

Consortium Proposal to Buyout MMH

MEDIA RELEASE

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Today it was announced that a consortium, comprising the Northland Regional Council (“NRC”), Port of Tauranga (“POT”) and Tupu Tonu (“TT”), had conditionally agreed to buy out minority shareholders in Marsden Maritime Holdings (“MMH”) in order to simplify the NZX group’s ownership structure through delisting its shares and bringing full control of Northport under a single ownership umbrella. Currently MMH owns 50% of Northport, and POT the other 50%.

The move was initiated by NRC, which currently holds 53.6% of the shares in MMH, following a review of its investment in MMH (as part of a wider investment portfolio review), which identified POT and TT as consortium partners.

The conditional Scheme Implementation Agreement (“SIA”) with MMH provides for the consortium to acquire those shares not already held by NRC at a price of \$5.60 per share (“scheme”). The MMH board has unanimously recommended that MMH shareholders vote in favour of the scheme, subject to no superior proposal (as defined in the SIA) being received, and as long as the scheme price falls within or above a valuation range of an Independent Adviser. MMH has appointed Grant Samuel & Associates as the Independent Adviser, with the approval of the Takeovers Panel.

Although key acquisition details have been agreed with MMH, the consortium’s obligation to proceed with the scheme is conditional on NRC obtaining council approval following a community consultation process which commences immediately and is expected to be completed by late April.

MMH’s second largest shareholder, Port of Auckland with a 19.9% stake, has agreed to vote in favour of the scheme, as long as the scheme price falls within or above the Independent Adviser’s valuation range.

A special meeting of MMH shareholders is expected to be held in May 2025, subject to a decision by NRC on whether to proceed or not following community consultation.

Consortium history and rationale

NRC identified both POT and TT as its preferred partners after a review of its investment in MMH (as part of a wider investment portfolio review) that it commenced in early 2023. The partnership not only provides increased Northland ownership through NRC

and TT but also increased financial and operational commitment and expertise via increased POT ownership.

The strategic rationale for the proposed transaction includes:

- The ability to better align the strategic interests of Northport with MMH's land-based assets to improve future growth and development prospects
- Significantly simplifying the ownership structure and optimising access to additional capital in future
- More transparency and direct control and influence for the consortium partners, without the constraints of being NZX-listed and having a complicated ownership structure.

Comments from NRC, TT and POT

- NRC comments – Geoff Crawford, Chair

“Partnering with POT and TT brings real strength and alignment to this strategic initiative. MMH, which has a 50% holding in Northport, is our single largest investment and a hugely important asset for the future of Te Taitokerau. We think there’s a better way to structure this investment which will have improved benefits and outcomes for our region. Importantly, this proposal keeps ownership of the port in New Zealand, gives Northland a bigger stake and influence over the future direction of this regionally significant infrastructure asset, while at the same time further strengthens our strategic partnership with the country’s largest port operator.”

- TT comments – Ben Dalton, Chair

“We are pleased to be working closely with NRC to ensure that Ngāpuhi hapū and iwi interests are reflected in the ownership and future of MMH and Northport.”

- POT comments – Leonard Sampson, Chief Executive

“We strongly support the rationalisation of the structure and the logic of merging the port with the surrounding land. This simplified structure positions the port operations for any commercial growth initiatives requiring additional capital.”

Asset ownership and structure

Should all conditions be met and minority shareholders approve the scheme then the ownership structure of the combined MMH and Northport would be as follows:

- NRC 43%
- POT 50%
- TT 7%

NRC's contribution to the proposal is not expected to have any impact on increasing rates. NRC would fund its share in the transaction through a mix of borrowing and proceeds from non-strategic asset sales.

NRC has also committed to set aside a further 7% of its shareholding for other iwi and hapū with rights and interests in the Whangarei harbour and surrounding whenua. Should those iwi and hapū wish to take up this opportunity, this would be negotiated between iwi and hapū and the Crown, with those shares purchased by the Crown from NRC at market value, to form part of future Treaty settlement processes. Together this provides an opportunity for 14% of Northport to be owned by iwi and hapū of Taitokerau.

Consultation

NRC is required to seek an amendment to its Long-Term Plan to reflect the proposed change to its shareholding in MMH, as it would be a change to the structure of a strategic asset.

As part of this change to a strategic asset NRC, under the Local Government Act, is required to enter into a community consultation process. A month-long feedback period will run from Wednesday 26 February to Friday 28 March. More information, including a detailed consultation document, will be available from www.nrc.govt.nz/MMHproposal.

A final decision will be made in late April and, if NRC decides to proceed at that point, the consortium's scheme offer will become substantially unconditional.

Conditions

The SIA and scheme is conditional upon:

- (a) NRC deciding to proceed, following consideration of the community consultation feedback by late April

(if the consultation results in a decision to proceed):

- (b) MMH shareholder approval, under section 236A of the Companies Act 1993, to be sought in May
- (c) receipt of High Court orders approving the scheme, under section 236 of the Companies Act 1993, in late May/early June
- (d) the Independent Adviser concluding, prior to the shareholder meeting, that the scheme price is above or within its valuation range, and
- (d) no Material Adverse Change or Prescribed Occurrence (each as defined in the SIA) occurring prior to implementation of the scheme.

Future Port expansion a separate decision

While the consortium parties have reached agreement to work together for the acquisition of the MMH minorities, at this stage no decisions have been made by the consortium on the future expansion of the port or capital requirements to achieve this.

Advisers to the consortium

The consortium is being advised by Cameron Partners and Chapman Tripp.

Please direct all inquiries to:

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About NRC

Northland Regional Council has had a major shareholding in commercial port-related activities in Te Taitokerau / Northland since the 1980's. There have been changes over time, with NRC originally owning 72.3% of MMH (previously known as Northland Port Corporation) – a publicly-listed company on the NZX, but today NRC retains a majority shareholding of 53.6% in MMH. MMH owns 150ha of commercial property in Marsden Point along with a 50% shareholding in Northport Ltd (“Northport”), a deep-water commercial port. Port of Tauranga owns the other 50% of Northport. Any change in ownership and/or control of this strategic asset requires public consultation and an amendment to the council’s recently adopted Long Term Plan 2024-2034.

About TT

Tupu Tonu is a Crown-owned investment company tasked with acquiring and building a portfolio of commercial assets that can be offered in future Treaty settlement negotiations with Ngāpuhi. To date, Tupu Tonu has invested approximately half of its \$150m initial capital allocation in a range of whenua-based and strategic sectors such as infrastructure and energy, primary industries and commercial property.

About POT

Port of Tauranga (NZX:POT) is New Zealand’s largest port and international freight hub. It has container and bulk cargo wharves in Tauranga connected via road and rail to inland ports in Hamilton and Auckland. Its investments include a 50% shareholding in Northport, a 50% shareholding in PrimePort Timaru, a 50% shareholding in logistics company Coda and a 50% shareholding in Ruakura Inland Port.