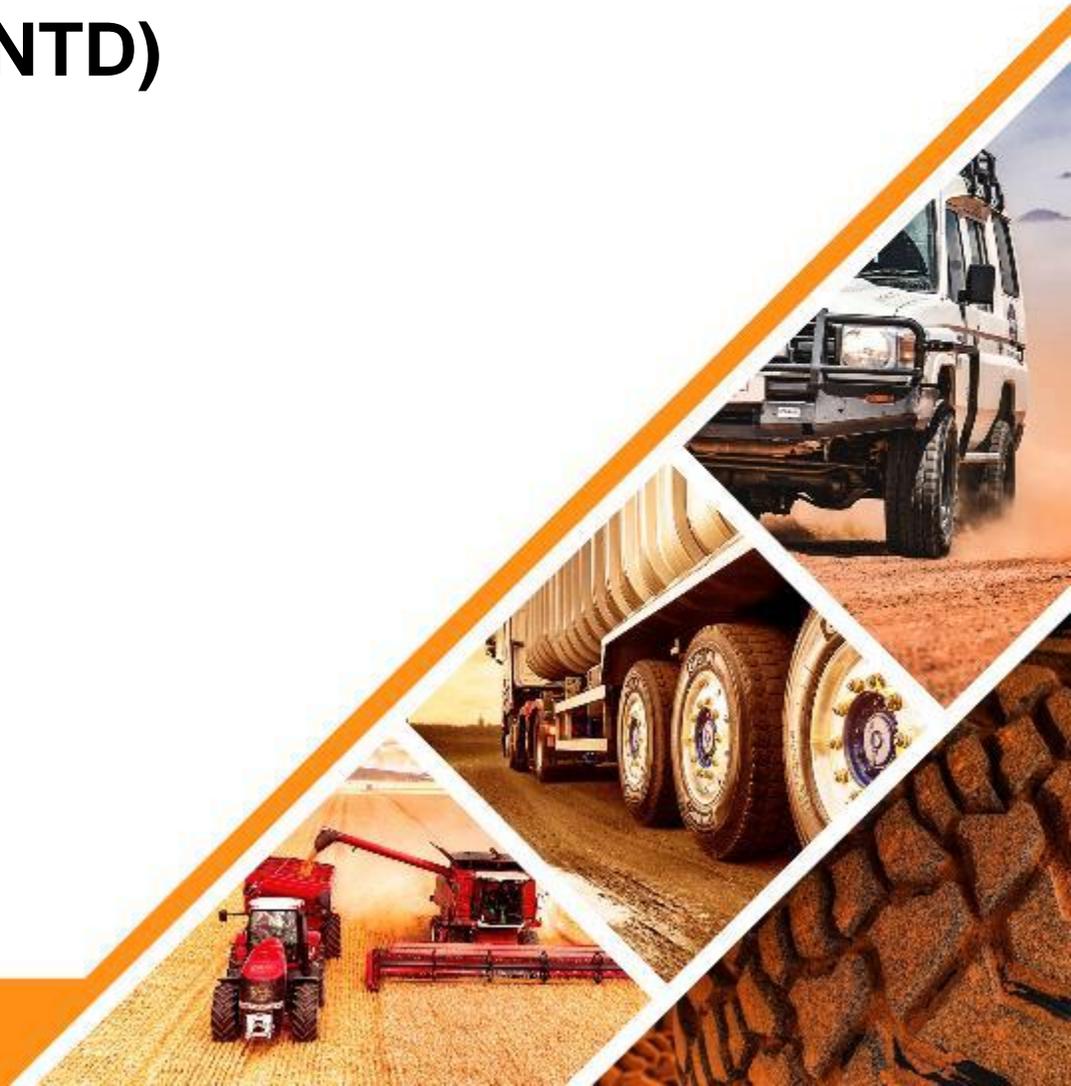




# National Tyre & Wheel Limited (ASX:NTD)

## Acquisition of Carter's Tyre Service and Capital Raising

*Not for release to US wire service or distribution in the United States*



# Important Information and Disclaimer



## Overview

This investor presentation (“**Presentation**”) has been prepared by National Tyre & Wheel Limited ACN 095 843 020 (“**NTAW**” or “**Company**”) and is dated 16 December 2021. This Presentation has been prepared in relation to a proposed capital raising (“**Capital Raising**”) comprising an institutional placement of new NTAW ordinary shares (“**New Shares**”) to certain ‘sophisticated’ and ‘professional’ investors (as defined in the Corporations Act, 2001 (Cth)) (“**Placement**”). NTAW will also undertake an underwritten share purchase plan to eligible shareholders in Australia and New Zealand (“**SPP**”). Please refer to the summary of the underwriting agreement.

## Summary Information

This Presentation contains summary information about the current activities of NTAW and its subsidiaries and the acquisition described in the Presentation as at the date of this Presentation. The information in this Presentation is of a general nature and does not purport to be complete. This Presentation does not purport to contain all the information that an investor should consider when making an investment decision nor does it contain all the information which would be required in a disclosure document or prospectus prepared in accordance with the requirements of the Corporations Act. It should be read in conjunction with NTAW’s other periodic and continuous disclosure announcements lodged with the ASX, which are available at [www.asx.com.au](http://www.asx.com.au). Neither NTAW nor its directors, employees or advisers give any warranties in relation to the statements and information in this Presentation.

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## Financial data

Except where otherwise mentioned, all dollar values are in Australian dollars (“A\$”). Any pro forma financial information provided in this Presentation is for illustrative purposes only and is not represented as being indicative of NTAW’s views on its future financial condition and/ or performance. The pro forma financial information has been prepared by NTAW and may not have been prepared in accordance with the measurement and recognition requirements or the disclosure requirements, of applicable accounting standards and other mandatory requirements in Australia. The pro-forma financial information does not purport to be in compliance with Article 11 of Regulation S-X of the rules and regulations of the US Securities and Exchange Commission.

The financial information also includes non-GAAP measures within the meaning of Regulation G under the U.S. Securities Exchange Act of 1934 and non-IFRS measures, which have been included because the Company believes it provides users with additional relevant information. The non-IFRS/non-GAAP financial information does not have a standardised meaning prescribed by IFRS and, therefore, may not be comparable to similarly titled measures presented by other entities, nor should they be construed as an alternative to other financial measures determined in accordance with IFRS. Investors are cautioned, therefore, not to place undue reliance on any non-IFRS/non-GAAP financial information and ratios included in this document. Such financial information does not purport to be in compliance with Article 3-05 of Regulation S-X under the US Securities Act.

# Important Information and Disclaimer



## Future performance

This Presentation contains certain “forward looking statements”. Forward looking statements can generally be identified by the use of forward looking words such as, “expect”, “anticipate”, “likely”, “intend”, “should”, “could”, “may”, “predict”, “plan”, “propose”, “will”, “believe”, “forecast”, “estimate”, “target” “outlook”, “guidance” and other similar expressions within the meaning of securities laws of applicable jurisdictions and include, but are not limited to, indications of, or guidance or outlook on, future earnings or financial position or performance of NTAW, the outcome and effects of the Capital Raising and the use of proceeds, including the impact of the acquisition. The forward looking statements contained in this Presentation are not guarantees or predictions of future performance and involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of NTAW, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct. Refer to the risks section of this Presentation for a summary of certain general and NTAW specific risk factors that may affect NTAW.

You are strongly cautioned not to place undue reliance on forward looking statements in this Presentation, particularly in light of the current economic conditions and the significant volatility, uncertainty and disruption caused by the COVID-19 pandemic. There can be no assurance that actual outcomes will not differ materially from these forward-looking statements. A number of important factors could cause actual results or performance to differ materially from the forward looking statements, including the risk factors set out in this Presentation including the risks and uncertainties associated with the COVID-19 pandemic. Investors should consider the forward looking statements contained in this Presentation in light of those disclosures. The forward looking statements are based on information available to NTAW as at the date of this Presentation. Except as required by law or regulation (including the ASX Listing Rules), NTAW undertakes no obligation to provide any additional or updated information whether as a result of new information, future events or results or otherwise. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward looking statements.

## Effect of rounding

A number of figures, amounts, percentages, estimates, calculations of value and fractions in this Presentation are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this Presentation.

## Investment risk

An investment in New Shares is subject to investment and other known and unknown risks, some of which are beyond the control of NTAW including possible loss of income and principal invested. NTAW does not guarantee any particular rate of return or the performance of NTAW, nor does it guarantee the repayment of capital from NTAW or any particular tax treatment. In considering an investment in NTAW shares, investors should have regard to (amongst other things) the risks outlined in this Presentation.

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# Agenda



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# Carter's Acquisition



# Carter's Acquisition - Executive Summary



The acquisition of Carter's will consummate a long-standing synergistic relationship.

<b>Strategic Rationale</b>	<ul style="list-style-type: none"><li>▪ NTAW becomes the largest independent commercial tyre supplier in New Zealand with a 40-store nationwide resale platform</li><li>▪ Strengthen and secure the revenue base of Tyres4U (NZ) (an existing NTAW subsidiary)</li><li>▪ Opportunity to increase Tyres4U sales to Carter's and introduce Carter's retreads to Tyres4U</li><li>▪ Access to industry leading tyre management systems</li><li>▪ Intimate knowledge of Carter's business and culture acquired over almost 25 years mitigating risks</li></ul>
<b>Acquisition Consideration</b>	<ul style="list-style-type: none"><li>▪ NZ\$30 million consisting of NZ\$28m cash and NZ\$2m in NTAW shares. Carter's is acquired on a debt free cash free basis with post completion working capital adjustments</li></ul>
<b>Financial Impact</b>	<ul style="list-style-type: none"><li>▪ Accretive acquisition at 4.85 times Carter's estimated FY22 EBITDA. Estimated annualised NPATA contribution of 2.7 cps</li></ul>
<b>Funding</b>	<ul style="list-style-type: none"><li>▪ The acquisition will be funded by increased debt facilities, a share placement to raise \$9m and a share purchase plan to raise up to \$3m. Debt facilities and new equity capital will also fund other NTAW strategies</li></ul>
<b>NTAW Post Acquisition</b>	<ul style="list-style-type: none"><li>▪ Carter's will continue as a separate business in the NTAW Group. NTAW annualised revenue is expected to be approximately \$570m post acquisition. Carter's is expected to contribute annualised EBITDA to NTAW of \$5.9m (\$NZ6.25m)</li></ul>

# Overview of Carter's Tyre Services

Carter's Tyre Service is a commercial tyre resale and tyre management platform

## CARTER'S tyre service

Established almost 25 years ago, Carter's Tyre Service is New Zealand's largest independent provider of specialist commercial tyre services with a national network of 40 locations across the North and South Island, and two ISO accredited retread manufacturing plants in Auckland and Timaru.

Carter's Tyre Service provides a range of tyre management solutions for truck and bus fleets, off the road and agribusiness vehicles.

### Carter's Service Centres



# Business Snapshot



## Quality Earnings and an Experienced Management Team

Carter's top 10 customers, all of which are commercial truck or bus fleet customers account for about 35% of Carter's revenue.

Carter's revenue (forecast to be NZ\$69m in FY21) is underpinned by long-standing relationships including some of New Zealand's largest truck fleet operators.

Carter's employs 185 people in New Zealand, with a management team comprising experienced executives working under the guidance of Garry Carter.

The senior leadership group at Carter's includes Mike Hollier (CEO/CFO), Rob Gosling (Group Sales Manager) and Paul Hood (Group Operations Manager). All are experienced managers in the tyre industry with expertise developed from working in large multinational businesses and Carter's.

A succession plan to devolve more responsibility to the management team is underway. Garry Carter will continue as an Executive Director of Carter's, working on a part time basis. The Carter's board will consist of Garry Carter, NTAW MD Peter Ludemann, and Tyres4U Australia Executive Director, Les DeCelis.



Relationship Length	No. of Customers
0-5 years	1
5-10 years	3
10-25 years	3
>25 years	2
New FY21 Accounts	2

# Strategic Rationale



# Strategic Rationale



Acquisition strengthens and secures Tyres4U revenue base, with potential upside for other products

- Tyres4U (NZ) Limited, a wholly owned subsidiary of NTAW, is the largest independent commercial tyre importer in New Zealand
- Products purchased by Carter's from Tyres4U represent approximately 60% of Carter's total product purchases
- Tyres4U (NZ) sales to Carter's company-owned stores represent about 24% of Tyres4U (NZ) sales, with about another 16% of Tyres4U (NZ) sales made to Carter's licensed stores
- Tyres4U (NZ) and Carter's have collaborated for almost 25 years on delivering fit for purpose tyres to Carter's commercial customers - brands supplied by Tyres4U (NZ) include GT Radial, Giti and Falken tyres
- Opportunities will arise for other NTAW businesses to sell through Carter's (e.g. Dynamic Wheel Co and Integrated OE) and for Tyres4U (NZ) to sell retreads manufactured by Carter's
- Exclusive Tyre Distributors (ETD) will become a supplier to Carter's to the extent that this does not disrupt ETD's existing exclusive dealership arrangements



# Strategic Rationale

More scale and diversity in New Zealand across channels, customers and products



**INTEGRATED OE**  
TYRE & WHEEL SOLUTIONS



**Tyres4U**

**STATEWIDE TYRES**



**B2B  
End User**

**Customer Mix**

- Caravan, truck trailer and farm equipment manufacturers
- Commercial truck and bus fleet operators
- Hire car fleet operators
- Forklift and industrial equipment operators
- Large scale farmers



**Tyres4U**

*Exclusive Tyre Distributors*  
Building Laundry Branch

**STATEWIDE TYRES**



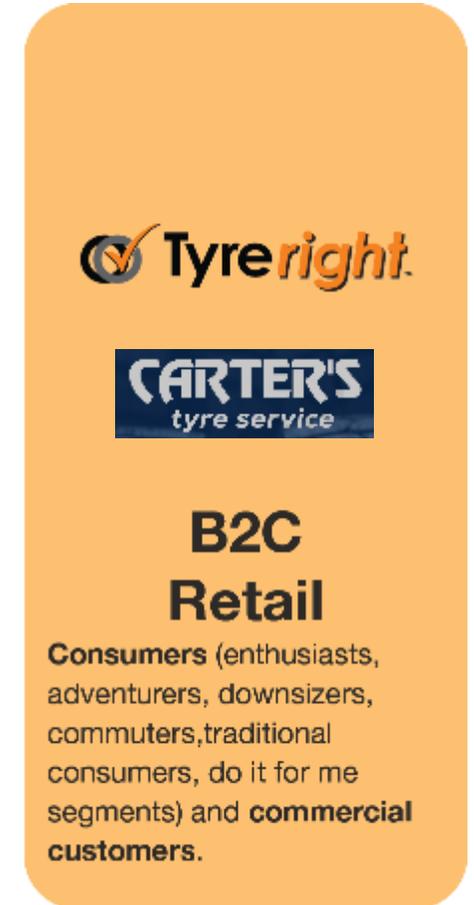
Hottest and toughest



**B2B  
Re-Seller**

**Customer Mix**

- Tyre speciality retail stores (chains and independents)
- Mechanical service businesses
- Car dealers
- Online re-sellers



**Tyre right.**



**B2C  
Retail**

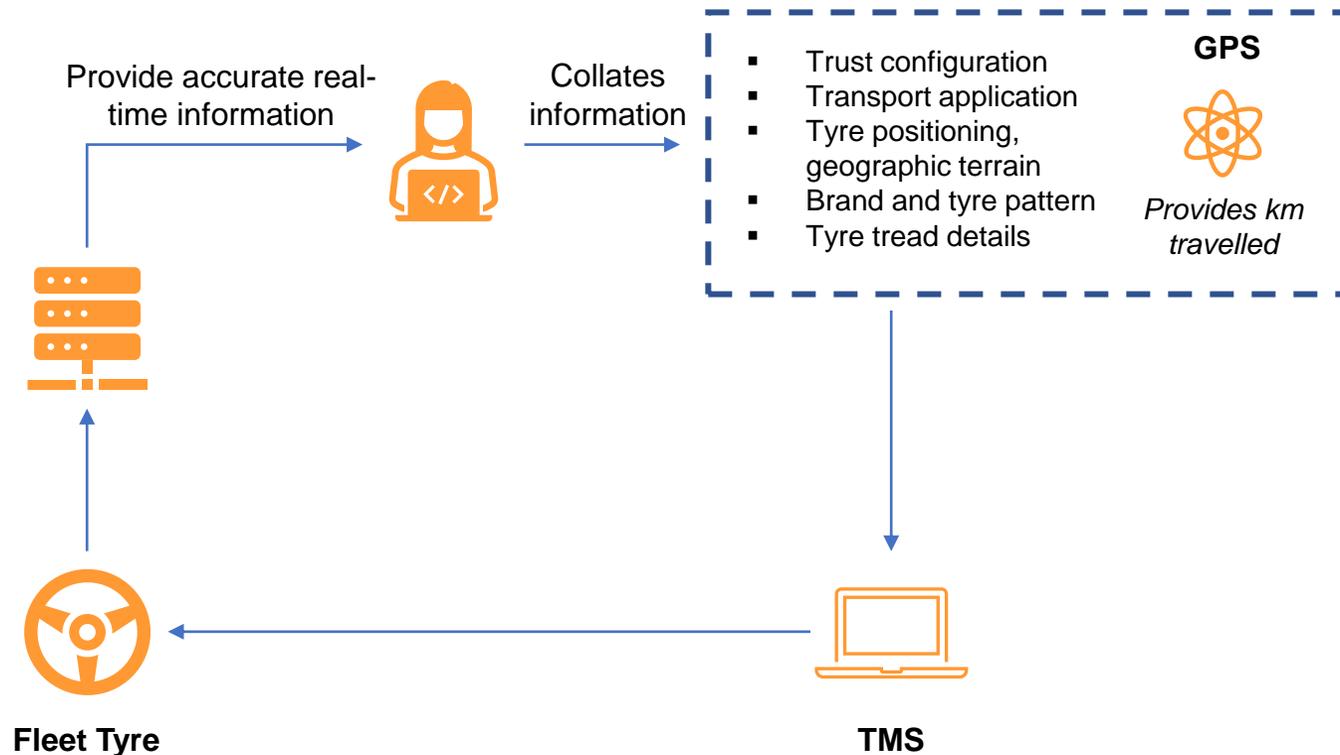
**Consumers** (enthusiasts, adventurers, downsizers, commuters, traditional consumers, do it for me segments) and **commercial customers**.

Note: some business units operate across more than one distribution channel

# Strategic Rationale

## Tyre Monitoring Systems (TMS) – a competitive advantage.

From completion of the acquisition, Carter's will have a five year exclusive license to use the TMS system in New Zealand. This system (depicted below) has been built by a company related to, and in collaboration with, Carter's. The system enables fixed price contracting (cents per kilometre). TMS is also a significant step along the NTAW journey to lead the tyre and wheel industry in digital transformation.



### TMS enables:

- Real-time (24/7) monitoring of tread wear
- Increasing tread use per tyre up to 15% more
- Data capabilities including historical information to forecast tyre wear, maintenance, etc.
- Optimising distance travelled by each tyre improving life expectancy
- Providing transparency on tyre and maintenance cost by automated reporting based on actual data
- Automated notifications on tyre replacement and re-torquing

# Strategic Rationale

The Acquisition of Carter’s brings several strategic elements to NTAW.



Sustainability	Increased Scale	Long term relationships	Quality & Safety
<ul style="list-style-type: none"> <li>Retreading and better tyre management means fewer new tyres need to be manufactured.</li> <li>These elements of the Carter’s business contribute to NTAW’s goal to be a more sustainable corporation.</li> </ul>	<ul style="list-style-type: none"> <li>The scale of NTAW’s business and strength of its balance sheet are expected to reduce the amount of working capital required by Carter’s as customers will take Tyres4U stock into account – balancing to an extent risks arising from shipping delays in other businesses.</li> </ul>	<ul style="list-style-type: none"> <li>NTAW has maintained a substantial relationship with Goodyear Tire &amp; Rubber Company since Goodyear agreed acquired Cooper Tire &amp; Rubber Company in July 2021.</li> <li>Cooper is the largest supplier to NTAW.</li> <li>Goodyear is Carter’s second largest supplier after Tyres4U (NZ) and the Carter’s acquisition expands and further aligns the shared interests of Goodyear and NTAW.</li> </ul>	<ul style="list-style-type: none"> <li>Carter’s quality control and ISO accreditations mitigate risks ordinarily associated with an acquisition.</li> </ul>

# Carter's Acquisition Terms and Funding Summary



# Acquisition Terms

- NTAW has agreed to purchase all the issued capital of three Carter's entities, Carters Tyre Service Limited, C.O. Tire Retreading Co Limited and Tyre Distributors New Zealand Limited, from vendors associated with Garry Carter. NTAW expects Carter's normalised earnings before interest tax and depreciation (EBITDA) in the financial year ending 31 March 2022 (FY22) to be approximately NZ\$6.25m (A\$5.9m).
- Carter's normalised EBITDA in the financial year ended 31 March 2021 was NZ\$3.5m, with improvements in FY22 attributable to increased revenue from new fleet customers and improved gross margins.
- NTAW has agreed to pay a purchase price of NZ\$30m, subject to adjustment for working capital and net indebtedness. This represents a multiple of 4.85 times Carter's forecast FY22 EBITDA.
- The purchase price for the acquisition will be satisfied by a cash payment of NZ\$28m to be made at completion and the issue of approximately 1,397,624 fully paid ordinary shares in NTAW at an issue price equal to AU\$1.35 per share with the final number to be determined based on the AUD NZD FX rate on the completion date.
- There will be an adjustment to the purchase price for Carter's working capital and actual non trading indebtedness within the month following completion. The acquisition is subject to a key customer consenting to the change in control of Carter's and customary closing conditions. Completion of the acquisition is expected to occur on 5 January 2022.
- The acquisition of Carter's is expected to increase NTAW's annualised sales revenue to approximately \$560m. The forecast additional annualised EBITDA of NZ\$6.25 or \$5.9m would result in NTAW's net profit after tax and before amortisation (NPATA) increasing by \$3.1m, representing additional NPATA of 2.7 cents per share (on an annualised basis).



# Funding Summary



<b>Equity Funding Structure and Size</b>	<ul style="list-style-type: none"> <li>An institutional placement to raise gross proceeds of \$9m (“<b>Placement</b>”). 6,666,666 new NTAW ordinary shares (“<b>New Shares</b>”) will be issued under the Placement.</li> <li>The Company also intends to offer an underwritten Share Purchase Plan (“<b>SPP</b>”) to eligible shareholders aiming to raise A\$3m on the same terms as the Placement.</li> </ul>
<b>Debt Facilities</b>	<ul style="list-style-type: none"> <li>NTAW’s debt facilities have been increased to \$100.0m, comprising senior debt of \$31.5m, a trade finance facility of up to \$66.0m and an overdraft facility of \$2.5m.</li> </ul>
<b>Issue Prices</b>	<ul style="list-style-type: none"> <li>New Shares under the Placement to be issued at a fixed price of \$1.35 per New Share (“<b>Issue Price</b>”), representing a discount of: <ul style="list-style-type: none"> <li>– 6% to NTAW’s last closing price on 14 December 2021 of \$1.43; and</li> <li>– 3% to the 10-day volume weighted average price (“<b>VWAP</b>”) of \$1.39.</li> </ul> </li> <li>Scrip consideration of NZ\$2m million shares at \$1.35 per share (converted to NZ\$ on the completion date)</li> <li>Shares to be issued under the SPP at the lower of the Placement Issue Price of \$1.35 and the VWAP of NTAW’s ordinary shares traded during the 5 trading days up to and including the SPP closing date discounted by 2.5%.</li> </ul>
<b>Use of Funds</b>	<ul style="list-style-type: none"> <li>To fund the upfront cash consideration of the Acquisition and provide more headroom on working capital debt facilities.</li> </ul>
<b>Underwriting</b>	<ul style="list-style-type: none"> <li>The Placement has been made to existing substantial shareholders.</li> <li>The SPP is underwritten by Exldata Pty Ltd, one of those shareholders.</li> </ul>

Source of funds	\$m
Institutional Placement	9.0
SPP	3.0
Upfront scrip consideration	1.9*
Current cash	5.0**
Debt drawdown	21.5**
<b>Total</b>	<b>40.4</b>

Use of Funds	\$m
Cash consideration	26.5
Upfront scrip consideration	1.9
Working capital & transaction costs	12.0
<b>Total</b>	<b>40.4</b>

Pro forma capital structure	Shares (m)
Existing shares on issue	115.6
Placement shares	6.7
SPP shares	2.2***
Upfront scrip consideration	1.4
<b>Total</b>	<b>125.9</b>

\* \$2m NZD translated to AUD using exchange rate of \$1 AUD : \$1.06 NZD (source: RBA as at 13/12/21).

\*\* \$28m NZD translated to AUD using exchange rate of \$1 AUD : \$1.06 NZD (source: RBA as at 13/12/21).

\*\*\* Assumes shares issued under the SPP at \$1.35/share.

Note 1: To the extent that the SPP Offer results in acceptances in excess of \$3m, NTAW will scale back acceptances in its absolute discretion

# Timetable



Event	Date
SPP Record Date	7.00pm (Sydney time) Wednesday, 15 December 2021
Settlement of Placement	Tuesday, 21 December 2021
Commencement of Trading of New Shares Issued Under the Institutional Placement	Wednesday, 22 December 2021
Dispatch of SPP Offer Documents	Thursday 23 December 2021
SPP Opens	Thursday 23 December 2021
SPP Offer Closes	Thursday 20 January 2022
Announce Results of SPP	Thursday 25 January 2022
SPP Allotment & issue of shares under SPP	Friday 28 January 2022
Commencement of Trading of New Shares Issued Under the SPP & dispatch of holding statements	Monday 31 January 2022

*Note: All dates and times are indicative and NTAW reserves the right to amend any or all of these events, dates and times subject to the Corporations Act 2001 (Cth), ASX Listing Rules and other applicable laws. All times and dates are in reference to Sydney, Australia time.*



# NTAW after the Carter's acquisition

# Pro Forma NTAW Balance Sheet



BALANCE SHEET \$'000	Jun-21 NTAW	Proforma
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	28,905	43,852
Receivables	71,807	88,540
Inventory	101,025	112,937
Other financial assets	835	835
Other current assets	4,265	4,758
<b>Total current assets</b>	<b>206,837</b>	<b>250,922</b>
<b>Non Current Assets</b>		
Other financial assets	116	116
Intangible assets	15,698	37,662
Deferred Tax assets	2,076	2,076
Property, plant and equipment	10,167	15,002
ROU asset - PP&E	33,544	33,544
<b>Total non current assets</b>	<b>61,601</b>	<b>88,400</b>
<b>Total Assets</b>	<b>268,438</b>	<b>339,322</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Payables	82,335	94,731
Borrowings	2,954	2,954
Lease liabilities - PP&E	9,496	9,496
Provisions	11,904	12,315
Current tax liabilities	1,138	2,557
Other financial liabilities	-	-
Other liabilities	-	-
<b>Total current liabilities</b>	<b>107,827</b>	<b>122,053</b>
<b>Non Current Liabilities</b>		
Borrowings	41,940	89,628
Lease liabilities - PP&E	24,472	24,472
Provisions	2,386	2,593
<b>Total non current liabilities</b>	<b>68,798</b>	<b>116,694</b>
<b>Total liabilities</b>	<b>176,625</b>	<b>238,746</b>
<b>Net assets</b>	<b>91,813</b>	<b>100,575</b>

*Proforma as at 30 June 2021 adjusted for the acquisitions of Black Rubber, Access Alloys and Carter's and the \$9m Placement & \$3m SPP*

The Column "June-21 NTAW" represents the NTAW Balance Sheet at 30 June 2021.

The "proforma" column is the June-21 NTAW balance sheet plus the combined impact on the NTAW balance sheet of:

- the Black Rubber acquisition;
- the Access Alloys acquisition;
- the Carter's acquisition; and
- raising \$9m from the Placement (less placement fees) and \$3m from the share purchase plan (less underwriting fees).

In each case, on the date of the acquisition or the capital raising.



# Risk Analysis

# Risk Analysis & Mitigation

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NTAW monitors and mitigates business risks that have the ability to materially affect its financial prospects. Business risks include:

- **Suppliers** – NTAW relies on key exclusive supplier relationships continuing. While few of these relationships have formal written agreements, many are long-standing with the most important relationships going back 20-30 years. NTAW mitigates supplier dependency risk by selling over 100 brands with more than 50,000 SKU's.

NTAW has a formal agreement with Cooper Tire, NTAW's largest supplier (representing 12% of adjusted annualised revenue after the recent acquisitions), to exclusively distribute Cooper branded products in Australia and New Zealand until 2027. Cooper was acquired by Goodyear in June 2021 - the acquisition does not change the Agreement and the Cooper/NTAW business relationship remains consistent with the Agreement.

- **Foreign Currency** – NTAW acquires most of its products in foreign currencies and adverse movements between the Australian and New Zealand currencies and these foreign currencies can result in volatility in NTAW's profitability if additional cost of goods can't be passed onto customers or reduced through negotiation with suppliers. As no new tyres are manufactured in Australia and many importers purchase goods in foreign currencies, adverse movements in currencies will affect many industry participants. Other mitigating factors include NTAW's typical 4 month inventory cycle and forward purchases of foreign currencies required to meet commitments.
- **Business Integration** – NTAW has acquired interests in several businesses in recent years with successful integration being important to earnings. NTAW's board and management is experienced in acquiring and integrating businesses.
- **Key Personnel** – The Group relies on the expertise and experience of a large executive team, including founders of businesses with a history of building successful businesses. While the diversity and scale of NTAW's businesses is substantial, the loss of the services of some key people could have an adverse effect on NTAW's financial performance.

# Risk Analysis and Mitigation (Continued)

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- **Customers** – NTAW has more than 3,000 customers in Australia, New Zealand and South Africa. The retention of existing customers and attracting new customers are important elements of NTAW's business. Although customer concentration is low, sales revenue would be adversely affected if all members of some chains or group decided not to purchase from NTAW.
- **Competition** – The tyre and wheel wholesale and retail markets are highly competitive. Competition is based on factors including price, service, quality, performance standards and range. A failure to effectively compete may adversely affect NTAW's financial performance and position.
- **COVID-19 pandemic** – NTAW is subject to the current and potential economic impacts of the COVID-19 pandemic. These impacts remain uncertain and NTAW continues to operate prudently (e.g. safe working practices and conservative gearing) to mitigate risks.
- **Environment** – NTAW is not subject to any significant environmental regulation under Australian or New Zealand laws.
- **Carter's Risks** – The Carter's acquisition does not have any materially adverse impact on the risk profile of the NTAW businesses. The additional diversity and scale, along with strengthening and securing Tyres4U revenue, arising from the acquisition is expected to reduce that risk profile.

# Summary of SPP Underwriting Agreement

# Summary of SPP Underwriting Agreement

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The Company entered into an underwriting agreement with Exldata Pty Ltd ACN 095 080 041 (the Underwriter) on 16 December 2021 (Underwriting Agreement) under which the Underwriter has agreed to fully underwrite the SPP. If certain conditions are not satisfied, or certain events occur, the Underwriter may terminate the Underwriting Agreement. Termination of the Underwriting Agreement may have an adverse impact on the total amount of proceeds that could be raised under the SPP.

The events that may trigger termination of the Underwriting Agreement include (but are not limited to) the following:

- the SPP documents include a statement which is or becomes false, misleading or deceptive in a material respect or likely to mislead or deceive in a material respect (including by way of omission);
- ASX announces that the Company will be removed from the official list or that any Shares will be delisted or suspended from quotation by ASX for any reason other than a trading halt contemplated by the SPP timetable;
- the S&P/ASX200 Index closes, on any two consecutive days from (and including) the date of the agreement to (and including) the SPP settlement date, or closes on the business day prior to the SPP settlement date, at a level that is 10% or more below its level as at the close of business on the trading day prior to the SPP settlement date;
- ASIC commences or threatens to commence certain regulatory action in relation to the SPP;
- ASX does not, or states that it will not, grant official quotation of all the SPP shares on an unconditional basis (or on a conditional basis provided such condition would not, in the opinion of the Underwriter, have a material adverse effect on the SPP) by the SPP settlement date;
- the Company withdraws the SPP or is unable to issue the SPP shares on the SPP allotment date;
- the Company alters its capital structure (other than as contemplated in the agreement or pursuant to the Placement) or constitution without the prior written consent of the Underwriter;
- a director or senior manager of the Company is charged with an indictable offence;
- any regulatory body commences any public action against a director of the Company in his or her capacity as such or announces that it intends to take any such action;
- any director of the Company is disqualified from managing a corporation under the Corporations Act;

# Summary of SPP Underwriting Agreement (Continued)

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- any government agency issues, or threatens to issue, proceedings or commences any inquiry or investigation into the Company;
- there is an adverse change, or an event occurs which is likely to give rise to an adverse change, in the assets, liabilities, financial position or performance, results, condition, operations or prospects of the NTAW group other than as disclosed by the Company to the ASX before the date of the agreement;
- the Company is in breach of any terms or conditions of the agreement or any representation or warranty is or becomes incorrect, untrue or misleading (including by way of omission);
- a change to the Chief Executive Officer or the board of directors of the Company occurs;
- a contravention by the Company of the Corporations Act, its constitution, any of the ASX Listing Rules or any other applicable law or regulation; or
- any aspect of the SPP does not comply with the Act or the ASX Listing Rules.

The ability of the Underwriter to terminate the Underwriting Agreement in respect of some of the termination events will depend on whether the event has or is likely to have a material adverse effect on the financial position or prospects of the NTAW group or the success of the SPP or leads to a contravention by the Underwriter of the Corporations Act or any other applicable law.

If the Underwriter terminates the Underwriting Agreement, the Company will not be obliged to pay the Underwriter any fees which are not payable or accrued prior to the date of termination. Subject to the Underwriter having performed its obligations, on the SPP settlement date the Underwriter is entitled to an underwriting fee of 2% of the underwritten amount of the SPP of \$3 million.