

Trade Window Holdings Limited

Interim Financial Statements
For the six months ended
30 September 2023

Trade Window Holdings Limited
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For the six months ended 30 September 2023

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Trade Window Holdings Limited
Directors' declaration
For the six months ended 30 September 2023

In the opinion of the Directors of Trade Window Holdings Limited, the consolidated condensed financial statements and notes, on pages 3 to 17:

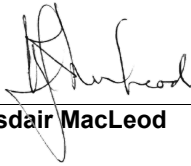
- comply with New Zealand generally accepted accounting practice and present fairly the financial position of the Group as at 30 September 2023 and the result of operations for the 6 months ended on that date;
- have been prepared using the appropriate accounting policies, which have been consistently applied and supported by reasonable judgements and estimates.

The Directors believe that proper accounting records have been kept which enable, with reasonable accuracy, the determination of the financial position of the Group and facilitate compliance of the financial statements with the Financial Reporting Act 2013.

The Directors consider that they have taken adequate steps to safeguard the assets of the Group, and to prevent and detect fraud and other irregularities. Internal control procedures are also considered to be sufficient to provide reasonable assurance as to the integrity and reliability of the financial statements.

The board of Directors are pleased to present the consolidated condensed financial statements of the Group for the six months ended 30 September 2023.

Signed in accordance with a resolution of the Directors.



Alasdair MacLeod

Dated: 29 November 2023



AJ Smith

Dated: 29 November 2023

Trade Window Holdings Limited
Directory
For the six months ended 30 September 2023

Incorporation Number 8233653

Principal Activities: Develop and commercialise technology solutions that provide international trade participants with a secure platform and tools to establish trust and trade globally in an efficient manner across interconnected networks

There have been no significant changes in the nature of these activities during the six months ended 30 September 2023.

Registered Office TradeWindow Company Secretary
Level 4
33-45 Hurstmere Road, Takapuna
Auckland 0622
New Zealand

Directors: Albertus Johannes Smith
Kerry Michael Friend
Philip John Norman
Diana Marie Puketapu (ceased 31 October 2023)
Alasdair (Alexander) John MacLeod

The Directors were in office for the whole period unless otherwise stated.

Auditor: KPMG
KPMG Centre
18 Viaduct Harbour Avenue
Auckland 1010
New Zealand

Trade Window Holdings Limited
Consolidated condensed statement of comprehensive income
For the six months ended 30 September 2023

	Notes	6 months to 30-Sep-2023 Unaudited \$	6 months to 30-Sep-2022 Unaudited \$	12 months to 31-Mar-2023 Audited \$
Revenue	3	2,999,827	2,407,203	4,920,081
Other income		426	273,999	815,652
		<u>3,000,253</u>	<u>2,681,202</u>	<u>5,735,733</u>
Employee benefits expense		(5,601,384)	(6,532,364)	(13,064,018)
Depreciation and amortisation		(1,264,015)	(1,133,210)	(2,411,844)
Other expenses		(2,105,332)	(2,028,742)	(4,361,577)
		<u>(5,970,478)</u>	<u>(7,013,114)</u>	<u>(14,101,706)</u>
Revaluation of contingent consideration		1,216,000	-	3,438,000
Net finance expense		(15,536)	(48,331)	(105,923)
Loss before income tax		<u>(4,770,014)</u>	<u>(7,061,445)</u>	<u>(10,769,629)</u>
Income tax		-	-	976,800
Net loss after tax		<u>(4,770,014)</u>	<u>(7,061,445)</u>	<u>(9,792,829)</u>
Items that are or may be reclassified subsequently to profit or loss				
Exchange differences on translating foreign operations		(1,451)	(19,304)	12,741
Total comprehensive loss for the year		<u>(4,771,465)</u>	<u>(7,080,749)</u>	<u>(9,780,088)</u>
Earnings (loss) per share				
Basic earnings (loss) per share \$		(0.04)	(0.07)	(0.10)
Diluted earnings (loss) per share \$		(0.04)	(0.07)	(0.10)

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

Trade Window Holdings Limited
Consolidated condensed statement of financial position
As at 30 September 2023

	Notes	As at 30-Sep-2023 Unaudited \$	As at 30-Sep-2022 Unaudited \$	As at 31-Mar-2023 Audited \$
Assets				
Current Assets				
Cash and cash equivalents		1,808,181	7,305,544	6,148,125
Trade and other receivables		819,984	1,205,438	1,730,107
Income tax receivable		50,811	30,080	51,252
Contract assets		41,928	127,419	92,458
		2,720,904	8,668,481	8,021,942
Non-current assets				
Trade and other receivables		50,488	125,131	120,218
Property, plant and equipment		180,174	280,962	244,433
Right of use assets		568,221	1,141,963	842,798
Intangible assets		12,285,620	13,711,422	13,202,921
Restricted cash		98,608	103,862	98,432
		13,183,111	15,363,340	14,508,802
Total assets		15,904,015	24,031,821	22,530,744
Liabilities				
Current liabilities				
Trade and other payables		1,568,063	1,764,843	2,060,247
Interest bearing loans and borrowings		573,824	511,932	529,580
Related party payables		-	-	2,513
Lease liabilities		429,053	539,142	551,598
Contingent consideration	4	-	2,376,000	1,039,000
Contract liabilities		568,786	431,438	547,335
		3,139,726	5,623,355	4,730,273

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

Trade Window Holdings Limited
Consolidated condensed statement of financial position
As at 30 September 2023

	Notes	As at 30-Sep-2023 Unaudited \$	As at 30-Sep-2022 Unaudited \$	As at 31-Mar-2023 Audited \$
Non-current liabilities				
Trade and other payables		16,096	65,004	64,067
Interest bearing loans and borrowings		979,397	1,512,011	1,264,885
Lease liabilities		174,636	616,596	321,700
Contingent consideration	4	-	2,180,000	177,000
Deferred income tax liability		-	666,000	-
		<u>1,170,129</u>	<u>5,039,611</u>	<u>1,827,652</u>
Total liabilities		<u>4,309,855</u>	<u>10,662,966</u>	<u>6,557,925</u>
Net assets		<u>11,594,160</u>	<u>13,368,855</u>	<u>15,972,819</u>
Equity				
Share capital		46,479,052	41,051,247	46,180,576
Retained earnings		(35,148,043)	(27,646,645)	(30,378,029)
Foreign currency translation reserve		(31,283)	(85,999)	(18,663)
Share based payments reserve		294,434	50,252	188,935
Total equity		<u>11,594,160</u>	<u>13,368,855</u>	<u>15,972,819</u>

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

Trade Window Holdings Limited
Consolidated condensed statement of changes in equity
For the six months ended 30 September 2023

	Notes	Issued capital \$	Retained earnings \$	Foreign currency translation reserve \$	Share based payment reserve \$	Total \$
Balance at 1 April 2023		46,180,576	(30,378,029)	(18,663)	188,935	15,972,819
Comprehensive expense for the year						
Loss for the year		-	(4,770,014)	-	-	(4,770,014)
Other comprehensive income/(expense)		-	-	(1,451)	-	(1,451)
		-	(4,770,014)	(1,451)	-	(4,771,465)
Transactions with owners of the company						
Issue of capital/dividend to shareholders		126,775	-	-	-	126,775
Adjustment to foreign currency		-	-	(11,169)	-	(11,169)
Share options exercised		171,701	-	-	-	171,701
Equity-settled share based payments		-	-	-	105,499	105,499
		298,476	-	(11,169)	105,499	392,806
Balance at 30 September 2023 - Unaudited		46,479,052	(35,148,043)	(31,283)	294,434	11,594,160

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

Trade Window Holdings Limited
Consolidated condensed statement of changes in equity
For the six months ended 30 September 2022

	Notes	Issued capital \$	Retained earnings \$	Foreign currency translation reserve \$	Share based payment reserve \$	Total \$
Balance at 1 April 2022		31,333,484	(20,585,200)	7,574	88,722	10,844,580
Comprehensive expense for the year						
Loss for the year		-	(7,061,445)	-	-	(7,061,445)
Other comprehensive income/(expense)		-	-	(19,304)	-	(19,304)
		-	(7,061,445)	(19,304)	-	(7,080,749)
Transactions with owners of the company						
Issue of capital/dividend to shareholders		9,628,892	-	-	-	9,628,892
Adjustment to foreign currency		-	-	(74,269)	-	(74,269)
Share options exercised		88,871	-	-	-	88,871
Equity-settled share based payments		-	-	-	(38,470)	(38,470)
		9,717,763	-	(74,269)	(38,470)	9,605,024
Balance at 30 September 2022 - Unaudited		41,051,247	(27,646,645)	(85,999)	50,252	13,368,855

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

Trade Window Holdings Limited
Consolidated condensed statement of changes in equity
For the 12 months ended 31 March 2023

	Notes	Issued capital \$	Retained earnings \$	Foreign currency translation reserve \$	Share based payment reserve \$	Total \$
Balance at 1 April 2022		31,333,484	(20,585,200)	7,574	88,722	10,844,580
Comprehensive expense for the year						
Loss for the year		-	(9,792,829)	-	-	(9,792,829)
Other comprehensive income/(expense)		-	-	12,741	-	12,741
		-	(9,792,829)	12,741	-	(9,780,088)
Transactions with owners of the company						
Issue of capital/dividend to shareholders		14,689,831	-	-	-	14,689,831
Adjustment to foreign currency		-	-	(38,978)	-	(38,978)
Share options exercised		157,261	-	-	-	157,261
Equity-settled share based payments		-	-	-	100,213	100,213
		14,847,092	-	(38,978)	100,213	14,908,327
Balance at 31 March 2023 - Audited		46,180,576	(30,378,029)	(18,663)	188,935	15,972,819

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

Trade Window Holdings Limited
Consolidated condensed statement of cash flows
For the six months ended 30 September 2023

	Notes	6 months to 30-Sep-2023 Unaudited \$	6 months to 30-Sep-2022 Unaudited \$	12 months to 31-Mar-2023 Audited \$
Operating activities				
Cash received from customers		3,173,566	2,310,087	4,857,294
Cash paid to suppliers and employees		(7,487,043)	(8,498,855)	(16,949,307)
Income tax received		441	536,164	514,993
Grant income		500,067	495,354	744,260
Net cash used in operating activities	9	<u>(3,812,969)</u>	<u>(5,157,250)</u>	<u>(10,832,760)</u>
Investing activities				
Purchase of property, plant and equipment		(12,131)	(101,343)	(147,842)
Proceeds from sale plant and equipment		2,184	28,536	24,489
Business acquisition		-	(2,500,000)	(2,500,000)
Interest received		70,203	54,737	114,229
Net cash from/(used in) investing activities		<u>60,256</u>	<u>(2,518,070)</u>	<u>(2,509,124)</u>
Financing activities				
Interest paid on lease liability		(19,517)	(32,800)	(59,094)
Proceeds from share capital		-	9,628,892	14,735,324
Repayment of borrowings		(250,253)	(232,793)	(468,256)
Payments for lease liability - principal portion		(270,819)	(250,882)	(509,771)
Proceeds from exercise of share options		58	142	218
Interest paid on borrowings		(46,700)	(64,253)	(140,970)
Net cash (used in)/from from financing activities		<u>(587,231)</u>	<u>9,048,306</u>	<u>13,557,451</u>
Net change in cash and cash equivalents		(4,339,944)	1,372,986	215,567
Cash and cash equivalents at the beginning of the period		6,148,125	5,932,558	5,932,558
Cash and cash equivalents at the end of the financial year		<u>1,808,181</u>	<u>7,305,544</u>	<u>6,148,125</u>

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

Trade Window Holdings Limited
Notes to the consolidated condensed financial statements
For the six months ended 30 September 2023

1 General information and statement of compliance

Trade Window Holdings Limited (TWHL) is a profit orientated entity.

Trade Window Holdings Limited is incorporated and domiciled in New Zealand and is a company registered under the Companies Act 1993.

Consolidated condensed interim financial statements for the Group are presented. The consolidated interim financial statements of Trade Window Holdings Limited (company) as at and for the six months ended 30 September 2023 comprise of the Company and its subsidiaries (together referred to as the Group and individually as subsidiaries).

Trade Window Holdings Limited was incorporated on 10 September 2021 for the purpose of being the holding company for Trade Window Limited (TWL). Prior to Trade Window Holdings Limited's incorporation, the Group comprised of TWL and its subsidiaries.

Basis of preparation

These interim financial statements have been prepared consistently with those of the annual financial statements for the year ended 31 March 2023. The same accounting policies and methods of computation have been used.

These interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting. They do not include all of the notes normally included in an annual financial report, and should be read in conjunction with the audited financial statements for the year ended 31 March 2023.

The interim financial statements were authorised for issue by the directors on the date included on page 1.

Accounting policies

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

Use of estimates and judgements

The preparation of the interim financial statements in conformity with NZ IFRS and IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The judgements, estimates and assumptions used in these interim financial statements are consistent with those from the 31 March 2023 annual financial statements.

Trade Window Holdings Limited
Notes to the consolidated condensed financial statements
For the six months ended 30 September 2023

2 Going concern

The Group prepares its financial statements on a going concern basis and expects to be able to realise its assets and meet its financial obligations in the normal course of business.

The Group is an early-stage organisation that has been investing in the development of a Global Trade Platform and as such has reported a loss for the six months ended 30 September 2023 of \$4.8 million (30 September 2022 \$7.1 million), and operating cash outflows of \$3.8 million (30 September 2022 \$5.2 million).

As at 30 September 2023, the Group held Cash and Cash Equivalents of \$1.8 million (30 September 2022 \$7.3 million). In response to continued negative global macro-economic conditions, scarce capital and the delayed settlement of strategic investor, nChain, the Group immediately initiated significant costs reductions across the business through undertaking a further reorganisation and pausing innovation and development investment, shifting focus to growing revenues from core profitable products which can provide a pathway to EBITDA breakeven.

The Board-approved revised financial forecasts for FY24 and FY25 project sufficient cash would be available to satisfy all financial obligations which arise in the next 14 months from 30 September 2023. The forecast cash flows are dependent on the assumptions outlined below.

Assumptions which give rise to a Material Uncertainty in relation to Going Concern:

- a. Achievement of targeted revenue growth.
On 2 November 2023 the Group advised that it expects revenue for FY24 to range between \$6.0 million to \$6.5 million. This represents an increase of between 22% to 32% on the prior year. As reported in these financial statements, the revenue for the first six months of FY24 is \$3.0 million, an increase of 25% on the same period last year. New customers currently in the onboarding process are expected to supplement the revenue growth in the second half of FY24 and generate low double digit growth through FY25.
- b. Successful implementation of cost-reduction plans.
The Board and Management have implemented a plan to undertake a further reorganisation of the business to conserve capital and put the Group on an accelerated path to a self-sustainable footing. Salary and operating expenditure is projected to reduce by approximately 50% (excluding transition costs) and be substantially complete in January 2024. The majority of the savings are generated from the pause of innovation and development investment and will not impact the Group's ability to continue to serve its current and future customers, and generate revenue from existing solutions.

Trade Window Holdings Limited
Notes to the consolidated condensed financial statements
For the six months ended 30 September 2023

2 Going concern (continued)

- c. **Capital raising**
Since balance date the Group has successfully raised \$500,000 equity capital and continues to discuss additional funding opportunities with multiple parties. TradeWindow continues to assert its rights under the nChain strategic agreement, including the cash component of \$2.4 million. It is also in discussions to divest the acquired Rfider business, since rebranded Assure+.
Concluding one or a combination of these negotiations the Group is forecasting a further \$1.5 million capital between March 2024 and June 2024.
- d. **Ability to meet covenant waiver conditions**
Following the failure of nChain to settle the cash subscription payment on the due date the Group and ASB Bank have worked together to restructure the \$1.1 million debt facility. Pending the achievement of conditions to be met by 30 November 2023, the Group will have the debt covenant waived until 30 June 2024. This provides TradeWindow the time needed to execute the reorganisation and cost reduction strategy. On 16 November 2023 the Group advised that it had met a key condition to the lending covenant waiver (signed commitments for \$500,000 in new equity capital). It expects to meet the remaining conditions within the timeframe.
- e. **Shortfall payment to Rfider**
A shortfall payment of \$0.6 million would have been required in accordance with the Rfider purchase agreement due to a reduction in the Group's share price subsequent to the transaction taking place. The contingent consideration component of the purchase price, to which the shortfall payment is tied, is tested against specified revenue targets. The revenue earned to date and forecast, does not meet these targets and the requirement of the shortfall payment is expected to fall away.

The forecast's assumptions have been stress tested against a range of scenarios including a reduction in revenue without commensurate cost cutting, and a reduction in the anticipated cash investment which demonstrates that the cashflow forecast is sensitive to changes in these key assumptions.

Should the Group not be able to achieve its forecasts in line with assumptions identified in Notes a - e, the Group may be unable to have sufficient liquidity to be able to continue as a going concern for a period of at least 12 months from the issuance of these financial statements. As a result, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

The Directors consider the Group to be a going concern and believe the Group will achieve its financial forecasts and secure investment to the extent necessary to ensure the Group will have sufficient liquidity to continue as a going concern and meet its financial obligations for the foreseeable future.

Trade Window Holdings Limited
Notes to the consolidated condensed financial statements
For the six months ended 30 September 2023

3 Revenue

	6 months to 30-Sep-2023 Unaudited \$	6 months to 30-Sep-2022 Unaudited \$	12 months to 31-Mar-2023 Audited \$
Transactional revenue	1,437,254	1,113,839	2,332,065
Subscription revenue	1,368,820	992,409	2,077,202
Service revenue	130,535	107,474	205,970
Installation revenue	63,218	193,481	304,844
Total revenue	2,999,827	2,407,203	4,920,081

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

4 Contingent consideration

Current

Balance 1 April	1,039,000	-	-
Contingent consideration arising on business acquisitions	-	2,376,000	2,347,000
Revaluation of Contingent consideration	(1,039,000)	-	(1,308,000)
	-	2,376,000	1,039,000

Non-current

Balance 1 April	177,000	-	-
Contingent consideration arising on business acquisitions	-	2,180,000	2,307,000
Revaluation of Contingent consideration	(177,000)	-	(2,130,000)
	-	2,180,000	177,000

Closing Balance

	-	4,556,000	1,216,000
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The contingent consideration has been revalued, as it is no longer probable that an outflow of economic resources will be required.

Trade Window Holdings Limited
Notes to the consolidated condensed financial statements
For the six months ended 30 September 2023

5 Subsequent events

On 2 October 2023 the Group announced that nChain had not made payment of the cash subscription amount as scheduled under the strategic partnership agreement. The failure of nChain to settle the cash subscription payment on the due date triggered an event of review under TradeWindow's bank facility agreements.

On 2 November 2023 the Group announced that in response to continued negative global macro-economic conditions and the delay of the strategic agreement with nChain to settle, the Group was initiating significant costs reductions across the business through undertaking a further reorganisation and pausing innovation and development investment, shifting focus to accelerating EBITDA breakeven.

On 10 November 2023 the Group announced that its lender, ASB Bank, had extended an interim waiver on the lending covenant breached, subject to certain conditions being met by 30 November 2023.

On 16 November 2023 the Group announced that it had secured \$500,000 in new equity from key existing investors including the two founders of TradeWindow, and a new investor. The new equity represented the meeting of a key condition of the waiver from ASB Bank. The group expects to meet the remaining conditions within the timeframe.

There are no other subsequent events after 30 September 2023 that require disclosure.

6 Contingencies

The Group has a contingent liability in September 2023 of \$1,035,902 relating to R&D tax losses cashed out (March 2023: \$1,035,902, September 2022: \$1,035,902). If the Group becomes profitable in the future, there is a change in the shareholders greater than 90%, or a liquidation event occurs, it would become payable.

There are no other contingencies.

Trade Window Holdings Limited
Notes to the consolidated condensed financial statements
For the six months ended 30 September 2023

7 Financial instruments classification and risk management

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Group manages liquidity risk by maintaining adequate cash reserves and banking facilities. Forecast and actual cash flows are continuously monitored with the maturity profiles of the majority of financial assets and liabilities matched.

Liquidity profile of financial assets

	1 Year or less \$	1-5 Years \$	More than 5 years \$	Total contractual cash flows \$
Six months ended 30 September 2023				
Unaudited				
Cash and cash equivalents	1,808,181	-	-	1,808,181
Trade and other receivables	515,736	-	-	515,736
Restricted cash	-	98,608	-	98,608
	<u>2,323,917</u>	<u>98,608</u>	<u>-</u>	<u>2,422,525</u>
Six months ended 30 September 2022				
Unaudited				
Cash and cash equivalents	7,305,544	-	-	7,305,544
Trade and other receivables	726,740	-	-	726,740
Restricted cash	-	-	103,862	103,862
	<u>8,032,284</u>	<u>-</u>	<u>103,862</u>	<u>8,136,146</u>
Year ended 31 March 2023				
Audited				
Cash and cash equivalents	6,148,125	-	-	6,148,125
Trade and other receivables	1,153,331	-	-	1,153,331
Restricted cash	-	-	98,432	98,432
	<u>7,301,456</u>	<u>-</u>	<u>98,432</u>	<u>7,399,888</u>

Trade Window Holdings Limited
Notes to the consolidated condensed financial statements
For the six months ended 30 September 2023

7 Financial instruments classification and risk management (continued)

	Financial liabilities based on contractual cashflows due within				
	1 Year or less \$	1-5 Years \$	More than 5 years \$	Total contractual cash flows \$	Carrying amount of liabilities \$
Six months ended 30 September 2023					
Unaudited					
Trade and other payables	1,568,063	16,096	-	1,584,159	1,584,159
Interest bearing loans and borrowings	573,824	825,021	154,376	1,553,221	1,553,221
Lease liabilities	429,053	174,636	-	603,689	603,689
	<u>2,570,940</u>	<u>1,015,753</u>	<u>154,376</u>	<u>3,741,069</u>	<u>3,741,069</u>
Six months ended 30 September 2022					
Unaudited					
Trade and other payables	1,764,843	65,004	-	1,829,847	1,829,847
Interest bearing loans and borrowings*	511,932	1,309,484	202,527	2,023,943	2,023,943
Lease liabilities	539,142	616,596	-	1,155,738	1,155,738
	<u>2,815,917</u>	<u>1,991,084</u>	<u>202,527</u>	<u>5,009,528</u>	<u>5,009,528</u>
<p>* A portion of non-current interest bearing loans and borrowings was incorrectly classified as a current liability in the 30 September 2022 interim financial statements. These have been reclassified, resulting in the current portion of interest bearing loans and borrowings being reduced by \$165,168, and the non-current portion increasing by an equal amount. Current and non-current portions were previously reported as \$677,100 and \$1,346,843 respectively.</p>					
Year ended 31 March 2023					
Audited					
Trade and other payables	2,060,247	64,067	-	2,124,314	2,124,314
Interest bearing loans and borrowings	529,580	1,103,540	161,345	1,794,465	1,794,465
Related party payables	2,513	-	-	2,513	2,513
Lease liabilities	551,598	321,700	-	873,298	873,298
Rfider acquisition shortfall protection	588,476	104,338	-	692,814	692,814
	<u>3,732,414</u>	<u>1,593,645</u>	<u>161,345</u>	<u>5,487,404</u>	<u>5,487,404</u>

Trade Window Holdings Limited
Notes to the consolidated condensed financial statements
For the six months ended 30 September 2023

8 Segment reporting

An operating segment is reported in a manner consistent with the internal reporting provided to the chief operating decision maker ("CODM") on a monthly basis. The CODM, who is responsible for allocating resources and assessing performance of the operating segment(s) is part of the senior leadership team and is involved in strategic decision making of the Group. Management has determined there is one operating segment based on the reports reviewed by the CODM.

The reason for looking at the business as one segment is because of the inter-related nature of the services and their dependence on the Trade Window software which cannot be separated between different products and services. The performance of the operating segment is reviewed by the CODM and action plans are agreed with the management where necessary to improve performance of the business.

The reportable operating segment derives its revenues from the provision of software solutions to its customers. There are no major customers that contribute more than 10% of revenues. The CODM assesses the performance of the operating segment from revenue to net income. The total revenue, direct costs, operating expenses, interest and foreign exchange gains and losses, tax and net income are reviewed.

The amounts reported with respect to segment total assets and liabilities are measured in a manner consistent with the consolidated statement of financial position. Reportable segment assets and liabilities are equal to total assets and liabilities hence no reconciliation is required. The majority of the Group's operations are within New Zealand and there are no other material geographic segments.

9 Cash flow reconciliation

	6 months to 30-Sep-2023 Unaudited \$	6 months to 30-Sep-2022 Unaudited \$	12 months to 31-Mar-2023 Audited \$
Net profit (loss) after tax	(4,770,014)	(7,061,445)	(9,792,829)
Classification Differences			
- Net finance expense	15,536	48,331	105,923
- Loss on disposal	(426)	(11,218)	(10,643)
Statement of financial position movements			
- Trade and other receivables (excluding related party)	910,985	633,359	113,603
- Contract assets	50,530	(49,610)	(14,649)
- Trade and other payables	(534,676)	252,995	522,234
- Contract liabilities	21,451	(22,167)	93,730
- Income tax payable	441	(23,836)	(45,008)
- Other movements	168,655	(70,397)	(59,404)
Other non-cash items			
- Depreciation, amortisation and impairment	1,264,015	1,133,210	2,411,844
- Employee share scheme	276,534	13,528	257,239
- Revaluation of contingent consideration	(1,216,000)	-	(3,438,000)
- Tax asset recognised	-	-	(976,800)
Net cash from operating activities	(3,812,969)	(5,157,250)	(10,832,760)