

Wellington Rights Offer

Wellington Drive Technologies Limited

1 for 3 Renounceable Rights Offer of
Ordinary Shares at 5 cents each

25 June 2020

This is an important document. You should read the whole document before deciding whether to subscribe for shares. If you have any doubts as to what you should do, please consult your broker, financial, investment or other professional advisor. If you do not take any action, your Rights will lapse and you will not be able to subscribe for any New Shares or realise any value for those Rights.

Key Terms of the Offer

Issuer	Wellington Drive Technologies Limited (Wellington or the Company)
The Offer	<p>A pro rata, renounceable rights offer to Eligible Shareholders, of one New Share for every three Ordinary Shares held by Eligible Shareholders at 5.00 pm on the Record Date with fractional Rights being rounded down to the nearest share.</p> <p>Rights will not be quoted or tradeable on the NZX Main Board. However, Eligible Shareholders are entitled to seek buyers for their Rights off-market prior to the closing date of 16 July 2020.</p> <p>Eligible Shareholders may take up some or all or none of their Rights.</p> <p>If you take up all your Rights your percentage holding in Wellington will not reduce. However, if you do not take up all your Rights, your percentage holding in Wellington will reduce following completion of the Offer.</p>
Eligibility	<p>A Shareholder who, as at 5.00 pm on the Record Date:</p> <ul style="list-style-type: none"> • had a registered address in New Zealand; or • is otherwise a person to whom Wellington considers it is not unduly onerous for an offer of the New Shares to be made as a result of the legal requirements of the applicable jurisdiction.
New Shares	Shares of the same class as, and that rank equally with, Ordinary Shares of the class quoted on the NZX Main Board on issue immediately prior to the Offer.
Issue price	\$0.05 per New Share.
Existing Shares currently on issue	323,886,592 Ordinary Shares
Maximum number of New Shares being offered	107,962,197 New Shares (subject to rounding) ¹
Offer size	The amount to be raised under the Offer is approximately \$5.4 million before costs.
Oversubscriptions	If you accept your entitlement in full, you may apply for any number of Additional New Shares in accordance with the Oversubscription Facility – see page 9.
How to apply	<p>Eligible Shareholders may apply online at www.shareoffer.co.nz/wdt or by completing and returning the enclosed Entitlement and Acceptance Form, together with payment in New Zealand dollars by 16 July 2020.</p> <p>Online Applications at www.shareoffer.co.nz/wdt are strongly encouraged given the likelihood of delays with the postal system at this time.</p>
Support for the Offer	Wellington has received commitments in respect of approximately 58% of the pro-rata rights offer, with either firm letters of commitment or statements of intent from institutional investors, strategic partner East West, Directors and staff. Wellington's strategic partner, East West, has indicated its intent to exercise all of its pro-rata rights, representing approximately 10.3% of the New Shares being offered and also to apply for over-subscriptions which, if successful, would support 100% of any shortfall in rights applications.

¹ Certain employees are existing holders of rights to acquire shares under the Wellington Partly Paid Share Scheme that expire on 1 July 2020. If all the relevant rights were exercised, resulting in new Ordinary Shares being issued to those persons on or before the Record Date, it would increase the number of New Shares available for subscription under the Offer by 16,667. Further details on the Wellington Partly Paid Share Scheme are included in Wellington's most recent Annual Report.

Letter from the Board and Chief Executive Officer

On behalf of the directors¹ of Wellington, the Company has today announced it intends to raise approximately NZ\$5.4m of new equity capital via a 1 for 3 pro-rata entitlement offer at \$0.05 per share.

The Board welcomes your participation in this Offer and thanks you for your continued support. The Directors hope for the ongoing good health and wellbeing for all Wellington's stakeholders during what is a difficult time.

Background

In late FY2019 the Company raised \$5.3m of equity capital via a pro rata rights issue. That capital was utilised to repay high-cost debt and, more importantly, fund new product launches and growth plans for 2020. The Directors' expectation then was for Wellington to continue its trend of improved financial performance and for FY2020 to generate a profit and positive operating cash flow.

The Company has a range of new products under development; its advanced ECR2+ motor for supermarket applications, Connect IoT hardware for retrofit and cellular applications, new cooler asset management software and iProximity marketing software. These developments were and continue to be supported by a broadening range of customer opportunities. Results for the first quarter (released to NZX on 1 May), which was partially impacted by COVID-19 from early March, showed this strategy was (prior to COVID-19) continuing to deliver expected results.

The initial disruption from COVID-19 affected Wellington's supply chain and production. While the Vietnamese-based contract manufacturing factory that supplies the majority of the Company's production remained open (and is so today), componentry sourced from China was either delayed or halted as that country entered regional lockdowns along with closure of freight distribution channels such as ports and airlines. Componentry supply has now largely normalised and customer orders are being delivered in close-to-usual time frames.

Subsequently, the global spread of COVID-19 followed by government-directed shutdowns has disrupted many of the regions and end markets where Wellington sells its products. A number of countries have instigated partial or whole shutdowns, either nationally or regionally. This has resulted in most of the Company's customers, notably those in Europe, Latin America and the USA, closing factories and offices from late April and through May, and in many cases cancelling or deferring orders from Wellington. Some food and beverage brands have signalled significantly reduced capital expenditure on coolers for the balance of 2020, and much of the food service industry has slowed.

Current Position

Most of Wellington's customers remain either closed or in a significantly reduced state of operational activity. Current feedback from these customers is that regional and factory re-openings are expected to progressively commence towards the end of third quarter, with Europe showing early signs of re-opening while markets in the Americas are restricted or closed to varying degrees. Wellington's customers nevertheless remain engaged in discussions around the company's new product developments.

¹ Note that Chair, John McMahon, and Gottfried Pausch, currently operating in a part-time executive role, are not independent directors of Wellington. Furthermore, Mr McMahon is deemed to be "interested" in the Offer and was recused from all Board decisions relating to the Offer (see page 4).

In the meantime, Wellington has taken prompt action to manage costs and its cash position, while endeavouring to retain operational and business development capability in the expectation that customer demand will begin to progressively return through the remainder of 2020. The current sales run rate during Q2 is around \$5m, with a moderate EBITDA loss expected for the quarter. However, due to a strong Q1 performance the company expects a modest EBITDA profit for the first half.

Cost and cash actions taken by the Company include:

- deferral of the cash payout of FY2019 STI bonuses;
- Directors' fees cut (general Board reduction by 50% and Chair by 100%);
- CEO salary reduction of 30%;
- across the board staff salary reductions ranging from 25% for senior managers to 10% for lower paid staff members;
- general freeze on hiring staff along with a significant reduction in capital expenditure to critical projects only;
- claiming available government wage and business subsidies (from governments in New Zealand, USA and Australia);
- increasing the trade finance facility from BNZ from NZ\$2.0m to NZ\$2.5m;
- staff furloughs and part time arrangements where allowed under wage subsidy schemes;
- general reduction in costs (e.g. COVID-19 has eliminated Wellington's travel expense and rents have temporarily been reduced in New Zealand and Turkey); and
- agreed extended terms with major suppliers to balance longer terms from all customers.

The Board acknowledges and appreciates the strong assistance from the Company's staff in achieving the above outcomes during a difficult time. Our dedicated, capable and loyal work force is one of Wellington's strongest assets.

The uncertainty now is how long it will take before Wellington's customers return towards a more normal level of ordering and whether there will be any structural change to markets. While some end sub-markets (e.g. restaurants) may see structural change, many of the Company's products are components in capital equipment such as beverage coolers, food service equipment and supermarket display cases. While Wellington's customers can reduce or defer some capital spending on their equipment fleets, these do have regular replacement and upgrade cycles and it is the Company's view that these cycles will restart although the timing and extent of that is unclear. There are low levels of order activity from some customers in Europe and the USA, while Latin America remains difficult with a number of markets presently closed.

Outlook and Strategy

Wellington is focusing on a number of priorities to effectively manage through the COVID-19 situation and ensure the Company comes out of the other side in a strong position:

1. Minimise operating costs and preserve cash.
2. Retaining viable product development and sales capability to enable resumption of business on the basis that operating conditions begin to normalise during the 4th quarter of 2020.

3. Continuing to develop and launch critical new IoT hardware and software products to ensure increased revenue options once demand returns.
4. Strengthen marketing activities for Wellington's solutions in new markets and with new customers.

The second objective above, of maintaining a viable level of capability for Wellington, informs the first point in how aggressively senior management and the Board have managed the Company's cost position.

As operating conditions in Wellington's various markets continue to evolve, the Board will amend its strategy and focus to manage for risk and stakeholder value.

Offer Overview

The Offer

Under the Offer, all Eligible Shareholders are entitled (but not obliged) to subscribe for 1 New Share for every 3 Ordinary Shares held as at 5.00 pm on the Record Date of 29 June 2020, at an issue price of \$0.05 per New Share.

The issue price represents a 52% discount to the last closing price of Wellington's shares on the NZX on 24 June 2020 (being \$0.104) . It is a discount of 45% to the theoretical ex-rights price of \$0.0905.

Use of funds

Wellington intends using the proceeds raised to maintain organisational capability for the purpose of being able to respond as end markets progressively re-open and begin to return towards normal levels of activity. This involves retaining key product development skills and global sales capability, along with ensuring the balance sheet has sufficient liquidity and working capital.

Board participation

Wellington Chairman John McMahon is a director of NZX Limited, the parent company of Smartshares Limited, which is a substantial product holder of Wellington with 9.614% of the issued ordinary shares of Wellington as at 19 December 2019 (being the date of its most recent substantial product holder disclosure). Accordingly, Mr McMahon is deemed to be "interested" in the Offer. Mr McMahon has not participated in discussions or information where a conflict of interest may arise. Mr McMahon has been recused from all Wellington Board decisions relating to the Offer.

Wellington Director Gottfried Pausch is undertaking an interim role as a part-time Executive Director to provide strategic, management and operational support in the Company's Auckland office. This role is on arm's length commercial terms, and whilst Mr Pausch's new executive director role means that he is not an independent director for the duration of his role, he is not prohibited from participating in the Board's consideration of the Offer. Mr Pausch has advised the Board that he intends to take up all Rights in respects of his beneficial shareholding

The directors of Wellington, aside from Mr McMahon who is recused through the conflict of interest noted above, unanimously recommend the rights issue to shareholders. Mr McMahon has advised the Board that he intends to take up all Rights in respects of his beneficial shareholding.

Important Dates

Announcement of the Offer	25 June 2020
Record Date and time for determining Rights	5.00pm, 29 June 2020
Offer Document and Acceptance Forms sent to Eligible Shareholders	1 July 2020
Offer Opening Date	30 June 2020
Closing Date (last day for online applications, or for receipt of the Entitlement and Acceptance Form, with payment)	5.00pm, 16 July 2020
Allotment Date (issue date)	By 22 July 2020
Expected date for quotation of New Shares issued under the Offer	By 22 July 2020
Mailing of holding statements	By 27 July 2020

Wellington reserves the right to amend this timetable (including by extending the Closing Date of the Offer) subject to applicable laws and the Listing Rules. Wellington reserves the right to withdraw the Offer and the issue of New Shares at any time before the Allotment Date at its absolute discretion.

Applicants are encouraged to apply for New Shares either by using the Offer website www.shareoffer.co.nz/wdt or by submitting their personalised Entitlement and Acceptance Form as soon as possible. No cooling-off rights apply to applications submitted under the Offer.

Important Information

General Information

This Offer Document has been prepared by Wellington Drive Technologies Limited (**Wellington**) in connection with a pro rata, renounceable rights offer (the **Offer**) by Wellington to Eligible Shareholders of one ordinary share (**Ordinary Share**) for every three Ordinary Shares held at an Issue Price of 5 cents per Ordinary Share.

This Offer is made to Eligible Shareholders in New Zealand under the exclusion in clause 19 of Schedule 1 of the Financial Markets Conduct Act 2013 (**FMCA**). This Offer Document is not a product disclosure statement for the purposes of the FMCA or any other law and does not contain all the information that an investor would find in such a document or which may be required in order to make an informed investment decision or about the Offer or Wellington.

Additional information available under Continuous Disclosure Obligations

Wellington is subject to continuous disclosure obligations under the Listing Rules. Copies of our most recent market releases, including the most recent financial statements, are available on our page on NZX's website www.nzx.com/companies/WDT. **You are strongly cautioned not to place undue reliance on any forward-looking statements such as indications of, and guidance on, future earnings and financial position and performance in any market releases made by Wellington, particularly in light of the current economic climate and the significant volatility, uncertainty and disruption caused by the outbreak of COVID-19.**

Wellington may, during the period of the Offer, release additional market announcements to NZX. Shareholders should monitor Wellington's market announcements during the Offer period. To the maximum extent permitted by law, no release by Wellington to NZX will

permit an Applicant to withdraw any previously submitted application without Wellington's prior written consent.

The market price of Ordinary Shares may increase or decrease between the date of this Offer Document and the date of allotment of New Shares. Any changes in the market price of Ordinary Shares will not affect the Issue Price and the market price of New Shares following allotment may be higher or lower than the Issue Price.

Offering restrictions / Overseas Shareholders

This Offer Document does not constitute an offer, advertisement or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer, advertisement or invitation. This Offer Document may not be sent or given to any person who is not an Eligible Shareholder in circumstances in which the Offer or distribution of this Offer Document would be unlawful. The distribution of this Offer Document (including an electronic copy) outside New Zealand may be restricted by law. Wellington disclaims all liability to such persons.

The Offer is only open to Shareholders with registered addresses in New Zealand or who are otherwise a person to whom Wellington considers it is not unduly onerous for the Offer to be made as a result of the legal requirements of their jurisdiction. In this respect, the Offer is open to overseas employees of Wellington and its overseas strategic shareholder, East West Manufacturing, subject to the legal requirements of their jurisdictions.

The New Shares have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the **U.S. Securities Act**), or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares may not be offered or sold, directly or indirectly, in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration

requirements of the U.S. Securities Act and applicable securities laws of any state or other jurisdiction of the United States. The New Shares may not be offered or sold, directly or indirectly, in the United States or to any person that is acting for the account or benefit of a person in the United States.

These materials do not constitute an offer of securities for sale in the United States or to U.S. persons (as defined in Regulation S under the U.S. Securities Act) and may not be sent or disseminated, directly or indirectly, in the United States or to any such U.S. person in any place. Wellington's Ordinary Shares have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States.

Changes to Offer

Subject to the Listing Rules, Wellington reserves the right to alter the dates set out in this Offer Document. Wellington reserves the right to withdraw the Offer and the issue of New Shares at any time before the Allotment Date at its absolute discretion.

No Guarantee

Neither Wellington, nor its Directors, nor any of its officers, employees, agents or advisers or any other person (including any Shareholder named in this Offer Document), guarantees:

- (a) the New Shares to be issued; or
- (b) that the Issue Price per New Share will be recovered by investors; or
- (c) the payment of any monies in respect of the New Shares, or any return on the New Shares.

Decision to Participate in the Offer

The information in this Offer Document does not constitute a recommendation to acquire New Shares nor does it amount to financial product advice. This Offer Document has been prepared without taking into account the particular needs or circumstances of any investor, including their investment objectives, financial and/or tax position. You should read this Offer Document in its entirety and, if you are in any doubt as to the action to take, consult an NZX Primary Market Participant or your lawyer, accountant and/or other professional

adviser before deciding whether to take up your Rights to New Shares.

Privacy

Any personal information provided by Shareholders online or on the Entitlement and Acceptance Form will be held by us or the Registrar at the addresses shown in the Directory or such other place as is notified upon request. This information will be used for the purposes of managing your investment in Wellington. This information will only be disclosed to third parties with your consent or if otherwise required by law. Under the Privacy Act 1993, you have the right to access and correct any personal information held about you.

Governing Law

This Offer Document, the Offer and the contracts formed on the acceptance of the Offer are governed by the laws of New Zealand. Each Applicant submits to the exclusive jurisdiction of the courts of New Zealand.

Disclaimer

No person is authorised to give any information or to make any representation in connection with the Offer which is not contained in this Offer Document. Any information or representation in connection with the Offer not contained in this Offer Document may not be relied upon as having been authorised by Wellington or any of its Directors, officers, employees, agents or advisers.

Future performance and forward-looking statements

This Offer Document contains both historical and forward-looking statements in connection with Wellington. The forward-looking statements in this Offer Document are not based on historical facts, but rather reflect our current expectations concerning future results and events and generally may be identified by the use of forward-looking words or phrases such as 'believe', 'aim', 'expect', 'anticipated', 'intending', 'likely', 'should', 'planned', 'may', 'estimated', 'potential', or other similar words and phrases. Similarly, statements that describe our objectives, plans, goals or

expectations are or may be forward-looking statements.

These forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors that may cause our actual results, performance or achievements to differ materially from those expressed, projected or implied by these forward-looking statements. Differences in our future results, performance and achievements are normal and to be expected. You should review carefully all the information included or referred to in this Offer Document. The forward-looking statements included in this Offer Document are made only as of the date of this Offer Document. Neither Wellington, nor any of our Directors, officers, employees, agents or advisers, makes or gives any representation, assurance or guarantee that any forward-looking statements will occur or be achieved, and Applicants are cautioned not to place undue reliance on these forward-looking statements. Neither Wellington nor any other person warrants our future performance or any return on any investment made under this Offer Document, except as required by law and then only to the extent so required.

Subject to any continuing obligations under law or the Listing Rules, we disclaim any obligation or undertaking to distribute or publish, after the date of this Offer Document, any updates or revisions to any forward-looking statements to reflect any change in expectations in relation to those statements or any change in events, conditions or circumstances on which any such statement is based, other than to comply with our obligations under the FMCA, the Financial Reporting Act 2013 and the Listing Rules.

Non-GAAP financial information

Wellington has used non-GAAP financial information when discussing financial performance in this Offer Document. That non-GAAP financial information has not been audited or independently reviewed. Non-GAAP financial information is not prepared in accordance with NZ IFRS (New Zealand equivalents to International Financial Reporting Standards) and are not uniformly defined. Therefore, the non-GAAP financial information

reported in this Offer Document may not be comparable with information that other companies report and should not be viewed in isolation or considered as a substitute for measures reported by Wellington in accordance with NZ IFRS.

Dividend Policy

For the purposes of Listing Rule 7.4.4, the Directors' intentions and expectations as to Wellington's future dividend policy is that payment of future dividends will depend on Wellington's results of operations, available imputation credits, financial condition and cash requirements and other factors considered relevant by Wellington's board. Wellington will not pay any dividend on its ordinary shares in respect of the year ending 31 December 2020.

Definitions

Capitalised terms used in this Offer Document have defined meanings, which appear in the Glossary section or within the relevant section of this Offer Document in which the term is used.

All references to "\$", "NZD" or "dollars" in this Offer Document are to New Zealand dollars and all references to dates and times are to New Zealand dates and times.

Enquiries

Enquiries about the Offer should be directed to an NZX Primary Market Participant and/or your lawyer, accountant or other professional adviser.

If you have any queries about the number of New Shares you are entitled to apply for, or how to apply for New Shares, please contact the Registrar:

Computershare Investor Services Limited
Level 2, 159 Hurstmere Road, Takapuna,
Auckland, New Zealand
Private Bag 92119
Auckland 1142, New Zealand
Investor Enquiries: 0800 650 034
(freephone within New Zealand) or
+64-9- 488 8777
Email: wdt@computershare.co.nz

Details of the Offer

The Offer

The Offer is a pro rata renounceable rights offer of New Shares by Wellington Drive Technologies Limited.

Eligible Shareholders are entitled to subscribe for one New Share for every three Ordinary Shares held at 5.00 pm on the Record Date. The maximum number of New Shares being offered is 107,962,197 (subject to rounding)².

The Offer opens on 30 June 2020 and closes at 5.00 pm on 16 July 2020. The timetable for the Offer is set out in the section of this Offer Document entitled "Important Dates".

Application Price

The issue price is \$0.05 per New Share (the **Issue Price**).

The Issue Price is payable in cash and in full on application in accordance with the instructions on the Offer website

(www.shareoffer.co.nz/wdt) or the Entitlement and Acceptance Form. You are not required to pay for your Rights, only for the New Shares which will be issued to you if you choose to take up all or some of your Rights (and any Additional New Shares under the Oversubscription Facility).

New Shares

The New Shares will be fully paid, and of the same class as, and will rank equally with, the existing Ordinary Shares that are quoted on the NZX Main Board under the code "WDT". It is a term of the Offer that Wellington will take any necessary steps to ensure that the New Shares are, immediately after their issue, quoted on the NZX Main Board.

Your Rights

If you are an Eligible Shareholder, your entitlement to Rights under the Offer can be found on the Offer website and is also shown

on the personalised Entitlement and Acceptance Form which accompanies this Offer Document. Fractional Rights, if any, have been rounded down.

If you are an Eligible Shareholder, you can choose to accept your Rights in whole or in part. If you accept your Rights in full, you may also apply for Additional New Shares under the Oversubscription Facility. Applications once made cannot be withdrawn.

Your Rights may have value. If you do nothing, your Rights will lapse, and you will not be able to subscribe for any New Shares and may not realise any value for your Rights.

The Rights will be not be quoted on the NZX Main Board and there will be no licensed market on which you may sell your Rights. Accordingly, there may be no market for the Rights and it may be difficult to find a purchaser for any Rights.

However, you may sell some or all of your Rights by completing a Security Renunciation / Security Transfer form and ensuring the purchaser returns it to the Share Registrar together with payment for those Rights that are taken up by the purchaser by 5.00 pm on the Closing Date. Should you wish to sell your Rights in this manner, you are responsible for identifying a purchaser. Please contact Computershare to request a Security Renunciation /Security Transfer form. Their contact details are on page 8.

Oversubscription Facility

If you are an Eligible Shareholder and take up all your Rights, you may apply for an additional number of New Shares in excess of your Rights (**Additional New Shares**) through the Oversubscription Facility at the same Issue Price of \$0.05 each. You may apply for any number of Additional New Shares, but there is no guarantee that you will be allocated any or

² Certain employees are existing holders of rights to acquire shares under the Wellington Partly Paid Share Scheme that expire on 1 July 2020. If all the relevant rights were exercised, resulting in new shares being issued to those persons on or before the Record Date, it would increase the number of New Shares available for subscription under the

Offer by 16,667. Further details on the Wellington Partly Paid Share Scheme are included in Wellington's most recent Annual Report.

all the Additional New Shares for which you have applied and submitted payment for.

The acquisition of renounced Rights does not entitle the holder to apply for Additional New Shares under the Oversubscription Facility.

The number of New Shares available under the Oversubscription Facility will be equal to the number of New Shares attributable to Rights that are not taken up by Eligible Shareholders by the Closing Date, together with those attributable to the Rights of Ineligible Shareholders which have not been sold by the nominee (ignoring any applications for Additional New Shares) (known as the **Shortfall**).

If the applications for Additional New Shares exceeds the Shortfall, each application for Additional New Shares will be allocated by Wellington in accordance with the following policy:

- (a) first, Additional New Shares will be allocated to any applicants to the extent necessary to bring such applicants up to a holding of at least 20,000 Ordinary Shares;
- (b) if there is any remaining Shortfall, applicants will be allocated the lesser of:
 - (i) the number of Additional New Shares they applied for; and
 - (ii) the Shortfall, multiplied by the proportion that the number of Ordinary Shares they hold as at the Record Date bears to the number of Ordinary Shares held as at the Record Date by all applicants for Additional New Shares; and
- (c) any remaining Shortfall following the allocations set out in paragraph (b) above will be allocated among the remaining unsatisfied applicants on the same basis, until the entire Shortfall has been allocated.

If you are a beneficial owner of Ordinary Shares, a custodian holds Ordinary Shares on your behalf, and you have instructed the custodian to apply for Additional New Shares on your behalf, you will be allocated a number of Additional New Shares calculated in

accordance with the above, on the basis that you and each other beneficial owner who applies for Additional New Shares is treated as a separate Shareholder.

If you hold Ordinary Shares as a custodian, please provide, in addition to and with your online application or on the Entitlement and Acceptance Form, details of the underlying beneficial shareholders for which you are subscribing for New Shares and the number of New Shares and, if applicable, any Additional New Shares for which each such holder is subscribing.

These allocations are subject, in each case, to our right to limit the allotment of Additional New Shares to any person when that allotment may result, or be likely to result, in that person breaching the Takeovers Code or when Listing Rule 5.2.1 would be triggered by such allotment.

Renounceable Offer

The Offer is renounceable, which means that if you do not wish to subscribe for some or all your Rights, you may sell or otherwise transfer your entitlement to all or any part of your Rights. To do so, you should complete the steps set out on the Offer website or on the reverse of the Entitlement and Acceptance Form distributed with this Offer Document.

As described further under the heading “Your Rights”, the Rights will not be quoted on the NZX Main Board.

As required by the Listing Rules, if both a renunciation and an acceptance are received in relation to the same Rights, the renunciation will take priority over the acceptance.

The purchaser of your renounced Rights is not thereby entitled to apply for Additional New Shares under the Oversubscription Facility.

Minimum Amount to be raised

There is no minimum amount that must be raised for the Offer to proceed.

Effect of the Offer

The Offer is not expected to have a material impact on the control of Wellington.

Opening and closing Dates

The Offer will open for acceptances from 9.00 a.m. on 30 June 2020 and close at 5.00 p.m. on 16 July 2020, subject to Wellington not varying the timetable in accordance with the Listing Rules.

Application

Instructions on how to apply for New Shares under the Offer are set out on pages 13 and 14 of this Offer Document entitled 'Actions to be taken by you'.

A properly completed application, either online at www.shareoffer.co.nz/wdt or by using the enclosed Entitlement and Acceptance Form, together with payment of the Issue Price of \$0.05 per New Share you are taking up, must be received by Computershare Investor Services Limited no later than 5:00 pm on the Closing Date. **Online Applications at www.shareoffer.co.nz/wdt are strongly encouraged given the likelihood of delays with the postal system at this time.**

We reserve the right to accept late applications but are not obliged to do so. We further reserve the right to accept or reject (at our discretion) any online application or Entitlement and Acceptance Form which is not completed correctly, and to correct any errors or omissions on any online application or Entitlement and Acceptance Form.

Application Monies and Refunds

Application Monies received will be held in a trust account until the corresponding New Shares are allotted. We will establish the trust account solely for the purpose of depositing Application Monies. Interest earned on the Application Monies will be for our benefit, will remain our property, and will be retained by us whether or not the issue and allotment of New Shares takes place.

We reserve the right to withdraw the Offer and/or the issue of New Shares at any time prior to allotment, in which case all Application Monies will be refunded (without interest) as

soon as practicable and, in any event, within five business days.

If your application is not accepted for any reason, or is accepted in part only (including with respect to the Oversubscription Facility), you will receive a refund of the balancing payment (without interest), by direct credit or cheque as soon as practicable and, in any event, within five business days after the date of allotment of the New Shares.

Allotment

The New Shares will be allotted and Holding Statements will be issued and mailed as soon as practicable after the Offer closes. Allotment will be no later than five business days after the Closing Date.

You should ascertain your allocation under the Offer before attempting to sell your New Shares. You can do so by contacting the Registrar at the address set out in the Directory. **If you sell New Shares prior to receiving a Holding Statement you do so at your own risk.** Wellington, its Directors, officers, employees, agents and advisers do not accept any liability or responsibility should you attempt to sell or otherwise deal with New Shares before you receive the Holding Statement showing the number of New Shares allotted to you.

Eligibility

The Offer for New Shares is only open to Shareholders with a registered address in New Zealand at 5:00pm on the Record Date (29 June 2020) and to any other Shareholders to whom we consider it is not unduly onerous to make the Offer under the legal requirements of their jurisdiction. In accordance with Listing Rule 4.4.1(e), Wellington has determined that it would be unduly onerous to satisfy itself that the Offer complied with the legal requirements of jurisdictions outside New Zealand. This decision was made having regard to the small number of shareholders in such overseas jurisdictions and the costs of complying with overseas legal requirements.

No person resident outside New Zealand who receives a copy of this Offer Document or an Entitlement and Acceptance Form may treat either of them as an offer or invitation to

subscribe for New Shares (except where advised otherwise by us). Those Shareholders outside New Zealand who wish to take up New Shares should contact us.

We reserve the right to determine whether you or any other Shareholder are eligible to participate in the Offer, and to reject any application that we consider has been made by a person who is not an Eligible Shareholder. We and our Directors, officers, employees, agents and advisers accept no liability whatsoever for determining whether a person is an Eligible Shareholder.

In accordance with the proviso to Listing Rule 4.4.1(e), if you are not an Eligible Shareholder, the Rights that you would otherwise receive will be issued to a nominee who will endeavour to sell those Rights on your behalf and account to you for the proceeds of sale (if any and less any transaction costs) on a pro rata basis. There may be no market for the Rights and it may be difficult for that nominee to find a purchaser for any Rights.

Persons who are not resident in New Zealand and who hold interests in New Shares through a New Zealand resident nominee should not allow their nominee to accept the Offer if to do so would cause the Offer to be contrary to the laws of their country of residence. Such persons can request Wellington to sell their Rights by contacting us via the Company Secretary:

Mr Howard Milliner
Wellington Drive Technologies Limited
21 Arrenway Drive, Rosedale, Auckland
0632

PO Box 302-533, North Harbour, Auckland
0751
Phone 09 477 4500
Fax 09 479 5540
Email: howard.milliner@wdtl.com

Any person outside New Zealand who applies for New Shares through a New Zealand resident nominee will be deemed to represent and warrant to us that the Offer can be lawfully made to them and their nominee under all

relevant laws pursuant to this Offer Document. We accept no responsibility for determining whether a Shareholder can participate in the Offer under laws applicable outside New Zealand.

This Offer Document is intended for use only in connection with the Offer to Eligible Shareholders and does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation.

Use of Proceeds

If the Offer is subscribed for in full, the total gross proceeds of the Offer received by Wellington will be approximately \$5.4 million, and approximately \$5.2 million net of fees and costs.

The purpose of the Offer is to raise new capital, which will be used by Wellington to assist in maintaining organisational capability for the purpose of being able to respond as the markets in which it operates progressively re-open and being to return towards normal levels of activity.

Brokerage

You will not pay brokerage upon taking up your Rights or as a subscriber for New Shares under the Offer.

If you sell your New Shares (following the Offer) on the NZX Main Board, you may be liable for normal brokerage.

NZX Main Board Quotation

The Rights will not be quoted on the NZX Main Board.

The New Shares will be quoted on the NZX Main Board upon completion of allotment procedures. The NZX Main Board is a licensed market operated by NZX, which is a licensed market operator regulated under the FMCA. However, NZX accepts no responsibility for any statement in this Offer Document.

Actions to be taken by you

You may take the following action in respect of your Rights and entitlement to New Shares under the Offer:

- take up all your Rights; or
- take up all your Rights and apply for Additional New Shares through the Oversubscription Facility; or
- take up some of your Rights and endeavour to sell the balance of your Rights off-market; or
- endeavour to sell all your Rights off-market; or
- do nothing with all or some of your Rights, in which event such Rights for which no action has been taken will lapse.

If the Offer closes, and you do nothing, you will be deemed to have elected not to take up your Rights and your shareholding will be diluted accordingly. If you apply to take up some but not all your Rights, you will be deemed to have not taken up your Rights to the balance of the New Shares and your shareholding will be diluted accordingly.

To apply for New Shares

If you wish to participate in the Offer, you may apply online at www.shareoffer.co.nz/wdt or by following the step by step instructions on the enclosed Entitlement and Acceptance Form. If you are a Custodian, you must also complete a Custodian Certificate which may be obtained from the Registrar.

If you apply using the Entitlement and Acceptance Form, scan and email your completed Entitlement and Acceptance Form to the Registrar at wdt@computershare.co.nz (please put "Wellington Drive Technologies Acceptance Form" in the subject line for easy identification) or send your completed Application Form (and, if applicable, your Custodian Certificate) to the Registrar at the relevant address set out in the Directory, and make payment, as set out in the instructions on the Application Form by 5:00pm on the Closing Date. **Online Applications at www.shareoffer.co.nz/wdt are strongly encouraged given the likelihood of delays with the postal system at this time.**

Alternatively, your completed Entitlement and Acceptance Form and, if applicable, your (New Zealand dollar) cheque or bank draft may be lodged with any NZX Primary Market Participant or any other channel approved by NZX provided that you must deliver your completed Entitlement and Acceptance Form in time to enable it to be forwarded to the Registrar before the Closing Date 5:00 pm on 16 July 2020.

Payment of Application Monies

Payments in New Zealand dollars will only be accepted as follows:

- bank cheque or bank draft issued by and payable at any New Zealand bank; or
- direct credit or international payment (telegraphic transfer) to the New Zealand dollar trust account established by Wellington (details of which are set out on the Offer website and on the Entitlement and Acceptance Form); or
- personal cheque drawn on and payable at any New Zealand bank.

All applications using the Offer website must be made by direct credit. Applicants paying by direct credit or international payment must submit their payment instruction to their bank to make payment by no later than 5:00 pm on the Closing Date.

Processing of applications and the banking of cheques will take place on the day of receipt by the Registrar (or the first business day after that day if it is not a business day), with subscriptions received held in trust until the New Shares are allotted. Receipts for payment will not be issued. The banking of Application Monies will not constitute allotment of any New Shares. The New Shares are expected to be allotted by 22 July 2020 and Holding Statements issued within five business days after that.

General

For applications to be valid they must be properly completed, together with the associated Application Monies, and be received by the Registrar no later than 5:00 pm New Zealand time on 16 July 2020.

We reserve the right to accept late applications but are not obliged to do so.

Applications for the issue of New Shares (including, if relevant, Additional New Shares under the Oversubscription Facility) cannot be revoked or withdrawn.

Notwithstanding anything to the contrary in this Offer Document, an application submitted by you either by using the Offer website or an Entitlement and Acceptance Form will constitute an irrevocable offer by you to subscribe for and acquire the number of New Shares (including, if relevant, Additional New Shares under the Oversubscription Facility) which you have specified in your application (or such lesser number as we may determine) on the terms and conditions set out in this Offer Document. By submitting an application for New Shares, you agree to be bound by these terms and conditions and our constitution.

Applications for New Shares must be completed in full and may be rejected if any details are not entered. If the Application Monies accompanying your application for New Shares are incorrect, your application for New Shares may still be treated as valid. You will not under any circumstances be treated as having offered to purchase a greater number of New Shares than the number for which payment is made.

If we receive, on or before 5:00 pm on the Closing Date, both an acceptance and a renunciation (sale or transfer) by you in respect of the same Rights, the renunciation (sale or transfer) will take priority to the acceptance.

If Application Monies are paid by a cheque which does not clear by, or a direct credit or international payment that is not processed by, the Closing Date, that application may be rejected, or an allotment made to you may be cancelled. Any Rights in respect of a rejected application or cancelled amount will be made available to Eligible Shareholders participating in the Oversubscription Facility.

Our decision on the number of New Shares (including, if relevant, Additional New Shares) to be allotted to you and as to whether to reject an online application or Entitlement and Acceptance Form, or to treat it as valid (and then how to construe, amend or complete the online application or Entitlement and Acceptance Form), will be final. We reserve the right to reject any application we believe comes from a person who does not meet the eligibility criteria for the Offer.

If you need any assistance you should contact an NZX Primary Market Participant, lawyer, accountant or other professional adviser.

Glossary

A reference in this Offer Document to “we”, “us” “the Company” or “our” is a reference to Wellington Drive Technologies Limited, or to the Wellington Group, as the context requires.

The following definitions apply throughout this Offer Document unless the context requires otherwise:

Application Monies means money received by us from investors who have applied for New Shares under the Offer.

Applicant means an investor whose application for New Shares has been received by the Registrar prior to 5.00 pm on the Closing Date.

Board or **Directors** means the board of directors of Wellington.

Closing Date means 16 July 2020.

EBITDA (i.e. Earnings before Interest, Taxation, Depreciation, Amortisation and Impairment (with each of those items determined in accordance with GAAP), is a non-GAAP earnings figure that equity analysts tend to focus on for comparable company performance analysis. The Company considers that it is a useful comparative financial indicator because it avoids the distortions caused by the differences in amortisation and impairment policies between entities.

FMCA means the Financial Markets Conduct Act 2013.

Eligible Shareholders means a Shareholder who, as at 5.00 pm on the Record Date:

- has a registered address in New Zealand; or
- is otherwise a person to whom Wellington considers it is not unduly onerous for an offer of the New Shares to be made as a result of the legal requirements of their jurisdiction.

Entitlement and Acceptance Form means the entitlement and acceptance form which may be completed by Eligible Shareholders when applying for New Shares, which accompanies this Offer Document.

Issue Price means 5 cents per New Share.

Listing Rules means the NZX Listing Rules.

New Shares means the fully paid ordinary shares in Wellington offered under this Offer of the same class as (and ranking equally in all respects with) the Ordinary Shares.

NZX means NZX Limited.

NZX Main Board means the main board equity security market operated by NZX.

NZX Primary Market Participant means any company, firm, organisation, or corporation designated or approved as a primary market participant from time to time by NZX.

Offer means the rights offering (including the Oversubscription Facility) set out in this Offer Document.

Offer Document means this document.

Ordinary Shares means the fully paid ordinary shares in Wellington of the class quoted on the NZX Main Board on issue immediately prior to the Offer.

Oversubscription Facility means the facility that enables an Eligible Shareholder who accepts their Rights in full to apply for Additional New Shares at the Issue Price (details of which are set out on pages 9 and 10 of this Offer Document).

Record Date means 29 June 2020.

Registrar means Computershare Investor Services Limited.

Right means the renounceable right to subscribe for one New Share for every three Ordinary Shares held as at 5.00 pm on the Record Date, issued pursuant to the Offer.

Shareholder means a holder of Ordinary Shares in Wellington.

Trading Days means any day on which the NZX Main Board is open for trading.

Wellington means Wellington Drive Technologies Limited.

Wellington Group means Wellington and its subsidiaries.

Directory

Directors

John McMahon, Chairman
Gottfried Pausch
John Scott
Keith Oliver

Phone / Fax

Ph: +64-9-477 4500
Fax: +64 9 479 5540

Internet

Website: www.wdtl.com
Email: info@wdtl.com

Address

21 Arrenway Drive
Rosedale, Auckland 0632, New Zealand
PO Box 302-533, North Harbour,
Auckland 0751, New Zealand

Registered Office

21 Arrenway Drive
Rosedale, Auckland 0632, New Zealand

Share Registry

Computershare Investor Services Limited
Level 2, 159 Hurstmere Road,
Takapuna, Auckland 0622, New Zealand
Or
Private Bag 92119
Auckland 1142, New Zealand

Investor Enquires: 0800-650 034 (freephone within New Zealand)
or +64-9-488 8777
Website: www.investorcentre.com/nz
Email: wdt@computershare.co.nz



Share Offer

25 June 2020

WT9397