

31 August 2022

**Windward Ltd.**  
("Windward", "the Company")

**Half Year Results**

*Significant strategic progress alongside continued customer acquisition*

[Windward](#) (LON: WNWD), a leader in maritime predictive intelligence, is pleased to announce its financial results for the six months ended 30 June 2022.

**Financial Highlights**

- Annual Contract Value (ACV<sup>1</sup>), a key indicator of future revenue growth, grew 23% to \$22.5m (HY 21: \$18.4m), driven by new customer wins and upsells to existing customers
- Revenue up 34% to \$10.9m (HY 21: \$8.1m)
- Gross margin at 72.4% (HY 21: 72.5%) reflecting investments in data required to support the Company's offering
- Adjusted EBITDA<sup>2</sup> loss of \$5.4m (HY 21: (\$3.4m))
- Cash and cash equivalents of \$27.8m at 30 June 2022 (\$8.8m used for operations, \$4.5m payments related to the 2021 IPO)

**Operational Highlights**

- Consistent execution of growth strategy in line with plan
- Expanded customer base to 104 (HY 21: 62), including strong growth in commercial customers (up 92%) and ROW Government customers (up 47%)
- Major launch of Ocean Freight Visibility solution to address supply chain challenges, with 12 new customers signed up to date and further customer wins expected in H2
- Launch of API Insights Lab, enabling the full integration of Windward's Maritime AI platform directly into customers internal systems

**Current Trading and Outlook**

- Post-period new meaningful customer wins:
  - \$6m three-year contract with an EMEA government customer, contributing a further \$2m to FY22 ACV
  - Upsell of \$530k with an existing US Federal customer, reflecting a 70% contract growth and extending the contract period for up to five years
- Positive trading has continued into H2, building on the momentum of H1 2022
- Demand for sophisticated, data-driven analysis and solutions across the maritime ecosystem stronger than ever

- Anticipated acceleration in new customer acquisition supported by Company's product enhancements and expanded sales and marketing functions
- Post Covid travel is increasing to support existing and potential new customers and Windward is experiencing higher costs in areas including travel and accommodation. As a result, whilst the Company FY22 expectations for revenues are unchanged, it now expects the EBITDA loss for FY22 to be slightly higher than market expectations

<sup>(1)</sup> ACV, as of a given date, is the total of the value of each contract divided by the total number of years of the contract.

<sup>(2)</sup> EBITDA is earnings before interest, tax, depreciation and amortisation

<sup>(3)</sup> All references to \$ or USD are in respect of United States Dollars

**Ami Daniel, CEO and Co-Founder of Windward said:**

"We are delighted with the significant strategic progress we have made in our first six months as a public company. We presented an ambitious growth strategy to the market in December 2021, at the time of our IPO and are executing according to this plan. We have launched key products which have considerably expanded our addressable market, strengthened our infrastructure and our ability to scale, increased our product differentiation and enhanced our sales and marketing velocity and quality.

The supply chain crisis and the war in Ukraine have cemented the need for a greater level of insight in the maritime space, and we have responded proactively to this need through the launch of several new solutions, including the ground-breaking launch of our Ocean Freight Visibility solution.

The outlook for Windward remains positive. Early H2 trading has continued the momentum seen in H1. We continue to focus on driving ACV growth & market share. Whilst we are not immune to broader market cost increases in areas such as travel and accommodation, we continue to carefully control operating costs."

**For more information, please contact:**

Windward Ltd. Irit Singer, CMO	Via Alma PR
Canaccord Genuity (Nominated Adviser & Broker) Simon Bridges / Andrew Potts	+44(0)20 7523 8000
Alma PR Caroline Forde / Kieran Breheny / Hilary Buchanan	+44(0)20 3405 0205

**About Windward**

Windward (LON:WNWD) is a leading Predictive Intelligence company fusing AI and big data to digitalize the global maritime industry, enabling organizations to achieve business and operational readiness. Windward's AI-powered solution allows stakeholders including banks, commodity traders, insurers, and major energy and shipping companies to make real time, predictive intelligence-driven decisions, providing a 360° view of the maritime ecosystem and its broader impact on safety, security, finance, and business. The company is publicly traded on the London Stock Exchange, For more information visit [windward.ai](http://windward.ai).

Prior to publication the information communicated in this announcement was deemed by the Company to constitute inside information for the purposes of article 7 of the Market Abuse Regulations (EU) No 596/2014 as amended by regulation 11 of the Market Abuse (Amendment) (EU Exit) Regulations No 2019/310 ('MAR'). With the publication of this announcement, this information is now considered to be in the public domain.

## **CEO statement**

### **OVERVIEW**

We are delighted with the significant strategic progress we have made in our first six months as a public company. We presented an ambitious growth strategy to the market in December at the time of our IPO and are executing according to this plan. We have launched key products which have considerably expanded our total addressable market, strengthened our infrastructure and our ability to scale, increased our product differentiation and enhanced our sales and marketing velocity and quality.

The success of these initiatives are demonstrated by our rapidly expanding customer base, with customer numbers reaching over 100 by period end, up from 62 at 30 June 2021 and 83 at 31 December 2021. Similarly, our financial metrics demonstrate our future growth potential, delivering revenue growth of 34% to \$10.9m and an exit Annual Contract Value (ACV) up 23% YoY at 30 June 2022 to \$22.5m, providing a strong base as we move into the second half of the year.

Due to the considerable expansion of our pipeline following the launch of Ocean Freight Visibility and API Insights Lab, we now expect to see customer acquisition and revenue accelerate in H2, 2022. Given the size of the opportunity ahead, we believe the most appropriate use of these additional funds will be to invest for long-term growth.

### **PERFORMANCE AGAINST STRATEGY**

#### **Winning new commercial and governmental customers**

As a core element of our growth strategy, we have actively targeted new customers in both the government and commercial sectors and increased our investments into sales and marketing and launching new products targeting new customer segments.

In the commercial sector, we have grown our customer base over 90% through new contracts across Europe, Asia and the Americas with ship owners, traders and brokers who are using our platform for due diligence, vessel screening, and mitigating their sanctions compliance risk.

In February, we announced the ground-breaking launch of our Ocean Freight Visibility (OFV) solution, which provides freight forwarders and shippers a vital tool to address the lack of visibility over the supply chain – an enduring and key issue across the maritime space. This solution has provided an entry point into significant new markets via the ecosystem of over 250,000 Shippers and Freight Forwarders globally.

We are pleased to report that as of today 12 new customers have signed for our OFV product offering and, following the introduction of our ETA predictions component, we expect to see continued customer acquisition.

As a result of the different buying cycles across our customers, we split our government customers into two segments; those governments based outside of the USA (ROW) and the USA Government.

In ROW, we typically respond to Request for Proposal (“RFP”) processes which can take between 9-18 months to conclude. In this segment, we have added new law enforcement and intelligence agencies across Europe, the Middle East, and Latin America, where our platform is being used to support the monitoring of their maritime borders. Additionally, today, we announced the winning of a \$6m three-year contract with an EMEA government customer, adding \$2m to our 30 June 2022 ACV figure.

In USA Government, we typically sell a subscription-based solution on a price per user basis. We are pleased to have added two further customers to our roster in this segment and, on account of the US Federal budget cycle, which concludes annually at the end of September and executed into mid November, we expect to see further uptake in H2.

## **Innovation and product expansion**

We continue to invest in our market leading AI Insights platform, expanding our addressable market opportunity and increasing the attractiveness of the platform to customers and partners.

### *Ocean Freight Visibility*

Having launched OFV in February 2022, in June 2022 we introduced new AI capabilities for this solution, fusing data from a large number of independent sources to provide accurate and reliable ETA (estimated time of arrival) predictions and real-time visibility into container and vessel journeys to predict the actual time of arrival of customers' containers. This capability overperforms vs carriers prediction on 75% of global containers with 62% more accuracy than standard carrier predictions.

### *API Insights Lab*

A further significant launch in H1 was our API Insights Lab in late June 2022. Following demand from customers and other market participants, we introduced this product to enable the full integration of Windward's Maritime AI platform directly into our customers' internal systems, empowering our partners and customers to build their own bespoke solutions and workflows with our best-in-class insights.

This launch represents another significant technological milestone for Windward, opening up another significant potential market while embedding us further with our largest customers, and we have already begun to observe our customers using these APIs for a variety of use cases. This includes a leading energy company that customised our compliance risk scores and integrated them into their IT platform, and a digital freight solution provider that partnered with us to enhance its platform by providing visibility and predictability of their shipments to all their users. We believe this offering will increase stickiness with our customers. Following this launch we have solidified our channel partnerships function which will contribute to the scale of distribution globally across all functions and enable third parties to build solutions on top of our APIs.

### *Platform enhancements*

Alongside these launches, we have enhanced our platform through key upgrades, such as the inclusion of data analysis on illegal, unregulated, and unreported fishing, and the launch of Non-Maritime Counterparty Due Diligence capabilities, which will enable our customers to complete their due-diligence process with full third-party screenings all in one platform.

## **Investments in sales and marketing**

As part of its growth strategy, Windward has invested, and will continue to invest, in a best-in-class scalable sales and marketing machine across go-to-market, digital marketing and customer support.

## ***CURRENT TRADING AND OUTLOOK***

The Russian invasion of Ukraine and continued supply chain challenges have exposed the necessity of comprehensive, data-driven insights and analysis in order to best track and manage the maritime space. Among both the commercial and government markets we believe the expectations for sophisticated, real-time solutions is greater than ever and that the standard for the market has fundamentally changed in Windward's favour.

Moving into the second half and beyond, the outlook for Windward remains positive. The demand for our services is greater than ever and, now with our expanded product range enabling us to reach new markets

and a first-class sales and marketing strategy, we are seeing an acceleration in new customer acquisition. Positive trading has also continued into H2, building on the momentum of H1 2022.

We are pleased to announce a \$6m three-year contract win with an EMEA government customer and an upsell of \$530k with an existing US Federal customer, reflecting a 70% contract growth and extending the contract period for up to 5 years.

We remain confident in our ability to continue to grow our customer base in H2 and beyond. Accordingly, we will aim to reinvest into the business for growth across our sales and marketing and technology functions.

We are seeing an increase in post Covid travel in response to supporting existing and potential new customers and Windward is therefore experiencing higher costs in areas including travel and accommodation

As a result, whilst the Company FY22 expectations for revenues are unchanged, we now expects the EBITDA loss for FY22 to be slightly higher than market expectations.

The focus on driving ACV growth and careful control of our costs gives Windward a clear roadmap to positive EBITDA in FY2024.

Ami Daniel

Co-founder and CEO

## Financial review

Windward management and Board regularly review metrics, including the following KPIs, to assess its performance, identify trends, develop financial projections and make strategic decisions. For a review of the key financial metrics, see below.

### **A KEY DRIVER OF FUTURE REVENUE IS ANNUAL CONTRACT VALUE (ACV)**

ACV is a non-IFRS measure defined as the sum of all ACV for customers as of the measurement date. The ACV for each customer is the annual committed subscription value of each order booked for which Windward will be entitled to recognise revenue. For example, a contract for \$1 m with a committed contractual term of two years would have ACV of \$0.5m, making the assumption for any period that the customer renews under the same terms and conditions.

As of 30 June 2022, Windward increased its ACV by 23% over 30 June 2021, driven primarily by the increase in customers from 62 to 104 over the same period, and to a lesser extent by an increase in upsells to existing customers made possible by an expanded number of users and product set. Growth in ACV has been across all market segments in which the Company operates.

### **KEY PERFORMANCE INDICATORS (“KPIs”) [(\$ IN THOUSANDS)]**

ACV	2022 [\$'000]	2021 [\$'000]	% change
ROW Gov	11,832	9,762	21.2
USA Gov	5,503	4,973	10.7
Commercial	5,173	3,631	42.5
Total	22,508	18,366	22.6
<b>Revenues</b>			
ROW Gov	5,477	4,986	9.8
USA Gov	2,792	1,480	88.7
Commercial	2,582	1,623	59.1
Total	10,851	8,089	34.1
<b>Number of Customers</b>	<b>Count</b>	<b>Count</b>	
ROW Gov	22	15	46.6
USA Gov	13	11	18.2
Commercial	69	36	91.7
Total	104	62	67.7

We separate our Government customers to two market segments: Government outside USA (ROW) and USA Government. We do this as the buying cycle and pricing for each segment is different. For Government ROW In most cases Windward is responding to a Request for Proposal (“RFP”) processes which can take between 9 to 18 months to conclude. For USA Government Windward typically sells a subscription-based solution on a price per user basis. Historically most of the annual awards from the U.S. Government agencies are linked to the U.S. Federal budget cycle which concludes annually at the end of September.

At the end of June 2022 our largest customer was at 12% (2021: 13.2%) of ACV and the next 5 biggest customers together were 29.3% (2021: 33.1%) of ACV.

The annual ACV churn rate is defined as the value of contracts lost from the existing customer base one year prior to the measurement date, as a proportion of the total ACV value of that existing customer base. The churn rate reflects customer losses and contractions but not any customer expansions of existing contracts.

Churn in H1 2022 was 5.9%, mostly due to delayed renewal of a Government customer, compared to 5.7% for the whole of 2021.

**FINANCIAL OVERVIEW as of 30 June:**

	2022 (\$'000)	2021 (\$'000)	Change %
<b>Revenues</b>	10,851	8,089	34.1
<b>Cost of revenues</b>	2,999	2,226	34.7
<b>Gross Profit</b>	7,852	5,863	33.9
<b>Gross Margin</b>	72.4%	72.5%	
<b>R&amp;D</b>	5,961	4,069	46.5
<b>S&amp;M</b>	5,899	4,351	35.6
<b>G&amp;A</b>	2,467	1,354	82.2
<b>Total operating expenses</b>	14,327	9,774	46.6
<b>Operating loss</b>	6,475	3,911	65.6
<b>Adjusted Operating loss</b>	5,720	3,728	53.4
<b>Adjusted EBITDA loss</b>	5,411	3,434	57.6

**REVENUE**

Revenue increased by 34.1% to \$10.9m (2020: \$8.1m). This increase was driven by 88.7% growth and 59.1% growth in our USA Government and Commercial segments respectively, mostly from new customers adopting our solution for the first time. ROW Government increased 9.8% in 2022.

**Gross margin**

Gross margin remained the same in 2022 at 72.4% (72.5% in 2021), primarily due to the continued investment in data required to support the Company's offering and hiring additional staff to support the growing number of customers. We expect margin to improve over time.

**R&D**

Research and development increased 46.5% from \$4.1m in 2021 to \$6.0m in 2022 as additional personnel were hired to support the development of new products as well as improving our existing solution. All R&D costs are expensed as they occur and no R&D costs are capitalised.

## *S&M*

Sales and marketing increased 35.6% from \$4.4m in 2021 to \$5.9m in 2022. The main reason for the increase was hiring additional sales managers in US, and Europe. In addition, we established a marketing team to support the increased focus on winning contracts in the commercial segment.

## *G&A*

General and administrative expenses increased 82.2% from \$1.4m in 2021 to \$2.5m in 2022 reflecting the increased level of business activity and the Company being a public company from December 2021.

## ***CURRENCY EFFECT***

Approximately 60% of the annual operating expenses are incurred in New Israeli Shekels (NIS). Most of the revenue is invoiced in USD and consequently, the Company reports in USD. The average exchange rate between NIS and \$ did not change significantly in H1 2022 versus 2021. Between January 1 and 30 June 2022, the \$ has strengthened against GBP by approximately 11% and against the NIS and Euro by approximately 8%. During this period the company maintained its cash balances in all those currencies. This change resulted in \$2.9m of reported financial expenses from currency exchange in H1 2022.

## ***ADJUSTED EBITDA***

Adjusted EBITDA is a non-IFRS financial measure defined as the EBITDA (profit before depreciation, amortisation, interest, and tax), adjusted to exclude share-based payment charges and associated employer tax charges and IPO related expenses

Reconciling EBITDA to adjusted EBITDA for 2022, the company added back \$0.76m of share-based compensation expenses.

## ***Statement of financial position***

### ***CASH AND CASH EQUIVALENTS***

Windward had cash and cash equivalents at 30 June 2022 of \$27.8m, a decrease of \$15.9m from 31 December 2021. The decrease in cash was due to IPO related expenses of \$4.5m that were paid in early 2022 (where the Company acted as a paying agent for option holders relating to the exercise of options and sale of shares by certain existing option holders at the time of the IPO), cash used for operations amounting to \$8.8m and \$2.9m exchange rate losses on cash and cash equivalents we held in currencies other than the USD mainly GBP, NIS, and Euro.

### ***OPERATING CASH FLOW***

Windward used \$8.8m to finance operating activities in 2022, a 39.7% increase from the \$6.3m used in H1 2021. Historically the second half of the year is the strongest collection period when Windward is paid for most of the Government contracts, thus we expect to have a positive cash flow in H2 2022.

Ofer Segev

Chief Financial Officer

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

For the six months ended 30 June 2022 and 2021

		Six months ended	
		June-30	
	<u>Note</u>	<u>Unaudited</u>	<u>Unaudited</u>
		<u>2022</u>	<u>2021</u>
		U.S. dollars in thousands	
<b>REVENUES</b>	<b>6</b>	10,851	8,089
<b>COST OF REVENUES</b>		2,999	2,226
<b>GROSS PROFIT</b>		<u>7,852</u>	<u>5,863</u>
<b>OPERATING EXPENSES:</b>			
Research and development		5,961	4,069
Sales and marketing		5,899	4,351
General and administration		2,467	1,354
<b>TOTAL OPERATING EXPENSES</b>		<u>14,327</u>	<u>9,774</u>
<b>OPERATING LOSS</b>		<u>(6,475)</u>	<u>(3,911)</u>
<b>FINANCIAL EXPENSES</b>			
Financial expenses		3,467	134
Financial income	25		4
Total financial expenses, net		<u>3,442</u>	<u>130</u>
<b>LOSS FOR THE PERIOD</b>		<u>(9,917)</u>	<u>(4,041)</u>
<b>Loss per share attributable to the ordinary equity holders of the Company:</b>			
Basic and diluted loss per share		<u>(0.113)</u>	<u>(0.197) (*)</u>

**\*After retrospective application due to bonus shares.**

The accompanying notes are an integral part of the condensed consolidated interim financial information.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

As of 30 June 2022, and 2021

	June 30	December 31
	2022	2021
	Unaudited	Audited
<b>Assets</b>	<b>U.S. dollars in thousands</b>	
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	27,773	43,688
Trade receivables	2,355	1,646
Other receivables	2,827	1,431
<b>TOTAL CURRENT ASSETS</b>	<b>32,955</b>	<b>46,765</b>
<b>NON-CURRENT ASSETS:</b>		
Restricted deposit	1,262	1,178
Property and equipment, net	749	803
Right-of-Use asset	1,990	386
	<b>4,001</b>	<b>2,367</b>
<b>TOTAL ASSETS</b>	<b>36,956</b>	<b>49,132</b>
<b>Liabilities and shareholders' equity</b>		
<b>CURRENT LIABILITIES:</b>		
Trade payable	520	493
Current maturities of lease liabilities	270	503
Other payable	2,955	3,507
Other payable related to Initial Public Offering	-	4,541
Deferred revenues	7,449	7,467
<b>TOTAL CURRENT LIABILITIES</b>	<b>11,194</b>	<b>16,511</b>
<b>NON-CURRENT LIABILITIES:</b>		
Deferred revenues	4,416	4,395
Liability for employee rights upon retirement, net	60	64
Lease liability	1,753	-
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>6,229</b>	<b>4,459</b>

<b>TOTAL LIABILITIES</b>	<u>17,423</u>	<u>20,970</u>
<b>SHAREHOLDERS' EQUITY:</b>		
Ordinary Shares of 0.002 NIS par value	27	27
Preferred Shares of 0.002 NIS par value	-	-
Additional paid-in capital	78,774	77,486
Accumulated deficit	(59,268)	(49,351)
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<u>19,533</u>	<u>28,162</u>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<u><b>36,956</b></u>	<u><b>49,132</b></u>

The accompanying notes are an integral part of the condensed consolidated interim financial information.

## UNAUDITED CONDENSED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the six months ended 30 June 2022 and 2021

	Ordinary shares	Preferred shares	Additional paid-in capital	Accumulated deficit	Total
U.S. dollars in thousands					
<b>BALANCE AS OF JANUARY 1, 2021 (Audited)</b>	<b>6</b>	<b>8</b>	<b>40,161</b>	<b>(36,234)</b>	<b>3,941</b>
Exercise of options by employees	(*)	-	43	-	43
Issuance of convertible financing agreement	-	-	2,800	-	2,800
Share based compensation	-	-	183	-	183
Loss for the period	-	-	-	(4,041)	(4,041)
<b>BALANCE AS OF JUNE 30, 2021</b>	<b>6</b>	<b>8</b>	<b>43,187</b>	<b>(40,275)</b>	<b>2,926</b>
U.S. dollars in thousands					
	Ordinary shares		Additional paid-in capital	Accumulated deficit	Total
U.S. dollars in thousands					
<b>BALANCE AS OF JANUARY 1, 2022 (Audited)</b>	<b>27</b>		<b>77,486</b>	<b>(49,351)</b>	<b>28,162</b>
Exercise of options by employees	(*)		533	-	533
Share based compensation	-		755	-	755
Loss for the period	-		-	(9,917)	(9,917)
<b>BALANCE AS OF JUNE 30, 2022</b>	<b>27</b>		<b>78,774</b>	<b>(59,268)</b>	<b>19,533</b>

\* Represents an amount lower than 1 thousand U.S dollar

The accompanying notes are an integral part of the condensed consolidated interim financial information

## UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30 June 2022 and 2021

	Six months ended	
	June-30	
	2022	2021
	Unaudited	Unaudited
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
U.S. dollars in thousands		
<b>Loss for the period</b>	<b>(9,917)</b>	<b>(4,041)</b>
Adjustments to reconcile loss for the period to net cash used in operating activities:		
Depreciation	309	294
Share based compensation expenses	755	183
Effect of exchange rate	2,649	(29)
Finance (income) expenses of lease liabilities	(23)	16
Finance expenses of liability due to Israel Innovation Authority loan	-	7
Changes in asset and liability items:		
Increase in trade receivables	(709)	(642)
Decrease (increase) in other receivables	(1,395)	423
Increase (decrease) in trade payables	27	(317)
Decrease in other payables and accruals	(1,363)	(446)
Decrease in deferred revenues	3	(2,219)
Decrease in liability for employee right upon retirement, net	(4)	(1)
<b>Net cash used in operating activities</b>	<b>(9,668)</b>	<b>(6,293)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of property and equipment	(62)	(103)
Increase (decrease) in restricted deposit	133	(105)
<b>Net cash used in investing activities</b>	<b>71</b>	<b>(208)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		

Proceeds from exercise of options	533	43
Proceed from convertible financing agreement	-	2,800
Funds paid in respect of the sale of shares by shareholders in connection with the Initial Public Offering	(3,730)	-
Principal elements of lease payments	(238)	(224)
Interest paid	(17)	(35)
<b>Net cash provided by (used in) financing activities</b>	<b>(3,452)</b>	<b>2,584</b>
<b>DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(13,049)</b>	<b>(3,917)</b>
<b>BALANCE OF CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	<b>43,688</b>	<b>9,914</b>
Effects of exchange rate changes on cash and cash equivalents	(2,866)	35
<b>BALANCE OF CASH AND CASH EQUIVALENTS AT END OF THE PERIOD.</b>	<b>27,773</b>	<b>6,032</b>

The accompanying notes are an integral part of the condensed consolidated interim financial information.

## **NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**

---

### **NOTE 1- GENERAL INFORMATION**

Windward Ltd. (the "Company" or and its subsidiaries the "Group") was incorporated in Israel and commenced its operations in January 2010. The registered office of the Company is Ha-Shlosha St 2, Tel Aviv-Yafo, Israel.

Windward is a b2b SaaS technology company, focusing on the combination of maritime domain expertise and AI. We provide access to a best-in-class, Maritime AI-powered, Predictive Intelligence Platform for the 250,000 target customers which are involved in maritime trade, including governments, shipping companies, financial institutions, freight forwarders, beneficial cargo owners and many more.

On 6 December 2021, the Company completed a process of listing its share capital on the AIM market of the London Stock Exchange (the IPO).

### **NOTE 2 - BASIS OF PREPARATION**

a. These condensed consolidated interim financial information for the six-month period ended 30 June 2022 have been prepared in accordance with IAS 34 - 'Interim financial reporting' as issued by the International Accounting Standards Board. The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2021, which have been prepared in accordance with IFRS. These condensed consolidated interim financial information are reviewed and not audited.

b. The accounting policies adopted are consistent with those of the previous financial year.

### **NOTE 3 - SIGNIFICANT ACCOUNTING POLICIES**

#### **SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS**

The preparation of financial information in accordance with IFRS requires the use of estimates and

assumptions to be made in applying the accounting policies that affect the reported amounts of assets, liabilities, revenue and expenses and the disclosure of contingent assets and liabilities.

The estimates and related assumptions are based on previous experiences and other factors considered reasonable under the circumstances, the results of which form the basis for making the assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Significant accounting policies and computation methods used in preparing the condensed consolidated interim financial information are consistent with those used in preparing the 2021 annual financial statements.

**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**

---

**NOTE 4 - FINANCIAL INSTRUMENTS – FAIR VALUE**

The management believes that the carrying amount of cash, trade receivables, restricted deposits trade payables and other current liabilities approximate their fair value due to the short-term maturities of these instruments or the sensitivity of the instruments for change in the interest rate.

**NOTE 5 - SHARE BASED COMPENSATION**

1. During May and June 2022, the Company granted in total 814,307 RSU's to its employees. The total fair value of the RSU's is approximately \$1,167 thousand.

Most of the RSU's vest over a four year period: 25% will vest at the first anniversary of the grant date and 6.25% will vest at the end of each quarter during the second, third and fourth years from the date of grant.

2. During January to June 2022, 1,432,689 options were exercised by employees to ordinary shares and the Company received proceeds of approximately \$533 thousand.

**NOTE 6 - REVENUES FROM CONTRACT WITH CUSTOMERS:**

The Group derives revenue from providing Software as a Service (SaaS) over time for the following major customer types and geographical regions:

	<b>Six months ended</b>	
	<b>Jun-30</b>	
	<b>2022</b>	<b>2021</b>
	<b>U.S. dollars in thousands</b>	
<b>a. Customer types:</b>		
Governments	8,269	6,466
Commercials	2,582	1,623
	10,851	8,089
<b>b. Geographical regions:</b>		
Israel	157	249
USA	3,129	1,499
APAC (Asia-Pacific Countries)	2,149	1,540
Europe	4,217	2,924

Gulf Cooperation Council (GCC) & Africa	1,081	1,780
South/Latin America	118	97
	10,851	8,089

**NOTE 7 - SIGNIFICANT EVENTS DURING AND AFTER THE REPORTING PERIOD**

1. In June 2022 the Company exercised its option to extend the office lease period for an additional five years starting on January 1, 2023. The quarterly lease payments during the option period will be approximately 423 thousand NIS (approximately 121 thousand dollars). As a result of the above, the Company recognized an amount of approximately 1,797 thousand dollars as increase of the lease liability against a corresponding increase in the right-of-use asset regarding the remeasurement of the lease liability.
2. Date of approval of the condensed consolidated interim financial information by the Company's Board of Directors: 30 August, 2022.