

## **NZX announces lift in capital-raising capacity to help buffer COVID-19**

### ***Immediate support measures for NZ issuers designed to address “unprecedented impacts”***

**19 MARCH 2020** – NZX today announced a lift in equity capital raising capacity to help NZX listed companies weather the impacts of COVID-19, along with measures to allow greater flexibility in the timeframes for financial reporting.

NZX Chief Executive, Mark Peterson, said the measures were “designed to address the unprecedented impacts arising from the spread of COVID-19. We want to be practical, and do everything we can to ensure that NZX listed companies are able to access sufficient equity capital urgently, to strengthen businesses and save jobs.”

He said some companies are having practical issues completing their financial audits in the current required timeframes and it is clear there would be constraints on some issuers’ working capital positions.

Under class waivers and rulings granted today by NZX Regulation for NZX issuers, until 31 October 2020:

- the placement cap under Listing Rule 4.5.1 will be increased from 15% to 25%;
- the cap per registered holder for issues under a Share Purchase Plan will be increased from \$15,000 to \$50,000 and the total cap from 5% to 30% of equity securities of that class at the time of offer;
- certain timing requirements for Rights issues will be shortened, to facilitate easier and quicker pro rata offers.

With the evolving COVID-19 situation, NZX Head of Market Supervision, Joost van Amelsfort, indicated there could be an extension to the proposed waiver period and scope of the class waiver, if that was appropriate.

Under the class relief, issuers will be able to undertake additional equity security issuance without shareholder approval up to the revised limits. Issuers utilising the class waiver will be encouraged to recognise the interests of existing investors, for example allowing existing equity security holders the opportunity to participate to avoid dilution (in line with the policy and principles underpinning Recommendation 8.4 of the NZX Corporate Governance Code).

Mr van Amelsfort said the additional measures were temporary extensions, and the financial reporting proposals had been coordinated with the Financial Markets Authority (FMA). NZX Regulation has also engaged with FMA on the capital raising proposals. All proposals were approved by NZX Regulation today with immediate effect.

The measures announced today are an extension of the body of work underway in response to COVID-19 across NZX. NZX appreciates the collaboration with industry groups and regulators, and will continue to work with the capital markets community in response to these challenges.

### **For further information, please contact:**

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### **About NZX:**

NZX operates New Zealand's equity, debt, funds, derivatives and energy markets. To support the growth of our markets, we provide trading, clearing, settlement, depository and data services for our customers. We also own Smartshares, New Zealand's only issuer of listed Exchange Traded Funds (ETFs), and KiwiSaver provider SuperLife. NZX Wealth Technologies is a 100%-owned subsidiary delivering rich online platform functionality to enable New Zealand investment advisors and providers to efficiently manage, trade and administer their client's assets. Learn more about us at: [www.nzx.com](http://www.nzx.com)