

TRIMBLE LOADRITE AUCKLAND LIMITED

DIRECTORY

DIRECTORS

C. Haines (Managing Director)
J A Kirkland

REGISTERED OFFICE

45 Patiki Road
Avondale
Auckland
New Zealand

AUDITOR

Ernst & Young

BANKERS

ASB Bank Limited

SOLICITORS

Quigg & Co., Wellington

TRIMBLE LOADRITE AUCKLAND LIMITED DIRECTORS REPORT

In the opinion of the directors of Trimble Loadrite Auckland Limited, the financial statements and notes, on pages 7 to 18, comply with New Zealand Generally Accepted Accounting Practice and give a true and fair view of the financial position of the company as at 31 December 2021 and the results of operations and cash flows for the year ended on that date, and 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 company 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 Company, 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 shareholders resolved that the information required by paragraphs (a) and (e) - (j) of subsection (1), and subsection (2), of section 211 of the Companies Act 1993 not be disclosed in the annual report pursuant to section 211(3) of the Companies Act 1993.

No directors fees were paid during the year. (2020: nil).

The directors are pleased to present the financial statements of Trimble Loadrite Auckland Limited for the year ended 31 December 2021.

For and on behalf of the Board of Directors:



Corinne Haines
Director

TRIMBLE LOADRITE AUCKLAND LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

	Notes	2021	2020
CURRENT ASSETS			
Cash and cash equivalents		1,074,447	725,564
Intercompany receivables	12	199,354	285,228
Prepayments & other receivables	5	51,698	21,416
		<u>1,325,499</u>	1,032,208
NON-CURRENT ASSETS			
Property, plant and equipment	6	26,091	-
Right of Use Asset	7	816,409	1,253,650
Advances to related parties	12,13	25,668,632	25,668,632
Deferred tax asset	4	59,387	61,971
		<u>26,570,519</u>	26,984,253
Goodwill	8	193,000	193,000
TOTAL ASSETS		<u><u>28,089,017</u></u>	<u><u>28,209,461</u></u>
CURRENT LIABILITIES			
Trade payables		52,543	6,771
Other payables	9	34,238	33,310
Intercompany payables	12	7,508	8,450
Employee entitlements		184,112	245,575
Lease Liabilities - Short Term	7	449,274	433,999
Income tax payable/(receivable)	3	(29,536)	9,471
		<u>698,139</u>	737,576
NON-CURRENT LIABILITIES			
Lease Liabilities - Long Term	7	378,653	827,928
		<u>378,653</u>	827,928
EQUITY			
Share capital	10	7,628,825	7,628,825
Retained earnings		19,383,400	19,015,132
		<u>27,012,225</u>	<u>26,643,957</u>
TOTAL LIABILITIES AND EQUITY		<u><u>28,089,017</u></u>	<u><u>28,209,461</u></u>

For and on behalf of the Board, which authorised the issue of the financial statements on

Corinne Haines



James Kirkland



.Dated 5 May 2022

The accompanying notes form part of and are to be read in conjunction with these financial statements.

TRIMBLE LOADRITE AUCKLAND LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021	2020
REVENUE FROM CONTINUING OPERATIONS			
Revenue		2,451,428	2,587,345
Manufacturing and distribution expenses		(1,297,594)	(1,235,086)
Research and development expenses		-	-
Selling and marketing expenses		(538,755)	(762,386)
Administrative expenses		41,829	59,059
Share based payments	11	(29,683)	-
Amortisation of ROU asset	7	(437,240)	(461,210)
Depreciation & Amortisation of PPE/Intangibles		(6,103)	(2,161)
Gain on disposal of property, plant & equipment		-	-
Operating profit before financing costs		183,882	185,561
Interest income		454,971	621,540
Interest on debts and borrowings		-	(4)
Interest on lease liabilities	7	(26,795)	(38,928)
Net foreign exchange gains		23,447	(13,945)
Net financing costs		451,623	568,663
Impairment of Goodwill	8	-	(83,000)
Profit before tax expense		635,505	671,224
Income tax expense	3	(183,154)	(227,417)
Profit from continuing operations		452,351	443,807
Profit after tax for the year		452,351	443,807
Other Comprehensive Income		-	-
Total comprehensive income for the year		452,351	443,807

The accompanying notes form part of and are to be read in conjunction with these financial statements.

TRIMBLE LOADRITE AUCKLAND LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

GROUP	Note:	Share Capital	Retained Earnings	Employee benefits reserve	Total
Balance as at 1 January 2021		7,628,825	19,015,132	-	26,643,957
Total Comprehensive Income for the period, net of tax		-	452,351	-	452,351
Decrease from sale of shares	18	-	(113,766)	-	(113,765)
Dividends paid during year		-	-	-	-
Share based payments		-	-	29,683	29,683
Balance at 31 December 2021		<u>7,628,825</u>	<u>19,353,717</u>	<u>29,683</u>	<u>27,012,225</u>

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

GROUP	Share Capital	Retained Earnings	Employee benefits reserve	Total
Balance as at 1 January 2020	7,628,825	18,571,325	-	26,200,150
Total Comprehensive Income for the period, net of tax	-	443,807	-	443,807
Dividends paid during year	-	-	-	-
Balance at 31 December 2020	<u>7,628,825</u>	<u>19,015,132</u>	<u>-</u>	<u>26,643,957</u>

The accompanying notes form part of and are to be read in conjunction with these financial statements.

TRIMBLE LOADRITE AUCKLAND LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021	2020
Cash flows from operating activities			
Cash received from customers		1,880,767	2,587,345
Payments to suppliers and employees		(1,282,331)	(1,710,783)
Net taxation paid		(230,089)	(329,428)
Net interest received / (paid)		455,168	635,580
Net cash inflow from operating activities		823,514	1,182,714
Cash flows from investing activities			
Proceeds from disposal of subsidiary		18,536	-
Advance/Loan repaid from related parties		-	12,249,694
Advance/Loan to related parties		-	(12,887,744)
Payments for purchase of property, plant & equipment		(32,194)	(2,161)
Proceeds from disposal of property, plant, equipment		-	-
Net cash outflow from investing activities		(13,837)	(640,211)
Cash flows from financing activities			
Dividend paid		-	-
Payment of principal portion of lease liabilities	7	(433,999)	(454,589)
Payment of interest portion of lease liabilities	7	(26,795)	(38,928)
Net cash outflow from financing activities		(460,794)	(493,517)
Net increase/(decrease) in cash held		348,883	48,986
Cash at beginning of financial year		725,564	676,578
Closing cash and cash equivalents at 31 December 2021		1,074,447	725,564

The accompanying notes form part of and are to be read in conjunction with these financial statements

TRIMBLE LOADRITE AUCKLAND LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Trimble Loadrite Auckland Limited (the "Parent") is a company domiciled in New Zealand and registered under the Companies Act 1993 and is a reporting entity for the purposes of the Financial Reporting Act 2013. The accounts presented are the consolidated financial statements for Trimble Loadrite Auckland Limited and its subsidiary Trimble Loadrite Chile SPA. Trimble Loadrite Auckland Limited is a contract manufacturer of hydraulic weighing equipment, while Trimble Loadrite Chile SPA is a sales and marketing commission agent for its parent company.

The financial statements for the Group are for the year ended 31 December 2021, and were authorised for issue by the directors on 5 May 2022.

(a) Basis of preparation

Statement of compliance

The financial statements comprise the following: statement of comprehensive income, statement of changes in equity, statement of financial position, statement of cash flows, and accounting policies and notes to the statements contained on pages 7 to 18.

The consolidated financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP"), applying the Framework for Tier 2 for profit entities adopting the New Zealand equivalents to International Financial Reporting Standards - Reduced Disclosure Regime ("NZIFRS RDR"). The company is eligible to report under Tier 2 for Profit Accounting Standards on the basis that it does not have public accountability.

Basis of measurement

The financial statements are prepared on the historical cost basis.

Going concern

The financial statements have been prepared using the going concern assumption.

Functional and presentation currency

The financial statements are presented in New Zealand dollars, unless otherwise stated and all values are rounded to whole dollars. The functional currency is New Zealand Dollars (NZD).

Use of estimates and judgements

The preparation of the financial statements in conformity with NZ IFRSs 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. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

(b) Basis of Consolidation

The Group financial statements consolidate the financial statements of subsidiaries using the purchase method of accounting. Subsidiaries are entities controlled by the Parent. Control exists when the Parent has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Investments in subsidiaries are stated at cost in the balance sheet of the Parent.

TRIMBLE LOADRITE AUCKLAND LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021

All material transactions between subsidiaries or between the Parent and subsidiaries are eliminated on consolidation. If the Group loses control over a subsidiary, it derecognises the related assets, liabilities, and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

(c) Business Combinations

Acquisitions prior to 1 April 2006

As part of its transition to NZ IFRS, the Group had elected not to restate business combinations that occurred prior to 1 April 2006. As a result, the value of assets and liabilities recognised for these acquisitions represents previous NZ GAAP requirements.

Acquisitions on or after 1 April 2006

For acquisitions on or after 1 April 2006, the Group recognises the fair value of all identifiable assets, liabilities and contingent liabilities of the acquired business. Goodwill is measured as the excess cost of the acquisition over the recognised assets and liabilities. When the excess is negative (negative goodwill), the amount is recognised immediately in the statement of comprehensive income.

(d) Revenue

Revenue from contracts with customers

The company is in the business of providing contract manufacturing, marketing, and support activities to Trimble Europe B.V. There are no sales to third parties.

Revenue from contracts with customers is recognised when control of the services are transferred to the customer at an amount that reflects the consideration to which the company expects to be entitled in exchange for those services. The company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the services before transferring them to the customer. Revenue from these activities is recoverable monthly.

Interest Income

Interest revenue is recognised when received or accrued using the effective interest method.

(e) Inventories

Inventories are valued at the lower of cost or net realisable value. Costs are based on actual costs, applying the first in first out principle, and include expenditure incurred in acquiring the inventories and bringing them to the existing condition and location. In the case of manufactured inventories, cost includes direct materials, labour and appropriate production overheads.

(f) Property, plant and equipment

Owned assets

Items of plant and equipment are stated at cost, less accumulated depreciation and impairment losses. Cost includes the purchase consideration, and those costs directly attributable to bringing the asset to the location and condition necessary for its intended use. Where an item of plant and equipment is disposed of, the gain or loss recognised in the statement of comprehensive income is calculated as the difference between the net sales price and the carrying amount of the asset.

TRIMBLE LOADRITE AUCKLAND LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021

Subsequent costs

The Group recognises in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied within the item will flow to the Group and the cost of the item can be measured reliably. All other costs are recognised in the statement of comprehensive income as an expense in the period they are incurred.

Depreciation

Depreciation begins when the asset is in the location and condition necessary for it to be capable of operating in the manner intended by management. Assets of the Group have been depreciated using the straight-line method using following estimated useful lives:

- Plant and Equipment 5 years
- Leasehold Improvements 6 years
- Motor Vehicles 5 years
- Computer and Office Equipment 3 years
- Furniture and Fittings 4 years
- Dies and Moulds 2 years

(g) Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses. Right-of-use assets are depreciated on a straight-line basis.

Economic lives are as follows:

Buildings	2 - 5	Years
Equipment	2 - 3	Years

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liability is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

TRIMBLE LOADRITE AUCKLAND LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021

Short-term leases and leases of low-value assets

The company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

(h) Intangible assets

Goodwill

Goodwill represents the difference between the cost of the acquisition and the fair value of the net identifiable assets acquired. Goodwill is stated at cost less any accumulated impairment losses. Goodwill has been tested for impairment in this financial year, and the cost has been written down so that the net value of Goodwill at year end represents the value of the remaining Goodwill, after the transfer of employees to an associated company.

(i) Taxation

Income tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax payable also includes any tax liability arising from the declaration of dividends.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(j) Foreign Currencies

Foreign currency transactions are converted at the New Zealand dollar rate of exchange ruling at the date of the transaction. At balance date, foreign currency monetary assets and liabilities are translated at the closing rate, and exchange variations arising from these translations are included in the statement of comprehensive income.

TRIMBLE LOADRITE AUCKLAND LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021

(k) Goods and Services Tax

All amounts are shown exclusive of Goods and Services Tax (GST), except for receivables and payables that are stated inclusive of GST.

(l) Employee Entitlements

A provision for employee entitlements is recognised for benefits earned by employees but not yet received at balance date. Employee benefits include salaries, wages and annual leave. Where payment is expected to be within twelve months of balance date, the provision is the estimated amount expected to be paid. Where payment is expected to be longer term, the liability is determined using the projected unit credit method and is presented as an “other long-term” benefit.

(m) Impairment of Assets

The carrying amounts of the Group's assets, other than inventories are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

For goodwill the recoverable amount is estimated when there is an indicator of impairment, or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

(n) Loans and receivables

The Group considers evidence of impairment for loans and receivables at both a specific asset and collective level. All individually significant receivables are assessed for specific impairment. All individually significant loans and receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and receivables that are not individually significant are collectively assessed for impairment by grouping together loans and receivables with similar risk characteristics.

In assessing collective impairment the Group uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

(o) Non-financial assets

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU. The CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

TRIMBLE LOADRITE AUCKLAND LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(p) Share based Payment Transactions

The parent company, Trimble Inc. provides benefits to its employees worldwide in the form of share based payments, whereby employees render services in exchange for shares or rights to shares (equity based payments).

The parent company's 2002 Stock Plan provides for the granting of incentive and non-statutory stock options and restricted stock units ("RSUs") of up to 92.6 million shares. At the end of the year ended 31 December 2021 the number of shares available for grant under the 2002 stock plan was 20.2 million.

The value of share based payments to employees in Trimble Loadrite Auckland Limited is shown in the Statement of Comprehensive income each year. As this value is provided by the parent company, the cost of that expense is treated as equity introduced into the company by the ultimate parent company.

TRIMBLE LOADRITE AUCKLAND LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. PERSONNEL EXPENSES

	2021	2020
Salaries and wages	1,428,764	1,376,081
Other Employee benefits	299,977	328,671
	<u>1,728,741</u>	<u>1,704,752</u>

3. INCOME TAX

	2021	2020
(a) Reconciliation of effective tax rate		
Profit after tax for the period	452,351	443,807
Total income tax expense	183,154	227,417
Profit before income tax	<u>635,505</u>	<u>671,224</u>
Income tax using the NZ domestic tax rate of 28%	160,107	190,661
Income tax for Chile	13,094	28,041
Non-deductible expense/(non-assessable income)	2,584	18,480
Timing difference current year	(2,498)	(9,765)
Tax paid overseas	9,822	-
Tax adjustment prior periods	45	-
Income tax expense	<u>183,154</u>	<u>227,417</u>
(b) Current tax expense		
Movement during year	173,287	227,417
Over provided in prior periods	45	-
Tax paid overseas & prior period adjustments	9,822	-
Total current tax expense	<u>183,154</u>	<u>227,417</u>
(c) Deferred tax benefit		
Movement during year	(2,498)	(9,765)
Over provided in prior periods	(86)	-
Total deferred tax benefit	<u>(2,584)</u>	<u>(9,765)</u>

4. DEFERRED TAX ASSETS

Recognised deferred tax assets and liabilities

Deferred tax assets and (liabilities) are attributable to the following:

Property, plant and equipment	26,120	33,442
Provision for employee entitlements and doubtful trade debtors	27,667	183,154
Other	5,600	7,350
Total deferred tax asset	<u>59,387</u>	<u>61,971</u>

The movement in temporary differences has been recognised in profit or loss. Deferred tax assets have been recognised at a rate of 28% at which they are expected to be realised.

TRIMBLE LOADRITE AUCKLAND LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021

5. PREPAYMENTS AND OTHER RECEIVABLES

	2021	2020
Prepayments	43,325	15,271
GST receivables	8,373	6,145
Total	<u>51,698</u>	<u>21,416</u>

6. PROPERTY PLANT AND EQUIPMENT

	Dies	Machine Equipment	Computer	Furniture	Leasehold	Total
COST						
At 1 Jan 2021	99,163	53,919	22,120	12,196	184,225	371,623
Additions	-	-	28,580	-	-	28,580
Write-off	-	-	3,614	-	-	3,614
Disposals	-	-	-	-	-	-
Decrease from sale of shares	-	-	(5,745)	(6,378)	-	(12,123)
At 31 Dec 2021	99,163	53,919	48,569	5,818	184,225	391,694
DEPRECIATION AND IMPAIRMENT						
At 1 Jan 2021	99,163	53,919	22,120	12,196	184,225	371,623
Additions	-	-	2,489	-	-	2,489
Write-off	-	-	3,614	-	-	3,614
Disposals	-	-	-	-	-	-
Decrease from sale of shares	-	-	(5,745)	(6,378)	-	(12,123)
At 31 Dec 2021	99,163	53,919	22,478	5,818	184,225	365,603
BOOK VALUE 31 Dec 21	-	-	26,091	-	-	26,091
BOOK VALUE 31 Dec 20	-	-	-	-	-	-

7. RIGHT-OF-USE-ASSETS

Set out below are the carrying amounts of right-out-use assets recognised and the movements during the period:

	Property	Equip	Total
As at 1 January 2021	1,246,922	6,728	1,253,650
Additions	-	-	-
Amortisation expense	(430,513)	(6,728)	(437,240)
As at 31 December 2021	<u>816,409</u>	<u>-</u>	<u>816,409</u>

TRIMBLE LOADRITE AUCKLAND LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021

	Property	Equip	Total
As at 1 January 2020	1,692,402	22,458	1,714,860
Additions	-	-	-
Amortisation expense	(445,480)	(15,730)	(461,210)
As at 31 December 2020	<u>1,246,922</u>	<u>6,728</u>	<u>1,253,650</u>

LEASE LIABILITY

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	Property	Equip	Total
As at 1 January 2021	1,255,199	6,728	1,261,926
Additions	-	-	-
Accretion of Interest	26,733	62	26,795
Payments	(454,004)	(6,790)	(460,794)
As at 31 December 2021	<u>827,928</u>	<u>-</u>	<u>827,928</u>

Current	449,274	-	449,274
Non-current	<u>378,653</u>	<u>-</u>	<u>378,653</u>
	<u>827,928</u>	<u>-</u>	<u>827,928</u>

As at 1 January 2020	1,694,058	22,458	1,716,515
Additions	-	-	-
Accretion of Interest	38,362	566	38,928
Payments	(477,221)	(16,296)	(493,517)
As at 31 December 2020	<u>1,255,199</u>	<u>6,728</u>	<u>1,261,926</u>

Current	427,271	6,728	433,999
Non-current	<u>827,928</u>	<u>-</u>	<u>827,928</u>
	<u>1,255,199</u>	<u>6,728</u>	<u>1,261,926</u>

The lease liability is measured at amortised cost using the effective interest method. The discount rate used in 2021 was the Group incremental borrowing rate based on the estimated rate of interest for collateralized borrowing over a similar term of the lease payments at commencement date. The company has decided not to apply the new guidance to leases whose term will end within 12 months of the date of the initial application. In such cases the leases will be accounted for as short term leases and the lease payments associated with them recognised as an expense.

The term of the property lease under Trimble Loadrite Chile SpA finished in October 2020, and has not been renewed.

TRIMBLE LOADRITE AUCKLAND LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021

8. GOODWILL

In 2021 the company has considered the goodwill value in the accounts and does not believe that there has been any impairment, therefore the value stays at \$193,000. In 2020, the company had considered the goodwill value in the accounts and took an impairment of \$83,000.

9. OTHER PAYABLES

	2021	2020
GST payables	-	-
Sundry Accruals	34,238	33,310
Total	<u>34,238</u>	<u>33,310</u>

10. PAID UP CAPITAL

All issued shares are fully paid up and have equal voting rights and share equally in dividends and surplus on winding up. At balance date there were 52,380 shares with value of \$7,628,825 on issue (31 Dec 2020: 52,380 shares with value of \$7,628,825).

11. EMPLOYEE BENEFIT RESERVE

The Employee Benefit Reserve is used to record the value of share-based payments (Employee Stock Purchase, and Restricted Stock Units) provided by Trimble Inc. (the US Parent company) to Trimble Loadrite Auckland Limited employees as part of their remuneration. The expense recognised for employee services received during the year is shown in the table below

	2021	2020
Expense arising from equity-settled share-based payment transactions	29,683	-

The value of the employee benefits reserve is made up of two components, the Employee Stock Purchase Plan and Restricted Stock Units.

Fair value of share purchase rights

The fair value at the grant date is based on the Black-Scholes valuation model. The plan permits eligible employees to purchase common stock through payroll deductions at 85% of the lower of fair market value of the common stock at the beginning or end of each offering period, which is six months.

Fair value of Time-Based Restricted Stock Units and Performance-Based Restricted Stock Units

Time-based RSUs are service-based awards and vest over time based on continued employment. RSU vest rateably over a three to four year service period. The fair value at the grant date is determined by the closing price of the common stock. PSUs is measured on the grant date using the fair value of Trimble's common stock.

TRIMBLE LOADRITE AUCKLAND LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021

12. RELATED PARTY TRANSACTIONS

Identity of related parties

(a) Parent and ultimate controlling party

The immediate parent is Trimble Lizenz Switzerland Gmbh which controls 100 percent of the voting shares of the Group. There were no outstanding balances or transactions with the immediate parent for the years ended 31 December 2021 and 2020. The ultimate controlling party is Trimble Inc.

(b) Other related parties

The Group transacts with other entities whereby the ultimate controlling party is Trimble Inc.

	2021	2020
<i>Balances outstanding with related parties as at 31 December:</i>		
(a) Trimble Loadrite Auckland Limited intercompany accounts receivable		
Trimble Inc	-	-
Trimble group companies	<u>199,354</u>	<u>285,228</u>
	<u>199,354</u>	<u>285,228</u>
(b) Trimble Loadrite Auckland Limited intercompany accounts payable		
Trimble Inc	-	(1,344)
Trimble group companies	<u>(7,507)</u>	<u>(7,106)</u>
	<u>(7,507)</u>	<u>(8,450)</u>
(c) Trimble Loadrite Auckland Limited intercompany loan		
Advance to Trimble group companies	<u>25,668,632</u>	<u>25,668,632</u>
	<u>25,668,632</u>	<u>25,668,632</u>

Transactions with related parties for the year ended 31 December:

	2021	2020
(a) Net sales		
Trimble Inc	-	-
Trimble group companies	2,363,978	2,581,555
(b) Interest income		
Trimble Europe B.V.	451,768	619,119
(c) IT support charge		
Charged by Trimble Inc	(75,992)	(181,758)

13. LOAN TO INTERCOMPANY

The company has a Revolving Loan Agreement of up to \$40,000,000 with the Parent Company Trimble Europe BV. with interest payable monthly. The Revolving Loan Agreement shall be repayable on 26 June 2024, or until all Revolving Credit Loans under the agreement have reached their individual expiry dates. All or part of the principal may be repaid at any time without penalty. Subject to 30 days' notice the agreement may be extended for a further periods. The balance owing at balance date is \$ 25,668,632.

TRIMBLE LOADRITE AUCKLAND LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021

14. KEY MANAGEMENT PERSONNEL

There was no remuneration, emoluments or other transactions paid to key management personnel in 2021 (2020: nil).

15. CONTINGENT ASSETS AND LIABILITIES

There are no contingent assets or liabilities as at 31 December 2021 (2020: nil).

16. CAPITAL COMMITMENTS

There are no capital expenditure commitments as at 31 December 2021 (2020: nil).

17. BALANCE DATE

The accounts for this financial year include the 52 week period to 31 December 2021.

18. GROUP RESTRUCTURE

On 28 October 2021, the company sold its shares in Trimble Loadrite Chile SpA. to Trimble Europe BV. The price paid was \$102,896, resulting in a net capital gain on realisation of the investment of \$87,052.

19. IMPACT OF CORONAVIRUS (COVID-19) OUTBREAK

The impact on the results from the virus outbreak during 2020 and 2021 have been minimal. There has been a minor reduction in travel costs due to the closure of the New Zealand border. A similar situation in Chile, with a reduction in travel and tradeshow costs. However these reductions in costs have not contributed to the small effect in the decrease in Commission Income which has dropped by 6% overall.

Apart from these reductions continuing into 2022 the company does not believe there will be any other significant on going impact on the financial activities of the company.

20. NON-ADJUSTING POST BALANCE DATE EVENTS

Group restructure and distribution

On 3 March 2022 100% of the shares in the company were transferred from Trimble Lizenz Switzerland Gmbh to Trimble Holdings New Zealand.

On 4 March 2022 the company assigned related party receivables totalling \$25,894,890 receivable from Trimble Lizenz Switzerland Gmbh to Trimble Holdings New Zealand.

On 4 March 2022 the directors resolved to declare an in-specie distribution to the shareholder of \$25,894,890.

Sale of company shares

On 13 April 2022 Trimble Inc announced the sale of 100% of the shares in the company to a third party. The share sale is expected to occur on 6 May 2022.



Independent auditor's report to the shareholder of Trimble Loadrite Auckland Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Trimble Loadrite Auckland Limited (the "Company") and its subsidiaries (together the "Group"), which comprise the consolidated statement of financial position of the Company as at 31 December 2021, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended of the Group, and the notes to the consolidated financial statements including a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at 31 December 2021 and its consolidated financial performance and cash flows for the year then ended in accordance with New Zealand equivalents to International Financial Reporting Standards Reduced Disclosure Regime.

This report is made solely to the Company's shareholder. Our audit has been undertaken so that we might state to the Company's shareholder, those matters 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 Group and the Company's shareholder, for our audit work, for this report, or for the opinions we have formed.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We are independent of the Company in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditor we have no relationship with, or interest in, the Group.

Information other than the financial statements and auditor's report

The directors of the Company are responsible for the annual report, which includes information other than the consolidated financial statements and auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of 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 during the audit, or otherwise appears to be materially misstated.

If, based upon the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard

Directors' responsibilities for the financial statements

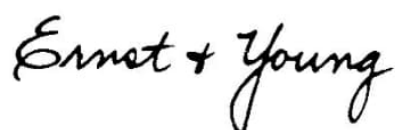
The directors are responsible, on behalf of the Group, for the preparation and fair presentation of the consolidated financial statements in accordance with New Zealand equivalents to International Financial Reporting Standards Reduced Disclosure Regime, and for such internal control as the directors 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 on behalf of the entity 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 cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the 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 International Standards on Auditing (New Zealand) 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 website: <https://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-7/>. This description forms part of our auditor's report.

The logo for Ernst & Young, featuring the company name in a stylized, cursive script font.

Chartered Accountants
Christchurch
6 May 2022