

NZ RegCo

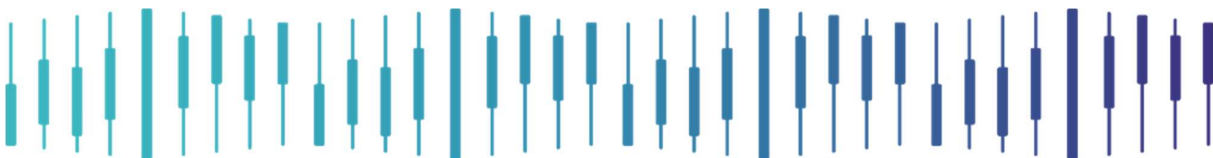
NZ'S LISTED
MARKET REGULATOR

12 January 2024

NZ RegCo Decision

MHM Automation Limited (“MHM”)

Application for waiver from NZX Listing Rule 3.5.1



Background

1. The information on which this decision is based is set out in Appendix One to this decision. This waiver will not apply if that information is not, or ceases to be, full and accurate in all material respects.
2. The NZX Listing Rules (**Rules**) to which this decision relates are set out in Appendix Two.
3. Capitalised terms that are not defined in this decision have the meanings given to them in the Rules.

Waiver from Listing Rule 3.5.1

Decision

4. On the conditions below and on the basis that the information provided by MHM Automation Limited (**MHM**) is complete and accurate in all material respects, NZ RegCo grants MHM a waiver from Rule 3.5.1 to the extent this Rule requires MHM to release a Results Announcement through MAP in relation to the financial half year ending 31 December 2023. This waiver is granted on the conditions that:
 - a. if the Scheme is not implemented and MHM is not delisted from the NZX Main Board prior to 29 March 2024, MHM will be required to comply with Rule 3.5.1 in respect of the financial half year ending 31 December 2023; and
 - b. MHM update the market through MAP, promptly and without delay, that it will not be releasing a Results Announcement in respect of the financial half year ending 31 December 2023 as required by Rule 3.5.1, including a summary of the waiver and its implications.

Reasons

5. In coming to the decision to provide the waiver set out above, NZ RegCo has considered that:
 - a. the policy behind Rule 3.5.1 is to ensure that security holders remain informed on an ongoing basis as to the financial position of the relevant listed issuer;
 - b. under the indicative timetable for the Scheme, the Scheme is expected to be implemented on 6 March 2024 and in turn, MHM will delist from the NZX Main Board from close of trading on 6 March 2024;
 - c. by 29 February 2024 (being the deadline for releasing the relevant Results Announcement), it is expected that the Scheme will be unconditional (except for the customary implementation conditions that run up until the implementation date) and MHM shares will be in a trading halt. MHM shareholders would therefore be unable to trade MHM securities, and would soon receive the Scheme consideration;
 - d. on the basis that MHM expects its shares will be in a trading halt and delisting to be imminent prior to the deadline for releasing the relevant Results Announcement, it would be unnecessary and inappropriate to require MHM to produce and release the Results Announcement in respect of the financial half year ending 31 December 2023;
 - e. granting a waiver in these circumstances strikes an appropriate balance between the compliance burden of preparing the Results Announcement and providing adequate protection to security holders because:

- i. MHM security holders have been provided with extensive information regarding MHM, including financial information, as part of the Scheme Booklet prior to the Scheme meeting. For example:
 - 1. MHM was required to disclose any material information, including relating to MHM's financial and trading position, since its last annual report in the Scheme Booklet; and
 - 2. The Independent Adviser's Report provided to security holders as part of the Scheme Booklet included a summary of past, budgeted and forecasted financial performance of MHM that was produced by the independent adviser following consultation with MHM's Chief Financial Officer.
 - ii. security holders will imminently be paid consideration of NZ\$1.70 for each share held by them and their shares transferred to Bettcher NZ, such that MHM will cease to be a publicly held and traded company.
- f. There is precedent for this decision, including a waiver granted to Hellaby Holdings Limited on 15 February 2017.

Appendix One

1. MHM is a Listed Issuer with Securities Quoted on the NZX Main Board.
2. On 3 November 2023, MHM announced that it had entered into a scheme implementation agreement with Bettcher Industries, Inc. (**Bettcher**), under which it is proposed that Bettcher, through its New Zealand incorporated wholly-owned subsidiary, Merlin NZD Bidco Limited (**Bettcher NZ**), acquire all of the shares in MHM by way of a scheme of arrangement under Part 15 of the Companies Act 1993 for consideration of NZ\$1.70 per share (**Scheme**).
3. MHM has subsequently received initial orders from the High Court in respect of the Scheme and released a scheme booklet and notice of meeting (including an independent adviser's report prepared by Simmons Corporate Finance Limited (**Independent Adviser's Report**)) (**Scheme Booklet**) in respect of the scheme meeting to be held on 26 January 2024. Further, on 22 December 2023, Bettcher obtained consent from the Overseas Investment Office in respect of the Scheme.
4. Implementation of the Scheme remains subject to certain customary conditions, including shareholder approval, High Court approval (through the granting of final court orders) and certain other customary implementation conditions. MHM does not expect there to be any issues with satisfaction of any of the conditions and will update its shareholders as appropriate in relation to the conditions.
5. It is expected that MHM shares will be placed in a trading halt on or about 23 February 2024 (following granting of the final court orders on the final court hearing date, which is set down for 21 February 2024), with implementation of the Scheme expected to occur on 6 March 2024. Subject to implementation of the Scheme, and NZ RegCo approval, MHM expects to delist from the NZX Main Board from close of trading on 6 March 2024.
6. Rule 3.5.1 requires that each Issuer of Quoted Equity Securities release a Results Announcement through MAP no later than 60 days after the end of the financial half year.
7. MHM, as an Issuer of Quoted Equity Securities, must therefore release a Results Announcement no later than 29 February 2024 in respect of the financial half year ending 31 December 2023.

Appendix Two

Rule 3.5.1 Results Announcement

3.5.1 Subject to Rule 3.5.3, each Issuer of Quoted Equity Securities or Quoted Debt Securities must release a Results Announcement through MAP no later than 60 days after the end of each financial year or half year.