Company Announcement
29 August 2024

MOVE FY24 RESULTS FOR THE YEAR ENDED 30 JUNE 2024

Transport and logistics group, MOVE Logistics Group Limited (NZX/ASX: MOV), has released its audited results for the year ended 30 June 2024.

- Group performance and results below aspirations; significant improvements being targeted in FY25 with new leadership and fast-tracked change programme
- Revenue down 13% to $301.7m as a result of lower market and customer activity
- Net loss after tax for the year of $(48.1)m[1], including pre-tax, non-trading adjustments of $19.7m
- Normalised EBITDA of $27.6m, and Normalised EBT of $(25.7)m[2]
- Reduction in net operating cashflow (including rent and leases) to $(5.1)m

The results reflect underperformance of the Group, exacerbated by the recessionary environment which impacted customer demand and further highlighted the need to right-size and improve efficiencies within the organisation. A group wide change programme has been developed and is now being executed at pace to drive financial improvement.

Chair of MOVE, Julia Raue, said: "MOVE's results this year are clearly disappointing. We acknowledge that we were too slow to react to the recessionary environment which has been stronger for longer than expected, and reduce costs to match activity levels.

"We are now moving urgently to drive change and improvement. We have engaged with independent advisors to ensure we have validated the challenges and opportunities within the business as well as the external factors that have impacted MOVE's performance. A comprehensive change programme has been developed to replace Project Blueprint and experienced executive, Paul Millward, has been appointed to lead the turnaround. We are moving ahead with a refreshed Board and leadership team and are united in our focus to execute the change programme with urgency."

MOVE's success relies on three factors, which will improve financial performance and importantly, build shareholder value. These form the foundation of the change programme:

- Recalibrating operations - ensuring MOVE's operational structure is appropriate for the size and scale of the business, cost-effective and efficient, while retaining the flexibility to scale up to meet increased demand and deliver quality customer service
- Profitable revenue growth - investment into sales capabilities, accelerating profitable revenue opportunities and dynamic pricing disciplines
- Balance sheet resilience – priority focus on cashflow generation and capital management

The change programme is targeted to deliver a significant improvement in normalised EBT in FY25, and a return to profitable normalised EBT in FY26, and is supported by the company's financiers. In particular, the network and fleet optimisation is expected to deliver a turnaround in the Freight division's performance.

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[1] *Attributable to owners of the company*

[2] *Normalised EBITDA and Normalised EBT exclude non-controlling interest and non-trading adjustments of $19.7m pre-tax related to asset impairment, settlement & restructuring cost (FY23: $1.7m). For more information, see Appendix slide in FY24 Results Presentation.*

Julia said: "The Board remains confident in MOVE's underlying value and strong customer offer. Over the last two years we have made good progress in core areas that matter – enhancing our multi-modal, end to end supply chain, building a strong group culture and creating a strong brand presence across the country, supported by our national network. The work done by advisors confirms that MOVE's underlying business fundamentals are sound. Long term macro trends remain positive for the industry, with demand growth alongside government investment in transport infrastructure. MOVE is well positioned to deliver expert logistics solutions across a range of sectors."

FY24 Financial Performance

Subdued customer activity and customer losses in a recessionary environment saw revenue reduce 13% year on year to $301.7m. Costs increased as a result of inflation and following 1H24 investment in the business in anticipation of an economic recovery.

The result includes non-cash impairments of $17.3m on the carrying value of the Atlas Wind vessel which is being held for sale and goodwill in the warehousing business. Excluding these and other non-trading costs (totalling $19.7m), Normalised EBITDA[3] was down 41% to $27.6m, primarily as a result of lower revenue and costs being too high for activity. In line with guidance, 2H24 Normalised EBITDA was ahead of 1H24. Including non-trading costs, the company has reported a Net Loss after Tax of $(48.1)m.

The priority for the Board is to restore positive adjusted net operating cashflow (inclusive of rent and lease payments), which was $(5.1)m in FY24.

Net debt increased by $1.4m to $17.0m, with total bank debt of $36.0m (inclusive of $9m bank guarantees). MOVE is finalising new funding arrangements with ANZ Bank and Pacific Invoice Finance which will support the change programme as well as corporate and working capital requirements. Total equity was $23.4m as at 30 June 2024.

Looking Forward

The change programme, which commenced in July 2024, is performing to plan with early wins including expanded customer sales activity and good progress in the Freight turnaround.

Julia Raue said: "We are moving at pace to recalibrate the business, adapting it for current market conditions, and making it more efficient and fit for the future. We expect substantial progress over FY25 to restore cashflow and improve earnings, with initial results to be seen from 2H FY25. Costs associated with the change programme will impact in FY25."

MOVE is targeting positive adjusted net operating cashflow and a significant improvement in normalised EBT in FY25, and a return to normalised EBT profit in FY26.

"MOVE is one of the largest transport and logistics providers in New Zealand. We have a nationwide network with a strong regional and metro presence, the ability to provide an end to end supply chain solution, an experienced and passionate team, and a commitment to customer excellence. The work we are doing now will reset our company, leverage MOVE's strengths, realise its considerable potential and grow shareholder value. As a Board, we are holding ourselves and our team to account, and will keep shareholders and the market informed on our progress."

ENDS

Approved for release by Julia Raue, Chair MOVE Logistics Group

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Media assistance, Jackie Ellis t: + 64 27 246 2505 e: jackie@ellisandco.co.nz

About MOVE Logistics Group Limited (MOV)

MOVE is one of the largest domestic freight and logistics businesses in New Zealand, with a nationwide network of branches, depots and warehouses.

MOVE LOGISTICS GROUP LIMITED
FY24 RESULTS

29 August 2024

Move

FY24 RESULTS SNAPSHOT
Results below aspirations; significant improvement targeted in FY25

INCOME	EBITDA Normalised[1]	EBT Normalised[1]	NLAT[2]
$301.7m	**$ 27.6m**	**$(25.7)m**	**$(48.1)m**
FY23: $347.7m	FY23: $47.4m	FY23: $(5.8)m	FY23: $(7.2)m

LTIFR	CAPEX	GEARING	FREE CASHFLOW
15.82	**$1.8m**	**38.4%**	**$2.0m**
FY23: 14.72	FY23 $19.5m	FY23: 17.2%	FY23: $0.7m

- 2H24 Normalised EBITDA ahead of 1H24, in line with guidance
- Disappointing result reflecting underperformance exacerbated by recessionary environment
- Higher cost base due to inflation and investment into business in anticipation of economic recovery
- Slow to react to market changes and reduce costs

1. *Normalised EBITDA and Normalised EBT exclude non-controlling interest and non-trading adjustments of $19.7m pre-tax related to asset impairment, settlement & restructuring cost (FY23: $1.7m). Including these, FY24 EBITDA and EBT was $7.9m and $(45.3)m respectively.*
2. *Attributable to owners of the company*

Approx. 70% of MOVE's top 20 clients are in the Retail sector

Retail exposure includes:

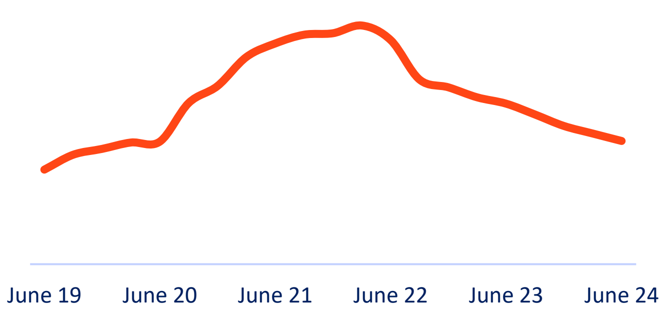
Grocery, packaging, liquor, fuel

Other sectors include:

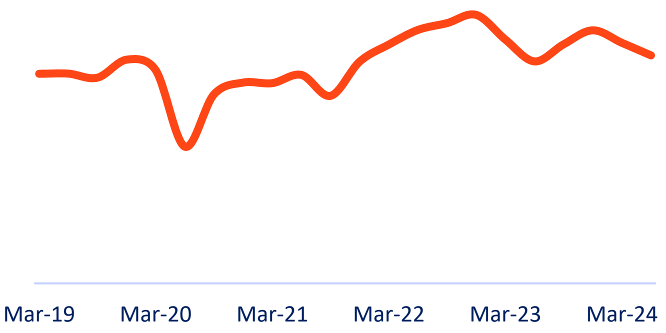
- Building products
- Aquaculture
- Infrastructure

Depressed economic activity impacting revenue

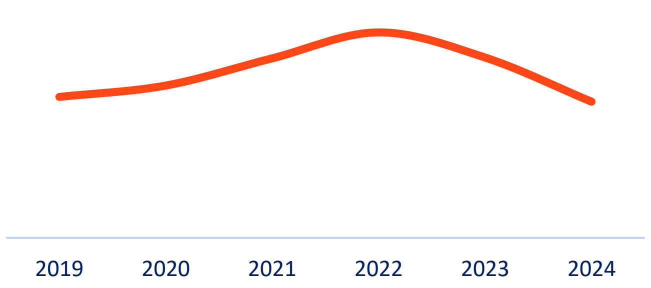
Retail Sales Trend



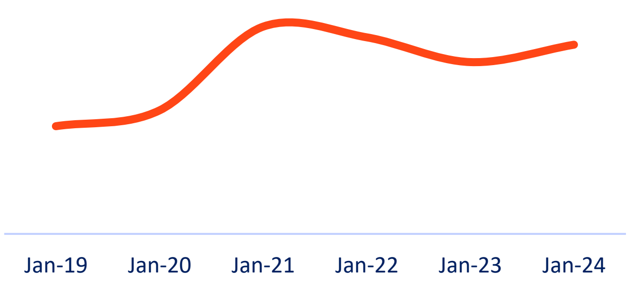
Retail Fuel Spend



Residential building consents



Infrastructure pipeline



Sources: Statistics NZ, Infometrics

RESPONDING TO MARKET & BUSINESS CHALLENGES

Slow to react; accelerated change plan in place from 1 July 2025

HEADWINDS STRONGER FOR LONGER

- Recessionary environment with significant reduction in demand and customer losses
- Inefficient network structure and underperformance
- Inflation increasing cost to serve and putting pressure on margins

1H24: Customer activity continued to fall with significant reduction in demand across most sectors. Increased cost as investment was made in fleet, people and technology ahead of economic recovery.

4Q24: Identified priority need to move at pace to rightsize organisation and improve performance. Appointed independent advisors to validate assumptions and support development of change plan (replacing Project Blueprint).

1Q25: Moving at pace to accelerate change programme. Priority is cashflow generation and revenue recovery. Led by refreshed board and new executive team.

Remain confident in MOVE's inherent value, experienced team and strong customer offer

ACCELERATED CHANGE PLAN

Goals to improve financial performance, build positive cashflow and deliver value to shareholders, while continuing to provide great service to MOVE customers

RECALIBRATE THE BUSINESS	• Maximise performance, productivity and utilisation • Network, fleet and team optimisation – retain ability to flex with demand, while delivering quality customer service • Strict cost controls and reduction
PROFITABLE REVENUE GROWTH	• Continue to invest in sales capabilities • Accelerate profitable revenue opportunities • Considered customer acquisition and diversification • Dynamic pricing disciplines
BALANCE SHEET RESILIENCE	• Priority focus on cashflow generation • Meticulous financial management

Our Vision: To be the preferred freight and logistics provider in Australasia

Our Mission: To keep our customers moving

Our Mantra: Customer, Safety, Team

STRATEGY FOR GROWTH

/ GOOD PROGRESS ON FUNDAMENTALS

END TO END SUPPLY CHAIN

Strengthening our supply chain offering. Addition of Oceans trans-Tasman shipping service, enhanced metro services

INCREASINGLY MULTI-MODAL

Lowering cost to serve, providing optionality for customers and offering carbon reduction opportunities

STEP CHANGE IN CULTURE

Moving from silo to group focus across the organisation. Increased collaboration to deliver end to end supply chain solutions

STRONG BRAND AND NATIONAL NETWORK

Seen as a strong contender by customers, supported by an expanded sales team. Regional and metro network remains a key strength for MOVE

INNOVATIVE SERVICES

Encouraging customer response to pilot of the trans-Tasman shipping service. Moving ahead with new time-charter vessel

INDUSTRY COLLABORATION

Assessing opportunities for increased collaboration across the industry

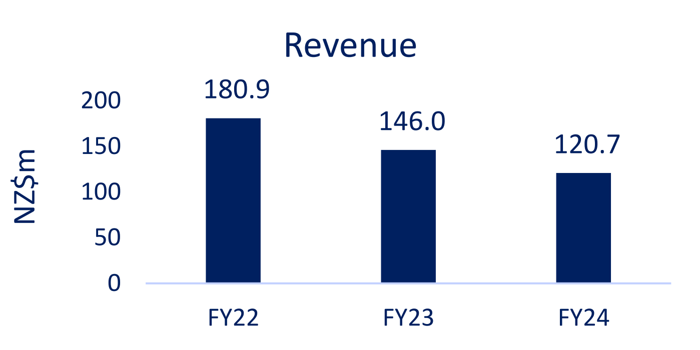
BUSINESS DIVISION PERFORMANCE

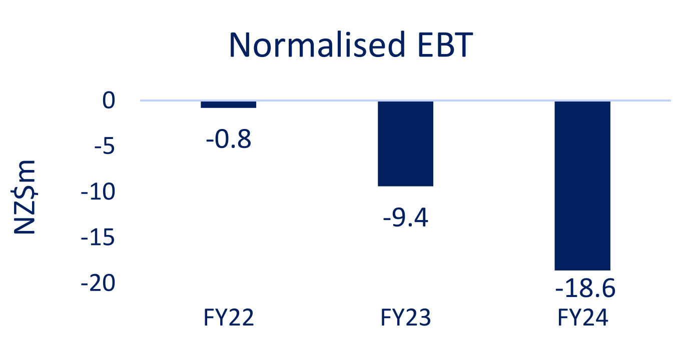
FREIGHT

Disappointing result despite onboarding of new customers; Freight reset further hampered by adverse trading conditions

- Short term cost impact from investment into owner-drivers and fleet leases ahead of anticipated growth
- 4Q24: Commenced right sizing of business (cost base) to create a leaner, more efficient structure and improve operating leverage
- Restructure of business into clear LCL and FTL services, with focus on higher margin LCL business
- Priority on building revenue – positive sales activity delivering new customer wins in 2H
- Network offer (regional plus metro) is a key attraction for customers
- Bolstering trucking business with other modes of transport
- Improving returns expected as changes are bedded in and when trading conditions improve

Revenue: $120.7m
Normalised EBT: $(18.6)m





CONTRACT LOGISTICS

Warehousing hard hit by reduced demand; Fuel and Tankers remains stable

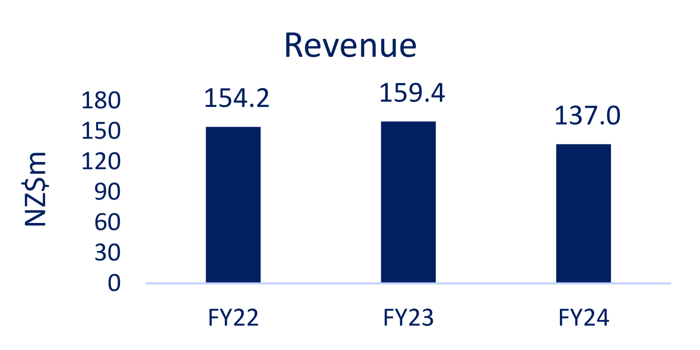
Warehousing:

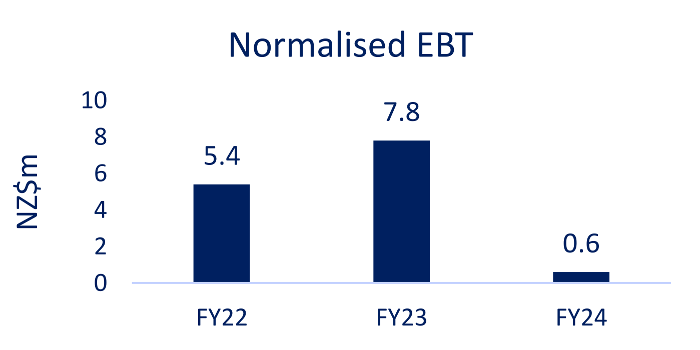
- Softer demand, increasing competition and customers insourcing - impacting on results, capacity below desired levels
- Non-cash goodwill impairment of $12.7m
- Priority to fill available occupancy – number of new customer contracts now in place
- Customer diversification away from traditional reliance on large customer groups
- Well positioned to deliver quality, cost effective solution with national network and integrated freight offer

Fuel/Tankers:

- Stable performance despite continuing reduced light traffic activity (motorbikes, cars, vans) and corresponding spending on fuel
- Continue to look for opportunities to build on expertise and expand Tankers service offer

Revenue: $137.0m
Normalised EBT: $0.6m





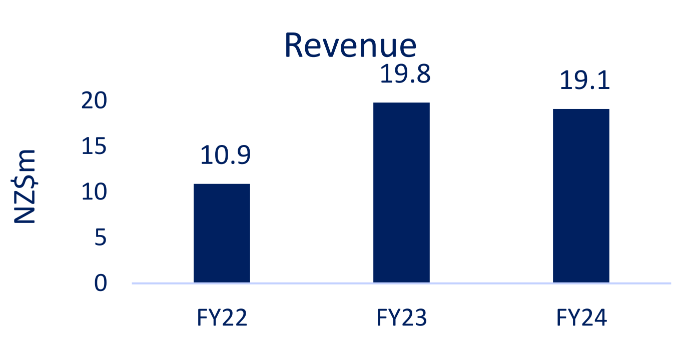
Excludes non-cash goodwill impairment of $12.7m

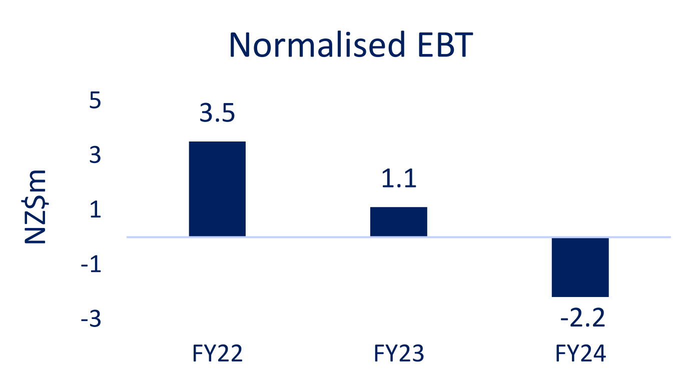
INTERNATIONAL

Freight forwarding demand softer; continued investment into Oceans pilot

- International freight volumes and pricing have retracted from highs in 2023 to more normal trading levels
- Investment into Oceans strategy:
  - Encouraging customer support for pilot of shipping service - acts as a feeder to MOVE's freight and warehousing businesses
  - Moving to a time charter model providing larger, more resilient vessel – in line with MOVE's asset light model
  - Sale process for Atlas Wind vessel underway – non-cash impairment of asset carrying value of $4.3m

Revenue: $19.1m
Normalised EBT: $(2.2)m



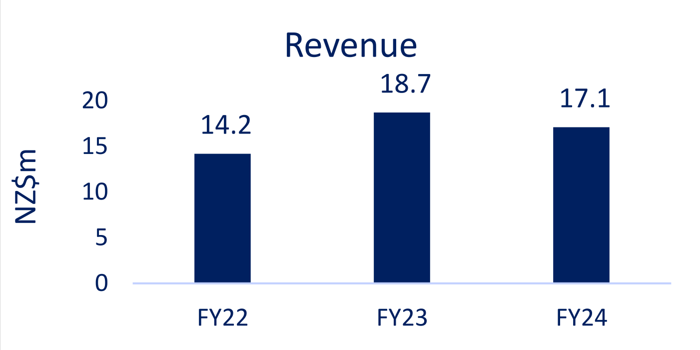


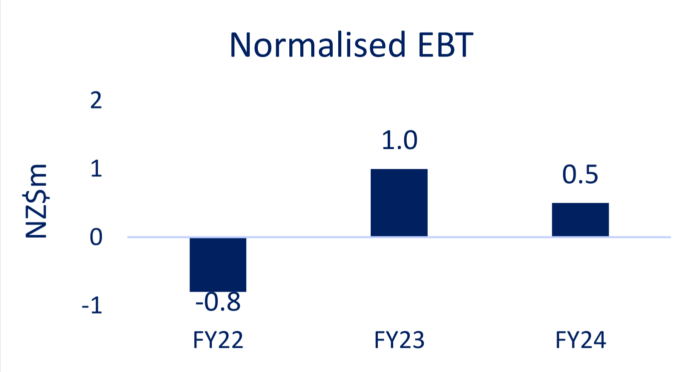
Excludes $4.3m non-cash impairment of carrying value

SPECIALIST
Project work delayed, strong pipeline in place

- Retraction of business and public spending – number of projects put on hold or delayed into future periods – these remain ongoing
- Strong pipeline of work in place
- Well placed as experts to deliver for energy and infrastructure projects
- Good opportunities to build on expertise and quality reputation to build market share and expand into other sectors and regions
- Increased South Pacific interest and project work

Revenue: $17.1m
Normalised EBT: $0.5m





/ FINANCIAL RESULTS

FY24 GROUP SUMMARY

$Millions	FY24	FY23
Total Income	301.7	347.7
Normalised EBITDA[1]	27.6	47.4
Normalised EBT[1]	-25.7	-5.8
NLAT[2]	-48.1	-7.2
EPS (cents)	-37.66	-6.18
Free cashflow	2.0	0.7
Net Debt	17.0	15.6

1. *Normalised EBITDA and Normalised EBT exclude non-controlling interest and non-trading adjustments of $19.7m pre-tax related to asset impairment, settlement & restructuring cost (FY23: $1.7m). Including these, FY24 EBITDA and EBT was $7.9m and $(45.3)m respectively.*
2. *Attributable to owners of the company*

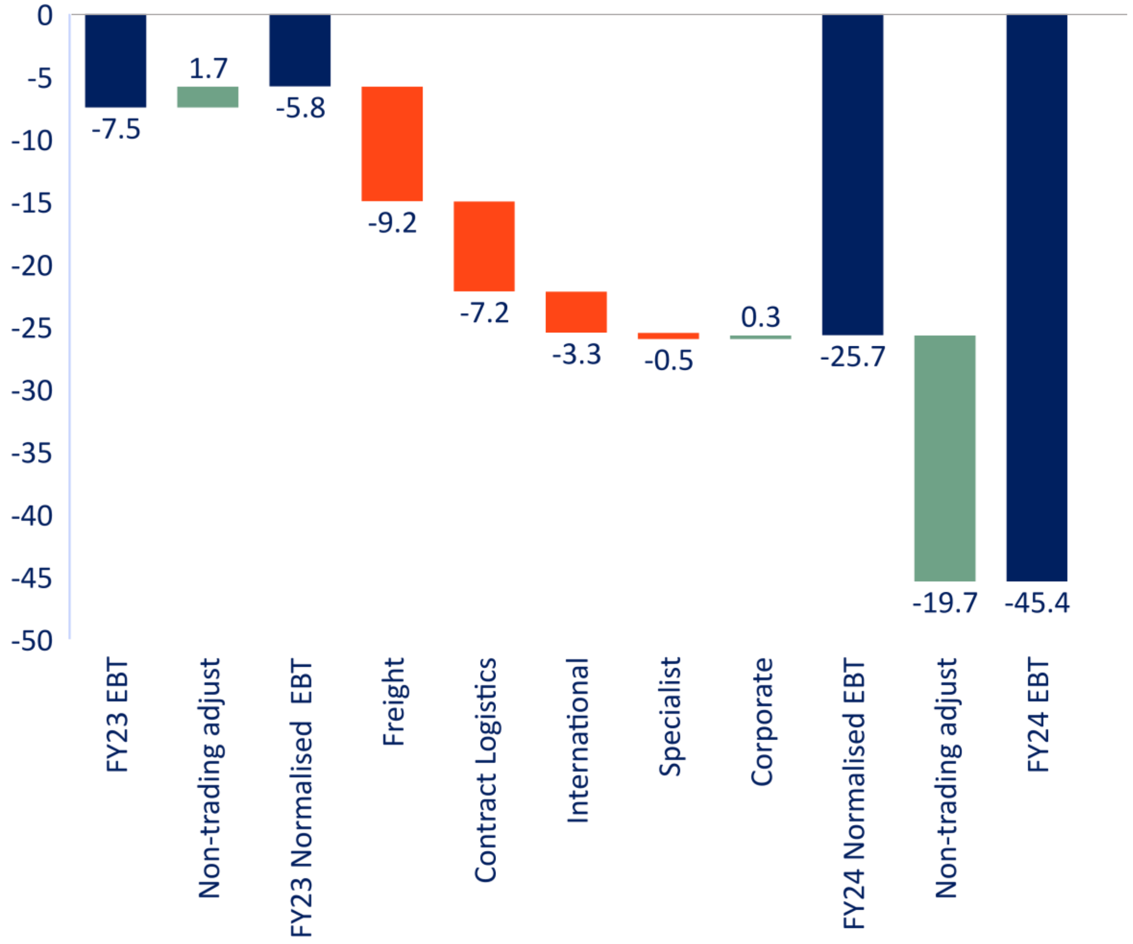
Results reflect:

- Impact of adverse trading conditions on customer demand and revenue
- Investment ahead of economic recovery which has not yet occurred
- Slow to adapt cost base to match market activity

FY25: Moving at speed to implement change programme:

- Implementing group-wide change programme to reshape and strengthen the business
- Priority focus on cashflow generation, driven by sales-led recovery

EARNINGS BEFORE TAX



Normalised EBT excludes non-controlling interest and non-trading adjustments of $19.7m pre-tax related to asset impairment, settlement & restructuring cost (FY23: $1.7m). Further details included in appendix to this presentation.

- **FREIGHT**: Soft sales due to economic downturn and despite new customers being onboarded. High fixed asset and cost base.
- **CONTRACT LOGISTICS**: Softer short term customer demand for warehousing and reduced Fuels volumes.
- **INTERNATIONAL**: Mechanical issues impacted Oceans pilot - vessel upgrade to ensure reliability of service with committed customer base.
- **SPECIALIST**: Softening of construction market however pipeline is showing positive signs in 1H25.
- Flat corporate costs year on year.

CASH FLOW

$000s	FY24	FY23	change 24 v 23
Normalised EBITDA excl. non-cash items	27,428	48,419	(20,991)
Non-trading - cash items	(1,059)	(701)	(358)
Working capital movement	6,593	1,172	5,421
Net operating cashflows	**32,962**	**48,890**	**(15,928)**
Fixed rent & lease payments	(38,072)	(34,736)	(3,336)
Adjusted net operating cashflow	**(5,110)**	**14,154**	**(19,264)**
Capital expenditure	(1,795)	(19,491)	17,696
Govt Grant	-	3,000	(3,000)
Sale of PPE (excluding loss/gains)	8,896	3,032	5,864
Net capital expenditure	7,101	(13,459)	20,560
Free cash flow	**1,991**	**695**	**1,296**
Acquisitions/Advances to Associates	-	198	(198)
Net cash flow before financing and tax	**1,991**	**893**	**1,098**
Net interest payments	(1,650)	(1,790)	140
Tax payments	(999)	(920)	(79)
Dividends (non-controlling interests)	(682)	(624)	(58)
Cash flow before movements in net debt	**(1,340)**	**(2,441)**	**1,101**
EBITDA cash conversion	**125.0%**	**102.5%**	**22.5%**

- Cash conversion of 125% remains stable and an improvement on prior year, despite earnings decline
- Continued positive working capital movement
- Improved free cash flow yoy (restated to be pre-IFRS16) due to asset sales
- Asset sales from surplus fleet
- Adjusted net operating cashflow (includes rent and lease payments) of $(5.1)m

FY25 priority focus on restoring positive adjusted net operating cashflow

Move

CAPEX

For personal use only

Capital Expenditure ($m)		
	FY24	**FY23**
Fleet	1.3	3.9
Ship	-	8.5
Technology	0.1	1.5
Other	0.4	2.6
TOTAL	**1.8**	**16.5***

* Excludes progress payment on new ship build

Leased fleet additions	
FY24	**FY23**
$26.2m	$12.6m

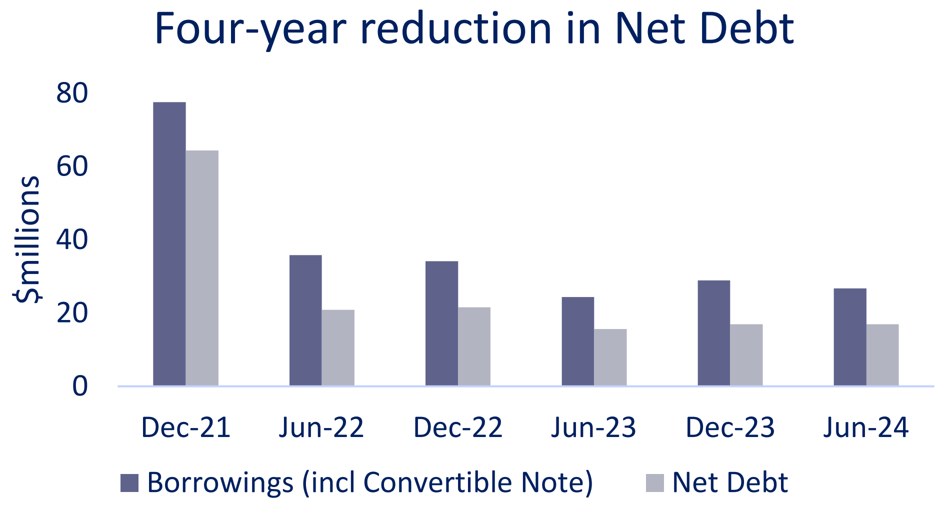
Focus on maximum utilisation of existing assets; longer term commitments realised in FY24

Capital expenditure decreased by $14.7m as a result of:

- Reduced capital needs to support lower level of earnings
- Transition towards a leased/asset light model
- Prudent approach to non-essential capital expenditure in current environment

Longer term commitments for fleet lease and acquisitions realised in FY24

BALANCE SHEET



$m	FY24	FY23
Net Debt *	17.0	15.6
Gearing	38.4%	17.2%
Working Capital Ratio *	1.26	1.27

* Excludes leases and debt

Significant four-year reduction in net debt

- Total borrowings $26.6m plus bank guarantees of $9.0m
- Net debt of $17.0m (up $1.4m)
- In compliance with all banking covenants
- Solid working capital ratio

New funding arrangements

- Finalising new funding arrangements with ANZ Bank and Pacific Invoice Finance, as announced 28 Aug 2024

LOOKING FORWARD

/ MARKET OUTLOOK

- Continuation of current economic and sector conditions expected until at least 2025 calendar year
- Freight and logistics demand will increase with economic improvement
- Long term macro trends remain positive
- Increasing investment in renewable energy projects – MOVE's Specialist heavy haulage is a leader in this sector
- Supply chain sustainability and carbon emissions becoming of increasing importance to customers
- Multi-modal solutions opening up new opportunities

Change plan will create a stronger, streamlined business.

FY25 turnaround year; FY26 return to profitable earnings

FY25 PERFORMANCE OUTLOOK

Strategic Priorities

- Recalibrate operations – right size the organisation
- Profitable revenue growth – sales led revenue recovery
- Balance sheet resilience

FY25 Targets:

- **Positive adjusted net operating cashflow**
- **Significant improvement in normalised EBT**

FY26: Return to normalised EBT profit

SOUND BUSINESS FUNDAMENTALS

Nationwide network and specialised expertise

Multi-modal, end to end supply chain solutions

Customer focused, culture of service excellence

Experienced and passionate team

Competitive, value for money, reliable and resilient provider

APPENDICES

For more information:

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Chief Financial Officer
Phone: +64 27 525 2876
Email: Lee.Banks@movelogistics.com

Financial Measures

MOVE Logistics Group uses several non-GAAP measures when discussing financial performance, and believe these provide a better reflection of the company's underlying performance.

Glossary:

- EBITDA: Earnings before interest, tax, depreciation, amortisation excluding income and impairment from associates
- Normalised EBITDA: EBITDA before non trading costs
- Normalised EBT: Earnings before tax, share of associates and non-trading adjustments
- Free cash flow: Pre-IFRS16 EBITDA excluding non-cash items plus movements in working capital, less net capital expenditure and lease & rent payments
- Adjusted net operating cashflow: Operating cashflow including fixed rent and lease payment
- Gearing: Net debt/(Net debt + Equity)
- Net debt: interest bearing liabilities less cash and cash equivalents
- Operating cash conversion: cash generated from operations as a %age of EBITDA less non-cash items
- Working Capital Ratio: Current Assets excluding held for sale / Current Liabilities excluding borrowings, lease liabilities and held for sale
- LTIFR: Lost time injury frequency rate

$Millions	FY24	FY23
Net profit/(loss) before income tax (GAAP measure)	**(45.3)**	**(7.6)**
Add back:		
Share of loss of associates	-	.1
Restructuring and settlement costs	2.3	0.6
Share acquisition costs	-	0.1
Goodwill and asset impairment	17.3	1.0
EBT excluding non-trading items (non-GAAP measure)	**(25.7)**	**(5.8)**
Finance costs (net)	10.2	9.7
EBIT excluding non-trading items (non-GAAP measure)	**(15.4)**	**3.9**
Depreciation & Amortisation	43.0	43.5
EBITDA excluding non-trading items (non-GAAP measure)	**27.6**	**47.4**

Disclaimer

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This presentation is not a recommendation or offer of financial products for subscription, purchase or sale, or an invitation or solicitation for such offers.

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Past performance information contained in this presentation should not be relied upon as (and is not) an indication of future performance. This presentation may also contain forward looking statements with respect to the financial condition, results of operations and business, and business strategy of MOV. Information about the future, by its nature, involves inherent risks and uncertainties. Accordingly, nothing in this presentation is a promise or representation as to the future or a promise or representation that an transaction or outcome referred to in this presentation will proceed or occur on the basis described in this presentation. Statements or assumptions in this presentation as to future matters may prove to be incorrect.

A number of financial measures are used in this presentation and should not be considered in isolation from, or as a substitute for, the information provided in the MOV Listing Profile.

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MOVE

Results announcement

(for Equity Security issuer/Equity and Debt Security issuer)

Results for announcement to the market		
Name of issuer	MOVE Logistics Group Limited (MOV)	
Reporting Period	12 months to 30 June 2024	
Previous Reporting Period	12 months to 30 June 2023	
Currency	NZD	
	Amount (000s)	**Percentage change**
Revenue from continuing operations	$293,866	(14.5%)
Total Revenue	$293,866	(14.5%)
Net profit/(loss) from continuing operations	($48,063)	(568.5%)
Total net profit/(loss)	($48,063)	(568.5%)
Interim/Final Dividend		
Amount per Quoted Equity Security	$0.00	
Imputed amount per Quoted Equity Security	$0.00	
Record Date	Not Applicable	
Dividend Payment Date	Not Applicable	
	Current period	**Prior comparable period**
Net tangible assets per Quoted Equity Security	$0.17	$0.44
A brief explanation of any of the figures above necessary to enable the figures to be understood	Refer audited financial statements.	
Authority for this announcement		
Name of person authorised to make this announcement	Lee Banks, CFO	
Contact person for this announcement	Lee Banks	
Contact phone number	06 755 9405	
Contact email address	lee.banks@movelogistics.com	
Date of release through MAP	29 August 2024	

Audited financial statements accompany this announcement.

Consolidated annual financial statements.

For the year ended 30 June 2024

DIRECTORS' STATEMENT
FOR THE YEAR ENDED 30 JUNE 2024

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 2024 contained on pages 2-37.

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 2024. They do not have the power to amend these financial statements after issue.

For and on behalf of the Board

Julia Raue - Chair
28 August 2024

Grant Devonport - Director
28 August 2024

CONSOLIDATED STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2024

	NOTES	30 JUNE 2024 $000	30 JUNE 2023 $000
Revenue	7	293,866	343,873
Gains on disposal of assets		768	1,587
Lease income		1,028	1,539
Other income	7	5,996	675
Total Income		**301,658**	**347,674**
Transport costs		(131,101)	(145,311)
Employee costs		(110,122)	(117,040)
Rental / lease expenses		(3,325)	(4,602)
Other operating expenses		(29,479)	(33,373)
Depreciation of right of use assets		(32,144)	(29,451)
Other depreciation / amortisation expenses		(10,902)	(14,031)
Other non-operating expenses	5	(19,656)	(1,728)
Total Operating Expenses	8	**(336,729)**	**(345,536)**
Finance costs relating to lease liabilities		(8,551)	(7,418)
Other finance costs - interest on borrowing		(1,953)	(2,399)
Interest income on short term deposit		261	161
Operating loss before income tax		**(45,314)**	**(7,518)**
Share of (loss) of associates		-	(74)
Loss Before Income Tax		**(45,314)**	**(7,592)**
Income tax (expense)/credit	9	(1,850)	1,755
LOSS FOR THE YEAR FROM CONTINUING OPERATIONS		**(47,164)**	**(5,837)**
(Loss) / Profit attributable to:			
Owners of the company		(48,063)	(7,190)
Non-controlling interests		899	1,353
		(47,164)	**(5,837)**
Other comprehensive income:			
Comprehensive Income for the Period, Net of Tax		-	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR, NET OF TAX		**(47,164)**	**(5,837)**
Earnings per share attributable to the ordinary equity holders of the Company		CENTS	CENTS
Basic and diluted earnings per share for profit attributable to the ordinary equity holders of the company	11	(37.66)	(6.18)

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

CONSOLIDATED BALANCE SHEET

AS AT 30 JUNE 2024

	NOTES	30 JUNE 2024 $000	30 JUNE 2023 $000
ASSETS			
Current Assets			
Cash and cash equivalents	12.1	9,704	8,744
Inventories		178	219
Trade and other receivables	12.2	41,520	53,318
Tax receivable		179	-
Assets held for sale	20	1,929	-
Total Current Assets		**53,510**	**62,281**
Non-Current Assets			
Property, plant and equipment	13.1	54,989	82,048
Right of use assets	13.2	171,552	144,594
Intangible assets	13.3	1,705	14,843
Deferred Income tax asset	13.4	-	1,152
Other receivables		270	318
Total Non-Current Assets		**228,516**	**242,955**
TOTAL ASSETS		**282,026**	**305,236**
EQUITY			
Share capital	14	84,262	84,262
Other reserves		(505)	(615)
Accumulated losses		(60,334)	(12,271)
Equity attributable to owners of the parent		23,423	71,376
Non-controlling interest in equity		3,740	3,527
TOTAL EQUITY		**27,163**	**74,903**
LIABILITIES			
Current Liabilities			
Trade and other payables	12.3	31,119	33,852
Tax payable		-	121
Deferred revenue	7	439	341
Borrowings	12.5	26,665	3,708
Lease liability	13.2	30,263	25,793
Employee entitlements	12.4	8,765	11,023
Total Current Liabilities		**97,251**	**74,838**
Non-Current Liabilities			
Borrowings	12.5	-	20,615
Lease liability	13.2	154,362	129,603
Deferred revenue		-	3,000
Provisions for other liabilities and charges	13.5	3,250	2,277
Total Non-Current Liabilities		**157,612**	**155,495**
TOTAL LIABILITIES		**254,863**	**230,333**
TOTAL EQUITY & LIABILITIES		**282,026**	**305,236**

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 2024

		ATTRIBUTABLE TO OWNERS OF THE COMPANY					
	NOTES	SHARE CAPITAL $000	RETAINED EARNINGS/ (ACCUM. LOSSES) $000	OTHER RESERVES $000	TOTAL $000	NON-CONTROLLING INTEREST $000	TOTAL EQUITY $000
Balance as at 1 July 2022		**75,188**	**(5,081)**	**88**	**70,195**	**2,798**	**72,993**
Comprehensive income							
(Loss)/Profit for the year		-	(7,190)	-	(7,190)	1,353	(5,837)
Other comprehensive income		-	-	-	-	-	-
Total comprehensive income		**-**	**(7,190)**	**-**	**(7,190)**	**1,353**	**(5,837)**
Cumulative translation adjustment		-	-	(673)	(673)	-	(673)
Transactions with owners:							
Employee share scheme		-	-	(30)	(30)	-	(30)
Issue of Ordinary Shares	14	9,074	-	-	9,074	-	9,074
Dividends		-	-	-	-	(624)	(624)
Balance as at 30 June 2023		**84,262**	**(12,271)**	**(615)**	**71,376**	**3,527**	**74,903**
Balance as at 1 July 2023		**84,262**	**(12,271)**	**(615)**	**71,376**	**3,527**	**74,903**
Comprehensive income							
(Loss)/Profit for the year		-	(48,063)	-	(48,063)	899	(47,164)
Other comprehensive income		-	-	-	-	-	-
Total comprehensive income		**-**	**(48,063)**	**-**	**(48,063)**	**899**	**(47,164)**
Cumulative translation adjustment		-	-	110	110	-	110
Transactions with owners:							
Dividends		-	-	-	-	(686)	(686)
Balance as at 30 June 2024		**84,262**	**(60,334)**	**(505)**	**23,423**	**3,740**	**27,163**

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 2024

	NOTES	30 JUNE 2024 $000	30 JUNE 2023 $000
Cash flows from operating activities			
Receipts from customers and others		310,880	355,038
Interest received		261	161
Dividends received		4	3
Payments to suppliers and employees		(281,028)	(306,617)
Government subsidy received		18	114
Notional finance charge on NZ IFRS 16 leases	15.2	(8,551)	(7,418)
Interest paid		(1,911)	(1,950)
Income tax paid		(999)	(920)
Net cash generated from operating activities	15.1	**18,674**	**38,411**
Cash flows used in investing activities			
Purchase of property, plant and equipment		(1,844)	(19,132)
Proceeds from sale of property, plant and equipment		9,336	3,031
Purchase of intangible assets		(12)	(7)
Insurance income received	7	2,713	-
Government grant		-	3,000
Advances to associates		-	198
Net cash generated/(used) in investing activities		**10,193**	**(12,910)**
Cash flows from financing activities			
Repayment of borrowings	15.2	(4,200)	(3,755)
Proceeds from borrowings	15.2	6,500	-
Repayment of lease liability (NZ IFRS 16)	15.2	(29,521)	(27,318)
Dividends paid to shareholders / non-controlling interests		(686)	(624)
Net cash flow used in financing activities		**(27,907)**	**(31,697)**
Net increase/(decrease) in cash and cash equivalents		960	(6,196)
Cash and cash equivalents at beginning of year		8,744	14,940
Cash and cash equivalents as at 30 June		**9,704**	**8,744**

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

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 and storage.

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

The registered office of the Company is at 24-30 Paraite Road, Bell Block, New Plymouth, New Zealand. The consolidated financial statements of the Company as at, and for the year ended 30 June 2024, 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. Going Concern

As at 30 June 2024, the Group recorded an after tax loss attributable to owners of $48.1m including a $12.5m goodwill impairment and has a working capital deficit of $43.7m with loans and borrowings due for refinancing within the next twelve months of $26.7m.

In preparing these financial statements, the Directors have conducted a comprehensive assessment of certain events, conditions and related material uncertainties. Although the Directors have concluded that it is appropriate to prepare these financial statements on a going concern basis they have concluded that there are material uncertainties.

The material uncertainties arise primarily as a result of:
- Continued challenging economic environment and resulting operational underperformance
- A significant turnaround plan being implemented but not completed
- The risk that forecasted results are not met and as a result key terms of financing arrangements are not complied with

The following is the Directors analysis of all relevant material uncertainties:

Trading Performance

Economic Slowdown: The Group is facing severe impacts from a prolonged economic downturn. The slow economic growth has led to reduced consumer demand, lower revenues, and increased financial pressure on the Group's operations.

Operational Challenges: The Group has faced issues where the business was too slow to react to the economic downturn. This included ineffective execution of operational improvements particularly in Freight and Contract Logistics, resulting in inefficient resource allocation and loss of revenue and profit. This poor execution has largely driven the poor financial performance.

The Board has engaged external advisors to support the execution of the turnaround program, together with the appointment of an interim CEO who has the experience required to execute the plan (see below for details of the plan). The Group has also changed to a time charter ship for its Oceans trans-tasman operation which will result in reduced risks to operations.

Financial Position

Renewal of Debt Facility with ANZ and new Debtor Invoice Financing

The Group has been working with its existing bank and another proposed lender to secure financing on terms acceptable to the Group and note 12.5 provides details on the updated and new facilities. This will replace the current facility due to expire in March 2025. At this time the parties have agreed to a term sheet that provides the following:

- Refinanced ANZ Banking facilities to 31 August 2025
- New Debtor Invoice Financing with a limit of $21m however with shareholder approval the Group has the option to increase this to $25m
- Amended covenants to support turnaround program (which would be complied with based on forecast performance)

With the above facilities and in conjunction with prudent working capital management the Group is comfortable that it has sufficient cash and debt facilities available to meet its obligations and manage the Groups liquidity position appropriately.

Turnaround plan

To further address the risks the Group faces, a range of initiatives are underway, with certain activities at a well-progressed stage, albeit subject to material uncertainty with respect to time and outcomes. These initiatives include:

Cost Right-sizing: The Company is implementing a comprehensive cost reduction strategy, including operational efficiencies, and resourcing levels, to improve profitability and cash flow. Management is also exploring the sale of surplus assets to generate liquidity.

Revenue Growth: A key focus of the turnaround strategy is to enhance revenue growth by effectively converting the existing sales pipeline. Management is implementing a targeted approach to accelerate the conversion of high-potential leads and opportunities into confirmed sales.

Operational Optimisation and Restructuring: The Company is evaluating its operational structure and business model to streamline operations and focus on core competencies that drive profitability.

Conclusion

While the Group is confident in its ability to implement the turnaround plan successfully, manage the challenging current operating environment, achieve forecasted results and as a result operate within the financing terms and conditions proposed, the Directors reiterate that there are a number of material uncertainties related to unknown future events that are not fully within their control. These material uncertainties are related to events and conditions that may cast significant doubt on the Groups ability to continue as a going concern and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The financial statements do not include any adjustments that may be required if the Group is unable to continue as a going concern.

1.4. 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 Authoritive Notices, as appropriate for for-profit entities. The financial statements comply with International Financial Reporting Accounting Standards (IFRS Accounting standards).

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

2.1. Consolidation

a. Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity, and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

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

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

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

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

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

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

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

b. Assets held for sale

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

2.2. Foreign Currency Translation

a. Functional and presentation currency

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

b. Transactions and balances

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

2.3. New Accounting Standards & Interpretations

The Group adopted the amendments of NZ IAS 1 for the first time in the current year. The amendments change the requirements of NZ IAS 1 with regard to disclosure of accounting policies. The amendment shifts the focus from 'significant accounting policies' to 'material accounting policy information'. This change is reflected in the financial statements.

2.4. Standards Issued But Not Yet Adopted

The new standards and interpretations that are issued but not yet effective as at the date of reporting are disclosed below. The Group intends to adopt these new and amended standards and interpretations if applicable when they become effective.

IFRS 18 Presentation and Disclosure in Financial Statements

This standard becomes effective for reporting periods beginning on or after 1 January 2027. IFRS 18 introduces new requirements on presentation within the Statement of Profit or Loss and Other Comprehensive Income, including specified totals and subtotals. It also requries disclosure of management defined performance measures and includes new requirements for aggregation and disaggregation of financial information on the basis of the identified 'roles' of the primary financial statements and notes.

3. FINANCIAL RISK MANAGEMENT

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

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

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

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

3.1. Credit Risk Management

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

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

	2024 $000	2023 $000
Trade and other receivables		
Trade receivables	38,742	50,374
Credit loss provision	(1,530)	(1,965)
Total trade receivables	**37,212**	**48,409**
Accrued revenue	2,005	2,934
Sundry receivables	400	176
Cash and short term bank deposits		
Bank with AA- credit rating	9,704	8,744

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:

	2024 $000	2023 $000
At 1 July	1,965	1,402
Underutilised provision	(395)	-
Provision for impairment recognised during the year	69	629
Provision for credit notes to revenue	-	(57)
Transfer from Asset held for Sale	-	20
Receivables written off during the year as uncollectible	(109)	(29)
At 30 June	**1,530**	**1,965**

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

	Current $000	1 -29 days overdue $000	30 - 59 days overdue $000	60+ days overdue $000	Total $000
30 June 2023					
Gross carrying amount	**44,644**	**3,323**	**1,066**	**1,341**	**50,374**
Baseline	435	68	154	984	1,641
Specific	28	4	46	246	324
Total expected credit loss rate	1.0%	2.2%	18.8%	91.7%	
Credit loss provision	**463**	**72**	**200**	**1,230**	**1,965**
30 June 2024					
Gross carrying amount	**33,089**	**4,132**	**659**	**862**	**38,742**
Baseline	255	161	256	465	1,137
Specific	-	-	-	393	393
Total expected credit loss rate	0.8%	3.9%	38.8%	99.5%	
Credit loss provision	**255**	**161**	**256**	**858**	**1,530**

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 $1,530,000 (2023: $1,965,000), 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 where appropriate its exposure to changes in interest rates on borrowings is on a fixed rate basis by entering into interest rate swaps.

The Group currently has no interest rate swaps in place.

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 $267,000 (2023: $43,000).

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:

	2024 $000	2023 $000
Expiring within one year (bank overdraft/flexible credit facility)	3,500	4,567
Expiring beyond one year (flexible credit facility)	-	15,000
Total	**3,500**	**19,567**

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
2023						
Borrowings	5,263	20,871	–	–	26,134	24,323
Lease liabilities	32,658	26,478	61,750	68,596	189,482	155,396
Trade and other payables	33,852	–	–	–	33,852	33,852
Employee entitlements	11,023	–	–	–	11,023	11,023
Total	**82,796**	**47,349**	**61,750**	**68,596**	**260,491**	**224,594**
2024						
Borrowings	28,435	–	–	–	28,435	26,665
Lease liabilities	38,713	26,478	94,899	59,741	219,831	184,625
Trade and other payables	31,119	–	–	–	31,119	31,119
Employee entitlements	8,765	–	–	–	8,765	8,765
Total	**107,032**	**26,478**	**94,899**	**59,741**	**288,150**	**251,174**

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:

	2024 $000	2023 $000
Bank borrowings	26,665	24,323
Less: cash and cash equivalents	(9,704)	(8,744)
Net debt (excluding lease liabilities)	**16,961**	**15,579**
Equity	**27,163**	**74,903**
Gearing ratio	**38.4%**	**17.2%**

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 the higher of value-in-use and fair value less costs of disposal calculations. These calculations require the use of estimates (refer note 13.3).

b. Held for Sale

In May 2024 the Group annouced its intention to undertake a sales process of the Atlas Wind vessel and pursue a charter model to align with the Group's asset light model. Judgements have been made to determine that the conditions of a held for sale asset have been met. Assets held for sale are measured at the lower of fair vale less costs to sell and carrying value, these calculations require the use of accounting estimates (refer note 20).

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 & settlement costs, asset impairments 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 & settlement costs, asset impairments and acquisition related costs (non operating expenses) as reported in the financial statements.
- Adjusted EBT (a non-GAAP measure) represents profit or loss before income taxes from continuing operations (a GAAP measure), excluding share of loss of associates, restructuring & settlement costs, asset impairments 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 subsitute for measures reported in accordance with IFRS. Non-GAAP measures as reported by the Group may not be comparable to similarly titled amounts reported by other companies.

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

Reconciliation to GAAP measure	**12 months to June 2024 $000**	**12 months to June 2023 $000**
Loss Before Income Tax (GAAP Measure)	(45,314)	(7,592)
Add back:		
Share of loss of associates	-	74
Other non operating expenses		
- Goodwill impairment	12,493	1,027
- Asset impairment	4,800	-
- Restructuring & Settlement Costs	2,363	592
- Acquisition related costs	-	109
Adjusted EBT (non-GAAP measure)	(25,658)	(5,790)
Finance costs (net)	10,243	9,656
Adjusted EBIT (non-GAPP measure)	(15,415)	3,866
Depreciation & Amortisation	43,046	43,482
Adjusted EBITDA (non-GAAP measure)	27,631	47,348

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.

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

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

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

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

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

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

CORPORATE
This segment includes our corporate services function.

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

	International $000	Specialist $000	Freighting $000	Contract Logistics $000	Corporate $000	Total $000
Year ended 30 June 2023						
Total segment revenue	19,894	18,760	154,446	163,192	-	356,292
Inter-segment revenue	(133)	(28)	(8,449)	(3,809)	-	(12,419)
Revenue from external customers	**19,761**	**18,732**	**145,997**	**159,383**	**-**	**343,873**
EBITDA	2,220	4,324	9,306	34,403	(2,905)	47,348
Depreciation - tangible assets	973	2,244	4,541	3,620	245	11,623
Depreciation - ROU assets	247	878	10,746	17,422	158	29,451
Depreciation - intangible assets	3	87	4	1,745	569	2,408
EBIT	997	1,115	(5,985)	11,616	(3,877)	3,866
EBT	1,131	1,011	(9,370)	7,772	(6,334)	(5,790)
Assets	**35,347**	**21,388**	**111,193**	**134,675**	**2,633**	**305,236**
Liabilities	**16,901**	**4,834**	**84,939**	**97,919**	**25,740**	**230,333**
Capital expenditure including intangibles	**12,589**	**747**	**2,344**	**3,608**	**202**	**19,490**
Year ended 30 June 2024						
Total segment revenue	19,153	17,110	125,010	140,594	-	301,867
Inter-segment revenue	(32)	(62)	(4,307)	(3,600)	-	(8,001)
Revenue from external customers	**19,121**	**17,048**	**120,703**	**136,994**	**-**	**293,866**
EBITDA	(652)	3,633	582	27,411	(3,343)	27,631
Depreciation - tangible assets	1,357	1,957	3,556	3,171	204	10,245
Depreciation - ROU assets	371	977	12,018	18,606	172	32,144
Depreciation - intangible assets	3	75	3	304	272	657
EBIT	(2,383)	624	(14,995)	5,330	(3,991)	(15,415)
EBT	(2,172)	502	(18,589)	601	(6,000)	(25,658)
Assets	**23,760**	**19,320**	**106,286**	**132,847**	**(187)**	**282,026**
Liabilities	**12,026**	**4,752**	**88,433**	**121,230**	**28,422**	**254,863**
Capital expenditure including intangibles	**45**	**174**	**235**	**1,223**	**117**	**1,794**

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 $52,000,000 (2023: $53,000,000) are derived from a single external customer which exceeds 10% or more of the entity's revenue. These revenues are attributed to the Contract Logistics segment.

7. REVENUE & OTHER SOURCES OF INCOME

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

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

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

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

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

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

The Group derives the following types of revenue:

	2024 $000	2023 $000
Freight	217,245	269,884
Warehousing	56,841	53,365
Trading	19,780	20,624
Total Revenue	**293,866**	**343,873**

Timing of revenue recognition	June 2024 $000	June 2023 $000
Over time	293,866	343,873
At a point in time	-	-
Total Revenue	**293,866**	**343,873**

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

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

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

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

f. Contract liability

The Group recognises a contract liability (deferred revenue) when the Group has recognised consideration for performance obligations yet to be fulfilled. The opening balance has been recognised in revenue in the current year. In the current year, there was $341,000 (2023: $521,000) 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 2024 will be recognised as revenue during the next reporting period ($439,000).

g. Government grants

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

Wage subsidy grants of $18,000 (2023: $114,000) are included in the 'other income' line item. There are no unfulfilled conditions or other contingencies attached to these grants.

h. Other income

Included within other income is insurance recovery income of $2.7m (2023: Nil) which was receieved in relation to an engine failure on the Atlas Wind Ship. Also included within other income is one off fleet rental income in relation to a contract exit transition period of $2.4m (2023: Nil).

8. OPERATING EXPENSES BY NATURE

	2024 $000	2023 $000
Transport costs [1]	131,101	145,311
Employee costs (note 8.1)	110,122	117,040
Property lease expenses	754	595
Operating lease expenses	2,571	4,007
Trading and warehousing expenses	7,650	9,898
Communications/Technology	6,289	6,205
Occupancy costs	7,156	7,398
Travel and accommodation	2,748	3,568
Bad debts	(28)	369
Foreign exchange gain	(264)	(363)
Remuneration paid to principal auditors (PwC)		
Assurance services		
Audit and review of financial statements, including associated disbursements	345	352
Audit of financial statements MOVE Oceans Singapore - PwC Singapore	26	-
Non Assurance Services - Training Material	1	-
Donations	15	6
Directors fees	515	448
Depreciation and amortisation	43,046	43,482
Non operating expenses (refer note 5)	19,656	1,728
Share based payments	-	15
Other expenses	5,026	5,477
Total operating expenses	**336,729**	**345,536**

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

8.1. Employee Costs

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

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

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

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

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

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

	2024 $000	2023 $000
Wages, salaries & leave costs	93,004	99,636
Superannuation fund contributions	2,502	2,615
Other employee related costs	14,616	14,789
Total	**110,122**	**117,040**

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.

	2024 $000	2023 $000
Current tax on loss for the year	(470)	(676)
Adjustments in respect to prior years	(5)	261
Deferred tax current year	-	2,170
Deferred tax reversal from prior year	(1,375)	-
	(1,850)	**1,755**

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

	2024 $000	2023 $000
Loss from operations before tax	(45,314)	(7,592)
Add back:		
Share of loss of associates	-	74
	(45,314)	**(7,518)**
Prima facie tax receivable at 28%	12,688	2,105
Tax effects of:		
Expenses not deductible	(3,608)	(651)
Effect of tax rates in foreign juristrictions	(119)	40
Deferred Tax not recognised	(10,806)	-
Prior year adjustment	(5)	261
Income tax (expense)/credit	**(1,850)**	**1,755**

Imputation credits

	2024 $000	2023 $000
Imputation credits available for use in subsequent periods	4,044	3,884

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 (2023: nil).

11. EARNINGS PER SHARE

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

	12 months to 30 June 2024	12 months to 30 June 2023
	$000	**$000**
Loss attributable to the owners for the year	(48,063)	(7,190)
Weighted average number of shares	127,614,019	116,370,142
	Cents	**Cents**
Basic & diluted earnings per share	(37.66)	(6.18)

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' and 'Cash and cash equivalents' 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 2024 $000	AMORTISED COST 2023 $000
Cash and cash equivalents	12.1	9,704	8,744
Trade and other receivables[1]	12.2	39,617	51,519
Total		**49,321**	**60,263**

[1] excluding non financial assets

Financial Liabilities	Notes	FINANCIAL LIABILITIES AT AMORTISED COST	
		2024 $000	2023 $000
Trade Payables[1]	12.3	29,235	32,778
Employee entitlements	12.4	8,765	11,023
Borrowings	12.5	26,665	24,323
Total		**64,665**	**68,124**

[1] 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 $41,520,000 (2023: $53,318,000).

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:

	2024 $000	2023 $000
Cash	9,704	9,177
Bank overdrafts	-	(433)
Total	**9,704**	**8,744**

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.

	2024 $000	2023 $000
Trade receivables	38,742	50,374
Trade receivables with related parties	-	-
Less expected credit loss (refer note 3.1(a))	(1,530)	(1,965)
Net trade receivables	**37,212**	**48,409**
Accrued revenue	2,005	2,934
Sundry receivables	400	176
Financial assets at amortised cost	**39,617**	**51,519**
Prepayments	1,903	1,799
Total trade and other receivables	**41,520**	**53,318**

Trade receivables are generally due for settlement within 30 to 60 days.

12.3. Trade and Other Payables

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

	2024 $000	2023 $000
Trade payables	20,024	20,790
Trade payables related parties	-	-
GST payable	1,884	1,074
Lease incentive	59	86
Accrued expenses	9,152	11,902
Total	**31,119**	**33,852**

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

12.4. Employee Entitlements

	2024 $000	2023 $000
Leave provision	5,910	7,393
Salary and wage accruals	2,855	3,630
Total	**8,765**	**11,023**

12.5. Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost using the effective interest method. Any borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

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

The ANZ Bank Limited (ANZ) facilities include a $7.5m flexible credit facility ($1m undrawn at 30 June 2024), an overdraft facility of $2.5m, a term loan of $20.2m and bank guarantee's totalling $8.7m (refer note 17).

	2024 $000	2023 $000
Non-Current		
Secured loan ANZ	-	20,615
	-	**20,615**
Current		
Secured loan ANZ	26,665	3,708
	26,665	**3,708**
Total secured borrowings	**26,665**	**24,323**

On 22 February 2024 the ANZ formally reset the financial covenants as below out to 31 March 2025

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

During the year to 30 June 2024 these were fully complied with.

Post year end as a result of the expiry of the existing financing arrangement with ANZ in March 2025 and the FY24 loss the Group sought and obtained an amended funding arrangement to allow flexibility and support in its turnaround plan.

The new facility introduces a debtor invoice financing partner in addition to an amended ANZ arrangement. The new debtor invoice financing facility limit of $21m (up to $25m with shareholder approval) will be used to repay ANZ current facilities by $15.5m with any remaining amount used to fund working capital required in the execution of the turnaround. The amended ANZ facilities include a term loan of $12.2m, $2.5m overdraft, bank guarantees totalling $8.7m, quarterly repayments of $1.25m re-commencing from March 2025 and amended quarterly financial covenants as below:

- EBITDA actual > 85% of EBITDA Forecast on a YTD basis
- Capital expenditure restricted to $1m in FY25
- Total ANZ exposure not greater than 50% of Property Plant and Equipment value at all times post introduction of debtor invoice financing

The Group is forecasting compliance with the amended financial covenants for at least 12 months from the date of signing the financial statements. Accordingly, and in line with note 1.3 the consolidated financial statements are prepared on a going concern basis.

13. NON-FINANCIAL ASSETS AND LIABILITIES

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

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

Impairment of non-financial assets

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

13.1. Property, Plant and Equipment

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

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

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

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

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

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

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

	Land and buildings $000	Motor vehicles $000	Office equipment and F&F $000	Plant and equipment $000	Ship $000	Work in progress $000	Total $000
At 1 July 2022							
Cost	556	134,679	5,561	26,977	-	1,370	169,143
Accumulated depreciation	(277)	(72,247)	(4,338)	(15,272)	-	-	(92,134)
Transfers to assets classified as held for sale	-	(16,308)	(13)	(2,868)	-	(59)	(19,248)
Net book amount	**279**	**46,124**	**1,210**	**8,837**	**-**	**1,311**	**57,761**
Year ended 30 June 2023							
Transfers from assets classified as held for sale	-	16,308	13	2,868	-	59	19,248
Additions	-	1,564	385	1,706	8,543	7,285	19,483
Disposals	(1)	(2,013)	(4)	(111)	-	(15)	(2,144)
Transfers	-	1,807	72	2,246	-	(4,125)	-
Depreciation charge	(5)	(8,337)	(376)	(2,083)	(822)	-	(11,623)

	Land and buildings $000	Motor vehicles $000	Office equipment and F&F $000	Plant and equipment $000	Ship $000	Work in progress $000	Total $000
Foreign currency adjustment	–	–	–	5	(682)	–	(677)
Closing net book amount	**273**	**55,453**	**1,300**	**13,468**	**7,039**	**4,515**	**82,048**
At 1 July 2023							
Cost	547	124,205	5,490	29,401	7,877	4,515	172,035
Accumulated depreciation	(274)	(68,752)	(4,190)	(15,933)	(838)	–	(89,987)
Net book amount	**273**	**55,453**	**1,300**	**13,468**	**7,039**	**4,515**	**82,048**
Year ended 30 June 2024							
Additions	–	116	152	313	(26)	1,225	1,780
Disposals	–	(8,172)	(40)	(274)	–	(3,895)	(12,381)
Transfers	(69)	1,121	70	551	132	(1,805)	–
Depreciation charge	(4)	(6,609)	(380)	(2,084)	(1,168)	–	(10,245)
Impairment	–	–	–	(235)	(4,037)	–	(4,272)
Transfers to assets classified as held for sale	–	–	–	–	(1,970)	–	(1,970)
Foreign currency adjustment	–	–	–	1	30	(2)	29
Closing net book amount	**200**	**41,909**	**1,102**	**11,740**	**-**	**38**	**54,989**
At 30 June 2024							
Cost	200	98,267	4,118	25,761	–	38	128,384
Accumulated depreciation	–	(56,358)	(3,016)	(14,021)	–	–	(73,395)
Closing net book amount	**200**	**41,909**	**1,102**	**11,740**	**-**	**38**	**54,989**

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

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

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

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

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

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

Lease liabilities are measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate. The weighted average lessee's incremental borrowing rate applied to the lease liabilities is 4.93% (2023: 4.66%).

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

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

Right of use assets	**2024 $000**	**2023 $000**
Opening net book value 1 July	144,594	150,381
Transfers from assets classified as held for sale	-	2,733
Additions	38,829	14,118
Disposals	(6,522)	(7,170)
Modifications to leases	26,795	13,983
Depreciation for the period		
- Property	(20,677)	(19,207)
- Motor vehicles	(10,834)	(9,659)
- Other	(633)	(585)
Closing net book value 30 June	**171,552**	**144,594**
Cost	294,102	253,839
Accumulated depreciation	(122,550)	(109,245)
Net book value at 30 June	**171,552**	**144,594**
Property	129,529	112,841
Motor vehicles	41,006	30,238
Other	1,017	1,515
Total right of use assets	**171,552**	**144,594**

Lease liabilities	$000
Opening lease liabilities at 1 July 2023	**155,396**
Additions	38,829
Interest for the period	8,551
Lease payments made	(38,072)
Disposals	(6,874)
Modifications	26,795
Lease liabilities at 30 June 2024	**184,625**

Lease liabilities maturity analysis	Minimum lease payment $000	Interest $000	Present value $000
Within one year	38,713	8,450	30,263
One to five years	121,377	20,200	101,177
Beyond five years	59,741	6,556	53,185
Total	**219,831**	**35,206**	**184,625**
Current lease liabilities	38,713	8,450	30,263
Non-current lease liabilities	181,118	26,756	154,362
Total	**219,831**	**35,206**	**184,625**

Lease liabilities	2024 $000	2023 $000
At 30 June		
Current lease liabilities	30,263	25,793
Non-current lease liabilities	154,362	129,603
Total	**184,625**	**155,396**

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

	2024 $000	2023 $000
For the year ended 30 June		
Depreciation	32,144	29,451
Short term lease	3,325	4,602
Interest on leases	8,551	7,418
Total	**44,020**	**41,471**

13.3. Intangible Assets

a. Goodwill

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

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

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

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

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

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

c. Customer contracts and lists

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

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

	Goodwill $000	Computer software $000	Customer lists $000	Work in Progress $000	Total $000
Accum. amortisation and impairment	-	(4,320)	(1,213)	-	(5,533)
Net book amount	**13,635**	**740**	**468**	**-**	**14,843**
Year ended 30 June 2024					
Additions	-	14	-	-	14
Disposals	-	(2)	-	-	(2)
Amortisation charge	-	(282)	(375)	-	(657)
Impairment	(12,493)	-	-	-	(12,493)
Closing net book amount	**1,142**	**470**	**93**	**-**	**1,705**
At 30 June 2024					
Cost	1,142	2,070	373	-	3,585
Accum. amortisation and impairment	-	(1,600)	(280)	-	(1,880)
Closing net book amount	**1,142**	**470**	**93**	**-**	**1,705**

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

	2024 $000	2023 $000
Alpha Customs Limited	776	776
MOVe Logistics & Warehousing Limited	-	12,492
TNL International Limited	170	170
TNL International Australia Pty Limited	196	197
Total	**1,142**	**13,635**

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. 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 Logistics and Warehousing Limited goodwill of $12,493,000 has been fully impaired as a result of an overall decrease in sales and the loss of four key customer contracts (combined impact of $28m in sales per annum). The impairment charge is recognised in the non operating expenses in the statement of Profit or Loss and Other Comprehensive Income. No other class of assets have been impaired. Management has concluded that there are no other impairments for any other of the CGUs at 30 June 2024.

13.4. Deferred Income Tax

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

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

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

Temporary differences arise from the following:

Deferred tax asset/ (liabilities)	Opening balance $000	Recognised in profit or loss $000	Prior year adjustment $000	Transfer of liabilities to held for sale $000	Closing balance $000
2023					
Property, plant and equipment	(5,388)	859	367	(1,686)	(5,848)
Right of use assets	(42,880)	2,696	-	-	(40,184)
Lease liability	45,498	(1,947)	-	8	43,559
Provisions and accruals	2,919	21	52	92	3,084
Tax losses	-	541	-	-	541
Total deferred income tax	**149**	**2,170**	**419**	**(1,586)**	**1,152**
2024					
Property, plant and equipment	(5,848)	2,870	7	-	(2,971)
Right of use assets	(40,184)	(7,850)	-	-	(48,034)
Lease liability	43,559	7,446	-	-	51,005
Provisions and accruals	3,084	(3,080)	(4)	-	-
Tax losses	541	(761)	220	-	-
Total deferred income tax	**1,152**	**(1,375)**	**223**	**-**	**-**

Significant management judgement has been exercised to determine that future taxable profits for the Group are beyond a reliable forecast horizon and that no deferred tax asset should be recognised.

A deferred tax asset of $10.8m (net) (2023: Nil) has been derecognised in the currrent year. The unrecognised deferred tax asset is comprised of tax losses of $6,994,000 and net timing differences $3,812,000.

13.5. Provisions for Other Liabilities and Charges

Provisions for other liabilities and charges 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	Other provisions $000	Total $000
At 1 July 2022	2,266	-	2,266
Additional provisions	7	-	7
Utilised / released to profit or loss	(16)	-	(16)
Reverse transfer from liabilities classified as held for sale	20	-	20
At 30 June 2023	**2,277**	**-**	**2,277**
At 1 July 2023	2,277	-	2,277
Additional provisions	-	1,000	1,000
Utilised / released to profit or loss	(27)	-	(27)
At 30 June 2024	**2,250**	**1,000**	**3,250**

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 2024		30 June 2023	
	Shares	$000	Shares	$000
Issued & paid-up capital - ordinary shares				
Balance at the beginning of the period	127,614,019	84,262	116,385,129	75,188
Shares issued - Convertible note	-	-	11,228,890	9,074
Balance at the end of the period	**127,614,019**	**84,262**	**127,614,019**	**84,262**

15. CASH FLOW INFORMATION

15.1. Cash Generated From Operations

	2024 $000	2023 $000
Reported loss after tax	(47,164)	(5,837)
Non-cash items		
Gain on lease modification	(352)	(711)
Depreciation expense	42,389	41,074
Amortisation expense	657	2,408
Bad debts	28	369
Amortisation of bank fees	42	42
Non cash movements on convertible note	-	433
Impairment of investment in associates	-	3
Foreign exchange losses on operating activities	(264)	(363)
Non operating expenses	17,293	1,027
Share based payments	-	(30)
Cumulative translation adjustment	123	3
	12,752	**38,418**
Impact of changes in working capital		
Tax receivable / deferred tax	851	(2,675)
Trade and other receivables	11,915	9,068
Creditors and accruals/employee entitlements	(3,793)	(5,122)
Creditors relating to purchase of PPE	61	(352)
Inventories	41	(116)
	21,827	**39,221**
Items classified as investing or financing activities		
Profit on disposal of property, plant and equipment	(440)	(880)
Insurance income received	(2,713)	-
Loss for associates	-	70
Net cash flow from operating activities	**18,674**	**38,411**

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.

	2024 $000	2023 $000
Cash and cash equivalents	9,704	8,744
Lease liability - repayable within one year	(30,263)	(25,793)
Borrowings - repayable within one year (including overdraft)	(26,665)	(3,708)
Lease liability - repayable after one year	(154,362)	(129,603)
Borrowings - repayable after one year	-	(20,615)
Net debt	**(201,586)**	**(170,975)**
Cash and liquid investments	9,704	8,744
Liability - incremental borrowing rate	(184,625)	(155,396)
Borrowings - fixed interest rates	-	(20,000)
Borrowings - variable interest rates	(26,665)	(4,323)
Net debt	**(201,586)**	**(170,975)**

	Liabilities from financing activities					
	Convertible note $000	Borrowings $000	Leases $000	Subtotal $000	Cash/bank overdraft $000	Total $000
Net debt as at 30 June 2022	**(7,792)**	**(28,037)**	**(159,731)**	**(195,560)**	**14,940**	**(180,620)**
Cash flows	-	3,755	34,736	38,491	(6,196)	32,295
Lease additions	-	-	(14,118)	(14,118)	-	(14,118)
Other non-cash movement	7,792	(41)	(16,283)	(8,532)	-	(8,532)
Net debt as at 30 June 2023	**-**	**(24,323)**	**(155,396)**	**(179,719)**	**8,744**	**(170,975)**
Cash flows	-	(2,300)	38,072	35,772	960	36,732
Lease additions	-	-	(38,829)	(38,829)	-	(38,829)
Other non-cash movement	-	(42)	(28,472)	(28,514)	-	(28,514)
Net debt as at 30 June 2024	**-**	**(26,665)**	**(184,625)**	**(211,290)**	**9,704**	**(201,586)**

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 2024 have been incorporated in the consolidated financial statements.

Subsidiary	Shareholding 30 June 2024	Shareholding 30 June 2023	Balance date	Country of Incoporation	Principal activity
MOVe Freight Limited	100%	100%	30 June	New Zealand	Transport operator
MOVe Fuel Limited	100%	100%	30 June	New Zealand	Transport operator
Alpha Custom Services Limited	60%	60%	30 June	New Zealand	International freight forwarder
Pacific Asset Leasing Limited	100%	100%	30 June	New Zealand	Asset leasing
MOVe International Limited	100%	100%	30 June	New Zealand	Shipping agent and logistics
MOVe Logistics & Warehousing Limited	100%	100%	30 June	New Zealand	Warehousing and distribution
Southern Fleet Leasing Limited	100%	100%	30 June	New Zealand	Asset leasing
TNL International Limited	50%	50%	30 June	New Zealand	International freight forwarder
Appian Transport Limited	100%	100%	30 June	New Zealand	Non trading
Global Logistics Group Limited	100%	100%	30 June	New Zealand	Non trading
MOVe Specialist Lifting and Transport Limited	100%	100%	30 June	New Zealand	Heavy Haulage
MOVe Investments Limited	100%	100%	30 June	New Zealand	Corporate services
MOVE Liquid Logistics Limited	100%	100%	30 June	New Zealand	Non trading
MOVE Oceans Singapore PTE Limited	100%	100%	30 June	Singapore	Trans Tasman Shipping
MOVE Oceans Limited	100%	-	30 June	New Zealand	Trans Tasman Shipping
TNL International (Australia) Pty Limited	40%	40%	30 June	Australia	International freight forwarder

17. CONTINGENCIES

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

	2024 $000	2023 $000
Bank guarantees - property	8,579	7,039
Bank guarantees - fuel purchases	-	4,500
Bank guarantees - other	75	75
Total	**8,654**	**11,614**

18. CAPITAL COMMITMENTS

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

	2024 $000	2023 $000
Trucks and trailers	307	6,077
Other assets	-	16
Ship new build	-	6,000 [1]
Total	**307**	**12,093**

[1] contract for build cancelled.

19. RELATED-PARTY TRANSACTIONS

19.1. Transactions with Key Management

a. Key management compensation

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

	2024 $000	2023 $000
Salaries, short term and post employee benefits	2,965	2,870
Superannuation benefits	98	83
Directors fees	515	448

19.2. Transactions with Other Related Parties

The following transactions occurred with related parties:

	2024 $000	2023 $000
Sales and purchases of goods and services		
Sales of services to associates	-	3
Purchases of services from associates	-	130
Purchases from entities controlled by key management employees	83	-

	2024 $000	2023 $000
Outstanding balances arising from sales and purchases of services		
Trade receivables from associates	-	2
Trade payables to associates	-	22
Trade payables to entities controlled by key management employees	50	52

20. DISCONTINUED OPERATIONS AND NON-CURRENT ASSETS HELD FOR SALE

In May 2024, the Board approved and annouced its intention to sell the Atlas Wind vessel owned by its subsidary company MOVE Oceans Singapore PTE Ltd which operates in the International segment. The vessel and plant and equipment used on the vessel will be sold to allow for a charter of a larger vessel to better service the needs of customers as well as align with the Groups asset light business model. The vessel and plant and equipment has been classified as Assets held for sale under IFRS 5 - Non Current Assets Held for Sale and Discontinued Operations. Entities are required to measure non-current assets and liabilities held for sale at the lower of their carrying value and fair value less costs to sell. As a result of this assessment the vessel has been recorded at $1.9m in the Consolidated Balance Sheet and an impairment of $4.3m has been recorded in the Statement of Profit or Loss & Other Comprehensive Income.

As at year end there has been no offer accepted for the sale of the asset. The Group expects to dispose of the vessel within the next 12 months.

21. EVENTS AFTER THE REPORTING DATE

On 9th August 2024 the group signed a confidential settlement relating to an alleged claim from FY24. The claim has been resolved resulting in instalment payments scheduled for FY25 and FY26.

Following the resignation of the Group CEO on 12 July 2024, the Group appointed Paul Milllward as Interim CEO effective 4th September 2024.

Post year end the Group obtained credit approval for a new funding arrangement with existing banking partner ANZ and a new debtor invoice financing partner (refer note 12.5).

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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 2024, 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 Accounting Standards (IFRS Accounting Standards).

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated balance sheet as at 30 June 2024;
- the consolidated statement of profit or loss and other comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information 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 provides access to training material through an on-line platform. The provision of the access to training materials has not impaired our independence as auditor of the Group.

Material uncertainty relating to going concern

We draw attention to Note 1.3 in the financial statements, which indicates that the Group incurred a net loss before tax for the year of $45.3m (2023 $7.6m) and had net current liabilities of $43.7m as at 30 June 2024. Net current liabilities include $26.7m of borrowings that is due for repayment in March 2025.

As stated in note 1.3 to the financial statements, if the Group were unable to achieve its turnaround plan and forecasts going forward, it may not be able to operate in compliance with proposed revised financing terms. These events or conditions, along with other matters as set forth in note 1.3, indicate the existence of material uncertainties that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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. In addition to the matter described in the Material uncertainty related to going concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Description of the key audit matter	How our audit addressed the key audit matter
Impairment of Goodwill As disclosed in note 13.3 of the financial statements, during the year ended 30 June 2024, the Group lost a number of significant contracts which resulted in a decrease to annual revenue for the Move Logistics and Warehousing cash generating unit ('CGU') of $28m. This CGU included a goodwill balance of $12.5m which was recognised on the acquisition of Move Logistics Limited. An annual impairment assessment for indefinite lived intangible assets is required in accordance with NZ IAS 36. Management estimated the recoverable amount using the higher of the two valuation approaches, being fair value less costs of disposal and value in use. The significant estimates and judgement relate to the future forecasts. This resulted in an impairment loss of $12.5 million against the carrying amount of goodwill as at 30 June 2024, resulting in a nil value for the CGU. This is considered a key audit matter due to the size of the impact on the closing net book value of goodwill and the significant level of management estimation and judgement applied in performing the impairment assessment.	Our procedures included the following: ● obtaining the impairment model prepared by management for the Move Logistics and Warehousing CGU and understanding the processes undertaken to prepare the forecasts and the assumptions applied; ● understanding the controls that management have in relation to the impairment assessment of goodwill and evaluating their design; ● considering management's assessment of the respective CGUs in the Group and the allocation of corporate assets in the CGUs; ● testing the mathematical accuracy of the model used, including that the recoverable amount calculated was lower than the carrying amount of the CGU; ● considering the impact of the loss of the key customer contracts on the forecasts; ● engaging our auditor's expert to assist us in assessing and challenging whether the assumptions used in the model are reasonable. The key areas assessed included: ○ the valuation methodology used; and ○ the reasonableness of the discount rate; and ● auditing 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.

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Our audit approach

Overview

Overall group materiality: $1.5 million, which represents approximately 0.5% of revenue.

We chose revenue as the benchmark because, in our view, it is the benchmark against which the performance of the Group is most commonly measured by users, and is a generally accepted benchmark.

Full scope audits were performed for 4 of 14 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, in addition to the matter described in the Material uncertainty related to going concern section, we have one key audit matter, being:

- Impairment of Goodwill

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

Materiality

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

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

How we tailored our group audit scope

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

Other information

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

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 Accounting Standards, and for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located at the External Reporting Board's website at:

https://www.xrb.govt.nz/assurance-standards/auditors-responsibilities/audit-report-1/
This description forms part of our auditor's report.

Who we report to

This report is made solely to the Company's shareholders, as a body. Our audit work has been undertaken so that we might state those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders, as a body, for our audit work, for this report or for the opinions we have formed.

The engagement partner on the audit resulting in this independent auditor's report is Maxwell John Dixon. For and on behalf of:

PricewaterhouseCoopers

Chartered Accountants

28 August 2024

Christchurch