Armillary

Me Today Limited

Independent Adviser's Report and Appraisal Report

In respect of:

- the extension of the Jarvis Trust subordinated note
- the reclassification of MTL Securities' non-voting ordinary shares to ordinary voting shares
- the transfer of shares to MTL Securities Limited's ultimate owners
- the rights issue of up to $2.78+ million new ordinary shares
- the underwriting of up to $2.0 million of the rights issue.

21 February 2024

Statement of independence

Armillary Limited confirms that it:

- has no conflict of interest that could affect its ability to provide an unbiased report and,
- has no direct or indirect pecuniary or other interest in the Transaction considered in the report, including any success or contingency fee or remuneration, other than to receive a fixed cash fee for providing this report.

Armillary Limited has satisfied the Takeovers Panel, on the basis of the material provided to the Panel, that it is independent under the Takeovers Code for the purposes of preparing this report.

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1 Glossary and defined terms

In this Report the following terms have the following meanings unless otherwise specified:

Armillary	Armillary Limited
Baker	Grant Baker
BIT	Baker Investment Trust No. 2
BNZ	Bank of New Zealand
Board	Me Today Limited's board of directors
Code	The Takeovers Code
DCF	Discounted Cash Flow
Independent Directors	Directors of the Board who are not, and are not associated with, MTL or the MTL Associated Shareholders or the Jarvis Trust
Jarvis Debt	A subordinated note (value at 30 June 2023 of $5.40 million) owing to Jarvis Trust arising from the purchase of King Honey
Jarvis Debt Extension	The proposal to extend the maturity of the Jarvis Debt to 30 June 2026 with a quarterly review from 1 July 2025
Jarvis Trust	TW Jarvis (No. 1) Family Trust
Kerr	Michael Kerr
King Honey	Me Today Manuka Honey Limited
Listing Rules	NZX Listing Rules
MEE or the Company	Me Today Limited
Me Today or MTB	Me Today Brand(s)
MKH	M&N Kerr Holdings Limited
MTL	MTL Securities Limited
MTL Associated Shareholders	MTL, BIT, SIT, and MKH
MTL Distribution	The in-specie distribution of MTL Securities Limited's shares to its ultimate owners
MTL Reclassification	The reclassification of MTL Securities Limited's non-voting ordinary shares to voting ordinary shares
Non-associated Shareholders	Shareholders not associated with MTL Securities
Non-voting Shares	Non-voting ordinary issued share capital in Me Today Limited (MEE)
Notice of Special Meeting	The notice for the Special Meeting as sent to shareholders (including this Report)
NZX	NZX Limited
Report	This report
Resolutions	The four ordinary resolutions to be voted on at the Special Meeting
Restructure	The restructure of Me Today Limited's operations and debt
Rights Issue	The proposed pro-rata non-renounceable rights issue
Shares	Ordinary issued share capital in Me Today Limited (MEE)
Sinclair	Stephen Sinclair
SIT	Sinclair Investment Trust
Special Meeting	The Special Meeting of Shareholders to be held on 8 March to consider the Resolutions
TERP	Theoretical ex-rights price
TGBC	The Good Brand Company Limited
Transaction	Refers collectively to the of the MTL Reclassification, Rights Issue, Underwrite, and MTL Distribution
Underwrite	The proposed underwriting agreement between the Underwriters and Me Today Limited (MEE)
Underwriters	Baker Investment Trust No. 2 (BIT) and Sinclair Investment Trust (SIT)
Voting Shares	Voting ordinary issued share capital in Me Today Limited
VWAP	Volume-weighted average price
$, dollar	All $ references are in NZ dollars

2 Overview and details of the transaction

2.1 Background

Me Today Limited ("**MEE**" or the "**Company**") is a New Zealand owned and operated company that specialises in the formulation, marketing, and distribution of a diverse range of health and beauty products, including mānuka honey alongside a range of supplements, skincare, and personal care items, with an emphasis on natural and sustainable ingredients.

MEE operates through two primary subsidiaries:

- The Good Brand Company Limited ("**TGBC**") which also represents the Me Today Brand ("**Me Today**" or "**MTB**") and,

- Me Today Manuka Honey Limited ("**King Honey**").

MEE currently has 15,437,639 ordinary shares ("**Shares**") on issue comprised of 12,957,287 voting Shares ("**Voting Shares**") and 2,480,352 non-voting Shares ("**Non-voting Shares**"). Only the Voting Shares are listed on the NZX Main Board financial product market operated by NZX Limited ("**NZX"**). As at 8 February 2024 MEE was trading at a price of $0.099 per Share with a market capitalisation (based on the Voting Shares only) of $1.28 million.

MTL Securities Limited ("**MTL**") is currently the largest shareholder in MEE. It holds 4,365,785 Voting Shares and all 2,480,352 Non-voting Shares. This provides MTL 33.7% of the Voting Shares and, with its Non-voting Shares, an overall economic interest in MEE of 44.3%. MTL is ultimately owned by:

- Grant Baker ("**Baker**") through Baker Investment Trust No 2 ("**BIT**")

- Stephen Sinclair ("**Sinclair**") through Sinclair Investment Trust ("**SIT**")

- Michael Kerr ("**Kerr**") through M&N Kerr Holdings Limited ("**MKH**")

Baker, Sinclair and Kerr are directors of MEE and therefore Associated Parties under the NZX Listing Rules ("**Listing Rules**") (collectively referred to as "**MTL Associated Shareholders**"). They are also considered associates under the Takeovers Code ("**Code**").

King Honey was purchased in June 2021 from the TW Jarvis (No. 1) Family Trust ("**Jarvis Trust**") for a combination of cash, new Shares and a $5.0 million subordinated note ("**Jarvis Debt**"). Jarvis Trust currently owns 10.7% of the Voting Shares of the Company and at 30 June 2023 the outstanding Jarvis Debt was $5.40 million.

Further information on the Company is set out in section 6.

2.2 Transactions

MEE intends to restructure its operations to separate the reporting of MEE's subsidiaries, TGBC and King Honey, ("**Restructure**"). This restructure includes amending the debt structure of MEE's subsidiaries whereby a portion of King Honey's bank debt is to be transferred to MEE with the remaining bank debt being held within, and secured only over the assets of, King Honey.

The Company's other material indebtedness is the Jarvis Debt. As part of the Restructure the maturity date for this debt is to be extended from 30 June 2024 to 30 June 2026 with a quarterly review, linked to some defined financial covenants, from 1 July 2025 (“**Jarvis Debt Extension**”).

Another element of the Restructure is a capital raise to ensure the business is adequately funded and capitalised. The capital raise consists of several separate events:

- reclassification of MTL’s Non-Voting Shares (“**MTL Reclassification**”)
- an in-specie distribution of MTL’s Shares to the shareholders of MTL (“**MTL Distribution**”)
- a pro-rata non-renounceable rights issue (“**Rights Issue**”), and
- a partial underwrite of the Rights Issue by BIT and SIT (“**Underwrite**”).

Collectively these four initiatives are referred to as the “**Transaction**”. Full details of the impact of each of the elements of the Transaction, and the Jarvis Debt Extension, are set out in following sections but in very brief summary:

- the Company has agreed to extend the time for repayment of its subordinated debt obligations with the Jarvis Trust from 30 June 2024 to 30 June 2026.
- the MTL Reclassification would increase the MTL Associated Shareholders control of the voting rights from 33.7% to 44.3%.
- The Rights Issue strengthens the Company’s balance sheet by raising up to $2.78 million of new share capital which, in turn, enables the Company to restructure its debt obligations (thus eliminating the need to repay the Jarvis Debt on 30 June 2024).
- The Rights Issue and Underwrite could see a material increase in the MTL Associated Shareholders collective shareholding. Depending on the participation of the Non-associated Shareholders, and the extent to which the Underwriters invest more than the underwritten amount, their control of the voting rights of the Company could range from 44.3% to 82.8%.

2.3 Special Meeting of Shareholders

MEE is holding a Special Meeting of shareholders on 8 March 2024 (“**Special Meeting**”) to vote on a series of resolutions related to the Jarvis Debt Extension and the Transaction.

As part of the Special Meeting there is the requirement for an Independent Adviser’s Report on the “merits” of the Transaction in accordance with the Code and an Independent Appraisal Report on the “fairness” of the Jarvis Debt Extension and the Transaction in accordance with the Listing Rules which together forms this Report (“**Report**”). Armillary Limited (“**Armillary**”) has been engaged by MEE to prepare the Report.

Full details of the Special Meeting will be in the Notice of Special Meeting (“**Notice of Special Meeting**”) that will be sent to shareholders along with the Report.

2.4 The Restructure

On 20 December 2023 MEE announced that it had extended the repayment date of its debt with the Jarvis Trust and that the Bank of New Zealand (“**BNZ**”) had agreed to continue supporting the business through to 30 June 2026. These extensions form part of the broader Restructure, also announced on 20 December 2023, that will seek to:

- ring fence King Honey's operations to keep its financial reporting and operations clearly separate from the other segments of MEE's business,

- further amend MEE's debt facilities so that some of the BNZ debt remains in, and only secured over, the King Honey business (the debt owed to the Jarvis Trust remains secured only over the assets of King Honey although it is subordinated to the BNZ),

- sell the King Honey business with the Jarvis Trust given a non-exclusive mandate to help sell the King Honey business on behalf of the Company, and

- further reduce costs across the whole company.

These initiatives will proceed independently of the Jarvis Debt Extension and (apart from the sales process for the King Honey business which is underway, but not complete) have largely already been given effect to.

Combined with the Rights Issue, and the other elements of the Transaction, the Restructure is crucial to MEE's continued operation as it enables the Company to continue focusing on its core business segments (i.e. Me Today and TGBC) and limit the impact of King Honey's poor performance on MEE's financial position.

The Restructure is dependent on the Jarvis Debt Extension and the Transaction. Without new capital (i.e. the Rights Issue) MEE would be unlikely to have a strong enough financial position to seek further changes to its debt facilities nor would it be a position to continue investing to develop the Me Today business.

2.5 MTL Reclassification

MTL applied for $4.2 million in the Company's June 2022 rights issue. To ensure compliance with the Takeovers Code, MTL gave written instruction to the Company to reclassify some of its existing shares as Non-voting Shares. The terms of the Non-voting Shares provide for them to be reclassified as Voting Shares if the holder, in this case MTL, gives notice in writing. As part of the Transaction MTL intends to give that notice so the Company will, subject to shareholder approval, reclassify the 2,480,352 Non-voting Shares held by MTL as Voting Shares.

2.6 MTL Distribution

Following the MTL Reclassification MTL intends to undertake an in-specie distribution whereby all of its MEE Shares are transferred to the underlying shareholders of MTL. The distribution of the Shares will be split as follows:

- 3,692,080 Shares to BIT

- 2,932,057 Shares to SIT

- 222,000 Shares to MKH

The split of the in-specie distribution reflects the varying ownership levels and associated internal financing arrangements of MTL.

2.7 Rights Issue

MEE intends to undertake a pro-rata Non-renounceable Rights Issue to raise up to $2.78 million in new capital. The proceeds of the Rights Issue will be used to recapitalise MEE as part of the Restructure. The principal terms of the Rights Issue are:

- The right to subscribe for four new Shares for every nine Shares held.
- The new Shares will be issued at $0.08 each.
- Due to varying legislative requirements some shareholders with offshore registered addresses may not be eligible to participate in the Rights Issue. All shareholders who are residents of New Zealand will be eligible to participate.
- The rights are non-renounceable, meaning shareholders cannot sell or transfer any of their rights.
- Subject to shareholder approval, the Rights Issue will be underwritten to a value of $2.0 million.
- There is an oversubscription facility for shareholders to apply for Shares in excess of their pro-rata entitlement.
- Shares up to a maximum value of $2.78 million (subject to rounding) will be allotted pursuant to the Rights Issue in the following order:
    - Shareholders, including MTL, subscribing for their pro-rata entitlement.
    - Shareholders, including MTL, applying in the oversubscription facility for Shares in excess of their pro-rata entitlement (subject to availability, and, if necessary, allocated on a pro-rata basis).

To give effect to the Underwrite BIT and SIT, as the Underwriters, will apply on behalf of MTL for its pro-rata entitlement and will then apply, on behalf of MTL, for additional Shares in the oversubscription facility such that the Underwriters combined applications will total $2.0 million. The Underwriters' ability to subscribe for the full $2.0m underwritten amount is subject to shareholder approval. In addition to seeking shareholder approval for the $2.0 million Underwrite the Company is also seeking shareholder approval to allow the Underwriters to subscribe for up to an additional $750,000 of Shares on top of their $2.0 million underwriting commitment (i.e. seeking shareholder approval for the Underwriters to have the ability to subscribe for up to 9,375,000 Shares in addition to the 25.0 million Shares for a total of up to 34.375 million Shares). In addition, approval is being sought to allow for MKH to subscribe for up to $137,310 (or up to 1,716,379 Shares) in the Rights Issue. These amounts of additional subscriptions will, if necessary, be scaled to ensure that the maximum size of the Rights Issue is $2,778,775.

The Rights Issue is expected to be completed by 31 March 2024. The full terms of the Rights Issue will be set out in the Rights Issue offer documents.

2.8 The Underwrite

Subject to shareholder approval BIT and SIT (the "**Underwriters**") have agreed to underwrite the Rights Issue to the value of $2.0 million or 25.0 million Shares. The split of the Underwrite is as follows:

- BIT will underwrite as to $1,500,000, or 18,500,000 Shares
- SIT will underwrite as to $500,000, or 6,250,000 Shares

To give effect to the underwrite BIT and SIT have agreed to subscribe for the pro-rata entitlement on behalf of MTL and will then apply for oversubscriptions to give a total combined application amount of $2.0 million.

Other key terms of the Underwrite are:

- There is no fee for BIT and SIT to underwrite the Rights Issue
- It is not proposed to have any market out clauses in the underwriting agreement.

The resolution relating to the Underwrite also allows for the Underwriters to subscribe for up to an additional $750,000 of Shares and for MKH to subscribe for up to $137,310 of Shares. The ability to subscribe for up to 9,375,000 additional Shares ($750,000) is split between BIT up to 7,031,250 and SIT up to 2,343,750. In practice, we understand that if this approval were used it would be implemented via the Underwriters subscribing for additional Shares in the oversubscription facility (where depending on the level of oversubscriptions from the Non-associated Shareholders they could be subject to scaling).

2.9 Impact on ownership

2.9.1 Ownership prior to the Rights Issue

The table below provides a breakdown of the current ownership of MEE as between MTL, and shareholders not associated with MTL ("**Non-associated Shareholders**").

Current ownership breakdown – Me Today Limited					
	Voting shares	**% of Voting Shares**	**Non-voting Shares**	**Total Shares**	**% of total**
MTL Shares	4,365,785	33.7%	2,480,352	6,846,137	44.3%
Non-associated Shareholders	8,591,502	66.3%	-	8,591,502	55.7%
Total	**12,957,287**	**100.0%**	**2,480,352**	**15,437,639**	**100.0%**

The table below provides a breakdown of the ownership of MEE following the MTL Reclassification and the MTL Distribution.

Ownership breakdown following the MTL Reclassification and MTL Distribution		
	Voting Shares	**% of Voting Shares**
BIT	3,692,080	23.9%
SIT	2,932,057	19.0%
MKH	222,000	1.4%
Sub-total MTL Associated Shareholders	**6,846,137**	**44.3%**
Non-associated Shareholders	8,591,502	55.7%
Total	**15,437,639**	**100.0%**

2.9.2 Ownership after the Rights Issue

Subject to shareholder approval, between 25.0 million and 34.735 (rounded) million new Shares will be issued under the Rights Issue. The table below presents the minimum and maximum shareholding levels for the MTL Associated Parties (split between MTL and the Underwriters) and the Non-associated Shareholders following the Rights Issue, depending on the level of participation by the Non-associated Shareholders.

Range of potential shareholding levels

millions	Current*	Rights Issue	Post Rights Issue	% of total
Minimum MTL Associated Shareholders shareholdings				
MTL	6,846,137	-	6,846,137	13.65%
The Underwriters & MKH	-	15,403,808	15,403,808	30.70%
Sub-total MTL Associated Shareholders	**6,846,137**	**15,403,808**	**22,249,945**	**44.35%**
Non-associated Shareholders	8,591,502	19,330,880	27,922,382	55.65%
Total	**15,437,639**	**34,734,688**	**50,172,327**	**100.00%**
Maximum MTL Associated Shareholders shareholdings – Underwritten amount only				
MTL	6,846,137	-	6,846,137	16.93%
The Underwriters & MKH	-	25,000,000	25,000,000	61.82%
Sub-total MTL Associated Shareholders	**6,846,137**	**25,000,000**	**31,846,137**	**78.75%**
Non-associated Shareholders	8,591,502	-	8,591,502	21.25%
Total	**15,437,639**	**25,000,000**	**40,437,639**	**100.00%**
Maximum MTL Associated Shareholders shareholdings – Total potential subscription				
MTL	6,846,137	-	6,846,137	13.74%
The Underwriters & MKH	-	34,375,000	34,375,000	69.01%
Sub-total MTL Associated Shareholders	**6,846,137**	**34,375,000**	**41,221,137**	**82.75%**
Non-associated Shareholders	8,591,502	-	8,591,502	17.25%
Total	**15,437,639**	**34,375,000**	**49,812,639**	**100.00%**

*includes Voting and Non-voting Shares

Commentary:

- Assuming that the MTL Reclassification is approved by shareholders the MTL Associated Shareholders will retain a 44.3% shareholding if the Non-associated Shareholders take up their full entitlements under the Rights Issue and the MTL Associated Shareholders do not receive any oversubscriptions. This is shown in the minimum scenario.

- The MTL Associated Shareholders maximum level of shareholding following the Rights Issue is 82.8%. This assumes Non-associated Shareholders collectively do not subscribe for any Shares while the Underwriters collectively subscribe for a total of $2.0 million of new Shares in the Underwrite and the full $750,000 of potential additional subscriptions (after scaling). This is shown in the bottom section of the table in the “Total potential subscription” row.

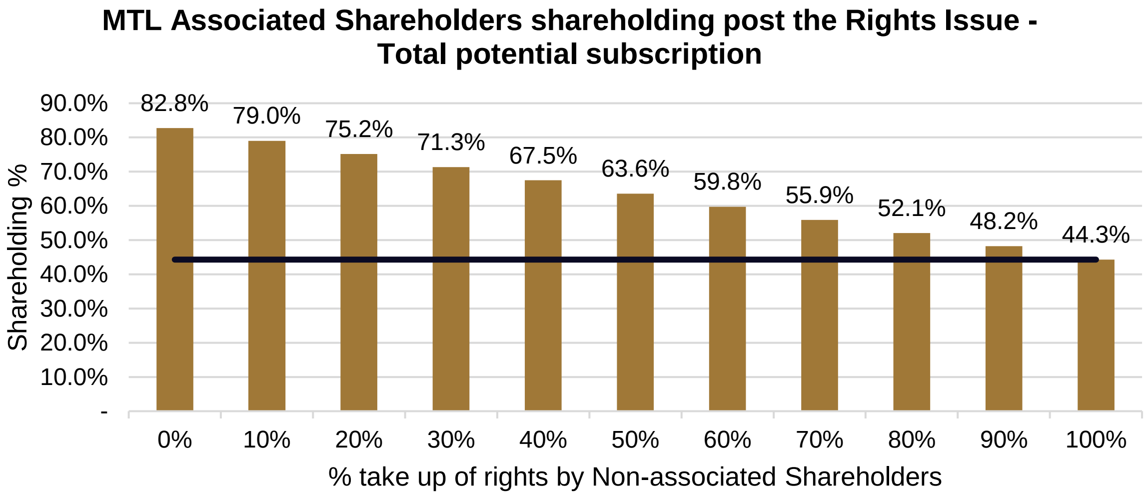
- We also present a scenario where the Non-associated Shareholders do not take up any entitlements in the Rights Issue while the Underwriters take up their full $2.0 million underwriting commitment but do not subscribe for any additional Shares. In this scenario, shown in the middle of the table in the row “Underwritten amount only” the MTL Associated Shareholders would own 78.8% of the Shares.

- Unless all shareholders apply for their full pro-rata entitlement additional Shares will be issued to shareholders who apply for them in the oversubscription facility.

Subject to the level of Non-associated Shareholders participation, the Rights Issue results in:

- the MTL Associated Parties owning between 44.3% and 82.8% of the Shares
- the Non-Associated Shareholders owning between 55.7% and 17.2% of the Shares.

While the extent of the increase is unknown, there is potential that the MTL Associated Shareholders will increase their level of control of voting rights in the Company above 50% i.e. they would acquire a controlling interest. We have prepared the chart below which presents the full continuum of potential shareholder levels following the Rights Issues under various take up levels by the Non-associated Shareholders. The black line shows MTL's holding (of 44.3%) assuming the MTL Reclassification is approved.



The table below shows the minimum and maximum level of ownership of MTL and the individual MTL Associated Shareholders at each stage of the Transaction concluding with the Rights Issue.

- In the minimum scenario shown below (i.e. where the Non-Associated Shareholders collectively subscribe for their pro-rata entitlement) the MTL Associated Shareholders collective holding remains at 44.3% with the MTL Distribution resulting in this being split between MTL's three shareholders i.e. BIT at 22.9%, SIT at 18.0% and MKH at 3.4%.

- The maximum level of shareholding following the Rights Issue for the MTL Associated Shareholders is 82.8% with BIT holding 57.7%, while the other MTL shareholders (SIT and MKH) collectively hold 25%. This scenario arises if the Non-associated Shareholders collectively don't subscribe for any Shares while the Underwriters subscribe for a total of $2.0 million pursuant to the Underwrite and the full $750,000 of potential additional subscriptions (after scaling).

- The impact of the additional up to $750,000 of subscriptions by the Underwriters is relatively minor. Without this additional investment (i.e. the Underwriters just subscribing for the $2.0 million underwritten amount) the maximum holding that the MTL Associated Shareholders could end up with is 78.8%. Adding in the potential for an extra up to $0.75

million (after scaling) increases the theoretical maximum holding of the MTL Associated Shareholders by 4.0% to 82.8%.

Impact of the Transaction on ownership – minimum scenario							
No. of Voting Shares	**Current**		**MTL Reclass-ification**	**MTL Dis-tribution**	**Rights Issue**	**Post Transaction**	
	Mil	**%**	**Mil**	**Mil**	**Mil**	**Mil**	**%**
Non-associated Shareholders	8.59	66.3%	-	-	19.33	27.92	55.7%
MTL	4.37	33.7%	2.48	(6.85)	-	-	-
BIT	-	-	-	3.69	7.80	11.50	22.9%
SIT	-	-	-	2.93	6.09	9.03	18.0%
MKH	-	-	-	0.22	1.51	1.73	3.4%
Sub-total MTL Associated Parties	**4.37**	**33.7%**	**2.48**	**-**	**15.40**	**22.25**	**44.3%**
Total	**12.96**	**100.0%**	**2.48**	**-**	**34.73**	**50.17**	**100.0%**

Impact of the Transaction on ownership – maximum scenario (total potential subscription)							
No. of Voting Shares	**Current**		**MTL Reclass-ification**	**MTL Dis-tribution**	**Rights Issue**	**Post Transaction**	
	Mil	**%**	**Mil**	**Mil**	**Mil**	**Mil**	**%**
Non-associated Shareholders	8.59	66.3%	-	-	-	8.59	17.2%
MTL	4.37	33.7%	2.48	(6.85)	-	-	-
BIT	-	-	-	3.69	25.03	28.73	57.7%
SIT	-	-	-	2.93	7.85	10.78	21.6%
MKH	-	-	-	0.22	1.49	1.72	3.4%
Sub-total MTL Associated Parties	**4.37**	**33.7%**	**2.48**	**-**	**34.38**	**41.22**	**82.8%**
Total	**12.96**	**100.0%**	**2.48**	**-**	**34.38**	**49.81**	**100.0%**

2.10 Summary of opinions

2.10.1 Takeovers Code

Our evaluation of the merits of the Transaction, as required under the Code, is detailed in section 4. A brief summary of our opinion as to the primary advantages and disadvantages of the Transaction, is set out in this section.

The primary positive aspects of the Transaction are:

- There is a strong rationale for the Transaction as it strengthens the Company's financial position and enables it to restructure its existing debt obligations.
- Without the Transaction MEE is reliant on alternative sources of funding being available in the very short term and/or further accommodation from the Company's

lenders. In our opinion this would introduce a high degree of uncertainty to MEE's business.

- The Underwrite provides certainty that at least $2.0 million will be raised in the Rights Issue and the fact of the largest shareholder committing to invest that amount could be taken as a vote of confidence in the future prospects for MEE.

- All eligible shareholders are able to participate in the Rights Issue (including the over subscription facility). This means that if the Non-associated shareholders collectively take up their pro-rata entitlement the MTL Associated Shareholders will not increase their share of the Company's voting rights (other than from the MTL Reclassification).

The primary negative aspects of the Transaction are:

- The MTL Associated Shareholders collective level of control of MEE's voting rights could increase to as high as 82.8%. In any event, albeit dependent on the level of participation in the Rights Issue by the Non-associated Shareholders, they are likely to acquire a controlling stake (i.e. above 50% of the voting rights) and this controlling interest will be purchased at a discount to the prevailing market price (i.e. no control premium will be paid).

- The Rights Issue is non-renounceable, meaning shareholders that don't take up their entitlements will not be able to transfer or sell their rights.

In our opinion, having regard to the interests of the Non-associated Shareholders and taking into account all relevant factors, the positive aspects of the Transaction outweigh the negative aspects.

2.10.2 NZX Listing Rules

Our evaluation of the fairness of the Jarvis Debt Extension and the Transaction, as required under the Listing Rules, is detailed in section 5. A brief summary of the key factors leading to our opinions is set out in this section.

- The rationale for the Jarvis Debt Extension is compelling. The interest rate on the Jarvis Debt is well below a true, current market rate for similar debt. If the extension is not approved the Jarvis Debt would be repayable on 30 June 2024 and we consider it unlikely that MEE would be able to refinance the Jarvis Debt on equivalent terms from any third party financier.

- As it relates solely to a debt instrument, with no voting rights, the Jarvis Debt Extension has no impact on the voting rights, ownership or control of MEE.

- We consider the rationale for the Transaction is solid.

- In our opinion the terms and conditions of the Rights Issue and Underwrite are reasonable and we do not consider, at least in the short term, that there are any viable alternatives to the Underwrite.

- The Transaction has a positive impact on MEE's financial position and cements the MTL Associated Shareholders as supportive cornerstone shareholders.

- The single largest negative of the Transaction is the potential for the MTL Associated Shareholders to acquire a controlling interest in MEE (i.e. in excess of 50% of the

Voting Shares) at a discount to the prevailing market price, which itself is substantially below historic share prices.

In our opinion, having regard to the interests of the Non-associated Shareholders and taking into account all relevant factors, we consider that the terms and conditions of the Jarvis Debt Extension and the Transaction are fair.

3 Regulatory requirements and approval matters

3.1 Special meeting of shareholders

Shareholders will, subject to their eligibility, vote at the Special Meeting on 8 March 2024 on five resolutions (the "**Resolutions**") to give effect to the Jarvis Debt Extension and the Transaction.

Resolution 1 – Extension of repayment date of Jarvis Trust subordinated note (Listing Rule 5.2)

To consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company:

> *"To ratify, confirm and approve the extension of the repayment date of the debt owing to the trustees of the TW Jarvis (No. 1) Family Trust to 30 June 2026 for purposes of NZX Listing Rule 5.2, as described further in the explanatory notes to the notice of meeting."*

Resolution 2 – Reclassification of non-voting shares (Rule 7(d) of the Takeovers Code)

To consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company:

> *"To ratify, confirm and approve the reclassification of 2,480,352 non-voting shares to voting shares for the purposes of Rule 7(d) of the Takeovers Code, as described further in the explanatory notes to the notice of meeting."*

Resolution 3 – Transfer of shares (Rule 7(c) of the Takeovers Code)

If Resolution 2 is passed, to consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company:

> *"For the purposes of Rule 7(c) of the Takeovers Code, to approve the transfer from MTL Securities Limited of:*
>
> *(a) 3,692,080 shares to the trustees of Baker Investment Trust No 2, and*
>
> *(b) 2,932,057 shares to the trustees of Sinclair Investment Trust, and*
>
> *(c) 222,000 shares to M&N Kerr Holdings Limited,*
>
> *as further described in the explanatory notes to the notice of meeting."*

Implementation of this resolution is conditional upon Resolution 2 being approved by the shareholders of the Company.

Resolution 4 – Rights Issue (Listing Rule 4.2.1)

If Resolution 3 is passed, to consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company:

> *"To approve the issue of up to 34,734,688 ordinary shares at an issue price of 8 cents per share to raise up to $2,778,775 (the Rights Issue) for the purposes of NZX Listing Rule 4.2.1, as described further in the explanatory notes to the notice of meeting."*

Resolution 5 – MTL Shareholders participation in the rights issue and Underwriting (Rule 7(d) of the Takeovers Code, Listing Rule 5.2)

If Resolution 4 is passed, to consider, and if thought fit, pass the following resolution as an ordinary resolution of the Company:

> *"To approve the partial underwriting of the first $2,000,000, and potential subscriptions up to a further $750,000, of the Rights Issues by the trustees of the Baker Investment Trust No 2 as to 25,781,250 ordinary shares and the trustees of Sinclair Investment Trust as to 8,593,750 ordinary shares and the potential subscriptions for up to $137,310, or, up to 1,716,379 shares, by M&N Kerr Holdings Limited for the purpose of Rule 7(d) of the Takeovers Code and NZX Listing Rule 5.2, as described further in the explanatory notes to the notice of meeting."*

Implementation of this resolution is conditional upon Resolution 4 being approved by the shareholders of the Company.

If Resolution 1 is passed but Resolutions 2 to 5 are not, the extension of the repayment date of the Jarvis Debt could still go ahead although the Company would need to raise additional funds in another way which could prove to be difficult.

Resolutions 4 and 5 are conditional on each other as both are required to be approved for the Rights Issue and the Underwrite to proceed.

Resolutions 2 and 3 are independent of resolutions 1, 4 and 5. If the Jarvis Debt Extension, Rights Issue and the Underwrite are not approved but if Resolution 2 is approved the MTL Reclassification will still go ahead. If Resolutions 2 and 3 are both approved the Reclassification (Resolution 2) and the MTL Distribution (Resolution 3) would still proceed however, in the case of the latter, it would be for a smaller number of Shares.

The trustees of the Jarvis Trust, and any Associated Persons (as defined in the Listing Rules) are not permitted to vote on Resolution 1.

In relation to resolutions 2, 3, 4 and 5, and pursuant to Rule 17 of the Code, the MTL Associated Shareholders are prohibited from voting any Shares they hold.

Shareholders should read the section 'Voting Restrictions' within the Notice of Special Meeting for further information.

3.2 Regulatory Requirements

3.2.1 Takeovers Code

MEE's Shares are listed on the NZX Main Board and as an Issuer the Company is classified in the Code as a code company.

Rule 6 of the Code, the Fundamental rule, prohibits:

- A person who holds or controls less than 20% of the voting rights in a code company from increasing its holding or control of voting rights beyond 20%; and

- A person holding or controlling 20% or more of the voting rights in a code company from increasing its holding or control of voting rights, unless that person and their associates complies with the exceptions to the Fundamental rule.

One of the exceptions, set out in Rule 7(d) of the Code, enables a person to increase their holding or control of voting rights by an allotment of Shares if the allotment is approved by an ordinary resolution of shareholders of the code company.

Rule 7(d) of the Code applies to:

- The MTL Reclassification as it increases MTL's control of MEE's voting rights from 33.7% to 44.3% and

- The Underwrite as it may result in the MTL Associated Shareholders increasing their control of voting rights in MEE from 44.3% (assuming the MTL Reclassification is approved by shareholders and implemented) up to as high as 82.8%, depending on the level of Non-associated Shareholder participation in the Rights Issue.

Another exception, set out in Rule 7(c) of the Code, enables a person to increase their holding or control of voting rights by the acquisition of Shares if the acquisition has been approved by an ordinary resolution of the code company.

Rule 7(c) of the Code applies to the MTL Distribution as it will see SIT, BIT, and MKH become holders of up to 57.7%, 21.6%, and 3.4% of MEE's voting rights, respectively.

Accordingly, Non-associated Shareholders will vote at the Special Meeting on ordinary resolutions in respect of the MTL Reclassification, the MTL Distribution and the Underwrite i.e. resolutions 2, 3, and 5.

Rule 18 of the Code requires the directors of a code company to obtain an Independent Adviser's Report on the merits of an allotment under rule 7(d) or an acquisition under rule 7(c).

The Independent Adviser's Report is to be included in, or accompany, the Notice of Special Meeting pursuant to Rule 16(h).

3.2.2 NZX Listing Rules

MEE's Shares are listed on the NZX Main Board and as an Issuer the Company is subject to the Listing Rules.

Listing Rule 5.2.1 states that an Issuer must not enter into a Material Transaction (as that term is defined in the Listing Rules) if a Related Party (as that term is defined in the Listing Rules) is, or is likely to become:

- a direct party to the material transaction, or

- a beneficiary of a guarantee or other transaction which is a material transaction,

unless that material transaction is approved by Ordinary Resolution or conditional on such approval.

The Jarvis Debt Extension is a Material Transaction as the Jarvis Debt exceeds 10% of MEE's Average Market Capitalisation (as that term is defined in the Listing Rules). Because the Jarvis Trust owns more than 10% of the Voting Shares it is a Related Party and so shareholder approval is required.

The Transaction is also a Material Transaction as the Underwrite and the MTL Associated Shareholders participation in the Rights Issue equates to the potential issue of equity securities above 10% of MEE's Average Market Capitalisation.

The MTL Associated Shareholders are related parties under the Listing Rules as the ultimate owners of BIT, SIT, and MKH (i.e. Baker, Sinclair and Kerr) are directors and / or executives of MEE, and holders of more than 10% of MEE's Voting Shares.

Listing Rule 7.8.8(b) states that a notice of meeting for the purpose of Rule 5.2.1 must be accompanied by an Appraisal Report.

An Appraisal Report is also required by Listing Rule 7.8.5(b) when a meeting will consider a resolution in respect of the issue of financial products where more than 50% of the financial products to be issued are intended or likely to be acquired by directors or associated persons of directors. While there is a continuum of results subject to the level of participation of the Non-associated Shareholders in the Rights Issue, it is possible that the Shares issued to the MTL Associated Shareholders (pursuant to the Rights Issue and the Underwrite) will constitute more than 50% of all of the Shares to be issued in the Rights Issue.

Listing Rule 7.10.2 requires an Appraisal Report to state the appraiser's opinion, with supporting reasons, as to whether or not the terms and conditions of the Transaction are fair to shareholders not associated with the Issuer or its directors, or with any parties to the transaction. In this Report that means the Non-associated Shareholders.

3.3 Purpose of the Report

MEE's board of directors (the "**Board**") has engaged Armillary to prepare:

- an Independent Adviser's Report on the merits of the MTL Reclassification, the Underwrite and the MTL Distribution in accordance with Rule 18 of the Code. Armillary was approved by the Takeovers Panel on 9 January 2024 to prepare the Independent Adviser's Report.

- An Appraisal Report on the fairness of the Jarvis Debt Extension and the Transaction in accordance with the Listing Rules. Armillary was approved by NZ RegCo on 9 January 2024 to prepare the Appraisal Report.

Armillary issues this Independent Adviser's Report and Appraisal Report to those directors of the Board who are not, and are not associated with, directors of MTL or the MTL Associated Shareholders nor whom are associated with the Jarvis Trust ("**Independent Directors**"). The Report is for the benefit of the Non-associated Shareholders to assist them in forming their own opinion on whether to vote for or against the Resolutions in relation to the Jarvis Debt Extension and the Transaction at the Special Meeting on 8 March 2024.

We note that each shareholder's circumstances and objectives are unique. Accordingly, it is not possible to report on the merits and fairness of the Jarvis Debt Extension and the Transaction in relation to each individual shareholder. This report on the merits and fairness of the Jarvis Debt Extension and the Transaction is therefore necessarily general in nature.

This Independent Adviser's Report and Appraisal Report is not to be used for any other purpose without our prior written consent.

4 Evaluation of the merits of the Transaction for the purposes of the Takeovers Code

4.1 Basis of evaluation

Rule 18 of the Code requires an evaluation of the merits any proposed acquisition under rule 7(c) or allotment under rule 7(d) having regard to those persons who may vote to approve the acquisition or allotment.

There is no legal definition of the term "merits" in New Zealand in either the Code or in any statute dealing with securities or commercial law. In the absence of an explicit definition or merits, guidance can be taken from:

- the Takeovers Panel Guidance Note on Independent Advisers dated 1 November 2023;
- definitions designed to address similar issues within New Zealand regulations which are relevant to the Transaction;
- overseas precedents; and
- the ordinary meaning of the term "merits".

The specific elements of the Transaction that require an Independent Adviser's Report are the MTL Reclassification, the MTL Distribution and the Underwrite. The MTL Reclassification and the MTL Distribution can occur without the Underwrite however, given the inter-linked nature of the Resolutions, the Underwrite cannot proceed without the MTL Reclassification.

The Rights Issue *per se* doesn't require an Independent Adviser's Report but the Transaction, and Restructure, are both dependent upon it. Accordingly, while we do address some of these matters separately, as it is the Company's intention that it is a complete package we have focused more on the Restructure and the Transaction as a whole in our assessment of the merits.

In our opinion, an assessment of the merits of the Transaction should consider:

- the rationale for the Transaction;
- the outlook for MEE without the Transaction;
- the terms and conditions of the Rights Issue;
- the terms and conditions of, and alternatives to, the Underwrite;
- the effect of the Transaction on MEE's financial position;
- the impact on the control of the Company (with separate consideration given to each of the MTL Reclassification, the Underwrite and the MTL Distribution);
- the likelihood of a takeover following the Transaction;
- the impact of the Transaction on MEE's share price and liquidity;
- other benefits and disadvantages to shareholders; and

- the implications if the Resolutions are not approved.

Our opinion should be considered as a whole. Selecting only portions, without considering all the factors and analysis together, could create a misleading view of the factors and process underlying the opinion.

4.2 Summary of the Evaluation of the merits of the Transaction

Our evaluation of the merits of the Transaction are set out in detail in sections 4.3 to 4.14.

In summary, the positive aspects are:

- there is a strong rationale for the Transaction;
- the outlook for MEE without the Transaction is uncertain and reliant on alternative sources of funding being available and/or further accommodation from the Company's lenders;
- the Rights Issue is of sufficient size that it should enable the ongoing sustainable operations of MEE;
- all eligible shareholders are able to participate in the Rights Issue. It is critically important for the Non-associated Shareholders to realise that if they collectively take up all of their pro-rata entitlement the MTL Associated Shareholders will not increase their share of the Company's voting rights (other than from the MTL Reclassification);
- the terms of the Underwrite are favourable;
- while the Rights Issue subscription price is at a significant discount to historic Share trading prices the discount to more recently traded prices is at the lower end of what is typically observed in the market;
- the Underwrite provides certainty that the Rights Issue will raise at least $2.0 million and the fact of the largest shareholder committing to invest that amount could be taken as a vote of confidence in the future prospects for MEE;
- the Transaction will have a positive impact on MEE's financial position;
- with more Shares held by the Non-associated Shareholders liquidity, as measured by the volume of Shares traded on the NZX, may increase (although measured as a percentage of all the Shares on issue it is reasonable to expect it to decline); and
- without the MTL Distribution the MTL Associated Shareholders would, after the Rights Issue, be likely to be able to utilise the creep provisions of rule 7(c) of the Code. However, the effect of the MTL Distribution is that only BIT, and only then if there is low participation by Non-associated Shareholders in the Rights Issue, might be able to utilise these provisions.

In summary, the negative aspects are:

- the MTL Associated Shareholders collective level of control of voting rights in MEE may increase to as high as 82.8%. If the historic level of Non-associated Shareholder participation in capital raises is repeated the MTL Associated Shareholders would likely acquire a controlling stake (i.e. above 50% of the voting rights). Any increase in their percentage holding will be done at a discount to the prevailing market price for the Shares (albeit the extent to which their shareholding does increase is primarily dependent on the level of participation in the Rights Issue by the Non-associated Shareholders);

- the Rights Issue is non-renounceable, meaning shareholders that don't take up their entitlements will not be able to transfer or sell their rights;

- if participation in the Rights Issue by Non-associated Shareholders is low the MTL Associated Shareholders would increase their ability to exert control over the Company (however, we note that with historic voting patterns MTL is already able to exert a level of control over shareholder votes).

There are both positive and negative aspects associated with the Transaction. In our opinion, when the Non-associated Shareholders are evaluating the merits of the Transaction, they need to carefully consider whether the negative aspects could justify voting against the Resolutions, with the outcome that MEE would be unable to complete the Restructure and in need of additional funding (which may, or may not be, available) and/or be more reliant on achieving a positive outcome in respect of the sale of the King Honey business.

In our opinion, considering all relevant factors, the positive aspects of the Transaction outweigh the negative aspects from the perspective of the Non-associated Shareholders.

4.3 The rationale for the Transaction

The purpose of the Rights Issue is to raise funds to facilitate the Restructure, the Jarvis Debt Extension and fund the continued operations of MEE. If fully subscribed the Rights Issue will raise $2.78 million of new capital.

Given the current financial position, the historic financial performance of MEE and the Company's guidance that it expects further losses in the six-month period to 31 December 2023, it is our opinion that the Restructure is critical to ensure the ongoing viability of MEE.

As outlined in section 2.4 the Restructure is a comprehensive proposal to ring fence the Me Today business from the King Honey business while MEE seeks to sell King Honey. To enable this the Company sought accommodation from both of its key lenders (BNZ and Jarvis Trust) while at the same time enabling a partially underwritten equity raising.

Each element of the Transaction is an important part of the whole and the Transaction is required to enable the Restructure and the Jarvis Debt Extension to be implemented.

In our opinion the rationale for the Transaction, and each element, is sound. It gives the Company flexibility while it seeks a buyer for King Honey while at the same time ensuring that funds raised to support the growth of the Me Today business are not used to support King Honey.

4.4 The outlook for MEE without the Transaction

After reporting a $12.97 million loss in FY23 MEE had Shareholders' Funds at 30 June 2023 of $11.9 million. The Company had $913,000 in cash but over $12.4 million of debt (excluding lease liabilities).

Since 2020 (the year MEE acquired TGBC) MEE has incurred accumulated losses of $40.4 million and cumulative operating cash outflows of $21.6 million. The 2021 acquisition of King Honey accelerated these losses with c.75% of the accumulated loses and operating cash outflows having occurred since that acquisition. To date MEE has primarily funded these losses through the issuance of new share capital.

MEE is expected to continue incurring losses, for at least the current FY24 financial year, and so will require ongoing funding as it continues to review its cost base while also investing in the growth of the MTB segment of its business. Without the Rights Issue MEE would not be able to continue funding its business operations and would likely be in need of more accommodation and support from its external lenders. In the absence of alternative sources of capital, which the MEE Board believe is unlikely to be available, the Company would likely need to explore deeper cuts to its cost base while at the same time having less flexibility around the sale of the King Honey business. A further possible scenario is that the Board may look to appoint a liquidator to wind up the Company.

In our opinion each of these scenarios is likely to see lower returns to existing shareholders.

4.5 Structure of the Rights Issue

4.5.1 Size of the Rights Issue

The Rights Issue and Underwrite is structured so that the Company will raise between $2.0 million and $2.78 million of new share capital. The amount to be raised is based on the Board's estimate of the amount of new capital required to recapitalise the business following the Restructure, facilitate the Jarvis Debt Extension, and to fund the ongoing business operations (i.e. the Rights Issue has been sized to result in MEE being a sustainable operation).

A larger rights issue would give the Company more financial flexibility and strengthen its balance sheet further, however, there is always a balance to be struck with what is realistically achievable.

In our opinion, on the basis that it is large enough to implement the Restructure (including the Jarvis Debt Extension), the size of the Rights Issue is reasonable.

4.5.2 Non-renounceable

The rights are non-renounceable, meaning that they cannot be transferred or sold. This is a negative for shareholders that do not wish to participate in the Rights Issue as it does not provide any opportunity for these shareholders to realise the value of their rights.

We understand that the Company's decision to make the rights non-renounceable was primarily to minimise the cost to the Company while also simplifying the Rights Issue as much as possible.

With the oversubscription facility available to shareholders (which equates to buying extra rights for zero consideration) it is unlikely that there would be much, if any, demand for rights if they were renounceable. Accordingly, we consider the Board's decision is reasonable.

4.5.3 Eligible Shareholders

The Rights Issue is only open to shareholders with registered addresses in New Zealand, Australia or such other places where a shareholder can satisfy the Company that the Rights Issue can lawfully be made and accepted. Shareholders in the United States are not eligible to participate in the Rights Issue. Similarly, shareholders (including trustees, Custodians and nominees) who hold Shares on behalf of persons in the United States, or are acting for the account or benefit of persons in the United States, are not eligible to participate in the Rights Issue on behalf of those persons.

Although we are unable to ascertain whether there are NZ registered shareholders holding Shares on behalf of persons in the USA, we understand that as at 10 January 2024 there were only four shareholders, collectively holding 214,000 Shares, with a registered address outside of NZ or Australia. Accordingly, we consider the Board's approach to shareholder eligibility as reasonable.

4.6 Pricing of the Rights Issue

Based on the closing Share price on 8 February 2024 of $0.099 the Rights Issue is priced at a 19.2% discount to the prevailing share price and a 6.8% discount to the theoretical ex-rights price ("**TERP**")[1] of $0.0858. This level of discount is at the lower end of the range of discounts observed for rights issues in New Zealand.

A lower discount to the TERP makes the Rights Issue less attractive to existing shareholders as it increases the cost of participation and means there is a smaller bonus element within the Rights Issue. However, in reverse it results in less dilution for shareholders that do not participate in the Rights Issue.

The relatively low discount to the TERP also needs to be considered in the context of the price of the Shares which fell substantially over the course of 2023 i.e. the pricing of the Rights Issue is at a bigger discount to historic share prices.

We have not undertaken a detailed valuation analysis of MEE. In part this is because we do not have the detailed, medium term financial projections required for a Discounted Cashflow ("**DCF**") valuation. In addition, each business division, and the Company as a whole, has operated at an EBITDA loss for each of the last two financial years meaning we have no guidance as to what level of earnings would be appropriate to use in a capitalisation of earnings valuation. Further complicating any valuation analysis is the fact that the Company and its subsidiaries are highly indebted (with over $12 million of debt owing to BNZ and the Jarvis Trust), King Honey has substantial inventory holdings of honey (at June 2023 it was over 2 years of sales which, if sold, could generate substantial levels of cashflow) and King Honey (the largest subsidiary) operates in an industry where it is exposed to a number of factors outside of the Company's control.

In the absence of this information, and in the context of the Company actively looking to sell King Honey, we have turned to the valuation information in the 2023 annual report. We have considered:

- The Company's internal DCF valuation of King Honey in support of its goodwill impairment testing analysis. At 30 June 2023 this value was $21.1 million (excluding any debt or cash in King Honey).
- The Book Value of all other business operations (i.e. excluding King Honey) at 30 June 2023 was $3.1m (excluding any debt or cash).

We suspect that given the history of trading losses in each of the businesses both would be valued at a discount to their book values. However, in the absence of any detailed analysis of all the underlying assumptions and information, we have calculated a value for MEE

[1] The TERP is the market price that a stock will theoretically have following a rights issue.

based on varying percentages of these values. Purely for illustrative purposes, we present the following analysis:

Indicative asset based valuation of MEE (based on Company assessed values / book value at 30 June 2023)			
NZ$m	**Value**	**Assumed %**	**Indicative Value**
King Honey	21.1	70%	14.8
All other business activities	3.1	60%	1.9
Enterprise Value			16.6
Net Debt (at 30 June 2023)			(11.5)
Implied, indicative Equity Value			5.1
Implied, indicative Equity Value (per share)			**$0.33**

As shown in the following table there is a wide range of possible outcomes with the key determinant being the value for King Honey. If King Honey can be sold for at least 60% of the Company's historic assessed value then, in most scenarios, a valuation of MEE would be in excess of the $0.08 Rights Issue subscription price. In some scenarios the premium could be substantial. However, there are scenarios where the Shares would be worth less than the Rights Issue subscription price.

Indicative asset value based valuation of MEE (based on Company assessed values / book value at 30 June 2023)

		Me Today Value % of Book Value					
		0%	**20%**	**40%**	**60%**	**80%**	**100%**
King Honey % of assessed value	**50%**	($0.06)	($0.02)	$0.02	$0.06	$0.10	$0.14
	60%	$0.07	$0.11	$0.15	$0.19	$0.23	$0.27
	70%	$0.21	$0.25	$0.29	$0.33	$0.37	$0.41
	80%	$0.35	$0.39	$0.43	$0.47	$0.51	$0.55
	90%	$0.48	$0.52	$0.56	$0.60	$0.64	$0.68
	100%	$0.62	$0.66	$0.70	$0.74	$0.78	$0.82

This sensitivity table is provided for illustrative purposes. We note that the losses incurred since June 2023 would mean that a current valuation on the same basis would be lower than the numbers presented above.

In addition, there are a range of factors that contribute to a valuation including projected financial performance, future growth rates, the general level of interest rates and investor perceptions as to the specific risk factors of King Honey. Relatively small changes in underlying assumptions can result in large changes to the valuation result. In particular, we note that results in the current financial year are lower than the Company's expectations at the time of undertaking this internal valuation.

Shareholders need to consider, among other matters, the likelihood of MEE being able to sell King Honey and, if so, at what price. If King Honey is able to be sold, shareholders also need to make an assessment as to the Company's ability to manage its corporate overhead costs and improve the performance of the other business units so that it can generate profits in the Me Today division.

In assessing the merits of the pricing of the Rights Issue we place more emphasis on the relativity to more recent Share prices than its relativity to historic share prices and whether it is a discount or premium to a hypothetical underlying value. The subscription price is at a large discount to the historic share price trading ranges of the Shares however MEE's financial results have continued to be poor, with the Rights Issue being the third capital raise announced since the 2021 acquisition of King Honey.

The Rights Issue is being offered on a pro-rata basis so each shareholder has the ability to maintain their relative percentage holding. In addition, the discount to the TERP is at the lower end of what we typically observe in the marketplace meaning that there is less dilution for those shareholders who elect not to, or are unable to, participate in the Rights Issue. Overall, we consider the pricing of the Rights Issue to be reasonable from the point of view of the Non-associated Shareholders.

4.7 Underwriting

It is proposed that the Rights Issue be partially underwritten, with BIT and SIT committing to underwrite the first $2.0 million of the issue, thus providing certainty that MEE will raise at least $2.0 million. While not part of the formal underwriting agreement shareholder approval is also being sought for the Underwriters to subscribe for up to an additional $750,000 of Shares and for MKH to subscribe for up to $137,310 i.e. to a total of $2.75 million (after scaling, if any).

4.7.1 The Underwrite

MEE had the following options in relation to underwriting the Rights Issue:

- the Underwrite as proposed
- seeking an alternative underwriter (and for a smaller, or larger, amount)
- proposing a non-underwritten Rights Issue

4.7.2 The Underwrite as proposed

The Underwriters will not charge an underwriting fee; however, the Underwriters will have the ability to purchase Shares above the level they would otherwise be entitled to (calculated on the basis of proportion of the MTL entitlement that the two underwriters would be entitled to on a look-through basis), potentially diluting Non-associated Shareholders[2].

Underwriting fees vary and are typically a function of the size of the rights issue relative to the market capitalisation prior to the issue (i.e. the larger the relative size generally the higher the fee), the discount of the subscription price to the TERP (i.e. generally speaking the lower the discount the higher the fee) and such other factors that the underwriters consider in assessing the likelihood that they will be called upon to purchase any shortfall.

In this case the issue is a large one (the underwritten amount is 131% of MEE's market capitalisation including the Non-voting Shares), the subscription price is at a relatively low discount to the TERP and with the relatively high level of operational and financial risks that the Company currently faces we would expect an underwriting fee to be at the high end of observed rates and be at least 5.0% of the underwritten amount.

[2] We note that in the absence of the Underwrite the MTL Associated Shareholders could, through MTL, utilise the Oversubscription facility to purchase more than their pro-rata entitlement.

4.7.3 Alternative underwriters

The Board has advised that it does not believe alternative underwriters could be obtained. Armillary agrees with the Board's assessment and considers it unlikely that MEE would have been able to secure an alternative underwriter given:

- the small size and market capitalisation of the Company;
- MEE's current financial performance (i.e. high levels of debt and losses in each division);
- the lack of institutional investors on MEE's share register (although an alternative underwriter could reasonably assume that MTL would take up at least its 44.3% entitlement of the $2.78 million issue i.e. subscribe for $1.23 million); and
- the limited liquidity of MEE's Shares.

Even if an alternative underwriter could be found we consider it unlikely that they would be willing to underwrite the Rights Issue for zero fee.

4.7.4 No underwriter

Having a non-underwritten issue was an option for MEE. However, in our experience, this would likely lead the Company to set the Rights Issue subscription price at a bigger discount to the TERP than it has so as to encourage uptake by shareholders. Even then a large discount would not guarantee the full subscription for the Rights Issue with other factors that can impact the level of participation including:

- the liquidity of the Shares and spread of shareholders;
- the level of required investment, both in absolute terms and relative to the market value of each holder's shareholding;
- the proposed use of the Rights Issue proceeds (i.e. is it to cover losses and/or repay debt or be invested for growth?); and
- the general state of equity markets.

Some of these factors can be mitigated through the structure of a rights issue, however, we note that given:

- the low discount to TERP;
- the low demand for MEE's Shares (based on volumes traded over the last 12-months and the level of participation by shareholders in previous capital raisings), and
- recent poor financial performance,

we are of the view that MEE would have a very low probability of raising the underwritten amount if it elected to have a non-underwritten rights issue.

Overall, on the basis that the Underwriters are not charging a fee for underwriting the Rights Issue and that the Non-associated Shareholders have the ability to minimise the dilutive impact of the Underwrite by taking up at least their pro-rata entitlements, Armillary considers the Underwrite to be favourable to MEE and the Non-associated Shareholders.

4.8 Impact on financial position

We have prepared a *pro-forma* balance sheet illustrating the impact on MEE's financial position if it had received the proceeds of a fully subscribed Rights Issue at 30 June 2023. While NAV per share would have fallen from $0.77 to $0.29 the overall impact on MEE's financial position is positive. With the increase in shareholders' funds, and the decline in debt, net debt as a percentage of equity would have dropped from 103.3% to 64.9% and net debt to total assets would have been 32.1% rather than the 45.7% reported.

Pro-forma financial position – Me Today Limited

NZ$000's	As at 30 June 2023	Rights Issue	Post Rights Issue
Total assets	26,950	2,780	29,730
Total liabilities	(15,017)	-	(15,017)
Total equity	11,933	2,780	14,713
Net debt	12,327	(2,780)	9,547
Net debt / equity	103.3%	nm	64.9%
Net debt / total assets	45.7%	nm	32.1%
No. of Shares (000's)	15,438	34,750	50,188
Net assets	11,933	2,780	14,713
Net assets per Share	$0.77	$0.08	$0.29

We understand from MEE's Board that its internal forecasting shows that the Transaction and subsequent Restructure results in MEE's operations being financially sustainable over the medium-term.

In our view it is relevant to assessing the merits of the Transaction that the level of new share capital being raised is enough for the Company's lenders (BNZ and the Jarvis Trust) to provide the Company with additional accommodation in relation to their existing advances.

We consider that the Transaction leads to a marked improvement in the Company's financial position from the current weak, and financially exposed, position.

4.9 Impact on control

4.9.1 Share capital and shareholders

MEE currently has 12,957,287 Shares on issue held by 794 shareholders (further detail on MEE's share capital and shareholders is set out in section 6.3).

MEE currently has two substantial shareholders, MTL (33.7%) and the Jarvis Trust (10.7%). The Underwriters are two of the ultimate owners of MTL, as such the analysis assumes that the MTL Associated Shareholders are, and will continue to be, associates and so our analysis of the control position focuses on MTL in aggregate.

4.9.2 Voting level scenarios

MTL's current level of voting rights (33.7%) enables it to block, but not pass special resolutions (which require the approval of 75% of the votes cast by shareholders) but does not enable it to pass or block ordinary resolutions (which require the approval of 50% of the votes cast by shareholders).

Incorporating only the MTL Reclassification the MTL Associated Shareholders control of voting rights would increase to 44.3%. They would still be able to block, but not pass, special resolutions and they would not control enough voting rights to guarantee being able to singlehandedly pass, or block, any ordinary resolutions.

Adding in the impact of the Rights Issue and the Underwrite, including the ability to subscribe for Shares in addition to the $2.0 million underwriting commitment, it is most likely that the MTL Associated Shareholders' ability to influence the outcome of shareholder voting will increase. The only scenario it doesn't increase (i.e. it would remain unchanged) is if the Non-associated Shareholders collectively take up 100% of their pro-rata entitlement. Anything less than 100% take-up by the Non-associated Shareholders and the MTL Associated Shareholders control of voting rights will increase from 44.3% (being the level it will be at immediately after the MTL Reclassification but prior to the Rights Issue).

It requires approximately 85% take up by the Non-associated Shareholders to prevent the MTL Associated Shareholders from gaining enough control (i.e. at least 50% of the voting rights in the Company) to singlehandedly pass, or block, any ordinary resolution that they are entitled to vote on.

At the other end of the scale provided the Non-associated Shareholders collectively take up at least 20.5% of their pro-rata entitlement (i.e. if they collectively subscribed for c.$0.32 million), the MTL Associated Shareholders would not go above 75% of the voting rights and so they would not have sufficient control to singlehandedly pass, or block, any special resolution that they are entitled to vote on.

However, it is important to note that in practice, not all shareholders cast votes at shareholder meetings. Our analysis of meetings from the 2020 annual meeting onwards shows that on average 54.5% of the voting rights have been exercised. However, MTL accounts for a large proportion of this as on average only 12.8% of the Shares held by the Non-associated Shareholders have voted at shareholder meetings.

Unless voting patterns after the Transaction are substantially different to the historic level the MTL Associated Shareholders:

- would almost certainly be able to collectively pass, or block, ordinary resolutions (irrespective of the level of Non-associated Shareholder participation in the Rights Issue)

- could well have the ability to collectively pass special resolutions however, this is dependent on the Non-associated Shareholders participation in the Rights Issue.

It is important to note that the ability for any shareholder to influence the outcome of voting on the Company's ordinary or special resolutions may be reduced by other means such as MEE's constitution, the Code, the Listing Rules, and the Companies Act 1993.

If approved by shareholders, the Transaction will increase the MTL Associated Shareholders' ability to exert voting control over the Company, although, we note that due to the current low level of Non-associated Shareholder participation in voting at shareholder meetings MTL is already able to exert significant voting control.

The impact of the MTL Distribution is to distribute MTL's shareholding in MEE to the three shareholders of MTL i.e. Baker (BIT), Sinclair (SIT) and Kerr (MKH).

At the maximum holding for the MTL Associated Shareholders of 82.8% of MEE the split between the three shareholders of MTL would be BIT 57.7%, SIT 21.6% and MKH at 3.4%. While we assume that at least initially the three parties would act in concert with regards to voting that relationship could change over time and, in any event, any of the three parties may sell some Shares.

In this maximum scenario BIT would have enough to singlehandedly pass, or block, ordinary resolutions. BIT would hold enough Shares to be able to block special resolutions and, given less than 100% voter turnout, SIT would potentially have the same ability.

In practical terms the MTL Distribution transfers the control that MTL would have to BIT so there is no material difference for the Non-associated Shareholders of just the MTL Distribution. If anything, Sinclair is exposed to a potential loss of control (although, in part, that depends on how decisions are made within MTL).

If the MTL Associated Shareholders end up at the bottom end of the range (i.e. it remains at the same 44.3% after the MTL Reclassification), the resultant shareholdings after the MTL Distribution would be BIT 22.9%, SIT 18.0% and MKH 3.4%.

In this scenario, BIT would almost certainly be able to block special resolutions but any other level of control (i.e. the ability to pass or block resolutions) would depend on the level of voter participation by the Non-associated Shareholders. At this low end the MTL Distribution is generally more positive for the Non-associated Shareholders as the control that MTL would have is spread across the three MTL shareholders.

In our opinion, and viewed in isolation of the Underwrite and the Rights Issue, the MTL Reclassification and the MTL Distribution have limited practical impact on the MTL Associated Shareholders level of control over MEE. In addition to currently being able to block any Special Resolution the MTL Associated Shareholders are in practice, based on the historic low levels of voting by the Non-associated Shareholders, currently able to pass or block any ordinary resolution that they are able to vote on. Although they do increase their voting control within the 'no-fly' zone of the Code, in the absence of the Underwrite and the Rights Issue the MTL Associated Shareholders' level of control will remain dependent upon the voting patterns of the Non-associated Shareholders.

It is the Rights Issue and the Underwrite, particularly when coupled with less than 100% shareholder voting turnout, which has the potential to significantly increase the level of voting control that the MTL Associated Shareholders have. In most scenarios the MTL Associated Shareholders control of voting rights will go above 50% and it is possible that it could go above 75%. In any event, if the historic voting pattern of the Non-associated Shareholders doesn't change, it is likely that they would be able to control over 75% of the votes and thus pass Special Resolutions.

The potential impact of the up to $750,000 (after scaling) of additional subscriptions by the Underwriters and MKH (over and above the Underwriters $2.0 million underwriting commitment) is to increase the theoretical maximum shareholding of the MTL Associated Shareholders from 78.8% to 82.8% (i.e. an increase of 4.0%). While seemingly a small percentage there may be scenarios where this additional investment could be enough to increase the MTL Associated Shareholders over the 50% control threshold or, assuming much lower levels of participation by the Non-associated Shareholders, over the 75% control threshold (at which point they could be guaranteed to pass any special resolution that they're entitled to vote on).

Any potential level of increased influence and control is curtailed by regulation and legislation and, more importantly, Non-associated Shareholders have the ability to limit the increase in voting control by their collective level of participation in the Rights Issue and their subsequent participation in voting at shareholder meetings.

4.9.3 Ability to creep

Rule 7(e) of the Code, the creep provision, enables shareholders holding more than 50%, and less than 90%, of the voting securities in a code company to buy up to an additional 5% of that company's shares in any 12 month period without the need for shareholder approval.

Following the Transaction the MTL Associated Shareholders are likely to collectively control more than 50% of the voting rights in MEE meaning that if the MTL Distribution was not implemented MTL would be able to utilise the creep provisions. However, we assume that the MTL Distribution will be implemented and importantly the creep provisions only apply to individual shareholders rather than the combined holdings of associates.

There are scenarios, with lower levels of Non-associated Shareholder participation in the Rights Issue, that after the MTL Distribution BIT ends up holding over 50% of the Shares. We estimate that if the Non-associated Shareholders collectively take up less than c.15% of their Rights Issue entitlements BIT will hold over 50% of the Shares. In these scenarios BIT would be able to utilise the creep provisions although it could only purchase any additional Shares 12 months after completion of the Transaction.

The creep provisions are of no relevance to SIT (which will be holding c.20%) or MKH (holding under 5%).

4.9.4 Board control

MEE currently has six directors, three of which are the shareholders of MTL. The Company has not advised us of any planned changes to the Board however as the appointment, and removal, of directors requires an ordinary resolution BIT (in particular) and the MTL Associated Shareholders collectively will have a significant level of control over board appointments.

The level of control that BIT and the MTL Associated Shareholders will have over director appointments and removals will be dependent on, *inter alia*, on the level of Non-associated Shareholder participation in the Rights Issue along with the provisions of MEE's constitution and the Listing Rules (e.g. the requirement to have at least two independent directors).

4.9.5 Operations

Two of the MTL Associated Shareholders are currently employed in executive positions within MEE (i.e. Sinclair as CFO and Kerr as CEO). Any increase in voting rights of the MTL Associated Shareholders is therefore unlikely to provide any additional level of control or influence over the day-to-day operations of MEE.

4.10 Impact on the likelihood of a Takeover Offer

The impact of the Transaction is to increase MTL's share of the Company's voting rights from 33.7% to somewhere between 44.3% and 82.8% (although the MTL Distribution distributes these Shares to the three underlying shareholders).

The MTL Associated Shareholders would only be able to increase their shareholding in MEE if they (individually or in concert):

- Made a full or partial takeover offer;

- Acquire shares (through an allotment or acquisition) that is approved by way of an ordinary resolution of the Non-associated Shareholders;

- If the Company undertakes a share buyback that is approved by shareholders and the MTL Associated Shareholders do not participate in the buyback; and / or

- Comply with the creep provisions of rule 7(e) of the Code (see section 4.9.3).

The Transaction may reduce the likelihood of a full takeover offer from the MTL Associated Shareholders as they may consider that they already have sufficient control over MEE. In addition, if they were to make a full takeover offer it is possible that they would offer a lower control premium than otherwise as they may consider they don't need to pay a large premium for the remaining Shares.

However, the MTL Associated Shareholders may be motivated to make a full takeover (i.e. move to 100% control and delist from the NZX) as that would remove many of the regulatory costs and constraints (e.g. the Listing Rules and the Code) that impact MTL's shareholding and the Company today.

It is similarly difficult to tell what the impact on the likelihood of a takeover offer from one or more independent, third parties would be if the MTL Associated Shareholders were to end up with a controlling interest in the Company (i.e. over 50% share of the voting rights).

- It may reduce the likelihood of such a takeover offer as any third party would have to ensure that the MTL Associated Shareholders accept any offer; or

- It may increase the likelihood of a takeover offer from third parties as they would only have to reach agreement with the MTL Associated Shareholders to be ensured of achieving a significant level of control over the Company.

4.11 Impact of the Transaction on MEE's share price and liquidity

4.11.1 Share price

A summary of MEE's daily share price and monthly volumes of shares traded is set out in section 6.9.

Over the last 12-months MEE's Shares, adjusted for the 100:1 consolidation in January 2024, have traded between $0.09 and $1.50 with a volume-weighted average price ("**VWAP**") of $0.391.

While the Rights Issue subscription price ($0.08) is a c.20% discount to the current market price it is, given the steady decline in the MEE share price, at a much larger discount to the historic VWAP.

The Rights Issue subscription price is a 6.8% discount to the TERP (of $0.0858). Whether the Shares trade at, above, or below the TERP following completion of the Rights Issue is subject to a number of factors, such as:

- The impact of such a relatively large rights issue (i.e. if the full $2.78 million is raised that would be c.180% of the current market capitalisation (including Non-voting Shares));

- Share trading liquidity (discussed in the next section);

- Investor expectations for future performance (in particular, the extent to which the current poor financial results, the high level of debt and the need for the Rights Issue have already been incorporated into the share price);

- Investor expectations of the Company's ability to sell King Honey (and, in particular, sell for an amount greater than the level of debt secured over the business); and

- General equity market conditions.

4.11.2 Liquidity

As set out in section 6.9 trading in MEE's Shares is relatively thin. The level of Non-associated Shareholder participation in the Rights Issue will ultimately determine the impact on liquidity. While the Non-associated Shareholders percentage ownership of MEE will most likely fall as a result of the Transaction they will collectively hold a greater number of Shares[3].

Accordingly, while liquidity measured as a percentage of the Company's Shares that trade in any period is likely to decline after the Transaction the actual number of Shares traded is likely to increase.

Non-associated Shareholders should note that the level of trading of the Company's Shares will also be influenced by a range of factors including general equity market conditions and investor expectations of MEE's future performance.

4.12 Other advantages and disadvantages

4.12.1 Advantages for the Non-associated Shareholders

There are several advantages for the Non-associated Shareholders:

- **Equal opportunity to participate:** The Rights Issue is a pro-rata offer to all shareholders. All shareholders who are residents in New Zealand (and certain other jurisdictions) have the opportunity to take up their entitlements to acquire new Shares. With an over subscription option shareholders have the ability (subject to the potential for scaling) to increase their respective percentage holdings. If all shareholders take up their entitlements the MTL Associated Shareholders will not increase their voting rights (other than from the MTL Reclassification).

- **Benefit of cornerstone shareholder(s):** The primary benefit of the Rights Issue being underwritten is that it gives MEE certainty of raising at least $2.0 million in new capital from the Rights Issue. The fact that parties associated with the Company's largest shareholder have committed to invest a substantial amount of money could be taken as a vote of confidence in the future prospects for MEE.

- **Strengthened financial position.** The minimum $2.0 million of new share capital raised in the Rights Issue directly strengthens MEE's balance sheet, and as it also enables the Restructure and the Jarvis Debt Extension to be implemented it leads to a further indirect improvement in MEE's financial position. The primary indirect benefit of the Restructure is that the majority of the Company's debt will be secured only against King Honey thus providing MEE with flexibility as it seeks to sell that

[3] The only scenario where this isn't the case is if there is zero participation by the Non-associated Shareholders in the Rights Issue. We consider this scenario to be most unlikely.

business while at the same time ensuring that the funds raised in the Rights Issue are able to be deployed directly into the Me Today business.

4.12.2 Advantages for the MTL Associated Shareholders

There are several advantages for the MTL Associated Shareholders:

- **Increased control:** The Transaction provides the MTL Associated Shareholders with the possibility to increase their shareholding and level of control in MEE to a significant degree, and at a price that is materially lower than historic trading prices. However, the extent to which this possibility eventuates is primarily dependent on whether Non-associated Shareholders choose to take up their Rights Issue entitlements or not.

- **Increased autonomy over shares:** the MTL Reclassification and MTL Distribution provide the MTL Associated Shareholders direct control over a portion of MTL's shares. This provides the individual MTL Associated Shareholders more autonomy over voting or Share trading decisions.

4.12.3 Disadvantages for the Non-associated Shareholders

There are several disadvantages for the Non-associated Shareholders:

- **No control premium**. It is generally accepted that when someone acquires a controlling stake in a company (i.e. acquires more than 50% of the voting securities) that the price paid should represent a premium to the prevailing market price. The level of the premium can vary substantially but is typically at least 20%. In the event that the MTL Associated Shareholders do acquire a controlling interest (i.e. move from 44.3% immediately after the MTL Reclassification to over 50% pursuant to acquiring Shares as part of their underwriting commitment) they will be doing so at a discount to the prevailing market price i.e. $0.08 compared to the TERP of $0.0858. There is an implicit additional cost to the Underwriters above the $0.08 subscription price as they would normally expect to receive a fee for partially underwriting the Rights Issue (rather than doing it for zero fee as is proposed).

- **Non-renounceable rights:** The Rights Issue is non-renounceable, meaning shareholders who choose not to participate will not be able to benefit from the sale or transfer of their rights. Shareholders will have to choose between participating in the Rights Issue or being diluted.

4.12.4 Disadvantages for the MTL Associated Shareholders

There are several disadvantages for the MTL Associated Shareholders:

- **Increased exposure to the risks of MEE:** as outlined in section 6.5 there are a number of risks related to MEE. As the MTL Associated Shareholders level of investment, and percentage ownership, increases so does their exposure to these risks.

- **Further financial commitments:** in the event that further capital beyond the Rights Issue is required by MEE the MTL Associated Shareholders will be required to invest a larger amount of capital or accept being diluted in any capital raise. As cornerstone shareholders it is likely that any decision by the MTL Associated Shareholders to not participate would negatively impact any future capital raise.

- **Limited control over the outcome of the Transaction:** the MTL Associated Shareholders have minimal influence over the level of any increase in their ownership and control of MEE as the level of any increase will be determined by the Non-associated Shareholders level of participation in the Rights Issue.

4.13 Implication of the Resolutions not being approved

If the Resolutions are not approved, then the Underwrite and Rights Issue will not be able to proceed. In turn, this is likely to mean that the Restructure and the Jarvis Debt Extension could not be implemented and that TGBC and MTB would not be insulated from King Honey and its associated debt.

In particular, if Resolution 1 is not approved the Jarvis Debt would remain due for repayment on 30 June 2024.

Unless the Company could raise sufficient funds from alternative sources in the near-term, and/or seek further accommodation from its lenders, MEE would most likely have to consider deeper cuts to its cost base and / or a less measured approach to the proposed sale of King Honey. Extrapolating those scenarios, the Board could end up in the position of having little option but to appoint liquidators to the Company and wind up the business. In our opinion, each of these scenarios are likely to generate reduced returns to shareholders.

4.14 Voting for or against the Resolutions

Voting for or against the Resolutions is a matter for individual shareholders based on their own views as to value and future market conditions, risk profile, and other factors. Shareholders should consider these consequences and consult their own professional adviser.

5 Evaluation of the fairness of the Jarvis Debt Extension and the Transaction for the purposes of the NZX Listing Rules

5.1 Basis of evaluation

NZX Listing Rule 7.10.2 requires an Appraisal Report to consider whether or not, in the opinion of the Appraiser, the consideration and terms and conditions of the Jarvis Debt Extension and the Rights Issue are fair to the holders of equity securities other than those associated with Jarvis Trust and MTL respectively, and the grounds for that opinion.

As with the evaluation of the merits there are specific elements of the Transaction that require an Appraisal Report, however, we have focused on the Transaction as a whole in considering the fairness.

This Report is addressed to the Independent Directors of MEE. In respect of the Jarvis Debt Extension, it is for the benefit of all shareholders other than the Jarvis Trust. In respect of the Transaction, it is for the benefit of the Non-associated Shareholders

There is no legal definition of the term "fair" in either the NZX Listing Rules or in any statute dealing with securities or commercial law. However, it is generally considered that an assessment of the fairness of a transaction (as required under the Listing Rules) is a narrower test than an assessment of the merits of a transaction (as required under the Code). Notwithstanding this we have evaluated the fairness of the Jarvis Debt Extension and the Transaction on essentially the same terms as we evaluate the merits of the Transaction and have given regard to:

- the rationale for the Jarvis Debt Extension and the Transaction;
- the terms and conditions of the Jarvis Debt Extension and the Transaction;
- potential alternatives to the Jarvis Debt Extension and the Transaction;
- the potential impact of the Transaction on ownership and control of the MTL Associated Shareholders;
- other advantages and disadvantages to shareholders; and
- the implications of the Resolutions not being approved.

Our opinion should be considered as a whole. Selecting only portions, without considering all the factors and analysis together, could create a misleading view of the factors and process underlying the opinion.

5.2 Evaluation of the fairness of the Jarvis Debt Extension

In our opinion, after giving due regard to all of the relevant factors, when viewed as a whole we consider that the terms and conditions of the Jarvis Debt Extension are fair to the shareholders other than the Jarvis Trust.

The background for the basis of our opinion is set out in detail in sections 4.3 to 4.14. In summary the key factors leading to our opinion are:

- The rationale for the Jarvis Debt Extension is compelling. The Company needs to strengthen its balance sheet as much as possible and to ensure that it has as much financial flexibility as possible while it explores the sale of the King Honey business.

- The terms and conditions of the Jarvis Debt Extension are reasonable. The debt is subordinated debt with security only over a portion of the Company. The 4.0% p.a. interest rate is well below the cost that the Company would have to pay if it was even able to secure alternative third party debt financing.

- Given MEE's poor financial results, current level of debt and commentary in relation to continued difficulty in the honey markets we do not consider that there are any viable alternatives to the Jarvis Debt Extension i.e. we consider it unlikely that MEE would be able to refinance the Jarvis Debt on equivalent terms from any third party financier.

- As it relates solely to a debt instrument, with no voting rights, the Jarvis Debt Extension has no impact on the voting rights, ownership or control of MEE.

- We consider the fact that the Jarvis Trust is willing to continue to provide financial accommodation to the Company is a positive signal in respect of its ongoing support of MEE and its efforts in attempting to facilitate a sale of the King Honey business.

- In our opinion there are severe negative implications for the Company if the Jarvis Debt Extension resolution is not approved. The Jarvis Debt itself would be repayable on 30 June 2024 meaning the Company would have just over three months to secure alternative financing arrangements. In addition, the amendments to the BNZ debt would most likely not proceed in which case the MTL Associated Shareholders would also most likely reconsider their commitment to invest $2.0 million of new capital. In this scenario the board may have little alternative but to appoint voluntary administrators and/or invite the BNZ (as the senior lender) to appoint receivers.

5.3 Evaluation of the fairness of the Transaction

In our opinion, after giving due regard to all of the relevant factors, when viewed as a whole we consider that the terms and conditions of the Transaction are fair to the Non-associated Shareholders.

The basis for our opinion is set out in detail in sections 4.3 to 4.14. In summary the key factors leading to our opinion are:

- The rationale for the Transaction is solid.

- The terms and conditions of the Rights Issue and the Underwrite are reasonable, and we do not consider, at least in the short term, that there are any viable alternatives to the Underwrite.

- The Underwrite provides MEE with certainty that the Rights Issue will raise at least $2.0 million which also gives the Company certainty that the Restructure and the Jarvis Debt Extension will be able to be implemented.

- The Transaction will have a positive impact on MEE's financial position and cement the MTL Associated Shareholders as supportive cornerstone shareholders.

- The MTL Associated Shareholders level of voting rights may increase up to 82.8%, however any increase above 44.3% (the level after the MTL Distribution), depends solely on the level of participation of the Non-associated Shareholders.

- All eligible shareholders will be able to participate in the Rights Issue and the oversubscription facility provides the ability for shareholders (subject to the potential for scaling) to increase their percentage holding, however the Rights Issue is non-renounceable.

- The single largest negative feature of the Transaction is the potential for the MTL Associated Shareholders to acquire a controlling interest in MEE (i.e. in excess of 50% of the Voting Shares) at a discount to the prevailing market price, which itself is substantially below historic share prices.

5.4 Voting for or against the Resolutions

Voting for or against the Resolutions is a matter for individual shareholders based on their own views as to value and future market conditions, risk profile and other factors. Shareholders will need to consider these consequences and consult their own professional adviser if appropriate.

6 Profile of Me Today Limited

MEE was incorporated on 27 June 2007 as RLV No.3 Limited. It listed on NZX's alternative market on 29 October 2007 through the issue of 25.0 million Shares at $0.001 per Share. The Company transferred to the NZX Main Board on 1 July 2019.

Since its incorporation MEE has changed its name several times:

- Orion Minerals Group Limited on 16 December 2008
- CSM Group Limited on 8 April 2016
- Me Today Limited on 31 March 2020

RLV No.3 Limited was established as a shell company for the purpose of a being a vehicle for reverse takeover transactions. On 11 December 2008 RLV No.3 Limited acquired 100% of the shares an iron ore mining company based in Chile (Minera Varry S.A).

In conjunction with this transaction, RLV No.3 Limited entered into a subscription agreement with Fengli Group (Hong Kong) Co. Limited, whereby Fengli Group (Hong Kong) Co., Limited agreed to subscribe for up to 200 million Shares in RLV No.3 Limited at an issue price of US$0.125 per Share and options to acquire 50 million Shares in RLV No.3 Limited. Fengli Group (Hong Kong) Co., Limited ultimately acquired 178,977,273 Shares under the agreement.

In its annual report for 2011 the board of directors announced its decision to cease the Company's investigation of iron ore mining operations in Chile. The Company's strategy changed to pursuing private equity investment in projects and companies with Chinese market potential. One opportunity was considered in 2011 to purchase 100% of the Shares in Taifor (Asia) Limited, however, this transaction did not proceed.

On 17 July 2013 shareholder approval was given to commence a new business operation in Australia processing scrap metal for export sale to Chinese markets. On 30 May 2013 China Scrap Metals Resources Pty Limited was incorporated in Australia as a wholly owned subsidiary of the Company to undertake the new business operations.

On 10 May 2017 the Company's announced that it had resolved to wind down the operations of China Scrap Metals Resources Pty Limited following a review of the subsidiary's operations. The subsidiary was voluntarily liquidated on 6 January 2019.

Following the wind down of China Scrap Metals Resources Pty Limited the Company reverted to being a listed shell seeking investment opportunities or reverse takeover transactions.

On 8 November 2019 Fengli Group (Hong Kong) Co., Limited divested its shareholding in the Company via an off-market placement to a number of wholesale investors.

On 11 December 2019 the Company announced that it had reached agreement to acquire 100% of The Good Brand Company Limited and Me Today Limited. Shareholders approved the transaction on 30 March 2020 and the transaction was completed on 31 March 2020.

As part of the acquisition of The Good Brand Company Limited and Me Today Limited a placement of 300 million Shares at $0.005 per Share (equivalent to $2.50 on a current, post consolidation basis) to wholesale investors and completed a share consolidation of one

Share for every five Shares held. Following these transactions MEE had 364,909,997 Shares on issue.

In July 2020 MEE undertook a further capital raise, consisting of a retail offer and a share purchase plan, which resulted in $4.5 million of new capital raised through the issue of 47,368,430 new Shares split as follows:

- retail offer: 42,105,263 Shares at $0.095 (equivalent to $9.50 on a current post consolidation basis) per Share

- share purchase plan: 5,263,167 Shares at $0.095 per (equivalent to $9.50 on a current post consolidation basis) Share

Following the July 2020 capital raises MEE had 412,728,428 Shares on issue.

On 31 May 2021 MEE announced that it had agreed to acquire 100% of King Honey Limited from the Jarvis Trust. Shareholders approved the transaction on 25 June 2021 and the transaction was completed on 30 June 2021. The total purchase price of $36.0 million was satisfied by the payment of $21.0 million cash, $10.0 million of new Shares at $0.088 per Share, resulting in the issue of 113.64 million Shares (on a current post consolidation basis this represents 1.14 million shares being issued at $8.80 per Share) and a $5.0 million subordinated note. The Company also undertook a capital raising by issuing 178,977,270 new Shares at $0.088 (equivalent to $8.80 on a current post consolidation basis) to a mix of wholesale investors and a share purchase plan to retail investors.

In June 2022 MEE undertook a capital raise *via* a rights issue to existing shareholders of 1.3 new Shares for every Share held at a subscription price of $0.01 (equivalent to $1.00 on a current post consolidation basis). The rights issue raised $7.5 million of $10.0 million sought, with $0.75 million being raised through a shortfall purchase by MTL. The shares purchased by MTL in the shortfall were contemporaneously reclassified into Non-voting Shares, resulting in MTL owning 248.0 million Non-voting Shares (equivalent to 2,480,352 Non-voting Shares on a current post consolidation basis).

On 9 January 2024 MEE completed a 100:1 Share consolidation, resulting in the number of Shares decreasing to the current total of 15,437,639 (12,957,287 Voting Shares and 2,480,352 Non-voting Shares).

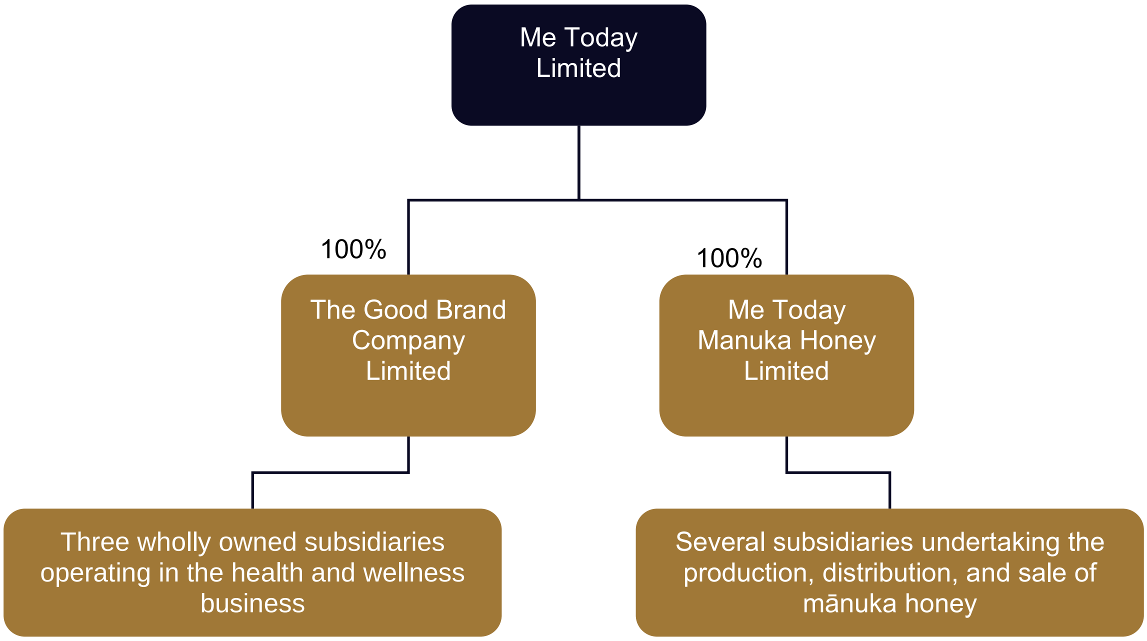
Further information on MEE can be found at:

- The Company's own website: https://www.metoday.com/

- NZX's website: https://www.nzx.com/companies/MEE

6.1 Nature of operations

MEE owns and operates a group of health and wellness companies, a summarised organisation structure is displayed below



Within The Good Brand Company Limited the primary business segments are:

- Me Today
- The Good Brand Company

Within Me Today Mānuka Honey Limited the primary business segments are:

- King Honey.

6.1.1 Me Today

Me Today is a New Zealand health and wellness brand that produces premium quality supplements and natural skincare products. Me Today products are formulated using highly absorbable forms of ingredients and, where possible, are either vegetarian or vegan friendly. The Me Today range offers a modern solution to modern problems.

Both the supplements and the natural skincare categories in NZ and overseas have experienced significant growth in recent years. While the Me Today brand launched with supplements and natural skincare as the platform, the Company sees opportunities to further expand the product offering within the beauty and wellbeing space.

6.1.2 The Good Brand Company

TGBC was established to sell and market third party brands within the health and wellness space. It represents Me Today and three other agency branded businesses (Lifespace, Artemis and SleepDrops).

6.1.3 King Honey

King Honey is a premium Manuka Honey producer that operates a fully integrated Manuka Honey business. King Honey has a network of bee hives and queen bee rearing hives across the North Island of New Zealand.

King Honey operates two brands, the BEE+ brand and the Superlife brand (represented through TGBC).

6.2 Directors and executives

MEE directors and executives

Name	Role
Grant Baker	Non-executive chairman
Michael Kerr	Executive director (CEO)
Stephen Sinclair	Executive director (CFO)
Hannah Barrett	Independent director
Roger Gower	Independent director
Antony Vriens	Independent director
Richard Pearson	Non-executive director

6.3 Capital structure and shareholders

As at 10 January 2024 MEE had 12,957,287 voting Shares on issue held by 794 shareholders.

The table below presents the names, number of Shares, and percentage of voting rights (i.e. the table excludes MTL's Non-voting Shares) held by the top ten shareholders as at 10 January 2024.

MEE top ten largest shareholders

Name	Shares	% of voting Shares
MTL Securities Limited	4,365,785	33.7%
TW Jarvis (No.1) Family Trust	1,392,045	10.7%
Forsyth Barr Custodians Limited	729,732	5.6%
ASB Nominees Limited	350,000	2.7%
James Patrick Keogh	242,890	1.9%
Sean Robert Joyce	169,259	1.3%
Ilakolako Investments Limited	109,273	0.8%
Wallflower Limited	89,334	0.7%
Antony Vriens	81,595	0.6%
Justin Matthew Bade	80,000	0.6%
Total top ten	**7,609,913**	**58.7%**
Others (784)	5,347,374	41.3%
Total	**12,957,287**	**100.0%**

Source: Company share register

MTL also owns 2,480,352 Non-voting Shares. As part of the Transaction shareholders will vote on the reclassification of these Non-voting Shares into Voting Shares. Assuming this resolution is passed MTL will, immediately prior to the Rights Issue, hold 44.3% of the voting rights in MEE.

No other securities, or options to acquire securities, are on issue.

6.4 Strategic plan

MEE's strategic plan is focused on realising cost savings across its business segments and continuing to expand its brands globally and in New Zealand. Alongside this MEE is also actively looking to sell the King Honey business.

New product development is a key part of MEE's strategy, in particular MEE is seeking to leverage its investment in King Honey to create Manuka Honey based products[4]. Products under development over 2023 included:

- 3 UMF rated Me Today Manuka Honey products;
- 4 Me Today Manuka Honey Lozenges;
- 9 new Me Today supplements; and
- 4 Me Today Manuka Honey Active skincare products.

MEE's strategic plan is expanded on in the Notice of Special Meeting.

6.5 Key issues and risks affecting the Company

The main factors and risks that MEE faces include:

- the Company's ability to finance its activities;
- the ongoing loss-making nature of each of MEE's underlying business segments;
- MEE's ability to reduce its cost base;
- weakening sales demand from King Honey's key customer in the Chinese market;
- King Honey is exposed to climatic risks that can impact on both the quantity, and quality, of the annual honey harvest, and
- its ability to sell the King Honey business and the price received in any sale (and whether there would be any surplus above the amount of BNZ and the Jarvis Trust debt secured against King Honey).

6.6 Financial performance

A summary of MEE's financial performance is presented below the following commentary:

- FY22 represented 15 months of trading following the change of MEE's balance date to 30 June. This change was primarily related to the acquisition of King Honey and fitting in with the seasonal nature of that business.

[4] We are unsure how, or if, these plans would be impacted by any sale of the King Honey business. We assume that ongoing product development and distribution rights would be factors that MEE negotiates with any potential purchaser.

- Prior to FY22 MEE's revenue consisted primarily of Me Today product sales and agency revenue earned by the Good Brand Company. King Honey sales are included in revenue from FY22.

- The large increase in revenue, gross profit, and expenses reflects the acquisition of King Honey in 2021.

- Expenses consist of cost of sales, marketing, and salaries and wages. In FY23 Admin expenses were $4.4 million, Selling and Marketing expenses were $3.0 million, and Distribution expenses were $0.9 million.

- EBITDA by segment presents the operating earnings of each business within MEE. The Head Office segment reflects the corporate, administration, and listing costs of MEE.

- In line with accounting standards for businesses like MEE the bottom-line reported results include fair value gains and losses on harvested honey and biological assets (i.e. bees).

- The results also contain a number of one-off expenses:

    - Reverse listing related expenses in FY20 of $4.2 million

    - Restructuring, impairment, and asset write downs of $10.9 million in FY22 and $2.8 million in FY23.

Summary statement of financial performance – Me Today Limited

FYE	**31 March**	**31 March**	**30 June**	**30 June**
	12 months	**12 months**	**15 months**	**12 months**
NZ$000's, audited	**2020**	**2021**	**2022**	**2023**
Net Revenue	566	1,143	8,273	7,883
Gross profit	459	680	3,141	3,116
GP%	*81.1%*	*59.5%*	*38.0%*	*39.5%*
Total operation costs	(1,255)	(3,516)	(8,787)	(8,262)
EBITDA	**(796)**	**(2,836)**	**(5,646)**	**(5,146)**
EBIT	(815)	(2,927)	(7,771)	(6,677)
NPBT	(814)	(2,860)	(8,399)	(7,267)
One-off items and fair value movements	(4,168)	-	(13,749)	(5,776)
NPAT	(4,982)	(2,860)	(19,544)	(13,043)
Segment EBITDA				
Me Today	(515)	(1,764)	(1,913)	(2,365)
The Good Brand Group	(233)	(91)	(310)	(161)
King Honey	-	-	(1,881)	(1,228)
Head Office	(50)	(982)	(1,548)	(1,392)

Source: MEE Annual Reports

6.7 Financial Position

A summary of MEE's financial position is presented below the commentary.

Commentary:

- The balance sheet has grown primarily due to the acquisition of King Honey and capital raised in FY21 and FY22.
- Net working capital primarily consists of inventory ($16.8 million as at 30 June 2022 and $14.8 million as at 30 June 2023), payables, and receivables.
- Non-current assets include right of use assets of $0.8 million, $1.4 million, and $0.2 million in FY23, FY22, and FY21, respectively.
- The Term Deposit in FY21 is not included in Net debt so as to match the Company's presentation (although the proceeds did effectively end up in Cash at 30 June 2022.
- Debt reflects a mix of bank debt ($7.03 million at 30 June 2022 and 2023) and the subordinated note held by the Jarvis Trust ($5.2 million as at 30 June 2022 and $5.4 million as at 30 June 2023).

Summary statement of financial position – Me Today Limited

As at	**31 March**	**31 March**	**30 June**	**30 June**
NZ$000's, audited	**2020**	**2021**	**2022**	**2023**
Current assets	599	1,375	18,725	17,373
Current liabilities	(529)	(629)	(1,766)	(1,777)
Net working capital	**70**	**746**	**16,959**	**15,596**
Non-current assets	23	267	6,238	3,821
Biological assets	-	-	1,598	752
Intangibles	62	73	7,525	4,091
Term Deposit	-	3,804	-	-
Total non-current assets	**85**	**4,144**	**15,361**	**8,664**
Total net operating assets	**155**	**4,890**	**32,320**	**24,260**
(Cash) / overdraft	(4,168)	(1,195)	(5,370)	(913)
Debt	-	-	12,234	12,434
Lease liabilities	-	193	1,357	806
Net debt	**(4,168)**	**(1,002)**	**8,221**	**12,327**
Total shareholders' funds	**4,323**	**5,892**	**24,099**	**11,933**
Total shareholders' funds and net debt	**155**	**4,890**	**32,320**	**24,260**

Source: MEE Annual Reports

6.8 Cash flow

A summary of MEE's cash flow is presented below.

Summary statement of cash flow – Me Today Limited				
FYE	**31 March**	**31 March**	**30 June**	**30 June**
	12 months	**12 months**	**15 months**	**12 months**
NZ$000's, audited	**2020**	**2021**	**2022**	**2023**
Operating cash flows	(1,064)	(3,334)	(11,726)	(5,624)
Investing cash flows	1,494	(3,919)	(17,459)	1,249
Financing cash flow	3,700	4,280	33,360	(82)
Net cash flow	**4,130**	**(2,973)**	**4,175**	**(4,457)**
Opening cash	38	4,168	1,195	5,370
Closing cash	**4,168**	**1,195**	**5,370**	**913**

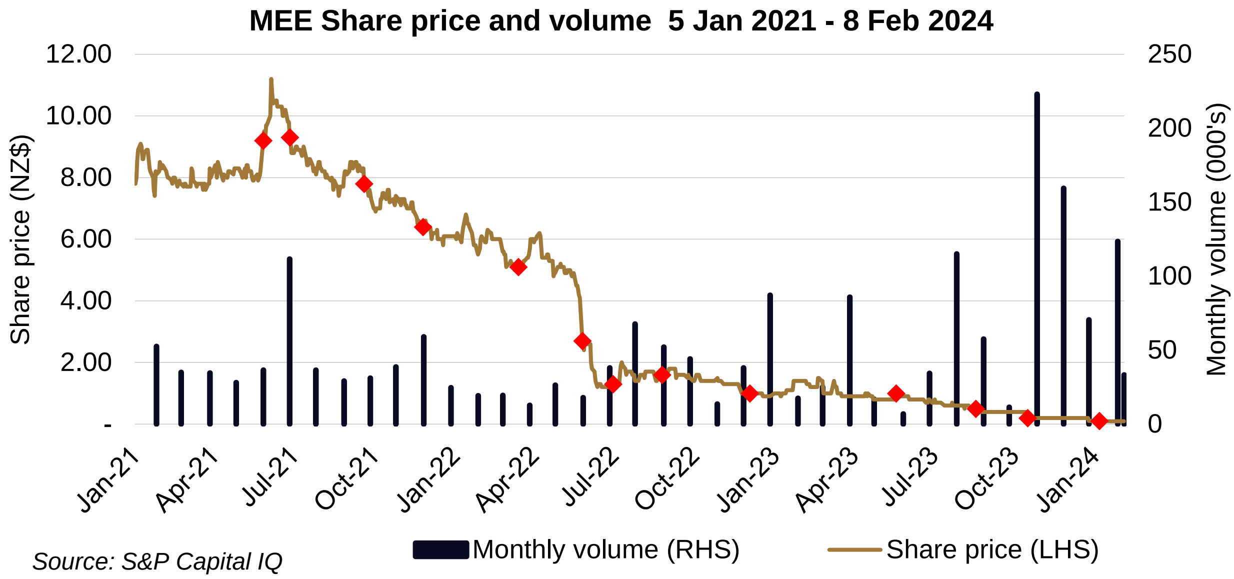
Source: MEE Annual Reports

Commentary:

- Operating cash outflows for the four years to 30 June 2023 have been $21.6 million.
- $37.0 million of new equity has been raised over the four year period to fund acquisitions and cash losses.
- $3.8 million was invested in term deposits in FY21 (in investing cash flows) with the proceeds in investing cash flows in FY22.
- The purchase of King Honey in FY22 is represented by investing cash flows of $21.2 million.

6.9 Share price history

A summary of MEE's daily closing Share price and volumes of Shares traded from 5 January 2021 to 8 February 2024 is presented below. Historic prices have been adjusted for the 100:1 consolidation in January 2024.



Source: S&P Capital IQ

Trading in MEE's Shares is relatively thin, which is likely a reflection of the fact that the top ten shareholders collectively hold c.60% of the Company's Shares and the low market capitalisation of the Company. Trading volumes in the last 3-months were higher than usual.

In addition to the Share price and volume data, selected material announcements are plotted. The table below provides detail on these points.

Date	Announcement / event
31-May-21	MEE announces acquisition of King Honey
30-Jun-21	King Honey acquisition completed
23-Sep-21	Trading update released with considerably lower King Honey sales outlook for FY21
29-Nov-21	1HY22 results released. Operating net loss before tax of $2.8 million. Conditional $6 million share placement to Jarvis Trust and MTL. Richard Pearson appointed to Board
18-Mar-22	Special meeting Chairman's address released. MEE announces that revenue for the year to 30 March 2022 was likely to be below previous guidance in both the King Honey and TGBC business
30-May-22	FY22 results released (12 months). Operating net loss before tax of $5.9 million. MEE announces a $10 million rights issue.
4-Jul-22	Shortfall placement of $0.75 million to MTL
29-Aug-22	FY22 results (15 months) released. Net loss after tax of $19.5 million
7-Dec-22	2022 Annual Shareholder Meeting. Restructuring and cost reduction in King Honey announced
23-May-23	Trading update released. Announcement of poor honey harvest, yield down 50% on average and quality "down significantly"
29-Aug-23	FY23 results released. Net Loss after tax of $ 13.0 million. Further reduction in size of beekeeping operations.

An analysis of VWAP, volume traded, and liquidity (measured as volume traded as a percentage of Shares outstanding) is presented below. Over the 12-month period shown MEE's shares have traded between $1.50 and $0.09 with a VWAP of $0.391.

Share Trading						
Period Ending 8 Feb 2024	**Low ($)**	**High ($)**	**VWAP ($)**	**Volume traded**	**Liquidity (%)**	**Annualised liquidity (%)**
1-month	0.09	0.10	0.098	106,197	0.69%	8.25%
3-months	0.09	0.20	0.130	492,708	3.19%	12.77%
6-months	0.09	0.50	0.184	645,697	4.18%	8.37%
12-months	0.09	1.50	0.391	962,560	6.24%	6.24%

Source: S&P Capital IQ

7 Sources of information, reliance on information, disclaimer and indemnity

7.1 Sources of information

The statements and opinions expressed in this Report are based on the following primary sources of information:

- FY20, FY21, FY22, and FY23 annual reports;
- MEE Share Register as at 10 January 2024;
- MEE Annual Meeting Results for the 2020 – 2023 years;
- NZX announcements;
- Companies Office filings; and,
- S&P Capital IQ.

During the course of preparing this Report, we have had correspondence and discussions with and / or received information from the Board of MEE and its legal advisers.

The Board has confirmed that we have been provided, for the purpose of this Report, with all information relevant to the Company and the Transaction that is known to them and that all the information provided is true and accurate in all material aspects and is not misleading by reason of omission or otherwise.

Including this confirmation, we have obtained all the information that we believe is necessary for the purpose of preparing this Report.

In our opinion, the information to be provided by MEE to the Non-associated Shareholders is sufficient for them to understand all relevant factors and to make an informed decision in respect of the Transaction.

7.2 Reliance on information

In preparing this Report we have relied upon and assumed, without independent verification, the accuracy and completeness of all information that was available from public sources and all information that was furnished to us by MEE and its advisers.

We have evaluated that information through analysis, enquiry and examination for the purposes of preparing this Report, but we have not verified the accuracy or completeness of any such information or conducted an appraisal of any assets. We have not carried out any form of due diligence or audit on the accounting or other records of MEE. We do not warrant that our enquiries would reveal any matter which an audit, due diligence review or extensive examination might disclose.

7.3 Disclaimer

We have prepared this Report with care and diligence and the statements in the Report are given in good faith and in the belief, on reasonable grounds, that such statements are not false or misleading. However, in no way do we guarantee or otherwise provide any warranty or representation that any forecasts of future profits, cash flows or financial position of MEE will be achieved. Forecasts are inherently uncertain. They are predictions of future events that cannot be assured. They are based upon assumptions, many of which are beyond the control of MEE and its directors and management. Actual results will vary from the forecasts and these variations may be significantly more or less favourable.

We assume no responsibility arising in any way whatsoever for errors or omissions (including responsibility to any person for negligence) for the preparation of this Report to the extent that such errors or omissions result from our reasonable reliance on information provided by others or assumptions disclosed in this Report or assumptions reasonably taken as implicit, provided that this shall not absolve Armillary from liability arising from an opinion expressed recklessly or in bad faith.

Our evaluation has been arrived at based on economic, exchange rate, market and other conditions prevailing at the date of this Report. Such conditions may change significantly over relatively short periods of time. We have no obligation or undertaking to advise any person of any change in circumstances which comes to our attention after the date of this Report or to review, revise or update the Report.

7.4 Indemnity

MEE has agreed that to the extent permitted by law, it will indemnify Armillary and its directors and employees in respect of any liability suffered or incurred as a result of or in connection with the preparation of this Report. This indemnity does not apply in respect of any negligence, wilful misconduct or breach of law. MEE has also agreed to indemnify Armillary and its directors, employees and consultants for time incurred and any costs in relation to any inquiry or proceeding initiated by any person. Where Armillary or its directors, employees and consultants are found liable for or guilty of negligence, wilful misconduct or breach of law or term of reference, Armillary shall reimburse its fees for preparing this Report.

8 Qualifications and expertise, independence, declarations and consents

8.1 Qualifications and expertise

Armillary is a specialist New Zealand based investment banking, funds management, financial training and advisory firm. It provides a range of services including the preparation of valuations, merger and acquisition advice, capital raising and due diligence. Its client base includes a range of small to medium sized private and listed companies, iwi organisations and government agencies.

The individuals responsible for preparing this Report are Geoff Davis (BCom, ACA), David Wallace (BCom, Dip Bus Fin), and Jansson Ford (BCom, MFINC).

Geoff Davis has over 30 years of experience in investment markets with an emphasis on corporate finance, equity capital markets and all aspects of M&A. Prior to joining Armillary, Geoff has worked at TeamTalk (now named Vital), Active Equities, Brierley Investments and National Mutual / AXA Funds Management. Geoff holds a Bachelor of Commerce degree from the University of Auckland and is an ACA member of Chartered Accountants Australia and New Zealand.

David Wallace is a founding director of Armillary and is active across the Investment Banking, Funds Management and Advisory areas of the firm. He has a background in investment banking, investment analysis and corporate treasury, with over 30 years' experience working in capital markets in New Zealand. David holds a Bachelor of Commerce degree from Canterbury University and a Post Graduate Diploma in Business Finance from the Auckland University Graduate School of Business.

Jansson Ford is a Senior Analyst at Armillary and has been with the firm since July 2022. He holds a Masters of Finance from the University of Otago and a Bachelor of Commerce degree from the University of Otago.

8.2 Independence

Armillary does not have at the date of this report, and has not had, any shareholding in or other relationship with MEE or MTL or any conflicts of interest that could affect its ability to provide an unbiased opinion in relation to the Transaction.

Armillary will receive a fixed fee for the preparation of this Report. This fee is not contingent on the conclusions of this Report or the outcome of the voting in respect of the Resolutions. Armillary will receive no other benefit from the preparation of this Report. Armillary does not have any conflict of interest that could affect its ability to provide an unbiased Report.

8.3 Declarations

This Report is dated 21 February 2024 and has been prepared by Armillary at the request of the Company to fulfil the reporting requirements of the Takeovers Code and NZX Listing Rules. This Report, nor any part of it, should not be reproduced or used for any other purpose.

Armillary specifically disclaims any obligation or liability to any party whatsoever in the event that the Report is supplied or applied for any purpose other than that for which it is intended.

Advance drafts of the Report were provided to the directors of MEE. Certain changes were made to the Report as a result of the circulation of the drafts. However, there was no material alteration to any part of the substance of this Report, including the methodology or conclusions as a result of issuing the drafts.

Our terms of reference for this engagement did not contain any term that materially restricted the scope of the Report.

8.4 Consents

Armillary consents to the issuing of this Report in the form and context in which it is to be included with the MEE Notice of Meeting to be sent to MEE shareholders. Neither the whole nor any part of this Report, nor any reference thereto may be included in any other document without our prior written consent as to the form and context in which it appears.

Yours faithfully,

Geoff Davis Director Armillary Limited	David Wallace Joint Managing Director Armillary Limited