

## **Me Today Limited Special Meeting of Shareholders**

**June 25 2021, 12pm**

**[slide 1 on screen at start of meeting]**

### **Introduction**

**[Slide 2 agenda]**

Good afternoon everyone. Welcome to the Me Today Special Meeting of Shareholders. My name is Grant Baker and I am the chair of the Me Today board.

### ***Agenda***

The only business for today's meeting is to seek shareholder approval of the King Honey acquisition and associated issues of shares.

We will answer questions on the resolutions at the time they are proposed.

**[Slide 3 directors]**

Before we get into the detail about the acquisition and funding, I would like to introduce you again to your other Board members.

- Michael Kerr, CEO
- Stephen Sinclair, CFO and Company Secretary
- Antony Vriens, Independent Director
- Roger Gower, Independent Director.
- Hannah Barrett, Independent Director.

I thank all of our Directors for their hard work positioning Me Today for a successful future.

We are also joined by our legal adviser, Roger Wallis of Chapman Tripp.

Peter Simmons the author of the Independent Expert Report is also here.

And CM Partners, the lead manager for the capital raising.

### **Formalities**

The Notice of Meeting has been circulated and made available to shareholders.

### ***Quorum***

A Quorum is present given that we have over 3 shareholders in person or by proxy – therefore, I declare the meeting open.

### **Chairman's Speech**

**[Slide 4 Overview – then skip straight to Slide 5 The King Honey Transaction]**

### ***The King Honey transaction***

On 31 May, Me Today announced that its subsidiary Me Today Manuka Honey Limited, had entered into a conditional agreement to buy an additional business, King Honey Limited for an agreed purchase price of \$36 million.

Simmons Corporate Finance has assessed the value of King Honey's equity (on a debt-free/cash-free) basis to be in the range of \$35.4 million to \$40.5 million, so a \$36 million purchase price represents good value for Me Today.

The consideration will be satisfied by a payment of \$21 million in cash, \$10 million in new shares in Me Today and by the issue by Me Today Manuka Honey of a subordinated 3 year note for \$5 million. The shares will be issued at 8.8 cents each.

As previously announced, we are undertaking a capital raise of \$15.75 million from third party investors, existing shareholders and members of the public. The capital raise has been strongly supported with a \$10 million placement subscribed by financial market participants and other wholesale investors, also at 8.8 cents per share.

The balance of \$5.75m is being raised through a share purchase plan to existing shareholders, and a general offer to members of the public in New Zealand. Part of this retail offer comprises a \$2m firm allocation to an NZX market participant, and the balance of the retail offer closes at 5pm today.

Subject to shareholder approval being obtained today, the share issue alongside the King Honey settlement will be finalised by Wednesday next week.

The cash component of the purchase price is intended to be funded by the capital raise proceeds alongside \$8.5 million of new bank debt.

The acquisition is expected to drive further growth in the group by expanding into a complementary product line that is fully aligned with the existing health, lifestyle and wellbeing focus and values of Me Today.

### ***King Honey business overview***

#### **[Slide 6 King Honey Business Overview]**

King Honey is one of New Zealand's premium Manuka honey producers. It began operations in 2016 and relies on the expertise of highly skilled beekeepers. King Honey sources premium Manuka honey from its own hives, produces premium bottled honey at its own plant and arranges for the sale and distribution of its premium products under the BEE+ and Superlife brands.

King Honey has the capacity to produce more than 350 tonnes of honey from over 18,000 hives and 3,600 queen bee rearing hives placed across the North Island and the Marlborough region, with a particular focus on Manuka dense areas.

King Honey has five leased apiary facilities which are used for staff operations, storage of equipment, and maintenance of hives and components year-round.

#### **[Slide 7 King Honey Business Overview continued]**

All beekeeping operations are overseen by employed NZ apiary managers, with 45 highly skilled employed beekeepers in total.

King Honey also has Agritest which is a specialist honey testing laboratory that tests for antibacterial compounds found in honey. Additionally, King Honey has processing, bottling and storage facilities.

**[Slide 8 King Honey Business Overview continued]**

In teaming up with ambassador companies and third party brands, it exports quality Manuka honey to a number of International markets.

King Honey's CEO Terry Jarvis will transition away from the day-to-day running of the business but will remain available for consultation as needed.

King Honey's distribution agreement with Access Brand Management Pty Limited (ABM) allows King Honey to distribute its premium products through a substantial network in China.

In addition to premium bottled honey, King Honey has developed lozenges, snap packs supplements and high UMF products ready for distribution.

***Rationale for the acquisition***

**[Slide 9 Rationale for acquisition]**

We believe this acquisition is the right move for Me Today as it allows it to expand its lifestyle, health and wellness business. In particular,

- This acquisition will provide Me Today with further access to international markets, allowing it to realise its growth ambitions;
- Access a new customer base and increased cross-selling opportunities;

**[Slide 10 Rationale for acquisition continued]**

- The acquisition is a strong strategic move for Me Today given the premium brand alignment with Me Today's health and wellness focus
- The acquisition will add earnings and scale to the group; and
- The acquisition will allow Me Today to leverage both business distribution networks and production channels, increasing its purchasing power of packaging materials.

**[Slide 11 Financial impact]**

***Financial impact***

On completion, it is expected that King Honey will have more than \$16 million in working capital, including inventory of approximately 540 tonnes of Mānuka honey.

The network of hives has capacity to produce in excess of 350 tonnes of honey annually.

Me Today has already forecast revenue for FY March 2022 to exceed \$3 million.

King Honey's budgeted revenue for its FY 22 financial year is anticipated to be around \$21.5 million. King Honey is also budgeted to derive EBITDA of around \$5.26 million.

***Possible risks***

Me Today considers it important to share the key risks of acquiring King Honey which include:

- Manuka honey production being dependent on weather conditions – King Honey has tried to mitigate this risk by organising seasonal production and having hives across a number of regions;
- King Honey is heavily reliant on its largest customer (ABM) to distribute its products through China. King Honey has managed this risk by aligning its interests with ABM through joint venture ownership of the BEE+ brand;
- King Honey may struggle to obtain or enforce intellectual property protection for its trademarks however King Honey is awaiting trademark approval and has obtained expert advice.

***Capital structure following King Honey acquisition and capital raise***

**[Slide 12 Capital structure]**

As set out in detail in the notice of meeting, and as shown on the screen, as a result of the transaction MTL Securities, the major shareholder associated with Stephen

Sinclair, Michael Kerr and I, will be diluted from around 54% to 31%, Terry Jarvis's trust will hold 16%, and new investors in the capital raise will be issued 25% of the company.

## **Q&A**

### **[Slide 13 Q & A]**

Before we get on to the formal resolutions, I will open the meeting to general questions about the King Honey acquisition.

Are there any questions?

## **Voting on Resolutions**

### **[Slide 14 Voting on resolutions]**

We now move to formal voting on the resolutions. Only shareholders, proxy holders or corporate representatives of a shareholder may vote on today's resolutions.

All resolutions are ordinary resolutions which require a simple majority of votes to be passed.

Implementation of the 3 resolutions are conditional upon all of them being approved by our shareholders today. If the resolutions are not approved by Me Today's shareholders, Me Today will continue operating with its current business activities and the King Honey acquisition will not proceed.

The Board unanimously recommends that shareholders vote to approve all resolutions.

To vote, you will need to mark your voting card in the way you wish to vote by ticking "FOR", "AGAINST" or "ABSTAIN". You have the ability to change your vote up until the time I declare voting time closed. Computershare will collect all voting cards after all 3 resolutions have been put.

The directed proxy votes received will be displayed for your information after voting on all 3 resolutions.

I now declare voting open on all items of business.

So, turning to each resolution set out in the notice of meeting which includes explanatory notes for each of the resolutions. I will take the text of each resolution as read.

**Resolution 1 - Acquisition of King Honey**

**[Slide 15 Resolution 1]**

Are there any questions concerning Resolution 1 ?

*[Chair]* Please now select either "FOR", "AGAINST" or "ABSTAIN" for Resolution 1 on the voting card.

**Resolution 2- Issue of shares to King Honey vendors**

**[Slide 16 Resolution 2]**

Please note that the Vendors and their Associated Persons, as defined in the Listing Rules, are not permitted to vote on this resolution.

Are there any questions on Resolution 2 ?

Please now select either "FOR", "AGAINST" or "ABSTAIN" for Resolution 2 on the voting card.

**Resolution 3- Issue of Capital Raise shares to investors**

**[Slide 17 Resolution 3]**

Please note that any wholesale investor who has agreed a subscription agreement with Me Today or their Associated Persons is not permitted to vote on resolution 3.

Are there any questions on Resolution 3?

Thank you – please now select either "FOR", "AGAINST" or "ABSTAIN" for Resolution 3 on the voting card.

Some shareholders who have not been able to physically attend this meeting have voted by proxy. The slide show is now showing the directed proxy votes received prior to the meeting.

**Proxies**

**[Slide 18 Directed proxies]**

Proxies have been appointed in respect of approximately **246,907,936** shares, representing over **59%** of the total number of shares.

My fellow directors and I intend to vote all discretionary proxies we have received in favour of all Resolutions set out in the Notice of Meeting.

**[Slide 19 Voting and close of the meeting]**

That completes the business of the meeting.

Results of the poll will be announced to NZX after conclusion of the meeting.

In the meantime, we will continue to work hard to ensure that Me Today grows and develops to its full potential.

Thank you - I now declare the meeting closed.

**[End of Meeting]**