

MOVE only  
personnel  
only

Some of these growth initiatives we are already developing, with early benefits being seen.

In particular, we are assessing the opportunity in coastal and trans-Tasman shipping, which further expands our multi-modal offer, provides more choice for our customers and helps to reduce carbon emissions by moving multiple truckloads onto ships.

We have also been identifying particular customer sectors where we can build on our existing footprint, to provide a strong logistics offer across the customer supply chain.

Our preference is to fund growth through recycling capital between asset sales (Specialist) and investment into new opportunities, rather than via borrowing or equity issuance.

## OPERATING PERFORMANCE

### TRADING CONDITIONS

The pressure from macro-economic headwinds increased in FY22, with rising costs – particularly fuel and labour – increasing inflation, labour shortages, ongoing supply chain disruption and Covid-19 restrictions. Normal trading levels were impacted for many customers.

Continuing global supply chain disruptions have led to a delay in MOVE's asset replacement programme, with lead times for the delivery of new trucks significantly extended. This is resulting in increased maintenance costs on existing assets. Operating costs, particularly fuel, parts and labour, have increased with inflation, with some offset following the pricing review and re-set undertaken by MOVE in the first half of the year.

MOVE is well resourced to take advantage of changes in the sector to grow both organically and through bolt on acquisitions.

### STRATEGIC HIGHLIGHTS

- Selldown by founding shareholders
- Refreshed the Board and leadership
- Name change to MOVE Logistics Group
- Conducted deep dive business review
- Restructured the business into two core divisions
- Lorraine Witten appointed as Chair
- Completion of \$40m capital raise
- Commenced two year plan to strengthen and grow the business
- Further diversified the share register
- Commenced digital transformation
- Announced sale process for Specialist business
- Received funding from Waka Kotahi to support new coastal shipping strategy

## FY22 RESULTS

Results were in line with guidance provided in May 2022, with underlying EBITDA of \$54.3m (guidance of \$53m to \$56m). The focus on margin improvement continues to be a priority as we look to generate long term, sustainable earnings growth.

This year's results reflect the work being done to reset the business and the investment being made into key areas of improvement and opportunities for growth. We have reported on continuing operations which exclude Specialist due to the planned divestment of this division. FY21 results have been restated to exclude discontinued operations.

Revenue of \$349.1m (an increase of \$16.8m on the prior year) benefitted from the ability to pass through rising costs, particularly fuel.

Normalised EBITDA was in line with the prior year, with normalised EBIT of \$12.2m, a 9% increase year on year.

MOVE reported a normalised net profit after tax (before non-controlling interests) of \$0.4m, up from a loss of \$(0.2)m in the prior year.<sup>4</sup> Reported net loss after tax including discontinued operations was \$(4.2)m (FY21: \$0.9m)<sup>5</sup> and includes costs of \$3.4m relating to restructuring and resetting the business.

A capital raise in November 2021 considerably strengthened the financial structure of the company with net debt reduced from \$64.3m to \$20.9m and a gearing ratio of 22.3% as at 30 June 2022.

Results are expected to considerably improve in FY23 as the Freight improvement continues, Contract Logistics builds on the work done in the last year and International capitalises on new opportunities.

More information on MOVE's financial results is in the FY22 financial statements and the commentary on pages 38 and 39.

### FREIGHT

Revenue \$180.9m, +7.0%	EBITDA \$18.5m, +5.0%	EBITDA Margin 10.2%
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We started the year with an in-depth review of our Freight business, identifying the pain points and the opportunities. MOVE has been built on the heritage of regional businesses and we have now integrated these into a national network solution. Our multi-modal approach is offering further choice in how we move freight around the country in the most effective and economical manner for our customers.

An important focus in Freight has been to review our offering, identifying LCL (less than a container load) general freight as an attractive growth opportunity for MOVE. We have realigned our customer portfolio to focus on areas of strength and adjusted our rates to ensure we are receiving fair reimbursement for the scope and quality of services we offer. We have moved the dial to be more solutions focused and are winning customers through our can-do attitude and partnership approach.

<sup>4</sup> Normalised EBITDA, Normalised EBIT and Normalised NPAT exclude non-trading adjustments of \$3.4m pre-tax related to restructuring and resetting the business as part of the strategic plan (FY21: \$1.5m)

<sup>5</sup> Including discontinued operations; attributable to owners of the company

MOVE's digital journey is critical to delivering on our vision for Freight, with a new Transport Management System (TMS) to be implemented in FY23, delivering significant value for our business, our people and our customers.

We have approximately 1,000 trucks in our fleet and have a replacement programme underway with a big investment in new, leased trucks starting to roll out. Unfortunately, continuing global supply chain disruptions have led to a delay in receiving these trucks, with lead times for delivery significantly extended. This is resulting in heavy repairs and maintenance on our existing fleet.

We are also transitioning our driver workforce, with the aim to create more balance between Owner Drivers and those employed by MOVE. This is in line with our strategy to move towards a more asset light model. Over the last year, we have increased the number of Owner Drivers to c.39% of freight drivers, with a target of at least 50% in the next two years.

The efforts being put into the turnaround are now starting to deliver results, and the focus remains on continuing margin improvement. The improvement programme is ongoing, with another 12 to 18 months expected to build the business to full strength.

#### FREIGHT IMPROVEMENT PROGRAMME

##### COMPLETED

- New leadership for the Freight business
- Identify areas of strength and opportunity
- Customer review
- Integrate general freight branch network
- Operational realignment
- Decentralise admin and customer functions to branch level

##### UNDERWAY

- Focus on margin improvement
- Exit non-core activity
- Strengthen branch leadership
- Continue to grow Owner Driver team
- Sale of Specialist division
- Commission new technology
- Conversion to fully maintained, leased vehicles as part of asset-light strategy
- Optimise freight branch network

## CONTRACT LOGISTICS

Revenue \$154.2m, +1.5%	EBITDA \$35.0m, -9.0%	EBITDA Margin 22.7%
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Contract Logistics is performing to plan, with capacity at high levels and increasing customer demand. The business reset has been completed and future growth is expected. The focus in FY22 has been to better optimise the network and utilise warehousing capacity, resulting in the closure of three underperforming warehouses and some consolidation amongst closely located sites. Contract revenue quality and renewal has also been a priority. This has resulted in EBITDA margin remaining solid at 22.7%, despite reduced volumes due to Covid-19.

The year on year financial results reflect the benefit of contract settlements in the prior year, with a negative impact in the current year from a contract which has now been exited.

Effort has been put into re-establishing MOVE as a preferred supplier and working with clients to develop tailored end to end solutions that meet their needs. A number of opportunities have been identified to build our footprint across targeted industry verticals, utilising our Freight and Contract Logistics assets to provide a specialised solution at all parts of the customer's supply chain.

One such opportunity is in the Primary sector. MOVE is well positioned to provide a strong offer to this sector, building tailored solutions for clients by utilising our national, multi-modal freight network, fleet diversity, warehousing capacity, and export capability to integrate with their supply chain requirements.

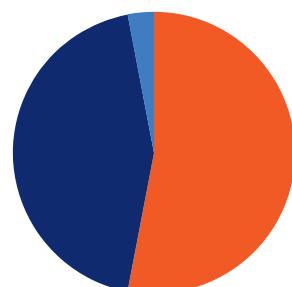
## INTERNATIONAL

Revenue \$10.9m, +31.9%	EBITDA \$3.8, +85.6%	EBITDA Margin 35.5%
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The International division delivered a strong performance. Energy sector clients have re-established programmes delayed due to Covid-19 and this has contributed in the return of revenue to pre-Covid levels. Import/export activity has also increased and rates have been lifted across the sector. The improving EBITDA margin is due to increased revenue, with the cost base remaining unchanged.

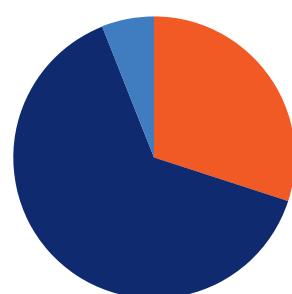
Expansion is underway as we commence our entry into the shipping sector, with a planned New Zealand coastal shipping initiative and a trans-Tasman shipping route.

**SALES REVENUE BY DIVISION**



■ Freight  
■ Contract Logistics  
■ International

**EBITDA BY DIVISION**



■ Freight  
■ Contract Logistics  
■ International

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## ENABLING OUR GROWTH

### TECHNOLOGY AND INNOVATION

We are on a journey to digitally transform our business, starting with our core technology platform and adding in new systems and tools to enhance how we work and the value we offer to our customers.

Our first phase, which is now underway, is to replace and standardise the various business IT platforms across the group. Investment in hardware is also a focus, with 500 new, high end scanners being purchased to support tracking of consignments across the network.

Secondly, we will be commissioning a new and specialised Freight Management system (TMS) as well as creating a new Human Resources (HR) platform and introducing technology to better model and record standard operating processes across the group.

Digital tools are also a key element in keeping our drivers safe. Electronic log books help to manage driver hours and fatigue, Guardian technology in our line haul trucks is another fatigue alert system for drivers travelling long distances, and forward facing cameras will soon be required in all truck cabs. Pre-start truck checks will also be digitised to make it easier and ensure all essential checks are carried out before the truck and driver hits the road.

These and other digital tools will enhance the technology experience for end users, whether that be our team or customers.

You can read more about our digital journey in the interview with Chief Information Officer, Anthony Barrett, on pages 22 and 23.

### PASSIONATE AND TALENTED PEOPLE

**'We MOVE as one'** has become the mantra for our team, with all our people supporting and backing each other to get the job done, safely, for our customers. We recognise that it has been a challenging year – in addition to the impact of Covid-19 and more recently, an increase in the cost of living, there has also been significant change across our business. We would like to acknowledge and thank our people for all their efforts and support on our journey. They are the backbone of our business and we are deeply appreciative of their choice of MOVE as their place of work.

On the last page of this report, we have listed all our 'MOVERS' who have been with our company for ten years or more.

### LEADERSHIP

New leadership is also bringing a fresh perspective and in-depth industry expertise to MOVE. **Chris Dunphy** took on the role of Executive Director in July last year and has created a leadership team of passionate, experienced and talented people to drive our growth.

**Chris Knuth** and **James Watters** have been appointed to head up Freight and Contract Logistics respectively. Chris is a freight man with over 40 years of experience. He is putting power behind the reset in the Freight division. James has a deep understanding of contracting, logistics and our industry and is driving operational excellence and delivery.

In addition, we have made new appointments to the roles of Chief Information Officer (**Anthony Barrett**) and GM Sales & Marketing (**Mario Di Leva**). **Lee Banks** continues in her role as MOVE's Chief Financial Officer, providing valuable business knowledge and financial expertise. General managers have also been appointed to lead our sector strategies, with GM Oceans (**Dale Slade**) and GM Dairy (**Scott Crampton**) joining the team.

An executive search is currently underway to identify a talented CEO to lead MOVE's strategy. Chris Dunphy will steward the transition to the new CEO and will remain actively involved as a director, in strategy and group development.

#### **SUSTAINABILITY**

Our aim is to be a leader in sustainable logistics services and we are committed to a low carbon future. However, sustainability at MOVE is not just about reducing our emissions – we are actively seeking to have a positive impact on our people, our communities and the environment, while operating in a profitable manner and delivering value to our shareholders.

We are at the early stages of our journey on sustainability, which is integrated into our strategy under our pillar of Taking Care of What Matters. In July 2022, **Rebecca Dearden** was appointed to the new role of Sustainability Lead to provide a dedicated resource in this area. You can read more about our progress on pages 27 to 31 of this report.

#### **GOVERNANCE**

A lot of change has occurred in the past year with new Board members bringing deep industry knowledge, passion and entrepreneurial thinking to the business. Both Trevor Janes and founder, Jim Ramsay, retired at the 2021 Annual Meeting. They were valued members of the Board and contributed significantly as MOVE transitioned from a private to a listed company. We are very appreciative for their contributions.

Joining the Board in the last year were Chris Dunphy, Mark Newman and Grant Devonport. All three have considerable freight and logistics industry experience which has been of great value as we reset the business and execute our growth strategy.

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## LOOKING FORWARD

The last year has been one of re-shaping the business and defining a clearer, more focused service. We are now positioned for the next phase of our evolution, with a strong balance sheet, a clear strategic plan and a talented team to drive profitable growth.

Our focus in the near term remains on resetting and strengthening our core business. Over the medium to longer term, our focus will increasingly move to growth opportunities as we build on the strong platform we are creating.

Some of the growth initiatives under development are starting to land, with early benefits expected to be seen in FY23. In particular, we are embarking upon coastal and trans-Tasman shipping, which further expands MOVE's multi-modal offer.

We have also been identifying particular industry sectors where we can build on our existing expertise to provide a high quality integrated solution across customer supply chains, including Viticulture, Primary industry, Beverages and Aquaculture.

We will continue to invest in technology and innovation, passionate and talented people and operational excellence, all of which are essential enablers for MOVE's growth. A digital transformation has commenced which will provide benefit across the company and to our customers.

The priorities for FY23 are to continue to improve our Freight division and transition to an asset light model, implement digital systems, execute growth in priority customer segments and build our multi-modal offer, particularly in shipping. Results are expected to considerably improve in FY23 as the Freight reset continues, Contract Logistics builds on the work done in the last year and International capitalises on new opportunities.

While there is still work to be done, we continue to be confident in the future potential for MOVE and the positive traction that is now being seen. Thank you, our shareholders, for your continued support.



**Lorraine Witten**  
Chair

14 September 2022



**Chris Dunphy**  
Executive Director

# LAYING THE FOUNDATIONS

## MOVE'S DIGITAL TRANSFORMATION

### 5 MINUTES WITH CIO, ANTHONY BARRETT

#### What are the key benefits of the digital transformation for MOVE?

Digital technology is essential to any modern business as it is a key enabler for nearly all functions.

Investing in digitisation will provide significant benefits for MOVE. It will drive operational leverage, make it easier for our team to work together collaboratively, create business resilience, reduce our cost to serve and, importantly, satisfy current and future customer requirements.

One of the core elements in our digital strategy is to ensure all key information is stored, maintained and accessible as and when needed. This will cover everything from people and process through to customers, trucks, consignments and more. Having our nationwide MOVE team working together towards shared goals using common data will be the magic that enables us to provide superior customer service AND be consistently profitable.

While we will be commissioning standard products and services, what will set us apart will be the innovation in how we implement and use these to deliver greater value.

#### What are the key elements of MOVE's digital transformation?

The first key element was integrating and aligning all the individual businesses in the group. This is critical to ensure we select and implement the appropriate systems. This is now complete.

We then prioritised the implementation of a new Freight Management System (**FuseIT**) into the MOVE Freight business and a new MOVE Group system for People and Culture (Ready Workforce).

#### How will digitisation benefit MOVE's people?

Digitisation will reduce the amount of time spent on manual processes and allow our MOVE team to spend more time looking forward in a pro-active way with our customers. It will also allow our people to work more closely together, with team members from different areas of the business able to access relevant information and work together to create valuable solutions for both our business and our customers.

#### How will MOVE's digital journey benefit customers?

The digitisation of our Freight network, FuseIT, will offer significant benefits for our customers. This includes improved 'delivery on time' and visibility. Pro-active information together with accurate and timely billing, will allow our customers to spend more time on their business and less time managing the freight process. We will also have a greater capability to receive and use forecast data, which will allow us to manage peaks and surges more effectively.

**The implementation of the new TMS systems, FuseIT, will drive the digitisation of our Freight network and provide significant benefits for our customers.**



### Tell us about the MOVE Digital Transformation Team

Our digital transformation team is made up of two teams who are working collaboratively with the business and suppliers to deliver our digital transformation. The MOVE IT team, led by Nick Ward, comprises both internal team and industry partners, who have extensive Logistics and IT experience. Our newly formed business transformation team, led by Stephanie Rigter, includes key subject matter experts who will not only ensure that the projects are delivered effectively but also ensure the capability is bedded into the ongoing business.

Our team is passionate about using process and technology to create value-adding solutions for both our internal and external customers.

### Where do you see digitisation in the transport industry heading in the next few years?

I expect there will be a continuation of the consolidation within the transport industry in New Zealand. This in turn will lead to an increase in “digital co-operation” across the supply chain. As all the parties invest in their digital capability, we will see more sharing of data, which will enable all parties to remove friction. In particular, we will see the larger customers share quality data with the logistics providers, which will help the full digitisation of the supply chain.

### MOVE'S DIGITAL JOURNEY IN FY23

AREA OF OUR BUSINESS	DIGITAL STATUS CURRENT TO PLANNED					PLANNED ACTIVITY TO END OF 2023
	0%	25%	50%	75%	100%	
Core Digital Infrastructure Security	<div style="width: 75%;"></div>	<div style="width: 25%;"></div>	<div style="width: 0%;"></div>	<div style="width: 0%;"></div>	<div style="width: 0%;"></div>	Solid & secure cyber security foundation. Consolidate all domains into the Move Logistics domain framework
Our Team (Payroll, P&C, HSE)	<div style="width: 25%;"></div>	<div style="width: 25%;"></div>	<div style="width: 0%;"></div>	<div style="width: 0%;"></div>	<div style="width: 0%;"></div>	HSE meets requirements. P&C & Payroll to be replaced with modern software: Ready Workforce rolled out 2022/23
Our Financials	<div style="width: 50%;"></div>	<div style="width: 25%;"></div>	<div style="width: 0%;"></div>	<div style="width: 0%;"></div>	<div style="width: 0%;"></div>	Solid foundation with NetSuite
Our Customers	<div style="width: 10%;"></div>	<div style="width: 10%;"></div>	<div style="width: 0%;"></div>	<div style="width: 0%;"></div>	<div style="width: 0%;"></div>	Customer portal requires upgrade and solution will follow the TMS (Transport Management System) implementation
Our Freight Network	<div style="width: 10%;"></div>	<div style="width: 10%;"></div>	<div style="width: 0%;"></div>	<div style="width: 0%;"></div>	<div style="width: 0%;"></div>	A single TMS will replace the multiple existing systems: FuselIT
Our Logistics Operations	<div style="width: 25%;"></div>	<div style="width: 25%;"></div>	<div style="width: 0%;"></div>	<div style="width: 0%;"></div>	<div style="width: 0%;"></div>	Paperless meets customer requirements. Work is being undertaken to automate invoicing
Our Fleet	<div style="width: 10%;"></div>	<div style="width: 10%;"></div>	<div style="width: 0%;"></div>	<div style="width: 0%;"></div>	<div style="width: 0%;"></div>	Solution for group fleet management underway

## MOVE INTO SHIPPING

MOVE has been involved in the shipping industry for more than 120 years, through its shipping agency, Hooker Shipping in New Plymouth, which was founded in 1883. Now MOVE is building on Hooker's heritage to extend its market presence and deliver innovative freight solutions for customers.

The company has announced two new shipping initiatives.

Firstly, a new trans-Tasman shipping route has been established, connecting regional ports in New Zealand with Tasmania and other ports on Australia's east coast. For some of these regions, the MOVE service will be the only direct ship route, while in other regions, it will provide a further option for customers currently facing shipping constraints and difficulties. MOVE has entered into an agreement to acquire a vessel, which is expected to settle in October 2022, with the first trans-Tasman sailing scheduled for Q4 2022.

In addition, MOVE has recently been awarded \$10 million in co-funding from Waka Kotahi to support its New Zealand coastal shipping strategy. The immediate focus is on the design, building and mobilisation of a quarter-ramp Roll On/Roll Off (RORO) vessel which will enable a new sea bridge between Nelson and New Plymouth.

Currently, the only options available for moving rolling stock between the North and South Islands are via the Cook Strait ferries which operate between Wellington and Picton. These vessels require linkspan/ramp operations for loading and unloading cargo and the vessel ramp configurations mean that these ships cannot berth at standard cargo wharves.

The new service being offered by MOVE will be capable of calling into at least thirteen New Zealand Ports, without the need for any new Port infrastructure to be built.

In addition to major operational benefits, the new service will also dramatically reduce the carbon footprint of the freight movements concerned. The shift of existing loads from road to shipping will deliver significant carbon emission reductions (estimated 2,000 tonnes per annum), improve road safety via fewer truck movements and enhance New Zealand's domestic freight services.

**"This new initiative further reinforces MOVE's position as a leading provider of innovative freight solutions in New Zealand. We will be working closely with our Freight and Contract Logistics customers and other businesses to offer blue-water alternatives to trucking. The quarter-ramp Roll On/Roll Off vessel service is unique and will be an industry first for coastal shipping in New Zealand."**





### / CUSTOMER STORY

#### KEEPING OUR CUSTOMERS TOPPED UP

MOVE is Lion's Auckland and Christchurch transport partner for the New Zealand market.

Lion is New Zealand's largest alcoholic beverages company by volume, recognised for brands such as Steinlager, Speight's, Mac's, Lindauer and Wither Hills.

MOVE services Lion's approximately 1,500 customers in Auckland and Christchurch, delivering around 150 tonnes of product daily to major centres across New Zealand. We deliver everything from a pallet of stock to our largest customers, down to the single kegs and bottles for our smaller on-premise hospitality venues.

"MOVE has been a great long-term partner of Lion, always going the extra mile to ensure that our customers are satisfied with their deliveries and ready to talk about solutions if issues arise."

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Storeperson Only



Neill Kulupa (Storeperson/Devanner)

Only  
person  
for  
you

# TAKING CARE OF WHAT MATTERS

## / BETTER BUSINESS

### OUR GOAL IS TO BE A LEADER IN SUSTAINABLE LOGISTICS SERVICES.

For MOVE, it's not just about reducing our emissions. We are actively seeking to have a positive impact on our people, our communities and the environment. We believe that this will have a beneficial impact on our business, thereby creating long term value for our shareholders. Our strategic pathways, set out earlier in this report, lay out the framework for a sustainable future for our company.

We are at the early stages of our ESG (environment, social and governance) journey, as we seek to achieve our aims and improve our reporting and transparency on material areas for our business. We have taken important steps in the last 12 months to enable improved measuring and reporting on our carbon emissions and are integrating climate change considerations into investment decisions.

More recently, we have appointed a Sustainability Lead (**Rebecca Dearden**) who will provide a dedicated resource in this area. A key initiative for FY23 will be to assess those areas that are most important for MOVE's long term sustainability and we will share these in next year's annual report.

MOVE's Board oversees the company's sustainability performance. Any sustainability or climate related risks that are identified as critical to our business are monitored by management and reported to the Risk Assurance and Audit Committee.

### OUR ESG JOURNEY

- FY25**
  - Continue to develop disclosure and reporting under TCFD framework
- FY24**
  - Define approach to climate related reporting and develop framework
  - Integrate climate related risks into risk framework
  - Review and dedicate investment to resources required to act on MOVE's ESG goals
- FY23**
  - Materiality assessment
  - Confirm scope 1 and 2 measurements and review reduction targets to align with the latest climate science
  - Set goals and establish KPIs
  - Identify climate related risks and opportunities
- TO DATE**
  - Establish internal ESG cross-functional working group
  - Measure and report on carbon emissions
  - Implement external assurance process
  - Integrate climate change considerations into investment decisions

## / LIGHTENING OUR LOAD ON THE PLANET

### OUR PRIMARY GOAL IS TO BRING FORWARD A FUTURE WHERE OUR FLEET IS CARBON NEUTRAL.

We are mindful of transport related carbon emissions and are focused on reducing our impact, through utilising different modes of transport, improved driving behaviour, alternative fuels and route optimisation. We are also focused on operating more sustainably in our branches and warehouses.

We recognise that our goal is big and bold but equally we know that, across the sector, we have to make change. We have identified a number of opportunities to help us on our journey, with initiatives underway in many of these. Our first electric metro trucks are on the road in Auckland and we have placed an order for two of the first hydrogen trucks being brought to New Zealand by leasing business, TR Group. While the delivery of these has been delayed due to pandemic and supply chain disruption, we hope to have them out on the roads by mid 2023. Our multi-modal approach also helps to shift freight from trucks to lower emission modes of transport such as rail and shipping.

#### The key reduction opportunities we have identified are:

- Leverage technology to reduce 'empty kms'
- Route optimisation to reduce kms travelled
- Driver training and technology to optimise fuel use
- New, more efficient vehicle fleet
- Multi-modal freight solutions – move from road to shipping and rail
- Electrify metro vehicles and forklifts
- Seek alternative fuel options (electric and hydrogen)
- Design and refit buildings to be carbon neutral
- Minimise waste
- Install solar power
- Lease only green buildings

# 49,813

Tonnes CO<sub>2</sub> emissions<sup>6</sup>

# 26.5%

Reduction in emissions since FY19 base year<sup>7</sup>

# 108,692 KW

Solar energy generated from our buildings

# 62%

Of our warehouse forklift fleet is electric

<sup>6</sup> Scope 1 and 2 excluding emissions from owner drivers

<sup>7</sup> Reduction partially due to rebalance of driver workforce. FY22 excludes emissions from owner drivers, these will be included from FY23 onwards

MOVE ON @ MOVE ONLY



## HEALTH, SAFETY AND WELLBEING

**Staying safe, keeping others safe and supporting each other are fundamental to who we are as an organisation. Paying close attention to ethics, integrity and sustainability go hand in hand with our vision of 'No harm to people, the environment or assets'.**

Technology is playing an important role in keeping people safe, with electronic log books and in-cab Guardian technology helping to manage fatigue. Forward facing cameras will soon be required in all truck cabs which monitor vehicle activity, improve fleet safety and can reduce costs associated with insurance claims. Pre-start truck checks will also be digitised to make it easier and ensure all essential checks are carried out before the truck and driver hits the road.

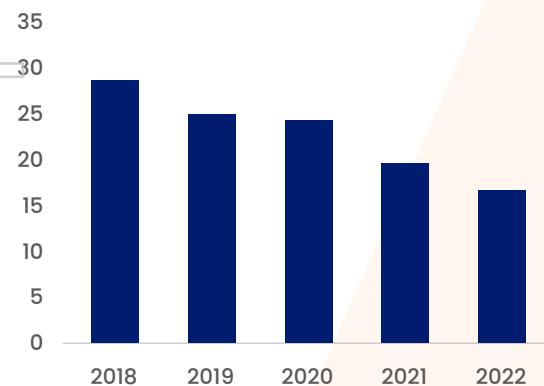
Safety performance is tracked to identify patterns to help prevent incidents, with upgraded safety software rolled out across the group in FY22. Health and safety data is reviewed at each National Health & Safety Committee Meeting (comprising executives who meet monthly for the purposes of health and safety management across the Group). The Board receives monthly reports and reviews health and safety at every Board meeting.

Pleasingly, MOVE successfully completed its first ACC Accredited Employers Programme Audit, moving up to Tertiary level. This gives us great confidence that we are going in the right direction with our safety systems and people.

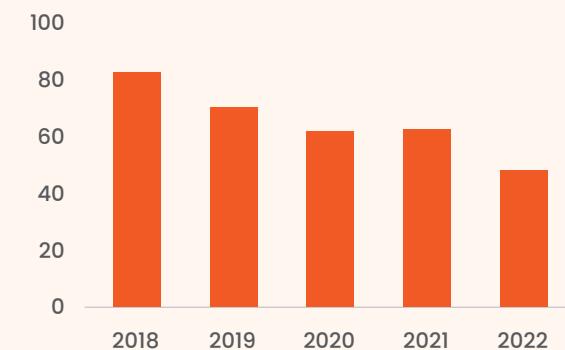
Recognising the importance of safety for every individual in our group, MOVE has launched its monthly Safety Awards. These recognise exceptional events and contributions towards safety that team members make in their workplace. At year end, one of these monthly winners will be awarded the MOVE Annual Safety Award, along with a well deserved prize.

MOVE's injury frequency rates provide a lag indicator of performance, with Lost Time Injury Frequency Rates (LTIFR) reducing for the fifth year in a row and a strong improvement in Total Recordable Injury Rates. We are mindful there is a lot of ground to cover to achieve our goal of zero harm and safety across the MOVE group remains a priority.

**LOST TIME INJURY FREQUENCY RATE**



**TOTAL RECORDABLE INJURY FREQUENCY RATE**



## / SUPPORTING OUR PEOPLE

**Our people are our business. It is thanks to their efforts, talent and passion for our industry that we are able to succeed.**

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.

More structure has been brought to the role in 2022, with increased support for business divisions and an expanded team.

We have 1,314 MOVE team members, from truck drivers to warehouse, admin, support and managers. The increasingly tight labour market has added to the existing challenge of recruiting people into the industry. We are working closely with industry organisations to support initiatives that encourage both young people and females into the sector.

Recruitment has been a major focus for the People & Culture (P&C) team at MOVE, with border closures for two years followed by tight worker immigration laws, alongside a limited New Zealand workforce. MOVE has now received accreditation for its main business units, which allows us to apply for work visas to bring overseas workers into New Zealand.

MOVE is building a culture across the business, where our people feel supported and where their achievements and efforts are recognised. Reward and recognition programmes have been initiated. The monthly and annual Health & Safety Awards are also proving popular, with our people proactively looking for opportunities to make their workplaces and team members safer.

An equally important focus over the FY22 year has been to support our people through a period of rapid change within the business, as well as the disruption that the pandemic has wrought. A wellness committee has been established and counselling services are available to all our people, to assist with financial and mental health issues.

**"We are extremely proud of our team and the resilience they have shown through a challenging time."**

# CELEBRATING OUR PEOPLE



## STEPHANIE RIGTER

### BUSINESS TRANSFORMATION LEAD

Stephanie has recently stepped into the newly created role of Business Transformation Lead, working closely with the individual business teams as the digital transformation is rolled out across MOVE.

"What excites me about this role is the opportunity to contribute strategically to MOVE to help the business grow. I am excited about the positive change that will happen as part of the digital transformation and how I can personally contribute to MOVE's growth."

"MOVE has given me the opportunity to help make a difference, grow my experience and career, and work alongside some of the industry's best."

**"Every day at MOVE is an opportunity to contribute to the growth of the company and work towards a common goal – making MOVE the top transport and logistics company in New Zealand!"**

## JOCK STRINGER

### BRANCH MANAGER, MOVE FREIGHT AUCKLAND

A recent recruit to the MOVE team, Jock is responsible for MOVE Freight's largest branch in Auckland, overseeing more than 50 truck movements every day and a team of 57 excluding drivers.

Jock has worked his way up through the industry, starting as an owner driver at 18 years old and building up a fleet of 25 trucks. After moving into management, he worked around New Zealand and Australia.

He says the transport industry is in his blood. Despite trying to move into other sectors during his career, it has always drawn him back.

His passion is for mentoring people, particularly those with limited post-school qualifications.



**"Often people don't realise the skills they have and how they can transfer them into other roles. There's always opportunities for people with passion and who are prepared to work hard."**

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Only  
one  
person  
or  
team

**KHAMUS SISIKEFU**  
**OWNER DRIVER**

Husband and wife, Khamus Sisikefu and Rebecca Hines, are new additions to the MOVE Owner Driver team. Operating their respected business, K&R Haulage in Canterbury, they moved over from Mainfreight to MOVE in April 2022. Khamus drives a B-Train from Christchurch to Cromwell and back again, five days a week, dropping off one trailer and returning with another full load.



**“With four children, I love the work life balance of this job and take a huge pride in driving under the MOVE brand.”**

**NAT HASLAM**

**OWNER DRIVER ADMINISTRATOR, MOVE FREIGHT**

Starting with MOVE five years ago, Nat held a number of accounts and admin roles before taking on her current role last year. With a diverse background in hospitality, admin and retail, she has the people skills and ‘give it a go’ attitude that makes her perfectly suited to managing all the details for MOVE’s Owner Driver workforce.

“MOVE has been going through a rapid period of change and we’re now starting to see the benefits and growth from that. With the addition of our shipping division and looking at the use of alternative fuelled trucks, we are setting ourselves up in a good position for whatever the future holds. I am looking forward to seeing what the company does next.”



**“The best thing about working with MOVE is the people. We have some incredibly knowledgeable and skilled people working within and contracted to MOVE, all working towards the same goal of keeping the freight moving and customers happy.”**

# MOVE BOARD

MOVE's Board comprises directors with a wealth of skills, experience and knowledge that add value to the business and for shareholders. A rejuvenation of the Board over the last 12 months has seen three new directors join the Board, and the retirement of Trevor Janes and founder, Jim Ramsay. Lorraine Witten was appointed as Chair from 29 September 2021.



## LORRAINE WITTEN

### INDEPENDENT CHAIR

Appointed 6 December 2017

Lorraine Witten is an experienced executive and entrepreneur with extensive commercial experience in high growth and high change environments. Her skills are in strategy and entrepreneurship, in 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 Mercury, Pushpay and as Chair of Rakon.

Lorraine was appointed Chair of MOVE in September 2021. She has over 20 years of governance experience and is a Chartered Fellow of the Institute of Directors and Fellow of Chartered Accountants ANZ.



## 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 a number of directorships with companies including Marlborough Wines Estate as well as numerous companies associated with his private investments.

Danny is a member of the Asia New Zealand Foundation, NZ China Council and was a member of the Department of Prime Minister and Cabinet - China Project Advisory Group. He was a founder of the Academic Colleges Group (ACG).



## PETER DRYDEN

### INDEPENDENT DIRECTOR

### CHAIR GOVERNANCE &

### REMUNERATION COMMITTEE

Appointed 23 October 2019

Peter is a professional company director and advisor, based in Taranaki. He currently sits on the Boards of several private and public companies including as Chair of Port Taranaki. Peter has worked in leadership positions across Asia, Australia and New Zealand, and has a strong background in the development and implementation of growth strategies and change management.

He has extensive executive experience and was Managing Director, Australia and New Zealand, for DowAgroSciences for nine years until May 2016.

MOVE  
Logistics  
Group



### CHRIS DUNPHY

EXECUTIVE 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. In July 2021, Chris took on the role of Executive Director of MOVE Logistics Group.



### MARK NEWMAN

INDEPENDENT DIRECTOR  
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. His extensive knowledge in bringing together businesses, brands and people are of value as MOVE Logistics Group moves into a new era.



### 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.



## MOVE'S LEADERSHIP TEAM

**JAMES WATTERS**  
COO Contract Logistics

**CHRIS KNUTH**  
COO Freight

**DALE SLADE**  
GM Oceans

**LEE BANKS**  
Chief Financial Officer

**ANTHONY BARRETT**  
Chief Information Officer

**MARIO DI LEVA**  
GM Sales & Marketing

**SCOTT CRAMPTON**  
GM Dairy

**CHRIS DUNPHY**  
Executive Director



# FINANCIAL MEASURES

**MOVE uses several non-GAAP measures to report on financial performance. An explanation of these is below.**

## **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 FY22 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 \$3.4 million in FY22.

## **EBITDA/EBIT**

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

## **Normalised EBITDA/EBIT**

This means 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.

## **Continuing Operations**

MOVE has commenced a sales process for its Specialist business which is considered non-core. Therefore, the contributions from this business have been excluded from FY22 commentary, as it is considered a discontinued operation. FY21 has been restated to exclude Specialist.

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#### RECONCILIATION NON-GAAP TO GAAP

\$MILLIONS	FY22	FY21
<b>Net profit/(loss) before income tax from continuing operations (GAAP measure)</b>	<b>(2.42)</b>	<b>(1.58)</b>
Add back:		
Share of loss of associates	.10	.15
Net finance costs	11.05	11.1
Loss in investment in associates	.06	.10
Restructuring costs	1.63	-
Share acquisition costs	.13	.31
Goodwill and asset impairment	1.62	1.13
Depreciation & Amortisation	42.16	43.27
<b>EBITDA excluding non-trading items (non-GAAP measure)</b>	<b>54.33</b>	<b>54.48</b>
<b>Net profit/(loss) after income tax (GAAP measure) attributable to owners</b>	<b>(4.21)</b>	<b>.87</b>
Less: Discontinued operations after tax	(.57)	2.60
Add back:		
Non-controlling interests	1.10	.43
Other non-trading expenses, net of tax:		
Goodwill and asset impairment	1.62	.82
Restructuring costs	1.18	-
Share acquisition costs	.13	.31
<b>Net profit/(loss) after tax excluding non-trading items (non-GAAP measure)</b>	<b>.39</b>	<b>(.17)</b>

MOVE  
Marlborough  
Transport  
Personnel

## / CUSTOMER STORY

### NEW ZEALAND WINE INDUSTRY

The New Zealand wine industry is world-renowned for the quality of its wines and exports, with the Marlborough wine region being home to many of New Zealand's top wineries. For more than 50 years, MOVE has been playing a vital role in the supply chain and is involved from harvest through to storage and delivery of bulk and bottled wines within New Zealand and to ports for export to the world.

A high yield harvest in 2022 saw the national harvest reach 532,000 tonnes of grapes, with 414,000 tonnes coming from the Marlborough region, an increase of 54% on the 2021 harvest. MOVE transported 14 million litres of bulk wine, as well as packaged and containerised wine, servicing not just Marlborough but also the growing Hawkes Bay and Central Otago wine regions.



MOVE  
ANNUAL  
REPORT  
2022

# MOVE

Financial Statements  
For the year ended 30 June 2022

## DIRECTORS' STATEMENT FOR THE YEAR ENDED 30 JUNE 2022

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 2022 contained on pages 43 - 85.

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 2022. They do not have the power to amend these financial statements after issue.

For and on behalf of the Board



Lorraine Witten - Chair  
23 August 2022



Grant Devonport - Director  
23 August 2022

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

FOR THE YEAR ENDED 30 JUNE 2022

	NOTES	30 JUNE 2022 \$'000	30 JUNE 2021 \$'000*
Revenue	7	345,782	328,947
Gains on disposal of assets		527	885
Lease income		1,240	1,490
Other income		1,553	948
<b>Total Income</b>	7	<b>349,102</b>	<b>332,270</b>
Transport costs		(146,052)	(128,065)
Employee costs		(116,577)	(120,348)
Rental / lease expenses		(4,266)	(3,397)
Other operating expenses		(27,875)	(25,979)
Depreciation of right of use assets	8	(30,303)	(30,500)
Other depreciation / amortisation expenses	8	(11,852)	(12,765)
Other non-operating expenses	5	(3,387)	(1,451)
Impairment of investment in associates	16.2	(61)	(95)
<b>Total Operating Expenses</b>	8	<b>(340,373)</b>	<b>(322,600)</b>
Finance costs relating to lease liabilities		(7,948)	(7,921)
Other finance costs - interest on borrowing		(3,111)	(3,180)
Interest income on short term deposit		10	1
<b>Operating loss before income tax</b>		<b>(2,320)</b>	<b>(1,430)</b>
Share of (loss) of associates	16.2	(103)	(149)
<b>Loss Before Income Tax</b>		<b>(2,423)</b>	<b>(1,579)</b>
Income tax (expense)/credit	9	(116)	283
<b>LOSS FOR THE YEAR FROM CONTINUING OPERATIONS</b>		<b>(2,539)</b>	<b>(1,296)</b>
Net (loss)/ profit from discontinued operations after tax	21	(565)	2,600
<b>(LOSS) / PROFIT FOR THE YEAR</b>		<b>(3,104)</b>	<b>1,304</b>
(Loss) / Profit attributable to:			
Owners of the company		(4,208)	869
Non-controlling interests		1,104	435
		<b>(3,104)</b>	<b>1,304</b>
Other comprehensive income:			
Comprehensive Income for the Period, Net of Tax		-	-
<b>TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE YEAR, NET OF TAX</b>		<b>(3,104)</b>	<b>1,304</b>
Earnings per share attributable to the ordinary equity holders of the Company		CENTS	CENTS
Basic and diluted earnings per share from continuing operations	11	(3.44)	(1.97)
Basic earnings per share for profit attributable to the ordinary equity holders of the company	11	(3.97)	0.99

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 discontinued operations note 21.

## CONSOLIDATED BALANCE SHEET

AS AT 30 JUNE 2022

	NOTES	30 JUNE 2022 \$'000	30 JUNE 2021 \$'000
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	12.1	14,940	13,214
Inventories		-	55
Trade and other receivables	12.2	60,294	49,754
Tax receivable		-	450
Advances to associates	12.3	-	218
Assets held for sale	21	25,263	-
<b>Total Current Assets</b>		<b>100,497</b>	<b>63,691</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	13.1	57,761	87,785
Right of use assets	13.2	150,381	164,826
Intangible assets	13.3	18,058	21,173
Deferred Income tax asset	13.4	149	-
Investments in associates	16.2	271	417
<b>Total Non-Current Assets</b>		<b>226,620</b>	<b>274,201</b>
<b>TOTAL ASSETS</b>		<b>327,117</b>	<b>337,892</b>
<b>EQUITY</b>			
Share capital	14	75,188	37,054
Other reserves		88	48
Accumulated losses		(5,081)	(873)
Equity attributable to owners of the parent		70,195	36,229
Non-controlling interest in equity		2,798	1,738
<b>TOTAL EQUITY</b>		<b>72,993</b>	<b>37,967</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables	12.4	38,092	31,840
Tax payable		211	-
Deferred revenue	7	521	504
Borrowings	12.6	3,713	67,352
Lease liability	13.2	26,393	27,310
Employee entitlements	12.5	10,476	12,524
Liabilities directly associated with assets classified as held for sale	21	6,149	-
<b>Total Current Liabilities</b>		<b>85,555</b>	<b>139,530</b>
<b>Non-Current Liabilities</b>			
Borrowings	12.6	24,324	2,811
Lease liability	13.2	133,338	144,218
Convertible note	12.7	7,792	7,395
Derivative financial instrument	12.7	849	834
Deferred income tax liability	13.4	-	2,682
Provisions for other liabilities and charges	13.5	2,266	2,455
<b>Total Non-Current Liabilities</b>		<b>168,569</b>	<b>160,395</b>
<b>TOTAL LIABILITIES</b>		<b>254,124</b>	<b>299,925</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>327,117</b>	<b>337,892</b>

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 2022

	NOTES	ATTRIBUTABLE TO OWNERS OF THE COMPANY				NON-CONTROLLING INTEREST	TOTAL EQUITY \$000
		SHARE CAPITAL \$000	RETAINED EARNINGS/ (ACCUM. LOSSES) \$000	OTHER RESERVES \$000	TOTAL \$000		
<b>Balance as at 1 July 2020</b>		37,054	(1,742)	-	35,312	1,614	36,926
Comprehensive income							
Profit for the year		-	869	-	869	435	1,304
Other comprehensive income		-	-	-	-	-	-
<b>Total comprehensive income</b>		-	869	-	869	435	1,304
Cumulative translation adjustment		-	-	(9)	(9)	-	(9)
Transactions with owners:							
Employee share scheme	20	-	-	57	57	-	57
Non-controlling interest on acquisition of subsidiary		-	-	-	-	60	60
Dividends and dividend reinvestment plan		-	-	-	-	(371)	(371)
<b>Balance as at 30 June 2021</b>		37,054	(873)	48	36,229	1,738	37,967
<b>Balance as at 1 July 2021</b>		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		-	-	-	-	-	-
<b>Total comprehensive income</b>		-	(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)
<b>Balance as at 30 June 2022</b>		75,188	(5,081)	88	70,195	2,798	72,993

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

## CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2022

	NOTES	30 JUNE 2022 \$000	30 JUNE 2021 \$000*
<b>Cash flows from operating activities</b>			
Receipts from customers		336,585	327,110
Interest received		10	1
Dividends received		2	50
Payments to suppliers and employees		(292,537)	(277,757)
Government subsidy received		942	267
Notional finance charge on NZ IFRS 16 leases	15.2	(7,948)	(7,920)
Interest paid		(2,613)	(3,011)
Income tax paid		(504)	(2,504)
<b>Net cash generated from operating activities</b>	15.1	<b>33,937</b>	<b>36,236</b>
<b>Cash flows used in investing activities</b>			
Purchase of business, net of cash acquired		-	242
Purchase of property, plant and equipment		(4,999)	(5,728)
Proceeds from sale of property, plant and equipment		4,148	1,395
Purchase of intangible assets		(214)	(359)
Advances to associates		200	-
<b>Net cash used in investing activities</b>		<b>(865)</b>	<b>(4,450)</b>
<b>Cash flows from financing activities</b>			
Repayment of borrowings	15.2	(123,869)	(16,242)
Proceeds from borrowings	15.2	81,643	-
Proceeds from share issue	14	38,100	-
Convertible note	15.2	-	8,200
Repayment of lease liability (NZ IFRS 16)		(27,394)	(27,225)
Dividends paid to shareholders / non-controlling interests		(44)	(371)
<b>Net cash flow used in financing activities</b>		<b>(31,564)</b>	<b>(35,638)</b>
Net increase in cash and cash equivalents - continuing operations		1,508	(3,852)
Net increase in cash and cash equivalents - discontinued operations	21	218	5,184
Cash and cash equivalents at beginning of year		13,214	11,882
<b>Cash and cash equivalents 30 June</b>		<b>14,940</b>	<b>13,214</b>

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

\*Certain amounts and relevant notes have been restated to reflect adjustments relating to 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) (refer note 22).

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 2022, 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.

#### **a. Subsidiaries (continued)**

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.

#### **d. Discontinued Operations**

Classification as a discontinued operation occurs on disposal, or when the operation meets the criteria to be classified as a non-current asset or disposal group held for sale. When an operation is classified as a discontinued operation, the profit or loss is restated to present the results of discontinued operations as a single amount as if the operations had been discontinued from the start of the comparative year.

### **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.

#### **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 2022 that will have a material impact on the consolidated financial statements.

## 3. FINANCIAL RISK MANAGEMENT

The Group's principal financial instruments comprise bank loans, convertible notes 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.

	2022 \$'000	2021 \$'000
<b>Trade and other receivables</b>		
Trade receivables	56,831	47,418
Credit loss provision	(1,402)	(1,152)
<b>Total trade receivables</b>	<b>55,429</b>	<b>46,266</b>
Accrued revenue	3,530	1,476
Sundry receivables	317	497
Advances to associates	-	218
<b>Cash and short term bank deposits</b>		
Bank with AA- credit rating	14,940	13,214

### 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:

	2022 \$000	2021 \$000
<b>At 1 July</b>	1,152	2,952
Provision for impairment recognised during the year	308	193
Provision for credit notes to revenue	265	(1,770)
Transfer to Asset held for Sale	(20)	-
Receivables written off during the year as uncollectible	(303)	(223)
<b>At 30 June</b>	<b>1,402</b>	<b>1,152</b>

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
<b>30 June 2021</b>					
Gross carrying amount	41,753	3,410	1,095	1,160	47,418
Baseline	125	66	126	835	1,152
Specific	–	–	–	–	–
Total expected credit loss rate	0.3%	1.9%	11.5%	72.0%	
<b>Credit loss provision</b>	<b>125</b>	<b>66</b>	<b>126</b>	<b>835</b>	<b>1,152</b>
<b>30 June 2022</b>					
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%	
<b>Credit loss provision</b>	<b>105</b>	<b>128</b>	<b>290</b>	<b>879</b>	<b>1,402</b>

### 3.1. CREDIT RISK MANAGEMENT (CONTINUED)

#### 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 \$1,402,000 (2021: \$1,152,000), 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	Interest rate paid
8 July 2019	20,000,000	8 July 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 \$80,000 (2021: \$575,000).

### 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:

	2022 \$000	2021 \$000
Expiring within one year (bank overdraft)	5,000	2,000
Expiring beyond one year (flexible credit facility)	15,000	-
<b>Total</b>	<b>20,000</b>	<b>2,000</b>

### 3.3. LIQUIDITY RISK (CONTINUED)

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 \$000	Between 1 and 2 years \$000	Between 2 and 5 years \$000	Beyond 5 years \$000	Total contractual cash flows \$000	Carrying amount (assets)/liabilities \$000
<b>2021</b>						
Borrowings	69,717	966	2,059	-	72,742	70,163
Convertible note	410	410	1,162	-	1,982	7,395
Lease liabilities	34,509	31,480	64,403	80,748	211,140	171,528
Trade and other payables	31,840	-	-	-	31,840	31,840
Employee entitlements	12,524	-	-	-	12,524	12,524
<b>Total</b>	<b>149,000</b>	<b>32,856</b>	<b>67,624</b>	<b>80,748</b>	<b>330,228</b>	<b>293,450</b>
<b>2022</b>						
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
<b>Total</b>	<b>88,080</b>	<b>34,677</b>	<b>76,938</b>	<b>80,058</b>	<b>279,753</b>	<b>244,128</b>

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:

	2022 \$000	2021 \$000
Bank borrowings	28,037	70,163
Convertible note	7,792	7,395
Less: cash and cash equivalents	(14,940)	(13,214)
<b>Net debt (excluding lease liabilities)</b>	<b>20,889</b>	<b>64,344</b>
<b>Equity</b>	<b>72,993</b>	<b>37,967</b>
<b>Gearing ratio</b>	<b>22.3%</b>	<b>62.9%</b>

## 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.

### b. Valuation of convertible note

In May 2021 the Group issued convertible notes of \$8.2m which included an embedded derivative component. The fair value of this derivative is considered an estimate in the financial statements (refer note 12.7).

### c. Held for sale

In May 2022 the Group announced its intention to undertake a formal sales process to dispose of a subsidiary company. Judgements have been made to determine that the conditions of a held for sale asset and discontinued operation have been met. Disposal groups held for sale are measured at the lower of carrying amount or fair value less costs to sell, these calculations require the use of accounting estimates (refer note 21).

## 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.

## 5. RECONCILIATION TO GAAP MEASURE (CONTINUED)

The following is a reconciliation between these non-GAAP measures and net profit after tax:

Reconciliation to GAAP measure	12 months to June 2022 \$000	12 months to June 2021 \$000
Loss Before Income Tax from continuing operations (GAAP Measure)	(2,423)	(1,579)
<b>Add back:</b>		
Share of loss of associates	103	149
Finance costs	11,049	11,100
Impairment of investment in associates	61	95
<b>Other non operating expenses</b>		
- Goodwill impairment	555	-
- Asset impairment	1,064	1,133
- Restructuring Costs	1,630	-
- Acquisition related costs	138	318
Depreciation & amortisation	42,155	43,265
<b>Adjusted EBITDA (non-GAAP measure)</b>	<b>54,332</b>	<b>54,481</b>

Reconciliation to GAAP measure	12 months to June 2022 \$000	12 months to June 2021 \$000
Loss Before Income Tax from continuing operations (GAAP Measure)	(2,423)	(1,579)
<b>Add back:</b>		
Share of loss of associates	103	149
Finance costs (net)	11,049	11,100
Impairment of investment in associates	61	95
<b>Other non operating expenses</b>		
- Goodwill impairment	555	-
- Asset impairment	1,064	1,133
- Restructuring Costs	1,630	-
- Acquisition related costs	138	318
<b>Adjusted EBIT (non-GAAP measure)</b>	<b>12,177</b>	<b>11,216</b>

## 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 Executive Director. Following this, there has been a change to the operating structure of the Group and as such the reportable operating segments have been revised to align with the new structure.

The Group has made the decision that the thirteen operating segments that form part of the reporting to the Executive Director 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 Executive Director 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.

As a result of the Groups' strategic review the Group is undertaking a formal sales process of the company that comprises the Specialist segment and as such this company has been classified as held for sale and treated as a discontinued operation as at 30 June 2022. Further information on this held for sale item is outlined in note 21.

### 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.

Comparative information has been re-presented from that presented in the 30 June 2021 Financial Statements. This is to provide comparative information aligned with the newly determined reporting segments.

## 6. SEGMENT INFORMATION (CONTINUED)

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

	International \$000	Specialist \$000	Freighting \$000	Contract Logistics \$000	Corporate \$000	Total \$000	Discontinued Operation \$000	Total Continuing Operations \$000
<b>Year ended 30 June 2021</b>								
Total segment revenue	8,242	24,301	181,219	156,754	-	370,516	(24,301)	346,215
Inter-segment revenue	(9)	(182)	(12,226)	(4,851)	-	(17,268)	-	(17,268)
<b>Revenue from external customers</b>	<b>8,233</b>	<b>24,119</b>	<b>168,993</b>	<b>151,903</b>	<b>-</b>	<b>353,248</b>	<b>(24,301)</b>	<b>328,947</b>
EBITDA	2,075	6,833	17,618	38,426	(3,638)	61,314	(6,833)	54,481
Depreciation - tangible assets	146	2,070	5,890	4,173	302	12,581	(2,070)	10,511
Depreciation - ROU assets	232	971	10,428	19,679	161	31,471	(971)	30,500
Depreciation - intangible assets	1	56	12	1,840	401	2,310	(56)	2,254
EBIT	1,696	3,736	1,288	12,734	(4,502)	14,952	(3,736)	11,216
<b>Assets</b>	<b>11,471</b>	<b>27,419</b>	<b>136,775</b>	<b>149,369</b>	<b>12,858</b>	<b>337,892</b>	<b>-</b>	<b>337,892</b>
<b>Liabilities</b>	<b>7,137</b>	<b>7,141</b>	<b>100,391</b>	<b>109,552</b>	<b>75,704</b>	<b>299,925</b>	<b>-</b>	<b>299,925</b>
<b>Capital expenditure including intangibles</b>	<b>179</b>	<b>287</b>	<b>1,714</b>	<b>4,231</b>	<b>749</b>	<b>7,160</b>	<b>-</b>	<b>7,160</b>
<b>Year ended 30 June 2022</b>								
Total segment revenue	10,878	14,339	195,354	158,759	-	379,330	(14,339)	364,991
Inter-segment revenue	(16)	(111)	(14,489)	(4,593)	-	(19,209)	-	(19,209)
<b>Revenue from external customers</b>	<b>10,862</b>	<b>14,228</b>	<b>180,865</b>	<b>154,166</b>	<b>-</b>	<b>360,121</b>	<b>(14,339)</b>	<b>345,782</b>
EBITDA	3,852	1,861	18,502	34,981	(3,003)	56,193	(1,861)	54,332
Depreciation - tangible assets	138	1,639	5,072	3,908	291	11,048	(1,639)	9,409
Depreciation - ROU assets	217	811	10,574	19,351	161	31,114	(811)	30,303
Depreciation - intangible assets	1	62	6	1,850	586	2,505	(62)	2,443
EBIT	3,496	(651)	2,850	9,872	(4,041)	11,526	651	12,177
<b>Assets</b>	<b>20,460</b>	<b>25,263</b>	<b>130,567</b>	<b>141,331</b>	<b>9,496</b>	<b>327,117</b>	<b>(25,263)</b>	<b>301,854</b>
<b>Liabilities</b>	<b>13,704</b>	<b>6,149</b>	<b>95,880</b>	<b>102,795</b>	<b>35,596</b>	<b>254,124</b>	<b>(6,149)</b>	<b>247,975</b>
<b>Capital expenditure including intangibles</b>	<b>1,036</b>	<b>91</b>	<b>1,432</b>	<b>2,881</b>	<b>267</b>	<b>5,707</b>	<b>(91)</b>	<b>5,616</b>

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

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

Revenues of approximately \$47,100,000 (2021: \$46,500,000) are derived from a single external customer which exceeds 10% or more of our 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 and shipping 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 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:

	2022 \$000	2021 \$000
Freight	282,054	271,382
Warehousing	51,116	47,911
Trading	12,612	9,654
<b>Total Revenue</b>	<b>345,782</b>	<b>328,947</b>

Timing of revenue recognition	June 2022 \$000	June 2021 \$000
Over time	345,782	328,947
At a point in time	-	-
<b>Total Revenue</b>	<b>345,782</b>	<b>328,947</b>

### 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 \$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 2022 will be recognised as revenue during the next reporting period (\$521,000).

## 7. REVENUE & OTHER SOURCES OF INCOME (CONTINUED)

### 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 \$192,000 (2021: \$267,000) and a grant from Waka Kotahi to support a co-funded coastal shipping initiative \$750,000 (2021: \$0) are both included in the 'other income' line item. There are no unfulfilled conditions or other contingencies attached to these grants. Government grants relating to income are deferred and recognised in profit or loss over the period necessary to match them with the conditions that they are intended to compensate.

## 8. OPERATING EXPENSES BY NATURE

	2022 \$000	2021 \$000
Transport costs <sup>1</sup>	146,052	128,065
Employee costs (note 8.1)	116,577	120,348
Property lease expenses	614	563
Operating lease expenses	3,652	2,834
Trading and warehousing expenses	6,264	5,018
Communications	5,458	5,762
Occupancy costs	7,180	6,444
Travel and accommodation	2,723	3,307
Bad debts	418	159
Foreign exchange (gain)/loss	(231)	24
<b>Remuneration paid to principal auditors (PwC)</b>		
<b>Assurance services</b>		
Audit and review of financial statements, including associated disbursements	310	325
<b>Non-assurance services</b>		
<b>Other advisory services related to:</b>		
- Taxation services	-	38
- ASX Compliance Listing	41	-
Donations	20	15
Directors fees	471	430
Depreciation and amortisation	42,155	43,265
Impairment of investment in associates	61	95
Non operating expenses (refer note 5)	3,387	1,413 <sup>2</sup>
Share based payments	6	57
Other expenses	5,215	4,438
<b>Total operating expenses</b>	<b>340,373</b>	<b>322,600</b>

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

<sup>2</sup> Non operating expenses for 2021 are shown net of PwC non assurance services of \$38,000 in this note as required by NZ IFRS. Total non operating expenses including this amount for 2021 are \$1,451,000 (refer note 5).

## 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.

	2022 \$000	2021 \$000
Wages, salaries & leave costs	110,502	113,410
Superannuation fund contributions	2,800	2,830
Other employee related costs	3,275	4,108
<b>Total</b>	<b>116,577</b>	<b>120,348</b>

## 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.

	2022 \$000	2021 \$000
Current tax on loss for the year	(968)	(1,463)
Adjustments in respect to prior years	11	(26)
Deferred tax	1,061	762
	<b>104</b>	<b>(727)</b>
Income tax expense/(credit) is attributable to:		
(Loss)/Profit for the year from continuing operations	(116)	283
(Loss)/Profit for the year from discontinued operations	220	(1,010)
	<b>104</b>	<b>(727)</b>

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

	2022 \$000	2021 \$000
Loss from continuing operations before tax	(2,423)	(1,579)
(Loss)/Profit from discontinued operations before tax	(785)	3,611
	<b>(3,208)</b>	<b>2,032</b>
<b>Add back:</b>		
Impairment of investment in associates	61	95
Share of loss of associates	103	149
	<b>(3,044)</b>	<b>2,276</b>
Prima facie tax receivable/(payable) at 28%	852	(637)
<b>Tax effects of:</b>		
Expenses not deductible	(540)	(64)
Effect of tax rates in foreign jurisdictions	37	-
Tax losses utilised in prior year	(256)	-
Prior year adjustment	11	(26)
<b>Income tax expense/(credit)</b>	<b>104</b>	<b>(727)</b>

### Imputation credits

	2022 \$000	2021 \$000
Imputation credits available for use in subsequent periods	3,194	2,766

## 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 (2021: 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 convertible note and share options.

	12 months to 30 June 2022	12 months to 30 June 2021
	\$000	\$000
Loss attributable to the owners for the year from continuing operations	(3,643)	(1,731)
(Loss)/Profit attributable to the owners for the year from discontinued operations	(565)	2,600
	<b>(4,208)</b>	<b>869</b>
<b>Weighted average number of shares</b>	<b>106,048,755</b>	<b>87,684,882</b>
	Cents	Cents
Basic & diluted earnings per share from continuing operations	(3.44)	(1.97)
Basic earnings per share from discontinued operations	(0.53)	2.96
	<b>(3.97)</b>	<b>0.99</b>

## 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	
		2022 \$000	2021 \$000
Cash and cash equivalents	12.1	14,940	13,214
Trade and other receivables <sup>1</sup>	12.2	59,276	48,239
Advances to associates	12.3	-	218
<b>Total</b>		<b>74,216</b>	<b>61,671</b>

<sup>1</sup>excluding non financial assets

Financial Liabilities	Notes	FINANCIAL LIABILITIES AT AMORTISED COST	
		2022 \$000	2021 \$000
Trade Payables <sup>1</sup>	12.4	36,592	30,425
Employee entitlements	12.5	10,476	12,524
Borrowings	12.6	28,037	70,163
Convertible note	12.7	8,641	8,229
<b>Total</b>		<b>83,746</b>	<b>121,341</b>

<sup>1</sup>excluding 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 \$60,678,000 (2021: \$49,391,000).

## 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:

	2022 \$000	2021 \$000
Cash	14,940	13,214
Bank overdrafts (undrawn, refer note 3.3)	-	-
<b>Total</b>	<b>14,940</b>	<b>13,214</b>

## 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.

	2022 \$000	2021 \$000
Trade receivables	56,829	47,290
Trade receivables related parties	2	128
Less expected credit loss (refer note 3.1(a))	(1,402)	(1,152)
<b>Net trade receivables</b>	<b>55,429</b>	<b>46,266</b>
Accrued revenue	3,530	1,476
Sundry receivables	317	497
<b>Financial assets at amortised cost</b>	<b>59,276</b>	<b>48,239</b>
Prepayments	1,018	1,515
<b>Total trade and other receivables</b>	<b>60,294</b>	<b>49,754</b>

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

## 12.3. ADVANCES TO ASSOCIATES

	2022 \$000	2021 \$000
UNITE Logistics Limited <sup>1</sup>	-	218
<b>Total</b>	<b>-</b>	<b>218</b>

<sup>1</sup> During the year the group sold its investment in UNITE Logistics refer note 16.2.

## 12.4. TRADE AND OTHER PAYABLES

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

	2022 \$'000	2021 \$'000
Trade payables	17,583	19,945
Trade payables related parties	74	164
GST payable	1,500	1,415
Lease incentive	12	461
Accrued expenses	18,923	9,855
<b>Total</b>	<b>38,092</b>	<b>31,840</b>

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

## 12.5 EMPLOYEE ENTITLEMENTS

	2022 \$'000	2021 \$'000
Leave provision	7,731	8,587
Salary and wage accruals	2,745	3,937
<b>Total</b>	<b>10,476</b>	<b>12,524</b>

## 12.6. 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 2022), an overdraft facility of \$5m, a term loan of \$28.1m and bank guarantee's totalling \$9.7m (refer note 17).

	2022 \$'000	2021 \$'000
<b>Non-Current</b>		
Secured loan ANZ	24,324	-
Secured loan Mainland Capital / De Lage Landen	-	5
Secured loan Toyota Finance	-	2,806
	<b>24,324</b>	<b>2,811</b>
<b>Current</b>		
Secured loan ASB	-	66,488
Secured loan ANZ	3,708	-
Secured loan Mainland Capital / De Lage Landen	5	59
Secured loan Toyota Finance	-	805
	<b>3,713</b>	<b>67,352</b>
<b>Total secured borrowings</b>	<b>28,037</b>	<b>70,163</b>

## 12.6. BORROWINGS (CONTINUED)

On 26 July 2021, as a result of the 30 June 2021 expiry of its current facility with the ASB the Group renegotiated new facilities with ANZ Bank Limited (ANZ) and UDC Finance Limited (UDC). These facilities included:

- ANZ - \$27.5m 3 year term loan facility
- ANZ - \$5m overdraft facility
- ANZ - \$10.8m bank guarantees
- UDC - \$37.5m 5 year asset based loan

On 26 September 2021 the Group agreed an amendment with ANZ and UDC to reset its financial covenants due to the impact of the August 2021 COVID-19 lockdown. This amendment showed the continued support of the Group's banking partners, ANZ and UDC.

In November 2021 following the capital raise (refer note 14) the Group reduced its debt facilities by \$20m, comprising full repayment of the Toyota Finance loan totaling \$3.4m and repayment of \$16.6m against the UDC Loan. In December 2021 the Group voluntarily repaid an additional \$10m of debt against its UDC facility.

The covenants for these arrangements including those reset are as follows:

- Leverage Ratio of <3.00x
- Interest Cover Ratio of >1.00x for periods to 31 March 2022; increasing to >1.50x for 30 June 2022 and >2.50x thereafter
- Net capital expenditure not exceeding 110% of budgeted capital expenditure
- Operating lease commitments in relation to fleet and equipment are capped at \$50m
- Guarantor coverage Assets / EBITDA of >85%

The Group fully complied with the above reset facility covenants.

On 8 March 2022 the Group renegotiated and consolidated its funding facilities to one funder, ANZ, repaying the UDC Loan in full. This amendment indicates the continued support of the Group's banking partner ANZ.

The ANZ covenants post debt reorganisation in March 2022 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 >85% from Sept 2022 onwards

The Group has fully complied with the ANZ facility covenants to 30 June 2022.

Based on forward looking forecasts and the financial covenants agreed with the ANZ the Group is expected to comply with the 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.

## 12.7 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.

### 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.

As at 30 June 2022 the group has \$8.2m (2021: \$8.2m) of mandatory convertible notes. Each note has a principal amount of \$50k with a maturity date of 30 April 2026. Note holders may elect to convert their notes prior to maturity however this cannot occur before 1 May 2023. Upon maturity all outstanding notes will be converted to shares at a variable rate based on a 10% discount to the market price.

Interest of 5% per annum is paid quarterly on the convertible notes.

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.

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

	2022 \$000	2021 \$000
As at 1 July	7,395	-
Proceeds of issue of convertible note	-	8,200
Capitalised interest costs using the effective interest method	-	(832)
Amortisation of embedded derivative liability at date of issue	397	27
<b>As at 30 June</b>	<b>7,792</b>	<b>7,395</b>

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

	2022 \$000	2021 \$000
As at 1 July	834	-
Fair value of embedded derivative liability at date of issue	-	832
Fair value movement	15	2
<b>As at 30 June</b>	<b>849</b>	<b>834</b>

## 12.8 RECOGNISED FAIR VALUE MEASUREMENTS

Fair value reflects the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Financial instruments are classified at either amortised cost or fair value through profit or loss.

Financial instruments which are measured subsequent to initial recognition at fair value are classified under the three-level hierarchy based on the level that the fair value is observable:

- Level 1: based on quoted prices in an active market for identical assets and liabilities
- Level 2: based on inputs other than quoted prices included with level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: based on valuation techniques that include inputs which are not observable

The following tables provide the fair value measurement hierarch of the Group's liabilities:

	Level 1 \$000	Level 2 \$000	Level 3 \$000	Total \$000
<b>At 30 June 2021</b>				
Convertible notes - derivative	-	-	834	834
<b>At 30 June 2022</b>				
Convertible notes - derivative	-	-	849	849

For financial assets and liabilities measured at fair value at the end of the reporting period, limited to the derivative components of the convertible notes, the following table gives information about how the fair value was determined:

Financial asset and liability	Valuation technique and key inputs	Significant unobservable inputs	Relationship and sensitivity of unobservable inputs to fair value
Convertible notes - derivative	Valuation model based on market price, optimal conversion date and discount rate	The significant unobservable inputs are the current share price, expected conversion date and discount rate applied.  The volume weighted average market price was valued at \$1.11 as at 30 June 2021.  The optimal conversion date used was 30 June 2023. (2021: 30 June 2023)  This discount rate applied at 30 June 2022 was 7.35%. (2021: 4.5%)	The higher the volume weighted average market price the more valuable the options become. The convertible notes convert based on a fixed discount on the share price at conversion. An increase in the market share price of plus or minus 10% would not have a notable impact on the contract due to the options converting at a fixed discount on market price.

## 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

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.

## 13.1. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Land and buildings \$000	Motor vehicles \$000	Office equipment and F&F \$000	Plant and equipment \$000	Work in progress \$000	Total \$000
<b>At 1 July 2020</b>						
Cost	580	163,383	4,918	22,879	2,373	194,133
Accumulated depreciation	(269)	(84,690)	(3,393)	(11,552)	-	(99,904)
<b>Net book amount</b>	<b>311</b>	<b>78,693</b>	<b>1,525</b>	<b>11,327</b>	<b>2,373</b>	<b>94,229</b>
<b>Year ended 30 June 2021</b>						
Additions	-	2,822	509	1,546	1,907	6,784
Acquisition of subsidiaries	-	203	-	-	-	203
Disposals	-	(781)	-	(24)	(45)	(850)
Transfers	-	2,218	63	1,634	(3,915)	-
Depreciation charge	(8)	(9,830)	(564)	(2,179)	-	(12,581)
<b>Closing net book amount</b>	<b>303</b>	<b>73,325</b>	<b>1,533</b>	<b>12,304</b>	<b>320</b>	<b>87,785</b>
<b>At 1 July 2021</b>						
Cost	580	155,944	5,491	25,788	320	188,123
Accumulated depreciation	(277)	(82,619)	(3,958)	(13,484)	-	(100,338)
<b>Net book amount</b>	<b>303</b>	<b>73,325</b>	<b>1,533</b>	<b>12,304</b>	<b>320</b>	<b>87,785</b>
<b>Year ended 30 June 2022</b>						
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)
<b>Closing net book amount</b>	<b>279</b>	<b>46,124</b>	<b>1,210</b>	<b>8,837</b>	<b>1,311</b>	<b>57,761</b>
<b>At 30 June 2022</b>						
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)
<b>Closing net book amount</b>	<b>279</b>	<b>46,124</b>	<b>1,210</b>	<b>8,837</b>	<b>1,311</b>	<b>57,761</b>

### 13.2. 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 4.63% (2021: 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	2022 \$'000	2021 \$'000
Opening net book value 1 July	164,826	170,029
Recognised on transition	-	-
Additions	6,468	25,723
Disposals	(4,523)	(2,015)
Modifications to leases	17,457	2,560
Transfers to assets classified as held for sale	(2,733)	-
Depreciation for the period		
- Property	(20,842)	(20,510)
- Motor vehicles	(9,643)	(10,239)
- Other	(629)	(722)
<b>Closing net book value 30 June</b>	<b>150,381</b>	<b>164,826</b>
Cost	238,007	222,665
Accumulated depreciation	(84,893)	(57,839)
Transfers to assets classified as held for sale	(2,733)	-
<b>Net book value 30 June</b>	<b>150,381</b>	<b>164,826</b>

### 13.2. ROU ASSETS AND LEASE LIABILITIES (CONTINUED)

	2022	2021
	\$'000	\$'000
<b>Right of use assets</b>		
At 30 June		
Property	121,820	129,641
Motor vehicles	26,460	32,899
Other	2,101	2,286
<b>Total right of use assets</b>	<b>150,381</b>	<b>164,826</b>
<b>Lease liabilities</b>	<b>\$'000</b>	
Opening lease liabilities at 1 July 21	171,528	
Additions	6,834	
Interest for the period	8,081	
Lease payments made	(36,311)	
Disposals	(4,412)	
Modifications	16,772	
Transfers to liabilities classified as held for sale	(2,761)	
<b>Lease liabilities at 30 June 2022</b>	<b>159,731</b>	
<b>Lease liabilities maturity analysis</b>	<b>Minimum lease payment</b>	<b>Interest</b>
	<b>\$'000</b>	<b>\$'000</b>
Within one year	32,685	(6,927)
One to five years	85,229	(19,150)
Beyond five years	80,058	(12,164)
<b>Total</b>	<b>197,972</b>	<b>(38,241)</b>
Current lease liabilities	32,685	(6,927)
Non-current lease liabilities	165,287	(31,314)
<b>Total</b>	<b>197,972</b>	<b>(38,241)</b>
<b>Lease liabilities</b>	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
At 30 June		
Current lease liabilities	26,393	27,310
Non-current lease liabilities	133,338	144,218
<b>Total</b>	<b>159,731</b>	<b>171,528</b>

### 13.2. ROU ASSETS AND LEASE LIABILITIES (CONTINUED)

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

	2022 \$'000	2021 \$'000
<b>For the year ended 30 June</b>		
Depreciation	30,303	30,500
Short term lease	4,266	3,397
Interest on leases	7,948	7,921
<b>Total</b>	<b>42,517</b>	<b>41,818</b>

### 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.

## 13.3. INTANGIBLE ASSETS (CONTINUED)

	Goodwill \$000	Computer software \$000	Work in progress \$000	Customer lists \$000	Total \$000
<b>At 1 July 2020</b>					
Cost	15,020	3,777	2,170	10,132	31,099
Accum. amortisation and impairment	-	(2,183)	-	(5,095)	(7,278)
<b>Net book amount</b>	<b>15,020</b>	<b>1,594</b>	<b>2,170</b>	<b>5,037</b>	<b>23,821</b>
<b>Year ended 30 June 2021</b>					
Additions	-	62	314	-	376
Acquisition of subsidiaries	197	-	-	372	569
Transfers	-	1,063	(1,063)	-	-
Amortisation charge	-	(665)	-	(1,645)	(2,310)
Impairment	-	-	(1,283)	-	(1,283)
<b>Closing net book amount</b>	<b>15,217</b>	<b>2,054</b>	<b>138</b>	<b>3,764</b>	<b>21,173</b>
<b>At 1 July 2021</b>					
Cost	15,217	4,902	138	10,505	30,762
Accum. amortisation and impairment	-	(2,848)	-	(6,741)	(9,589)
<b>Net book amount</b>	<b>15,217</b>	<b>2,054</b>	<b>138</b>	<b>3,764</b>	<b>21,173</b>
<b>Year ended 30 June 2022</b>					
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)
<b>Closing net book amount</b>	<b>14,662</b>	<b>1,505</b>	<b>34</b>	<b>1,857</b>	<b>18,058</b>
<b>At 30 June 2022</b>					
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)
<b>Closing net book amount</b>	<b>14,662</b>	<b>1,505</b>	<b>34</b>	<b>1,857</b>	<b>18,058</b>

### 13.3. INTANGIBLE ASSETS (CONTINUED)

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

	2022 \$000	2021 \$000
MOVE Freight Limited	1,027	1,027
Alpha Customs Limited	776	776
MOVE Logistics & Warehousing Limited	12,492	12,492
TNL International Limited	170	170
MOVE (McAuleys) Limited	-	555
TNL International Australia Pty Limited	197	197
<b>Total</b>	<b>14,662</b>	<b>15,217</b>

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 (McAuley's) Limited goodwill of \$555,000 has been fully impaired as a result of a decrease in sales. 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 2022. The MOVE Logistics & Warehousing Limited and MOVE Freight Limited CGU's have significant goodwill balances at 30 June 2022.

The key assumptions for the value in use calculations of MOVE Logistics & Warehousing Limited and MOVE Freight Limited CGU's are 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*
<b>30 June 2021</b>						
MOVE Logistics & Warehousing Limited	9.5%	11.6%	2.0%	5.3%	2.8%	0.0% - 2.0%
MOVE Freight Limited	9.5%	12.0%	2.0%	2.7%	5.6%	0.0% - 5.6%
<b>30 June 2022</b>						
MOVE Logistics & Warehousing Limited	10.3%	13.8%	1.2%	2.9%	1.9%	0.0% - 1.0%
MOVE Freight Limited	10.3%	13.1%	1.2%	4.6%	3.0%	0.0% - 1.0%

\*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 both

warehousing and freight divisions. 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 CGUs exceed their carrying value at 30 June 2022 by the following amounts:

- MOVE Logistics & Warehousing Limited CGU: \$30.2m
- MOVE Freight Limited CGU: \$21.5m

In respect of the MOVE Logistics & Warehousing Limited and MOVE Freight Limited CGU's any reasonable possible change in the key assumptions used in the calculations would not cause the carrying values to exceed their recoverable amounts. Management has concluded that the goodwill balances at 30 June 2022 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	Acquisition of subsidiaries \$000	Transfer of liabilities to held for sale \$000	Deferred tax on disposal group \$000	Closing balance \$000
<b>2021</b>						
Property, plant and equipment	(7,661)	(347)	(104)	-	-	(8,112)
Right of use assets / lease liability	967	909	-	-	-	1,876
Provisions and accruals	3,098	200	-	-	-	3,298
Carry forward losses	256	-	-	-	-	256
<b>Total deferred income tax</b>	<b>(3,340)</b>	<b>762</b>	<b>(104)</b>	<b>-</b>	<b>-</b>	<b>(2,682)</b>
<b>2022</b>						
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)	-	-	-	-
<b>Total deferred income tax</b>	<b>(2,682)</b>	<b>1,061</b>	<b>-</b>	<b>1,586</b>	<b>184</b>	<b>149</b>

### 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
<b>At 1 July 2020</b>	2,313
Additional provisions	298
Utilised / released to profit or loss	(156)
<b>At 30 June 2021</b>	<b>2,455</b>
<b>At 1 July 2021</b>	2,455
Additional provisions	61
Utilised / released to profit or loss	(230)
Transfers to liabilities classified as held for sale	(20)
<b>At 30 June 2022</b>	<b>2,266</b>

#### 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 2022		30 June 2021	
	Shares	\$000	Shares	\$000
<b>Issued &amp; paid-up capital - ordinary shares</b>				
Balance at the beginning of the period	87,684,882	37,054	87,684,882	37,054
Shares issued - LTI (refer note 20)	45,877	34	-	-
Shares issued - AREO 1	28,654,370	38,100	-	-
<b>Balance at the end of the period</b>	<b>116,385,129</b>	<b>75,188</b>	<b>87,684,882</b>	<b>37,054</b>

<sup>1</sup>On 26 October 2021 the Board approved a capital raise of approximately \$40m via a fully underwritten 1 for 3.06 Accelerated Renounceable Entitlement Offer (AREO). The issue was fully subscribed and shares totalling 28,654,370 were issued on 5 November 2022 and 18 November 2022. Funds raised from the shares issued were used to repay debt, improve balance sheet flexibility and fund its capital growth. The balance of share capital is net of directly attributable costs of \$2 million.

## 15. CASH FLOW INFORMATION

### 15.1 CASH GENERATED FROM OPERATIONS

	2022 \$000	2021* \$000
<b>Reported loss after tax</b>	(2,539)	(1,296)
<b>Non-cash items</b>		
Gain on lease modification	(190)	(121)
Depreciation expense	39,649	41,010
Amortisation expense	2,506	2,255
Bad debts	203	159
Amortisation of bank fees	101	168
Non cash movements on convertible note	410	–
Impairment of investment in associates	61	95
Foreign exchange losses on operating activities	(231)	24
Non trading expenses	1,620	1,283
Share based payments	6	57
Cumulative translation adjustment	67	(9)
	<b>41,663</b>	<b>43,625</b>
<b>Impact of changes in working capital</b>		
Tax receivable / deferred tax	(388)	(2,787)
Trade and other receivables	(12,546)	(4,837)
Creditors and accruals/employee entitlements	6,151	1,272
Creditors relating to purchase of PPE	(403)	(547)
Inventories	(220)	(6)
	<b>34,257</b>	<b>36,720</b>
<b>Items classified as investing or financing activities</b>		
Profit on disposal of property, plant and equipment	(423)	(633)
Loss for associates	103	149
<b>Net cash flow from operating activities</b>	<b>33,937</b>	<b>36,236</b>

\*Certain amounts have been restated to reflect adjustments relating to discontinued operations note 21.

## 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.

	2022 \$000	2021 \$000
Cash and cash equivalents	14,940	13,214
Lease liability - repayable within one year	(26,393)	(27,310)
Borrowings - repayable within one year (including overdraft)	(3,713)	(67,352)
Lease liability - repayable after one year	(133,338)	(144,218)
Borrowings - repayable after one year	(24,324)	(2,811)
Convertible note - repayable after one year	(7,792)	(7,395)
<b>Net debt</b>	<b>(180,620)</b>	<b>(235,872)</b>
Cash and liquid investments	14,940	13,214
Liability - incremental borrowing rate	(159,731)	(171,528)
Borrowings - fixed interest rates	(27,797)	(31,071)
Borrowings - variable interest rates	(8,032)	(46,487)
<b>Net debt</b>	<b>(180,620)</b>	<b>(235,872)</b>

	<b>Liabilities from financing activities</b>				Cash/bank overdraft	Total
	Convertible note \$000	Borrowings \$000	Leases \$000	Subtotal \$000		
<b>Net debt as at 1 July 2020</b>	-	(86,263)	(173,482)	(259,745)	11,882	(247,863)
Cash flows	(8,200)	16,242	36,145	44,187	1,332	45,519
Lease additions	-	-	(27,158)	(27,158)	-	(27,158)
Other non-cash movements	805	(142)	(7,033)	(6,370)	-	(6,370)
<b>Net debt as at 30 June 2021</b>	<b>(7,395)</b>	<b>(70,163)</b>	<b>(171,528)</b>	<b>(249,086)</b>	<b>13,214</b>	<b>(235,872)</b>
Cash flows	-	42,226	35,342	77,568	1,726	79,294
Lease additions	-	-	(6,834)	(6,834)	-	(6,834)
Other non-cash movement	(397)	(100)	(16,711)	(17,208)	-	(17,208)
<b>Net debt as at 30 June 2022</b>	<b>(7,792)</b>	<b>(28,037)</b>	<b>(159,731)</b>	<b>(195,560)</b>	<b>14,940</b>	<b>(180,620)</b>

## 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 2022 have been incorporated in the consolidated financial statements.

Subsidiary	Shareholding 30 June 2022	Shareholding 30 June 2021	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 (McAuleys) Limited	100%	100%	30 June	New Zealand	Transport operator
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
MOVE (NZL) Limited	100%	100%	30 June	New Zealand	Warehousing and distribution
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
Pacific Liquid Logistics Limited	100%	100%	30 June	New Zealand	Non trading
TNL International (Australia) Pty Limited	40%	40%	30 June	Australia	International freight forwarder

MOVE (ATL) Limited was amalgamated into MOVE Freight Limited from 1 April 2022.

MOVE Specialist Lifting and Transport Limited is held for sale (refer note 21).

## 16.2 INTERESTS IN ASSOCIATES

Set out below are the associates of the Group as at 30 June 2022 which, in the opinion of the Directors, are material to the Group. The entities listed below have share capital consisting solely of ordinary shares, which are held directly by the Group. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

	Place of business/ country of incorporation	% of ownership interest		Nature of relationship	Measurement method	Investment in associates	
		2022	2021			2022 \$000	2021 \$000
UNITE Logistics Limited <sup>1</sup>	New Zealand	-	50%	Associate	Equity method	-	88
Emerald Truck Services Limited <sup>2</sup>	New Zealand	50%	50%	Associate	Equity method	271	329
<b>Total</b>						<b>271</b>	<b>417</b>

<sup>1</sup>UNITE Logistics Limited is a transport services provider for the Auckland and surrounding area's construction industry, specialising in crane transport. The balance date for this entity is March.

<sup>2</sup>Emerald Truck Services Limited is an automotive repair workshop based in Masterton specialising in trucks and trailers. This service is strategic to the Group given the material amount spent on repairs and maintenance. The balance date for this entity is June.

The Group's results of its principal associates, all of which are unlisted, and total assets (including goodwill) and liabilities, are as follows. The Group equity accounts for these associates based on management reporting for the year end to 30 June (the Group's balance date).

		UNITE Logistics Limited		Emerald Truck Services Limited	
		2022	2021	2022	2021
		\$000	\$000	\$000	\$000
<b>Summarised balance sheet</b>					
Current assets		-	946	802	900
Non-current assets		-	1,643	520	441
Current liabilities		-	955	374	380
Non-current liabilities		-	1,694	219	143
<b>Net assets</b>		-	<b>(60)</b>	<b>729</b>	<b>818</b>
<b>Summarised statement of comprehensive income</b>					
Revenue		3,042	7,076	3,580	2,895
Profit after tax from continuing operations		(90)	(340)	(115)	31
<b>Investment carrying amount reconciliation</b>					
Opening balance		88	353	329	225
Consolidation of advance to associate		218	-	-	-
Disposal/Acquisition <sup>1</sup>		(200)	-	-	88
Impairment of investment		(61)	(95)	-	-
Earnings from associates		(45)	(170)	(58)	16
<b>Closing balance</b>		-	<b>88</b>	<b>271</b>	<b>329</b>

<sup>1</sup> On 30 November 2021 the group disposed of its investment in Unite Logistics Ltd for \$200,000. Net of its advance to the associate the group recorded a loss on disposal of \$61,000.

## 17. CONTINGENCIES

### Bank Guarantee

The Group provides (via ANZ Bank) the below guarantees.

	2022 \$000	2021 \$000
Bank guarantees - property	5,140	6,187
Bank guarantees - fuel purchases	4,500	4,500
Bank guarantees - other	75	75
<b>Total</b>	<b>9,715</b>	<b>10,762</b>

## 18. CAPITAL COMMITMENTS

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

	2022 \$000	2021 \$000
Trucks and trailers	1,841	359
Other assets	18	122
<b>Total</b>	<b>1,859</b>	<b>481</b>

## 19. RELATED-PARTY TRANSACTIONS

### 19.1 TRANSACTIONS WITH KEY MANAGEMENT

#### a. Key management compensation

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

	2022 \$000	2021 \$000
Salaries, short term and post employee benefits	4,392	3,474
Directors fees	471	430

### 19.2 TRANSACTIONS WITH OTHER RELATED PARTIES

The following transactions occurred with related parties:

	2022 \$000	2021 \$000
<b>Sales and purchases of goods and services</b>		
Sales of services to associates	296	814
Purchases of services from associates	942	1,986
Purchases from entities controlled by key management employees	165	140

	2022 \$000	2021 \$000
<b>Outstanding balances arising from sales and purchases of services</b>		
Trade receivables from associates	2	128
Trade payables to associates	22	164
Trade payables to entities controlled by key management employees	52	-

The Group determines the above balances are fully collectible.

	2022 \$000	2021 \$000
<b>Advances to related parties</b>		
UNITE Logistics Limited	-	217

## 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 2022. 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.

### Existing options

The amount of options that will vest depends on MOVE Logistics Group total shareholder returns (TSR) during a three year vesting period greater than the 50th percentile of the NZX50 Group. The NZX50 Group compromises those companies on commencement date. Once the hurdle is exceeded, the Share Rights that become Eligible Share Rights increase on a straight-line basis from 50% being payable where the TSR is greater than the 50th percentile TSR of the NZX50 Group to 100% where the TSR is equal to or greater than the 75th percentile TSR of the NZX50 Group. Once vested, the options remain exercisable during the exercise period which will be advised on an eligibility notice.

Options have been granted under the plan for no consideration and carry no dividends or voting rights.

The exercise price of options is based on the weighted average price at which the company's shares are traded on the New Zealand Stock Exchange for the prior 10 days up to and including the commencement date.

## 20. SHARE BASED PAYMENTS (CONTINUED)

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

	Average exercise price per share option	Number of options
<b>As at 30 June 2020</b>		
Granted during the year	-	920,966
Forfeited during the year	-	(39,180)
<b>As at 30 June 2021</b>	<b>\$0.90</b>	<b>881,786</b>
Vested and exercisable at 30 June 2021	-	-
<b>As at June 2021</b>		
Granted during the year	\$0.90	881,786
Exercised during the year		(45,877)
Forfeited during the year		(661,273)
<b>As at 30 June 2022</b>	<b>\$0.70</b>	<b>174,636</b>
Vested and exercisable at 30 June 2022	-	-

Share options outstanding at 30 June have the following expiry dates and exercise prices:

Grant date	Expiry date	Exercise price	Share options 30 June 2022	Share options 30 June 2021
9 October 2020 (2019 LTI) <sup>1</sup>	30 June 2022	\$1.33	-	284,615
9 October 2020 (2020 LTI)	30 June 2023	\$0.70	174,636	597,171
<b>Total</b>			<b>174,636</b>	<b>881,786</b>
Weighted average remaining contractual life of options outstanding at end of period				1.0 years

1. Performance measure not achieved so options granted were forfeited

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

	June 2022	June 2021
	\$000	\$000
Share based employee expenses	6	57
	<b>6</b>	<b>57</b>

## 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 has been classified as held for sale and is a discontinued operation under NZ IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations. Entities are required to measure non-current assets and liabilities that are held for sale at the lower of their carrying amount and fair value less costs to sell.

As at year end there has been no offer accepted for the sale of MOVE Specialist Lifting and Transport Ltd. The Group expects to dispose of this company within the next 12 months.

Results of discontinued operations	June 2022 \$'000	June 2021 \$'000
Revenue	14,339	24,301
Operating expenses	(12,479)	(17,467)
Depreciation & amortisation expenses	(2,512)	(3,097)
Net finance expense	(133)	(126)
Net (loss)/profit before tax	(785)	3,611
Income tax credit/ (expense)	220	(1,011)
<b>Net (loss)/profit from discontinued operations after tax</b>	<b>(565)</b>	<b>2,600</b>
Basic and diluted earnings per share (cents per share)	(0.53)	2.96
 <b>Cash flows from/(used in) discontinued operation</b>		
Net cash from operating activities	600	6,982
Net cash from/(used in) investing activities	492	(925)
Net cash used in financing activities	(874)	(873)
<b>Net cash flows for the year</b>	<b>218</b>	<b>5,184</b>
 <b>The following assets and liabilities are classified as held for sale:</b>		
Property, plant and equipment	19,248	-
Trade and other receivables	2,924	-
Right of use assets	2,733	-
Intangible assets	255	-
Inventories	103	-
<b>Assets classified as held for sale</b>	<b>25,263</b>	<b>-</b>
 Lease liability	2,761	-
Employee entitlements	465	-
Provision for other liabilities and charges	20	-
Deferred tax liability	1,586	-
Trade and other payables	1,317	-
<b>Liabilities associated with assets classified as held for sale</b>	<b>6,149</b>	<b>-</b>

## 22. EVENTS AFTER THE REPORTING DATE

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On 1 July 2022 the official quotation of MOVE shares (MOV) commenced enabling shareholders to trade their MOVE shares on the ASX.

On 9 August 2022 the Group signed a commitment for 4,850,000 Euro's to purchase the Atlas Wind Vessel in order to facilitate its multi modal strategy.

On 23 August 2022, MOVE Logistics Group (through its wholly owned subsidiary, Pacific Liquid Logistics Limited) entered into a conditional sale and purchase agreement to acquire the business and assets of Fluidex Transport, a bulk liquid and bulk dry powder transport provider operating throughout New Zealand for a purchase consideration totalling approximately \$15.2 million. Completion and settlement are expected to occur on 31 October 2022 subject to appropriate final due diligence completion and any conditions precedent met.

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## 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 2022, 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 2022;
- the consolidated statement of profit or loss & 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.

Our firm carries out other services for the Group in the areas of half year review procedures and with providing other assurance services. The provision of these other services has not impaired our independence as auditor of 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.



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Description of the key audit matter	How our audit addressed the key audit matter
<p><b>Carrying value of Goodwill</b></p> <p>As at 30 June 2022, the Group had a total goodwill balance of \$14.7m, as disclosed in note 13.3. This is allocated across five cash generating units (CGU's).</p> <p>Management performed value-in-use (VIU) impairment tests at 30 June 2022 using a discounted cash flow model based on probability-weighted forecast cash flows for both these CGU's 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>The goodwill impairment tests for the Move Logistics and Warehousing Limited and Move Freight Limited CGU's are considered a key audit matter due to the significant level of management judgment applied in estimating future cash flows and other key assumptions in determining the recoverable amount of these CGU's.</p>	<p>We obtained the impairment tests prepared by management for Move Logistics and Warehousing Limited and Move Freight Limited as these are the two largest CGU's representing \$13.5m 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 that 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 ensuring 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 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"> <li>• the valuation methodology used;</li> <li>• the reasonableness of the discount rate; and</li> <li>• comparing inputs to relevant market and industry information.</li> </ul> <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: \$1.3m, which represents approximately 2.5% of Earnings before Interest, Tax, Depreciation and Amortisation ('EBITDA').

We chose 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.

Following our assessment of the risk of material misstatement, we:

- Full scope audits were performed for 4 of 16 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 industries 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. The Annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will 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.

When we read the other information not yet received, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Directors and use our professional judgement to determine the appropriate action to take.

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**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.

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**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.

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**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:

*PricewaterhouseCoopers*

Chartered Accountants

23 August 2022

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 2022 was \$750,000, which was approved by shareholders at the 2017 Special Meeting of Shareholders. Of this, \$470,833 was paid to non-executive Directors in FY22.

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 2022. There were no changes to the individual fees paid per Director during FY22. 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 FY22	Current Director or Date Appointed or Resigned
Trevor Janes	45,833	-	-	45,833	Resigned 23 November 2021
Lorraine Witten	113,333	4,167	-	117,500	Current
David (Grant) Devonport	40,834	5,833	-	46,667	Appointed 23 November 2021
James Ramsay	29,166	-	-	29,166	Resigned 23 November 2021
Peter Dryden	70,000	-	10,000	80,000	Current
Mark Newman	64,167	-	-	64,167	Appointed 27 July 2021
Christopher Dunphy	17,500	-	-	17,500	Appointed 1 July 2021
Danny Chan	70,000	-	-	70,000	Current
<b>Total</b>	<b>450,833</b>	<b>10,000</b>	<b>10,000</b>	<b>470,833</b>	

#### 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 and a short term share based incentive component (STI).

##### *Short term incentive plan*

A new share-based STI plan has been approved by the Board and is effective from 1 July 2022. Participation in the STI plan is by annual invitation at the discretion of the Board. Target levels of the share based STI opportunity range from 25% to 35% of base salary, depending on the role of the executive and includes both financial and non-financial components.

## CEO/EXECUTIVE DIRECTOR REMUNERATION DISCLOSURE

The CEO/Executive Director's remuneration as at 30 June 2022, consisted of a base salary. 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 earned during FY
		Salary	Benefits**	Subtotal		
		\$	\$	\$		
FY22	Christopher Dunphy	560,000	n/a	560,000	n/a	560,000
FY22	Alan Pearson	178,368	28,635	207,003	-	207,003
FY21	Alan Pearson	510,000	82,146	592,146	98,500	690,646

\* 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

Alan Pearson resigned effective 19 September 2021. Christopher Dunphy was appointed to the role of Executive Director on 27 July 2021. Christopher Dunphy does not have any short term or long term incentive components as part of his remuneration.

## 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 2022 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 FY22 was nil).

Remuneration	No. of Employees
\$100,000 - \$109,999	92
\$110,000 - \$119,999	91
\$120,000 - \$129,999	36
\$130,000 - \$139,999	25
\$140,000 - \$149,999	15
\$150,000 - \$159,999	10
\$160,000 - \$169,999	4
\$170,000 - \$179,999	2
\$180,000 - \$189,999	3
\$190,000 - \$199,999	4
\$200,000 - \$209,999	3

Remuneration	No. of Employees
\$210,000 - \$219,999	1
\$240,000 - \$249,999	1
\$250,000 - \$259,000	2
\$280,000 - \$289,999	1
\$330,000 - \$339,999	1
\$350,000 - \$359,999	1
\$560,000 - \$569,999	1
\$710,000 - \$719,999*	1

\*denotes former employee

## DISCLOSURES

### DIRECTORS

The following persons were Directors of MOVE Logistics Group Limited as at 30 June 2022:

Director	
Lorraine Witten	Independent Chair
Christopher Dunphy	Executive Director
David (Grant) Devonport	Independent Director
Danny Chan	Independent Director
Peter Dryden	Independent Director
Mark Newman	Independent Director

### 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 particulars of general disclosures of interest by Directors holding office at 30 June 2022. Particulars of entries made during the year to 30 June 2022 are noted in brackets, for the purposes of section 211(1)(e) of the Companies Act 1993.

Director	Name of Business or Entity	Nature of Activities of that Business or Entity	Nature and Extent of Your Interest
<b>Lorraine Witten</b>	PushPay Limited	Software Company	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
	Horizon Energy Group	Energy Distribution Company	Director
<b>Danny Chan</b>	SimTutor Limited	e-learning	Director and 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 and Shareholder
	Marlborough Wine Estates Group Ltd	Wine Manufacturer	Director
	Orient Pacific Management Limited	Financial Services	Director and Shareholder
	Impac Services Limited (From November 2021)	Health and Safety Advisory	Shareholder
	Microgem International PLC (From November 2021)	Biomedical	Director and Shareholder
<b>Peter Dryden</b>	BGI Nominees Limited	Property	Director and Shareholder
	Port Taranaki Limited	Port Operator	Director
	Aquafortus Limited	Chemical Company	Chair

Director	Name of Business or Entity	Nature of Activities of that Business or Entity	Nature and Extent of Your Interest
<b>Christopher Dunphy</b>	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
<b>Mark Newman</b>	C and M Newman Trustee Limited	Family Trust	Director
<b>David (Grant) Devonport</b>	Melbourne Airport Limited	Airport Infrastructure	Chief Financial Officer
	BoudiWoudi SMSF	Self-Managed Superannuation Fund	Manager/Beneficiary

No entries were made in the interests register of any subsidiary companies during the year ended 30 June 2022.

### DIRECTORS' SHARE DEALINGS

In accordance with the Companies Act 1993, between 1 July 2021 and 30 June 2022 the Board received the following disclosures from Directors of acquisitions and dispositions 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	750,000	\$1.00	7 July 2021
Christopher Dunphy	Purchase of Shares	1,830,062	\$1.40	5 November 2021
Mark Newman	Purchase of Shares	32,679	\$1.40	5 November 2021
Danny Chan	Purchase of Shares	415,254	\$1.40	5 November 2021
Lorraine Witten	Purchase of Shares	34,312	\$1.40	5 November 2021
Christopher Dunphy	Off Market Share Transfer	(700,000)	\$1.40	10 November 2021
Mark Newman	Off Market Share Transfer	700,000	\$1.40	10 November 2021
David (Grant) Devonport	Purchase of Shares	32,679	\$1.40	22 November 2021
Christopher Dunphy	Purchase of Shares	50,000	\$1.37	25 March 2022
Christopher Dunphy	Purchase of Shares	20,000	\$1.09	30 June 2022

In addition to the above, 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. Interests associated with James Ramsay (who served as a director during FY22 and retired 23 November 2021) were one of the founder shareholders and granted the call option over 1 million shares held by them.

**DIRECTORS' SHAREHOLDINGS INTERESTS**

As at 30 June 2022 the Directors of the Company had the following relevant interests in the Company's shares and in convertible notes which convert into the Company's shares.

Director	Ordinary Shares	Convertible Notes \$
Lorraine Witten	139,308	-
Danny Chan	1,685,932	2,000,000
Christopher Dunphy	6,780,062*	-
Mark Newman	832,679	-
David (Grant) Devonport	132,679	-

\*Includes 5 million shares that are the subject of the call option arrangement described on page 93..

**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 2022. 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 91.

Company	Directors					
MOVE Investments Limited	Christopher Dunphy	David (Grant) Devonport	Danny Chan	Mark Newman	Lorraine Witten	Peter Dryden
Alpha Customs Services Limited	Christopher Dunphy	Lee Banks	Clayton Imbs			
Appian Transport Limited	Christopher Dunphy	Lee Banks				
Global Logistics Group Limited	Christopher Dunphy	Lee Banks				
MOVE International Limited	Christopher Dunphy	Lee Banks				
MOVE (McAuley's) Limited	Christopher Dunphy	Christopher Knuth				
MOVE Logistics & Warehousing Limited	Christopher Dunphy	James Watters				
MOVE (NZL) Limited	Christopher Dunphy	Christopher Knuth				
Pacific Asset Leasing Limited	Christopher Dunphy	James Watters				
MOVE Fuel Limited	Christopher Dunphy	James Watters				
Southern Fleet Leasing Limited	Christopher Dunphy	James Watters				
MOVE Freight Limited	Christopher Dunphy	Christopher Knuth				
MOVE Specialist Lifting & Transport Limited	Christopher Dunphy	Christopher Knuth				
TNL International Limited	Christopher Dunphy	John Lowden	Mario Di Leva	Shayne Miers		
Pacific Liquid Logistics Limited	Christopher Dunphy	Lee Banks				

## SPREAD OF SECURITY HOLDERS

As at 31 July 2022:

Size of Shareholding	Number of Holders	Total Shares Held	% of Shares
1-1000	930	243,436	0.21%
1001-5000	380	1,031,520	0.89%
5001-10000	201	1,517,045	1.30%
10001-50000	225	4,941,083	4.25%
50001-100000	38	2,818,061	2.42%
100001 or more	66	105,833,984	90.93%
	<b>1,840</b>	<b>116,385,129</b>	<b>100.00%</b>

## TOP 20 SHAREHOLDERS

The names and holdings of the twenty largest registered shareholders in the Company as at 31 July 2022 were:

	Total Shares Held	% of Shares
Custodial Services Limited	12,066,754	10.38%
National Nominees New Zealand Limited	11,078,195	9.53%
Gregory Peter Whitham	8,201,601	7.05%
Anacacia Pty Limited	7,942,960	6.83%
James Ramsay & Nerida Joy Ramsay & Ramsay Family Trustee Limited	7,544,001	6.49%
Citibank Nominees (Nz) Ltd	7,062,607	6.07%
Kevin Garnet Smith	6,502,654	5.59%
Larry William Stewart & Kaylene Joy Stewart & Sr Taranaki Trustees Limited	6,202,653	5.33%
MMC Limited	5,423,960	4.66%
David Gregory Carr & Lynette Maree Duncan	3,538,126	3.04%
Alan Terris	3,320,000	2.86%
New Zealand Depository Nominee	2,105,131	1.81%
Elizabeth Beatty Benjamin & Michael Murray Benjamin	1,990,176	1.71%
BNP Paribas Nominees NZ Limited	1,818,765	1.56%
Danny Chan	1,685,932	1.45%
Leveraged Equities Finance Limited	1,597,383	1.37%
Wairahi Investments Limited	1,500,000	1.29%
Accident Compensation Corporation	1,013,286	0.87%
Selenium Corporation Limited	957,724	0.82%
Rangatira Limited	817,307	0.70%

## 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 FY22 and the Company's share register as at 30 June 2022. As at 30 June 2022, 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 2022 was 116,385,129.

	Number of Shares
NAOS Asset Management Limited	10,917,341
Gregory Peter Whitham	8,201,601
Kevin Garnet Smith	6,502,654
James Ramsay, Nerida Joy Ramsay & Ramsay Family Trustee Limited	7,744,001
Castle Point Funds Management Limited	7,236,674
Christopher Dunphy	6,780,062
Kaylene Stewart, Larry Stewart & SR Taranaki Trustees Limited	6,202,653
Mitsubishi UFJ Financial Group, Inc, First Sentier Investors (Australia) IM Ltd	5,867,862
Colonial First State Investments Limited	5,867,862

## OTHER INFORMATION

### Auditor's Fees

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

During the year ended 30 June 2022, the amount payable by MOVE Logistics Group Limited to PwC as audit and review fees was \$310,000. The amount of fees payable to PwC for non-audit work during the year ended 30 June 2022 was \$41,000. This is detailed in Note 8 of the Financial Statements.

### Donations

The Company and its subsidiaries made donations totalling \$20,000 during the year ended 30 June 2022.

### NZX Waivers

There were no waivers granted by NZX or relied on by the Company in the 12 months preceding 30 June 2022.

## CORPORATE GOVERNANCE

At MOVE Logistics, we believe that 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 and in line with our legal and regulatory obligations.

The Board has adopted corporate policies and procedures that reflect best practice and we follow the principles and recommendations of the NZX Corporate Governance Code (the Code). We believe that the Company's corporate governance practices in FY22 are materially in line with the Code, with further work being undertaken in some areas to ensure full compliance. The following pages summarise our corporate governance practices and progress in FY22.

MOVE Logistics takes a continuous improvement approach to corporate governance and policies are reviewed on a regular basis in line with best practice. Key governance policies and charters can be viewed on the MOVE Logistics website at [www.movelogistics.com/investors/governance](http://www.movelogistics.com/investors/governance).

This governance statement is current as at 30 June 2022 and was approved by the Board on 14 September 2022.

### Variance to NZX Corporate Governance Code

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 for achieving diversity.	The Board considers diversity outcomes can be achieved without measurable objectives.

### ETHICAL BEHAVIOUR

MOVE Logistics 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.

The Company does not donate to political parties.

MOVE Logistics 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.

The Securities Trading Policy, along with the Financial Markets Conduct Act 2013, imposes limitations and requirements on Directors and employees in 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.

### BOARD COMPOSITION AND PERFORMANCE

As at the date of this Annual Report, the MOVE Logistics Board comprises five non-executive Directors and one executive Director. Each Director has experience, skills and expertise that are of value to the Company. Profiles of Directors are available on the Company's website and on pages 34 and 35 of this Report. Peter Dryden has advised that he will be stepping down from the Board at the conclusion of the 2022 Annual Shareholders' Meeting. The Board acknowledges the valued contribution Peter has made to the business during his time as a Director.

MOVE Logistics' Chair is required to be an independent Director. The Board supports the separation of the roles of Chair and CEO and the appointment of an Independent Chair.

Five of the Directors are independent Directors. In order for a Director to be independent, the Board has determined that he or she must not be an executive of MOVE Logistics Group and must have no disqualifying relationships. Independence will be determined by the Board, having regard to the factors described in the NZX Corporate Governance Code. Christopher Dunphy is not an independent Director as he is a substantial product holder in the Company and holds the position of Executive Director.

Directors' interests are disclosed on page 92 of the Annual Report.

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. There is a Delegations of Authority Policy, which is reviewed annually by the Board. The Groups CEO's delegations were assumed by the Executive Director on 27 July 2021.

### Appointment of Directors

The number of elected Directors and the procedure for their retirement and election at Annual Meetings is determined in accordance with the Company Constitution and NZX Listing Rules. Directors will retire and may stand for re-election by shareholders at least every three years. A Director appointed since the previous annual meeting holds office only until the next annual meeting but is eligible for re-election at that meeting. The Company has written agreements with each Director, outlining the terms of their appointment.

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.

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 as to whether or not to elect or re-elect a candidate.

The Company has developed a skills matrix and takes into account a number of factors including qualifications, experience and skills. The Board believes that the current Directors as at 14 September 2022 offer valuable and complementary skill sets.

### BOARD SKILLS MATRIX



■ High Capability ■ Moderate Capability

## 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.

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 (and subject to legal requirements and/or restrictions).

## 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. An external review was conducted during the year and the report was presented to the Board in June 2022.

The Board is satisfied that each Director has the necessary time available to devote to the position, broadens the Board's expertise and has a personality that is compatible with the other Directors.

## Diversity

Diversity at MOVE Logistics refers to characteristics of individuals and includes factors such as gender, marital status, religious belief, colour, race, ethnic or national origin, disability, age, political opinion, employment status, family status or sexual orientation. It encompasses the ways 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 are diversity of thinking and skills, as these attributes are most likely to assist MOVE Logistics 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 and which 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
- Recognition and reward based on merit

As at 30 June 2022, females represented 19% (FY21: 21%) 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 Executive Director). Females represented 14% (FY21: 16%) of all employees of the Company.

	FY22		Gender Diverse	FY21		
	Female	Male		Female	Male	Gender Diverse
Directors	1	5	0	1	4	0
Officers	1	6	0	2	7	0
All Employees	247	1,067	0	227	1,206	1

The Board is satisfied with the initiatives being implemented by the Group 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.

## 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. Management attendance at Committee meetings is by invitation only.

Special purpose Committees may be formed to review and monitor specific projects with senior management. In FY22, a special Capital Management sub-committee was formed to oversee the capital raise.

In the case of a takeover offer, MOVE Logistics would engage expert legal and financial advisors to provide advice on procedure. Formal Takeover protocols have been developed and formally adopted by the Board in compliance with Recommendation 3.6 of the NZX Corporate Governance Code.

The Board committees as at 30 June 2022 were:

Committee	Role	Members as at 30 June 2022
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.	Peter Dryden (Chair) Danny Chan Mark Newman

## Attendance at Board and Committee Meetings

	Board	RAAC	REM
<b>Total Meetings Held</b>	<b>14</b>	<b>5</b>	<b>3</b>
Lorraine Witten	14	4	3
Danny Chan	14	5	3
Peter Dryden	14	4	3
Christopher Dunphy	13	3	1
Mark Newman	13	5	3
David (Grant) Devonport	7	4	1

## REPORTING AND DISCLOSURE

MOVE Logistics 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 Continuous Disclosure Policy sets out the principles and requirements of this commitment to timely and balanced disclosures.

Key corporate governance policies are available on MOVE Logistics' website at [www.movelogistics.com/investors/governance](http://www.movelogistics.com/investors/governance).

### 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 Logistics' 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 2022, 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. The Chief Financial Officer has confirmed in writing that MOVE Logistics Group's external financial reports present a true and fair view in all material aspects.

In all accounting and secretarial matters, the Board ensures that the Chief Financial Officer and Company Secretary's reports are objective. The Chief Financial Officer and Company Secretary have unfettered access to the Board Chair and the Risk Assurance and Audit Committee.

### Non-financial reporting

MOVE Logistics has initiatives supporting its focus on the environment, people and communities and a formal ESG framework is being developed. MOVE's progress in key areas can be viewed on pages 20 to 23 of the 2022 Annual Report.

The Company periodically updates shareholders and the market on its strategy and progress against this in shareholder reports and newsletters.

## REMUNERATION

Remuneration of Directors and senior executives is the key responsibility of the Governance and Remuneration Committee. External advice has been sought to ensure remuneration is benchmarked to the market for senior management positions and Board positions.

The last increase in Director remuneration was approved by shareholders in 2017. 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.

Details of Director and Executive Remuneration in FY22 are provided on pages 90 to 91.

## RISK MANAGEMENT

MOVE has continued to strengthen its risk management capabilities under the direction of the Risk Assurance and Audit Committee (RAAC) of the Board and the Executive Team. A dedicated internal role (**Ben Gillum**, Risk and Compliance Manager) supports risk and compliance management at MOVE by developing and managing the 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. It is also responsible for overseeing and monitoring that MOVE's management implements and operates adequate risk assurance, internal control and audit systems within MOVE.

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 in order 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:

- Financial
- Customer / Reputational / Shareholder Outcomes
- People / Health, Safety & Wellbeing
- Legal (Compliance) / Contractual
- Environment
- Operations

Over the 2023 financial year, continuing initiatives to improve the maturity of risk management activity will address risk appetite, identification of key operational risks and providing management with enhanced risk management visibility and capability.

Current key risks are:

Key Risk		Mitigation
Competition	Significant increase in competition may lead to loss of customers and loss of revenue streams.	MOVE is focused on continually improving its offer to customers and enhancing the customer experience. This includes looking at new opportunities like coastal shipping. Investment continues to be made into IT and capacity to further strengthen MOVE's end to end supply chain offer and enhance the customer experience.
Financial risks	The risk that MOVE will not be able to meet its debt repayment obligations when they fall due.	Cash flow management is monitored at all levels of the business. Financial policies and procedures are in place and monitored to ensure the business is managed within the limits on a continuous basis. This risk is managed by the Risk Assurance and Audit Committee of the Board.
Crisis Events	Inability to respond to or recover from the current Covid-19 crisis, the onset of future global pandemic or a similarly disruptive natural event.	Crisis Management Team for management of crisis event response and Business Continuity Plans are in place for each business.
Economy	Heightened economic or market uncertainty could impair long-term planning affecting revenue optimisation and growth.	Management regularly monitors this risk through a range of economic and market indicators to facilitate forecasting of and planning for underlying demand, revenue and capacity.
Climate Change and Sustainability	Physical climate impacts and related policy and/or market changes may disrupt our operations or impact demand for our services.	Sustainable strategy that extends to an emission reduction target and includes investment in electric and fuel-efficient vehicles.
Cyber Security	A cyber-attack could result in lost integrity or access to information, loss of control systems or a significant data privacy breach.	MOVE has data security systems and protocols in place, which are continuously reviewed, monitored and updated for improvement. Cyber Security Audits are undertaken throughout the year.
Health & Safety	Events that could adversely affect employee health and wellbeing.	Key metrics are monitored and measured and reported on regularly to the Board. Preventative and recovery processes and controls are implemented across the business.

The Board as a whole is responsible for monitoring corporate risk assessment processes and this is not delegated to a subcommittee.

## Health and safety

Staying safe, keeping others safe, and being corporately 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 MOVE Logistics 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 and simplifying tools and systems.

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.

During the year, 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 moves 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 Authority's Accredited Employer Program. As a company with over 900 vehicles in the fleet, road safety is a critical risk factor. The company has a dedicated team of driver trainers to educate and support drivers, alongside the increased use of in cab technologies. An increasing focus is the risks around a mobile plant more 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.

	2018	2019	2020	2021	2022
Lost Time Injury Frequency Rate (LTIFR)	28.93	25.36	24.50	19.84	15.81
Total Recordable Injury Frequency Rate (TRIFR)	84.15	71.35	62.18	63.50	46.75

## AUDITORS

### External audit

For the year ended 30 June 2022, PricewaterhouseCoopers (PwC) was the external auditor of MOVE Logistics 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 Risk Assurance and Audit Committee monitors the ongoing independence, quality and performance of the external auditors and audit partner rotation. The Committee pre-approves any non-audit work undertaken by PwC. The non-audit services in the year ended 30 June 2022 are set out in Note 8. Those services were provided in accordance with the company's External Auditor Independence Policy and were assessed by the Risk Assurance and Audit Committee as not affecting PwC's independence. The fees paid for audit and non-audit services in FY22 is identified on page 96 of the Annual Report. The external auditors attend the Annual Shareholders Meeting.

## Internal Audit

MOVE has an internal Audit Framework and Annual Plan which is overseen by the Risk Audit Assurance Committee. MOVE continues to outsource the internal audit 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.

During FY22, external specialist audit resources were used to evaluate risk and risk management in two key areas of the business. The reports from the internal Audits are presented to the Risk Audit Assurance Committee and the Committee monitors performance against the auditor's recommendations.

During FY23, MOVE will continue to develop and further refine the options in the Internal Audit function to meet the future needs of the business.

## SHAREHOLDER RIGHTS AND RELATIONS

The Board is committed to open and regular dialogue and engagement with shareholders. MOVE Logistics 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. Easy access to financial, operational and governance information is available through the Investor Centre on company's website at [www.movelogistics.com/investors/governance](http://www.movelogistics.com/investors/governance).

Shareholders are actively encouraged to attend the Annual Meeting and may raise matters for discussion at this event, and vote on major decisions which affect MOVE Logistics. Voting is by poll, upholding the 'one share, one vote' philosophy. Shareholders are also able to vote by proxy ahead of meetings without having to physically attend those meetings.

Shareholders are encouraged to communicate with the Company and its share registry electronically.

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

## OUR LONG SERVICE EMPLOYEES – CELEBRATING OVER 10 YEARS

Aaron Ogden	Foe Pauga	Lafaele Faifili	Robert Leonard
Adam Ashcroft	Garry Brooks	Leo Bouma	Robin Bush
Aileen Clark	Gary Simons	Lila Griffits	Rodney James
Alan Paterson	Gavin Alexander	Lionel Smith	Roma Runga
Allison Webb	Gavin Maxted	Lisa Guy	Ronald Waters
Aman Prasad	Geoffrey Yates	Lorraine Langan	Ross Adamson
Amanda Friend	George Watson	Lucky Lopesi	Ross Hagenson
Andrew Isle	Gerard Biggans	Luke Martin	Ross Saunders
Andrew Mitchell	Glenda Gillan	Malcolm Cockburn	Rupend Lal
Andrew Sinnamon	Graeme Gillies	Marc Smith	Sam Gunasinghe
Andrew Wallace	Graeme Taylor	Maria Watts	Scott Hodges
Andrew Lopesi	Graeme Goldsack	Mark Richards	Sean O'Brien
Andrew Green	Graham Wootton	Mark Diskin	Shane Welch
Andy Skinner	Grant Thorn	Mark Freeman	Shane Beadle
Annie Sauaso	Grant Philip	Mark Simes	Shane Carnie
Barry Loughnan	Grant Forward	Mark Svatos	Sheldon Williams
Brent Langdale-Hunt	Grant Weston	Mark Paterson	Simon Moir
Brett Allan	Greg Cox	Mark Alterator	Simon Hunter
Brett Peary	Gregory Johnson	Mark Smith (L&W)	Soloman Tawera
Brian Taylor	Gwen Yates	Mark Smith (Fuel)	Sosefo Tolu
Brian Cole	Hazel Libres	Matt Cooksley	Stacey Nicholls
Brian Higgins	Heather Robinson	Matthew Dent	Stephen Britt-Foy
Brian Jacobs	Ian Robinson	Melissa Weaver	Stephen Comyns
Bruce Newman	Jacob Villalon	Mervyn Kelso	Stephen Hancox
Bryce Earl-Peacock	Jamie Potaka	Michael Braybrook	Steve Runciman
Carl Harris	Jan Allport	Michelle Jones	Steve Wallace
Casey How	Jason Kelly	Michelle Sonntag	Steve Hoskin
Charisse Young	Jeremy Gardiner	Mike Carson	Steve Harris
Chris Jones	Jeremy West	Mitchell Mcgoldrick	Stuart Rayner
Chris Wetzel	Jeremy Hodson	Murray Oliver	Tamehana Bishop
Christopher Allen	Jeremy Boyd	Ngaire Vaikai	Tene Taare
Christopher Reihana	Jessica Lee	Nicholas Edwards	Teokotai Kaukura
Clinton Summerton	Jim Joyce	Nigel Hargreaves	Teresa Dufton
Colin Robins	Jo Jackson	Otto Wulf	Tewi Lawson
Craig Jane	Jo-Anne Dutton	Owen Wilson	Tim Bown
Craig Blackwell	Joanne Christoffel	Patrick Brunton	Timothy Wills
Dale Thompson	John Pasene	Paul Gardiner	Tom Cargill
Darrell Boyd	John Barton	Paul Otuafi	Tom Cook
Darrin Cunningham	John Turner	Paula Oude-Alink	Tony Johnson
Darryl Slattery	John-Paul Harrison	Peter Harwood	Tracy Renata
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Daryl Harlan	Joseph Roberts	Peter Howells	Trevor Stowell
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Dean Murray	Kelvin Hughes	Rahimah Alderwick	Wei Shen
Debbie Lee	Ken Kaiwai	Raymond Slade	Weihong Song
Delwyn Ryan	Kerry Stockwell	Raymond Emke	Wendy Topless
Desmond Cropper	Kevin Hollis	Richard Thomas	Whaiti De Thierry
Dianne Byrne	Kevin Longstaff	Richard Krutz	Whuia (Buck) Robinson
Duncan Isle	Kevin McLean	Rob Hawira	William Petersen
Dwain Lafeta	Kevin Haggerty	Robert Bidois	William Cavanagh
Eru Kaiwai	Kevin Norwood	Robert Andrew	



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