Company Announcement
23 February 2024

MOVE LOGISTICS GROUP 1H24 INTERIM RESULTS

Transport and logistics group, MOVE Logistics Group Limited (NZX/ASX: MOV), has today reported its unaudited interim results for the six months ended 31 December 2023. The result was above the guidance provided in December 2023 (1H24 Normalised EBITDA $11.5m - $12.5m), with the company reporting Normalised EBITDA of $13.2m.

As previously advised, economic and sector headwinds continue to impact, with inflationary cost pressures and subdued customer activity, particularly for Freight and Warehousing. The retail and construction markets have been particularly hard hit, both of which are important customer sectors for MOVE. MOVE's diversity across customer and business sectors is an advantage in this environment, ensuring limited exposure to any one sector.

MOVE is continuing to execute on Project Blueprint, a 12 – 18 month dual pathway programme of short and long term initiatives to reshape and strengthen the business, and drive growth. The first three months have now been completed, with the focus on embedding change, improving productivity, driving revenue and delivering customer service excellence. As part of this, a comprehensive cost out programme has been accelerated to drive efficiency and operating excellence. Most benefits from Project Blueprint initiatives are expected to be seen from 2H24 onwards.

Financial Snapshot

The six month financial performance reflects the first three months of Project Blueprint, softer customer demand as a result of economic headwinds, the ongoing re-set of the Freight business, and investment into future growth opportunities including Oceans and technology. In addition, some project work undertaken by the Specialist division was delayed and pushed into future periods. These projects remain ongoing. The company is continuing to transition to a capital light model, providing additional support for the balance sheet and increasing business resilience.

- Total income $159.4m
- EBITDA $12.3m, with Normalised EBITDA $13.2m
- Reported NLAT $(10.7)m with Normalised NLAT of $(9.6)m
- Net debt reduced to $16.9m
- No dividend has been declared

Management Comment

CEO of MOVE, Craig Evans, said: "Customer service excellence remains at the fore as we continue to work in partnership with a diverse range of businesses from across New Zealand, providing quality supply chain and logistics services. We continue to tightly manage all areas within our control, and are maximising this time to progress Project Blueprint, and particularly, the reset of our Freight business which has taken longer than originally anticipated. We have identified productivity and growth opportunities and are moving at pace to take advantage of these.

"Investment into our nationwide sales resource is driving increasing sales activity and momentum, and MOVE's new Oceans shipping service is also opening up new opportunities for our business. We have continued to refine the new Transport Management IT System and this is expected to go live

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across our network in 2H24. The leadership team has been strengthened with new leaders driving commercial excellence and momentum.

"We continue to strengthen our end to end supply chain offer, linking our national freight network with new services and transport solutions including trans-Tasman shipping and increasing use of rail which offers lower cost and carbon emissions than road."

Stronger 2H24 Performance Expected

Performance in the second half year is expected to improve from 1H24, as MOVE benefits from increased new business leads and participation in RFP processes for MOVE's Freight and Logistics businesses, and as Project Blueprint initiatives start to deliver. The focus remains on cost efficiencies, working capital management and customer value proposition.

Craig Evans said: "In the current environment, businesses are seeking cost effective, quality providers and MOVE is well positioned with the expertise and competitively priced solutions to meet their needs. The multiple initiatives underway will position MOVE to capture the increased customer activity levels expected when the economy recovers."

ENDS

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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.

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MOVE LOGISTICS GROUP LIMITED
1H24 RESULTS

23 February 2024

MOVE

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OUR VISION

To be the preferred freight and logistics company in Australasia

MOVE

/ 1H24 RESULTS SNAPSHOT

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INCOME	EBITDA Normalised[1]	EBIT Normalised[1]	NLAT[2]
$159.4m	**$13.2m**	**$(8.6)m**	**$(10.7)m**
1H23: $180.0m	1H23: $24.7m	1H23: $3.0m	1H23: $(3.3)m

LTIFR	CAPEX	GEARING	FREE CASHFLOW
11.21	**$1.5m**	**20.8%**	**$18.3m**
1H23: 15.37	1H23 $13.4m	1H23: 23.5%	1H23: $18.1m

1H23 restated to include Specialist division following decision to retain the business

Economic and sector headwinds driving subdued customer volumes and impacting on costs and short term growth opportunities. Reflects first three months of Project Blueprint.

- Normalised EBITDA result above guidance
- NLAT reflects ongoing Freight reset and investment into Project Blueprint ahead of expected gains
- Continue to tightly manage all areas within MOVE's control
- Positive safety metrics

1. *Normalised EBITDA and Normalised EBIT exclude non-controlling interest and non-trading adjustments of $0.9m pre-tax related to asset impairment & restructuring the business (1H23: $1.0m). 1H24 EBITDA before non-trading was $12.3m.*
2. *Attributable to owners of the company*

1H24 SUMMARY

Economic headwinds driving softer demand across the industry

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Operating Environment	Initiatives and Events
• Economic and sector headwinds tougher and for longer than anticipated. Hampering execution speed of growth strategy and driving softer customer demand • Retail and construction sectors particularly affected, which are important customer sectors for MOVE • Increased competitive and customer pricing pressure • Although easing, inflationary cost pressure remains high	• Continue to execute on Project Blueprint including ongoing reset of Freight business • Accelerated comprehensive cost out programme with benefits to be seen from 2H24 • Investment into nationwide sales resource driving increasing sales activity and momentum • Pilot of Trans-Tasman Oceans service on-going • Specialist heavy haulage well positioned for increasing interest in alternative energy projects

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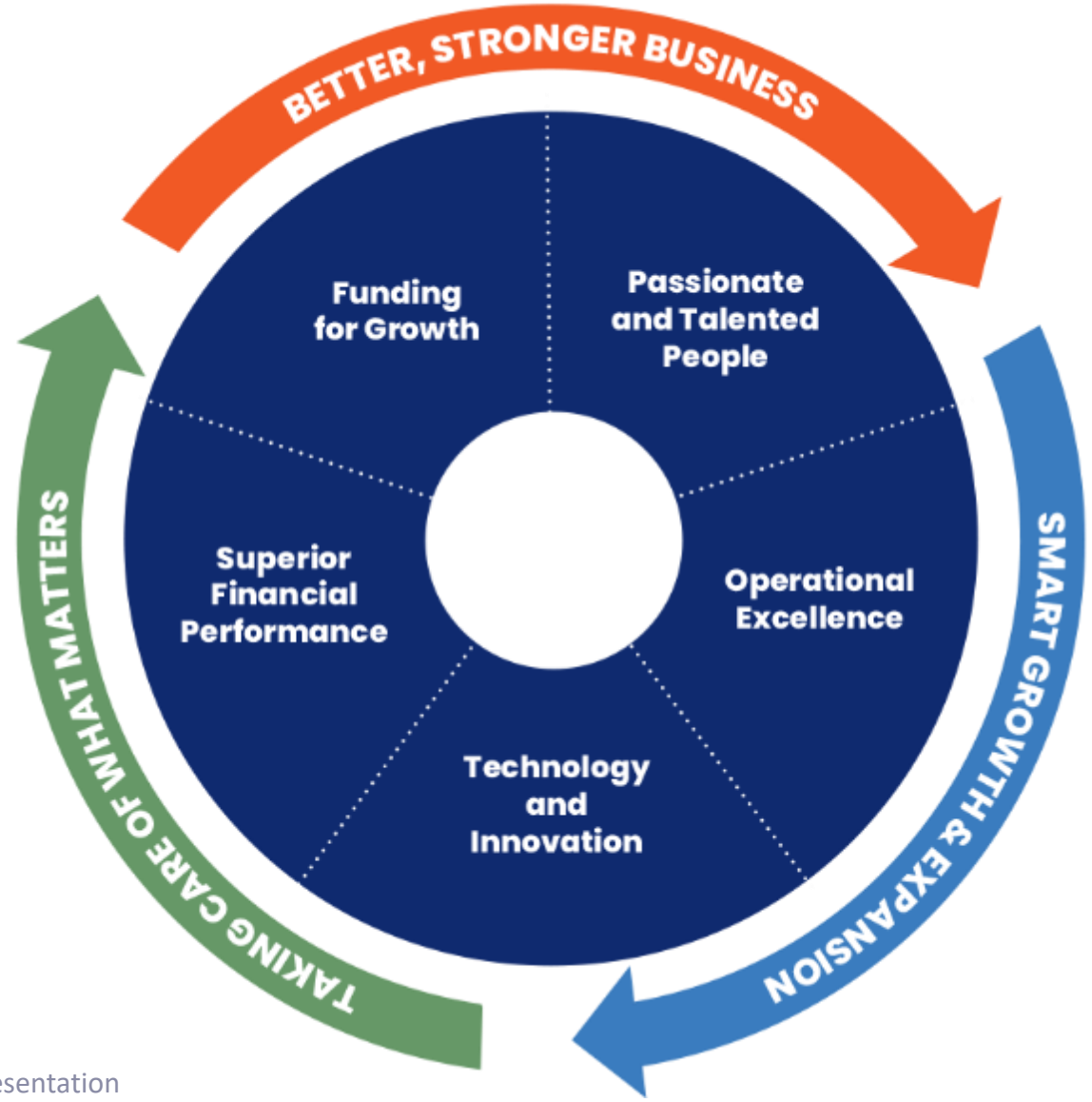
STRATEGY FOR GROWTH

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

Our Mission: To keep our customers moving

Our Mantra: Customer, Safety, Team



PROJECT BLUEPRINT

12–18 month dual pathway programme of short and long term initiatives to reshape and strengthen the business, and drive organic growth. First three months completed in 1H24.

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PRIORITIES

RESHAPE AND STRENGTHEN THE BUSINESS Immediate benefit	DRIVE ORGANIC GROWTH Short to medium term benefit
• Comprehensive review of operating costs and structure • Maximise performance, productivity and utilisation • Strengthen supply chain offering • Continue transition to asset light model	• Investment in nationwide sales resource • Careful customer acquisition • Focus on building base volumes while allowing capacity for higher margin business • Primary focus on organic growth and collaboration across the industry

PROJECT BLUEPRINT INITIATIVES

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

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BETTER STRONGER BUSINESS	• Continuation of the Freight improvement programme • Accelerated comprehensive cost out programme from December 23 • Optimisation of network and workforce to drive productivity and utilisation • Digital transformation continuing including new Transport Management System • Increased collaboration across the group to deliver end to end supply chain solutions • Pilot of new trans-Tasman shipping service on-going - demonstrating good potential customer demand; new leadership from November 2023 • Increasing integration of rail into transport solutions – cost efficient, lower carbon emissions
SMART GROWTH & EXPANSION	• Investing in and expanding core competencies to drive organic growth • Investment in nationwide sales resources - New National Sales Manager and strengthened nationwide sales team • Decentralised business model putting our business closer to our customers
TAKING CARE OF WHAT MATTERS	• Continuing improvement in safety metrics • Engaged workforce • Continue to strengthen leadership teams and empower branch leadership

/ FINANCIAL RESULTS

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1H24 GROUP SUMMARY

$Millions	1H24	1H23
Total Income	159.4	180.0
Normalised EBITDA[1]	13.2	24.7
Normalised EBIT[1]	(8.6)	3.0
Normalised NLAT[1]	(9.6)	(1.7)
Reported NLAT[2]	(10.7)	(3.3)
EPS (cents)	(8.36)	(2.85)
Free cashflow	18.3	18.1
Net Debt	16.9	21.6

1. *Normalised EBITDA, Normalised EBIT and Normalised NLAT excludes NCI and non-trading adjustments of $.9m pre-tax related to restructuring and resetting the business as part of the strategic plan (1H23: $1.0m)*
2. *Attributable to owners of the company*

Results reflect:

- First three months of Project Blueprint
- Customer volumes impacted by economic headwinds
- Ongoing reset of Freight business with short term earnings reduction as it transitions to more efficient, higher margin business
- Investment into future growth initiatives including Oceans and technology
- Focus on cost efficiencies, working capital management and customer value proposition

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Business Performance

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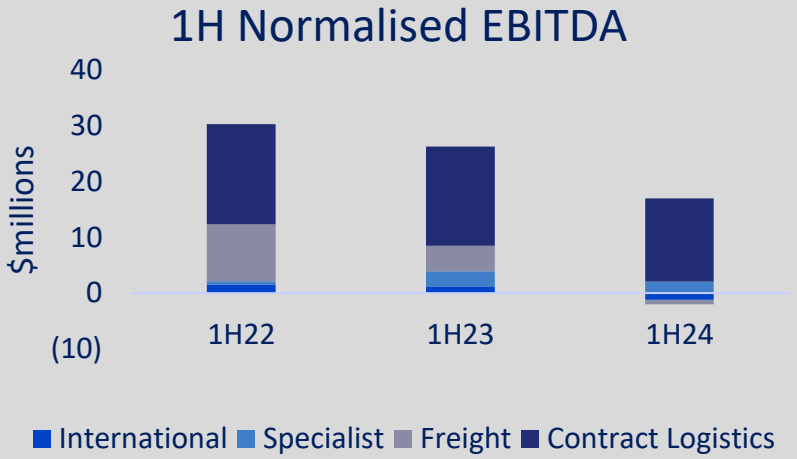
- **FREIGHT**: Reset programme ongoing with short term reduction in earnings as previously advised; business being right sized to create a leaner, more efficient structure – benefits from cost out programme expected from 2H24; priority on rebuilding revenue - positive sales activity being seen.
- **CONTRACT LOGISTICS**: Period of softer customer demand for warehousing and reduced Fuels volumes. Maintaining focus on utilisation and profitable contracts in environment of pricing pressure.
- **INTERNATIONAL**: Pilot of new shipping service – good potential customer demand; new GM Oceans. Vessel repair now completed following significant mechanical breakdown.
- **SPECIALIST**: Strong pipeline of work. Some project work delayed and pushed into future periods. These projects remain ongoing. Well positioned for increase in alternative energy projects.



NORMALISED EBITDA

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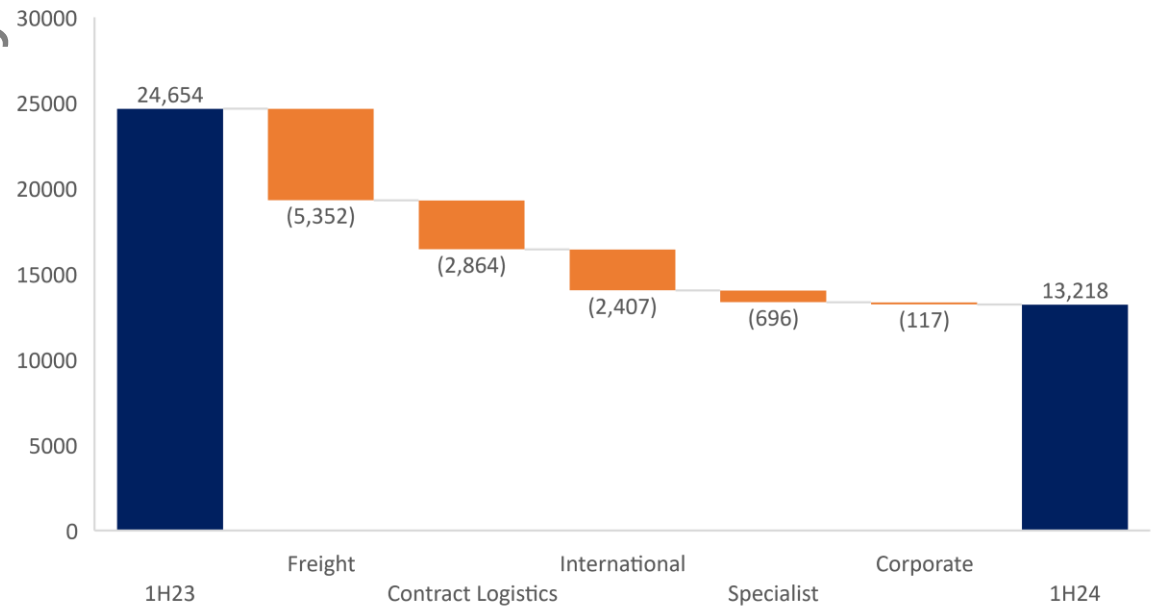

Normalised EBITDA excludes non-trading adjustments of $.9m pre-tax related to restructuring and resetting the business as part of the strategic plan. Further details included in appendix to this presentation.

- **FREIGHT**: Ongoing Freight reset; accelerated cost out programme with some short term impact – benefits expected from 2H24
- **CONTRACT LOGISTICS**: Softer short term customer demand for warehousing and reduced Fuels volumes.
- **INTERNATIONAL**: Pilot of new shipping service $(2.2)m. Vessel back in service from December following significant mechanical breakdown.
- **SPECIALIST**: Some project work delayed and pushed into future periods.
- Flat corporate costs year on year

CASH FLOW

$000s	1H24	1H23
Normalised EBITDA excl. non cash items	13,158	24,424
Non trading - cash items	(396)	3
Working capital movement	2,908	5,308
Net operating cashflows	**15,670**	**29,735**
Capital expenditure	(1,436)	(12,441)
Sale of PPE (excluding loss/gains)	4,015	781
Net capital expenditure	2,579	(11,660)
Free cash flow	**18,249**	**18,075**
Acquisitions/Advances to Associates	-	-
Net cash flow before financing and tax	**18,249**	**18,075**
Net interest payments	(4,691)	(4,638)
Tax payments	(623)	(504)
Dividends (non-controlling interests)	(120)	-
Cash flow before movements in net debt	**12,815**	**12,933**
EBITDA cash conversion	**122.8%**	**121.7%**

Cash conversion remains stable despite challenging trading

- Cash conversion of 123% remains stable and in line with last year, despite earnings decline
- Continued positive working capital movement and operating cashflows
- Free cash flow remains consistent YoY
- Net capital expenditure decreased by $14.2m as a result of reduced capital needs to support lower level of earnings and moving towards a leased/asset light model

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CAPEX

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Capital Expenditure ($m)		
	1H24	**1H23**
Fleet	1.2	2.5
Ship	-	8.5
Technology	0.1	1.7
Other	0.2	0.7
TOTAL	**1.5**	**13.4**

Leased fleet additions	
1H24 $13.5m	**1H23** $5.5m

Focus on maximum utilisation of existing assets; continued move to asset light model

- Asset light model supporting the balance sheet and building resilience in the supply chain
- Capital expenditure deferred and/or leasing of assets due to cashflow constraints
- Replacement program still in progress via a leasing strategy and fleet right sizing
- Transport Management System project (FuseIT) to be rolled out across the network in 2H24

BALANCE SHEET

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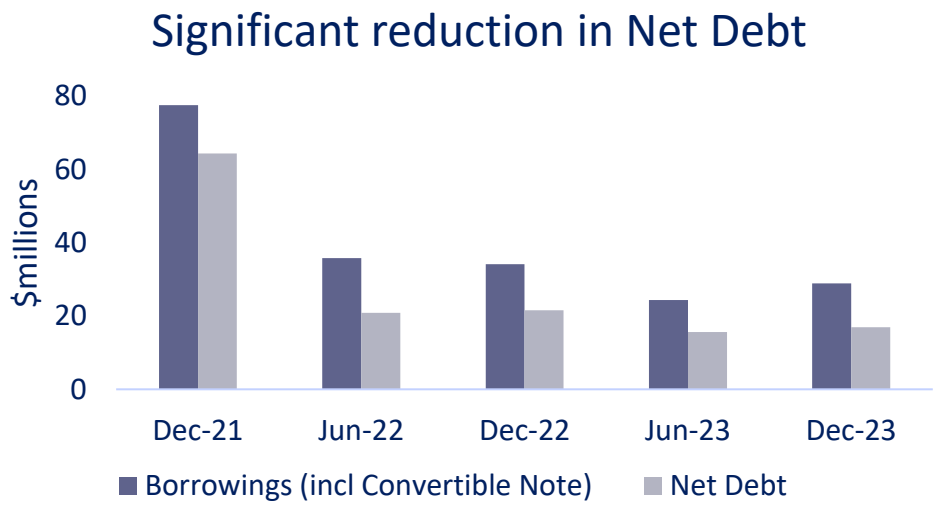

$000s	1H24	1H23
Net Debt	16,889	21,584
Gearing	20.8%	23.5%
Working Capital Ratio	1.28	1.27

Reduction in net debt

- $5.3m reduction in net debt following conversion of convertible note and from cashflows
- Bank facilities with revised covenants enabling runway for Project Blueprint short and long term initiatives
- Solid working capital ratio

LOOKING FORWARD

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STRONG LEADERSHIP TEAM
Leading our pathway to success

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Craig Evans
CEO
Appointed Feb 2023

Lee Banks
CFO
Appointed Jul 2013

Anthony Barrett
CIO
Appointed Apr 2022

Rachel Hustler
GM People & Culture
Appointed Jul 2023

Ricky Clark
National Sales Manger
Appointed Oct 2023

James Watters
COO Contract Logistics
Appointed Nov 2021

Justin Marshall
National Freight Manager
Appointed Mar 2022

Anthony Brown
GM Oceans
Appointed Dec 2023

Warwick Bell
GM Specialist Lifting
Appointed Dec 2018

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LOOKING AHEAD

Market outlook:

- Continuation of current economic and sector conditions expected in the short term
- New opportunities for MOVE as procurement becomes a greater focus for customers
- 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

Business Outlook:

- Short term focus to recover to prior performance levels. Longer term to exceed and outperform
- Project Blueprint - embedding change, improving productivity, driving revenue and delivering customer service excellence. Benefits expected from 2H24
- Building resilience through asset light business model
- Well priced and positioned to take advantage of businesses seeking quality supply chain partner
- Increasing use of Rail delivering carbon efficiencies
- Identified productivity and growth opportunities and moving at pace to take advantage of these

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APPENDICES

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Non-GAAP Reconciliation

$Millions	1H24	1H23
Net profit/(loss) before income tax (GAAP measure)	**(14.19)**	**(2.91)**
Add back:		
Share of loss of associates	-	0.06
Net finance costs	4.71	4.86
Restructuring costs	0.39	(0.11)
Share acquisition costs	-	0.11
Goodwill and asset impairment	0.49	1.02
Depreciation & Amortisation	21.82	21.62
EBITDA excluding non-trading items (non-GAAP measure)	**13.22**	**24.65**
Net profit/(loss) after income tax (GAAP measure) attributable to owners	**(10.67)**	**(3.31)**
Add back:		
Non-controlling interests	0.34	0.59
Other non-trading expenses, net of tax:		
Goodwill and asset impairment	0.49	1.02
Restructuring costs	0.28	(0.11)
Share acquisition costs	-	0.11
Net profit/(loss) after tax excluding non-trading items (non-GAAP measure)	**(9.56)**	**(1.70)**

MOVE Logistics Group uses several non-GAAP measures when discussing financial performance and the Board and Management believes this provides 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 EBIT: Normalised EBITDA less depreciation and amortisation
- Free cash flow: EBITDA excluding non-cash items plus movements in working capital, less net capital expenditure
- 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 and held for sale
- LTIFR: Lost time injury frequency rate

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INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTH PERIOD ENDED 31 DECEMBER 2023

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CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME

SIX MONTHS ENDED 31 DECEMBER 2023

	NOTES	UNAUDITED 6 MONTHS TO DECEMBER 2023 $000	UNAUDITED 6 MONTHS TO DECEMBER 2022* $000
Revenue		158,250	178,253
Gains on disposal of assets		175	773
Lease income		547	739
Other income		376	278
Total Income		**159,348**	**180,043**
Transport costs		(67,632)	(77,232)
Employee costs		(60,836)	(61,064)
Rental / lease expenses		(2,129)	(2,509)
Trading and Warehousing costs		(4,418)	(2,701)
Other operating expenses		(11,115)	(11,883)
Depreciation of right of use assets		(15,485)	(14,611)
Other depreciation / amortisation expenses		(6,330)	(7,005)
Other non operating expenses		(883)	(1,023)
Total Operating Expenses		**(168,828)**	**(178,028)**
Finance costs relating to lease liabilities		(3,956)	(3,711)
Other finance costs - interest on borrowing		(882)	(1,206)
Interest income on short term deposit		126	55
Operating deficit before income tax		**(14,192)**	**(2,847)**
Share of loss of associates		-	(66)
Loss Before Income Tax		**(14,192)**	**(2,913)**
Income tax credit		3,862	189
LOSS FOR THE PERIOD FROM CONTINUING OPERATIONS		**(10,330)**	**(2,724)**
Loss attributable to:			
Owners of the company		(10,669)	(3,311)
Non-controlling interests		339	587
		(10,330)	**(2,724)**
Other comprehensive income:			
Comprehensive Income for the Period, Net of Tax		-	-
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD, NET OF TAX		**(10,330)**	**(2,724)**
Earnings per share for loss attributable to the ordinary equity holders of the Company		**CENTS**	**CENTS**
Basic earnings per share for loss attributable to the ordinary equity holders of the company		(8.36)	(2.85)

The above consolidated Statement of Profit or Loss & Other Comprehensive Income should be read in conjunction with the accompanying notes.
*Certain amounts and relevant notes have been restated to reflect adjustments relating to previously discontinued operations (refer note 7).

Lorraine Witten - Chair
22 February 2024

Grant Devonport - Director
22 February 2024

CONSOLIDATED INTERIM BALANCE SHEET

AS AT 31 DECEMBER 2023

	NOTES	UNAUDITED 31 DECEMBER 2023 $000	AUDITED 30 JUNE 2023 $000
ASSETS			
Current Assets			
Cash and cash equivalents		12,018	8,744
Inventories		126	219
Trade and other receivables		45,552	53,318
Total Current Assets		**57,696**	**62,281**
Non-Current Assets			
Property, plant and equipment		69,950	82,048
Right of use assets		168,637	144,594
Intangible assets		14,371	14,843
Deferred income tax asset		5,277	1,152
Other receivables		330	318
Tax receivable		239	-
Total Non-Current Assets		**258,804**	**242,955**
TOTAL ASSETS		**316,500**	**305,236**
EQUITY			
Share capital		84,262	84,262
Other reserves		(867)	(615)
Accumulated losses		(22,940)	(12,271)
Equity attributable to owners of the parent		60,455	71,376
Non-controlling interest in equity		3,746	3,527
TOTAL EQUITY		**64,201**	**74,903**
LIABILITIES			
Current Liabilities			
Trade and other payables		30,444	33,852
Tax payable		-	121
Deferred revenue		338	341
Borrowings	6	-	3,708
Lease liability		29,103	25,793
Employee entitlements		9,613	11,023
Total Current Liabilities		**69,498**	**74,838**
Non-Current Liabilities			
Borrowings	6	28,907	20,615
Lease liability		151,640	129,603
Deferred revenue		-	3,000
Provisions for other liabilities and charges		2,254	2,277
Total Non-Current Liabilities		**182,801**	**155,495**
TOTAL LIABILITIES		**252,299**	**230,333**
TOTAL EQUITY & LIABILITIES		**316,500**	**305,236**

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

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CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

		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 period		-	(3,311)	-	(3,311)	587	(2,724)
Other comprehensive income		-	-	-	-	-	-
Total comprehensive income		**-**	**(3,311)**	**-**	**(3,311)**	**587**	**(2,724)**
Cumulative translation adjustment		-	-	(52)	(52)	-	(52)
Transactions with owners:							
Employee share scheme		-	-	8	8	-	8
Balance as at 31 December 2022*		**75,188**	**(8,392)**	**44**	**66,840**	**3,385**	**70,225**
Balance as at 1 July 2023		**84,262**	**(12,271)**	**(615)**	**71,376**	**3,527**	**74,903**
Comprehensive income							
(Loss) / profit for the period		-	(10,669)	-	(10,669)	339	(10,330)
Other comprehensive income		-	-	-	-	-	-
Total comprehensive income		**-**	**(10,669)**	**-**	**(10,669)**	**339**	**(10,330)**
Cumulative translation adjustment		-	-	(252)	(252)	-	(252)
Transactions with owners:							
Issue of ordinary shares		-	-	-	-	-	-
Dividends		-	-	-	-	(120)	(120)
Balance as at 31 December 2023		**84,262**	**(22,940)**	**(867)**	**60,455**	**3,746**	**64,201**

The above consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.
*Certain amounts and relevant notes have been restated to reflect adjustments relating to previously discontinued operations (refer note 7).

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CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

	NOTES	UNAUDITED 6 MONTHS TO DECEMBER 2023 $000	UNAUDITED 6 MONTHS TO DECEMBER 2022* $000
Cash flows from operating activities			
Receipts from customers		168,403	184,713
Interest received		126	55
Dividends received		4	3
Payments to suppliers and employees		(152,838)	(155,487)
Government subsidy received		5	78
Notional finance charge on NZ IFRS 16 leases		(3,956)	(3,712)
Interest paid		(861)	(981)
Income tax paid		(623)	(504)
Net cash generated from operating activities		**10,260**	**24,165**
Cash flows used in investing activities			
Purchase of property, plant and equipment		(1,424)	(12,430)
Proceeds from sale of property, plant and equipment		4,112	1,208
Purchase of intangible assets		(12)	(10)
Net cash used in investing activities		**2,676**	**(11,232)**
Cash flows from financing activities			
Repayment of borrowings		(938)	(1,879)
Proceeds from borrowings		5,500	-
Repayment of lease liability (NZ IFRS 16)		(14,104)	(13,404)
Dividends paid to shareholders / non-controlling interests		(120)	-
Net cash flow used in financing activities		**(9,662)**	**(15,283)**
Net increase in cash and cash equivalents		3,274	(2,350)
Cash and cash equivalents at beginning of the period		8,744	14,940
Cash and cash equivalents 31 December		**12,018**	**12,590**

The above consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.
*Certain amounts and relevant notes have been restated to reflect adjustments relating to previously discontinued operations.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

1.1. REPORTING ENTITY

The core operations of MOVe Logistics Group Limited ("MOVe Logistics" or the "Company") and its subsidiaries (collectively "the Group") are in the New Zealand logistics sector. These include general transport, bulk liquids, heavy haulage, shipping, warehousing and distribution, freight forwarding, national and international household removals and storage.

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

The registered office of the Company is at 24-30 Paraite Road, Bell Block, New Plymouth, New Zealand. The interim financial statements were approved for issue by the MOVe Logistics Board of Directors on XX February 2024.

1.2. BASIS OF PREPARATION

This consolidated interim financial report for the half-year reporting period ended 31 December 2023 has been prepared in accordance with accounting standards IAS 34 Interim Financial Reporting and NZ IAS 34 Interim Financial Reporting. They have also been prepared on a going concern basis in accordance with New Zealand Generally Accepted Accounting Principles (GAAP).

The interim report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2023 and any public announcements made by MOVe Logistics during the interim reporting period.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The accounting policies used in the preparation of these financial statements, unless disclosed below are consistent with those used in the previously published audited consolidated financial statements as at and for the year ended 30 June 2023. There were no new standards, interpretations and amendments effective from 1 July 2023 that would have a material impact on the Group.

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.

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3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

a. Impairment of Goodwill

The Group tests intangible assets for impairment to ensure they are not carried at above their recoverable amounts

- At least annually for goodwill
- Where there is an indication that the assets may be impaired (which is assessed at least each reporting period)

The Group concluded that there are no indicators of impairment for any of the CGU's at 31 December 2023, although they will continue to monitor the position closely for any evidence that the goodwill has become impaired.

4. RECONCILIATION TO GAAP MEASURE

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

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

The Group believes that these non-GAAP measures provide useful information to readers to assist in the understanding of the financial performance and position of the Group as they are used internally to evaluate the performance of business units and to establish operational goals. They should not be viewed in isolation, nor considered as a substitute for measures reported in accordance with IFRS. Non-GAAP measures as reported by the Group may not be comparable to similarly titled amounts reported by other companies.

The following is a reconciliation between these non-GAAP measures and net loss after tax from continuing operations:

Reconciliation to GAAP measure	6 months to December 2023 $000	6 months to December 2022 $000
Loss Before Income Tax from continuing operations (GAAP measure)	(14,192)	(2,913)
Add back:		
Share of loss of associates	-	66
Finance costs	4,712	4,862
Other non operating expenses:		
- Asset / goodwill impairment	487	1,027
- Restructuring costs	396	(112)
- Acquisition related costs	-	108
Depreciation & amortisation	21,815	21,616
Adjusted EBITDA (non-GAAP measure)	**13,218**	**24,654**

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4. RECONCILIATION TO GAAP MEASURE (CONTINUED)

Reconciliation to GAAP measure	6 months to December 2023 $000	6 months to December 2022 $000
Loss Before Income Tax from continuing operations (GAAP Measure)	(14,192)	(2,913)
Add back:		
Share of loss of associates	-	66
Finance costs	4,712	4,862
Other non operating expenses:		
- Goodwill impairment	487	1,027
- Restructuring costs	396	(112)
- Acquisition related costs	-	108
Adjusted EBIT (non-GAAP measure)	**(8,597)**	**3,038**

5. 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 and EBIT) to assess the commercial performance of the segments. The reportable operating segments have been determined as:

INTERNATIONAL
This segment includes international freight forwarding, shipping and 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.

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5. SEGMENT INFORMATION (CONTINUED)

The segment information for the period ended 31 December 2023 is as follows:

	International	Specialist	Freight	Contract Logistics	Corporate	Total
	$000	$000	$000	$000	$000	$000
6 months to 31 December 2022						
Total segment revenue	6,590	10,345	86,132	82,388	-	185,455
Inter-segment revenue	(37)	(9)	(5,269)	(1,887)	-	(7,202)
Revenue from external customers	**6,553**	**10,336**	**80,863**	**80,501**	**-**	**178,253**
EBITDA	1,170	2,741	4,584	17,797	(1,638)	24,654
Depreciation - tangible assets	268	1,273	2,329	1,769	110	5,749
Amortisation - ROU assets	98	535	5,154	8,744	80	14,611
Amortisation - intangible assets	1	50	2	918	285	1,256
EBIT	803	883	(2,901)	6,366	(2,113)	3,038
Assets	**34,757**	**23,634**	**120,298**	**139,814**	**3,318**	**321,821**
Liabilities	**17,426**	**6,083**	**90,791**	**101,876**	**35,419**	**251,595**
Capital expenditure including intangibles	**8,637**	**436**	**2,063**	**2,210**	**76**	**13,422**
6 months to 31 December 2023						
Total segment revenue	9,335	9,517	63,988	79,432	-	162,472
Inter-segment revenue	(13)	(22)	(2,241)	(1,946)	-	(4,222)
Revenue from external customers	**9,522**	**9,495**	**61,747**	**77,486**	**-**	**158,250**
EBITDA	(1,238)	2,045	(769)	14,933	(1,753)	13,218
Depreciation - tangible assets	736	1,144	2,041	1,825	102	5,848
Amortisation - ROU assets	177	485	5,837	8,907	79	15,485
Amortisation - intangible assets	1	37	1	302	141	482
EBIT	(2,152)	379	(8,648)	3,899	(2,075)	(8,597)
Assets	**28,349**	**19,372**	**111,274**	**148,030**	**9,475**	**316,500**
Liabilities	**11,211**	**4,662**	**89,523**	**115,865**	**31,038**	**252,299**
Capital expenditure including intangibles	**55**	**62**	**109**	**1,115**	**111**	**1,452**

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.

The Group has a diverse range of customers from various industries, with only one customer contributing more than 10% of the Group's revenue. These revenues are attributed to the Contract Logistics segment.

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6. BORROWINGS

As at the reporting period the Group's borrowings consisted of the below:

	31 December 2023 $000	30 June 2023 $000
Non-Current		
Secured loan ANZ (expiry 7 March 2025)	28,907	20,615
	28,907	**20,615**
Current		
Secured loan ANZ	-	3,708
	-	**3,708**
Total secured borrowings	**28,907**	**24,323**

The Group is required to comply with a number of financial covenants. During the 6 months to December 2023 the Group forecasted potential breaches to the amended covenants as a result of the ongoing reset of the Freight Business and the start-up of the Oceans service. The Group obtained a waiver from ANZ for the December 2023 test period. On 22 February 2024 the ANZ formally reset the financial covenants out to 31 March 2025 as below. This amendment as well as principal repayment relief indicates the continued support of the Groups banking partner ANZ.

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

Based on the forward looking forecast approved by the Board and the above financial covenants the Group is expected to comply for at least 12 months from the date of signing the financial statements. Accordingly, the consolidated interim financial statements have been prepared on a going concern basis.

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

In May 2022, the Board approved and announced its intention to undertake a formal sales process to investigate the market interest in the sale/asset disposal of its subsidiary company MOVE Specialist Lifting & Transport Ltd which operates in the Specialist segment. The Specialist company had been classified as held for sale and was a discontinued operation under NZ IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations at 31 December 2022.

In March 2023, it was determined after the appointment of the Groups new CEO and a strategic review that MOVE Specialist Lifting and Transport Ltd no longer met the criteria to be disclosed as held for sale resulting in it no longer being actively marketed for sale. As a result, the Profit or Loss has been restated for the period ended 31 December 2022 to reflect comparable numbers consistent with that presented in the period ended 31 December 2023. The carrying value of the assets and liabilities was asssessed and then reclassified to the relelvant sections in the Consolidated Balance Sheet. No impairment was recognised.

8. EVENTS AFTER THE REPORTING DATE

On 22 February 2024 the Group signed an amendment with the ANZ Bank NZ Ltd to vary the financial covenants and banking arrangements (refer note 6).

A claim of $3.7M was received on 14 February 2024 for alleged non-performance of a contractual obligation by the Group. No court proceedings have been filed in respect of this claim at this time. The Group disputes liability and intends to defend the claim.

DIRECTORY

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DIRECTORS

Lorraine Witten (Chair)
Independent Director
Appointed 6 December 2017
Appointed Chair 30 September 2021

Chris Dunphy
Director
Appointed 1 July 2021

Mark Newman
Independent Director
Appointed 27 July 2021

Grant Devonport
Independent Director
Appointed 23 November 2021

Julia Raue
Independent Director
Appointed 3 May 2023

RISK ASSURANCE & AUDIT COMMITTEE

Grant Devonport (Chair)
Mark Newman
Chris Dunphy

GOVERNANCE AND REMUNERATION COMMITTEE

Mark Newman (Chair)
Chris Dunphy
Julia Raue

REGISTERED OFFICE AND ADDRESS FOR SERVICE

24-30 Paraite Road, Bell Block
New Plymouth

AUDITORS

PricewaterhouseCoopers
PwC Centre
Level 4, 60 Cashel Street
Christchurch

BANKERS

ANZ Bank New Zealand Limited
23-29 Albert Street
Auckland

SOLICITORS

Duncan Cotterill
Level 2, Chartered Accountants House
50 Custom House Quay
Wellington

SHARE REGISTRAR

Link Market Services Limited
Deloitte Centre
80 Queen St, Auckland

Results announcement

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

Results for announcement to the market		
Name of issuer	MOVE Logistics Group Limited	
Reporting Period	6 months to 31 December 2023	
Previous Reporting Period	6 months to 31 December 2022	
Currency	NZD	
	Amount (000s)	**Percentage change**
Revenue from continuing operations	$158,250	(11.22%)
Total Revenue	$158,250	(11.22%)
Net profit/(loss) from continuing operations	($10,330)	(279.22%)
Total net profit/(loss)	($10,669)	(222.23%)
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	$0.36	$0.45
A brief explanation of any of the figures above necessary to enable the figures to be understood	Refer unaudited interim 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	23 February 2024	

Unaudited financial statements accompany this announcement.

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