

22 January 2021

ASX Announcement

Walker Control Pty Ltd to become 100% subsidiary of MYG

Mayfield Group Holdings Limited (**MYG**) is pleased to announce that it has entered into a share purchase agreement (**SPA**) to acquire the remaining 35% minority interest in Walker Control Pty Ltd (**Walker Control**). On completion, Walker Control will become a 100% subsidiary of MYG.

About Walker Control

Walker Control is based in South Australia, founded in 1996. The company manufactures secondary protection, control and monitoring systems for medium and high voltage infrastructure. It supplies the electrical utilities sector Australia-wide. The systems manufactured by the company are complex and are a vital component of electrical transmission and distribution infrastructure. The systems monitor power transmission, detect instability and then automatically switch off assets before significant network disruption or damage occurs.

The company's facility in Adelaide undertakes machining, assembly, wire installation and commissioning. Walker Control's customer base includes power utilities, engineering and construction contractors to the mining and renewable sectors.

Acquisition terms

The material terms of the SPA are as follows:

1. The vendor of the 35% interest in Walker Control is JR & RT Walker Pty Ltd (**Seller**). The current General Manager of Walker Control, John Walker, is a shareholder and director of the Seller.
2. The consideration payable for 35% of Walker Control is \$499,000 (**Consideration**), payable wholly by the issue of 1,039,583 MYG fully paid ordinary shares at a deemed issue price of 48c per share (**Consideration Shares**).
3. The acquisition is expected to be completed on 1 February 2021 (**Completion Date**).
4. The Consideration Shares will be issued in tranches as follows:
 - a. On the Completion Date – 623,750 Consideration Shares, being 60% of the Consideration.
 - b. Upon satisfaction of various business outcomes over the 12 months following Completion Date – 415,833 Consideration Shares, being 40% of the Consideration.
5. The conditions precedent included in the SPA are as follows:
 - a. an employment agreement be entered into by Walker Control with John Walker which includes provisions regarding salary, bonus, minimum employment period and a noncompete clause; and
 - b. satisfactory due diligence to be completed by both the Seller and Purchaser.

Mr Jon Hobbs, the Managing Director of Mayfield stated:

“We are delighted to be able to move to 100% of Walker Control and also to have John Walker commit to a further three years as General Manager. Walker Control is a long-established company with a strong reputation for the manufacture of high-quality systems.

Having been a 65% shareholder of Walker Control for a number of years, we are confident in the future of the company.

There are considerable synergies in this acquisition related to the sharing of estimating, design and manufacturing capabilities across the Group.”

This announcement is authorised by the Managing Director of MYG, Jon Hobbs.

Further Information:

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