

MARKET RELEASE

29 May 2025

TradeWindow eyes continued growth as FY25 revenue rises 30%

TradeWindow (NZX: TWL), a global trade software company, today announces that successful execution of its strategy lifted revenue for the year to the end of March 2025 by 30% to a record \$8.0 million and cleared its path to financial sustainability.

TradeWindow also announces that it has resources on hand to achieve EBITDA breakeven for FY26 supported by the operational efficiencies achieved during the year and the previously-flagged expectation that revenue for FY26 will range between \$10.0 million and \$11.0 million, representing growth of 25.0% to 37.5%.

FY 25 Highlights¹

- Trading revenue rises 30% to \$8.0 million from \$6.2 million
- Annual Recurring Revenue (ARR) \$8.7 million, up 38% from \$6.3 million
- Average Revenue Per Customer (ARPC) - shippers up 21% vs FY24 to \$2,066 per month; freight forwarders up 43% vs FY24 to \$914 per month
- Gross margin of 61%, up 7 percentage points driven by a focus on continuous improvement in the sales and onboarding processes
- Total operating expenses down 28% to \$9.6 million from \$13.4 million; no research and development capitalised
- EBITDA² loss down 77% to \$1.5 million from \$6.6 million
- Net loss after tax falls 56% to \$3.5 million from \$8.0 million
- Cash and cash equivalents of \$0.4 million providing sufficient capital to maintain current business operations

Chair Alasdair MacLeod said: “TradeWindow has delivered a remarkable full year result especially when considered against the constraints it has faced. Revenue growth of 30% to reach \$8 million is an enviable performance and we have achieved this run rate while still delivering on our goals to accelerate our path towards financial sustainability.

“The result is a testament not only to the extent our trade technology solutions are resonating with customers in Australasia and further afield, but also to the commitment of our team to capture the significant opportunities the company enjoys. The Board is proud of what the team has achieved.”

CEO and Executive Director AJ Smith said: “TradeWindow has achieved a record result against a backdrop of a dynamic macroeconomic environment – one shaped by shifting consumer demand for online shopping, the rapid rise of AI, ongoing US trade tensions and evolving regulations.

“We believe this environment provides an opportunity for TradeWindow to expand into new markets. TradeWindow solutions provide clarity and certainty to trade, and we see no

¹ All figures are in New Zealand dollars and all comparisons are to FY24 unless otherwise stated.

² EBITDA is a non-GAAP measure of financial performance. It is defined and reconciled to the GAAP measure of net profit after tax on page 15 of the investor presentation released to the NZX today.

shortage of opportunities to grow demand for our solutions. We are now exploring opportunities to accelerate our organic growth.”

FINANCIAL RESULTS

Trading revenue reached a record of \$8 million up 30% on the \$6.2 million achieved in FY24, a result largely driven by the acquisition of new customers in Australia and cross-selling additional solutions to our existing customer base.

The effectiveness of these strategies is evident in the robust ARPC growth, with our shipper segment increasing by 21% to \$2,066 per month and our freight forwarder segment by an impressive 43% to \$914 per month. We continue to see a substantial opportunity for further expansion through these proven strategies.

ARR was at \$8.7 million representing 38% year-on-year growth. As is typical for our business model, ARR runs ahead of trading revenue as it captures anticipated growth from newly acquired customers, calculated by annualising revenues as of 31 March 2025.

We achieved our bold and aggressive growth target of monthly EBITDA break-even in March 2025. This significant milestone marks the successful execution of our strategic initiatives to enhance operational efficiency and streamline our cost structure.

The operational efficiencies realised across TradeWindow have dramatically increased our productivity, with revenue per team member rising by 198% from 31 March 2023 to reach \$138k as of 31 March 2025.

Our gross margin meanwhile improved to 61%, up 7 percentage points on FY24 driven by a focus on continuous improvement in the sales and onboarding processes. Our total expenses fell 28% to \$9.6 million from \$13.4 million in FY24.

Our EBITDA loss narrowed 77% to \$1.5 million from \$6.6 million reflecting these performance improvements, while the net loss for the year was \$3.5 million down from a \$8.0 million in FY24.

NAVIGATING GLOBAL TRADE DYNAMICS

Recent global trade disruptions resemble those seen during COVID-19, when broken supply chains highlighted the value of TradeWindow’s solutions in managing complexity. Two products stand out in the current climate. TW Tariff delivers real-time tariff data from government sources to support accurate decisions. TW Origin enables 24/7 access to certificates of origin (COOs), essential for securing preferential duty rates under free trade agreements (FTAs).

This environment opens growth opportunities. As the US pursues more bilateral FTAs, TradeWindow’s addressable market expands. Most FTAs require COOs to access preferential duty rates and faster customs processing – a key strength of our platform. We are now targeting strategic markets, where shifting trade dynamics create demand for compliance tools, and introduce greater geographic diversity to our revenue sources.

We continue to win new customers in both the shipper and freight forwarder segments with the majority of growth coming from Australia. While our overall customer retention metrics

have adjusted from 93% to 87%, it's important to note this change reflects our focus on higher-quality customer relationships.

Our retention rate among target customers with recurring revenue streams remains strong, reinforcing our commitment to high-margin relationships with proven stickiness. We have already implemented targeted product enhancements that will strengthen our value proposition while maintaining focus on the most profitable customer segments, positioning us for more sustainable growth and increased shareholder value.

TECHNOLOGY

Our product development roadmap is focused on building a next generation, AI enabled freight operating system, designed to seamlessly integrate with modern platforms and legacy systems used by ocean carriers, terminal operators, and government agencies. TW Cube, our integrated solution that connects all parties in the global trade chain, will also benefit from AI enhancements to be scaled globally.

This new and innovative platform, aimed at freight forwarders and customs brokers worldwide, positions us to lead the industry's digital transformation.

We believe the freight forwarder segment has strong demand for an AI-enhanced software solution. The launch of such a product can provide a competitive advantage against large incumbents including WiseTech and E2Open³.

Even in the current financial year we have accelerated development in each of our products, by working more efficiently with our tech resources and incorporating more AI development tools within our development resources.

Our nimble, agile approach allows us to rebuild and innovate swiftly, unencumbered by the heavy operational footprint of legacy systems of larger multinationals, giving us a competitive edge in redefining trade technology.

BALANCE SHEET AND FUNDING

TradeWindow ended the financial year with cash and cash equivalents of \$0.4 million. Over the financial year we have substantially reduced our average monthly cash burn to \$73k for 2H 25 against 2H 24 of \$349k.

This transition has been supported by the \$2.2 million capital raising completed in FY25 and our strong growth and capital conservation initiatives. As previously announced, we achieved EBITDA breakeven in March 2025 and now expect to achieve full year EBITDA breakeven in FY26. The company believes it has sufficient capital to achieve this goal and maintain current operations.

OUTLOOK

Despite challenging international trade dynamics, TradeWindow remains confident in its growth trajectory. It expects ongoing global trade disruptions will accelerate the adoption of digital solutions among shippers and freight forwarders, as these businesses seek to reduce backend costs and navigate increasingly complex compliance requirements.

³ On 25 May 2025 WiseTech Global announced the acquisition of E2Open.

We expect growth to come principally from continued expansion in Australia, cross-selling to existing customers and by building on the company's significant record of lifting ARPC.

AJ Smith said: "We continue to see a substantial opportunity for further expansion and are excited by the opportunities we see for the company in FY26 and beyond. We look forward to providing our next update to shareholders in July."

TradeWindow will host a webcast at 11.00am (NZT) this morning. Participants can register for the conference by navigating to:

Phone registration: <https://s1.c-conf.com/diamondpass/10047025-nowpe3.html>

Webcast registration: <https://ccmediaframe.com/?id=c5rJtS6m>

Released for and on behalf of TradeWindow by:

AJ Smith
Executive Director and Chief Executive Officer

ENDS

About TradeWindow:

Founded in December 2018, TradeWindow is an NZX-listed software company that provides digital solutions for exporters, importers, freight forwarders, and customs brokers to drive productivity, increase connectivity, and enhance visibility. TradeWindow's software solutions integrate to form a cohesive digital trade platform that enables customers to more efficiently run their back-end operations, share information and securely collaborate with a global supply chain made up of customers, ports, terminals, shipping lines, banks, insurance companies, and government authorities. www.tradewindow.io

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