

3 April 2023

NOTICE OF MEETING

MHM AUTOMATION LIMITED

Letter from the Chairperson

Dear shareholder

MHM Automation has continued its transformation and growth as a technology-led designer and supplier of innovative food processing and packaging systems. You will have seen our six-months results to 31 December 2022, where we increased revenue by 45% to \$42.8m and EBITDA by 109% to \$4.44m, which was a record six-month performance. This growth in both revenue and profitability has come about through the execution of our Step 100 strategy that we announced in 2021. The Step 100 strategy targeted \$100m in revenue by 2025, to be achieved through a combination of organic growth, new product development and acquisitions. Our six months to 31 December 2022 showed that we are well on the way to achieving this.

MHM Automation has a track record of growth by acquisition. Over the past six years we have acquired three businesses – Haden & Custance in 2016, Milmeq in 2018 and Southern Cross Engineering in 2021. All of these acquisitions have been strategically aligned with our move towards automation and technology, a strategy that was first launched in 2015. As we have stated previously, we see acquisitions as a credible pillar in our growth strategy, as we look to grow scale and diversify the products we design and sell, the markets we sell into and the geographies in which we sell. We now have a platform to efficiently integrate acquisitions.

Wyma Solutions is a Christchurch based company that is a world leader in the design and supply of post-harvest solutions for the vegetable and fruit handling sectors. MHM has signed a conditional agreement to acquire Wyma Solutions for up to \$60m. The Board of MHM is supportive of this acquisition and are recommending that shareholders approve the transaction as outlined in the Notice of Meeting. Our key rationales for this recommendation are as follows:

- it provides further scale and diversification to MHM, along with increased profitability;
- we believe that the valuation of Wyma Solutions of up to \$60m is reasonable for the scale, historical performance and opportunity the acquisition provides;
- the structure aligns interests, with Wyma shareholders taking a cornerstone shareholding in MHM as well as having a \$15m earn out over three years, payable only on the performance of the Wyma product range;
- existing MHM shareholders are not required to put more capital into the business as part of the acquisition; and
- there are many market and operational synergies to be achieved.

The Board of MHM Automation is pleased to bring this opportunity to our shareholders. We support the acquisition as structured and look forward to continuing to grow our company to be a great exporter of automated solutions to the world.

Regards

Trevor Burt

Notice is given that the special meeting of shareholders of MHM Automation Limited (the Company) convened by the Board, will be held on Friday, 21 April 2023 commencing at 10:00am (New Zealand time) at The Tower Room, The Chateau on the Park, 189 Deans Avenue, Christchurch 8011 and online at www.virtualmeeting.co.nz/mhmsm23. If you will attend the Meeting online, you will require your CSN/Holder Number for verification purposes.

Business to be transacted

To consider and, if thought fit, pass the following resolutions (each a **Resolution** and together the **Resolutions**):

1. Special Resolution (Resolution 1)

Resolution to be passed by at least 75% of the votes of shareholders entitled to vote and voting on the Resolution:

*Subject to the approval of Resolution 2, that the Company acquire 100% of the shares in Wyma Engineering (NZ) Limited (the **Wyma Shares**) from Jajar Investments Limited (**JIL**) and Jason Gerrie, for a total purchase price of \$60,000,000 (subject to any adjustments) pursuant to a conditional Agreement for Sale and Purchase dated 30 March 2023, including entry into new bank facilities with a total credit limit of \$47.840m (of which \$25m will be drawn to fund the purchase of the Wyma Shares) as a major transaction under section 129 of the Companies Act and Rule 5.1.1 of the NZX Listing Rules.*

2. Ordinary Resolution (Resolution 2)

Resolution to be passed by a simple majority of the votes of shareholders entitled to vote and voting on the Resolution:

*Pursuant to Rule 7(d) of the Code and Rule 4.1.1 of the NZX Limited Main Board Listing Rules (**Listing Rules**) and subject to the approval of Resolution 1, to authorise and approve the issue by the Company of 22,666,667 ordinary shares in the Company at \$0.75 per share to Jajar Investments Limited and/or Andrew Barclay, and Jason Gerrie, being part consideration for the purchase of the Wyma Shares.*

Together, the transactions contemplated by the Resolutions are the **Wyma Transactions**.

Entry into the Wyma Transactions is contingent on each of Resolutions 1 and 2 being passed. This means that if the shareholders do not approve either of those Resolutions (accordingly to their required thresholds), the Company will not enter into any of the Resolutions.

Please refer to the explanatory notes and the independent adviser's report that accompanies this notice of meeting, for more detail regarding the Resolutions.

By order of the Board of directors
Chairman

EXPLANATORY NOTES TO THE RESOLUTIONS

Background

- 1.1 The Company has entered into a conditional Agreement for Sale and Purchase dated 30 March 2023 (the **SPA**) to acquire Wyma Engineering (NZ) Limited (trading as Wyma Solutions) (**Wyma Solutions**). The SPA documents the sale of 100% of the shares in Wyma Solutions (the **Wyma Shares**) to the Company.
- 1.2 The current shareholder of Wyma Solutions is Jajar Investments Limited (company number 1014533) (**JIL**). JIL is wholly owned by Andrew and Angela Barclay as trustees of the Barclay Family Trust. Prior to settlement, Wyma Solutions will be owned as to 90% by JIL and 10% by Jason Gerrie, Wyma's European manager (the **Vendors**).
- 1.3 The Vendors, together with Andrew and Angela Barclay, are *associates* within the meaning of the Takeovers Regulations 2000 (the **Barclay Associates**).
- 1.4 Wyma Solutions is one of the world's leading manufacturers of post-harvest vegetable and fruit handling equipment. It has become one of the most innovative and agile companies in the post-harvest sector and has production facilities on two continents and machinery operating in more than 50 countries.
- 1.5 The consideration for the Wyma Shares is payable by the Company as follows:
 - (a) \$28,000,000 in cash;
 - (b) \$17,000,000 by way of new shares (comprising 22,666,667 ordinary shares in the Company (the **Consideration Shares**)) to be allotted to JIL and/or Andrew Barclay (as to 90% of the Consideration Shares) and Jason Gerrie (as to 10% of the Consideration Shares); and
 - (c) up to \$15,000,000 by way of a vendor earnout (subject to the terms and conditions set out in the SPA),for a total purchase price of up to \$60,000,000, payable on the Completion Date (being 1 May 2023 or such later date as described in the SPA). The level of earnout ultimately payable by the Company is dependent on the level of revenue from Wyma Solutions' product lines for the Company's next three financial years.
- 1.6 The Consideration Shares will be issued at \$0.75 per share. This represents a discount of approximately 10.6% on the market price of \$0.83, applicable as at the date that the Company announced the Wyma Transactions.
- 1.7 In order to fund the Wyma Transactions, the Company will draw down approximately \$25,000,000 on its bank funding with Bank of New Zealand (**BNZ**). Further information about the bank funding is set out in paragraphs 1.17 to 1.19 below.
- 1.8 Following completion of the Wyma Transactions, Andrew Barclay will be appointed as a director of the Company in accordance with clause 10.4 of the Company's Constitution. Andrew will be required to retire but will be eligible for re-election at the next annual meeting of the Company.
- 1.9 Further information about Wyma Solutions' business and what this acquisition means for the Company is set out in Schedule 1 to this notice of meeting.

SPA

- 1.10 As set out above, the Vendors under the SPA are JIL and Jason Gerrie, for their respective shareholdings in Wyma Solutions.
- 1.11 The SPA has been negotiated between the Company and JIL, over some time and on an arms' length basis, in conjunction with a due diligence exercise and professional adviser input. It contains both purchaser and vendor warranties considered appropriate by the parties for a scrip for scrip transaction of this nature, and includes standard provisions dealing with:
- (a) working capital adjustment on completion;
 - (b) vendor covenants pending completion;
 - (c) completion mechanics;
 - (d) appropriate dispute resolution processes; and
 - (e) a holding lock on the Vendor and Andrew Barclay prohibiting transfer of the Consideration Shares (except a sale as a result of a full or partial takeover of the Company) until the business day after the Company's 2024 results are announced (likely to be around the final week in August). Once released, all or any of the Consideration Shares are permitted to be transferred.

Wyma Solutions' fixed assets, leased assets, trade marks/patents and key contracts are separately itemised in schedules appended to the SPA.

- 1.12 As this is a share sale, all of Wyma Solutions' business is being acquired by the Company (except as expressly excluded in the SPA) and all current employees of Wyma Solutions should be retained on completion. The Wyma Transactions are being carried out on a *cash free – debt free basis* meaning that:
- (a) Wyma Solutions will have no surplus cash or term debt on completion; and
 - (b) all of Wyma Solutions' assets will be acquired unencumbered (except as permitted in the SPA).
- 1.13 The purchase price of up to \$60,000,000 was agreed following arms' length negotiations and is considered reasonable for the reasons set out in the Independent Advisers' Report (**IAR**) accompanying this notice of meeting (see clause 2.5 of the IAR and paragraph 1.35 below). The purchase price reflects Wyma Solutions' historic earnings, financial position and growth potential.
- 1.14 As at the date of this notice, the SPA remains conditional. The outstanding conditions precedent are set out on page 10 of the IAR (under the heading *Conditions*). One of the key commercial conditions is set out in paragraph 1.15 below.

New Lease

- 1.15 On 1 April 2023, Wyma Solutions entered into a lease for a new premises constructed by JIL at 928 Halswell Junction Road, Christchurch. The annual rent under the lease (which is supported by valuation advice) is \$1,698,655 (exclusive of GST) with market rent reviews every three years from the commencement date. The initial term of the lease is 10 years (with two further rights of renewal of five years each). Wyma Solutions will also be granted a first right of refusal to purchase the premises in the event it is sold. The lease is otherwise on standard Auckland District Law Society terms. The value of the right of use of the lease is as follows:

- (a) Fixed Asset: \$11.6m debt; and
- (b) Lease Liabilities: \$11.6m credit.

Timetable from approval to completion

1.16 The Company hopes to be in a position to confirm all other conditions precedent in the SPA (except shareholder approval), on or prior to the shareholder meeting on 21 April 2023. That means that if the transaction is approved by the shareholders at the meeting, the Company will, as soon as practicable thereafter, confirm the SPA at which point, the SPA will be unconditional. On the Completion Date (set out above), the Company will pay the sum of \$28,000,000, and issue the Consideration Shares, to the Vendor. At that time, the Company will own all of the shares in Wyma Solutions.

Bank Funding

- 1.17 As at 31 December 2022, the Company had a \$6,000,000 debt facility limit with BNZ to manage changes in working capital. This limit has remained undrawn in the last 12 months due to the strong cash balance held within the group.
- 1.18 New secured facilities have been negotiated with BNZ with a total credit limit of \$47,800,000, of which approximately \$25,000,000 will be used to complete the Wyma Purchase. The facilities have a three year term, with interest charged at the floating rate plus a margin. Standard corporate fees and interest cover and leverage covenants apply.
- 1.19 The Company maintains bank facilities to ensure any short-term timing mismatch of costs of contractual deliveries and customer receipts are covered with adequate liquidity (via facility limits) for normal operation of the group. The following table shows a summary of the Company's debt facilities as at 31 December 2022 and 1 May 2023 (assuming the Wyma Transactions are completed). MHM Group will have available liquidity of \$19m comprising \$10m of facility limit plus cash equivalents estimated at \$9m:

BNZ Debt Facilities

	Actual	Forecast	Change
	31-Dec-22	1-May-23	
Facility Limit	6.0	35.0	29.0
Facility drawn amount		(25.0)	(25.0)
Undrawn Facility Limit	6.0	10.0	4.0
Cash Equivalents	10.0	9.0	(1.0)
Liquidity	16.0	19.0	3.0

Liquidity = available cash + undrawn facility limit

Special Resolution to approve a major transaction

- 1.20 The Wyma Transactions comprise or include a major transaction or major transactions for the Company pursuant to section 129 of the Companies Act 1993 (the **Companies Act**) and Rule 5.1 of the Listing Rules because:
 - (a) it is an acquisition of assets (the Wyma Shares); and
 - (b) it will have the effect of the Company incurring obligations or liabilities (under the BNZ facility),

the aggregate value of which is more than 50% of the Company's assets before the acquisition (under section 129) or the gross value of which is above 50% of the average market capitalisation of the Company (under Rule 5.1).

- 1.21 Accordingly and pursuant to section 129(a) of the Companies Act and Rule 5.1 of the Listing Rules, the Company cannot enter into the Wyma Transactions without the approval of a special resolution of shareholders (see paragraph 4.2 for a further explanation of a special resolution). If Resolution 1 is not approved by the shareholders, the Company will not proceed with the Wyma Purchase. The Wyma Transactions represent a significant opportunity for the Company to expand and the consequences of not proceeding with the Wyma Transactions are that such expansion will not occur. The Company must bear its own costs incurred in negotiating the Wyma Transactions which are approximately \$195,000 as at the date of this notice.
- 1.22 Resolution 1 seeks the approval of the shareholders to the entry by the Company into the Wyma Transactions, including the necessary BNZ bank funding.

Minority buy-out rights

- 1.23 Minority buy-out rights under the Companies Act apply to the special resolution. This means that if the special resolution passes, a shareholder who voted against the resolution may give notice to the Company requiring the Company to purchase that shareholder's shares. To exercise a minority buy-out right, if a shareholder has voted all their shares against the special resolution, and the special resolution passes, they must, within 10 working days of the passing of the special resolution, give written notice to the Company that the shareholder requires the Company to purchase all its shares.
- 1.24 Within 20 working days of receipt of the notice, the Board of directors of the Company must agree to the purchase of the shares at a fair and reasonable price and give written notice to the relevant shareholder(s). Under the Companies Act, the Board could also seek to arrange for another person to purchase the shares, apply to the court for an exemption from the obligation to purchase the shares, or decide in the appropriate manner not to take the action concerned. If the Board agrees to purchase the shares, it must, within five working days of giving notice that it will buy the shares, give notice to the shareholders of the price it offers for the shares to be acquired.

Ordinary resolution to approve the allotment of the Consideration Shares

Application of the Takeovers Code to the Wyma Transactions

- 1.25 The Takeovers Code (the **Code**) applies to code companies. The Company is a code company.
- 1.26 Rule 6(1)(a) of the Code provides that a person who (together with their associates) holds or controls no voting rights or less than 20% of the voting rights in a code company may not become the holder or controller of an increased percentage of the voting rights in the code company unless, after that event, that person and that person's associates hold or control in total not more than 20% of the voting rights in the code company. This is known as the **Fundamental Rule**. Unless an exception applies, the allotment of the Consideration Shares will result in the Barclay Associates who are issued such Shares, breaching Rule 6(1)(a) of the Code as none of the Barclay Associates currently hold voting rights in the Company and the Barclay Associates will, together, increase their holding of voting rights in the Company pursuant to the allotment of the Consideration Shares to more than 20%.

- 1.27 Rule 7(d) of the Code is an exception to the Fundamental Rule. Rule 7(d) of the Code provides that a person may become the holder or controller of an increased percentage of the voting rights in a code company if the allotment is approved by an ordinary resolution of the code company in accordance with Rules 16 to 19B of the Code.
- 1.28 Accordingly, the allotment of the Consideration Shares (Resolution 2) requires the approval of the shareholders by way of an ordinary resolution, pursuant to the Code. If the allotment of the Consideration Shares is approved at the meeting of shareholders by an ordinary resolution, the allotment of the Consideration Shares will be permitted under Rule 7(d) of the Code as an exception to the Fundamental Rule.

Parties

- 1.29 The parties involved in the Wyma Transactions are the Company and the Barclay Associates. The Vendors of the Wyma Shares under the Agreement for Sale and Purchase will be JIL and Jason Gerrie. If the Wyma Transactions are approved, the Consideration Shares will be allotted to the relevant Barclay Associates as set out in paragraph 1.5(b) above. The Consideration Shares will rank equally with all existing ordinary shares issued by the Company.

Maximum number and percentages after issue of the Consideration Shares

- 1.30 After the allotment of the Consideration Shares, the particulars of the maximum number and percentage of voting securities to be distributed to, and maximum percentage to be held or controlled by, the Barclay Associates and non-associated shareholders are:

Party	Number of voting securities currently held	Number of voting securities being allotted	% of total voting securities (including all voting securities being allotted) that the number of voting securities being allotted represents (% rounded to 3dp)	% of all voting securities that will be held or controlled after completion of the allotted (% rounded to 3dp)	% of voting securities that will be held or controlled together with all associates after completion of the allotted (% rounded to 3dp)
Jajar Investments Limited (JIL) and/or Andrew Barclay	0	20,400,000	22.912%	22.912%	25.458%
Jason Gerrie	0	2,266,667	2.546%	2.546%	25.458%
Non-associated shareholders ¹	66,369,067	0	N/A	74.54%	74.542% ²

	Prior to allotment of Consideration Shares	Post allotment of Consideration Shares
Total number of Shares in Company	66,369,067	89,035,734

¹ Reference to "non-associated shareholders" means shareholders not associated with JIL or the Barclay Associates.

² This does not identify which non-associated shareholders may be associated with other "non-associated shareholders".

1.31 The allotment of the Consideration Shares will have a dilutionary impact on the non-associated shareholders, whose aggregate shareholding will reduce from 100% of the Company to 74.542% of the Company. Following the allotment of the Consideration Shares, the Barclay Associates will together hold 25.458% of the ordinary shares in the Company meaning that the Barclay Associates together could prevent the passing of any special resolution of shareholders in the future.

Issue Price and when it is payable

1.32 The issue price for the Consideration Shares is \$0.75 per share payable on the Completion Date as described in paragraph 1.5 above.

Reasons for the allotment

1.33 The Consideration Shares comprise part of the purchase price for the Wyma Transactions, as described in paragraph 1.5 above.

No arrangement

1.34 On settlement, the Consideration Shares will be issued by the Company to those parties who comprise the Vendor (being JIL and Jason Gerrie), pro-rata to their shareholding in Wyma Solutions on settlement. Except as described above, JIL, Andrew and Angela Barclay and Jason Gerrie each confirm that as at the date of this notice of meeting, there is no agreement or arrangement (whether legally enforceable or not) that has been, or is intended to be, entered into between them and any other person relating to the allotment, holding, or controlling of the voting securities to be allotted, or to the exercise of voting rights in the Company.

Independent adviser's report (IAR)

1.35 Rule 18 of the Code requires that an independent adviser's report addressing the merits of the allotment of the Consideration Shares, accompany this notice of meeting. The IAR has been prepared by Simmons Corporate Finance Limited and is **attached** to this notice of meeting.

Positive and Negative Features of share issue

1.36 The IAR sets out a number of positive and negative features of the share issue and concludes that, after having regard to all relevant factors, on balance the positive aspects of the allotment of the Consideration Shares to the Barclay Associates significantly outweigh the negative aspects from the perspective of the non-associated shareholders (being those shareholders not associated with the Barclay Associates). The IAR notes that "*the acquisition of Wyma will provide further scale and diversification to MHM's operations, increasing the products that the Company designs and builds and widening the geographies that it sells into*" and that "*the Barclay Allotment will establish the Barclay Associates as an important cornerstone strategic shareholder in MHM*" (clause 2.3 of the IAR). Please refer to section 2 of the IAR for a more detailed analysis of the merits of the proposed allotment of the Consideration Shares and clause 2.10 and 2.11 for a summary of the main advantages and disadvantages (respectively).

2. TRANSACTIONS ARE CONTINGENT

2.1 Entry into the Wyma Transactions is contingent on each of Resolutions 1 and 2 being passed. This means that if the shareholders do not approve either of those Resolutions (accordingly to their required thresholds), the Company will not enter into any of the Resolutions.

3. RECOMMENDATION

- 3.1 The directors recommend that the shareholders approve the Wyma Transactions as described in the Resolutions (including the acquisition of the Wyma Shares, entry into the necessary bank funding to acquire the Wyma Shares and allotment of the Consideration Shares).
- 3.2 The directors' reasons for recommending the Wyma Transactions are that:
- (a) it is strategically and operationally aligned with the Company;
 - (b) the structure aligns interests with the vendors through the equity placement and the earnout;
 - (c) the acquisition does not require additional equity funding from existing shareholders; and
 - (d) the acquisition, as structured, offers growth opportunities for the Company and its shareholders.

4. GENERAL

Voting

- 4.1 Under the Code and Listing Rules:
- (a) any person, and their associates, that may be allotted voting securities pursuant to the Wyma Transactions;
 - (b) any person, and their associates, that is likely to materially increase their control over the Company pursuant to the Wyma Transactions; and
 - (c) any Related Party of the Company that is, or is likely to become, party to the Wyma Transactions, is disqualified from voting on the Resolutions to approve the relevant transaction. No existing shareholders are disqualified from voting under these rules.

Ordinary resolution

- 4.2 An *ordinary resolution* is a resolution that is approved by at least a simple majority of the votes of those shareholders entitled to vote and voting on the question.

Special resolution

- 4.3 A *special resolution* is a resolution that is approved by at least 75% of the votes of those shareholders entitled to vote and voting on the question.

Approval of notice of meeting

- 4.4 NZ RegCo has confirmed that it does not object to this Notice of Meeting. However, NZ RegCo accepts no responsibility for any statement made in this Notice of Meeting. The Company has sent a copy of this notice of meeting to the Takeovers Panel.

Attendance of Meeting and Proxies

- 4.5 Shareholders are entitled to attend the meeting in person, or to appoint a proxy to attend and vote in their place. If shareholders do not wish to, or are unable to, attend the meeting in person and wish to appoint a proxy, a proxy form is enclosed. This form must be completed and returned to Link Market Services Limited (address details set out below) no later than 10:00am on Wednesday, 19 April 2023 for an appointment of a proxy to be effective. The Company reserves the right to accept late proxies in its sole discretion. The person appointed as your proxy does not need to be a shareholder in the Company. The

chairman of the meeting is willing to act as proxy if shareholders wish to appoint him and if appointed as a discretionary proxy, the chairman will vote FOR both Resolution 1 and Resolution 2.

4.6 You can lodge your proxy as follows:

Online: <https://investorcentre.linkmarketservices.co.nz/voting/MHM>

Scan & email: meetings@linkmarketservices.com

Deliver to:

Link Market Services
Level 30
PWC Tower
15 Customs Street West
Auckland 1010

Mail to:

Link Market Services
PO Box 91976
Auckland 1142

4.7 General Enquiries: +64 9 375 5998 | enquiries@linkmarketservices.co.nz

Schedule 1

Wyma Solutions

Likely financial and synergy effects of the Wyma Transactions

1. The acquisition of Wyma Solutions aligns with the Company's stated strategy. At the Company's annual meeting in October 2021, the Company announced its **Step 100** strategy, which is a three-year strategic plan to achieve the following by June 2024:
 - (a) revenue \$100 million; and
 - (b) EBITDA \$10 million (10.4% EBITDA achieved H1 FY23).
2. This was to be achieved via the following:
 - (c) organic growth (30.6% CAGR since Dec 2021);
 - (d) new products; and
 - (e) acquisition.
3. The table below summarises the Company's progress towards Step 100. The acquisition of Wyma Solutions aligns and achieves the Company's Step 100 strategy.

	H1	FY	H1	FY	H1	1H FY21-22	H1 FY20-22
	Dec 20	Jun-21	Dec 21	Jun-22	Dec 22	% Change	2 Yr CAGR
Total Revenue	25,089	51,404	29,606	67,697	42,851	44.7%	30.7%
EBITDA	1,459	3,941	2,121	4,760	4,439	109.3%	74.4%
EBITDA %	5.8%	7.7%	7.2%	7.0%	10.4%		
NPAT	372	4,100	1,409	1,775	3,083	118.8%	187.9%

Source: MHM Financial Statements

Wyma Solutions Background

4. Wyma Solutions was incorporated in New Zealand on 23 February 2007, but Wyma Solutions' origins and history spans 70 years. The company designs, manufactures, distributes and services post-harvest vegetable and fruit handling equipment and solutions worldwide. Wyma Solutions is headquartered in Christchurch and employs 170 staff with operations located in New Zealand, Australia, the Czech Republic and the United Kingdom and has machinery operating in more than 50 countries. Andrew Barclay is the sole director of Wyma Solutions.

Wyma milestone events

Year	Milestone
1962	Linton Engineering set up to service potato growers in Canterbury, New Zealand.
1991	Purchased by John Wyma, focus on customised solutions for the horticultural sector.
2001	Purchased by Andrew and his wife Angela Barclay, focus on washing and grading root vegetables. First exports to Australia commenced.

2002	Overhaul of product designs, multiple line sales into New Zealand.
2003	Product portfolio reaches over 30 types of post-harvest equipment, first UK sales.
2005	New factories in Prague, Czech Republic and Hornby, New Zealand. First sales into USA and Western Europe.
2007	Australian office opened. First sales to India, Middle East, Eastern Europe and South Africa.
2010	Largest carrot line in the UK installed.
2011	EU office opened.
2012	Largest carrot line in Switzerland installed.
2017	Largest project to date completed. Australia's largest carrot line.
2023	Opening new 5,000m ² factory in Prague, Czechia and 10,000 m ² purpose built facility in Christchurch, New Zealand

Wyma Solutions operates in the global post-harvest market

5. The post-harvest market is segmented into six major categories. Wyma Solutions sells equipment and integrated solutions to all these, utilising key partners. The market is competitive and requires ongoing investment in R&D. Wyma Solutions has proven solutions that are world leading in their segments.

Fruit and vegetable processing equipment market, segments:

- Pre-processing
- Peeling/inspection/slicing
- Washing & dewatering
- Fillers
- Seasoning system
- Packaging & handling + others

Related:

- Chilling & freezing
- Storage
- ASRS

Key: ●  ● 

6. The Company has directly relevant solutions and expertise in the packaging and handling segment and we see this as complimentary to Wyma Solutions, which enhances sustainability for both businesses.

Vegetable and vegetable processing market macro metrics

7. The global population is projected to reach 10 billion by 2050 - demand for food is only increasing.
- (a) **The Global Vegetable Market:** Revenue in this segment amounts to US \$0.91 trillion in 2022. The market is expected to grow annually by 4.97% (CAGR 2022-2027) (Source: Statista)
 - (b) **The Fruit & Vegetable Processing Market:** The fruit and vegetable processing market is estimated at USD \$8.7 billion in 2022 and is projected to reach a value of nearly USD \$11.8 billion by 2027, growing at a CAGR of 6.4% from 2022. (Source: Research & Markets).
 - (c) **Key Growth Drivers Include:**
 - (i) increase in the need for convenience food.

- (ii) growth in per-capita income has resulted in greater demand for ready-to-eat and on-the-go food items.
 - (iii) this, in turn, has led to an increase in demand for processed products.
8. The outlook for the growth of the fruit and vegetable processing market is expected to remain positive due to the high growth in the industry and increased consumer demand.

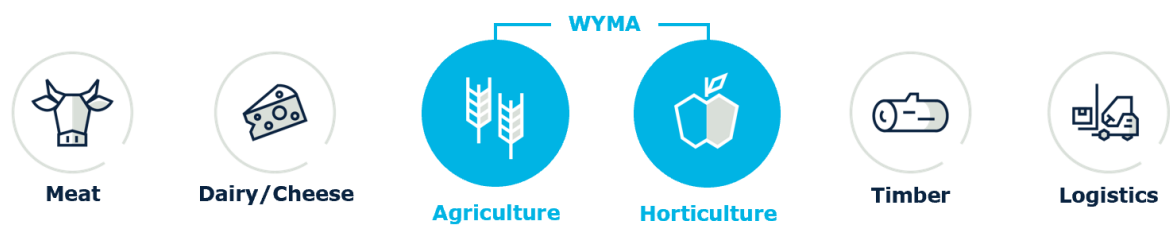
Core growth drivers generate opportunities

9. Industrial automation and controls are a global mega trend which has been increasingly relevant in industrial processes as it allows increased productivity, improved quality with reduced waste, reduced labour costs, better health and safety support and provides/allows production and capacity flexibility. The acquisition of Wyma Solutions potentially doubles the Company's annual revenue (see proforma revenue table below).
10. Wyma Solutions has a long history as a market leader in its vegetable post harvest sector. Wyma Solutions is also proactive and customer driven with its R&D investment which continually innovates products and solutions to its customers. For example, Wyma Solutions is currently developing water recycling technology which would have applications in markets with water restricted regions which fits squarely into the global sustainability space.
11. Straits Consulting Group forecast the industrial automation market to grow at a 9.6% CAGR through to 2030.

The Company and Wyma Solutions combined sectors and markets

12. Both the Company's and Wyma Solutions' brands are market leaders in their fields. Wyma Solutions' products automate post-harvest operations by replacing dangerous, dirty, repetitive processes with cost-effective, productive and safe automation.
13. The Company is a global business operating in three core industries: red meat processing, dairy / cheese converters and materials handling / automation. Wyma Solutions operates in the agriculture and horticulture industry. The acquisition of Wyma Solutions by the Company significantly increases this exposure for the Company and provides further diversification to the offering.

MHM's CORE MARKET SECTORS INCLUDING WYMA:



MHM's KEY PRODUCT CATEGORIES INCLUDING WYMA:



14. The following table shows the proforma Revenue and EBITDA of the acquisition based on historic data:

12 MONTHS TO	AUDITED	UNAUDITED	Proforma
	MHM 30 June 2022	Wyma 31 March 2022	
Revenue snapshot (\$ millions)	67.7	57.3	125.0
EBITDA ¹ (\$ millions)	4.8	10.5	15.3
EBITDA percentage of Revenue	7.0%	18.3%	12.2%

¹ EBITDA normalised for share based payments

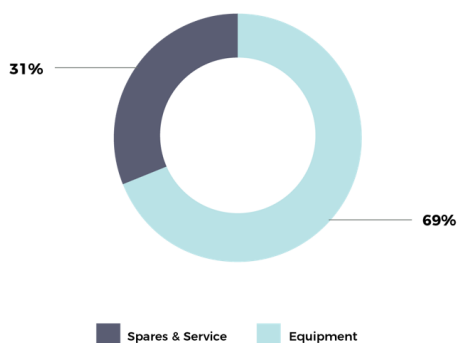
The table below shows the previous three years performance of Wyma Group which comprises Wyma Europe and Wyma New Zealand.

12 MONTHS TO	Unaudited 31 Mar 20	Unaudited 31 Mar 21	Unaudited 31 Mar 22
Revenue (\$ millions)	43.1	53.0	57.3
EBITDA (millions)	9.2	11.2	10.5
EBITDA margin	21.3%	21.1%	18.3%

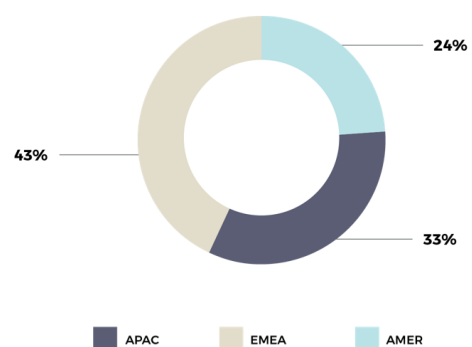
Source: Unaudited Financials Statements & Management Accounts of Wyma Group.

- The Company is a larger business at the revenue line than Wyma Solutions, but due to Wyma Solutions' product offering, it has historically generated higher EBITDA margins. The combined group was forecast to be an approximately \$120+ million revenue business. The Company has achieved a 10% EBITDA as at 31 December 2022. Wyma Solutions will have increased lease costs for its new leased premises and increased investment for in market resource and ongoing research and development.
- Wyma Solutions' strategy aligns with the Company to be a solution provider with full life cycle service for its customers. Wyma Solutions has built its Service and Spare Parts capability which is approximately 30% of revenue. Much of this is recurring revenue.
- Wyma Solutions generates approximately 70% of its revenues outside of the Asia Pacific region. Wyma Solutions has operations in Europe with manufacturing in Czech Republic and a sales and support office in the UK. This will provide a platform for growth for the Company's business in Europe. Both businesses currently operate through agents in the USA.

Wyma Revenue by segment 2022



Wyma Revenue by Region



Financial Position

18. The Company plans to draw down a minimum of \$25 million of bank debt to settle the transaction and utilise its strong cash balance to offset interest expense. Below are proforma metrics based off historic data:

figures millions	AUDITED	UNAUDITED	UNAUDITED
	MHM	WYMA	Proforma
	30 Jun 22	31 Mar 22	31 Mar 23
Other Assets	37.9	41.3	66.4
Intangible Assets	5.5	12.7	38.0
Total Assets	43.4	54.0	104.4
Net Assets	11.7	15.9	30.0
Equity	11.7	15.9	38.1

The above estimates are indicative only, they are subject to working capital and takeon adjustments. The Purchase Price Allocation process when finalised will generate a Goodwill asset value, being the difference in the Purchase Price and the Net Tangible assets acquired by the Company. Note that the above are historic values at a point in time, whereas the proforma values are estimate based on recent unaudited accounts of both Wyma Solutions and the Company.

Proforma implied valuation scenarios

19. Proforma total Company shares on issue would be 89m shares post the Wyma Transactions (including the issue of the Consideration Shares to the Barclay Associates). The Company currently has 66.4m shares on issue. These numbers are set out in the table in paragraph 1.30 of the notice of meeting.
20. The combined group provides increased scale and opportunities for growth. Below are what the Company's board considers to be the strategic fit and business value drivers for the Wyma Transactions:
- (a) further sector and customer diversification;
 - (b) increased scale and profitability;
 - (c) ability for cross selling of products and solutions;
 - (d) access to lower cost manufacturing;
 - (e) high calibre management team and workforce;
 - (f) robust systems and internal processes;
 - (g) enabler to scale and increase visibility in Europe;
 - (h) complementary expertise in controls and IoT4;
 - (i) aligned company cultures;
 - (j) increased capability for customer support and service;
 - (k) increases exposure to automation mega trend; and
 - (l) operational synergies including (but not limited to) procurement and supply chain.

NOTICE OF PROXY

I/We, _____ of _____, being a shareholder of **MHM Automation Limited**, hereby appoint:

_____ as my/our proxy for the Special Meeting of the Company to be held Friday, 21 April 2023 commencing at 10:00am (New Zealand time) at The Tower Room, The Chateau on the Park, 189 Deans Avenue, Christchurch 8011 and online at www.virtualmeeting.co.nz/mhmsm23, and at any adjournment thereof. If you will attend the Meeting online, you will require your CSN/Holder Number for verification purposes.

I/We direct my/our proxy to vote in the following manner: *(Tick the box that applies)*
Note – Entry into the transactions contemplated by Resolutions 1 and 2 is contingent on each of those Resolutions being passed. This means that if the shareholders do not approve either of the Resolutions, the Wyma Transactions contemplated by those Resolutions will not be entered into.

		<i>For</i>	<i>Against</i>	<i>Abstain</i>	<i>Proxy Discretion</i>
1	<p>Special Resolution (Resolution1)</p> <p><i>Subject to the approval of Resolution 2, that the Company acquire 100% of the shares in Wyma Engineering (NZ) Limited (the Wyma Shares) from Jajar Investments Limited (JIL) and Jason Gerrie, for a total purchase price of \$60,000,000 (subject to any adjustments) pursuant to a conditional Agreement for Sale and Purchase dated 30 March 2023, including entry into new bank facilities with a total credit limit of \$47.840m (of which \$25m will be drawn to fund the Wyma Transactions), as a major transaction under section 129 of the Companies Act and Rule 5.1.1 of the NZX Listing Rules.</i></p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		<i>For</i>	<i>Against</i>	<i>Abstain</i>	<i>Proxy Discretion</i>
2	<p>Ordinary Resolution (Resolution 2)</p> <p><i>Pursuant to rule 7(d) of the Code and rule 4.1.1 of the NZX Limited Main Board Listing Rules (Listing Rules) and subject to the approval of Resolution 1, to authorise and approve the issue by the Company of 22,666,667 ordinary shares in the Company at \$0.75 per share to Jajar Investments Limited and/or Andrew Barclay, and Jason Gerrie, being part consideration for the purchase of the Wyma Shares.</i></p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Signed _____ Dated _____ 2023

Notes:

1. All shareholders are entitled to attend and vote at the meeting. There are no voting restrictions on the chairman of the meeting or on any shareholders.
2. See section 4 (General) of the Explanatory Notes for a description of ordinary and special resolutions.
3. A shareholder entitled to vote may appoint a proxy to attend and vote in their place. This notice of proxy must be completed and returned to Link Market Services Limited (address details set out below) no later than 10:00am on Wednesday 19 April 2023 to be effective (however, the Company reserves the right to accept late proxies in its discretion).
4. The person appointed as your proxy does not need to be a shareholder in the Company. The chairman of the meeting is willing to act as proxy if shareholders wish to appoint him and if appointed as a discretionary proxy, the chairman will vote FOR both Resolution 1 and Resolution 2.
5. If you return this form without directing the proxy how to vote on any particular matter, the proxy may vote as he or she thinks fit.
6. If the proxy is signed under a power of attorney, the power of attorney must be produced for noting by the Company, if not already noted. A declaration of non-revocation of the power of attorney must also be attached.
7. Companies appointing a proxy must do so either under the signature of two directors, or have an authority produced for noting by the Company.
8. You can lodge your proxy as follows:

Online: <https://investorcentre.linkmarketservices.co.nz/voting/MHM>

Scan & email: meetings@linkmarketservices.co.nz

Deliver to:

Link Market Services
Level 30
PWC Tower
15 Customs Street West
Auckland 1010

Mail to:

Link Market Services
PO Box 91976
Auckland 1142

9. General Enquiries: +64 9 375 5998 | enquiries@linkmarketservices.co.nz