

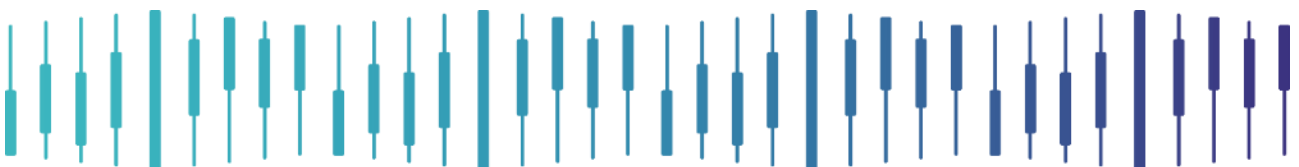
NZ RegCo

NZ'S LISTED
MARKET REGULATOR

27 May 2024

NZ RegCo Decision

Trade Window Holdings Limited (TWL)
Application for waiver from NZX Listing Rule 7.8.5(b)



Background

1. The information on which this decision is based is set out in Appendix One to this decision. This waiver will not apply if that information is not or ceases to be full and accurate in all material respects.
2. The Rules to which this decision relates are set out in Appendix Two to this decision.
3. Capitalised terms that are not defined in this decision have the meanings given to them in the Rules.

Waiver from Listing Rule 7.8.5(b)

Decision

4. Subject to the conditions set out in paragraph 5 below and, on the basis that the information provided by Trade Window Holdings Limited (**TWL**) is complete and accurate in all material aspects, NZX Regulation Limited (**NZ RegCo**) grants TWL a waiver from NZX Listing Rule (**Rule**) 7.8.5(b), to the extent this would otherwise require TWL to provide an Appraisal Report (**Waiver**) to accompany its notice of special meeting of shareholders to be held in June 2024 (**Notice of Special Meeting**) to approve an issuance of 3,750,673 New Shares to its Executive Director.
5. The Waiver in paragraph 4 above is provided on the conditions that:
 - (a) the non-interested Directors of TWL certify to NZX that in the opinion of each of the non-interested Directors, the waiver is in the best interests of, and fair and reasonable to:
 - (i) TWL, and,
 - (ii) all of TWL's non-associated Shareholders,
 - (b) the non-interested Directors of TWL certify to NZX, that in the opinion of each of the non-interested Directors, the consideration and terms of the issuance of the New Shares is in the best interests of, and fair and reasonable to:
 - (i) TWL, and,
 - (ii) all of TWL's non-associated Shareholders,
 - (c) TWL's non-interested Directors include in the certificate a summary of the principal grounds for the certifications given under each limb of conditions (a) and (b) described above; and
 - (d) the Waiver, and TWL's reliance on the Waiver, is disclosed in the Notice of Special Meeting and TWL's next annual report.
6. NZX will publish the certificate to market alongside the publication of the waiver decision.

7. The material information on which this decision is based is set out in Appendix One to this decision. This waiver will not apply if that information is not, or ceases to be, full and accurate in all material respects.
8. The Rule to which this decision relates is set out in Appendix Two.

Reasons

9. In coming to the decision to provide the Waiver set out in paragraph 4 above, NZ RegCo has considered that:
 - (a) the purpose of the issue of the New Shares is not complicated or difficult for shareholders to understand;
 - (b) the New Shares will be issued at the same consideration of NZ\$0.175 per New Share and on no better terms than were offered to all other shareholders and new investors in TWL under the Share Offer (with the exception of the deferred settlement arrangement). The Executive Director seeks to invest in the proportion of shares that had not been taken up under the Placement. Shareholders can therefore clearly assess the financial implications and "fairness" of the proposal without an Appraisal Report;
 - (c) the dilutive effects of the New Share will be outlined in the Notice of Special Meeting so that shareholders can make an informed voting decision;
 - (d) the certification conditions in this waiver provide comfort that the non-interested Directors consider that:
 - (i) the waiver is in the best interests of, and fair and reasonable to TWL and all of TWL's non-associated shareholders; and
 - (ii) the consideration and terms of the issuance of the New Shares, is in the best interests of, and fair and reasonable to TWL and all of TWL's non-associated shareholders; and
 - (e) there is precedent for this decision.

Confidentiality

10. TWL has requested that this application and any decision be kept confidential until such time as TWL releases a statement to NZX through MAP stating that the waiver has been granted.
11. In accordance with Rule 9.7.2, NZ RegCo grants TWL's request.

Appendix One

12. TWL has recently undertaken a capital raising, consisting of:
 - (a) a non-underwritten placement of up to NZ\$2 million of newly issued ordinary shares to existing and new institutional and other select investors (the **Placement**); and
 - (b) a share purchase plan (the **SPP**) to TWL's eligible existing shareholders with an address in New Zealand to raise up to NZ\$200,000 (with the ability to accept oversubscriptions at TWL's discretion), which was not underwritten,(together, the **Share Offer**). This raised a total of NZ\$1,564,538.92.
13. TWL proposes to request from shareholders approval to issue 3,750,673 ordinary shares (**New Shares**) which shall rank equally with the existing ordinary shares in TWL on issue to one of its executive directors, Albertus Johannes Smith (the **Executive Director**). This will allow TWL to raise the full NZ\$2.2 million sought under the Share Offer.
14. The Placement offer is (with the exception of the Executive Director's participation) being undertaken in reliance on Rule 4.5.1.
15. Pursuant to Rule 4.5.1, TWL is unable to issue shares to the Executive Director on terms that are different to other participants. Therefore, TWL plans to hold a special meeting of shareholders in June 2024 (**Special Meeting**) to request shareholder approval by Ordinary Resolution to issue the New Shares under Rule 4.2.1, to be settled on two allotment dates within 6 months from the date of the Special Meeting.
16. Non-associated Shareholders are the shareholders who are not associated with the Executive Director (**non-associated Shareholders**) for the purposes of this waiver.
17. The key objectives of the capital raising through the Share Offer were to secure the funds needed to drive TWL's organic growth in Australia, provide a pathway to profitability in FY25, and support existing software solutions.

General Terms of the Options Issue

18. The proposed terms of the issuance of the New Shares (which will be fully disclosed to shareholders at the Special Meeting) are as follows:
 - (a) **Issue Price:** The Issue Price for the New Shares will be on the same terms as is offered under the Placement, being NZ\$0.175 per New Share.
 - (a) **Issue Date:** If shareholder approval is granted the New Shares will be issued and vested on two allotment dates within 6 months from the date of the Special Meeting – 1,875,336 New Shares on 31 August 2024 and 1,875,337 New Shares on 30 November 2024.
 - (b) **Consideration:** The consideration for the New Shares is to be satisfied by the Executive Director paying the Issue Price per share for the New Shares to be issued on each allotment date.
19. TWL will be seeking shareholder approval for the issue of the New Shares by Ordinary Resolution, in accordance with Rule 4.2.1. Under Rule 7.8.5(b), a notice of meeting to

consider a resolution of the nature referred to in Rule 7.8.4 must be accompanied by an Appraisal Report if: ... (b) More than 50% of the Financial Products to be issued are intended or likely to be acquired by Directors or Associated Persons of Directors.

20. TWL is seeking a waiver from the requirement to prepare an Appraisal Report under Rule 7.8.5(b) in respect of the issuance of the New Shares.

Appendix Two

Rule 7.8 Notices of Meeting

Rule 7.8.5

A notice of meeting to consider a resolution of the nature referred to in Rule 7.8.4 (other than a resolution to permit an issue under Rule 4.7.1) must be accompanied by an Appraisal Report if:

- (a) the resolution is required by Rule 4.13,
- (b) more than 50% of the Financial Products to be issued are intended or likely to be acquired by Directors or Associated Persons of Directors, or
- (c) more than 50% of the Financial Products to be acquired or redeemed or the financial assistance to be given is intended or likely to go to Directors or Associated Persons of Directors.