

Market Announcements Office  
ASX Limited

## Eumundi enters into Transaction Implementation Deed with SEQ to acquire 100% of Eumundi for \$1.55 cash per share

- Eumundi Group Limited (**Eumundi**) and SEQ Hospitality Group Pty Ltd (**SEQ**) have entered into a transaction implementation deed (**TID**) under which SEQ undertakes to acquire all Eumundi shares by way of both:
  - an off-market takeover offer at \$1.55 cash per Eumundi share (**Takeover Offer**); and
  - a scheme of arrangement at \$1.55 cash per Eumundi share (**Scheme**),(together the **SEQ Transaction**)
- **Eumundi's directors, in aggregate representing 43.34% of Eumundi shares, unanimously recommend the SEQ Transaction.** The Eumundi directors' recommendations are made in the absence of a superior proposal and subject to an independent expert concluding (and continuing to conclude) that the Takeover Offer is fair and reasonable and the Scheme is in the best interests of Eumundi shareholders
- The price of \$1.55 per Eumundi share represents a premium of circa 23% to the closing price of Eumundi shares on 29 October 2024 of \$1.26

### Eumundi directors' recommendations and intentions

Eumundi's directors, in aggregate representing 43.34% of Eumundi shares as at the date of this announcement,<sup>1</sup> unanimously recommend that Eumundi shareholders **accept the Takeover Offer and vote in favour of the Scheme**, in the absence of a superior proposal and subject to an independent expert concluding (and continuing to conclude) that the Takeover Offer is fair and reasonable and that the Scheme is in the best interests of Eumundi shareholders.

Each Eumundi director has informed Eumundi that they will:

- accept, or procure the acceptance of, the Takeover Offer in respect of any Eumundi shares they own or control; and
- cause all Eumundi shares held or controlled by them to be voted in favour of the Scheme,

in each case in the absence of a superior proposal, and subject to an independent expert concluding (and continuing to conclude) that the Takeover Offer is fair and reasonable and that the Scheme is in the best interests of Eumundi shareholders.

<sup>1</sup> As at the date of this announcement, Mr Joe Gamin has a direct or indirect interest in 13,021,572 Eumundi shares (or 26.16%) and Mr Gilbert De Luca has a direct or indirect interest in 8,548,118 Eumundi shares (or 17.18%).

## SEQ's proposal

Each of the Takeover Offer and the Scheme provides Eumundi shareholders with an attractive, liquid and immediate premium for their Eumundi shares. The price of \$1.55 cash per Eumundi share represents a premium of:

- 23.0% to the last close price of \$1.26, being the price of Eumundi shares on ASX at the close of trading on 29 October 2024 (the last trading day before this announcement);
- 32.2% to Eumundi's 30-day volume weighted average price (**VWAP**) of \$1.17 up to and including 29 October 2024; and
- 32.7% to Eumundi's 90-day VWAP of \$1.17 up to and including 29 October 2024.

## Commenting on the SEQ Transaction, Eumundi Chairman Joe Ganim said:

*"We are pleased to recommend the SEQ Transaction, which offers Eumundi shareholders an opportunity to realise their investments at a substantial premium to the current market price. The Board has carefully considered the SEQ Transaction in the context of other available alternatives as well as the continued uncertainty facing wider global markets. We believe this transaction not only provides shareholders with an attractive exit, but also secures the continued success of Eumundi's current business operations."*

*SEQ is part of an established group with an excellent understanding of the hospitality industry. The Board is confident that SEQ's leadership team, with their proven industry expertise and track record of effective management, is well-equipped to manage Eumundi's operations and drive continued growth. Their values align with our commitment to operational excellence and the well-being of our dedicated employees, ensuring both a seamless transition and a bright future for the business under their stewardship."*

## Transaction implementation deed and conditions

The TID sets out the respective rights and obligations of Eumundi and SEQ in relation to both the Takeover Offer and the Scheme, including certain "ordinary course of business" obligations and warranties and representation on terms which are customary or market standard for transactions of this nature.

The TID also contains customary deal protection mechanisms including "no shop", "no talk" and "no due diligence" restrictions, as well as notification and matching rights in the event of a competing proposal. A break-fee may also be payable by one party to the other in certain circumstances. The TID contains a customary fiduciary out provision, which allows the Eumundi board to fully consider any competing proposal that may reasonably be expected to lead to a superior proposal.

Full details of these arrangements are set out in the TID, a copy of which is attached to this announcement.

The SEQ Transaction outlined in the TID is fully funded and binding. Each of the Takeover Offer and the Scheme are subject to a limited number of conditions, which are set out in full in the TID, including:

- No prescribed occurrences for Eumundi
- No material acquisitions, disposals or other events for Eumundi
- No regulatory action is taken which adversely effects the Takeover Offer or the Scheme
- Third-party consents to the change in control of Eumundi with respect to material contracts
- Receipt of any applicable regulatory approvals

The Takeover Offer is also subject to a 90% minimum acceptance by Eumundi shareholders and the Scheme not being implemented.

The Scheme is also conditional on Eumundi shareholder approval, Court approval and the independent expert concluding (and continuing to conclude) that the Scheme is in the best interests of Eumundi shareholders.

Pursuant to the terms of the TID, Eumundi has agreed to the reconstruction of the Eumundi board, as directed by SEQ, following SEQ receiving acceptances under the Takeover Offer of at least 50.1% and having declared the Takeover Offer unconditional.

## **Suspension of Dividend Reinvestment Plan (DRP)**

In accordance with ASX Listing Rule 3.10.8, Eumundi also announces the suspension of its DRP with immediate effect until further notice. Under clause 12.1 of the DRP, the Eumundi board may suspend the DRP at any time. While the DRP is suspended, participants in the DRP will receive cash distributions, including for the Special Dividend (if any). Eumundi reminds shareholders to review and, if necessary, update their bank account details with the Share Registry. No action is required by shareholders in relation to the DRP. Should the suspension of the DRP be lifted, then, under clause 12.5 of the DRP, each shareholder's existing DRP status will be reinstated upon the Eumundi board providing the requisite notice.

## **Interim Dividend**

Pursuant to the terms of the TID the Eumundi board is entitled to, and may, declare an interim dividend of up to 2.4 cents per Eumundi share. Any interim dividend that the Eumundi board may declare will be paid in cash at any time on or before:

- 31 March 2025;
- the date which is 5 business days after the Takeover Offer has become or is declared unconditional; and
- the Effective Date of the Scheme<sup>2</sup>.

Any payment of an interim dividend will not reduce the price of \$1.55 per Eumundi share under the Takeover Offer or the Scheme.

## **Next steps**

Eumundi shareholders do not need to take any action at this stage.

Detailed information relating:

- to the Takeover Offer will be set out in SEQ's Bidder's Statement and Eumundi's Target's Statement, which are each expected to be dispatched to Eumundi shareholders before the end of the calendar year; and
- to the Scheme will be set out in the Scheme Booklet, which is expected to be dispatched to Eumundi shareholders in early January 2025.

Eumundi will continue to keep its shareholders and the market informed of developments in accordance with its continuous disclosure obligations.

## **Advisers**

Eumundi has appointed Taylor Collison as its financial advisor and HopgoodGanim Lawyers as its legal advisor.

SEQ has appointed Morgans as its financial advisor and Clayton Utz as its legal advisor.

## **About SEQ**

SEQ is a part of the Fortitudo Group.

The Fortitudo Group, an independent hotel and liquor retail operator based in South East Queensland, owns and operates several popular venues, including the QA Hotel in New Farm and Treetops Tavern in Burleigh, as well as an additional 3 hotels and 17 bottle shops.

## **About EBG**

EBG is an independent hotel, retail liquor and investment property company based predominantly in South East Queensland. The EBG Group owns and operates the Ashmore Tavern and Aspley Central Tavern,

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<sup>2</sup> The Effective Date of the Scheme is defined in the TID.

and owns hotel and retail investment properties including The Plough Inn, located in Brisbane's South Bank Parklands, the Courthouse Hotel, Murwillumbah, and the Aspley Central Shopping Centres.

This announcement was authorised for release by the Eumundi board.

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