

## OFFER LETTER

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17 January 2023

Dear TradeWindow investor

### TRADE WINDOW HOLDINGS LIMITED – SHARE OFFER

**This letter contains important information about your holdings in TradeWindow for your review and action. In particular:**

- TradeWindow has announced it is seeking up to NZ\$20 million from existing and new shareholders to fund ongoing growth. You have the opportunity to participate in this capital raising.
- Because of the amount sought in the capital raising, shareholder approval is required at a special meeting.

TradeWindow today announced its intention to undertake a non-underwritten capital raising ("**Share Offer**") targeting proceeds of up to NZ\$20 million. The Share Offer is open to both existing shareholders in TradeWindow and new investors, in each case who are resident in New Zealand, and to wholesale investors in Australia, the Territory of the Wallis and Futuna Islands, Hong Kong, Singapore and certain other jurisdictions, in each case in private share offers that are exempt from local prospectus or registration requirements.

The price to be paid for TradeWindow shares in the Share Offer ("**New Shares**") is NZ\$0.45 per share, representing a 10% discount on the closing share price on 16 January 2023 ("**Issue Price**"). The Issue Price was determined with reference to the current market price of TradeWindow shares immediately prior to issuance of the Share Offer, taking into consideration the recent TradeWindow share price and volume history and what the Board considers is an appropriate valuation for TradeWindow shares in the current market, that is both attractive to those seeking to participate in the offer and fair to existing shareholders who do not.

Any Shares in TradeWindow issued pursuant to the Share Offer will rank equally with the existing ordinary shares in TradeWindow on issue. The Share Offer will be open for acceptance from **17 January 2023 to 17 February 2023**.

Shareholder approval is being sought for the Share Offer, with a meeting of TradeWindow shareholders to be held virtually on **31 January 2023** to approve the Share Offer.

Accompanying this letter is a notice of meeting. If shareholder approval for the offer is not received, the Share Offer will proceed on the same timetable but the maximum proceeds to be raised under the Share Offer will be limited to **NZ\$6.8 million**. Failure to receive shareholder approval will also limit TradeWindow's ability to raise further capital without shareholder approval in the ensuing 12 months.

There will not be a shortfall bookbuild, and the New Shares issued pursuant to the Share Offer will be issued on approximately 23 February 2023.

The directors of TradeWindow have unanimously recommended that shareholders vote in favour of the resolution to approve the Share Offer, You are encouraged to vote whether or not you intend participating in the Share Offer itself.

### **Rationale**

TradeWindow is an early-stage growth company and has previously advised that further investment would be necessary to achieve its goals. In July, TradeWindow successfully raised NZ\$10m from shareholders to drive organic growth in New Zealand and Australia, build the global trade platform and accelerate global expansion opportunities, including the acquisition of Rfider. At TradeWindow's half-year results on 17 November, we outlined notable progress on each of these areas.

TradeWindow considered various offer structures to raise the required capital, but believes that the placement structure adopted here offers the greatest flexibility to fulfil demand from new and existing shareholders. A traditional rights offer structure would not enable TradeWindow to adequately seek external demand. An accelerated rights offer adds complexity, particularly without an underwriter, and also leaves TradeWindow with a short window within which to seek external investors to take any shortfall (should there be one). In a challenging environment for capital raising, it is vital that TradeWindow has sufficient time to pursue all potential avenues of investment.

TradeWindow will prioritise applications from existing investors by ensuring that existing eligible shareholders are allocated the total number of New Shares they apply for (or, to the extent that applications are received under the Share Offer in excess of the maximum amount offered, at least such number of New Shares as is required to maintain their pro rata shareholding (or the total number of New Shares they applied for, if lower)). By prioritising existing shareholders, TradeWindow believes that there is adequate protection for existing shareholders in the structure and it is in the best interests of all shareholders. Given the ability for existing investors generally to easily apply for shares in the placement, a share purchase plan would not bring additional benefit.

### **Proceeds**

This Share Offer seeks capital so that TradeWindow can continue to:

1. Drive organic growth and a path to profitability:
  - Driving revenue growth by activating partners across USA, Philippines, Thailand and Indonesia.
  - Establishing new channel partnerships across Australia / New Zealand for deployment capabilities and low-cost customer acquisition.
  - Further investment in digital tools to automate the sales, marketing and support processes for scaled, targeted and efficient revenue generation.
  - Further sales and marketing resources.
2. Build the global trade platform:
  - Expedite the convergence of acquired and proprietary solutions into the global trade platform. TradeWindow must move quickly to capture the market opportunity; this requires additional development and testing capabilities.
  - Replace legacy solutions with easily configurable solutions which allow for rapid deployment and therefore margin growth.
  - Meet solution localisation requirements needed to be competitive in offshore markets.

3. Deliver balance sheet strength:

- Secure funding needed to execute the growth strategy and provide a pathway to profitability.
- Progress towards EBITDA break even, which is forecast to occur in FY25 as described in further detail in the investor presentation.

**Share Offer**

TradeWindow is targeting proceeds of up to NZ\$20 million under the Share Offer.

There is no minimum amount of proceeds sought under the Share Offer – TradeWindow reserves the discretion to accept subscriptions for less than the targeted amount.

TradeWindow believes an offer that is open to both existing shareholders and new investors provides a lower degree of execution risk for TradeWindow than a rights issue, while being fair to existing shareholders by giving them the opportunity to participate alongside new investors. TradeWindow believes that attracting new, high quality investors onto its register is important in ensuring that it can continue to access the capital required to execute on its growth opportunities, and will be beneficial to existing shareholders by providing increased liquidity on market.

To the extent that applications are received under the Share Offer in excess of the total amount to be raised, those applications will be subject to scaling at the discretion of TradeWindow (with existing shareholders to be prioritised, as described in further detail in the share offer letter).

Current TradeWindow shareholders and new investors who subscribe for New Shares under the Share Offer are subject to applicable Takeovers Code restrictions. Therefore, current and new investors will not be permitted to subscribe for those number of New Shares under the Share Offer which will have the effect of increasing their level of voting rights in TradeWindow above the 20% threshold as set out in the Takeovers Code.

**Shareholder meeting**

Shareholder approval of the Share Offer is required because TradeWindow will potentially be issuing shares in excess of the 15% placement capacity available to it under the NZX Listing Rules.

A meeting of shareholders will be held virtually on **31 January 2023** to approve the Share Offer. If this approval is not received, the Share Offer will proceed but the maximum proceeds to be raised under the Share Offer will be limited to **NZ\$6.8 million**. Failure to receive shareholder approval will also limit TradeWindow's ability to raise further capital without shareholder approval in the ensuing 12 months.

**Director participation**

The Share Offer will be open to all Directors and employees, and any Associated Persons of any Director or employee, of TradeWindow, who wish to apply for New Shares under the Share Offer.

**Offer timing and key dates**

The key dates for the Share Offer are as follows.

DATE	EVENT
17 January 2023	Share Offer opens

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31 January 2023	TradeWindow Special Meeting
17 February 2023	Share Offer closes (last day for Applications)
20 February 2023	Announce results of Share Offer
Approximately 23 February 2023	Settlement and Allotment of New Shares under the Share Offer on the NZX Main Board
Approximately 27 February 2023	Share Offer confirmation despatched to participating Investors

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*\*TradeWindow reserves the right to alter the key dates for the Share Offer (subject to NZX Listing Rules and applicable laws).*

## Key Metrics

The key metrics for the Share Offer are as follows.

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Issue price per share	NZ\$0.45
Maximum number of shares to be issued	44,444,444

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## How to participate

If you wish to participate in the Share Offer, please make your online application at [www.shareoffer.co.nz/tradewindow](http://www.shareoffer.co.nz/tradewindow) by no later than **5:00pm** on **17 February 2023**. New Shares under the Share Offer are expected to be allotted on or around **23 February 2023**.

## More information

A presentation providing further important information in relation to TradeWindow and the Share Offer was today published by TradeWindow (the "**Investor Presentation**"). A copy of the Investor Presentation released on **17 January 2023** and other important information are available at [www.nzx.com](http://www.nzx.com) under the ticker code 'TWL'.

If you have any questions or require further information in relation to Share Offer, please contact Andrew Balgarnie at +64 27 227 3541 or [andrew@tradewindow.io](mailto:andrew@tradewindow.io).

I welcome your continued support of TradeWindow.

Yours sincerely

Alasdair MacLeod

Chair  
Trade Window Holdings Limited