

NTAW

HOLDINGS LIMITED

Investor Presentation

18 September 2024



Contents

Item	Page
Summary	5
Capital Raising	6
NTAW Group	9
FY24 Review of Operations	16
FY24 Financial Results	20
Outlook	24
Key Risks	26
Appendix A – Summary of Underwriting Agreement	31

Important Notice

Overview

This investor presentation (“**Presentation**”) has been prepared by NTAW Holdings Limited ACN 095 843 020 (“**NTAW**” or “**Company**”) and is dated 18 September 2024. This Presentation has been prepared in relation to an underwritten, non-renounceable entitlement offer of new NTAW ordinary shares (“**New Shares**”) to be made to eligible shareholders of NTAW (“**Entitlement Offer**”) under section 708AA of the Corporations Act, 2001 (Cth) as modified by ASIC Corporations (Non-Traditional Rights Issue) Instrument 2016/84.

Summary Information

This Presentation contains summary information about the current activities of NTAW and its subsidiaries and recent acquisitions 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. Neither NTAW nor its directors, employees or advisers give any warranties in relation to the statements and information in this Presentation.

Not an offer

This Presentation is for information purposes only and is not a prospectus, disclosure document, product disclosure statement or other offering document under Australian law or any other law (and will not be lodged with ASIC or any other regulator and is not approved by or registered with any regulator). The Presentation is not and should not be considered an offer or an invitation to acquire New Shares or any other financial products. This Presentation may not be released or distributed in the United States. This Presentation does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or in any other jurisdiction in which such an offer would be illegal. The New Shares have not been, and will not be, registered under 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 in the United States except in a transaction exempt from, or not subject to, the registration requirements of the Securities Act and other applicable U.S. state securities laws. The distribution of this Presentation in other jurisdictions outside Australia may also be restricted by law and any such restrictions should be observed. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

Not financial product advice

This Presentation does not constitute financial product or investment advice (nor tax, accounting or legal advice) nor is it a recommendation to acquire New Shares and does not and will not form any part of any contract for the acquisition of New Shares. This Presentation has been prepared without taking into account the objectives, financial situation or needs of any particular investor. Before making an investment decision, prospective investors should consider the appropriateness of the information having regard to their own objectives, financial situation and needs and seek appropriate advice, including financial, legal and taxation advice appropriate to their jurisdiction. NTAW is not licensed to provide financial product advice in respect of NTAW shares or any other investment. Cooling off rights do not apply to the acquisition of New Shares.

Financial data

Except where otherwise mentioned, all dollar values are in Australian dollars (“\$”). 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 financial information also includes non-IFRS measures, which have been included because the Company believes it provides users with additional relevant information. The non-IFRS 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 financial information and ratios included in this document.

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.

Important Notice

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 Entitlement Offer 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. 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. 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.







Disclaimer

To the maximum extent permitted by law, no representation or warranty, express or implied, is made as to the currency, accuracy, reliability or completeness of information in this Presentation and NTAW and its advisers, affiliates, related bodies corporate, directors, officers, partners, employees and agents excludes and disclaims all liability, including without limitation for negligence or for any expenses, losses, damages or costs incurred by you as a result of your participation in the Entitlement Offer and the information in this Presentation being inaccurate or incomplete in any way for any reason, whether by negligence or otherwise. NTAW and its advisors make no recommendations as to whether investors or their related parties should participate in the Entitlement Offer. Statements made in this Presentation are made only as at the date of this Presentation. The information in this Presentation remains subject to change without notice. NTAW reserves the right to withdraw the Entitlement Offer or vary the timetable for the Entitlement Offer without notice.

Determination of eligibility

Determination of eligibility of investors for the purposes of the Entitlement Offer is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of NTAW. To the maximum extent permitted by law, NTAW and its officers, agents and employees each disclaim any duty or liability (including, without limitation, any liability arising from fault, negligence or negligent misstatement) in respect of the exercise of that discretion or otherwise.

Summary

-  NTAW Holdings Group is a large tyre and wheel importer in Australia and New Zealand.
-  The Group has about 850 employees going further to help more than 3,500 B2B customers win in a changing industry.
-  The Group generated revenue of \$533 million in FY24 by supporting long standing supplier relationships, focusing on building core brands.
-  NTAW Holdings is raising \$12.41 million from an underwritten non-renounceable entitlement offer to existing shareholders on a one (1) for four (4) basis at \$0.37 per share resulting in the issue of 33,534,024 new shares.
-  The funds from the entitlement offer will be used for working capital required to distribute Dunlop tyres and to meet costs associated with the offer.
-  NTAW has also arranged an increase in its trade finance facility from \$73m to \$93m to be drawn as and when required to fund temporary movements in working capital associated with the Dunlop business. This facility expires on 30 September 2027 with the next annual review in October 2025.

Capital Raising

Key details of the entitlement offer

Structure and size	<ul style="list-style-type: none">NTAW Holdings is raising \$12.41 million from an underwritten non-renounceable entitlement offer to existing shareholders.on a one (1) for four (4) basis.resulting in the issue of 33,534,024 new shares.
Offer Price	\$0.37 cents per share.
Record Date	23 September 2024.
Director Participation	Mr Murray Boyte will subscribe for 61,303 shares, Mr Chris Hummer (and his related entity) will subscribe for 245,211 shares and Mr Peter Ludemann (and his related entity) will subscribe for 378,378 shares. Mr Terry Smith (through his related entity) will subscribe for 4,054,054 shares. Mr Tynan Young (through his related entities) will subscribe for 1,856,152 shares.
Ranking	New shares issued under the entitlement offer rank equally with existing shares.
Underwriting	Exldata Pty Ltd ACN 095 080 041, a company associated with Mr Tony Young, has underwritten the entitlement offer (see Appendix A for details).
Use of proceeds	The funds from the entitlement offer will be used for working capital required to distribute Dunlop tyres and to meet costs associated with the offer.
Costs of the issue	Underwriting fees and fees payable to advisors of approximately \$400,000.

The Company has also received credit approved terms* from CBA for an increase in its trade finance facility from \$73 million to \$93 million. The Company will use these facilities as and when required to fund working capital for the Dunlop distribution business. The facility expires on 30 September 2027 with the next annual review due in October 2025.

* Subject to documents satisfactory to CBA being agreed and signed.

Timetable

Event	Date
Announcement Date (including issuing ASX Release, Cleansing Notice and Appendix 3B prior to commencement of trading)	18 September 2024
Trading on ex-entitlement basis	20 September 2024
Record Date (7.00pm)	23 September 2024
Opening Date - Offer Booklet despatched and Offer opens	26 September 2024
Closing Date - Offer closes	10 October 2024
Trading on deferred settlement basis commences	11 October 2024
Shortfall Deadline Date	14 October 2024
Announcement of results of Offer	16 October 2024
Settlement Date	16 October 2024
Allotment Date - Allotment of new Shares under the Offer	17 October 2024
Commencement of trading of new Shares under the Offer	18 October 2024



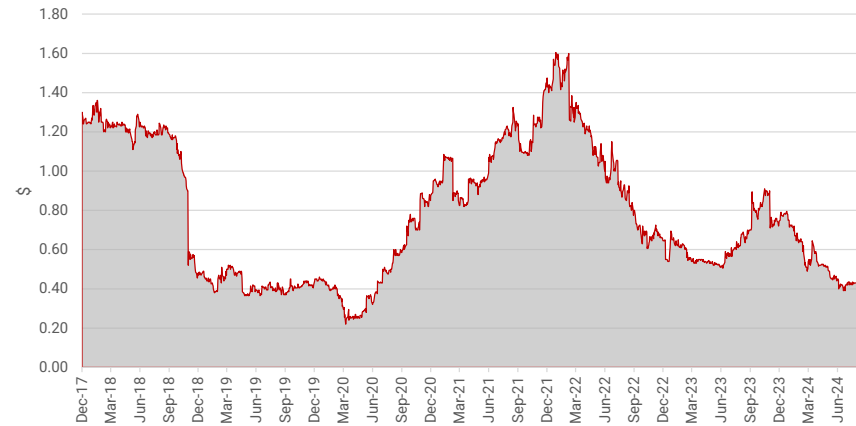
NTAW Group

Company Summary

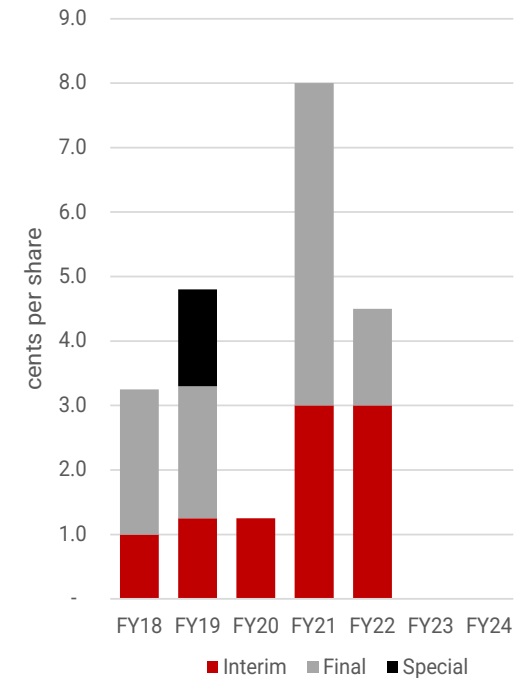
ASX : NTD

Share price (VWAP) 15 days to 17 September 2024	\$0.3855
Closing Price on 17 September 2024	\$0.3750
Shares on issue	134,136,094
Market Capitalisation on 17 September 2024	\$50.30 million
Net Debt (30 June 2024)	\$52.18 million
Substantial Shareholders	ST Corso P/L (Smith Family) 20.36% Tony Young (& Associates) 9.36% EM Australia 7.98% Collins St Venture Fund 7.69% BNP Paribas Nominees 4.52%

Share price since IPO (Dec-17)



Dividend History



Key People

Murray Boyte Chairman

Mr Boyte has over 35 years' experience in merchant banking and finance, M&A in Australia, New Zealand, North America and Hong Kong. In addition, he has held executive positions and Directorships in the transport, horticultural, financial services, investment, health services and property industries.

Peter Ludemann Managing Director CEO

Mr Ludemann joined the Group as a director in 2012 and became full time CEO of NTAW Holdings in July 2013. He has worked as a commercial lawyer and as a Private Equity Investment Manager at AMP Capital. He has been the driving force behind the evolution of NTAW Holdings, managing the acquisition and integration of operating subsidiaries.

Chris Hummer Executive Director

Mr. Hummer headed a roadside breakdown service contracted to RACV. He has held directorships in building / construction, Automotive and Industry Associations. He founded DWC and grew it into a national wheel wholesaler Mr Hummer was elected President (chair) of the Victorian Automotive Chamber of Commerce in 2022 and is also President of The Australian Tyre Dealers and Retread Association.

Jason Lamb CFO

Mr Lamb is the Chief Financial Officer and joint Company Secretary. Mr Lamb has over 20 years' accountancy experience. Mr Lamb was responsible for setting up the financial accounting systems for NTAW Holdings and all financial due diligence work relating to business acquisitions and the establishment of financial reporting systems for those operating entities.

Warwick Hay COO

(Commencing in September 2024) Mr Hay is an experienced senior executive, having served as Managing Director of IVE Group (ASX:IVE) from 2014 to 2020 and CEO of Webstar Australia and New Zealand. Reporting to the CEO, Mr Hay will assume responsibility for the Group's Australian wholesale businesses, ETD (NZ) and People & Culture.

Australian Wholesale Businesses



Tyres4U, Exclusive Tyre Distributors and Dunlop distribution combined to form NTAW in April 2024



Import and wholesale distribution of consumer and commercial tyre brands delivering good, better and best value solutions

	CONSUMER CAR/LT	CONSUMER 4WD	COMMERCIAL	AG OTR
Best				
Better				
Good				



Import and wholesale distribution of wheels. Tyre and wheel solutions for caravan and consumer trailer manufacturers



STATEWIDE TYRES

Import and wholesale distribution of lower cost commercial and consumer tyres in SA & WA.



ANZ Commercial Retail & NZ Wholesale

Commercial Retail – Australia and New Zealand



Commercial tyre solutions for truck and bus fleets in Australia. Operates three retread factories. Operates seven retail service "hubs".



Commercial tyre solutions for truck and bus fleets in New Zealand. Operates two retread factories. Owns 24 retail stores and has licensed 11 others.



Consumer and commercial retail stores operating under a license granted by NTAW or owned by the NTAW Holdings Group. Solid Plus supplies Industrial tyre and services.

New Zealand Wholesale



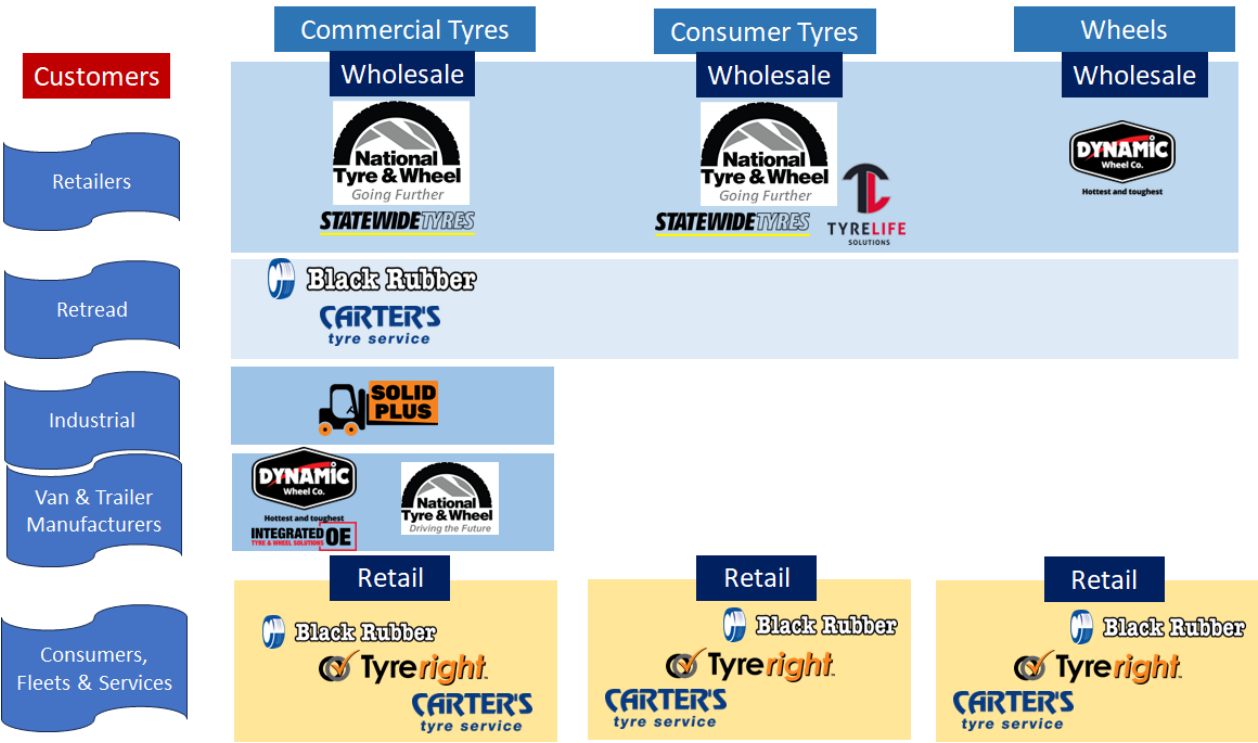
Import and wholesale distribution of consumer and commercial tyres in New Zealand. Operates Solid Plus in NZ



Import and wholesale distribution of consumer tyres in New Zealand (including Dunlop).

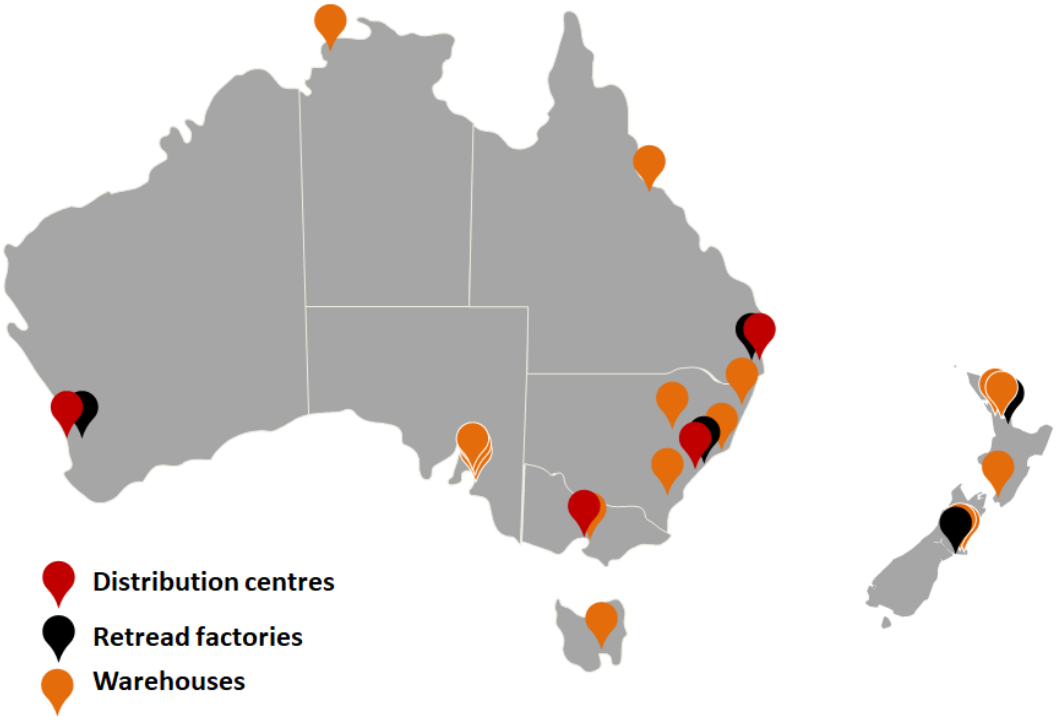
Large scale, diversified by channel

The diagram below illustrates the diverse nature of the NTAW Group businesses – serving different types of customers in tyre segments defined by tyre applications and buying behaviour.



NTAW Group Wholesale Distribution Footprint

Australia & New Zealand

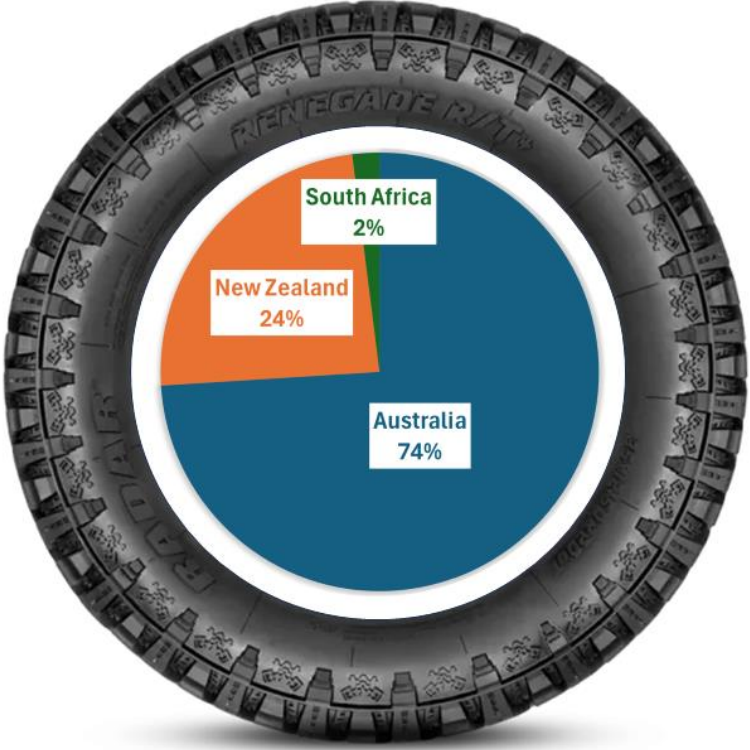


Revenue segmentation – channel & geography

FY24 Channel Revenue Segments



FY24 Geographic Revenue Segments



NTAW Distribution Centre in Brisbane



NTAW Distribution Centre in Melbourne

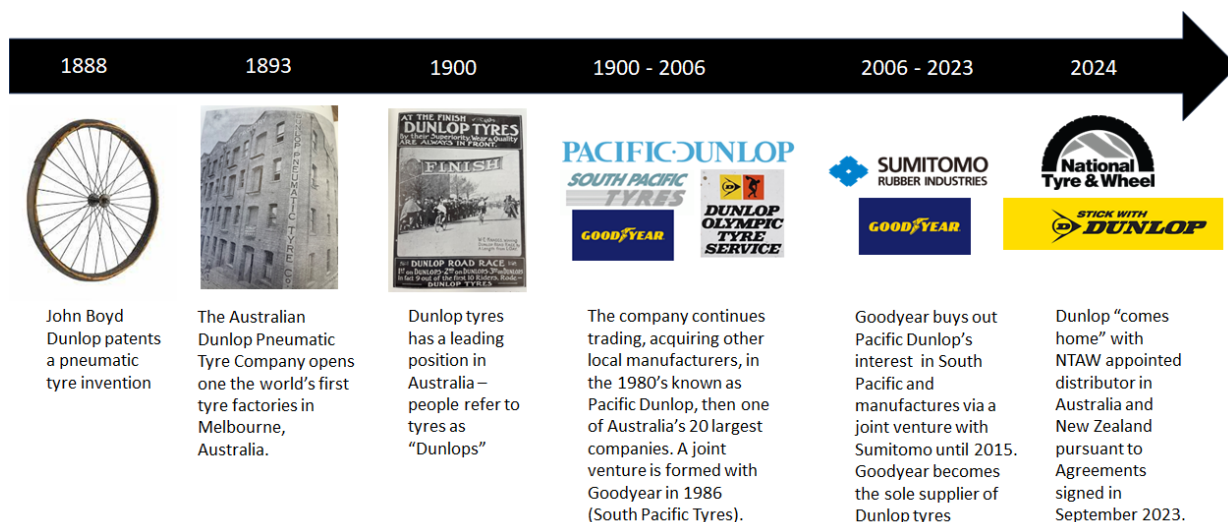
FY24 Review of Operations



Consolidating a leading position in the tyre wholesale sector

- In September 2023, Goodyear announced its intention to cease its wholesale distribution and retail store ownership businesses in Australia. At the same time, the Group announced it had entered into Agreements to distribute the Dunlop brand of tyres, commencing in New Zealand in November 2023 and Australia in April 2024.
- In October 2023, Tyres4U AU reduced its brand portfolio as it stopped selling brands imported by competitors and importing low volume brands.
- In November 2023, the final major metropolitan warehouse consolidation was completed in Perth, WA, following similar combinations in Melbourne, Sydney and Brisbane in prior years.
- In April 2024:
 - a project to bring Group businesses onto the same accounting, finance, logistics and sales management system was completed;
 - ETD AU, Tyres4U AU and the Dunlop wholesale businesses combined as National Tyre & Wheel (NTAW);
 - the ASX listed parent company changed its name to NTAW Holdings;
 - the distribution of Dunlop branded tyres commenced; and
 - more than 3,000 NTAW customers gained access to Tyres4U, ETD and Dunlop brands.
- In June 2024, personnel changes were made to align management with new structures.
- In September 2024, Tyres4U NZ and ETD NZ will open a new distribution centre at Palmerston North, on the north island of New Zealand, to facilitate services to customers between Auckland and Wellington.

NTAW offers an enhanced customer experience



- Dunlop is an iconic Australian brand.
- Distribution introduces NTAW to new customers, including a network of Dunlop Super Dealers and Goodyear Autocare tyre stores with strong attachments to the Dunlop brand.
- Dunlop brand awareness is very high amongst tyre consumers and tyre retailers.
- NTAW is reinforcing Dunlop's reputation as a premium tyre brand.

References to Goodyear are references to subsidiaries or trading names of Goodyear Tire and Rubber Company, a USA Corporation.

NTAW Australian Wholesale Brand Map

	CONSUMER CAR/LT	CONSUMER 4WD	COMMERCIAL	AG OTR
Best		 TYRES WORTH OWNING		
Better	 		 	
Good	 	 	 	

- Dunlop fills the premium consumer tyre gap in the NTAW portfolio.
- The T4U brand rationalisation has removed substitutable products, eliminating internal competition in the portfolio and improving margins.
- Customers have access to NTAW brands at single touchpoints.

Truck and bus tyre sales growth



Black Rubber retail hub in Perth WA



Black Rubber retread factory in Perth

- Black Rubber commenced in WA in 2014 and is in the process of expanding its operations to other parts of Australia.
- Black Rubber operates seven commercial retail tyre stores, focussing on supplying truck and bus radial (TBR) tyres to fleet owners. Black Rubber completed the purchase of a new hub in Wingfield (Adelaide) in early September 2024.
- These stores act as a “hub” with tyre fitters traveling to fleet depots to deliver tyres and services.
- Black Rubber also owns and operates tyre retread factories in Perth, Sydney and Brisbane.
- As a wholesaler and retailer, Goodyear has been a competitor in the TBR segment. In FY24, Goodyear announced that it would cease its wholesale distribution and retail store ownership businesses.
- Black Rubber has a continuing alliance agreement with Michelin to operate Michelin service centres and manufacture Michelin retreads.
- Carter’s Tyre Service operates a business model in New Zealand like that of Black Rubber. The businesses share:
 - tyre performance management systems;
 - tyre performance data;
 - suppliers of some retread raw materials; and
 - market intelligence.
- Carter’s and Black Rubber will launch a new version of the Group’s proprietary tyre performance management system in 2Q25, delivering certainty and predictability to fleet owners, enabling them to more effectively forecast and manage tyre replacement costs.
- Retreading tyres is an effective method of recycling. The Group believes its two factories in New Zealand and three Michelin accredited factories in Australia contribute substantially to meeting the sustainability objectives of the Group and its customers.

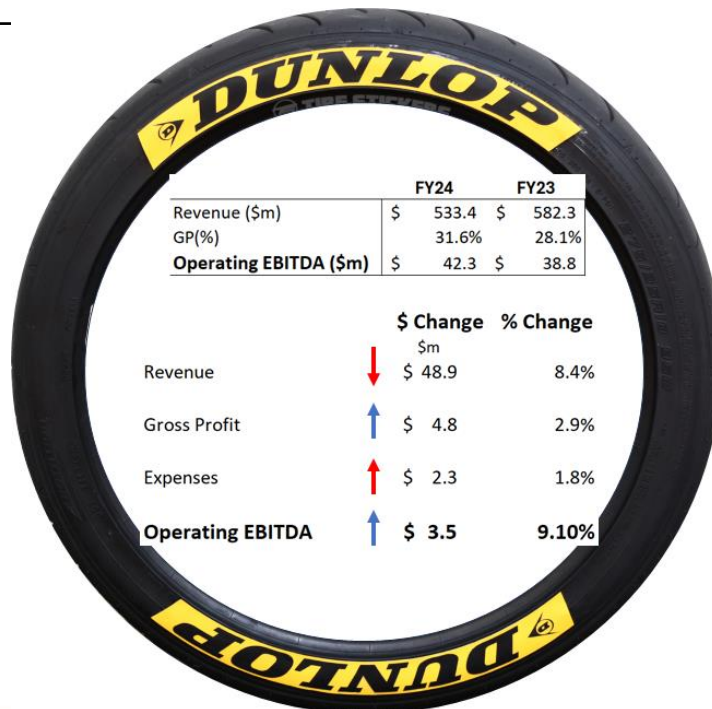


FY24 Financial Results

Gross profit improvement

FY24 Operating EBITDA \$42.3 million (FY23: \$38.8 million)

- FY24 revenue down from FY23 as the Group reduced the number of brands sold.
- However, FY24 gross profit and margin were up on FY23 due to changes to product mix, lower supplier prices and lower inbound freight costs.
- FY24 expenses were up only 1.8% on FY23.



Operating EBITDA

Reconciliation of Reported EBITDA to Operating EBITDA

\$'000	FY24	FY23
Net profit after tax	1,242	2,895
Income tax expense	2,167	960
Net profit before tax	3,409	3,855
Finance costs (net)	10,806	8,378
Reported EBIT	14,215	12,233
Depreciation and amortisation	25,770	24,040
Reported EBITDA	39,985	36,273
IT project implementation costs	1,242	1,203
Acquisition costs	683	-
Impairment charges	270	-
Warehouse consolidation costs	198	457
Store disposals and redundancy costs	-	710
Unrealised FX loss/(gain)	(35)	185
Operating EBITDA	42,343	38,828

FY24 Results Summary

Statement of Profit or Loss		
\$'000	FY24	FY23
Sales revenue	533,431	582,284
Cost of goods sold	(364,992)	(418,463)
Gross profit	168,439	163,821
	31.6%	28.1%
Other income	1,690	326
Employee benefits	(86,237)	(84,407)
Occupancy	(7,425)	(7,763)
Professional fees	(2,166)	(2,137)
Marketing	(5,259)	(5,187)
Other expenses	(29,056)	(28,380)
EBITDA	39,986	36,273
Depreciation & amortisation	(25,770)	(24,040)
EBIT	14,216	12,233
Finance costs (net)	(10,807)	(8,378)
Net profit before tax	3,409	3,855
Income tax expense	(2,167)	(960)
Net profit after tax	1,242	2,895
Addback:		
Non-controlling interest (gain)	321	436
Amortisation ¹	2,167	2,159
NPATA attributable to NTAW	3,730	5,490

¹ Amortisation add-back is net of tax effect.

Note: Other Income does not include interest income of \$292,000.

Key Operating Metrics	FY24	FY23
Gross profit margin	31.6%	28.1%
Operating costs as a % of revenue	24.1%	21.9%
EBITDA margin	7.5%	6.2%
Basic EPS (cents)	1.2	2.5
Dividend per share (cents)	-	-
Operating cash flow (\$ million)	35.2	26.2
Interest cover (times)	3.7x	4.3x

Note: NPATA includes non-recurring and abnormal expenses of \$2.4 million (FY23:\$2.6 million). After adjusting for these expenses, FY24 Operating EBITDA was \$42.3 million, (FY23: \$38.8 million) Operating NPATA was \$6.1 million (FY23: \$8.0m) and Operating NPAT was \$3.6 million (FY23: \$5.5 million).

Comments

- Improved gross margins and a less than 2% growth in operating expenditure.
- FY24 includes the first 3 months of Dunlop distribution.
- Depreciation includes leased right-of-use assets of \$19.0 million.
- Finance costs associated with borrowings (i.e. excluding lease liabilities) was \$6.9 million (FY23: \$6.2 million).
- \$4.3 million increase in AASB 16 adjustments and income tax expense from FY23 to FY24 reduces EPS despite increased Operating EBITDA.

FY24 Balance Sheet

Statement of Financial Position		
\$'000	June-24	June-23
Current assets		
Cash and cash equivalents	38,886	33,040
Receivables	74,440	76,743
Inventory	149,581	129,788
Other current assets	5,172	5,661
	268,079	245,232
Non-current assets		
Property, plant and equipment	16,965	16,791
Right-of-use assets	79,260	61,216
Intangible assets	48,054	51,265
Other non-current assets	739	1,543
	145,018	130,815
Total assets	413,097	376,047
Current liabilities		
Payables	103,630	83,055
Borrowings	5,180	4,961
Lease liabilities	18,510	15,902
Provisions	10,262	11,339
Other liabilities	157	-
Current tax liability/(asset)	180	129
	137,919	115,386
Non-current liabilities		
Borrowings	85,884	88,285
Lease liabilities	67,973	51,000
Provisions	2,233	2,250
Deferred tax liabilities/(assets)	1,792	3,786
	157,882	145,321
Total liabilities	295,801	260,707
Net assets	117,296	115,340

Net Debt at 30 June 2024 of \$52.2 million.
Net Debt to Operating EBITDA of 1.2 times.
Net Debt to Equity + Debt ratio of 25.0%.

Comments

- On 30 June 2024, NTAW reported total assets of \$413.1 million and net assets of \$117.3 million, being \$0.87 per share.
- NTAW's gross debt position was \$91.0 million and it held cash of \$38.9 million at 30 June 2024.
- Net tangible assets per ordinary share of \$0.53 at 30 June 2024.
- 30 June 2024 Inventory (excluding Dunlop) down \$10 million compared to 30 June 2023.

Key Financial Metrics	June-24	Jun-23
Cash at bank (\$ million)	38.9	33.0
Net debt (\$ million)	52.2	60.2
Operating cash flow (\$ million)	35.2	26.2
Net debt:debt+equity	25.0%	28.9%
NTA per share (cents)	53.0	50.9
Interest cover (times)	3.7x	4.3x

Outlook

- The Group is forecasting sales growth having regard to consumer sentiment and low growth economies expected in Australia and New Zealand, and careful management of discretionary costs.
- Revenue growth is expected from:
 - full year of Dunlop sales in FY25 (3 months in FY24);
 - the sale of core NTAW brands (ex-Dunlop) to Dunlop customers;
 - new loyalty programs rewarding customers for buying all brands;
 - executing the Black Rubber expansion plan;
 - New Zealand recovering from recession in 2H25; and
 - the opening of a new distribution centre in Palmerston North (NZ).
- The Group believes the tyre industry is changing in a way that presents opportunities for growth. These changes include manufacturers outsourcing distribution (e.g. Dunlop), tyre performance management for fleet owners, retreading tyres to meet sustainability objectives, better service levels and demand for value adding services.
- NTAW Holdings expects Operating EBITDA in FY25 to be between \$47 million and \$50 million (FY24 \$42.3 million).



A person in an orange tank top and grey pants is climbing a rock face. The image is overlaid with a semi-transparent orange filter. The text 'Key Risks' is centered over the image.

Key Risks

Key Risks

Changes to macro-economic conditions and government policy	<p>Prices of raw materials used in the manufacture of tyres as well as shipping costs can be volatile and are affected by supply and demand, both globally and regionally. Macroeconomic and geopolitical uncertainties can also affect the supply of, and demand for, the Group's products. Government and Reserve Bank fiscal, monetary, trade and regulatory policy can impact interest rate and exchange rate movements, inflation (CPI), wages, employment, the composition of the vehicle fleet, consumer confidence, retail spending, goods movements and overall demand for consumer and commercial tyres and wheels. Geopolitical tensions can also impact consumer confidence, demand for commercial tyres and wheels as well as international trade. The Group seeks to reduce its exposure to these risks by operating diverse businesses, selling products that have an array of price/value propositions, having a low level of concentration amongst customers, maintaining a supply of new products suitable for new vehicle types (e.g. electric and hybrid cars) and sourcing information to obtain insights about actual and potential changes.</p>
Supplier Risk	<p>The Group imports and distributes products manufactured by third parties, primarily located in China, India, USA, Taiwan and Indonesia. Apart from the retreading of some truck and bus tyres, there is no tyre manufacturing in Australia or New Zealand. Most wheel manufacturing also occurs outside of Australia. Some tyre and wheel manufacturers directly distribute their products in Australia and/or New Zealand while others rely on third party distributors like the Group for the distribution of their products. The Group has been distributing brands such as Cooper, Mickey Thompson, Alliance, Double Coin, GT Radial and Advance for more than 20 years. In addition to these long-term supply relationships, the Company imports and distributes Radar, Tracmax, Dunlop, Sailun and Dynamo brands. There are risks that suppliers will cease manufacturing, be persuaded to shift distribution to another firm or decide to import and distribute for themselves. There are also risks that a supplier's products will not respond to changes in vehicle design, that new competing products will emerge or that the market position of a brand will not resonate with consumers or commercial customers. The Group seeks to manage these risks by entering into contracts with suppliers, setting and meeting realistic expectations of sales performance, monitoring levels of supplier concentration and collaborating with suppliers in connection with product development, brand architecture and product development</p>

Key Risks

Foreign Exchange Risk	A significant proportion of the Group's costs and expenses are transacted in foreign currencies. Adverse movements between the Australian Dollar, New Zealand Dollar and South African Rand against the US Dollar increases the price at which the Group acquires its trading stock and result in volatility in profitability to the extent that the Group may or may not be able to pass on price increases to its customers (after allowing for the impact inventory cycles have on the time it takes for exchange rate movements to impact on cost of goods sold and the behaviour of competitors). The Group also seeks to use foreign exchange contracts to mitigate its foreign exchange exposures. The effect of foreign currency translation on operating results from offshore operations remains inherent in the Group's business
Business integration risk	The Group has acquired businesses in recent years with the successful integration and capturing of synergies from the acquisitions and managing growth being critical to the Group's continued performance and earnings. The Group's Board and management is experienced in acquiring and integrating businesses, conducts comprehensive due diligence and ensures an integration plan is followed.
Key people risk	The Group's future success is dependent on the expertise and experience of its key personnel and management. The loss of services of key members of management, and any delay in their replacement, or the failure to attract additional key managers to new roles could have a material adverse effect on NTAW Holding's financial performance and ability to deliver on its growth strategies. The Group manages this risk with the ongoing development of management capabilities, effective delegation, knowledge sharing and succession plans for all key managers
Customer Risks	The Group is dependent on its ability to retain its existing customers and attract new customers. Although customer concentration is low, sales revenue would be adversely affected if all members of a chain or group decided not to purchase products from the Group. Although this risk has been further reduced as a consequence of the recent acquisitions, the Group proactively manages its customer relationships and has established value adding customer loyalty programs

Key Risks

Competition risk	The tyre and wheel wholesale market is highly competitive. Competition is based on factors including price, service, quality, performance standards, range and the ability to provide customers with an appropriate range of quality products in a timely manner. A failure by the Group to effectively compete with its competitors would adversely affect the Group's future financial performance and position
Cyber security risk	A cyber safety risk is any threat to the confidentiality, integrity or availability of data. These threats include attacks on technology infrastructure which generates revenue and threaten to perpetually block access to data unless a ransom is paid (i.e. ransomware) and attacks to gain unauthorised access to data or records that can be used alone or with other information to identify, contact or locate a single person, including a customer or employee. The Group has training programs to alert employees to cyber risks and has implemented business continuity plans and disaster recovery plans to respond to cyber security incidents, and mitigate financial and reputational damage from any such incidents.
Sustainability risk	An actual or perceived failure to address sustainability-related topics, including climate change and the transition to a net carbon zero economy, has the ability to impact the Company's financial performance, reputation and operations, either directly within the business or due to changing stakeholder expectations. To address this risk, NTAW Holdings seeks to execute its integrated approach towards economic, environmental and social sustainability. Ensuring this approach is effective means ensuring a range of practices are initiated, maintained and continually improved, including managing potential issues in our supply chain and the Group's operations, sourcing sustainable products and packaging, where possible, and reducing carbon emissions. NTAW is not subject to any significant environmental regulation under present laws.
Investment risk	Investment risk - factors affecting the price at which NTAW shares are traded on the ASX could include domestic and international economic conditions. General movements in local and international stock markets, exchange rates, prevailing economic conditions, investor sentiment and interest rates could all affect the market price of NTAW's shares. These risks apply generally to any investment on the stock market. In addition, the prices of a listed entity's securities are affected by factors that might be unrelated to its operating performance, such as general market sentiment.

Key Risks

Trading may be illiquid	NTAW makes no guarantee that there will be an active market in NTAW (ASX: NTD) shares listed on the ASX. There may be relatively few potential buyers or sellers of shares on the ASX at any time. This may increase the volatility of the market price of NTAW shares. It may also affect the prevailing market price at which investors are able to sell shares. This may result in investors receiving a market price that is less or more than the price that investors paid.
Changes in Laws and Accounting Standards	NTAW is subject to local laws and regulations in each of the jurisdictions in which it operates (including taxation, copyright and privacy legislation). From time to time, changes of the laws and regulations may require NTAW to obtain additional approvals and/or licences that may significantly increase compliance costs and restrict NTAW's activities. Any changes to taxation laws, regulations or policies in jurisdictions in which NTAW operates may also adversely affect returns. Any changes to accounting standards may affect the future measurement and recognition of key income statement and balance sheet items. Such changes could materially and adversely affect the financial performance and position reported in NTAW's financial statements.

Appendix A

Summary of Underwriting Agreement

Summary of Underwriting Agreement

The Company has entered into an underwriting agreement with Exldata Pty Ltd ACN 095 080 041 (the **Underwriter**) on 17 September 2024 (**Underwriting Agreement**) under which the Underwriter has agreed to underwrite the Entitlement Offer (other than in respect of shares to be issued to the nominee for ineligible foreign shareholders, referred to below).

The Company has appointed Taylor Collison Limited (the **Nominee**) to act as a nominee for ineligible foreign shareholders, for the purposes of section 615 of the Corporations Act. The Company will apply to the Australian Securities and Investments Commission (**ASIC**) to approve the appointment of Taylor Collison as the Nominee. The Company and the Underwriter have agreed that if ASIC does not approve the Nominee, the Underwriter's underwriting commitment will be reduced to the extent that it would need to rely on item 10 of section 611 of the Corporations Act.

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 Entitlement Offer.

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

- the Entitlement Offer 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 Entitlement Offer timetable;
- the S&P/ASX200 Index closes, on any two consecutive days from (and including) the date of the agreement to (and including) the settlement date, or closes on the business day prior to the 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 date of the agreement;
- ASIC commences or threatens to commence certain regulatory action in relation to the Entitlement Offer;
- ASX does not, or states that it will not, grant official quotation of all the new 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 Entitlement Offer) by the settlement date;

- the Company withdraws the Entitlement Offer or is unable to issue the new shares on the allotment date;
- the Company alters its capital structure (other than as contemplated in the agreement) 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;
- 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 Entitlement Offer 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 Entitlement Offer 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 settlement date the Underwriter is entitled to an underwriting fee of 2.5% of the underwritten amount of the Entitlement Offer of \$12.41 million.

The Company also gives certain representations, warranties and undertakings to the Underwriter.