



27 March 2020

Market Announcement

For immediate release

Wellington Drive Technologies withdraws FY2020 guidance

Wellington Drive Technologies (Wellington) today announced that due to the increasing uncertainty surrounding COVID-19, its duration, the impact of recent government directives and the business impact of those directives, it is withdrawing previously disclosed financial guidance for the 2020 financial year.

The financial guidance for 2020 which we provided on 16 March reflected the information available to us at the time. Since then, mandatory shutdowns are impacting Wellington's customers in several US states, a number of Latin American countries, the United Kingdom and Europe. In some cases the duration of the shutdowns is uncertain. As a result, Wellington is halting shipments to customers in these areas, with disruption also expected in customer office and administrative operations.

Furthermore, on 25 March the New Zealand government issued a four-week level four lockdown. All of Wellington's Auckland staff have successfully moved to home office working. Our day-to-day finance and supply chain operations can be run effectively remotely; however, some product development activities will be challenging due to access to equipment. Wellington's offshore offices have also moved to work-from-home arrangements.

The government directed factory closures and remote office working are expected to adversely impact Wellington's ability to deliver products to its customers and impact timelines for the launch of planned new products.

The company has already implemented a range of measures to manage through the impacted period; These include:

- implemented a hiring freeze for the balance of 2020
- border closures have meant the elimination of travel costs
- deferred \$2m of capex spend
- suspended internal role changes and promotions
- seeking payment delays with its suppliers to match delayed receipts from customers
- applying for New Zealand and Australian government COVID-19 financial grants

Wellington's CEO Greg Allen commented; "We believe these government mandated closures are necessary measures and we will do our part to support efforts to contain COVID-19 and ensure the safety of our team members and stakeholders. We are working on a number of actions to reduce costs and conserve cash and our supply chain stands ready to deliver for customers once they come out of their shutdowns. Our team has done exceptional work to date to manage through this unprecedented situation"

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About Wellington Drive Technologies:

Wellington is a leading provider of IoT solutions, cloud-based fleet management platforms, proximity marketing solutions, energy-efficient electronic motors and connected refrigeration control solutions. It serves some of the world's leading food and beverage brands and refrigerator manufacturers and offers proximity-based marketing solutions for global food and beverage brands as well as Smart City projects in the Australian market. Wellington's products and services improve sales, decrease costs and reduce energy consumption. Headquartered in Auckland with a global reach, Wellington is listed on the New Zealand stock exchange under the ticker symbol NZ:WDT

For further information visit www.wdtl.com

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