

Market Announcements Office
ASX Limited

Eumundi Group Limited Target's Statement Lodged Accept SEQ Hospitality Group Pty Ltd Takeover Offer

Eumundi Group Limited ACN 010 947 476 ("**Eumundi**") announces that it has lodged its Target's Statement with the Australian Securities and Investments Commission (**ASIC**) today in response to the off-market takeover offer by SEQ Hospitality Group Pty Ltd ACN 681 115 471 ("**SEQ**") to acquire all the fully paid, ordinary shares in Eumundi ("**Eumundi Shares**") ("**Takeover Offer**").

In accordance with item 14 of section 633(1) of the *Corporations Act 2001* (Cth) ("**Corporations Act**"), a copy of the Target's Statement is **attached** to this announcement, together with a copy of the Independent Expert's Report dated 29 November 2024, which will both be provided to Shareholders.

The Target's Statement has been sent to SEQ and lodged with ASIC today and is in the process of being dispatched to holders of Eumundi Shares ("**Eumundi Securityholders**") pursuant to item 12 of section 633(1) of the Corporations Act.

The Eumundi Board unanimously recommends that Eumundi Shareholders ACCEPT the Takeover Offer in the absence of a Superior Proposal and subject to the Independent Expert concluding (and continuing to conclude) that the Takeover Offer is 'fair and reasonable'.

Each of the Eumundi Directors will ACCEPT the Offer in relation to the Eumundi Shares that they respectively hold or control in the absence of a Superior Proposal and subject to the Independent Expert concluding (and continuing to conclude) that the Takeover Offer is 'fair and reasonable'.

An electronic copy of the Target's Statement and updates in relation to the Takeover Offer will be made available on Eumundi's website (www.eumundigroup.com.au).

This announcement has been authorised for release to the ASX by the Board of Directors of Eumundi Group Limited.

~ ENDS ~

For further information please contact:

Eumundi Group Limited

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Company Secretary

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EUMUNDI GROUP

TARGET'S STATEMENT

In response to the recommended acquisition of Eumundi Group Limited ACN 010 947 476 (**Eumundi**) by SEQ Hospitality Group Pty Ltd ACN 681 115 471 (**SEQ**) by way of an off-market takeover offer.

THE EUMUNDI DIRECTORS UNANIMOUSLY RECOMMEND THAT YOU

ACCEPT

THE TAKEOVER OFFER FROM SEQ TO ACQUIRE ALL OF YOUR EUMUNDI SHARES

IN THE ABSENCE OF A SUPERIOR PROPOSAL AND SUBJECT TO THE
INDEPENDENT EXPERT CONCLUDING (AND CONTINUING TO CONCLUDE) THAT
THE TAKEOVER OFFER IS '*FAIR AND REASONABLE*'.

THE INDEPENDENT EXPERT HAS CONCLUDED THAT THE TAKEOVER OFFER
IS FAIR AND REASONABLE TO EUMUNDI SHAREHOLDERS.

**THIS IS AN IMPORTANT DOCUMENT AND
REQUIRES YOUR IMMEDIATE ATTENTION**

It should be read in its entirety. If you are in any doubt about how to deal with this document,
you should consult your legal, financial or other professional adviser immediately.



LAWYERS

Legal Adviser



TAYLOR COLLISON

Sharebrokers and Investment Advisers
www.taylorcollison.com.au

Financial Adviser

EUMUNDI GROUP LIMITED

ACN 010 947 476

IMPORTANT NOTICES

The Transaction

On 30 October 2024, Eumundi Group Limited ACN 010 947 476 (**Eumundi**) announced that it had entered into an Implementation Deed with SEQ Hospitality Group Pty Ltd ACN 681 115 471 (**SEQ**) in respect of SEQ's proposed acquisition of all Eumundi Shares by way of an off-market takeover offer (**Takeover Offer**) and scheme of arrangement (**Scheme**) to be implemented in the alternative under a dual and concurrent process (together, the **Transaction**).

Nature of this Document

This Target's Statement is dated 29 November 2024 and is issued by Eumundi under Part 6.5 Division 3 of the Corporations Act in response to the Bidder's Statement issued by SEQ dated 6 November 2024 and SEQ's Takeover Offer dated 18 November 2024 to acquire all of the Shares in Eumundi.

A copy of this Target's Statement was lodged with ASIC and sent to the ASX on 29 November 2024. Neither ASIC, ASX nor any of their officers take any responsibility for the content of this Target's Statement.

This Target's Statement contains important information regarding the Takeover Offer. The purpose of the Target's Statement is to:

- provide Eumundi Shareholders with information about the Takeover Offer and the Transaction;
- explain the terms and effect of the Takeover Offer;
- explain the manner in which the Takeover Offer will be considered and, if accepted, implemented; and
- provide you with certain information required by law, and all other information known to the Eumundi Board, which is material to your decision to accept or reject the Takeover Offer.

Eumundi has engaged BDO (**Independent Expert**) to prepare an Independent Expert's Report for the Takeover Offer.

A copy of the Independent Expert's Report for the Takeover Offer is

included with this Target's Statement.

Further, a Scheme Booklet containing all relevant information on the Scheme, including the notice of the Scheme Meeting and a report by the Independent Expert in respect of the Scheme, is expected to be distributed by Eumundi to Eumundi Shareholders early next calendar year. Before the Scheme Booklet can be distributed to Eumundi Shareholders, it must be lodged with ASIC for examination and approved by the Court (**Approved**). See section 8.5 of this Target's Statement for further information regarding the Scheme process.

You are strongly encouraged to read this Target's Statement, together with the Independent Expert's Report and the Scheme Booklet (including a report by the Independent Expert in respect of the Scheme) (once Approved and issued) and the Bidder's Statement carefully and in their entirety before deciding how to deal with your Eumundi Shares.

This Target's Statement deals only with the Takeover Offer.

Investment Decision

This Target's Statement does not take into account the individual investment objectives, financial situation and particular needs of each Eumundi Shareholder. You may wish to seek independent financial and taxation advice before making a decision as to whether or not to accept the Takeover Offer for your Eumundi Shares.

Shareholder Information

If you have any questions in relation to the Takeover Offer, or the Transaction generally, please contact Eumundi's Company Secretary, Duncan Cornish, by email to dcornish@corpservices.com.au or call (07) 3212 6299 for callers within Australia or on +61 7 3212 6299 for callers outside Australia from Monday to Friday between 8.30am to 5.00pm (Brisbane time).

Announcements relating to the Takeover Offer can be obtained from Eumundi's website at www.eumundigroup.com.au.

Interpretation

Capitalised terms used in this Target's Statement are defined in section 11 of this document.

Forward Looking Statements

This Target's Statement contains certain forward looking statements and statements of current intention. Such statements are only predictions and are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to the industry in which Eumundi is involved as well as general economic conditions and conditions in the financial markets. Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement and such deviations are both normal and to be expected. None of Eumundi, any of its officers, or any person named in this Target's Statement with their consent or any person involved in the preparation of this Target's Statement makes any representation or warranty (either express or implied) as to the accuracy or likelihood in any forward looking statement, and you should not place undue reliance on these statements.

Forward looking statements in this Target's Statement reflect views held only as at the date of this Target's Statement.

Foreign Jurisdictions

The release, publication or distribution of this Target's Statement in jurisdictions other than Australia may be restricted by law or regulation in such other jurisdictions and persons who come into possession of it should seek advice and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable laws or regulations. This Target's Statement may not be the same as that which would have been disclosed if this Target's Statement had been prepared in accordance with the laws and regulations outside Australia.

Maps and Diagrams

Any maps, diagrams, charts, graphs and tables contained in this Target's Statement are illustrative only and may not be drawn to scale. Unless stated otherwise, all data contained in maps, diagrams, charts, graphs

and tables is based on information available as at the date of this Target's Statement.

this Target's Statement for further information.

Information about SEQ in this Target's Statement

Except where disclosed in this Target's Statement, the information about SEQ contained in this Target's Statement has been prepared by Eumundi using information set out in the Bidder's Statement or otherwise provided by SEQ, which has not been independently verified. Accordingly, except to the extent required by law, Eumundi does not assume responsibility for the accuracy or completeness of such information.

Privacy

Eumundi has collected your information from the register of Eumundi Shareholders for the purpose of providing you with this Target's Statement. The type of information Eumundi has about you includes your name, contact details and information on your shareholding (as applicable) in Eumundi. Without this information, Eumundi would be hindered in its ability to issue this Target's Statement. The Corporations Act requires the name and address of Eumundi Shareholders to be held in a public register. Your information may be disclosed on a confidential basis to external service providers (including the Eumundi Share Registry and print and mail service providers) and may be required to be disclosed to regulators such as ASIC. If you would like details of information about you held by Eumundi, please contact the Eumundi Share Registry on 1300 850 505 (within Australia), or +61 3 9415 4000 (outside Australia) between 9.00am and 5.00pm (Sydney time) Monday to Friday.

Rounding

A number of figures, amounts, percentages, prices, estimates, calculations of value and fractions in this Target's Statement are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this Target's Statement.

Risk Factors

Eumundi Shareholders should note that there are a number of risks attached to their investment in Eumundi. Eumundi Shareholders should also note that there are risks involved in accepting the Takeover Offer. Please refer to section 7 of

TABLE OF CONTENTS

OVERVIEW OF THE TRANSACTION.....	5
TRANSACTION STRUCTURE	7
KEY DATES FOR THE TAKEOVER OFFER	8
LETTER FROM THE EUMUNDI CHAIR	9
KEY REASONS TO ACCEPT THE TAKEOVER OFFER.....	12
1. FREQUENTLY ASKED QUESTIONS ABOUT THE TAKEOVER OFFER.....	18
2. DETAILS OF THE TAKEOVER OFFER	29
3. YOUR CHOICES AS A EUMUNDI SHAREHOLDER.....	35
4. INFORMATION ABOUT EUMUNDI.....	37
5. INFORMATION ABOUT SEQ.....	44
6. DIRECTORS' RECOMMENDATION AND INTERESTS OF EUMUNDI	47
7. RISK FACTORS	50
8. ADDITIONAL INFORMATION	62
9. AUSTRALIAN TAX CONSEQUENCES.....	66
10. CONSENTS.....	70
11. GLOSSARY AND INTERPRETATION	72
ATTACHMENT 1 - INDEPENDENT EXPERT'S REPORT	79

OVERVIEW OF THE TRANSACTION

On 30 October 2024, Eumundi announced that it had entered into an Implementation Deed with SEQ in respect of SEQ's proposed acquisition of all Eumundi Shares at an offer price of \$1.55 cash per Eumundi Share by way of an off-market takeover offer (**Takeover Offer**) and scheme of arrangement (**Scheme**) to be implemented in the alternative under a dual and concurrent process (together, the **Transaction**).

The table below summarises the key features of the Takeover Offer and the Scheme. This Target's Statement contains the information required by the Corporations Act only in respect of the Takeover Offer. Information required to be provided by the Corporations Act in respect of the Scheme will be issued by Eumundi once it has been lodged with ASIC for examination and approved by the Court. Eumundi Shareholders are strongly encouraged to read this Target's Statement, together with the Independent Expert's Report and the Scheme Booklet (including a report by the Independent Expert in respect of the Scheme) (once Approved and issued) and the Bidder's Statement carefully and in their entirety before deciding how to deal with your Eumundi Shares.

	Takeover Offer	Scheme
Offer Price	\$1.55 cash per Eumundi Share	\$1.55 cash per Eumundi Share
	The Offer Price will not be reduced by (and is in addition to payment of) an Interim Dividend of 2.4 cents per Eumundi Share which the Board expects to declare before the Scheme Meeting is held. ¹	
Key conditions	<p>The conditions of the Takeover Offer are set out in full in section 9.7 of the Bidder's Statement and include:</p> <ul style="list-style-type: none"> • 90% minimum acceptance condition; • no Prescribed Occurrences; • no material acquisitions, disposals or other events; • receipt of any applicable Regulatory Approvals and third party consents and the absence of regulatory actions; and • Scheme not approved by Eumundi Shareholders or the Court. 	<p>The conditions of the Scheme are set out in clause 3.1 of the Implementation Deed and include:</p> <ul style="list-style-type: none"> • no Prescribed Occurrences; • no material acquisitions, disposals or other events; • receipt of any applicable Regulatory Approvals and third party consents and the absence of regulatory actions; • Requisite Majorities of Eumundi Shareholders (being more than 50% in number present and voting and at least 75% of votes cast) voting in favour of the Scheme; and • Court approval.
Recommendation of Eumundi Directors	ACCEPT the Takeover Offer in the absence of a Superior Proposal and subject to the Independent Expert concluding (and continuing to conclude) that the Takeover Offer is <i>'fair and reasonable'</i>	VOTE IN FAVOUR of the Scheme in the absence of a Superior Proposal and subject to the Independent Expert concluding (and continuing to conclude) that the Scheme is in the <i>'best interests'</i> of Eumundi Shareholders ²

¹ The Interim Dividend, if declared, will be paid by Eumundi to those Eumundi Shareholders recorded on the Share Register as at the Interim Dividend Record Date. See section 8.4 of this Target's Statement for further detail regarding the Interim Dividend.

² Eumundi Shareholders should carefully consider the Scheme Booklet (including a report by the Independent Expert in respect of the Scheme) which is expected to be issued by Eumundi in the new calendar year, once it has been Approved (unless the Takeover Offer is declared, or otherwise becomes, unconditional before that time).

This Target's Statement, as well as the Bidder's Statement prepared by SEQ, sets out details of SEQ's Takeover Offer and the benefits which it provides to Eumundi Shareholders. Eumundi has also engaged BDO (**Independent Expert**) to prepare an Independent Expert's Report for the Takeover Offer. A separate report will be prepared by the Independent Expert in respect of the Scheme and will be included in the Scheme Booklet.

A copy of the Independent Expert's Report for the Takeover Offer is included with this Target's Statement.

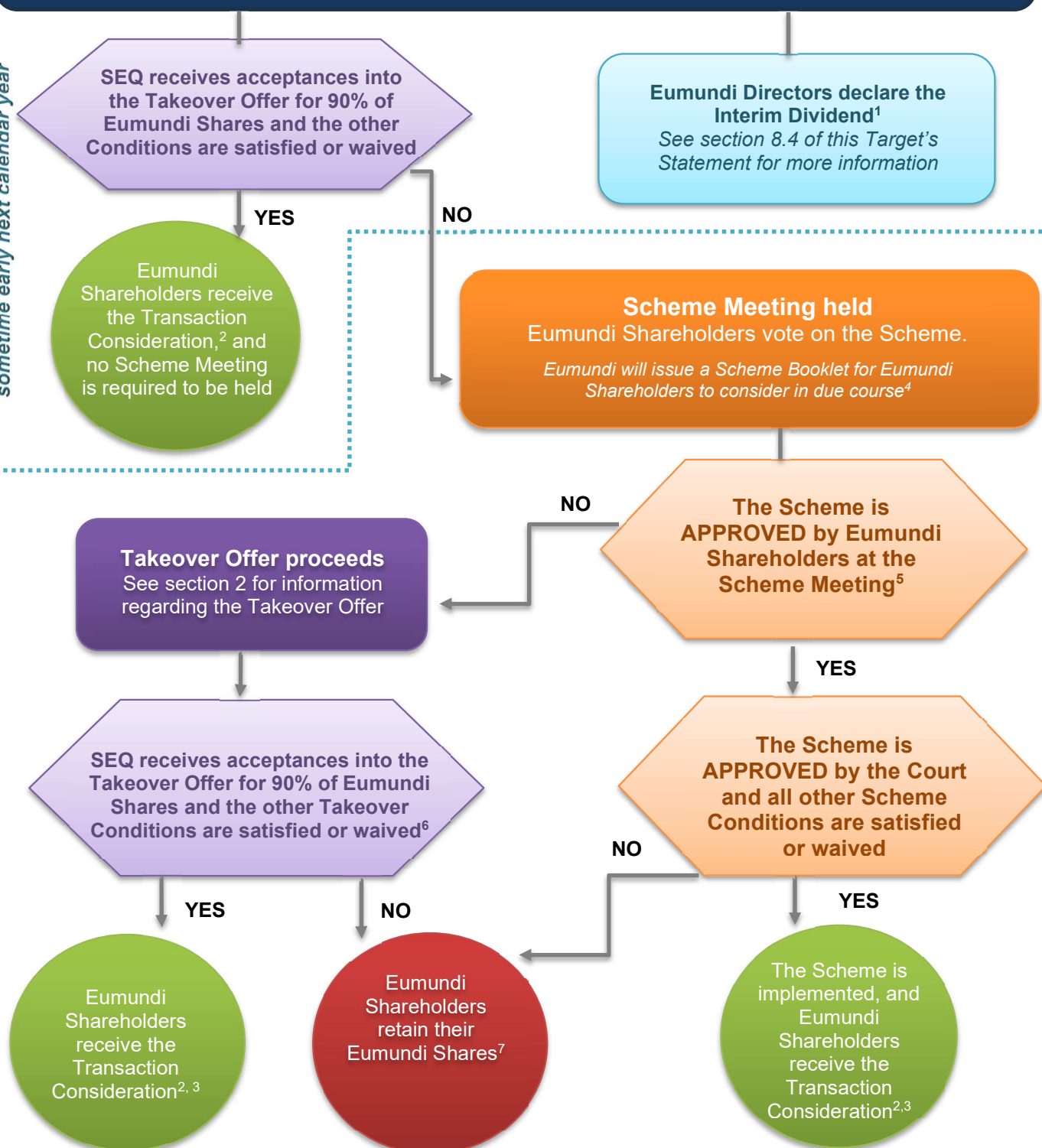
A Scheme Booklet containing all relevant information on the Scheme, including the notice of the Scheme Meeting and the report of the Independent Expert for the Scheme, is expected to be distributed by Eumundi to the Eumundi Shareholders early next calendar year. Before the Scheme Booklet can be distributed to Eumundi Shareholders, it must be lodged with ASIC for examination and approved by the Court. See section 8.5 of this Target's Statement for further information regarding the Scheme process.

You are strongly encouraged to read this Target's Statement, together with the Independent Expert's Report and the Scheme Booklet (including the report of the Independent Expert in respect of the Scheme) (once Approved and issued) and the Bidder's Statement before deciding how to deal with your Eumundi Shares.

TRANSACTION STRUCTURE

SEQ proposes to acquire all Eumundi Shares by way of simultaneous Takeover Offer and Scheme

PRIOR TO THE SCHEME MEETING
The Scheme Meeting is expected to occur sometime early next calendar year



Footnotes to Transaction Structure Diagram:

1. The Eumundi Board expects to declare the Interim Dividend (as described in section 8.4) before the Scheme Meeting is held.
2. The Transaction Consideration is an amount equivalent to the Offer Price of \$1.55 per Eumundi Share held.
3. Plus the Interim Dividend to those Eumundi Shareholders on the Share Register as at the Interim Dividend Record Date – see section 8.4 for further information.
4. Before the Scheme Booklet can be distributed to Eumundi Shareholders, it must be examined by ASIC and approved by the Court. See section 8.5 of this Target's Statement for further information regarding the Scheme process.
5. By the Requisite Majorities under the Corporations Act, being (a) more than 50% of Eumundi Shareholders present and voting at the Scheme Meeting and (b) at least 75% of votes cast.
6. If any of the Takeover Conditions (see section 2.3) are NOT satisfied or waived, the Takeover Offer will lapse and the Transaction will not proceed. See section 7.5 for a summary of the risks in the event the Transaction does not proceed and you retain your Eumundi Shares.
7. This outcome, in respect of the Takeover Offer, assumes that SEQ has not waived the 90% minimum acceptance Condition (or any other Takeover Condition). SEQ has indicated that it has no current intention to waive any Takeover Conditions. However, it is open to SEQ to do so at its discretion, in accordance with the Corporations Act. In that circumstance, those Eumundi Shareholders who had accepted the Takeover Offer would receive a cash payment of \$1.55 for each of their Eumundi Shares, and the outcome described in section 1.7 of the Bidder's Statement may then apply. In respect of the Scheme, if the Scheme is not approved by the Court, and the Takeover Offer is not declared or does not become unconditional, the Transaction will not proceed and Eumundi Shareholders will retain their Eumundi Shares. If the Transaction does not proceed for any reason, and the Eumundi Board has declared the Interim Dividend, Eumundi Shareholders on the Share Register as at the Interim Dividend Record Date will remain entitled to receive the Interim Dividend.

KEY DATES FOR THE TAKEOVER OFFER

Announcement Date	30 October 2024
Bidder's Statement lodged with ASIC	6 November 2024
Bidder's Statement served on Eumundi and provided to ASX	11 November 2024
Date of the Takeover Offer (Takeover Offer opens)	18 November 2024
Target's Statement dispatched to Eumundi Shareholders	4 December 2024
Takeover Offer scheduled to close (unless extended or withdrawn) ³	7.00pm (Sydney time) on 4 March 2025
The Closing Date of the Takeover Offer is subject to change as permitted by the Corporations Act.	

³ Pursuant to the Implementation Deed, unless the Takeover Offer is or has been declared unconditional prior to the Scheme Meeting, the Takeover Offer must not close prior to the date that is 10 Business Days after the date of the Scheme Meeting.

LETTER FROM THE EUMUNDI CHAIR

ACCEPT THE TAKEOVER OFFER in the absence of a Superior Proposal and subject to the Independent Expert concluding (and continuing to conclude) that the Takeover Offer is ‘fair and reasonable’

29 November 2024

Dear Eumundi Shareholders

On behalf of the Eumundi Board, I am writing to you in relation to the proposal from SEQ Hospitality Group Pty Ltd (**SEQ**) to acquire all of your Eumundi Shares at a price of \$1.55 cash per Eumundi Share (**Offer Price**) by way of an off-market takeover offer (**Takeover Offer**) and scheme of arrangement (**Scheme**) to be implemented in the alternative under a dual and concurrent process (together, the **Transaction**). While there are two alternative structures for the purposes of implementing the Transaction, only one will proceed. This is explained further below.

The Eumundi Board has carefully considered the Transaction in the context of other available alternatives (including remaining an ASX-listed company) with a view to maximising shareholder value in an increasingly uncertain macroeconomic and highly competitive environment. We believe this Transaction provides Eumundi Shareholders with an attractive exit.

SEQ is part of an established group with an excellent understanding of the hospitality industry. The Eumundi 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.

The Eumundi Board **UNANIMOUSLY RECOMMENDS** that you **ACCEPT** the Takeover Offer, in the absence of a Superior Proposal and subject to the Independent Expert concluding (and continuing to conclude) that the Takeover Offer is ‘fair and reasonable’.

Takeover Offer

This Target’s Statement sets out important information you should consider when deciding whether to accept or reject the Takeover Offer, including the Independent Expert’s Report for the Takeover Offer, your Directors’ recommendation regarding the Takeover Offer and their reasons for that recommendation.

The Takeover Offer is conditional on (amongst other things) SEQ receiving acceptances representing at least 90% of Eumundi Shares (**Minimum Acceptance Condition**) and is subject to (amongst other things) the Scheme not being approved by Eumundi Shareholders or not being approved by the Court. If the Minimum Acceptance Condition is satisfied or waived⁴ prior to the Scheme Meeting, Eumundi will not proceed with the Scheme.⁵ This Target’s Statement provides information to Eumundi Shareholders in respect of the Takeover Offer. Further information in respect of the Scheme will be provided to Eumundi Shareholders in the form of a Scheme Booklet, subject to the examination by ASIC and the approval of the Court.

Under the Takeover Offer, accepting Eumundi Shareholders are entitled to receive a cash payment of \$1.55 per Eumundi Share (**Transaction Consideration**) if the Takeover Conditions are satisfied or waived.

Eumundi Board’s unanimous recommendation and voting intention

The Eumundi Board unanimously recommends that you **ACCEPT** the Takeover Offer in the absence of a Superior Proposal and subject to the Independent Expert concluding (and continuing to conclude) that the Takeover Offer is ‘fair and reasonable’ (**Recommendation**).

The key reasons for this Recommendation include:

⁴ SEQ has retained the discretion to waive the Minimum Acceptance Condition.

⁵ Further detail regarding the Scheme process is set out in section 8.5 of this Target’s Statement.

- the Independent Expert has concluded that the Takeover Offer is '*fair and reasonable*' in the absence of a Superior Proposal;
- the Offer Price represents an attractive premium to Eumundi's historical Share trading prices;
- the Offer Price represents an attractive premium to Eumundi's historical net asset backing;
- the Takeover Offer provides a significant liquidity event for your highly illiquid Eumundi Shares;
- the 100% cash Takeover Offer delivers certain and known value;
- no Superior Proposal has emerged since the Announcement Date;
- the Takeover Offer mitigates the risks and uncertainties of remaining a Eumundi Shareholder (refer to section 7.5); and
- the Eumundi Share price may fall if the Takeover Offer lapses, the Scheme is not implemented and no Superior Proposal emerges.

Subject to those same qualifications applicable to the Recommendation,⁶ those Eumundi Directors with a Relevant Interest in Eumundi Shares intend to accept the Takeover Offer for those Eumundi Shares.

The Eumundi Board collectively has a Relevant Interest in 43.34% of the Eumundi Shares as at the date of this Target's Statement.

Scheme of arrangement

If the Minimum Acceptance Condition is not met by the time of the Scheme Meeting, Eumundi Shareholders will be asked to vote on a resolution at the Scheme Meeting to approve the proposed acquisition by SEQ of all Eumundi Shares at the Offer Price. If the Scheme is approved and implemented,⁷ Eumundi Shareholders will receive the Transaction Consideration in addition to payment of the Interim Dividend (if declared) from Eumundi (assuming you hold your Eumundi Shares on the Interim Dividend Record Date).

The Scheme Booklet will include further detail regarding the Scheme, including a copy of the report by the Independent Expert in relation to the Scheme and information regarding the recommendations and voting intentions of the Eumundi Directors.⁸ For now, section 8.5 of this Target's Statement includes a summary of the Scheme process for you to consider.

Interim Dividend

The Eumundi Board expects to declare an interim dividend of 2.4 cents per Eumundi Share (**Interim Dividend**), to be paid in cash at any time on or before the Interim Dividend Payment Date to those Eumundi Shareholders on the Share Register as at the Interim Dividend Record Date (**Recipient Shareholders**).

The payment of the Interim Dividend by Eumundi to the Recipient Shareholders will not reduce the Transaction Consideration payable by SEQ to those Recipient Shareholders who accepted the Takeover Offer (or who otherwise sell their Eumundi Shares to SEQ pursuant to the Scheme, if implemented).

The Eumundi Board expects to declare the Interim Dividend before the Scheme Meeting is held. Further information regarding the Interim Dividend is set out in section 8.4 of this Target's Statement.

⁶ Being in the absence of a Superior Proposal and subject to the Independent Expert concluding (and continuing to conclude) that the Takeover Offer is '*fair and reasonable*'.

⁷ Meaning that all Scheme Conditions are satisfied (or waived), including the Scheme being approved by Eumundi Shareholders (by the Requisite Majorities) and approved by the Court. See section 8.5 of this Target's Statement for further information.

⁸ Before the Scheme Booklet can be distributed to Eumundi Shareholders, it must be examined by ASIC and approved by the Court. See section 8.5 of this Target's Statement for further information regarding the Scheme process.

Transaction documents and next steps

The Eumundi Board strongly encourages you to read this Target's Statement, together with the Independent Expert's Report and the Scheme Booklet (including the report by the Independent Expert in respect of the Scheme) (once Approved and issued) and the Bidder's Statement carefully and in their entirety before deciding how to deal with your Eumundi Shares. You should consider the Takeover Offer, and the Transaction generally, having regard to your own personal risk profile, investment strategy and tax circumstances. If you are in doubt as to whether to accept or reject the Takeover Offer, you should seek your own independent professional advice.

Importantly, you can accept the Takeover Offer and vote in favour of the Scheme at the same time because the terms of each of the Takeover Offer and the Scheme determine which Transaction process will proceed.⁹

To ACCEPT the Takeover Offer you should follow the instructions set out in the Bidder's Statement,¹⁰ noting that the Takeover Offer is currently scheduled to close at **7:00pm (Sydney time) on 4 March 2025** unless extended or withdrawn. However, you should be aware that accepting the Takeover Offer now will restrict your ability to sell your Eumundi Shares to another person unless you are entitled to withdraw your acceptance.

Even where you accept the Takeover Offer, please make sure you also vote on the Scheme Resolution at the upcoming Scheme Meeting. You should consider the details in the Scheme Booklet (once Approved and issued) before deciding how to vote on the Scheme.

Your acceptance of the Takeover Offer and vote for the Scheme Resolution is important. If the Minimum Acceptance Condition for the Takeover Offer is not satisfied before the Scheme Meeting, you will need to ensure you vote on the Scheme Resolution.

If you have any questions regarding the Transaction or this Target's Statement, please contact Eumundi's Company Secretary, Duncan Cornish, by email to dcornish@corpservices.com.au or call (07) 3212 6299 for callers within Australia or on +61 7 3212 6299 for callers outside Australia from Monday to Friday between 8.30am to 5.00pm (Brisbane time).

On behalf of all of the Eumundi Directors, I thank you for your investment in Eumundi and I look forward to your support of the Transaction.

Yours faithfully,



Joseph Michael Ganim
Chair
Eumundi Group Limited

⁹ Namely, whether the Scheme will be implemented or whether the Takeover Offer will proceed.

¹⁰ See also section 3.1 of this Target's Statement.

KEY REASONS TO ACCEPT THE TAKEOVER OFFER

The Eumundi Board unanimously recommends that you ACCEPT the Takeover Offer, in the absence of a Superior Proposal and subject to the Independent Expert concluding (and continuing to conclude) that the Takeover Offer is '*fair and reasonable*', for the following key reasons.

- ✓ **The Takeover Offer is unanimously recommended by the Eumundi Directors in the absence of a Superior Proposal and subject to the Independent Expert concluding (and continuing to conclude) that the Takeover Offer is '*fair and reasonable*'**
- ✓ **The Independent Expert has concluded that the Takeover Offer is '*fair and reasonable*' in the absence of a Superior Proposal**
- ✓ **The Offer Price represents an attractive premium to Eumundi's historical share trading prices**
- ✓ **The Offer Price represents an attractive premium to Eumundi's historical net asset backing**
- ✓ **The Takeover Offer provides a significant liquidity event for your highly illiquid Eumundi Shares**
- ✓ **The 100% cash Takeover Offer delivers certain and known value**
- ✓ **No Superior Proposal has emerged since the Announcement Date**
- ✓ **The Takeover Offer mitigates the risks and uncertainties of remaining a Eumundi Shareholder**
- ✓ **Eumundi's share price may fall if the Takeover Offer lapses, the Scheme is not implemented and no Superior Proposal emerges**
- ✓ **You risk becoming a minority Eumundi Shareholder if neither the Takeover Offer nor the Scheme succeed**

Alternatively, you may wish to sell your Eumundi Shares on market, however:

- you may be charged brokerage fees (plus any applicable GST);
- you will **not** be entitled to the benefit of any improvement in the Offer Price in the event that SEQ determines to improve the Offer Price under the Takeover Offer; and
- if you are removed from the Share Register before the Interim Dividend Record Date, you will **not** be entitled to receive the Interim Dividend of 2.4 cents per Eumundi Share, which the Eumundi Board expects to declare before the Scheme Meeting is held.

REASON 1 The Eumundi Directors unanimously recommend the Takeover Offer in the absence of a Superior Proposal and subject to the Independent Expert concluding (and continuing to conclude) that the Takeover Offer is ‘fair and reasonable’

The Eumundi Directors unanimously recommend that Eumundi Shareholders accept the Takeover Offer in the absence of a Superior Proposal and subject to the Independent Expert concluding (and continuing to conclude) that the Takeover Offer is fair and reasonable.

Additionally, each Eumundi Director who has a Relevant Interest in Eumundi Shares has confirmed that they intend to accept the Takeover Offer in respect of those Eumundi Shares, subject to the aforementioned qualifications.¹¹

As at the date of this Target’s Statement, the Eumundi Directors collectively have a Relevant Interest in 43.34% of the Eumundi Shares on issue.

Whilst the Eumundi Directors acknowledge that there may be reasons to not accept the Takeover Offer, they believe the advantages outlined below significantly outweigh the potential disadvantages.

REASON 2 The Independent Expert has concluded that the Takeover Offer is ‘fair and reasonable’ in the absence of a Superior Proposal

The Eumundi Directors appointed BDO as the Independent Expert to prepare an Independent Expert’s Report opining on whether the Takeover Offer is fair and reasonable.

The Independent Expert estimated the value of Eumundi Shares, on a control basis, to be between \$1.502 and \$1.698 per Eumundi Share. Therefore, the Independent Expert has concluded that the Takeover Offer is fair and reasonable in the absence of a Superior Proposal.

The Independent Expert’s Report is set out in Attachment 1 of this Target’s Statement.

REASON 3 The Offer Price represents an attractive premium to Eumundi’s historical share trading prices

The Offer Price of \$1.55 cash per Eumundi Share represents a substantial and attractive premium to recent and longer-term trading prices of Eumundi Shares. This includes a 32% premium to the 30-day VWAP of Eumundi Shares of \$1.17 on 29 October 2024, being the last Trading Day prior to the Announcement Date.

Importantly, the Offer Price will not be reduced by an Interim Dividend of 2.4 cents per Eumundi Share, which the Eumundi Board expects to declare before the Scheme Meeting is held.¹² In other words, Eumundi Shareholders who accept the Takeover Offer will receive the Interim Dividend (and any franking credits attaching to the Interim Dividend), in addition to the \$1.55 cash Offer Price.

The following chart illustrates the premium represented by the Offer Price and the additional benefit Eumundi Shareholders are expected to receive from the Interim Dividend relative to the recent trading prices of Eumundi Shares on the ASX prior to the Announcement Date.

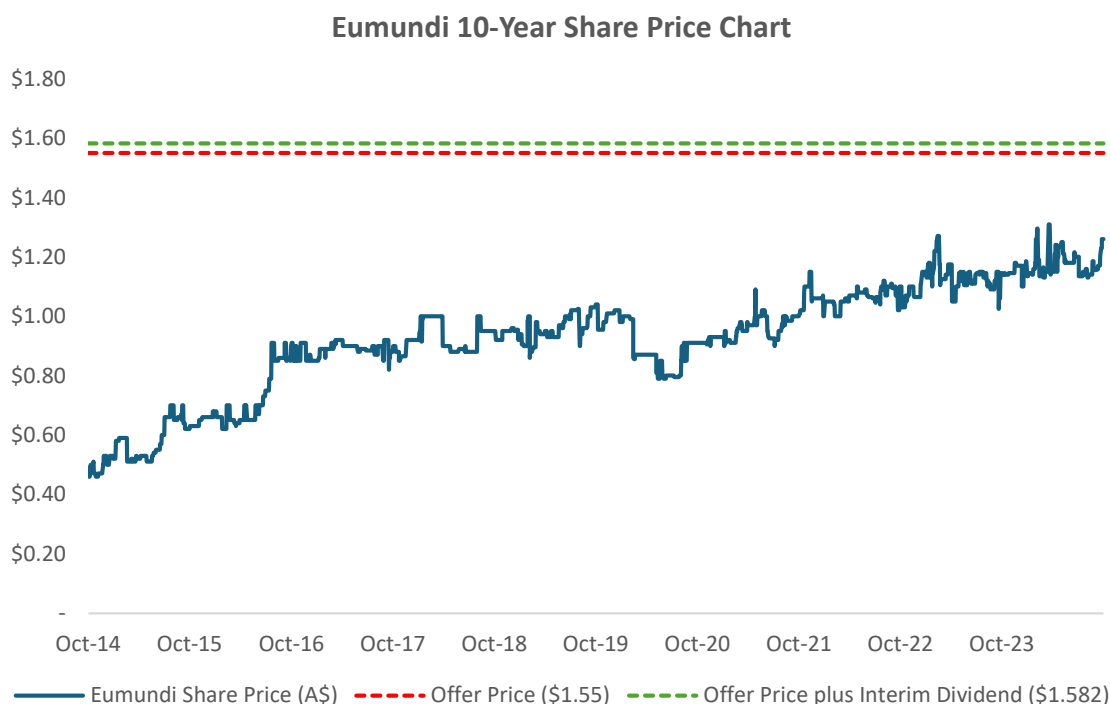
¹¹ Being in the absence of a Superior Proposal and subject to the Independent Expert concluding (and continuing to conclude) that the Takeover Offer is ‘fair and reasonable’.

¹² The Interim Dividend, if declared, will be paid by Eumundi to those Eumundi Shareholders recorded on the Share Register as at the Interim Dividend Record Date. See section 8.4 of this Target’s Statement for further detail regarding the Interim Dividend.



Source: IRESS as at 29 October 2024 (being the last Trading Day prior to the Announcement Date).¹³

As shown in the chart below, the Offer Price is also materially higher than the closing prices of Eumundi Shares on the ASX in the 10-year period up to and including the Announcement Date.



Source: IRESS as at 29 October 2024 (being the last Trading Day prior to the Announcement Date).¹⁴

¹³ Trading data is provided by IRESS. IRESS is not required to consent and has not consented to the use of such information or references in this Target's Statement; Assumes an Interim Dividend of 2.4 cents per Eumundi Share and assigns 0.8 cents per Eumundi Share value to the attributing franking credits at a rate of 25% tax rate. The Eumundi Board expects that the Interim Dividend will be franked to the maximum extent possible at the time it is declared.

¹⁴ Trading data is provided by IRESS. IRESS is not required to consent and has not consented to the use of such information or references in this Target's Statement; Assumes an Interim Dividend of 2.4 cents per Eumundi Share and assigns 0.8 cents per Eumundi Share value to the attributing franking credits at a rate of 25% tax rate. The Eumundi Board expects that the Interim Dividend will be franked to the maximum extent possible at the time it is declared.

REASON 4 The Offer Price represents an attractive premium to Eumundi's historical net asset backing

As at 30 June 2024, Eumundi reported net tangible asset backing of \$1.34 per Eumundi Share and net asset backing of \$1.39 per Eumundi Share.

As illustrated in the chart below, the Offer Price of \$1.55 cash per Eumundi Share represents a meaningful premium to Eumundi's most recently audited net asset backing per Eumundi Share.



Source: IRESS as at 29 October 2024 (being the last Trading Day prior to the Announcement Date).¹⁵

REASON 5 The Takeover Offer provides a significant liquidity event for your highly illiquid Eumundi Shares

In addition to the attractive premium provided by the Takeover Offer, an additional and important consideration is that the Takeover Offer provides an opportunity for all Eumundi Shareholders to monetise their investment, which is a significant benefit in volatile markets.

The liquidity in the trading of Eumundi Shares on the ASX in the ordinary course of business has been very low over the 12 months prior to the Announcement Date. Over this period, only 1.96% of the total Eumundi Shares on issue were traded on the ASX in the 12-month period up to the Announcement Date.¹⁶ As such, the average daily trading volume of Eumundi Shares in the ordinary course of business was only 3,840 Eumundi Shares, or \$4,454.

¹⁵ Trading data is provided by IRESS. IRESS is not required to consent and has not consented to the use of such information or references in this Target's Statement; Assumes an Interim Dividend of 2.4 cents per Eumundi Share and assigns 0.8 cents per Eumundi Share value to the attributing franking credits at a rate of 25% tax rate. The Eumundi Board expects that the Interim Dividend will be franked to the maximum extent possible at the time it is declared.

¹⁶ During this period, there were two instances in which Eumundi Shares traded outside of the ordinary course of business as special crossings: 1. On 19 January 2024, 1,000,000 Eumundi Shares were traded at \$1.28 per Eumundi Share; and 2. On 28 May 2024, 1,000,000 Eumundi Shares were traded at \$1.35 per Eumundi Share. In both instances, the Eumundi Shares were acquired by SCMS Pty Ltd atf SJ Shoobridge Superannuation Fund at a premium of \$0.11 above the immediately preceding trades in the ordinary course of business.

If you choose to retain your Eumundi Shares, you may face the risks associated with poor liquidity which may lead to uncertainty regarding the monetisation of your investment in the future. Refer to section 7.5 for further information regarding the risks associated with holding Eumundi Shares.

REASON 6 The 100% cash Takeover Offer delivers certain and known value

The consideration for the Takeover Offer by SEQ to acquire your Eumundi Shares is 100% cash. This provides Eumundi Shareholders with certainty about the value of the consideration being offered (assuming the Takeover Offer becomes unconditional).

You will not be obliged to pay stamp duty on the disposal of your Eumundi Shares if you accept the Takeover Offer. Further, if your Eumundi Shares are registered in an Issuer Sponsored Holding in your name, you will not incur any brokerage fees on the sale of your Eumundi Shares which you would be likely otherwise to incur if you sell Eumundi Shares on-market.¹⁷

REASON 7 No Superior Proposal has emerged since the Announcement Date

Since the Announcement Date and up to the date of this Target's Statement, no Superior Proposal has emerged and the Eumundi Directors are not aware of, and have not received, any proposal or approach from any person which they expect is likely to lead to a Superior Proposal.

If a Competing Proposal is received, the Eumundi Directors will carefully consider the proposal to determine whether it is a Superior Proposal for Eumundi and Eumundi Shareholders, subject to the terms of the Implementation Deed.

The Eumundi Directors will keep Eumundi Shareholders informed if a Superior Proposal emerges and will make an announcement on the ASX in accordance with Eumundi's continuous disclosure obligations.

REASON 8 The Takeover Offer mitigates the risks and uncertainties of remaining a Eumundi Shareholder

The 100% cash Takeover Offer from SEQ, if it becomes unconditional, removes a number of risks associated with an investment in Eumundi on a stand-alone basis.

When considering whether to accept the Takeover Offer, Eumundi Shareholders should strongly consider some of the key risks which may materially impact Eumundi's ability to achieve its strategic objectives should the Takeover Offer not be successful and Eumundi continues to operate on a stand-alone basis. Some of the major risk factors which affect Eumundi are summarised in section 7.5 of this Target's Statement.

By accepting the Takeover Offer, Eumundi Shareholders will receive certain value and will no longer be exposed to these risks if the Takeover Offer becomes unconditional.

REASON 9 Eumundi's share price may fall if the Takeover Offer lapses, the Scheme is not implemented and no Superior Proposal emerges

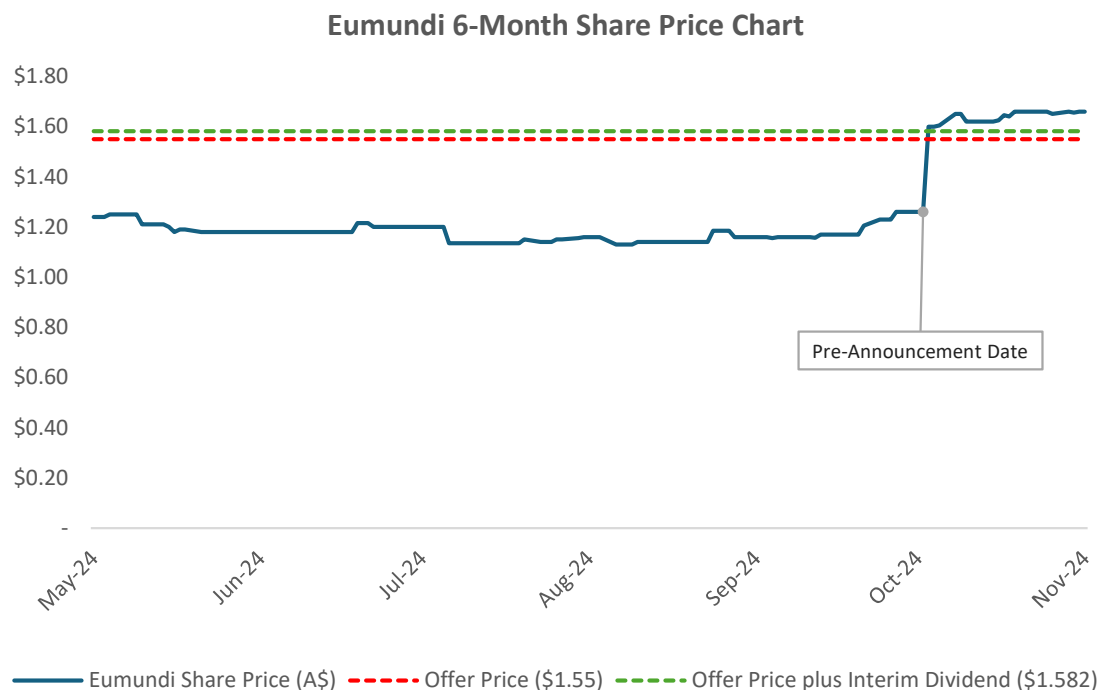
The Offer Price of \$1.55 per Eumundi Share is approximately 23% above the last closing price of Eumundi Shares on the ASX prior to the Announcement Date, being \$1.26. For the six month period prior to the Announcement Date, the Eumundi' Share price traded between \$1.13 and \$1.26.

¹⁷ If your Eumundi Shares are registered in a CHESS Holding, or if you are a beneficial owner whose Eumundi Shares are registered in the name of a broker, bank custodian or other nominee, you will not be obliged to pay stamp duty by accepting the Takeover Offer, but you should ask your Controlling Participant (usually your broker) or that nominee whether it will charge any transactional fees or service charges in connection with acceptance of the Takeover Offer.

Since the Announcement Date, the Eumundi Share price has increased by 32% to \$1.66 on 28 November 2024, being the last Trading Day prior to the date of this Target's Statement.

These share price movements are illustrated in the chart below.

If the Takeover Offer lapses, the Scheme is not implemented and no Superior Proposal emerges, the Eumundi Share price may decline, potentially below the Offer Price and closer to pre-Announcement Date levels. In these circumstances, Eumundi Shareholders may not have another opportunity to sell their Eumundi Shares for the Offer Price of \$1.55 per Eumundi Share.



Source: IRESS as at 28 November 2024 (being the last Trading Day prior to the date of this Target's Statement).¹⁸

REASON 10 You risk becoming a minority Eumundi Shareholder if neither the Takeover Offer nor the Scheme succeed

The Takeover Offer is conditional upon SEQ obtaining a Relevant Interest in at least 90% (by number) of the Eumundi Shares currently on issue. However, SEQ may, at its own discretion, elect to waive this Minimum Acceptance Condition in accordance with the Corporations Act.

Should the Scheme not be implemented, SEQ's Relevant Interest in Eumundi be greater than 50.1% but less than 90% and SEQ elects to waive the 90% Minimum Acceptance Condition, those Eumundi Shareholders who do not accept the Takeover Offer will become shareholders in a company controlled by SEQ which is likely to have even lower liquidity than it did prior to the Announcement Date.

¹⁸ Trading data is provided by IRESS. IRESS is not required to consent and has not consented to the use of such information or references in this Target's Statement; Assumes an Interim Dividend of 2.4 cents per Eumundi Share and assigns 0.8 cents per Eumundi Share value to the attributing franking credits at a rate of 25% tax rate. The Eumundi Board expects that the Interim Dividend will be franked to the maximum extent possible at the time it is declared.

1. FREQUENTLY ASKED QUESTIONS ABOUT THE TAKEOVER OFFER

For the purposes of enabling you to understand some of the complex issues which arise during the process of a takeover bid, Eumundi has provided this question and answer guide.

This section is not intended to address all issues that may be relevant to you. This section should be read together with the rest of this Target's Statement. You should also be aware that further information in respect of the Scheme will be provided in the Scheme Booklet.¹⁹

Question	Answer	Further Information
Overview of the Transaction		
1.1 What is the Transaction?	<p>The Transaction is a proposal from SEQ to acquire all Eumundi Shares at a price of \$1.55 per Eumundi Share by way of both an off-market takeover offer (Takeover Offer) and scheme of arrangement (Scheme), in the alternative, under a dual and concurrent process.</p> <p>The Takeover Offer is conditional on, amongst other things, SEQ acquiring a Relevant Interest in at least 90% of Eumundi Shares²⁰ and the Scheme not becoming Effective. If the Scheme proceeds, the Takeover Offer will lapse and SEQ will acquire all Eumundi Shares under the Scheme. See Question 1.30 below for further information on the Scheme.</p>	'Overview of the Transaction'
1.2 What is this Target's Statement?	<p>This Target's Statement has been prepared by Eumundi and provides Eumundi's response to SEQ's Takeover Offer, including the recommendation of your Directors.</p> <p>Further information in relation to the Scheme will be set out in the Scheme Booklet which will be prepared by Eumundi and, pending examination by ASIC and approved by the Court, distributed to Eumundi Shareholders early next calendar year.</p> <p>You are strongly encouraged to read this Target's Statement, together with the Independent Expert's Reports and the Scheme Booklet (including the report by the Independent Expert in respect of the Scheme) (once Approved and issued) and the Bidder's Statement before deciding how to deal with your Eumundi Shares. See also Question 1.31 below for further information regarding the Scheme Booklet.</p>	'Important Notices'
1.3 Why has a dual process been proposed for the Transaction structure?	<p>Each of the Takeover Offer and the Scheme are proposed, being concurrent transactions in the alternative, to allow Eumundi Shareholders the best opportunity to receive the offer price of \$1.55 per Eumundi Share offered by SEQ. While the Transaction is less common than a standalone takeover bid or scheme of arrangement, its structure</p>	

¹⁹ Before the Scheme Booklet can be distributed to Eumundi Shareholders, it must be examined by ASIC and approved by the Court. See section 8.5 of this Target's Statement for further information regarding the Scheme process.

²⁰ SEQ has retained the discretion to waive any of the Takeover Conditions (including the Minimum Acceptance Condition).

Question	Answer	Further Information
	<p>has been designed to provide the best chance of success.</p> <p><i>Importantly, you can accept the Takeover Offer and vote in favour of the Scheme at the same time, as the terms of each of the Takeover Offer and the Scheme determine which Transaction process will proceed.²¹</i></p>	
1.4 How do the Takeover Offer and the Scheme relate?	<p>If the Takeover Offer is or has been declared unconditional prior to the Scheme Meeting,²² the Scheme will not proceed.</p> <p>If the Takeover Offer remains conditional at the time of the Scheme Meeting and the Scheme is approved by the Requisite Majorities of Eumundi Shareholders (and all other conditions of the Scheme have been satisfied or waived), the Scheme will be implemented²³ and the Takeover Offer will lapse.</p> <p>However, if the Takeover Offer remains conditional at the time of the Scheme Meeting and the Scheme is not implemented for any reason, your shareholding in Eumundi may nevertheless be acquired by SEQ if you accept the Takeover Offer and the Takeover Offer is subsequently declared unconditional.</p>	'Overview of the Transaction'
1.5 Who is the Bidder?	<p>SEQ Hospitality Group Pty Ltd ACN 681 115 471 is a special purpose vehicle incorporated for the purposes of the Transaction. SEQ and its holding company, SEQ Holdings, are part of the Fortitudo Group.</p> <p>The Fortitudo Group is an independent hotel and liquor retail operator based in Southeast Queensland which owns and operates several popular venues, including the QA Hotel in New Farm and Treetops Tavern in Burleigh Waters, as well as three additional hotels and seventeen bottle shops.</p> <p>See also section 3 of the Bidder's Statement for further information.</p>	Section 5
1.6 How is SEQ funding the Transaction Consideration	<p>SEQ has confirmed that it will meet its payment obligations under the Takeover Offer or the Scheme (as applicable) using funds committed to it under the arrangements described in section 5.2 of the Bidder's Statement.</p> <p>Neither the Takeover Offer nor the Scheme is subject to any financing condition.</p>	Section 5.4

²¹ Namely, whether the Scheme will be implemented or whether the Takeover Offer will proceed.

²² SEQ has indicated that it has no current intention to waive any Takeover Conditions. However, it is open to SEQ to do so at its discretion, in accordance with the Corporations Act. In that circumstance, those Eumundi Shareholders who had accepted the Takeover Offer would receive a cash payment of \$1.55 for each of their Eumundi Shares, and the outcome described in section 1.7 of the Bidder's Statement may then apply.

²³ If the Scheme is implemented, you will be required to sell your Eumundi Shares to SEQ even if you did not vote in favour of the Scheme at the Scheme Meeting. Further information in this regard will be set out in the Scheme Booklet (once Approved and issued).

Question	Answer	Further Information
Overview of the Takeover Offer		
1.7 What is the Takeover Offer?	<p>The Takeover Offer is an offer by SEQ to acquire all Eumundi Shares by way of an off-market takeover bid, at an offer price of \$1.55 per Eumundi Share (Offer Price).</p> <p>You may only accept the Takeover Offer in respect of all of the Eumundi Shares that you hold.</p>	Section 2
1.8 What are the conditions of the Takeover Offer?	<p>The Takeover Offer is subject to the following conditions (Takeover Conditions):</p> <ul style="list-style-type: none"> ▪ the Minimum Acceptance Condition; ▪ a condition regarding the absence of Prescribed Occurrences; ▪ a condition regarding the absence of material acquisitions, disposals or other events; ▪ conditions regarding the receipt of any applicable Regulatory Approvals and third party consents and the absence of regulatory actions; and ▪ the Scheme not becoming Effective.²⁴ <p>The Takeover Conditions are set out in detail in section 2.3 of this Target's Statement and more specifically in section 9.7 of the Bidder's Statement.</p> <p>Subject to the Corporations Act, SEQ may choose to waive any of the Takeover Conditions in accordance with the terms of the Takeover Offer set out in section 9 of the Bidder's Statement.</p>	Section 2.3
1.9 What will happen if the Takeover Conditions are not satisfied or waived?	<p>The Takeover Offer will lapse if the Takeover Conditions are not satisfied or waived by the end of the Takeover Offer Period.²⁵ In this case, even if you have accepted the Takeover Offer, your Eumundi Shares will not be acquired by SEQ under the Takeover Offer, and you will not be paid the Transaction Consideration.</p>	
1.10 When does the Takeover Offer close?	<p>The Takeover Offer is currently scheduled to close at 7.00pm (Sydney time) on 4 March 2025 (unless extended or withdrawn) (Closing Date). The Takeover Offer Period may also be automatically extended in certain circumstances.</p>	Section 2.2
1.11 Can SEQ extend the Takeover Offer Period?	<p>Yes, the Takeover Offer Period can be extended at SEQ's election or otherwise in accordance with the Corporations Act and the terms of the Takeover Offer.</p>	Section 2.2

²⁴ Meaning that the Scheme is either not approved by Eumundi Shareholders by the Requisite Majorities at the Scheme Meeting, or the Scheme is not approved by the Court. See section 8.5 for further detail.

²⁵ Or in the case of the 'No Prescribed Occurrences' Condition, before the end of the third Business Day after the end of the Takeover Offer Period.

Question	Answer	Further Information
	<p>Unless the Takeover Offer is or has been declared unconditional (or withdrawn) prior to the Scheme Meeting, the Takeover Offer Period must not expire prior to the date that is 10 Business Days after the date of the Scheme Meeting.</p> <p>SEQ cannot extend the Takeover Offer Period beyond the End Date (being six months after the date of the Takeover Offer) without Eumundi's prior written consent.</p>	
1.12 Can SEQ vary the Takeover Offer?	<p>Yes, SEQ can vary the Takeover Offer by increasing the consideration or waiving the Takeover Conditions (including the Minimum Acceptance Condition).²⁶ The Eumundi Directors do not know if SEQ will vary the Takeover Offer. Any such variation will be announced to the ASX.</p>	Section 2.8
1.13 What will happen if SEQ improves the consideration under the Takeover Offer?	<p>If SEQ improves the consideration offered under the Takeover Offer, all Eumundi Shareholders who have accepted the Takeover Offer will be entitled to the benefit of that improved consideration (whether they accepted the Takeover Offer before or after the consideration is improved).</p> <p>If this occurs, the Eumundi Directors will carefully consider the revised Takeover Offer and advise Eumundi Shareholders accordingly. However, there is no guarantee that SEQ will improve the consideration offered.</p>	Section 2.8
1.14 Can SEQ withdraw the Takeover Offer?	<p>Yes, but only in limited circumstances with the consent of ASIC.</p>	
1.15 What are my alternatives with regards to the Takeover Offer?	<p>As a Eumundi Shareholder you have the following choices in respect of the Takeover Offer:</p> <ol style="list-style-type: none"> 1. accept the Takeover Offer in respect of all your Eumundi Shares before the end of the Takeover Offer Period (as recommended by the Eumundi Directors in the absence of a Superior Proposal and subject to the Independent Expert concluding (and continuing to conclude) that the Takeover Offer is '<i>fair and reasonable</i>'); or 2. reject the Takeover Offer by doing nothing; or 3. sell your Eumundi Shares on the ASX (unless you have previously accepted the Takeover Offer and you have not validly withdrawn your acceptance) in which case you may not be entitled to receive the Interim Dividend (if declared).²⁷ 	Section 3

²⁶ SEQ has indicated that it has no current intention to waive any Takeover Conditions. However, it is open to SEQ to do so at its discretion, in accordance with the Corporations Act. In that circumstance, those Eumundi Shareholders who had accepted the Takeover Offer would receive a cash payment of \$1.55 for each of their Eumundi Shares, and the outcome described in section 1.7 of the Bidder's Statement may then apply.

²⁷ In the event you sell your Eumundi Shares and you are not on the Share Register on the Interim Dividend Record Date.

Question	Answer	Further Information
	<p><i>Importantly, you can accept the Takeover Offer and vote in favour of the Scheme at the same time, as the terms of each of the Takeover Offer and the Scheme determine which Transaction process will proceed.²⁸</i></p> <p>When deciding what to do, you should carefully consider the Directors' Recommendation and other important matters set out in this Target's Statement (including the Independent Expert's Report), as well as the Bidder's Statement and the Scheme Booklet (including the report by the Independent Expert in respect of the Scheme) (once Approved and issued).</p>	
<p>1.16 What do the Eumundi Directors recommend?</p>	<p>Your Directors unanimously recommend that you ACCEPT THE TAKEOVER OFFER in the absence of a Superior Proposal and subject to the Independent Expert concluding (and continuing to conclude) that the Takeover Offer is '<i>fair and reasonable</i>' (Recommendation).</p> <p>Subject to those same qualifications, each Eumundi Director who has a Relevant Interest in Eumundi Shares (which, collectively, amounts to approximately 43.34% of Eumundi Shares on issue as at the date of this Target's Statement) has advised the Eumundi Board that they intend to ACCEPT the Takeover Offer in respect of those Eumundi Shares.</p> <p>The reasons for the Recommendation are set out in this Target's Statement.</p> <p>If there is a change in the Recommendation or any other material developments in relation to the Takeover Offer (or the Transaction generally),²⁹ Eumundi will lodge a supplementary target's statement as required.</p>	<p>Section 6</p>
<p>1.17 What happens if I do nothing?</p>	<p>If you do not accept the Takeover Offer and the Scheme does not proceed, you will:</p> <ul style="list-style-type: none"> • retain your Eumundi Shares; and • not receive the Transaction Consideration, <p>unless SEQ becomes entitled, and elects to proceed, to compulsorily acquire Eumundi Shares under the Corporations Act (see Question 1.18 below).</p> <p>See also section 7 of this Target's Statement regarding the potential risks associated with becoming a minority shareholder in Eumundi if SEQ elects to waive the Minimum Acceptance Condition.</p>	<p>Section 3</p> <p>Section 7</p>

²⁸ Namely, whether the Scheme will be implemented or whether the Takeover Offer will proceed.

²⁹ For example, if further disclosure is required following review of the Scheme Booklet by ASIC or the Court.

Question	Answer	Further Information
1.18 Can I be forced to sell my Eumundi Shares?	<p>Only if:</p> <ul style="list-style-type: none"> • SEQ obtains sufficient acceptances from other Eumundi Shareholders to give it a Relevant Interest in 90% or more of the total number of Eumundi Shares, in which case, SEQ may compulsorily acquire your Eumundi Shares; or • if the Scheme becomes Effective. <p>If either of these scenarios arise, you will receive the Transaction Consideration for your Eumundi Shares at completion of the relevant process. However, this means you may receive the Transaction Consideration for your Eumundi Shares later than you would have received it if you had accepted the Takeover Offer.</p>	Section 3
1.19 How many Shares does SEQ hold in Eumundi?	<p>SEQ has stated that, as at the date of the Bidder's Statement, neither SEQ nor any of its Associates held a Relevant Interest in Eumundi Shares or any Voting Power in Eumundi.</p> <p>See section 8.3 of the Bidder's Statement.</p>	Section 8.1
1.20 How do I accept the Takeover Offer?	<p>The process for accepting the Takeover Offer will depend on whether your Eumundi Shares are in an Issuer Sponsored Holding or a CHES Holding.</p> <p>Full details of how to accept the Takeover Offer are set out in section 9.4 of the Bidder's Statement, as well as the instructions on the Acceptance Form provided with the Bidder's Statement.</p> <p>To be effective, your acceptance must be received before 7.00pm (Sydney time) on the Closing Date.</p> <p>If you are a Controlling Participant, acceptance of the Takeover Offer must be initiated in accordance with rule 14.14 of the ASX Settlement Operating Rules before the end of the Takeover Offer Period.</p>	Section 3.1
1.21 What happens if I accept the Takeover Offer?	<p>If you accept the Takeover Offer while it is still conditional, unless withdrawal rights are available, you will not be able to:</p> <ul style="list-style-type: none"> • sell your Eumundi Shares accepted under the Takeover Offer on the ASX30 or to any other bidder that may make a takeover offer; and • otherwise deal with your Eumundi Shares accepted under the Takeover Offer while the Takeover Offer remains open. 	Section 2.6

³⁰ That is, you will not be able to settle the trade using those Eumundi Shares.

Question	Answer	Further Information
	<p><i>Importantly, you can accept the Takeover Offer and vote in favour of the Scheme at the same time, as the terms of each of the Takeover Offer and the Scheme determine which Transaction process will proceed.³¹</i></p> <p>Further, accepting into the Takeover Offer will not impact your entitlement to receive the Interim Dividend from Eumundi if declared, provided you are registered as a Eumundi Shareholder as at the Interim Dividend Record Date. See section 8.4 of this Target's Statement for further detail.</p> <p>If the Takeover Conditions are not satisfied or waived and the Takeover Offer lapses, all contracts resulting from acceptance of the Takeover Offer will be void and you will be free to deal with your Eumundi Shares accepted under the Takeover Offer.</p> <p>If the Takeover Conditions are satisfied or waived (and assuming the Scheme has not otherwise become Effective), you will receive the Transaction Consideration as described below in paragraph 1.29.</p>	
<p>1.22 Can I accept the Takeover Offer before the Scheme Meeting?</p>	<p>Yes.</p> <p>The Eumundi Directors have unanimously recommended that you accept the Takeover Offer and vote in favour of the Scheme in the absence of a Superior Proposal and subject to the Independent Expert concluding (and continuing to conclude) that the Takeover Offer is '<i>fair and reasonable</i>' and the Scheme is in the '<i>best interests</i>' of Eumundi Shareholders. However, you should carefully consider the important information set out in this Target's Statement (including the Independent Expert's Report), as well as the Bidder's Statement and the Scheme Booklet (including the report by the Independent Expert in respect of the Scheme) (once Approved and issued) before deciding how to deal with your Eumundi Shares.</p> <p>If the Scheme Meeting is held, and you accept the Takeover Offer before that meeting, you will still be able to vote your Eumundi Shares at the Scheme Meeting.</p> <p>Further, provided the Eumundi Directors declare the Interim Dividend and you are registered as a Eumundi Shareholder as at the Interim Dividend Record Date, you will still be entitled to receive the Interim Dividend from Eumundi in addition to any Transaction Consideration paid to you by SEQ. See section 8.4 of this Target's Statement for further detail.</p>	

³¹ Namely, whether the Scheme will be implemented or whether the Takeover Offer will proceed.

Question	Answer	Further Information
1.23 If I accept the Takeover Offer, can I withdraw my acceptance?	<p>No. You cannot withdraw your acceptance unless a withdrawal right arises under the Corporations Act.</p> <p>Eumundi Shareholders that accept the Takeover Offer should be aware that they will be unable to revoke their acceptance. The contract resulting from acceptance will be binding, meaning Eumundi Shareholders will be unable to withdraw their Eumundi Shares from the Takeover Offer or otherwise dispose of their Eumundi Shares, except as follows:</p> <ul style="list-style-type: none"> • if, at the end of the Takeover Offer Period, the Takeover Conditions in section 9.7 of the Bidder's Statement have not all been satisfied or waived (or in the case of the Prescribed Occurrence Takeover Condition, the third Business Day after the end of the Takeover Offer Period), all contracts resulting from the acceptance of the Takeover Offer will be automatically void; or • if the Takeover Offer Period is extended for more than 1 month and the obligations of SEQ to pay the consideration are postponed for more than 1 month and, at the time, the Takeover Offer is subject to 1 or more of the Takeover Conditions in section 9.7 of the Bidder's Statement, Eumundi Shareholders may be able to withdraw their acceptance and their Eumundi Shares in accordance with section 650E of the Corporations Act. <p>A notice will be sent to Eumundi Shareholders at the time explaining their rights in this regard.</p> <p>In practical terms, the above matters mean that in forming a view on whether to accept or reject the Takeover Offer, Eumundi Shareholders should also take into account the period of time before they may receive the Transaction Consideration and the restrictions on transacting in Eumundi Shares following acceptance but prior to the Transaction Consideration being received.</p>	Section 2.11
1.24 Can I accept the Takeover Offer for less than all of my Eumundi shareholding?	No. You can only accept the Takeover Offer for your entire Eumundi shareholding.	
1.25 What are the tax implications of accepting the Takeover Offer?	<p>There may be tax implications from the sale of your Eumundi Shares.</p> <p>You should obtain independent advice from your financial, tax or other professional adviser in this regard.</p>	<p>Section 2.12</p> <p>Section 9</p>

Question	Answer	Further Information
	<p>Section 7 of the Bidder's Statement and section 9 of this Target's Statement each set out a general outline of the possible tax implications for Eumundi Shareholders arising from the Takeover Offer.</p>	
<p>1.26 Will I need to pay stamp duty or brokerage if I accept the Takeover Offer?</p>	<p>As set out in the Bidder's Statement and section 9 of this Target's Statement, Eumundi Shareholders will not pay any stamp duty on accepting the Takeover Offer. If your Eumundi Shares are registered in an Issuer Sponsored Holding in your name and you deliver them directly to SEQ, you will not incur any brokerage in connection with your acceptance of the Takeover Offer.</p> <p>If your Eumundi Shares are registered in a CHESS Holding, or if you are a beneficial owner whose Eumundi Shares are registered in the name of a broker, bank, custodian or other nominee, you should ask your Controlling Participant (usually your broker) or that nominee whether it will charge any transaction fees or service charges in connection with acceptance of the Takeover Offer.</p>	
<p>1.27 What happens if the Eumundi Board declares a dividend during the Takeover Offer Period</p>	<p>Pursuant to the terms of the Implementation Deed, the Eumundi Board expects to declare an interim dividend of 2.4 cents per Eumundi Share (Interim Dividend). If declared, Eumundi will pay the Interim Dividend to those Eumundi Shareholders on the Share Register as at the Interim Dividend Record Date.</p> <p>Payment of the Interim Dividend by Eumundi will not reduce the Offer Price, and therefore will not reduce the Transaction Consideration to be paid to you by SEQ if you accept the Takeover Offer.</p> <p>If the Eumundi Board declares a dividend other than the Interim Dividend, such circumstances would be considered a 'Material Event', and the Takeover Offer will fail unless SEQ elects to waive the 'No Material Events' condition.</p>	<p>Section 8.4</p>
<p>1.28 What if I want to sell my Eumundi Shares on-market?</p>	<p>During the Takeover Offer Period, you may sell your Eumundi Shares on-market for cash (less any brokerage), provided you have not accepted the Takeover Offer for those Eumundi Shares. If you sell your Eumundi Shares and are removed from the Share Register before the Interim Dividend Record Date, you will not be entitled to receive the Interim Dividend. See section 8.4 of this Target's Statement for further detail.</p> <p>If you have already accepted the Takeover Offer, you will be unable to settle any subsequent on-market sale of your Eumundi Shares, unless you become entitled to withdraw your acceptance.</p> <p>You should contact your broker for information on how to sell your Eumundi Shares on the ASX and</p>	<p>Section 3.3</p>

Question	Answer	Further Information
	your tax adviser to determine your tax implications of such a sale.	
1.29 When will I receive my consideration if I accept the Takeover Offer?	<p data-bbox="611 315 1262 456">If you accept the Takeover Offer and the Takeover Offer becomes unconditional, SEQ will pay the Transaction Consideration to you on or before the earlier of:</p> <ul data-bbox="667 490 1262 797" style="list-style-type: none"> <li data-bbox="667 490 1262 703">• the date that is one month after the date on which you validly accept the Takeover Offer, or if at the time of your acceptance the Takeover Offer is still subject to one or more Conditions, the date that is one month after the Takeover Offer becomes unconditional; and <li data-bbox="667 736 1262 797">• 21 days after the end of the Takeover Offer Period. <p data-bbox="611 831 1262 983">Full details regarding the Transaction Consideration you are entitled to receive for your Eumundi Shares as a result of the Takeover Offer proceeding are set out in sections 9.14 and 9.15 of the Bidder's Statement.</p> <p data-bbox="611 1016 1262 1167">If you accept the Takeover Offer before the Scheme Meeting, and the Scheme becomes Effective, you will receive the Transaction Consideration pursuant to the Scheme process. See section 8.5 of this Target's Statement for further information.</p>	Section 2.7
Overview of the Scheme		
1.30 What is the Scheme?	<p data-bbox="611 1261 1262 1357">A scheme of arrangement is a statutory procedure under the Corporations Act that is commonly used to enable one company to acquire another company.</p> <p data-bbox="611 1391 1262 1574">The Scheme is a proposed acquisition by SEQ of Eumundi to be implemented by way of a scheme of arrangement between Eumundi and its shareholders under which all of the Eumundi Shares will be transferred to SEQ in exchange for \$1.55 cash per Eumundi Share (being the same as the Offer Price³²).</p> <p data-bbox="611 1608 1262 1789">The Scheme can only proceed if the Requisite Majorities of Eumundi Shareholders (being more than 50% in number present and voting and at least 75% of votes cast) vote in favour of the Scheme and all other conditions of the Scheme are satisfied or waived.</p> <p data-bbox="611 1823 1262 2002">All information relevant to the Scheme, including a specific report by the Independent Expert in respect of the Scheme, will be included in Eumundi's Scheme Booklet. Once the Scheme Booklet has been examined by ASIC and approved by the Court (Approved), it will be distributed to Eumundi</p>	Section 8.5

³² The Offer Price refers to the considered offered under each of the Takeover Offer and the Scheme.

Question	Answer	Further Information
	Shareholders for consideration. See section 8.5 of this Target's Statement for more information.	
1.31 What is the Scheme Booklet and when will I receive it?	<p>Once Approved, the Scheme Booklet will be distributed to Eumundi Shareholders in the new calendar year (unless the Takeover Offer is declared, or otherwise becomes, unconditional before that time). It will set out all information within the knowledge of the Eumundi Board that is material to the making of a decision as to whether or not to vote in favour of the Scheme.</p> <p>You are strongly encouraged to read the Scheme Booklet (including the report by the Independent Expert in respect of the Scheme) (once Approved and issued), as well as this Target's Statement, together with the Independent Expert's Reports and and the Bidder's Statement before deciding how to deal with your Eumundi Shares.</p>	
Further information		
1.32 What if I have other questions about the Transactions?	<p>Please contact Eumundi's Company Secretary, Duncan Cornish, by email to dcornish@corpservices.com.au or call (07) 3212 6299 for callers within Australia or on +61 7 3212 6299 for callers outside Australia from Monday to Friday between 8.30am to 5.00pm (Brisbane time).</p>	

2. DETAILS OF THE TAKEOVER OFFER

2.1 Summary of the Takeover Offer

On 30 October 2024, Eumundi announced it had entered into the Implementation Deed with SEQ, pursuant to which SEQ had agreed to acquire all Eumundi Shares by way of an off-market takeover offer (being the Takeover Offer) and scheme of arrangement (being the Scheme) to be implemented in the alternative under a dual and concurrent process (together, the **Transaction**).

SEQ is offering a cash payment of \$1.55 (**Offer Price**) for each Eumundi Share you hold, under each of the Scheme and the Takeover Offer (**Transaction Consideration**). This Target's Statement sets out the terms and conditions of the Takeover Offer. See also section 9 of the Bidder's Statement.

Further detail regarding the Scheme will be provided to Eumundi Shareholders in the Scheme Booklet, which is expected to be distributed (once Approved) in the new calendar year (unless the Takeover Offer is declared, or otherwise becomes, unconditional before that time). The Eumundi Directors encourage you to read the whole of this Target's Statement (including the Independent Expert's Report for the Takeover Offer) and the Bidder's Statement, together with the Scheme Booklet (including the report by the Independent Expert in respect of the Scheme) (once Approved and issued) before deciding how to deal with your Eumundi Shares.

This Target's Statement also includes information regarding the Interim Dividend at section 8.4.

2.2 Takeover Offer Period

The Takeover Offer will remain open for acceptance until 7.00pm (Sydney time) on the Closing Date, unless extended under the Corporations Act or withdrawn with the written consent of ASIC under the Corporations Act.

Unless the Takeover Offer is or has been declared unconditional (or withdrawn) prior to the Scheme Meeting, the Takeover Offer Period must not expire prior to the date that is 10 Business Days after the date of the Scheme Meeting. That is, the Takeover Offer will remain open until after the Scheme Meeting has been held. Further, SEQ cannot extend the Takeover Offer Period beyond the End Date (being six months after the date of the Takeover Offer) without Eumundi's prior written consent. See section 9.2 of the Bidder's Statement for further information regarding the circumstances in which the Takeover Offer Period may be extended.

See also section 9.13 of the Bidder's Statement regarding SEQ's rights to withdraw the Takeover Offer with the consent of ASIC.

2.3 Conditions of the Takeover Offer

The Takeover Offer is subject to a number of conditions (together, the **Takeover Conditions**). The Takeover Conditions are set out in further detail in section 9.7 of the Bidder's Statement and are summarised below.

The Scheme is also subject to a number of conditions (**Scheme Conditions**) which will be set out for Eumundi Shareholders to consider in the Scheme Booklet.

The Takeover Offer, and any contract resulting from your acceptance of the Takeover Offer, remains subject to the following Takeover Conditions as at the date of this Target's Statement:

(a) Minimum Acceptance Condition

At the end of the Takeover Offer Period, SEQ has a Relevant Interest in at least 90% (by number) of Eumundi Shares and is entitled to proceed to compulsory acquisition of Eumundi Shares under Part 6A.1 or Part 6A.2 (or both) of the Corporations Act.

(b) No Prescribed Occurrences

Between the Announcement Date and the date which is three Business Days after the end of the Takeover Offer Period (each inclusive), none of the Prescribed Occurrences occur.

(c) **No Material Event**

Between the Announcement Date and the end of the Takeover Offer Period (each inclusive) no Material Event occurs, or is announced or otherwise becomes known to SEQ.

(d) **Regulatory Approvals**

Before the end of the Takeover Offer Period, all Regulatory Approvals (if any), other than any OLGR Approvals, are granted or obtained unconditionally (or on the basis of conditions that impose only non-material requirements incidental to the Regulatory Approval), and none of those Regulatory Approvals have been withdrawn, cancelled or revoked.

(e) **No regulatory action**

Between the Announcement Date and the end of the Takeover Offer Period (each inclusive):

- (1) there is not in effect any law, rule, regulation or preliminary or final decision, order, decree or ruling issued by any court of competent jurisdiction or Government Agency;
- (2) no action or investigation is announced, commenced or threatened by any Government Agency; and
- (3) no application is made to any Government Agency (other than by SEQ or any Associate of SEQ),

in consequence of or in connection with the Takeover Offer (other than an application to, or a decision or order of, ASIC or the Takeovers Panel in exercise of the powers and discretions conferred by the Corporations Act) which is likely to or purports or threatens to restrain, prohibit, impede or otherwise adversely affect, the making of the Takeover Offer and the completion of the Takeover Offer or which requires the divestiture by SEQ of any Eumundi Shares or any material assets of Eumundi or any other member of the Eumundi Group.

(f) **Third party consents**

Before the end of the Takeover Offer Period, Eumundi has received a copy of each consent or waiver required under the Change of Control Contracts to the change of control of Eumundi resulting from the Transaction or any aspect of it, and such consents or waivers have not been withdrawn, suspended or revoked.

(g) **Scheme Condition**

Either:

- (1) the Scheme is not approved at the Scheme Meeting by the Requisite Majority of Eumundi Shareholders under subparagraph 411(4)(a)(ii)(B) of the Corporations Act; or
- (2) following the approval of the Scheme at the Scheme Meeting by the Requisite Majority of Eumundi Shareholders under subparagraph 411(4)(a)(ii)(B) of the Corporations Act, the Court does not approve the Scheme in accordance with section 411(4)(b) of the Corporations Act.

2.4 Notice of status of the Takeover Conditions

SEQ has indicated in section 9.11 of the Bidder's Statement that it will give a notice on the status of the Takeover Conditions on 24 February 2025 (**Notice**).

Section 650F of the Corporations Act requires that such Notice state:

- (a) whether the Takeover Offer is free from the Takeover Conditions;
- (b) whether the Takeover Conditions have been fulfilled as at the date of the Notice; and

- (c) SEQ's Voting Power in Eumundi.

If the Takeover Offer Period is extended before the date the Notice is required to be given, the date that SEQ must give its Notice is taken to be postponed for the same period. In this case, SEQ is required, as soon as reasonably practicable after the extension, to notify Eumundi and the ASX of the new date for giving the Notice.

If a Takeover Condition is fulfilled (so that the Takeover Offer becomes free of that Takeover Condition) during the Takeover Offer Period but before the date on which the Notice is required to be given, SEQ must, as soon as reasonably practicable, give Eumundi and the ASX a notice that states that the particular Takeover Condition has been fulfilled.

2.5 Consequences if the Takeover Conditions are not satisfied or waived

Each of the Takeover Conditions is a condition subsequent to contract formation, such that the non-fulfilment of a Takeover Condition does not, until the end of the Takeover Offer Period,³³ prevent a contract to sell your Eumundi Shares under the Takeover Offer from arising.

If the Takeover Conditions have not been satisfied or waived by the end of the Takeover Offer Period,³⁴ your acceptance of the Takeover Offer (and any contract resulting from your acceptance of the Takeover Offer) will be automatically void. In that situation, you will be free to deal with the relevant Eumundi Shares as you see fit.

See section 9.8 of the Bidder's Statement for further information regarding the nature and effect of the Takeover Conditions.

Subject to section 650F of the Corporations Act (see section 2.4 above), SEQ may, at any time in its sole discretion, declare the Takeover Offer free from any or all of the Takeover Conditions by giving notice in writing to Eumundi and ASX by no later than:

- (a) in relation to the 'No Prescribed Occurrences' Condition set out in section 2.3(b), three Business Days after the end of the Takeover Offer Period; and
- (b) in relation to any other Takeover Condition, seven days before the end of the Takeover Offer Period.

If this occurs before the Scheme becomes Effective,³⁵ and the Minimum Acceptance Condition is included in any of the Takeover Conditions which have been waived, you risk becoming a minority shareholder in Eumundi. See section 7.4 of this Target's Statement for further detail in this regard.

SEQ has indicated in its Bidder's Statement that it currently has no intention to waive any Takeover Conditions. However, SEQ retains the ability to do so at its discretion, subject to the Corporations Act. See section 6.3 to section 6.6 of the Bidder's Statement for further information regarding SEQ's intentions in relation to Eumundi in the event that SEQ elects to waive certain Takeover Conditions.

2.6 Effect of acceptance

The effect of acceptance of the Takeover Offer is set out in section 9.6 of the Bidder's Statement.

You should read that section in full to understand the effect that acceptance will have on your ability to exercise the rights attaching to your Eumundi Shares and the representations and warranties which you give by accepting the Takeover Offer.

³³ Or in the case of the 'No Prescribed Occurrences' Condition set out in section 2.3(b) of this Target's Statement, before the end of the third Business Day after the end of the Takeover Offer Period.

³⁴ Pursuant to the Implementation Deed, unless the Takeover Offer is or has been declared unconditional prior to the Scheme Meeting, the Takeover Offer must not close prior to the date that is 10 Business Days after the date of the Scheme Meeting.

³⁵ Including in circumstances where the Scheme is not approved by Eumundi Shareholders or is otherwise not approved by the Court for any reason.

In summary, accepting the Takeover Offer will (subject to the withdrawal rights discussed in section 2.11 below):

- (a) prevent you from accepting any higher takeover bid that may be made by a third party or any alternative transaction proposed that may be recommended by the Eumundi Board;
- (b) result in you relinquishing control of your Eumundi Shares to SEQ (other than with respect to your Voting Power in those Eumundi Shares) with no guarantee of being provided the Transaction Consideration until the Takeover Offer becomes, or is declared, unconditional. Since the Takeover Offer Period can be extended by SEQ (subject to the restrictions described in section 2.2), this could result in further delays in the Transaction Consideration being provided to you;
- (c) not restrict you from voting in the Scheme;
- (d) not prevent you from receiving the Interim Dividend that is expected to be declared by the Eumundi Board prior to the Scheme Meeting (provided you are still registered as a Eumundi Shareholder as at the Interim Dividend Record Date); and
- (e) give SEQ the option to keep your Eumundi Shares if the Takeover Conditions of the Takeover Offer are waived, in which case you will still receive the Takeover Offer Consideration.

Importantly, you can accept the Takeover Offer and vote in favour of the Scheme at the same time as the terms of each of the Takeover Offer and the Scheme determine which process under the Transaction will be implemented.³⁶

2.7 Transaction Consideration

(a) Payment of Transaction Consideration

Sections 9.14 and 9.15 of the Bidder's Statement set out the timing of payment of the Transaction Consideration to those Eumundi Shareholders who accept the Takeover Offer. In general terms, if you accept the Takeover Offer and the contract resulting from your acceptance of the Takeover Offer becomes unconditional, you will receive the Transaction Consideration to which you are entitled under the Takeover Offer on, or before, the day that is the earlier of:

- (1) one month after the date of your acceptance or, if at the time of your acceptance the Takeover Offer is subject to any Takeover Condition, one month after the Takeover Offer becomes unconditional; and
- (2) 21 days after the end of the Takeover Offer Period.

Please note that if your acceptance is not valid for any reason, this may affect the time by which you receive payment of the Transaction Consideration under the Takeover Offer. See section 9.15(b) of the Bidder's Statement for further information.

Further, if the Scheme is approved before the Takeover Offer becomes, or is otherwise declared, unconditional then the Transaction Consideration will be paid in accordance with the Scheme process (see section 8.5 of this Target's Statement for further detail).

(b) Offshore residents and withholding Transaction Consideration

The Bidder's Statement describes situations in which the Transaction Consideration may be withheld, including:

- (1) if certain authorities, clearances or government approvals are required to be obtained before a Eumundi Shareholder can receive the Transaction Consideration;

³⁶ The Takeover Offer and the Scheme are dual and concurrent processes which will be implemented in the alternative.

- (2) if it would be unlawful for SEQ to provide the Transaction Consideration to a Eumundi Shareholder; or
- (3) if any amount is required to be withheld under any Australian law or by any Government Agency (including the Australian Taxation Office).

See sections 9.17 and 9.18 of the Bidder's Statement for further detail.

2.8 Changes to the Takeover Offer

SEQ can vary the Takeover Offer by:

- (a) waiving the Takeover Conditions (subject to the Corporations Act);
- (b) extending the Takeover Offer Period (subject to the Corporations Act); or
- (c) increasing the Offer Price.

If you accept the Takeover Offer and SEQ subsequently increases the Offer Price, you are entitled to receive the increased Transaction Consideration.

2.9 Intentions of Eumundi Directors in relation to the Takeover Offer

Each of the Eumundi Directors with a Relevant Interest in Eumundi Shares (being Mr Ganim and Mr De Luca, referred to as the **Founding Directors**) have informed the Eumundi Board that they intend to accept the Takeover Offer in respect of all Eumundi Shares they have a Relevant Interest in (representing approximately 43.34% of Eumundi Shares on issue, in aggregate) in the absence of a Superior Proposal and subject to the Independent Expert concluding (and continuing to conclude) that the Takeover Offer is '*fair and reasonable*'.

See section 6.4 of this Target's Statement for further information.

2.10 Intentions of SEQ

Please refer to section 6 of the Bidder's Statement for a summary of SEQ's intentions in respect of Eumundi following the Takeover Offer, including in circumstances where the Minimum Acceptance Condition is not reached but SEQ elects to waive any outstanding Takeover Conditions.

2.11 Rights of withdrawal after accepting the Takeover Offer

Eumundi Shareholders that accept the Takeover Offer should be aware that they will be unable to revoke their acceptance. The contract resulting from acceptance will be binding, meaning Eumundi Shareholders will be unable to withdraw their Eumundi Shares from the Takeover Offer or otherwise dispose of their Eumundi Shares, except as follows:

- (a) if, at the end of the Takeover Offer Period, the Takeover Conditions in section 9.7 of the Bidder's Statement have not all been satisfied or waived (or in the case of the Prescribed Occurrence Takeover Condition, the third Business Day after the end of the Takeover Offer Period), all contracts resulting from the acceptance of the Takeover Offer will be automatically void; or
- (b) if the Takeover Offer Period is extended for more than 1 month and the obligations of SEQ to pay the consideration are postponed for more than 1 month and, at the time, the Takeover Offer is subject to 1 or more of the Takeover Conditions in section 9.7 of the Bidder's Statement, Eumundi Shareholders may be able to withdraw their acceptance and their Eumundi Shares in accordance with section 650E of the Corporations Act.

A notice will be sent to Eumundi Shareholders at the time explaining their rights in this regard.

In practical terms, the above matters mean that in forming a view on whether to accept or reject the Takeover Offer, Eumundi Shareholders should also take into account the period of time before they

may receive the Transaction Consideration and the restrictions on transacting in Eumundi Shares following acceptance but prior to the Transaction Consideration being received.

2.12 Taxation consequences

In making a decision whether to accept the Takeover Offer, Eumundi Shareholders should also have regard to the fact that the disposal of Eumundi Shares may have taxation consequences. Eumundi Shareholders should carefully read and consider the potential Australian taxation consequences of accepting the Takeover Offer as set out in section 9 of this Target's Statement and section 7 of the Bidder's Statement.

3. YOUR CHOICES AS A EUMUNDI SHAREHOLDER

As a Eumundi Shareholder you can respond to the Takeover Offer in three ways.

You are strongly encouraged to read this Target's Statement, together with the Independent Expert's Report and the Scheme Booklet (including the report by the Independent Expert in respect of the Scheme) (once Approved and issued)³⁷ and the Bidder's Statement before deciding how to deal with your Eumundi Shares.

3.1 Accept the Takeover Offer

To accept the Takeover Offer, follow the instructions set out in section 9.4 of the Bidder's Statement.

In summary, if you choose to accept the Takeover Offer, how you accept the Takeover Offer will depend on whether your Eumundi Shares are in an Issuer Sponsored Holding or a CHESS Holding.

(a) Issuer Sponsored Holding

If your Eumundi Shares are held in an Issuer Sponsored Holding (your Securityholder Reference Number will begin with "I"), you can accept the Takeover Offer by completing and signing the Acceptance Form in accordance with the instructions on the form, and returning it (together with all documents required by the instructions on it) so that it is received at the address shown on the Acceptance Form before the end of the Takeover Offer Period.

(b) CHESS Holding

If you hold your Eumundi Shares in a CHESS Holding (your Holder Identification Number will begin with "X") you can accept the Takeover Offer by instructing your Controlling Participant to accept the Takeover Offer on your behalf before the end of the Takeover Offer Period. Usually, your Controlling Participant is a person, such as a stockbroker, with whom you have a sponsorship agreement within the meaning of the ASX Settlement Operating Rules. Alternatively, you can accept the Takeover Offer by completing and signing the Acceptance Form in accordance with the instructions on the form, and returning it (together with all documents required by the instructions on it) so that it is received at the address shown on the Acceptance Form in sufficient time for SEQ to instruct your Controlling Participant to accept the Takeover Offer on your behalf before the end of the Takeover Offer Period.

Importantly, you can accept the Takeover Offer and vote in favour of the Scheme at the same time as the terms of each of the Takeover Offer and the Scheme determine which process under the Transaction will be implemented.

Further, if the Eumundi Board declares the Interim Dividend and you are still registered as a Eumundi Shareholder as at the Interim Dividend Record Date (i.e. you have not sold your Eumundi Shares), you will be entitled to receive the Interim Dividend from Eumundi in addition to any Transaction Consideration which may be paid to you by SEQ (whether such Transaction Consideration is paid pursuant to the Takeover Offer or the Scheme). See section 8.4 of this Target's Statement for further detail.

In considering whether to accept the Takeover Offer, Eumundi Shareholders should specifically refer to the risks set out in section 7 of this Target's Statement and the potential Australian income tax and capital gains tax (CGT) consequences summarised in section 9 of this Target's Statement.

3.2 Reject the Takeover Offer

If you wish to reject the Takeover Offer you need not take any action. If you decide to do nothing, you should be aware of the rights of SEQ to compulsorily acquire your Eumundi Shares in the following circumstances.

³⁷ Before the Scheme Booklet can be distributed to Eumundi Shareholders, it must be examined by ASIC and approved by the Court. See section 8.5 of this Target's Statement for further information regarding the Scheme process.

If SEQ acquires a Relevant Interest in at least 90% of the Eumundi Shares during or at the end of the Takeover Offer Period, SEQ has indicated that it intends to compulsorily acquire the Eumundi Shares in which it has not acquired a Relevant Interest (see section 6 of the Bidder's Statement). In that situation, you may receive the Transaction Consideration for your Eumundi Shares later than those Eumundi Shareholders who accept the Takeover Offer. Should SEQ waive the Minimum Acceptance Condition, SEQ may nevertheless gain sufficient acceptances to be able to consolidate Eumundi within SEQ for financial reporting purposes.³⁸

In considering whether to reject the Takeover Offer, Eumundi Shareholders should specifically refer to the risks set out in section 7 of this Target's Statement. You should also be aware that, if SEQ elects to waive the Takeover Conditions, it may become entitled to seek a delisting of Eumundi from ASX (see section 6.3 of the Bidder's Statement).

3.3 Sell your Eumundi Shares on the ASX

During the Takeover Offer Period, you can still sell some or all of your Eumundi Shares on-market for cash if you have not already accepted the Takeover Offer in respect of those Eumundi Shares.

If you sell some or all of your Eumundi Shares before the Interim Dividend Record Date, and the Eumundi Board declares the Interim Dividend, you will not be entitled to receive the Interim Dividend from Eumundi with respect to those Eumundi Shares sold. See section 8.4 of this Target's Statement for further detail.

The latest price for Eumundi Shares may be obtained from the ASX website www.asx.com.au (ASX:EBG).

If you sell your Eumundi Shares on-market you:

- (a) will lose the ability to accept the Takeover Offer and any higher offer in respect of those Eumundi Shares (which may or may not eventuate);
- (b) will lose the opportunity to receive future returns from Eumundi, including the Interim Dividend (which is expected to be declared by the Eumundi Board prior to the Scheme Meeting);³⁹
- (c) may have potential taxation consequences on which you should obtain independent tax advice that is specific to your particular circumstances; and
- (d) may incur a brokerage charge.

3.4 Enquires

If you have any queries in relation to the Takeover Offer, you should contact your financial, legal or other professional adviser.

³⁸ This could only occur if SEQ considered itself to have control of sufficient Eumundi Shares to exercise control over the management and operations of Eumundi.

³⁹ Assuming you sell your Eumundi Shares before the Interim Dividend Record Date.

4. INFORMATION ABOUT EUMUNDI

4.1 Introduction

Eumundi Group Limited (ASX:EBG) is a Queensland hotel and investment property company. It is an Australian public company which was admitted to the official list of the ASX on 7 December 1989.

Eumundi is the holding company of the Eumundi Group, which consists of Eumundi and its three wholly-owned subsidiaries:

- (a) Eumundi Group Hotels Pty Ltd, whose revenues are derived from the operation of the freehold going concern of the Ashmore Tavern and the leasehold going concern of the Aspley Central Tavern;
- (b) Eumundi Property Group Pty Ltd, whose revenues are derived from retail investment properties, being the Aspley Shopping Centre and the Aspley Arcade Shopping Villages (collectively known as Aspley Central and including the Aspley Central Tavern as a tenant), and hotel investment properties comprising the triple net lease of The Plough Inn, Southbank, Brisbane QLD and the Court House Hotel, Murwillumbah NSW; and
- (c) Airlie Beach Lagoon Hotel Pty Ltd, a dormant subsidiary company.

4.2 Overview of Eumundi's operations and assets

Eumundi's principal activities consist of the operation of two hotels and the holding of investment properties, predominantly in Queensland, namely:

Eumundi Group Hotels Pty Ltd	<p>Ashmore Tavern – freehold going concern (Ashmore, Gold Coast, QLD). The Ashmore Tavern is situated on the corner of Cotlew Street and Currumburra Road, Ashmore. The 8,944m² site enjoys good vehicular access and exposure to passing traffic and a major expansion to the venue was completed in 2021-2022.</p> <p>Aspley Central Tavern - leasehold going concern (Aspley, Brisbane, QLD).</p>
Eumundi Property Group Pty Ltd	<p>Aspley Central, (Aspley, Brisbane, QLD) – comprising the Aspley Shopping Centre (of which the Aspley Central Tavern is a tenant) and Aspley Arcade Shopping Villages.</p> <p>Aspley Central is located approximately 13km north of the Brisbane CBD in the established suburb of Aspley.</p> <p>The centres occupy a prominent position close to the intersection of Gympie Road, Robinson Road West and Gayford Streets, Aspley QLD. Gympie Road is the major north-south arterial road linking the CBD with Brisbane's northern suburbs and the Bruce Highway.</p> <p>The combined area of the land of the two adjoining centres totals approximately 15,158m², featuring extensive dual road frontage including Gympie Road to the eastern alignment and Gayford Street to the western alignment with multiple ingress/egress points. The site features excellent access and exposure to inbound and outbound traffic and can be described as a true "Gateway Site" on Brisbane's north side.</p> <p>The land is zoned "DC1 – District Centre" providing a flexible mixed use development framework under which residential, commercial and retail uses can be accommodated. Previous planning advice indicates the potential opportunity for higher mixed use outcomes taking advantage of the site's high-profile position within one of Brisbane's major commercial hubs.</p>

	<p>The Plough Inn– long term lease of The Plough Inn with 90 years remaining as at August 2024. The Plough Inn is located within Southbank Parklands, Brisbane’s major tourism precinct. The lessee of the Plough Inn is part of the ‘Kickon Group’, operators of seven high-profile destination venues across Queensland and Victoria. Since acquisition in 2017, the lessee has substantially invested in upgrades to the premises, strengthening its business and safeguarding the Eumundi Group’s asset.</p> <p>Court House Hotel (land and buildings) – the Court House Hotel, in the NSW far north coast town of Murwillumbah, is located within the town’s main retail precinct. The hotel includes a coffee shop, public bar and TAB, and 15 accommodation rooms. The hotel has 21 gaming machines and benefits from the absence of other gaming hotel competition in the Murwillumbah CBD. The lessee is an experienced hotelier and the triple net lease provides for annual fixed rent rises over the 15-year term which commenced in August 2021.</p>
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Further information about the Eumundi Group and its business is available on Eumundi’s website (www.eumundigroup.com.au).

4.3 Directors

Joseph Michael Ganim – Non-Executive Chair

<i>Appointed</i>	Mr Ganim has been a Non-Executive Director of Eumundi since 1989 and Non-Executive Chair since 2004.
<i>Qualifications</i>	LLB
<i>Experience and Expertise</i>	Mr Ganim has over 50 years' experience conducting complex corporate and commercial litigious matters. He has extensive public and private board experience.
<i>Other current directorships</i>	None
<i>Former directorships (last 3 years)</i>	None
<i>Special responsibilities</i>	Mr Ganim is a member of Eumundi's Audit and Risk Management Committee.

Gilbert De Luca – Non-Executive Director

<i>Appointed</i>	Mr De Luca has been a Non-Executive Director of Eumundi since 1989.
<i>Qualifications</i>	None
<i>Experience and Expertise</i>	Mr De Luca has a wide range of business experience in the property and construction fields overseeing the acquisition of investment and development properties.
<i>Other current directorships</i>	None
<i>Former directorships (last 3 years)</i>	None
<i>Special responsibilities</i>	Mr De Luca is a member of Eumundi's Audit and Risk Management Committee.

Murray Raymond Boyte – Independent Non-Executive Director

<i>Appointed</i>	Mr Boyte has been an Independent Non-Executive Director of Eumundi since 2021.
<i>Qualifications</i>	BCA, MAICD, CMInstD, CA
<i>Experience and Expertise</i>	Mr Boyte has over 35 years' merchant banking and finance experience including corporate restructures, mergers and acquisitions. He has extensive directorship and executive experience in transport, horticulture, financial services, investment, health services and property industries.
<i>Other current directorships</i>	Mr Boyte has been the chairman of NTAW Holdings Limited since 2017, the chairman of Eureka Group Holdings Limited since 2017 (Mr Boyte transitioned from executive duties to non-executive duties on 12 September 2024) and a non-executive director of Hillgrove Resources Limited since 2019.
<i>Former directorships (last 3 years)</i>	None
<i>Special responsibilities</i>	Mr Boyte is the Chair of Eumundi's Audit and Risk Management Committee.

4.4 Summary of financial information

Set out below is an extract of Eumundi's consolidated statement of profit or loss and other comprehensive income as at 30 June 2024 as contained in Eumundi's Annual Report for 2024 which was announced to the ASX on 26 August 2024. It should be read with its accompanying notes.

Eumundi Group Limited & Controlled Entities Consolidated Statement of Comprehensive Income For the year ended 30 June 2024

	Note	2024 \$'000	2023 \$'000
Revenue	4	30,432	29,733
Other income			
Net fair value gain on revaluation of investment properties	11	840	-
Total revenue		30,432	29,733
Expenses			
Cost of goods sold		(8,141)	(8,310)
Selling and promotion		(1,017)	(1,034)
Employee benefits expense		(4,636)	(4,645)
Repair and maintenance		(151)	(139)
Depreciation and amortisation	5	(1,666)	(1,858)
Insurance		(174)	(205)
Rates and taxes		(127)	(127)
Electricity		(207)	(205)
Listing and governance		(362)	(350)
Gaming tax		(6,397)	(5,936)
Occupancy		(798)	(718)
Investment property expense		(594)	(563)
Other expenses		(485)	(499)
Finance costs	5	(1,694)	(1,441)
Net fair value loss on revaluation of investment properties	11	-	(1,740)
Total expenses		(26,449)	(27,770)
Profit before income tax expense		4,823	1,963
Income tax expense	6	(1,202)	(486)
Profit after income tax expense for the year attributable to the shareholders of Eumundi Group Limited		3,621	1,477
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Fair value revaluation of land and buildings	10	937	4,987
Income tax on other items of comprehensive income		(234)	(1,247)
Other comprehensive income for the year, net of tax		703	3,740
Total comprehensive income for the year attributable to the shareholders of Eumundi Group Limited		4,324	5,217
		Cents	Cents
Basic earnings per share	30	7.71	3.33
Diluted earnings per share	30	7.71	3.33

Set out below is an extract of Eumundi's consolidated statement of financial position as at 30 June 2024 as contained in Eumundi's Annual Report for 2024 which was announced to the ASX on 26 August 2024. It should be read with its accompanying notes.

Eumundi Group Limited & Controlled Entities
Consolidated Statement of Financial Position
As at 30 June 2024

	Note	2024 \$'000	2023 \$'000
Assets			
Current assets			
Cash and cash equivalents	7	1,431	1,606
Trade and other receivables	8	186	223
Inventories		1,387	1,332
Other assets	9	427	349
Total current assets		3,431	3,510
Non-current assets			
Trade and other receivables	8	-	2
Property, plant and equipment	10	53,765	53,900
Investment properties	11	47,100	46,349
Intangibles	12	2,419	2,419
Total non-current assets		103,284	102,670
Total assets		106,715	106,180
Liabilities			
Current liabilities			
Trade and other payables	13	3,502	3,578
Lease liabilities	14	144	192
Income tax	6	364	521
Provisions	15	590	586
Total current liabilities		4,600	4,877
Non-current liabilities			
Borrowings	16	26,206	29,564
Lease liabilities	14	263	407
Deferred tax	6	8,795	8,574
Provisions	15	47	47
Total non-current liabilities		35,311	38,592
Total liabilities		39,911	43,469
Net assets		66,804	62,711
Equity			
Issued capital	17	33,080	30,081
Reserves		21,128	20,425
Retained profits		12,596	12,205
Total equity		66,804	62,711

For details of the notes to the accounts, please see Eumundi's Annual Report for 2024 which can be located on the ASX website at www.asx.com.au using Eumundi's ASX code 'EBG' or Eumundi's website at www.eumundigroup.com.au.

4.5 Issued capital

As at the date of this Target's Statement, Eumundi's issued share capital was 49,767,770 fully paid ordinary shares. The Eumundi Shares are quoted on ASX under the ticker code 'EBG'.

There are no other securities on issue in Eumundi as at the date of this Target's Statement.

Please see Eumundi's 2024 Annual report for further information.

The interests of each of the Eumundi Directors in Eumundi are set out in section 6.4 of this Target's Statement.

4.6 Recent Share price performance of Eumundi on the ASX

The latest recorded sale price of Eumundi Shares on the ASX before the date of this Target's Statement was lodged with ASIC was \$1.66.

For the six month period prior to the Announcement Date, the Eumundi Share price traded between \$1.13 and \$1.26.

Refer to the section of the Target's Statement entitled "KEY REASONS TO ACCEPT THE TAKEOVER OFFER" for further details regarding the share price performance of Eumundi on ASX.

4.7 Substantial holders

Based on the substantial holder notices lodged with Eumundi and ASX as at the date of this Target's Statement, the following entities (together with any of their Associates) have a relevant interest in 5% or more of Eumundi's Shares:

Shareholder	Eumundi Shares held	Relevant interest in Eumundi Shares (%)
Joseph Michael Ganim ⁴⁰	13,021,572	26.16%
Peter Milton Ganim ⁴¹	10,834,791	21.77%
Paul Calile Ganim ⁴²	11,825,726	23.76%
SCMS Pty Ltd atf SJ Shoobridge Superannuation Fund ⁴³	9,000,052	18.08%
Gilbert De Luca ⁴⁴	8,548,118	17.18%
Robert Darius Fraser	3,458,547	7.18%
Gansons Pty Ltd	3,323,650	6.68%
Ganbros Pty Ltd	3,137,739	6.30%
Ganboys Pty Ltd	3,094,304	6.22%
Agpro Pty Ltd	2,746,496	5.52%

⁴⁰ Includes Eumundi Shares held by Agpro Pty Ltd, Ganbros Pty Ltd, Ganboys Pty Ltd and Gansons Pty Ltd.

⁴¹ Includes Eumundi Shares held by Peter Milton Ganim and Paul Calile Ganim (as trustee for Peter Ganim Superannuation), Ganbros Pty Ltd, Ganboys Pty Ltd and Gansons Pty Ltd

⁴² Includes Eumundi Shares held by Paul Calile Ganim, Paul Calile Ganim and Alison Elizabeth Ganim as trustee for Paul Ganim Superannuation, Peter Milton Ganim and Paul Calile Ganim (as trustee for Peter Ganim Superannuation), Ganbros Pty Ltd, Ganboys Pty Ltd and Gansons Pty Ltd.

⁴³ As disclosed in the latest substantial holder notice lodged by SCMS Pty Ltd with Eumundi and ASX on 1 November 2024, being after the Announcement Date.

⁴⁴ Includes Eumundi Shares held by De Luca Group Superannuation Pty Ltd.

4.8 Publicly available information

Eumundi is a company listed on the ASX and is subject to periodic and continuous disclosure requirements of the ASX Listing Rules and the Corporations Act. A substantial amount of information on Eumundi is publicly available, including Eumundi's 2024 Annual Report, which can be accessed by referring to Eumundi on www.asx.com.au (ASX:EBG).

5. INFORMATION ABOUT SEQ

5.1 Disclaimer

The information about SEQ contained in this Target's Statement has been prepared by Eumundi using information set out in the Bidder's Statement or otherwise provided by SEQ, and has not been independently verified. Accordingly, Eumundi does not, subject to the Corporations Act, make any representation or warranty, express or implied as to the accuracy or completeness of this information nor does Eumundi assume any responsibility for it.

The information on SEQ in this Target's Statement should not be considered comprehensive. Please refer to the Bidder's Statement for further information in respect of SEQ.

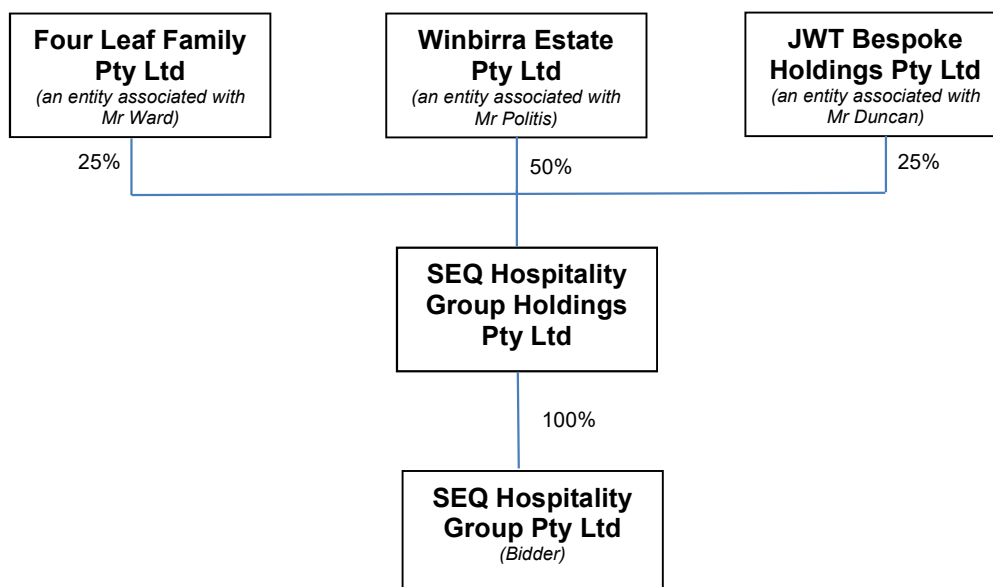
5.2 Overview of SEQ

Section 3 of the Bidder's Statement provides background information regarding SEQ, including a corporate structure diagram.

(a) SEQ and SEQ Holdings

SEQ is an Australian proprietary company that was incorporated on 27 September 2024, as a special purpose vehicle to acquire Eumundi Shares under the Transaction. It is a wholly owned subsidiary of SEQ Hospitality Group Holdings Pty Ltd (**SEQ Holdings**). SEQ Holdings is, in turn, owned by entities associated with each of the SEQ Directors.

SEQ and SEQ Holdings are a part of the Fortitudo Group. The diagram below sets out the structure of SEQ and SEQ Holdings as at the date of the Bidder's Statement.



(b) Fortitudo Group

The Fortitudo Group, an independent hotel and liquor retail operator based in Southeast Queensland, owns and operates several popular venues including:

- (1) Boathouse Tavern in Coomera;
- (2) QA Hotel in New Farm, Brisbane;
- (3) Treetops Tavern in Burleigh Waters;
- (4) The Ambassador of Redcliffe; and

(5) Trader Dukes in Kings Circle, Caboolture,
as well as 17 bottle shops.

Further information on the Fortitudo Group can be found at www.fortitudogroup.com.au.

5.3 SEQ Directors

Section 3.3 of the Bidder's Statement provides biographical details for the directors of SEQ. The SEQ Directors as at the date of this Target's Statement are:

(a) **Martin Ward**

Mr Ward's career started in hospitality with Allied Breweries as an area manager responsible for 15 large pubs in southeast England. In 1990, he joined Inchape PLC and relocated to the Middle East to operate within their liquor division in Bahrain. He became managing director of the Middle East liquor division in 1992 and then in 1994 was managing director of the Middle East and Asia Pacific region relocating to Singapore. In 1996, he became managing director of Inchcape Motors (Australia) and in 1998 was additionally appointed regional CEO and director Asia Pacific/Australasia.

From 2001 to 2005 Mr Ward was the CEO of Ford Motor Company's Sydney Retail Joint Venture. He joined Eagers Automotive Limited (ASX:APE) in July 2005, was CEO from 2006 to 2021 and remains as an advisor to the Eagers' board and CEO. Martin is also a director of Australian Automotive Dealer Association Limited and non-executive director of Motorcycle Holdings Limited (ASX:MTO).

(b) **Nicholas Politis**

Mr Politis has been a non-executive director of Eagers Automotive Limited (ASX:APE) since May 2000. He is the executive chairman of the NGP Group of companies, and director of a substantial number of proprietary limited companies.

(c) **Gregory Duncan**

Mr Duncan is a director of advisory and investment firm JWT Bespoke Pty Ltd (2013 to present) and has been a non-executive director of Eagers Automotive Limited (ASX:APE) since 2019. He is the former owner and executive chairman of Trivett Automotive Group, Australia's largest prestige automotive business. Mr Duncan was also chairman of Cox Automotive Australia board of management (2016 to March 2021) and director of Automotive Holdings Group Ltd (2015 to 2019).

5.4 SEQ's funding for the Transaction Consideration

Section 5 of the Bidder's Statement contains information regarding the funding of the Transaction Consideration.

The maximum amount of cash that SEQ would be required to pay under the Takeover Offer for all Eumundi Shares on issue as at the date of the Bidder's Statement, being 49,767,770 Eumundi Shares, is \$77,140,043.50 (**Maximum Consideration Amount**).

SEQ will fund the Maximum Consideration Amount using cash committed to the company under funding commitment deeds described in section 5.2 of the Bidder's Statement.

On the basis of the above, SEQ is of the opinion that it will be able to pay the Maximum Consideration Amount for the acquisition of Eumundi Shares and satisfy its obligations under the Takeover Offer.

The Transactions are not subject to any financing conditions.

5.5 Publicly available information regarding SEQ

SEQ is a newly incorporated, proprietary company and therefore:

- (a) has no prior business activities, trading history, or operational records for Eumundi Shareholders to consider; and
- (b) is not subject to the periodic and continuous disclosure requirements of the Corporations Act and the ASX Listing Rules.

Accordingly, there is limited public information available regarding the business and operations of SEQ or its financial performance, position or prospects. Further information regarding the Fortitudo Group and its business can be found at <https://www.fortitudogroup.com.au/>.

6. DIRECTORS' RECOMMENDATION AND INTERESTS OF EUMUNDI

6.1 The Eumundi Directors

The following are Directors of Eumundi as at the date of this Target's Statement:

- Joseph Michael Ganim – Non-Executive Chair
- Murray Raymond Boyte – Non-Executive Director
- Gilbert De Luca – Non-Executive Director

Further details in respect of the Eumundi Directors are set out in section 4.3 of this Target's Statement.

6.2 Eumundi Directors' recommendation

After taking into account each of the matters in this Target's Statement and in the Bidder's Statement, each of your Eumundi Directors recommends that you ACCEPT the Takeover Offer in the absence of a Superior Proposal and subject to the Independent Expert concluding (and continuing to conclude) that the Takeover Offer is '*fair and reasonable*'.

The Eumundi Directors also unanimously recommend that you vote in favour of the Scheme in the absence of a Superior Proposal and subject to the Independent Expert concluding (and continuing to conclude) that the Scheme is in the '*best interests*' of Eumundi Shareholders. The reasons for this recommendation will be set out in further detail in the Scheme Booklet to be provided in due course.

Any information in the Scheme Booklet (including the report by the Independent Expert in respect of the Scheme), which may impact the Recommendation (or which may be otherwise material for Eumundi Shareholders to consider in respect of the Takeover Offer) will be distributed to Eumundi Shareholders in a supplementary target's statement.

In considering whether to accept the Takeover Offer, your Eumundi Directors encourage you to:

- (a) read the whole of this Target's Statement (including the Independent Expert's Report for the Takeover Offer) and the Bidder's Statement, together with the Scheme Booklet (including the report by the Independent Expert in respect of the Scheme) (once Approved and issued);⁴⁵
- (b) have regard to your individual risk profile, portfolio strategy, tax position and financial circumstances;
- (c) consider the reasons for the Eumundi Directors' recommendations in respect of the Takeover Offer noted in this Target's Statement; and
- (d) obtain financial advice from your broker or financial adviser about the Transaction generally and, in particular, obtain taxation advice on the effect of accepting the Takeover Offer and the Scheme.

6.3 Reasons to ACCEPT the Takeover Offer

The reasons that the Eumundi Directors recommend that you ACCEPT the Takeover Offer, in the absence of a Superior Proposal and subject to the Independent Expert concluding (and continuing to conclude) that the Takeover Offer is '*fair and reasonable*', are outlined in the section of this Target's Statement entitled "KEY REASONS TO ACCEPT THE TAKEOVER OFFER".

⁴⁵ Before the Scheme Booklet can be distributed to Eumundi Shareholders, it must be approved by ASIC and the Court. See section 8.5 of this Target's Statement for further information regarding the Scheme process.

6.4 Eumundi Directors' interests in Eumundi

At the date of this Target's Statement, the Eumundi Directors and their Associates have a Relevant Interest in the following Eumundi Shares:

Director	Number of Eumundi Shares	% of all Eumundi Shares on issue
Joseph Michael Ganim	13,021,572	26.16%
Gilbert De Luca	8,548,118	17.18%
Murray Raymond Boyte	Nil	0%

Please see Eumundi's 2024 Annual Report for further information.

The Founding Directors have each informed the Eumundi Board that they intend to accept the Takeover Offer in respect of all Eumundi Shares they have a Relevant Interest in, representing approximately 43.34% of Eumundi Shares on issue (in aggregate) in the absence of a Superior Proposal and subject to the Independent Expert concluding (and continuing to conclude) that the Takeover Offer is '*fair and reasonable*'.

The Founding Directors also intend to vote (or procure the voting of) any Eumundi Shares held or controlled by them at the time of the Scheme Meeting in favour of the Scheme Resolution in the absence of a Superior Proposal and subject to the Independent Expert concluding (and continuing to conclude) that the Scheme is in the '*best interests*' of the Eumundi Shareholders.

6.5 Recent dealings in Eumundi Shares by Eumundi Directors

In the four months preceding the date of this Target's Statement, none of the Eumundi Directors (or their respective Associates, as the case may be) have acquired or disposed of Eumundi Shares, other than any Eumundi Shares issued pursuant to the Dividend Reinvestment Plan.⁴⁶

6.6 Interests or dealings in SEQ securities

None of the Eumundi Directors or any of their respective Associates have:

- (a) any Relevant Interest in the securities of SEQ or any Related Body Corporate of SEQ; or
- (b) acquired or disposed of any securities of SEQ or any Related Body Corporate of SEQ,

in the four months preceding the date of this Target's Statement.

6.7 No payments or benefits

No Eumundi Director has agreed to receive, or is entitled to receive, any benefit in SEQ or Eumundi which is conditional on, or is related to, the Takeover Offer (or the Transaction generally), other than in their capacity as a Eumundi Shareholder.

As a result of the Takeover Offer, no benefit (other than a benefit permitted by sections 200F or 200G of the Corporations Act) has been or will be given to a person:

- (a) in connection with the retirement of a person from the Board or management of Eumundi or its Related Bodies Corporate; or
- (b) who holds, or has held a position on the board or management of Eumundi or its Related Bodies Corporate, or a spouse, relative or Associate of such person, in connection with the transfer of the whole or any part of the undertaking or property of Eumundi; or

⁴⁶ On 11 September 2024, Eumundi issued 439,321 Eumundi Shares to Joseph Ganim (or entities whose Eumundi Shares, Joseph Ganim has a Relevant Interest) and 288,398 Eumundi Shares to Gilbert De Luca (or entities whose Eumundi Shares, Gilbert De Luca has a Relevant Interest) at an issue price of \$1.074 each pursuant to the terms of the Dividend Reinvestment Plan.

- (c) which would require approval of Eumundi Shareholders under section 200B of the Corporations Act.

6.8 Arrangements with Eumundi Directors

(a) Board transaction arrangements

As described in section 6.3 of the Bidder's Statement, SEQ intends to appoint its nominees to the Eumundi Board. If SEQ's Relevant Interest in Eumundi Shares is less than 90% but greater than 50.1%, SEQ's nominees will constitute a majority of the Eumundi Board. SEQ would seek to achieve this by making additional appointments to the Eumundi Board and/or replacing existing Eumundi Directors with its nominees.

SEQ has not yet identified the candidates they intend to appoint to the Eumundi Board, and their identity will depend on circumstances at the relevant time, including the approval of those persons by the OLGR where appropriate or desirable.

The Implementation Deed obliges SEQ to procure Eumundi to comply with its obligations under existing Deeds of Access, Indemnity and Insurance that are in place with each of the Eumundi Directors and to maintain directors' and officers' insurance for a period of 7 years from the retirement of each Eumundi Director.

(b) No agreement or arrangement with any Eumundi Director

Except as described elsewhere in this Target's Statement, there is no agreement or arrangement made between any Eumundi Director or any Related Body Corporate or Associate of any Eumundi Director and any other person in connection with or conditional upon the outcome of the Takeover Offer.

Eumundi appointed Savills (QLD) Pty Ltd (Savills) to introduce potential buyers to Eumundi of the operations of Eumundi. Pursuant to that appointment, Eumundi has agreed to pay to Savills, at completion of a transaction, a fee equal to 1% (excluding GST) of the transaction value of the price paid by a buyer introduced by Savills, or where the buyer was not introduced by Savills, the highest price offered by a buyer that was introduced by Savills. Mr Joseph Ganim's son is employed by Savills and is paid remuneration by Savills, part of which may include remuneration attached to the fee payable by Eumundi to Savills. Eumundi has no obligation to pay or ability to control any payment by Savills of any amount to Mr Ganim's son. In the event that the Transaction proceeds and SEQ acquires all of the Eumundi Shares, Eumundi will pay a fee equal to \$771,400.44 (excluding GST) to Savills. This fee will be funded by Eumundi and will not reduce the Transaction Consideration.

6.9 Interests held by Eumundi Directors in any contract entered into by SEQ

No Eumundi Director, nor any Related Body Corporate or Associate of a Eumundi Director, has an interest in any contract entered into by SEQ or any SEQ Director or Related Body Corporate or Associate of SEQ.

7. RISK FACTORS

7.1 Introduction

There are a number of potential risks of which Eumundi Shareholders should be aware when considering the Transaction and deciding whether to accept the Takeover Offer.

This section 7 outlines:

- general risks as well as specific risks related to Eumundi, each of which could have a materially adverse effect on the future business and operational performance of Eumundi; and
- risks related to the Takeover Offer becoming unconditional.

The risks outlined in this section 7 will only continue to be relevant to you if you retain your Eumundi Shares, either because:

- the Scheme is NOT implemented, and the Takeover Offer DOES NOT become unconditional;
- the Scheme is NOT implemented, and you have NOT ACCEPTED the Takeover Offer and SEQ is unable to compulsorily acquire your Eumundi Shares; or
- you choose not to sell your Eumundi Shares.

This section 7 is not intended to provide an exhaustive list of all risks that may be related to Eumundi and the Takeover Offer (or the Transaction generally). Additional risks and uncertainties not currently known may also have an adverse impact on Eumundi or Eumundi Shareholders. Further, these risks do not take into account your individual circumstances including your investment objectives, financial situation, taxation position or other particular needs.

Eumundi Shareholders should carefully consider the risks set out in this section, as well as the other information contained in the Bidder's Statement, together with the Independent Expert's Reports and the Scheme Booklet (including the report by the Independent Expert in respect of the Scheme) (once Approved and issued), before deciding how to deal with your Eumundi Shares. Risks relating to the Scheme will be set out in the Scheme Booklet. You should also consult your legal, financial, taxation or other professional advisor if you are uncertain about any aspect of the Transaction.

7.2 Risks associated with accepting the Takeover Offer

Conditions of the Takeover Offer

As described in section 2.3 of this Target's Statement, the Takeover Offer is subject to the Takeover Conditions.

If the Takeover Conditions are not satisfied (or waived by SEQ) by the Closing Date, the Takeover Offer will not be free of the Takeover Conditions and therefore will not proceed.

The Eumundi Directors note that one of the Takeover Conditions is the Minimum Acceptance Condition (which requires that SEQ obtain a Relevant Interest in 90% of Eumundi Shares under the Takeover Offer).⁴⁷ The Founding Directors, who have a Relevant Interest in 43.34% of Eumundi Shares, intend to accept the Takeover Offer, in the absence of a Superior Proposal and subject to the Independent Expert concluding (and continuing to conclude) that the Takeover Offer is 'fair and reasonable'. As shown in section 4.7 of this Target's Statement, SCMS Pty Ltd atf SJ Shoobridge Superannuation Fund has a Relevant Interest in 18.08% of Eumundi Shares. Accordingly, if SCMS Pty Ltd atf SJ Shoobridge Superannuation Fund chose not to accept the Takeover Offer, the Minimum Acceptance Condition would not be met and the Takeover Offer would not proceed unless

⁴⁷ By comparison, for the Scheme the Requisite Majority of Eumundi Shareholders required to vote in favour of the Scheme under subparagraph 411(4)(a)(ii)(B) of the Corporations Act is more than 50% in number present and voting and at least 75% of votes cast.

SEQ declares the Takeover Offer unconditional.⁴⁸ Other than as noted above, the Eumundi Directors, as at the date of this Target's Statement, have no reason to believe that the Takeover Conditions of the Takeover Offer cannot be satisfied within a reasonable period of time.

If the Conditions of the Transaction were ultimately not to be satisfied or waived (to the extent that they are able to be waived), then the price of the Eumundi Shares on the ASX may potentially decline.

Limited withdrawal rights

Once you have accepted the Takeover Offer, you will only be able to withdraw such acceptance in very limited circumstances, being:

- (a) if, at the end of the Takeover Offer Period, the Takeover Conditions in section 9.7 of the Bidder's Statement have not all been satisfied or waived (or in the case of the Prescribed Occurrence Takeover Condition, the third Business Day after the end of the Takeover Offer Period), all contracts resulting from the acceptance of the Takeover Offer will be automatically void; or
- (b) if the Takeover Offer Period is extended for more than 1 month and the obligations of SEQ to pay the consideration are postponed for more than 1 month and, at the time, the Takeover Offer is subject to 1 or more of the Takeover Conditions in section 9.7 of the Bidder's Statement, Eumundi Shareholders may be able to withdraw their acceptance and their Eumundi Shares in accordance with section 650E of the Corporations Act. A notice will be sent to Eumundi Shareholders at the time explaining their rights in this regard.

In practical terms, the above matters mean that in forming a view on whether to accept or reject the Takeover Offer, Eumundi Shareholders should also take into account the period of time before they may receive the Transaction Consideration and the restrictions on transacting in Eumundi Shares following acceptance but prior to the Transaction Consideration being received.

Possibility of a Superior Proposal

If a Superior Proposal emerges or is announced, and you have already accepted the Takeover Offer at that time, you may not be able to withdraw your acceptance and accept the Superior Proposal except in limited circumstances (set out in section 2.6 of this Target's Statement in further detail).

As at the date of this Target's Statement, the Eumundi Directors are not aware of information which would qualify as a Competing Proposal and there can be no assurance that any Competing Proposal will emerge or that such a Competing Proposal will be, or will become, a Superior Proposal.

Further, given the Founding Directors' Relevant Interest in Eumundi, any Competing Proposal will require the support of the Founding Directors and their respective Associates, in order to be successful.

You will no longer be able to sell your Eumundi Shares on-market

If you accept the Takeover Offer, you will no longer be able to trade your Eumundi Shares on the ASX. There is a possibility that the Eumundi Share price may exceed the Offer Price during part of the Takeover Offer Period. Refer to section 9.6 of the Bidder's Statement in relation to the effect of accepting the Takeover Offer.

As set out in section 8.4 of this Target's Statement, the Eumundi Board expects to declare an Interim Dividend prior to the Scheme Meeting. If you remain on the Share Register as at the Interim Dividend Record Date, you will be entitled to receive the Interim Dividend in addition to the Transaction Consideration.

Taxation consequences

⁴⁸ SEQ has indicated that it has no current intention to waive any Takeover Conditions. However, it is open to SEQ to do so at its discretion, in accordance with the Corporations Act.

The taxation consequences of accepting the Takeover Offer depend on a number of factors and will vary depending on your particular circumstances. A general outline of the Australian taxation considerations of accepting the Takeover Offer for certain Eumundi Shareholders is set out in section 9 of this Target's Statement and section 7 of the Bidder's Statement.

You should carefully read and consider the Australian taxation consequences of accepting the Takeover Offer.

You are advised to seek your own independent professional advice regarding the Australian and, if relevant, foreign tax consequences of disposing of your Eumundi Shares based on your own particular circumstances.

Eumundi has not independently verified SEQ's information

In preparing the information in this Target's Statement, Eumundi has relied upon information set out in the Bidder's Statement or otherwise provided by SEQ. Eumundi has not been able to verify the accuracy, reliability or completeness of all of the information that was disclosed by SEQ.

7.3 Risks specific to certain outcomes of the Takeover Offer

The Minimum Acceptance Condition is satisfied

SEQ has indicated that if it obtains a Relevant Interest in at least 90% of the Eumundi Shares as a result of the Takeover Offer (i.e. the Minimum Acceptance Condition is satisfied), SEQ intends to proceed to compulsory acquisition of the outstanding Eumundi Shares. If such compulsory acquisition occurs, Eumundi Shareholders who have their Eumundi Shares compulsorily acquired will not receive the Transaction Consideration until after the compulsory acquisition notices are dispatched to them.

Refer to section 3.2 of this Target's Statement and sections 6 and 8.9 of the Bidder's Statement for further information.

SEQ obtains controlling interest in Eumundi

If SEQ acquires a Relevant Interest in at least 50.1% but less than 90% of the Eumundi Shares on issue and declares the Takeover Offer to be unconditional,⁴⁹ SEQ will acquire a majority shareholding in Eumundi but will not be able to compulsorily acquire the remaining Eumundi Shares. In this situation, Eumundi Shareholders who do not accept the Takeover Offer will become minority shareholders in Eumundi. This has a number of possible implications including:

- (a) SEQ will be in a position to cast the majority of votes at a general meeting of Eumundi. This will enable SEQ to control the composition of the Eumundi Board and senior management, which would allow its nominees on the Eumundi Board to control the strategic direction of Eumundi's business;
- (b) the Eumundi Share price may fall immediately following the end of the Takeover Offer Period, and it is unlikely that Eumundi's Share price will retain any takeover premium;
- (c) the liquidity of Eumundi Shares may be lower than it is at present;
- (d) the Eumundi business will remain subject to a number of listing and other compliance costs associated with Eumundi remaining an ASX-listed company, assuming that Eumundi remains an ASX-listed entity;
- (e) if the number of Eumundi Shareholders is less than that required by the ASX Listing Rules to maintain ASX listing, then SEQ may seek to have Eumundi removed from the official list of

⁴⁹ SEQ has indicated that it has no current intention to waive any Takeover Conditions. However, it is open to SEQ to do so at its discretion, in accordance with the Corporations Act. In that circumstance, those Eumundi Shareholders who had accepted the Takeover Offer would receive a cash payment of \$1.55 for each of their Eumundi Shares, and the outcome described in section 1.7 of the Bidder's Statement may then apply.

the ASX. If this occurs, Eumundi Shares will not be able to be bought or sold on the ASX, and will only be able to be bought or sold privately; and

- (f) SEQ may not be able to implement its stated intentions in relation to Eumundi's business as set out in section 6 of the Bidder's Statement.

If SEQ acquires at least 75% but less than 90% of Eumundi Shares, then all of the risks outlined above will apply. In addition, SEQ will be able to pass a special resolution of Eumundi which will enable SEQ, amongst other things, to change Eumundi's constitution. SEQ may also seek to have Eumundi removed from the official list of the ASX.

7.4 Risks associated with not accepting the Takeover Offer

In considering whether to accept the Takeover Offer, Eumundi Shareholders should be aware of the risks relating to Eumundi, its business and assets as well as the general risks associated with an investment in securities markets.

No premium

Eumundi Shareholders who do not accept the Takeover Offer may not receive the premium implied by the Takeover Offer. Further, in the absence of the Takeover Offer, the price of Eumundi Shares on the ASX may potentially decline.

Minority ownership consequences

If SEQ acquires a Relevant Interest in at least 50.1% of all Eumundi Shares and declares the Takeover Offer to be unconditional,⁵⁰ then it is possible that Effective Control of Eumundi passes without the ability of SEQ to compulsorily acquire the remaining Eumundi Shares (which requires a Relevant Interest in at least 90% of Eumundi Shares).

Once Effective Control passes, SEQ will have the ability to appoint a majority of directors to the Eumundi Board and, in doing so, take control of the day-to-day operations of the business. Eumundi Shareholders who do not accept the Takeover Offer will remain as minority shareholders and be subject to a number of additional risks, including:

- (a) reduced liquidity; and
- (b) greater difficulty in realising value for their Eumundi Shares with SEQ likely to hold a blocking stake to any proposals received from a rival bidder.

Refer to section 6 of the Bidder's Statement for more information regarding SEQ's intentions in relation to Eumundi, including at different levels of ownership.

Potential for future less favourable offer

If neither the Takeover Offer nor Scheme is successful⁵¹ and there is a subsequent decline in the price of Eumundi Shares, there may exist potential for opportunistic or hostile offers, which may be less advantageous to Eumundi Shareholders, to emerge in the future. This could expose Eumundi to heightened risk and reduced negotiating leverage in potential future transactions, potentially compromising Eumundi Shareholders' long-term return on investment.

Uncertain that Eumundi will receive similar or superior offers in the future

If the Transaction is unsuccessful, there is a risk that Eumundi Shareholders may not receive an offer of similar or superior value in the future. There is no guarantee that Eumundi will attract bids with comparable benefits or premiums. This could result in a missed opportunity for Eumundi

⁵⁰ SEQ has indicated that it has no current intention to waive any Takeover Conditions. However, it is open to SEQ to do so at its discretion, in accordance with the Corporations Act. In that circumstance, those Eumundi Shareholders who had accepted the Takeover Offer would receive a cash payment of \$1.55 for each of their Eumundi Shares, and the outcome described in section 1.7 of the Bidder's Statement may then apply.

⁵¹ Because the Takeover Offer is conditional on the Scheme failing.

Shareholders, potentially impacting their long-term financial prospects and overall return on investment.

Financing risk

If SEQ gains Effective Control of Eumundi, this will trigger a “change of control” in the financing facility, which may entitle the lender to, amongst other things, either cancel the facility or require the early repayment of outstanding monies. In addition, if Eumundi is delisted from ASX, then this would also trigger an “event of default” under the facility which, among other things, would require immediate repayment of all outstanding amounts.

If the lender exercises its rights under the relevant facility before the end of the Takeover Offer Period, the third party consents condition to the Takeover Offer as set out in section 2.3(f) of this Target’s Statement will not be satisfied and the Takeover Offer will not proceed unless the Takeover Offer is declared unconditional.

If the lender cancels a facility or requires early repayment, there is a risk to Eumundi Shareholders who do not accept the Takeover Offer that alternate funding may not be able to be obtained, or that it is obtained on less favourable terms.

7.5 Risks associated with holding Eumundi Shares

If you decide not to accept the Takeover Offer and retain your Eumundi Shares, you will continue to be exposed to the risks associated with being a Eumundi Shareholder. Holding Eumundi Shares provides an economic interest in the ongoing operational activities of Eumundi. However, there is no guarantee that Eumundi will remain profitable in the future as the business is affected by many risk factors.

These may be risks that are widespread risks associated with any form of business or specific risks associated with Eumundi’s business and the industry in which it is involved.

The following summary represents some of the major risk factors which affect Eumundi. These risk factors ought not to be taken as exhaustive of the risks faced by Eumundi or Shareholders. These factors, and others not specifically referred to, may in the future materially affect the financial performance, position and prospects of Eumundi and the value of Eumundi Shares. Where relevant, the risk factors below assume the Takeover Offer will not be successful and Eumundi will continue to operate its business.

General investment risks

Eumundi Shares carry no guarantee in respect of profitability, dividends, return of capital or the price at which they may trade on ASX. If you retain your Eumundi Shares, the market price of Eumundi Shares (assuming Eumundi remains listed on ASX) and future distributions made to Eumundi Shareholders (if any) will be influenced by a number of factors beyond the control of the Eumundi Board and management, including:

- (a) changes in investor sentiment and the overall performance of the Australian and international stock markets;
- (b) changes in general economic conditions (both domestically and internationally) including the costs and general availability of credit, the levels of inflation (including wage inflation), interest rates, exchange rates, general consumption and consumer spending, economic sentiment and levels of employment;
- (c) failure to make or integrate any future acquisitions or business combinations (including the realisation of synergies), significant one-time write-offs or restructuring charges, and unanticipated costs and liabilities;
- (d) changes in government and to fiscal, monetary and regulatory policies;
- (e) changes in accounting standards which affect the financial performance and position reported by Eumundi;

- (f) changes in taxation laws (or their interpretation by relevant courts or authorities);
- (g) geopolitical events such as an outbreak or exacerbation of hostilities, acts of terrorism, conflict and declaration of war (including the current conflict between Ukraine and Russia and the conflict between Israel and Palestine); and
- (h) natural disasters such as fires, floods and catastrophes, whether on a global, regional or local scale.

Future share price

There is a risk that the Eumundi Share price may fall if the Takeover Offer is unsuccessful. The Eumundi Directors are not in a position to speculate on the future trading price of Eumundi Shares, including if the Takeover Offer lapses. The future price of Eumundi Shares is dependent not only on Eumundi's performance, but also on external market and other factors.

Legal and regulatory compliance

(a) Title and renewal risk – Crown Lease and Bottle Shop Leases

The Plough Inn, and the land on which it is situated (**Plough Inn Premises**), is leased by the Eumundi Group from South Bank Corporation ABN 95 927 817 538 under the terms of the Crown Lease, which is administered by the Queensland Government pursuant to the *South Bank Corporation Act 1989* (Qld). Eumundi must abide by the terms and conditions of the Crown Lease, including with regards to the use of the Plough Inn Premises. The Crown Lease will expire in 2114. The Eumundi Group has subleased part of the Plough Inn Premises to a tenant which operates a tavern (including a bistro) at the location.

In order to validly operate its business, the Eumundi Group must also comply with the terms of the Bottle Shop Leases.

Eumundi cannot guarantee future renewals of any of its existing leases or licences, including the Crown Lease and the Bottle Shop Leases. Future applications or renewals of the Crown Lease (if any) may be subject to a competitive tender process. Failure to meet its obligations under its leases, or to otherwise obtain renewals in the future, may negatively impact the Eumundi Group's ability to generate revenue from the relevant business operations and may result in Eumundi being unable to meet its business goals and ultimately adversely affecting the Eumundi Group's financial performance and prospects.

(b) Compliance with Work Health and Safety

Employees of Eumundi Group are at risk of workplace accidents and incidents. In the event that an employee is injured or some other event or circumstance occurs giving rise to a claim, in each case in the course of their employment, the Eumundi Group may be liable for penalties or damages (to the extent not covered by insurance). This has the potential to harm both the reputation and financial performance of the Eumundi Group.

There is a risk of serious injury or fatality of tenants, employees, patrons and contractors on the premises operated by the Eumundi Group. The occurrence of such events may have an adverse effect on the productivity, operations and reputation of Eumundi Group. This may also impact the financial performance, position and prospects of the Eumundi Group.

Eumundi manages these risks through appropriate advice, policies and procedures. Notwithstanding this, there is no guarantee that the Eumundi Group will not suffer loss as a result of these risks. In the event that a person is injured or some other event or circumstance occurs giving rise to a claim, the Eumundi Group may be liable to the extent not covered by insurance (such as public liability insurance).

(c) Legislative and regulatory changes

Eumundi operates in a highly regulated industry and is reliant on receiving and maintaining regulatory approvals in the jurisdictions in which it conducts gaming and non-gaming

operations. Legislative and regulatory changes (including as a result of a change in government or changes to taxation regimes at State or Federal Government levels as well as potential cost increases related to new compliance obligations or associated disclosures) are (1) outside the control of Eumundi, (2) may not apply to Eumundi's competitors or impact them to the same extent (see also '*Increased industry competition*'), and (3) may have an adverse impact on the operations, financial performance, position and prospects of Eumundi, including with the result that the trading price of Eumundi Shares could decline, and investors could lose all or part of their investment.

Financing and capital

There is a risk that the costs of operations may be higher than anticipated or may increase as a result of unforeseen circumstances (which may include circumstances related to other key risk factors set out in this section 7). This may warrant raising additional equity or debt capital in the future. There is no assurance that Eumundi will be able to raise capital when it is required to or that it will be able to raise that capital on satisfactory terms.

In the event of insufficient capital, and without obtaining adequate funding from additional debt or from a capital raise, Eumundi may also have to licence or sell its assets on unfavourable terms, or scale down or cease operations.

Uncertainty of future costs and resultant impact on profitability

The cash flow of the Eumundi business is highly seasonal.

Among other expenses, Eumundi's key expenses will consist of employment expenses (salaries), rent, lease expenses, depreciation, finance costs, other overheads or outgoings, and other general operational expenses. Eumundi's future profitability is therefore, contingent on, amongst other things, its ability to manage costs at a sustainable level, enter into appropriate procurement/supply arrangements, realise profitable market opportunities, source labour at sustainable rates and in general manage costs within budgeted and forecast levels.

For the reasons listed above, the level of any future profitability of Eumundi cannot be accurately determined and Eumundi cannot provide any guarantee that future profitability will be achieved.

Industry risks

(a) Government approvals risk

The hospitality industry is subject to a number of Government Agency approvals in the form of the OLGR Approvals, food safety licences and other similar licences and approvals (**Government Approvals**). In order to meet Eumundi's business plan outcomes, the Eumundi must maintain its Government Approvals. A failure to obtain and or maintain such Government Approvals, or significant delays in obtaining new Government Approvals, may limit Eumundi's ability to meet its business and production goals.

The risks associated with the specific Government Approvals are considered further below.

(b) Food safety

As a provider of food products, the Eumundi Group is subject to a range of food safety standards. The Eumundi Group has rigorous procedures and quality control practices in place to ensure its compliance with such food safety standards and must have food safety licences in place. However, if the Eumundi Group's procedures are not complied with, whether intentionally or by omission, the Eumundi brand and reputation could be damaged. In addition to brand and reputational damage, the Eumundi Group could become subject to criminal or civil action as a result of any non-compliance with the food safety standards. Any such events could result in an adverse impact to the Eumundi Group's financial performance, position and prospects.

(c) **Safer gambling**

Eumundi recognises responsible gambling as a material issue for its business operations.

While Eumundi is committed to providing a safer gambling environment at each of its venues, and has policies and procedures in place to support this, there is a risk that Eumundi identifies issues relating to the provision of gaming services, including instances where those services have not been provided by Eumundi in a responsible manner, in accordance with Eumundi's policies, relevant responsible gambling codes of conduct, or regulatory or community expectations. This may result in Eumundi having to self-report these matters to a regulator, which may result in significant fines or other penalties or sanctions, which in turn may have an adverse impact on Eumundi's financial performance, position and prospects.

Eumundi also recognises that, as community standards and expectations evolve to require more harm management responsibility to be exercised by the operators of gaming services, ongoing work and reform will be required by Eumundi in this important area. Any reforms of that type may impact Eumundi's operations, be costly to implement and adversely impact Eumundi's financial performance, position and prospects.

As Eumundi further analyses, implements and tests responsible gambling initiatives, it is possible that Eumundi will identify instances where initiatives may not be as effective as intended. These matters may require new measures to be adopted to better respond to these issues and may have an adverse impact on Eumundi's operations, reputation, customer satisfaction, and financial performance, position and prospects (including as a result of significant monetary penalties or compensatory claims brought against a member of the Eumundi Group).

(d) **AML/CTF compliance**

Eumundi operates in an industry that presents high money-laundering risks. As a provider of 'designated services' under the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (Cth) (**AML/CTF Act**), some entities within the Eumundi Group are 'reporting entities' which are subject to obligations under the AML/CTF Act and *Anti-Money Laundering and Counter-Terrorism Financing Rules Instrument 2007 (No. 1)* (together, the **AML/CTF Laws**). A failure to comply with these obligations could expose Eumundi to significant civil and/or criminal penalties or other regulatory actions.

(e) **Increased industry competition**

Eumundi is a small scale business which faces substantial competition (particularly from large private corporate groups) in all of the industry segments in which it operates.

The Eumundi Group is managing the competitive impact of venues (such as pubs and clubs) that are licensed to operate electronic gaming machines, have flexible loyalty programs and new properties with food and beverage offerings, in the markets in which Eumundi's properties are located (in particular, Brisbane and Gold Coast). These competitors may either not be subject to the recent regulatory changes and recommendations to the same extent as Eumundi, or may adopt different operating practices in response, which may impact the industry's competitive dynamics.

Changes in the regulatory environment will potentially influence the industry's competitive dynamic which may in turn adversely affect Eumundi's financial performance, financial position, capital resources and prospects.

Further, gambling activities and pubs compete with other consumer products for consumers' discretionary expenditure and in particular with online gaming channels as an alternative to gaming machines and other forms of leisure and entertainment. If Eumundi does not adequately respond to the competition which it faces, there may be a change in consumer spending patterns which may have an adverse effect on the operational and financial performance of Eumundi and its prospects.

(f) **Diminution of customer satisfaction, loyalty and behaviour**

Eumundi's business model is dependent upon customer satisfaction, behaviour and loyalty. The operational and financial challenges associated with recent regulatory reviews, recent regulatory changes, political sentiment against gambling, COVID-19, the associated impact on the travel and tourism industry and Eumundi's response to those challenges, could impact upon customer satisfaction, behaviour and loyalty, the reputation of Eumundi Group and its ability to attract customers in the future. In this context, Eumundi's competitors may either not be subject to these factors to the same extent as Eumundi, or may adopt different operating practices in response, which may impact the industry's competitive dynamics to the extent that it impacts customer satisfaction, behaviour and loyalty (see also '*Increased industry competition*').

Any diminution in customer satisfaction and customer loyalty, a change in customer behaviour, or Eumundi's reputation may have an adverse impact on the operating performance and the financial performance, position and prospects of Eumundi.

(g) **Price risk**

Price risk relates to Eumundi's ability to secure reliable access to quality goods and services at a competitive price to ensure continued profitability of operations while meeting market expectations and strong competition. Should Eumundi be unable to secure reliable access to quality goods and services at a competitive price, this may have adverse consequences for the operations and the financial performance and prospects of Eumundi.

Reliance on external parties

(a) **Customer / tenancy relationships**

The Eumundi Group's success is reliant on its relationships with its customers and tenants. In order to continue successful operations, the Eumundi Group will need to supply customers and maintain its tenancies to generate revenue. There can be no guarantee that these relationships will continue, or if they do, that they will continue to be profitable for Eumundi.

(b) **Suppliers**

Eumundi's operations depend on performance by a number of external parties under contractual arrangements with Eumundi including its suppliers and hospitality partners. Non-performance of contractual obligations and poor operational performance may have an adverse impact on Eumundi's business and financial performance and prospects.

Management

(a) **Loss of key personnel**

Eumundi relies on a number of well qualified and experienced key senior personnel. Loss of such personnel, or a failure to recruit and retain suitably qualified and experienced personnel in the future may adversely affect the financial performance of Eumundi. Such failure may also result in damage to the reputation of Eumundi which may have additional adverse consequences for the financial performance and prospects of Eumundi.

(b) **Change in strategy**

The Eumundi Group's plans and strategies may evolve over time due to review and assessment of, amongst other things, market conditions and changes in policy or regulations. As such, the current strategies, approaches, and plans of the Eumundi Group may not reflect the strategies, approaches, and plans that will be pursued in the future. Despite the Eumundi Board's efforts to guide the Eumundi Group to commercial success, any such changes in strategy have the potential to expose Eumundi to additional risks that may affect its financial performance, prospects or goodwill.

Change of Control Contracts

The Eumundi Group of companies are party to a number of contracts which contain provisions regarding a change of control which may be triggered as a result of the Transaction (**Change of Control Contracts**). For further details, see section 8.7 of this Target's Statement. Failure to obtain the required approvals from a contract counterpart may cause that counterpart to exercise termination or other rights under the relevant contract and may negatively impact Eumundi's future prospects.

Climate change risk

Eumundi, its customers and external suppliers, may be adversely impacted by the physical risks (including possibility of destruction or disruption to human life, physical and natural capital) and socio-economic impacts (including impacts to liveability, food systems and infrastructure assets) of climate change. This may directly impact Eumundi and its customers through damage to property, reduced asset values, insurance risk and business disruption and may have an adverse impact on Eumundi's financial performance, position or prospects.

Failure of Eumundi to effectively assess and respond to these risks or to be perceived as failing to do so, could adversely impact Eumundi's reputation which in turn could adversely affect Eumundi's financial performance, position or prospects.

In addition, natural disasters as a result of climate change including (but not limited to) cyclones, floods and earthquakes, and the economic and financial market implications of those disasters on domestic and global market conditions could adversely impact Eumundi's financial performance, financial position, capital resources and ability to access financing sources and prospects.

In the future if Eumundi were to transition to a low carbon economy, it may require extensive policy, legal, technology and market changes to address mitigation and adaption requirements related to climate change. For example, by going green where possible, using better waste management practices, lowering energy consumption, introducing on-site renewables and decreasing paper usage. This could adversely impact Eumundi's financial performance or prospects by increasing operating costs and/or impacting demand in, and the profitability of, certain business operations.

Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people or systems (including information security systems), or from external events. The Eumundi Group is exposed to a variety of risks including those arising from fraud, technology failure, customer services, staff level and skills, workplace safety, compliance, business continuity, crisis management, data storage and processing errors.

Eumundi manages these operational risks through appropriate reporting lines, defined responsibilities, policies and procedures. Although these steps are in place, there is no guarantee that Eumundi will not suffer loss as a result of these risks (and an inherent risk also exists due to systems and internal controls failing to identify or prevent losses relating to these operational risks). Those losses can include fines, penalties, loss or theft of funds or assets, customer compensation, loss of shareholder value, reputational losses, loss of life or injury to people and loss of property and information. Loss from those risks could impact Eumundi's financial performance, financial position capital resources, prospects and reputation.

Reputation risk

Reputation risk may arise through the actions of Eumundi, its directors, officers or employees or other market participants and adversely affect perceptions of Eumundi held by the public, holders of its securities or regulators. This risk may arise as a result of risk management failures, failures to comply with legal and regulatory requirements (including ethical issues, litigation, money laundering laws, employment laws, trade sanctions legislation, privacy laws, information security policies), sales and trading practices, technology failures and security breaches.

Damage to Eumundi's reputation may have an adverse impact on Eumundi's financial performance, financial position, capital resources and prospects.

Political and general business and economic conditions

In light of recent global and domestic macroeconomic events and political, economic and business conditions (including the conflict between Ukraine and Russia, the conflict between Israel and Palestine, natural disasters, inflationary pressures and rising interest rates), Australia is currently experiencing economic variability and uncertainty. These economic conditions could have an adverse impact on Eumundi's operating and financial position and performance and could affect the price of Eumundi Shares.

In addition to geopolitical tensions, rising interest rates, central bank tightening, global shipping capacity constraints, higher costs for freight, supply chain issues, higher energy prices, higher food prices and tightened labour markets, may in the future contribute to rising inflationary pressures on the global and domestic economies. This may have impacts on financial markets, economic stability, levels of investment and consumer spending, which could each adversely impact the financial position and performance of Eumundi.

Changes in technology

In order to continue to deliver better services to customers, comply with regulatory obligations and meet the demands of customers in a highly competitive environment, Eumundi needs to renew and enhance its technology regularly. Failure to implement and integrate successfully, and remain competitive with, changes in technology can result in considerable costs, reputational damage and/or in the loss of market share to competitors.

Cyber security and privacy risks

Eumundi is required to collect and maintain confidential customer information and commercially sensitive data in the course of its business operations and will seek to engage with relevant regulatory authorities to reduce the period of time for which it is required to maintain this information.

When possessing confidential customer and commercial sensitive data, there is a risk that these, or services Eumundi uses or is dependent upon, might fail, including because of a leak or unauthorised access or use. Most of Eumundi's daily operations are computer-based and information systems applications and technology are essential to maintaining effective operations. Eumundi is also conscious that threats to information systems applications and technology are continuously evolving and cyber threats and the risk of attacks are increasing.

Eumundi manages these risks through appropriate processes and procedures. However, Eumundi may not be able to anticipate all attacks as they may be dynamic in nature and there can be no guarantee that the steps taken by Eumundi to manage these risks will be fully effective. Any failure of these systems could result in business interruption, customer dissatisfaction, legal or regulatory breaches (including of privacy legislation) and liability, loss of customers, financial compensation, damage to reputation and/or a weakening of Eumundi's competitive position (in each case, which may not be recoverable under any of the Eumundi Group's relevant policies of insurance). This in turn could adversely impact Eumundi's financial performance, position and prospects.

Force majeure

Eumundi, whether now or in the future, may be adversely affected by risks outside of its control, including climate change, adverse weather event, labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics, pandemics or quarantine restrictions. For instance, the COVID-19 pandemic caused ongoing operational challenges to various sectors (including the hospitality sector) when restrictions such as quarantine, lockdowns and supply chain disruptions were introduced. There were also reduced capacities due to social distancing measures enforced by various state governments.

The occurrence of each of these matters were completely out of Eumundi's control.

Government Agency policy changes

Adverse changes in Government Agency policies or legislation may affect taxation, royalties, land access, labour relations and fees associated with Eumundi's operations.

Insurance

Eumundi insures its operations in accordance with industry practice. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of Eumundi. Insurance of all risks associated with the hospitality industry is not always available and, sometimes where available, the costs can be prohibitive.

Franking of dividends

There is no guarantee that Eumundi will be able to pay dividends or, will have sufficient franking credits in the future to fully frank dividends or that the franking system will not be varied or abolished. The value and availability of franking credits to a Eumundi Shareholder will depend on their particular tax circumstances. Eumundi Shareholders should be aware that the ability to use franking credits, as a tax offset or to claim a refund after the end of the income year, will depend on the individual tax position of each Eumundi Shareholder.

Litigation

Eumundi may be involved in disputes and litigation relating to the conduct of its business. The risk of litigation is a general risk of Eumundi's business and it may incur costs in making payments to settle claims or in complying with any court order (which may not be covered adequately, if at all, by insurance). Any material dispute or litigation could adversely affect the financial position and the financial performance, position and prospects of Eumundi.

Other risks

Additional risks and uncertainties not currently known may also have an adverse effect on Eumundi and the value of the Eumundi Shares. The information set out in this section 7.5 does not purport to be, nor should it be construed as representing, an exhaustive summary of the risks that may affect the performance of Eumundi's Shares.

8. ADDITIONAL INFORMATION

8.1 Notice of the Bidder's Voting Power

As at the date of this Target's Statement, SEQ holds no Eumundi Shares and therefore has no Voting Power in Eumundi. SEQ is required to notify the ASX and Eumundi before 9.30am (Sydney time) on each Trading Day during the Takeover Offer Period where there is an increase in SEQ's Relevant Interest representing at least 1% in Eumundi's issued capital.

Once the Founding Directors accept into the Takeover Offer in respect of the Eumundi Shares in which the Founding Directors have a Relevant Interest in, SEQ will have Relevant Interest in 43.34% of Eumundi Shares.

8.2 Register Date

SEQ has set the date for determining the Eumundi Shareholders to whom information is to be sent under items 6 and 12 of subsection 633(1) as at 7:00pm (Sydney time) on 11 November 2024.

8.3 Implementation Deed

On 30 October 2024, SEQ and Eumundi entered into the Implementation Deed in relation to the Transaction. The Implementation Deed sets out the agreed terms on which SEQ has made the Takeover Offer, and the obligations of both SEQ and Eumundi in relation to the Takeover Offer and the Scheme.

In addition, Eumundi has agreed to certain exclusivity arrangements until the earlier of the date on which the Implementation Deed is validly terminated and the End Date, or such other date agreed in writing between the parties (**Exclusivity Period**). The Implementation Deed contains no shop, no talk and no due diligence restrictions on Eumundi during the Exclusivity Period (to the extent that complying with these restrictions does not involve a breach of the Eumundi Directors' fiduciary duties).

The Implementation Deed also confers a matching right to SEQ, under which Eumundi must provide notice to SEQ of a Competing Proposal and allow SEQ the right to submit a counteroffer.

A break fee of \$771,400 (being approximately 1% of the value of the consideration offered under the Transaction) is payable by Eumundi to SEQ in certain circumstances, including:

- (a) one or more Eumundi Directors changes their recommendation of the Transaction other than where:
 - (1) the Independent Expert concludes that the Scheme is not in the '*best interests*' of Eumundi Shareholders; or
 - (2) the Independent Expert's conclusion in the Independent Expert's Report is other than that the Takeover Offer is '*fair and reasonable*',

except where the reason for that conclusion is as a result of a Competing Proposal;

- (b) a Competing Proposal is announced during the Exclusivity Period and, within six months after the date of such announcement, the Competing Proposal results in a third party obtaining control of Eumundi or acquiring (either alone or in aggregate) a legal, beneficial or economic interest in, or control of, 50.1% or more of the Eumundi Shares; and
- (c) SEQ has terminated the Implementation Deed due to a material breach by Eumundi.

SEQ has agreed to pay Eumundi the same break fee (being \$771,400) if Eumundi has terminated the Implementation Deed due to a material breach by SEQ prior to the occurrence of any event which would require Eumundi to pay the break fee to SEQ.

The Implementation Deed also includes certain 'ordinary course of business' obligations on Eumundi, including a restriction on the payment or declaration of any dividends (other than the Interim

Dividend) between the Announcement Date and the end of the Takeover Offer Period or the date the Implementation Deed is terminated (whichever is the earlier).

A copy of the Implementation Deed was attached in full to Eumundi's ASX announcement dated 30 October 2024 titled 'Implementation Deed – updated'.

8.4 Interim Dividend

Pursuant to the terms of the Implementation Deed, the Eumundi Board is entitled (subject to certain requirements being met),⁵² to declare an interim dividend of up to 2.4 cents per Eumundi Share to be paid in cash to those Eumundi Shareholders on the Share Register as at the Interim Dividend Record Date (**Recipient Shareholders**) at any time on or before the Interim Dividend Payment Date (**Interim Dividend**).

Payment of the Interim Dividend by Eumundi to the Recipient Shareholders will not reduce the Transaction Consideration payable by SEQ to those Recipient Shareholders who accept into the Takeover Offer (or who are otherwise required to sell their Eumundi Shares to SEQ under the Scheme, if implemented).

The Eumundi Board:

- (a) may determine the Interim Dividend as a partially franked or unfranked dividend as its discretion;
- (b) may apply for a ruling from the Australian Taxation Office as it considers appropriate (subject to SEQ first agreeing to such application, acting reasonably);⁵³ and
- (c) must not otherwise declare, pay or distribute any dividend other than the Interim Dividend during the period commencing on the Announcement Date and ending on the earlier of the date on which:
 - (1) the Takeover Offer Period ends; and
 - (2) the Implementation Deed is terminated.

If the Eumundi Board declares a dividend other than the Interim Dividend, such circumstances would be considered a 'Material Event', and the Takeover Offer will fail unless SEQ elects to waive the 'No Material Events' condition.

The Eumundi Board expects to declare the Interim Dividend before the Scheme Meeting is held.

8.5 Scheme process

A scheme of arrangement is a statutory procedure under the Corporations Act to be implemented between a company and its shareholders to allow that company to be acquired by another company.

For the Scheme to be binding on the Eumundi Shareholders, it must be approved under a three-step process under section 411 of the Corporations Act, as follows:

- (a) Eumundi must obtain the Court's approval to dispatch the Scheme Booklet and convene the Scheme Meeting;
- (b) the Scheme Resolution must be approved by the Requisite Majority of Eumundi Shareholders;⁵⁴ and
- (c) following a successful vote, the approval of the Court at the second Court hearing must be obtained for the Scheme to become Effective.

⁵² Including requirements under the Corporations Act, as set out in clause 7.1 of the Implementation Deed.

⁵³ Eumundi has applied for a class ruling in respect of the Interim Dividend. See section 9 of this Target's Statement for further details.

⁵⁴ Being more than 50% in number present and voting, and at least 75% of all votes cast.

If the Scheme is successful, all of the Eumundi Shares will be transferred to SEQ in exchange for \$1.55 cash per Eumundi Share (being the Offer Price).

Further information regarding the Scheme process, as well as the Scheme Conditions, will be set out in the Scheme Booklet which is expected to be dispatched (once Approved) to Eumundi Shareholders in the new calendar year (unless the Takeover Offer is declared, or otherwise becomes, unconditional before that time).

You are strongly encouraged to read the Scheme Booklet (including the report by the Independent Expert in respect of the Scheme) (once Approved and issued), as well as this Target's Statement (including the Independent Expert's Report), and the Bidder's Statement before deciding how to deal with your Eumundi Shares.

8.6 Competing Proposals

As at the date of this Target's Statement, the Eumundi Board has not received any Competing Proposals in relation to the Eumundi Group.

8.7 Change of Control Contracts

Under clause 7.5 of the Implementation Deed, SEQ and Eumundi are required to cooperate to identify any change of control or unilateral termination rights in material contracts to which EBG or another EBG Group Member is a party which may be triggered by or exercised in response to the Transaction.

Eumundi is aware, and has communicated to SEQ, that there are 'change of control' provisions in Eumundi's finance facility agreement with its bank, a supply and services agreement with a supplier and leases between a member of the Eumundi Group (as tenant) and its landlords of bottle shops (together, the **Change of Control Contracts**).

Eumundi will liaise with the counterparties of each of these Change of Control Contracts to obtain the necessary consents.

8.8 SEQ's activities prior to making the Takeover Offer

Section 8 of the Bidder's Statement sets out further information regarding the activities of SEQ and its Associates in the four months before the date of the Takeover Offer.

8.9 Disclosing entity

Eumundi is a disclosing entity and as such is subject to regular reporting and disclosure obligations under the Corporations Act and ASX Listing Rules.

Copies of the documents filed with the ASX may be obtained from the ASX website at www.asx.com.au or Eumundi's website at www.eumundigroup.com.au.

Copies of the documents lodged with ASIC in relation to Eumundi may be obtained from, or inspected at, an ASIC office.

Shareholders may obtain a copy of:

- the 2024 Annual Report of Eumundi;
- Eumundi's constitution; and
- any document lodged by Eumundi with the ASX between the release of the 2024 Annual Report to the ASX and the date of this Target's Statement,

free of charge upon request by contacting Eumundi or on the ASX website at www.asx.com.au.

8.10 Transaction response costs

The Transaction will result in Eumundi incurring expenses that would not otherwise have arisen. These include expenses payable to the legal, financial and other advisers engaged by Eumundi to assist in responding to the Transaction.

The total cost of the transaction response depends on, without limitation, the outcome of the Takeover Offer or the Scheme, the duration of the Takeover Offer and required response activities, as well as the complexity of the issues addressed in the response. These costs will be reflected in Eumundi's financial results for the year ending 30 June 2025 and may extend into future financial years depending on the factors mentioned earlier. As at the date of this Target's Statement, Eumundi has incurred approximately \$475,000 in transaction response costs.

8.11 No other material information

This Target's Statement is required to include all information that Eumundi Shareholders and their advisers would reasonably expect to receive to make an informed assessment whether to accept the Takeover Offer, but only to the extent that:

- it is reasonable for the Eumundi Shareholders and their advisers to expect to receive that information in the Target's Statement; and
- the information is known to the Eumundi Directors.

The Eumundi Directors are of the opinion that the information that the Eumundi Shareholders and their professional advisers would reasonably require to make an informed assessment whether to accept or reject the Takeover Offer is contained within:

- this Target's Statement (including the Independent Expert's Report);
- the Bidder's Statement (to the extent that the information contained in that document is not inconsistent with the Target's Statement); and
- the annual and other financial reports, releases, announcements and documents lodged by Eumundi with ASX and/or ASIC.

In preparing this Target's Statement, the Eumundi Directors have assumed that the information contained in the Bidder's Statement is accurate. However, the Eumundi Directors do not take any responsibility for the contents of the Bidder's Statement and are not to be taken as endorsing, in any way, any or all of the statements contained within it.

In deciding what information should be contained in this Target's Statement, the Eumundi Directors have had regard to:

- the nature of the Eumundi Shares;
- the matters that Eumundi Shareholders may reasonably be expected to know, particularly in the context of the Transaction as a whole;
- the fact that certain matters may reasonably be expected to be known to the professional advisers of Eumundi Shareholders; and
- the time available to Eumundi to prepare the Target's Statement.

9. AUSTRALIAN TAX CONSEQUENCES

9.1 Introduction

The following is a summary of the potential Australian income tax and capital gains tax (**CGT**) consequences generally applicable to Eumundi Shareholders who dispose of Eumundi Shares under the Transaction. This summary is based on the law and practice in effect on the date of this Target's Statement.

The following summary is not intended to be an authoritative or complete statement of the Australian tax laws applicable to the specific circumstances of every Eumundi Shareholder.

In particular, this summary does not apply to Eumundi Shareholders:

- (a) who hold their Eumundi Shares as trading stock or otherwise as revenue assets;
- (b) who acquired their Eumundi Shares as part of an employee share scheme operated by Eumundi, or otherwise in return for services;
- (c) that may be subject to special tax rules, such as financial institutions, insurance companies, partnerships (except where expressly stated), tax exempt organisations, trusts (except where expressly stated), superannuation funds (except where expressly stated) or temporary residents; or
- (d) who are subject to the "Taxation of Financial Arrangements" rules as defined in section 230 of the *Income Tax Assessment Act 1997* (Cth).

The outline contained in this section is not intended to be, and should not be relied upon as, taxation advice or financial advice. The applicable tax treatment may vary according to individual circumstances, and as such, each Eumundi Shareholder should seek independent tax advice in connection with the Takeover Offer that is specific to their particular circumstances.

9.2 CGT consequences on the disposal of Eumundi Shares for resident shareholders

This section applies to Eumundi Shareholders who are residents of Australia for Australian income tax purposes and hold their Eumundi Shares on capital account.

- (a) When a Eumundi Shareholder accepts the Takeover Offer and their Eumundi Shares are subsequently transferred to SEQ, they will have disposed of their Eumundi Shares for Australian CGT purposes, which gives rise to a taxable event (CGT event A1 Disposal).
- (b) On disposal of their Eumundi Shares, Eumundi Shareholders will make a capital gain in respect of each Eumundi Share disposed of, to the extent that the Offer Price exceeds the CGT cost base of each Eumundi Share. For the purpose of calculating any capital gain, any Interim Dividend should be disregarded and the Australian Taxation Office is being requested to confirm this under an application to the Australian Taxation Office for a Class Ruling in respect of the income tax consequences associated with the Transaction for Eumundi Shareholders.
- (c) Alternatively, a Eumundi Shareholder will make a capital loss on the transfer of each Eumundi Share to SEQ, equal to the amount by which the reduced cost base of a Eumundi Share is more than the Offer Price. A capital loss may be used to offset a capital gain made in the same income year or be carried forward to offset a capital gain made in a future income year (subject to the satisfaction of certain loss recoupment tests which apply if the Eumundi Shareholder is a company or trust).
- (d) The sum of all capital gains made by a Eumundi Shareholder in the income year in which the transaction occurs, reduced by any capital loss incurred during that year, or carried forward from prior years, should be included in the assessable income of the Eumundi Shareholder, after applying the relevant CGT discount that may be applicable.

9.3 Cost base or reduced cost base of Eumundi Shares

Generally, the cost base of Eumundi Shares should be equal to the amount paid to acquire the Eumundi Shares.

Incidental costs incurred by a Eumundi Shareholder in respect of their acquisition or ownership of Eumundi Shares (such as brokerage and undedicated borrowing costs) may also be included in the cost base of the Eumundi Shares they own.

The reduced cost base of Eumundi Shares is usually determined in a similar but not identical manner to the cost base although some differences in the calculation of reduced cost base do exist depending on the individual circumstances of each Eumundi Shareholder.

9.4 CGT discount

The CGT discount may apply to Eumundi Shareholders who are individuals, complying superannuation funds or trusts, who have held, or are taken to have held, their Eumundi Shares for at least 12 months at the time of the disposal of their Eumundi Shares to SEQ.

The CGT discount is not available to a Eumundi Shareholder that is a company.

The CGT discount allows a Eumundi Shareholder who is an individual, or a trustee of a trust, to discount the capital gain by 50%, thereby including only the remaining 50% of the capital gain in their assessable income for income tax purposes.

A Eumundi Shareholder that is a complying superannuation entity may discount the capital gain by 1/3rd, thereby only including 2/3rds of the capital gain in the taxable income of that complying superannuation entity.

Such Eumundi Shareholders will be eligible for the CGT discount provided:

- (a) the Eumundi Shares were acquired, or taken to be acquired, at least 12 months before the disposal to SEQ;
- (b) the Eumundi Shareholder did not choose to index the cost base of their Eumundi Shares; and
- (c) the CGT discount is applied to the capital gain only after any available capital losses are first applied to reduce the capital gain.

9.5 CGT consequences on the disposal of Eumundi Shares for non-resident Shareholders

Eumundi Shareholders who are non-residents of Australia need to account, for Australian income tax purposes, for a capital gain or capital loss made when CGT event A1 happens to their Eumundi Share, if, relevantly, their Eumundi Share:

- (a) was used at any time in carrying on a business through a permanent establishment in Australia; or
- (b) was covered by subsection 104-165(3) of the *Income Tax Assessment Act 1997* (Cth) (about individuals choosing to disregard capital gains upon ceasing to be Australian residents).

Otherwise, Eumundi Shareholders who are non-residents of Australia for income tax purposes should not be subject to Australian income tax (including CGT) on any gain made from the disposal of their shares (or be entitled to a capital loss for CGT purposes), unless, broadly:

- (c) the Eumundi Shareholder (together with Associates) holds 10% or more of the Eumundi Shares on issue at the time of acceptance of the Takeover Offer, or have done so for any continuous 12-month period in the 24-month period before the Takeover Offer becomes unconditional; and
- (d) the value of the Eumundi Shares is principally attributable to Australian real property.

If the above is the case, then the Eumundi Shares sold will constitute “an indirect Australian real property interest” and SEQ will generally be obliged to withhold 12.5% of the Transaction Consideration and remit that amount to the Australian Taxation Office, on account of your expected Australian income tax liability.

Further, non-residents are not entitled to claim any CGT discount on disposal of a CGT asset that was acquired after 8 May 2012.

9.6 Australian income tax implications associated with receipt of the Interim Dividend

- (a) To the extent that the Interim Dividend is franked and paid to Australian resident shareholders, such resident shareholders are required to include the dividend and the attached franking credits in their Australian assessable income.
- (b) Generally, a corresponding tax offset (relating to the franking credits) will be available to the Eumundi Shareholder where they are a “qualified person” in relation to the Interim Dividend.
- (c) Where a Eumundi Shareholder is not a “qualified person”, the Eumundi Shareholder will not be required to include the amount of the franking credits in their assessable income and will not be entitled to a corresponding Australian tax offset.
 - (1) For a Eumundi Shareholder to be considered a “qualified person” in relation to the Interim Dividend, they must have held their Eumundi Shares “at risk” for a continuous 45-day period within the “primary qualification period”.
 - (2) The primary qualification period begins on the day after the day a Eumundi Shareholder acquired their Eumundi Shares and ends 45-days after the Interim Dividend Record date (ex dividend date).
 - (3) A Eumundi Shareholder will likely not be taken to be at risk from the date the Takeover Offer becomes unconditional, however, as such a Eumundi Shareholder will need to have held their Eumundi Shares at risk for a continuous 45-day period prior to the relevant date above (excluding the day of acquisition and the relevant date above).
 - (4) It is not expected that Eumundi Shares will need to be held at risk for a stricter “secondary qualification period”, i.e. the continuous 45-day period prior to the shares becoming ex dividend (Interim Dividend Record Date) where that date is at least two days before the date the Takeover Offer becomes unconditional. Again, the Australian Taxation Office is being requested to confirm this under an application to it for a Class Ruling in respect of the income tax consequences associated with the Transaction for Eumundi Shareholders.
- (d) To the extent that the Interim Dividend is fully franked and paid to non-resident Eumundi Shareholders, such dividend should not be assessable to non-resident Eumundi Shareholders for Australian income tax purposes, nor be subject to Australian withholding tax, at least where the dividend is received other than carrying on business in Australia at or through a permanent establishment.

9.7 Stamp duty

No stamp duty should be payable by Eumundi Shareholders on the acquisition by SEQ of their Eumundi Shares under the Takeover Offer or on the receipt by Eumundi Shareholders of the Transaction Consideration.

9.8 Goods and Services Tax (GST)

The sale of Eumundi Shares by existing shareholders as contemplated will not attract GST.

GST will be payable on any fees or charges that a Controlling Participant (in respect of Eumundi Shares in a CHESS Holding) or a broker, bank, custodian or other nominee (in respect of Eumundi

Shares held for a separate beneficial owner) may charge in connection with acceptance of the Takeover Offer.

Where Eumundi Shareholders are registered or required to be registered for GST, any GST incurred on expenses that relate to the sale of existing Eumundi Shares or acquisition of new Eumundi Shares may not be recoverable if the individual Eumundi Shareholder exceeds the financial acquisitions threshold as set out in the GST legislation. However, a reduced input tax credit equal to 75% of the GST incurred may still be available if the acquisition constitutes a reduced credit acquisition.

Where Eumundi Shareholders are not registered, or required to be registered for GST, no GST implications should arise in relation to the Takeover Offer.

9.9 Obtain your own taxation advice

Do not rely on the comments or the statements contained in this Target's Statement as advice about your own affairs. The taxation laws are complex and there could be implications in addition to those generally described in this Target's Statement.

Accordingly, consult your own tax advisers for advice applicable to your individual needs and circumstances. To the extent permitted by law, Eumundi does not accept any responsibility for tax implications for individual Eumundi Shareholders.

10. CONSENTS

10.1 Eumundi Directors

The Eumundi Directors have given and have not, before the lodgement of this Target's Statement with ASIC, withdrawn their consent to be named in this Target's Statement in the form and context in which they are named.

10.2 Third parties

HopgoodGanim Lawyers, has given and has not, before the lodgement of this Target's Statement with ASIC, withdrawn its written consent to be named in this Target's Statement as Australian legal adviser to Eumundi in respect of the Takeover Offer in the form and context in which it is named. HopgoodGanim Lawyers, does not make, or purport to make, any statement in this Target's Statement or any statement on which a statement in this Target's Statement is based. To the maximum extent permitted by law, HopgoodGanim Lawyers, expressly disclaims and takes no responsibility for any part of this Target's Statement, other than a reference to its name. Mr Joseph Ganim was a founding partner of HopgoodGanim Lawyers, but as at the date of this Target's Statement has no financial interest in HopgoodGanim Lawyers.

Computershare has given and has not, before the lodgement of this Target's Statement with ASIC, withdrawn its written consent to be named in this Target's Statement as Share Registry to Eumundi in respect of the Takeover Offer in the form and context in which it is named. Computershare does not make, or purport to make, any statement in this Target's Statement or any statement on which a statement in this Target's Statement is based. To the maximum extent permitted by law, Computershare expressly disclaims and takes no responsibility for any part of this Target's Statement, other than a reference to its name.

BDO has given and has not, before the lodgement of this Target's Statement with ASIC, withdrawn its written consent to be named in this Target's Statement as Independent Expert in respect of the Takeover Offer in the form and context in which it is named and for the inclusion of the Independent Expert's Report in the Target's Statement.

Taylor Collison has given and has not before the lodgement of this Target's Statement with ASIC, withdrawn its written consent to be named in this Target's Statement as financial adviser to Eumundi in respect of the Takeover Offer in the form and context in which it is named. Taylor Collison does not make, or purport to make, any statement in this Target's Statement or any statement on which a statement in this Target's Statement is based. To the maximum extent permitted by law, Taylor Collison expressly disclaims and takes no responsibility for any part of this Target's Statement, other than a reference to its name. Mr Robert Darius Fraser, who is a principal of Taylor Collison, holds Eumundi Shares in his personal capacity. Mr Fraser's holding is set out in section 4.7 of this Target's Statement.

10.3 Publicly available information and ASIC modifications

This Target's Statement contains statements which are made in, or based upon, statements contained in the Bidder's Statement lodged with ASIC or given to ASX.

As permitted by *ASIC Corporations (Takeover Bids) Instrument 2023/683*, the parties making those statements are not required to consent to, and have not consented to, the inclusion of those statements in this Target's Statement. If you would like to receive a copy of any of those documents, or the relevant parts of the documents containing the statements (free of charge), during the Takeover Offer Period, please contact Eumundi's Company Secretary, Duncan Cornish, by email to dcornish@corpservices.com.au or call (07) 3212 6299 for callers within Australia or on +61 7 3212 6299 for callers outside Australia from Monday to Friday between 8.30am and 5.00pm (Brisbane time). Copies of the relevant documents, or parts therefore, will be provided within 2 Business Days of the request.

As permitted by *ASIC Corporations (Consents to Statements) Instrument 2016/72 (ASIC Instrument 2016/72)*, this Target's Statement may include or be accompanied by certain statements which:

- (a) fairly represent what purports to be a statement by an official person; or

- (b) are a correct and fair copy of, or extract from, what purports to be a public official document;
or
- (c) are correct and fair copies of, or extracts from, a statement which has already been published in a book, journal or comparable publication.

In addition, as permitted by ASIC Instrument 2016/72, this Target's Statement contains security price trading data sourced from IRESS without its consent.

11. GLOSSARY AND INTERPRETATION

11.1 In this Target's Statement unless the contrary intention appears the following words have the following meanings:

Acceptance Form means the form of acceptance and transfer accompanying the Takeover Offer or any replacement or substitute acceptance form provided by or on behalf of SEQ.

Announcement Date means 30 October 2024.

Approved means, in the context of the Scheme Booklet, approved by the Court for the purposes of section 411(1) of the Corporations Act.

ASIC means the Australian Securities and Investments Commission.

Associate has the meaning given to that term in the Corporations Act.

ASX means ASX Limited ABN 98 008 624 691 or, as the context requires, the financial market operated by it.

ASX Listing Rules means the official listing rules of the ASX.

ASX Settlement Operating Rules means the operating rules of the ASX Settlement Pty Limited as amended and replaced from time to time.

ASX Settlement Participant means a participant under the ASX Settlement Operating Rules.

Bidder's Statement means the Bidder's Statement dated 6 November 2024 given by SEQ to Eumundi on 11 November 2024 in accordance with the provisions of Part 6.5 of the Corporations Act.

Bottle Shop Leases means the leases by a member of the Eumundi Group (as lessee) of the following real property:

- (a) part of the floor shown as Shop 52A of the building erected on Lot 2 on RP 180082 Title Reference 50672059, leased from Tsuen Fung Holdings Pty Ltd ACN 106 616 031 trustee under instrument 710767391; and
- (b) part of the ground floor of the building erected on Lot 4 on RP 846051 Title Reference 18451054, leased from KGS Holdings Pty Ltd ACN 122 839 212.

Broker means a person who is a share broker and a participant in CHES.

Business Day means a day on which banks are open for business in Brisbane, Australia but not a Saturday, Sunday or public holiday.

CGT means Australian capital gains tax.

Change of Control Contracts has the meaning set out in section 8.7 of this Target's Statement.

CHES means the Clearing House Electronic Sub-registry System operated by the ASX which provides for the electronic transfer, settlement and registration of securities.

CHES Holding means a holding of Eumundi Shares on the CHES Sub-register of Eumundi.

CHES Sub-register has the meaning given in the ASX Settlement Operating Rules.

Closing Date means 7.00pm (Sydney time) on 4 March 2025 (unless extended or withdrawn).

Competing Proposal means any expression of interest, offer, proposal, agreement, arrangement or transaction, whether existing before, on or after the date of the Implementation Deed which, if entered into or completed substantially in accordance with its terms, could mean that a person other

than Eumundi, SEQ or their respective Related Bodies Corporate (either alone or together with an Associate) would:

- (a) directly or indirectly acquire a Relevant Interest in, or having a right to acquire, a legal, beneficial or economic interest (including by way of an equity swap, contract for difference or similar transaction or arrangement) in, or control of, 10% or more of the Eumundi Shares or any material Subsidiary of Eumundi;
- (b) acquire Control of Eumundi or any Subsidiary of Eumundi;
- (c) directly or indirectly acquire or become the holder of, or otherwise acquire or having a right to acquire, a legal, beneficial or economic interest in, or control of, all or substantially all or a material part of Eumundi's business or assets or the business or assets of the Eumundi Group;
- (d) otherwise directly or indirectly acquire or merge with Eumundi or any Subsidiary of Eumundi; or
- (e) require Eumundi to abandon, or otherwise fail to proceed with, the Transaction,

whether by way of takeover bid, members' or creditors' scheme of arrangement, shareholder approved acquisition, capital reduction, buy-back, sale or purchase of shares, other securities or assets, assignment of assets and liabilities, incorporated or unincorporated joint venture, dual-listed company (or other synthetic merger), deed of company arrangement, any debt for equity arrangement or other transaction or arrangement. Each successive material modification or variation of any expression of interest, offer, proposal, agreement, arrangement or transaction in relation to a Competing Proposal will constitute a new Competing Proposal.

Conditions means the conditions of the Transaction, being the Takeover Conditions and the Scheme Conditions.

Control has the meaning given in section 50AA of the Corporations Act.

Controlling Participant means the Broker or ASX Settlement Participant who is designated as the controlling participant for shares in a CHESS Holding in accordance with the ASX Settlement Operating Rules.

Corporations Act means the *Corporations Act 2001* (Cth).

Court means the Federal Court of Australia or the Supreme Court of Queensland or such other court of competent jurisdiction under the Corporations Act agreed to in writing by Eumundi and SEQ.

Crown Lease means the lease of Lot 934 (Lease PI) on SP 251794 Title Reference 50942254 between a member of the Eumundi Group (as lessee) and South Bank Corporation ABN 95 927 817 538 (as lessor) for the term commencing 18 August 2014 and expiring on 17 August 2114.

Dividend Reinvestment Plan means the Dividend Reinvestment Plan adopted by Eumundi, the operation of which was suspended by the Eumundi Directors on 30 October 2024, as announced to ASX at that time.

Effective means, when used in relation to the Scheme, the coming into effect of the order of the Court made under section 411(4)(b) in relation to the Scheme, in accordance with section 411(10) of the Corporations Act.

Effective Control means SEQ having a Relevant Interest in at least 50.1% of the Eumundi Shares and the Takeover Offer has been declared unconditional.

End Date means 18 May 2025, being the date that is six months after the date of the Takeover Offer.

Eumundi means Eumundi Group Limited ACN 010 947 476 .

Eumundi Board or **Eumundi Directors** means the board of directors of Eumundi (and each of the directors of Eumundi as the case may be).

Eumundi Group means Eumundi and each of its Related Bodies Corporate.

Eumundi Shareholder or **Shareholder** means a holder of Eumundi Shares.

Eumundi Shares or **Shares** means issued fully paid ordinary shares in the capital of Eumundi.

Fortitudo Group means a group of entities controlled by the SEQ Directors described in section 3.2 of the Bidder's Statement.

Founding Directors means, collectively, Mr Joseph Ganim and Mr Gilbert De Luca.

Government Agency means, whether foreign or domestic:

- (a) a government, whether federal, state, territorial or local or a department, office or minister of a government acting in that capacity; or
- (b) a commission, delegate, instrumentality, agency, board, or other government, semi-government, judicial, administrative, monetary or fiscal body, department, tribunal, entity or authority, whether statutory or not, and includes any self-regulatory organisation established under statute or any stock exchange.

Holder Identification Number has the meaning given to "HIN" in the ASX Settlement Operating Rules.

Implementation Deed means the deed between SEQ and Eumundi dated 30 October 2024 (as amended by a variation deed dated 29 November 2024) which sets out the terms and conditions of the Transaction.

Independent Expert or **BDO** means BDO Corporate Finance Ltd ABN 54 010 185 725.

Independent Expert's Report or **IER** means the report prepared by the Independent Expert which is attached to this Target's Statement as Attachment 1.

Interim Dividend means an interim dividend that the Eumundi Directors may declare to Eumundi Shareholders who hold Eumundi Shares as at the Interim Dividend Record Date on the terms, manner and conditions set out in the Implementation Deed.

Interim Dividend Payment Date means the earliest of:

- (a) 31 March 2025;
- (b) the date which is 10 Business Days after the Takeover Offer has become or is declared unconditional; and
- (c) the date on which the Scheme becomes Effective.

Interim Dividend Record Date means the record date in respect of the Interim Dividend as determined in accordance with the ASX Listing Rules.

Issuer Sponsored Holding means a holding of Eumundi Shares on the Issuer Sponsored Sub-register of Eumundi.

Issuer Sponsored Sub-register has the meaning given in the ASX Settlement Operating Rules.

Material Event has the meaning set out in Schedule 2 (section 2) of the Implementation Deed and section 9.7(c) of the Bidder's Statement.

Minimum Acceptance Condition means the Takeover Condition which requires that SEQ obtain a Relevant Interest in 90% of Eumundi Shares under the Takeover Offer.

Notice has the meaning given to that term in section 2.4 of this Target's Statement.

Offer Price means the sum of \$1.55 per Eumundi Share.

OLGR means the Office of Liquor and Gaming Regulation.

OLGR Approvals means any approval, consent, authorisation, registration, filing, lodgement, permit, agreement, notarisation, certificate, permission, licence, direction, declaration, authority, waiver, modification or exemption from, by or with the OLGR as are necessary or desirable in relation to any director or directors who SEQ proposes to be appointed to the board of the relevant member of the Eumundi Group which holds a licence or authority from, or issued by, the OLGR.

Participant has the meaning given in the ASX Settlement Operating Rules.

Prescribed Occurrence has the meaning set out in Schedule 2 (section 1) of the Implementation Deed and section 9.7(b) of the Bidder's Statement.

Recommendation means the unanimous recommendation of the Eumundi Directors to:

- (a) accept the Takeover Offer in the absence of a Superior Proposal and subject to the Independent Expert concluding (and continuing to conclude) that the Takeover Offer is 'fair and reasonable'; and
- (b) vote in favour of the Scheme in the absence of a Superior Proposal and subject to the Independent Expert concluding (and continuing to conclude) that the Scheme is in the '*best interests*' of Eumundi Shareholders.

Register Date means 7:00pm (Sydney time) on 11 November 2024, being the date set by SEQ under section 633(2) of the Corporations Act.

Regulatory Approvals means approval, consent, authorisation, registration, filing, lodgement, permit, agreement, notarisation, certificate, permission, licence, direction, declaration, authority, waiver, modification or exemption from, by or with a Government Agency which is necessary or desirable to:

- (a) implement the Scheme and the Takeover Offer or any aspect of them; and
- (b) permit each member of the Eumundi Group to be in material compliance with each of its permits, licences, contracts and other agreements,

provided that, for the avoidance of doubt, SEQ acknowledges that any OLGR Approvals will not be granted, given, made or obtained unconditionally (or on the basis of conditions that impose only non-material requirements incidental to the Regulatory Approval), prior to the end of the Takeover Offer Period.

Related Body Corporate has the meaning given in the Corporations Act.

Relevant Interest has the meaning given to that term in sections 608 and 609 of the Corporations Act.

Requisite Majorities means the requisite majority of Eumundi Shareholders under subparagraph 411(4)(a)(ii)(B) of the Corporations Act, meaning more than 50% in number present and voting and at least 75% of votes cast.

Scheme or **Scheme of Arrangement** means a scheme of arrangement under Part 5.1 of the Corporations Act between Eumundi and the Eumundi Shareholders which, if effective, will result in SEQ acquiring all the Eumundi Shares at the Offer Price.

Scheme Booklet means the Scheme Booklet to be prepared by Eumundi pursuant to section 412 of the Corporations Act in respect of the Scheme.

Scheme Conditions means the conditions applicable to the Scheme.

Scheme Meeting means the meeting of Eumundi Shareholders to be convened, subject to an order from the Court, pursuant to section 411(1) of the Corporations Act to consider and, if thought fit, to approve the Scheme and includes any meeting convened following any adjournment or postponement of that meeting.

Scheme Resolution means the resolution relating to approval of the Scheme to be voted on Eumundi Shareholders at the Scheme Meeting.

Securityholder Reference Number has the same meaning as in the ASX Settlement Operating Rules.

SEQ means SEQ Hospitality Group Pty Ltd ACN 681 115 471.

SEQ Board or **SEQ Directors** means the board of directors of SEQ (and each of the directors of SEQ as the case may be).

SEQ Holdings means SEQ Hospitality Group Holdings Pty Ltd ACN 681 097 861.

Share Register means the register of holders of Eumundi Shares.

Share Registry or **Computershare** means Computershare Investor Services Pty Limited.

Subsidiary has the meaning given in Division 6 of Part 1.2 of the Corporations Act.

Superior Proposal means a bona fide Competing Proposal received by Eumundi from a person other than Eumundi, SEQ or their respective Related Bodies Corporate which:

- (a) is not the result of a breach by Eumundi of any of its obligations under clause 11 of the Implementation Deed; and
- (b) the Eumundi Board, acting in good faith, and after receiving written legal advice from its external legal adviser and, if appropriate, its financial adviser, determines:
 - (1) is reasonably capable of being valued and completed; and
 - (2) would be, or would be reasonably likely to be, if completed substantially in accordance with its terms, more favourable to Eumundi Shareholders (as a whole) than the Transaction,

in each case, taking into account all terms and conditions and other aspects of the Competing Proposal and the latest proposal provided by SEQ (including the identity, reputation and financial condition of the person making it and any timing considerations, any conditions precedent or other matters affecting the probability of the Competing Proposal being completed).

Takeover Conditions means the conditions of the Takeover Offer set out in section 2.3 of this Target's Statement and section 9.7 of the Bidder's Statement.

Takeover Offer means the proposed acquisition by SEQ of all Eumundi Shares at the Offer Price by way of an off-market takeover bid.

Takeover Offer Period means the period during which the Takeover Offer is open for acceptance as described in section 9.2 of the Bidder's Statement.

Takeovers Panel means the Takeovers Panel constituted under the Corporations Act.

Target's Statement means this document.

Taylor Collison means Taylor Collison Limited ABN 53 008 172 450, in its capacity as financial advisor to Eumundi in relation to the Transaction.

Trading Days has the meaning given in the ASX Listing Rules.

Transaction means the proposed acquisition by SEQ of all Eumundi Shares by way of both the Takeover Offer and the Scheme, to be implemented in the alternative under a dual and concurrent process.

Transaction Consideration means the consideration payable to Eumundi Shareholders pursuant to the Transaction, being a cash payment equivalent to the Offer Price for each Eumundi Share held.

Voting Power has the meaning given to that term in section 610 of the Corporations Act.

VWAP means volume weighted average price.

11.2 In this Target's Statement, unless the contrary intention appears:

- (a) the singular includes the plural and vice versa;
- (b) the masculine gender includes the feminine and (where a corporation is or may be concerned) the neuter;
- (c) words and expressions defined in the Corporations Act have the same meanings;
- (d) headings are for ease of reference only and do not affect the meaning or interpretation;
- (e) all currency and dollar amounts are denominated in Australian dollars unless noted otherwise;
- (f) a reference to legislation or to a provision of legislation includes any modification or re-enactment of it, any legislative provision substituted for it and any regulations and statutory instruments issued under it;
- (g) if a word or phrase is defined, its other grammatical forms have a corresponding meaning; and
- (h) a reference to time is a reference to Brisbane, Queensland unless otherwise stated.

Dated 29 November 2024

Signed for and on behalf of Eumundi Group Limited ACN 010 947 476 by Joseph Michael Ganim, who is authorised so to sign pursuant to a resolution passed at a meeting of the Eumundi Directors.

A handwritten signature in black ink, appearing to read 'J. Michael Ganim', with a stylized flourish at the end.

Joseph Michael Ganim
Non-Executive Chair

ATTACHMENT 1 - INDEPENDENT EXPERT'S REPORT

Eumundi Group Limited

Independent Expert's Report

29 November 2024

FINANCIAL SERVICES GUIDE

Dated: 29 November 2024

The Financial Services Guide ('FSG') is provided to comply with the legal requirements imposed by the Corporations Act 2001 and includes important information regarding the general financial product advice contained in this report ('this Report'). The FSG also includes general information about BDO Corporate Finance Ltd ABN 54 010 185 725, Australian Financial Services Licence No. 245513 ('BDOCF' or 'we', 'us' or 'our'), including the financial services we are authorised to provide, our remuneration and our dispute resolution.

BDOCF holds an Australian Financial Services Licence to provide the following services:

- a) Financial product advice in relation to deposit and payment products (limited to basic deposit products and deposit products other than basic deposit products), securities, and interests in managed investment schemes excluding investor directed portfolio services;
- b) Arranging to deal in financial products in relation to securities; and
- c) Applying for, acquiring, varying or disposing of a financial product in relation to interests in managed investment schemes excluding investor directed portfolio services, and securities.

General Financial Product Advice

This Report sets out what is described as general financial product advice. This Report does not consider personal objectives, individual financial position or needs and therefore does not represent personal financial product advice. Consequently, any person using this Report must consider their own objectives, financial situation and needs. They may wish to obtain professional advice to assist in this assessment.

The Assignment

BDOCF has been engaged to provide general financial product advice in the form of a report in relation to a financial product. Specifically, BDOCF has been engaged to provide an independent expert's report to the shareholders of Eumundi Group Limited ('Eumundi' or 'the Company') in relation to the takeover bid made by SEQ Hospitality Group Pty Ltd ('SEQ') for all the ordinary shares in Eumundi ('the Offer').

Further details of the Offer are set out in Section 4. The scope of this Report is set out in detail in Section 3.3. This Report provides an opinion on whether or not the Offer is 'fair and reasonable' to the shareholders of Eumundi ('the Shareholders') and has been prepared to provide information to the Shareholders to assist them to make an informed decision on whether to accept or reject the Offer. Other important information relating to this Report is set out in more detail in Section 3.

This Report cannot be relied upon for any purpose other than the purpose mentioned above and cannot be relied upon by any person or entity other than those mentioned above, unless we have provided our express consent in writing to do so. A shareholder's decision to accept or reject the Offer is likely to be influenced by their particular circumstances, for example, their taxation considerations and risk profile. Each shareholder should obtain their own professional advice in relation to their own circumstances.

Fees, Commissions and Other Benefits we may Receive

We charge a fee for providing reports. The fees are negotiated with the party who engages us to provide a report. We estimate the fee for the preparation of this Report will be approximately \$150,000 plus GST. Fees are usually charged as a fixed amount or on an hourly basis depending on the terms of the agreement with the engaging party. Our fees for this Report are not contingent on the outcome of the Offer.

Except for the fees referred to above, neither BDOCF, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of this Report.

Directors of BDOCF may receive a share in the profits of BDO Group Holdings Limited, a parent entity of BDOCF. All directors and employees of BDO Group Holdings Limited and its subsidiaries (including BDOCF) are entitled to receive a salary. Where a director of BDOCF is a shareholder of BDO Group Holdings Limited, the person is entitled to share in the profits of BDO Group Holdings Limited.

Associations and relationships

From time to time BDOCF or its related entities may provide professional services to issuers of financial products in the ordinary course of its business. These services may include audit, tax and business advisory services. In the last two years, neither BDOCF nor its related entities have provided any professional services to Eumundi.

The signatories to this Report do not hold any shares in Eumundi and no such shares have ever been held by the signatories.

To prepare our reports, including this Report, we may use researched information provided by research facilities to which we subscribe or which are publicly available. Reference has been made to the sources of information in this Report, where applicable. Research fees are not included in the fee details provided in this Report.

Complaints Resolution

Internal Complaints Resolution Process

We are committed to meeting your needs and maintaining a high level of client satisfaction. If you are unsatisfied with a service we have provided you, we have avenues available to you for the investigation and resolution of any complaint you may have.

To make a formal complaint, please use the Complaints Form. For more on this, including the Complaints Form and contact details, see the [BDO Complaints Policy](#) available on our website.

Referral to External Dispute Resolution Scheme

BDO Corporate Finance is a member of Australian Financial Complaints Authority ('AFCA') (Member Number 10236).

Where you are unsatisfied with the resolution reached through our Internal Dispute Resolution process, you may escalate this complaint to the AFCA using the contact details set out below.

Australian Financial Complaints Authority Limited

Mail: GPO Box 3, Melbourne VIC 3001

Online Address: <http://www.afca.org.au>

Email: info@afca.org

Phone: 1800 931 678

Fax: (03) 9613 6399

Interpreter Service: 131 450

Compensation Arrangements

BDOCF and its related entities hold Professional Indemnity insurance for the purpose of compensating retail clients for loss or damage suffered because of breaches of relevant obligations by BDOCF or its representatives under Chapter 7 of the Corporations Act 2001. These arrangements and the level of cover held by BDOCF satisfy the requirements of section 912B of the Corporations Act 2001.

Contact Details

BDO Corporate Finance Ltd

Location Address:	Postal Address:
Level 10 12 Creek Street BRISBANE QLD 4000	GPO Box 457 BRISBANE QLD 4001
Phone: (07) 3237 5999	Email: cf.brisbane@bdo.com.au
Fax: (07) 3221 9227	

CONTENTS

Financial Services Guide	i
PART I: ASSESSMENT OF THE OFFER	1
1.0 Introduction	1
2.0 Assessment of the Offer	2
2.1 Basis of evaluation	2
2.2 Assessment of fairness	2
2.3 Assessment of reasonableness	4
2.4 Opinion	7
3.0 Important Information	8
3.1 Read this Report, and other documentation, in full	8
3.2 Shareholders' individual circumstances	8
3.3 Scope	8
3.4 Purpose of this Report	9
3.5 Current market conditions	9
3.6 Reliance on information	9
3.7 Glossary	10
3.8 Sources of information	10
3.9 APES 225 Valuation Services	10
3.10 Forecast information	10
3.11 Qualifications	11
PART II: INFORMATION SUPPORTING OUR OPINION ON THE OFFER	12
4.0 Overview of the Offer	12
4.1 Summary of the Offer	12
4.2 Description of the key parties involved in the Offer	12
4.3 SEQ's Intentions in relation to Eumundi	13
4.4 Key conditions of the Offer	14
4.5 Strategic rationale for the Offer	14
5.0 Background of Eumundi	16
5.1 Background	16
5.2 Properties held by Eumundi	16
5.3 Corporate structure of Eumundi	18
5.4 Equity structure of Eumundi	18
5.5 Share trading data of Eumundi	19
5.6 Historical financial information of Eumundi	22
6.0 Industry Overview	27
6.1 Property sector	27
6.2 Shopping centres	30
6.3 Hotels, pubs and hospitality	32
6.4 Gambling sector	34
7.0 Common Valuation Methodologies	36
7.1 Overview	36
7.2 Basis of value	36
7.3 Income approach	36
7.4 Market approach	36
7.5 Cost based method	37
8.0 Valuation of Eumundi	38
8.1 Our Valuation Approach for Eumundi	38
8.2 Summation method overview	38
8.3 Valuation of Ashmore Tavern	39
8.4 Valuation of Aspley Central Tavern	42
8.5 Valuation of Eumundi's freehold and long-term leasehold assets	45
8.6 Valuation of Eumundi's remaining assets and liabilities	47

8.7	Adopted per share value using summation method	49
8.8	Share transactions	49
8.9	Guideline comparable method	51
8.10	Conclusion on the value of Eumundi Shares	52
Appendix A:	Glossary	53
Appendix B:	Adopted Capitalisation rates	55
Appendix C:	Market Evidence A-REITs	59
Appendix D:	Gaming Authorities	60
Appendix E:	Comparable Transactions A-REITs	61

PART I: ASSESSMENT OF THE OFFER

The Shareholders
C/- The Directors
Eumundi Group Limited
c/- HopgoodGanim Lawyers
Level 8, 1 Eagle Street
Brisbane, Qld, Australia, 4000

29 November 2024

Dear Shareholders,

1.0 Introduction

BDO Corporate Finance Ltd ('BDOCF', 'we', 'us' or 'our') has been engaged to provide an independent expert's report ('this Report') to the shareholders ('the Shareholders') of Eumundi Group Limited ('Eumundi' or 'the Company') in relation to the off-market takeover bid made by SEQ Hospitality Group Pty Ltd ('SEQ') for all the ordinary shares in Eumundi ('the Offer').

Under the Offer, SEQ proposes to acquire all the outstanding ordinary shares of Eumundi for \$1.55 cash per share.

A more detailed description of the Offer is set out in Section 4. For completeness, we note that under a dual and concurrent process, a proposed scheme of arrangement ('the Scheme') is being progressed in conjunction with the Offer. If there is not acceptances into the Offer of 90% of Eumundi shares (and the other conditions are not satisfied or waived) prior to the Scheme meeting date, then Eumundi shareholders will be asked to approve the Scheme at the Scheme meeting.

In this Report, BDOCF has expressed an opinion as to whether or not the Offer is 'fair and reasonable' to the Shareholders. This Report has been prepared solely for use by the Shareholders to provide them with information relating to the Offer. The scope and purpose of this Report are detailed in Sections 3.3 and 3.4 respectively.

This Report, including Part I, Part II and the appendices, should be read in full along with all other documentation provided to the Shareholders including the Bidder's Statement dated 6 November 2024 prepared by SEQ ('Bidder's Statement') and the Target's Statement dated on or around 29 November 2024 prepared by Eumundi ('the Target's Statement').

2.0 Assessment of the Offer

This section is set out as follows:

- ▶ Section 2.1 sets out the methodology for our assessment of the Offer;
- ▶ Section 2.2 sets out our assessment of the fairness of the Offer;
- ▶ Section 2.3 sets out our assessment of the reasonableness of the Offer; and
- ▶ Section 2.4 provides our assessment of whether the Offer is fair and reasonable to the Shareholders.

2.1 Basis of evaluation

The Australian Securities and Investments Commission ('ASIC') have issued Regulatory Guide 111: *Content of Expert Reports* ('RG 111'), which provides guidance in relation to independent expert's reports. RG 111 relates to the provision of independent expert's reports in a range of circumstances, including those where the expert is required to provide an opinion in relation to a takeover transaction. RG 111 states that the independent expert's report should explain the particulars of how the transaction was examined and evaluated as well as the results of the examination and evaluation.

The Offer involves SEQ potentially acquiring up to 100% of the issued share capital in Eumundi which represents a controlling interest. RG 111 specifically differentiates between control and non-control transactions in providing guidance on the type of analysis to complete. RG 111 suggests that where the transaction is a control transaction the expert should focus on the substance of the control transaction rather than the legal mechanism to affect it. In our opinion the Offer is a control transaction as defined by RG 111 and we have assessed the Offer by considering whether, in our opinion, it is fair and reasonable to the Shareholders.

Under RG 111, an offer will be considered 'fair' if the value of the consideration to be received by the shareholders is equal to or greater than the value of the shares that are the subject of the offer. To assess whether an offer is 'reasonable', an expert should examine other significant factors to which shareholders may give consideration prior to accepting or approving the offer. This includes comparing the likely advantages and disadvantages if the offer is accepted with the position of the shareholders if the offer is not accepted.

RG 111 states that an offer is reasonable if it is fair. It might also be reasonable if, despite being 'not fair', the expert believes that there are sufficient reasons for security holders to accept an offer in the absence of a higher bid. Our assessment concludes by providing our opinion as to whether or not the Offer is 'fair and reasonable'. While all relevant issues need to be considered before drawing an overall conclusion, we will assess the fairness and reasonableness issues separately for clarity.

We have assessed the fairness and reasonableness of the Offer in Sections 2.2 and 2.3 below and provided an opinion on whether the Offer is 'fair and reasonable' to the Shareholders in Section 2.4 below.

2.2 Assessment of fairness

2.2.1 Basis of assessment

RG 111 states that a transaction is fair if the value of the offer price or consideration is greater than the value of the securities subject to the offer. This comparison should be made assuming a knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm's length. When considering the value of the securities subject to an offer in a control transaction the expert should consider this value inclusive of a control premium and assume a 100% ownership interest.

In our view, it is appropriate to assess the fairness of the Offer to the Shareholders as follows:

- a) Determine the value of a Eumundi share on a controlling interest basis prior to the Offer; and
- b) Compare the value determined in a) above with the value of the consideration to be received by the Shareholders for each Eumundi share under the Offer.

In accordance with the requirements of RG 111, the Offer can be considered 'fair' to the Shareholders if the consideration offered per ordinary share is equal to or greater than the value determined in a) above.

2.2.2 Value of a Eumundi Share prior to the offer on a controlling interest basis

In our view, for the purposes of the analysis set out in this Report, it is appropriate to adopt a value in the range of \$1.502 to \$1.698 per Eumundi share on a controlling interest basis.

Our valuation range was based on a summation valuation methodology. This methodology is commonly used for entities where value is primarily derived from individual assets. Under this approach, we have separately valued each of Eumundi's assets, including its property holdings, on a market value basis, then aggregated the amounts to determine the total entity value. From this, liabilities and other relevant adjustments are deducted to derive an equity value.¹ Our summation method is set out in Sections 8.2 to 8.7 of this Report.

We have cross-checked our valuation range against Eumundi share transactions (refer Section 8.8) along with key metrics from comparable property and hospitality companies (refer Section 8.9).

Our conclusion on the value of a Eumundi ordinary share on a controlling interest basis is set out in Section 8.10.

2.2.3 Value of the Offer consideration

Eumundi shareholders have been offered a cash payment of \$1.55 per share for each share they hold in Eumundi ('the Cash Consideration').

For the purpose of this Report we have adopted the face value of \$1.55 as the value for the Cash Consideration.

2.2.4 Assessment of the fairness of the Offer

In order to assess the fairness of the Offer, it is appropriate to compare the value of a Eumundi share on a controlling interest basis with the Cash Consideration. Pursuant to RG 111, the Offer is considered fair if the value of the consideration is equal to or greater than the value of the securities subject to the Offer (i.e. the value per Eumundi share).

Table 2.1 below summarises our assessment of the fairness of the Offer.

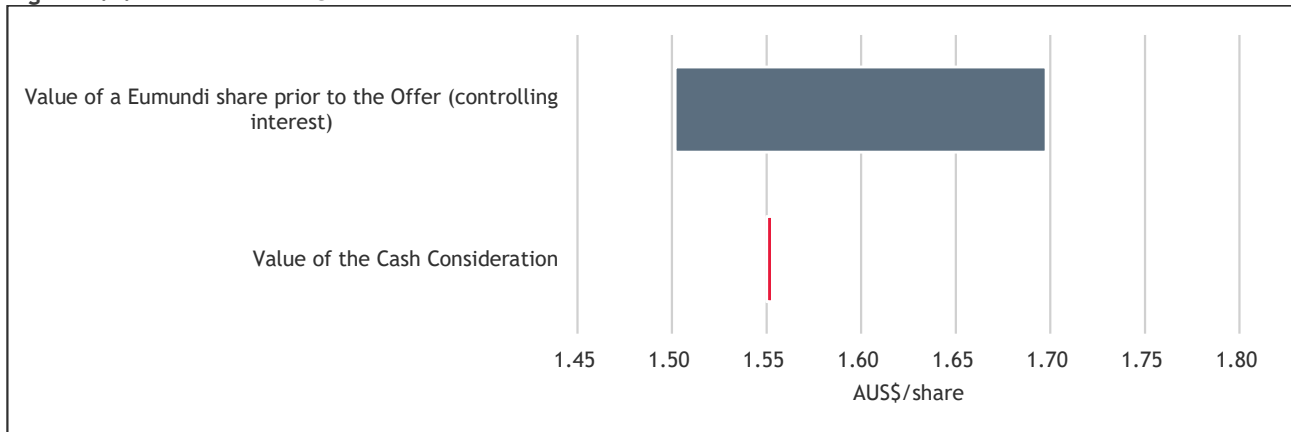
Table 2.1: Assessment of the fairness of the offer

	Low	High
Value of a Eumundi share prior to the Offer (controlling interest)	\$1.502	\$1.698
Value of the Cash Consideration	\$1.55	\$1.55

Source: BDOCF analysis

Figure 2.1 summarises our assessment of the fairness of the Offer, setting out a graphical comparison of our valuation of a Eumundi share prior to the Offer on a controlling interest basis and the cash consideration offered to the Shareholders under the Offer.

Figure 2.1: Fairness of the Offer



Source: BDOCF analysis

With reference to Table 2.1 and Figure 2.1, we note that the Cash Consideration of \$1.55 per Eumundi Share is in the range of the value of a Eumundi share prior to the Offer on a controlling interest basis, albeit towards the lower end.

After considering the information summarised above and set out in detail in the balance of this Report, it is our view that, in the absence of any other information or a superior proposal, the Offer is **Fair** to the Shareholders as at the date of this Report.

¹ In conjunction with the Offer, SEQ have also permitted Eumundi to pay an interim dividend of up to 2.4c per Eumundi share without affecting the \$1.55 of Cash Consideration under SEQ's offer. We have assumed this interim dividend will be paid (by reducing equity value for the full cash amount) and SEQ will not get the benefit of this cash when acquiring Eumundi.

2.3 Assessment of reasonableness

2.3.1 Basis of assessment

Under RG 111, an offer is considered reasonable if it is fair. It may also be reasonable, despite not being fair, if after considering other significant factors the interests of the shareholders are reasonably balanced.

In addition to our fairness assessment set out in Section 2.2 above, to assess whether the Offer is ‘reasonable’ we consider it appropriate to examine other significant factors to which the Shareholders may give consideration prior to forming a view on whether to accept or reject the Offer. This includes comparing the likely advantages and disadvantages of accepting the Offer with the position of a Shareholder if the Offer is not accepted, as well as a consideration of other significant factors.

Our assessment of the reasonableness of the Offer is set out as follows:

- ▶ Section 2.3.2 sets out the advantages of the Offer to the Shareholders;
- ▶ Section 2.3.3 sets out the disadvantages of the Offer to the Shareholders;
- ▶ Section 2.3.4 sets out discussion of other considerations relevant to the Offer;
- ▶ Section 2.3.5 sets out the position of the Shareholders if the Offer is not accepted; and
- ▶ Section 2.3.6 provides our opinion on the reasonableness of the Offer to the Shareholders.

2.3.2 Advantages of the Offer

Table 2.2 below outlines the potential advantages to the Shareholders of accepting the Offer.

Table 2.2: Potential advantages of the Offer

Advantage	Explanation
The Offer is fair	For the reasons summarised in Section 2.2.4 above, the Offer is ‘fair’ to the Shareholders at the date of this Report.
The current transaction price is known	<p>If the Offer is accepted, the Shareholders have certainty that they will receive \$1.55 for each Eumundi share held. These Shareholders will no longer be exposed to the ongoing risks associated with holding shares in Eumundi.</p> <p>Shareholders on the share register as at the interim dividend record date will also benefit from receipt of an interim dividend of up to 2.4 cents per Eumundi share. If declared, payment of the interim dividend by Eumundi will not reduce the transaction consideration payable by SEQ. The interim dividend is discussed further in section 8.4 of the Target’s Statement.</p> <p>While the value of the Cash Consideration under the Offer is certain, we note that it may be possible, assuming sufficient liquidity, for the Shareholders to sell their shares on the Australian Stock Exchange (‘ASX’) for a price that is above, or broadly in line with, the Cash Consideration. By way of example, we note that following announcement of the Offer, shares in Eumundi traded as high as \$1.66 in the period up to 22 November 2024.</p>
The Cash Consideration is at a premium to the price that Eumundi shares have traded on the ASX prior to the Announcement Date	<p>The Transaction Implementation Deed (‘TID’) was announced on 30 October 2024 (‘the Announcement Date’).</p> <p>As outlined in Table 5.7, ASX trading of Eumundi shares prior to the Announcement Date was at VWAPs in the range of \$1.168 (3 months VWAP prior to the Announcement Date) to \$1.304 (6-month VWAP prior to the Announcement Date).</p> <p>The Cash Consideration of \$1.55 per share is at a premium to the price that Eumundi shares traded on the ASX prior to the Announcement Date.</p>
Liquidity event to monetise your investment in Eumundi	<p>The Offer provides a liquidity event for shareholders to monetise their investment in Eumundi. Eumundi has a tightly held share structure, as outlined in Table 5.5, with 94.9% of shares concentrated among just 8% of shareholders (37 out of 460). Additionally, as outlined in Table 5.8, over the 12 months to 29 October 2024, monthly trading volumes exceeded 100,000 shares in only four months, highlighting the illiquidity of Eumundi’s shares and the difficulty shareholders face in realising the value of their investments through the open market.</p> <p>Additionally, while the summation valuation methodology we have applied reflects the combined theoretical worth of Eumundi’s property assets, practical limitations (e.g. transaction costs, market uncertainties, and the complexities of the asset sales/winding-up process) may mean the net value realised could materially differ to that estimated in this Report.</p> <p>The Offer provides a rare opportunity for shareholders to monetise their holdings at a premium to recent market prices, bypassing the constraints of low trading volumes and market depth, or alternative sales processes for asset realisation. For larger shareholders, in particular, the transaction allows for the realisation of value without the risk of depressing the share price through large-scale disposals.</p>

Source: BDOCF analysis

2.3.3 Disadvantages of the Offer

Table 2.3 below outlines the potential disadvantages to the Shareholders of accepting the Offer.

Table 2.3: Potential disadvantages of the Offer

Disadvantage	Explanation
No exposure to any future offers	If the Offer is accepted in full and becomes unconditional, the Shareholders will no longer be able to benefit from any future superior offer. For completeness, we note if SEQ improves the consideration offered under the Offer, all Shareholders who have accepted the Offer will be entitled to the benefit of that improved consideration (whether they accepted the Offer before or after the consideration is improved).
No exposure to any potential future value of Eumundi	If the Offer is accepted and becomes unconditional, the Shareholders will receive the \$1.55 cash consideration for each share owned, and no longer hold any shares in the Company. Accordingly, the Shareholders will have no exposure to any potential upside in the value of the Company going forward.
The Offer is subject to conditions	The Offer is subject to a number of conditions including a minimum acceptance condition of 90%, a no regulated events or prescribed occurrences condition, and a no restraints condition (these conditions are defined in Section 9.7 of the Bidder's Statement). As a result, there is a risk that the Offer is accepted but does not complete. Prior to accepting the Offer, Shareholders should consider their ability to withdraw their acceptance (discussed further in Section 2.3.4 below).

Source: BDOCF analysis

2.3.4 Other considerations

Minimum acceptance condition

The Offer has a minimum acceptance condition under which SEQ must obtain a relevant interest in Eumundi of at least 90% (by number) of all Eumundi shares. If SEQ acquires at least 90%, there are implications for remaining Eumundi shareholders and Shareholders should understand SEQ's intentions, which are to:

- ▶ Compulsorily acquire any outstanding Eumundi shares;
- ▶ Remove Eumundi from the official list of ASX;
- ▶ Conduct an operational and strategic review of Eumundi;
- ▶ Integrate the Eumundi business with its existing business to eliminate duplication and reduce costs; and
- ▶ Replace all the Eumundi board members.

If SEQ acquires less than 90% but more than 50.1% of Eumundi shares, SEQ may waive the 90% minimum acceptance condition and become a controlling entity of Eumundi. Under this circumstance, SEQ intends to:

- ▶ Conduct an operational and strategic review of Eumundi;
- ▶ Seek to have Eumundi removed from the official list of ASX;
- ▶ Appoint its nominees to the Eumundi board and seek to establish a majority of the board; and
- ▶ Seek compulsory acquisition if possible.

If SEQ acquires less than 50% of Eumundi shares, SEQ may waive the 90% minimum acceptance condition and intend to:

- ▶ Seek representation on the Eumundi board; and
- ▶ Use its best endeavours to encourage the Eumundi board to give effect to its intentions, as if SEQ had a controlling interest.

Shareholders should refer to Section 6 of the Bidder's Statement for more details on SEQ's intentions. We have also set out a more detailed summary in Section 4.3 of this Report.

Uncertainty in relation to the timing of receipt of Cash Consideration

As set out in the Bidder's Statement, once the Offer becomes unconditional, Eumundi shareholders that accept the Offer will receive the Cash Consideration by the earlier of:

- ▶ 1 month after the Offer is validly accepted by the shareholder, or if the Offer is still subject to a condition when accepted, 1 month after the Offer becomes unconditional (whichever is the later); and
- ▶ 21 business days after the end of the Offer period.

Shareholders that accept the Offer should be aware that they will be unable to revoke their acceptance. The contract resulting from acceptance will be binding, meaning Shareholders will be unable to withdraw their Eumundi shares from the Offer or otherwise dispose of their Eumundi shares, except as follows:

- ▶ If, at the end of the Offer period, the conditions in Section 9.7 of the Bidder's Statement have not all been satisfied or waived, the Offer will automatically terminate, and Shareholders will have their Eumundi shares returned to them; or
- ▶ If the Offer period is extended for more than 1 month and the obligations of SEQ to pay the consideration are postponed for more than 1 month and, at the time, the Offer is subject to 1 or more of the conditions in Section 9.7 of the Bidder's Statement, Shareholders may be able to withdraw their acceptance and their Eumundi shares in accordance with section 650E of the Corporations Act. A notice will be sent to Shareholders at the time explaining their rights in this regard.

In practical terms, the above matters mean that in forming a view on whether to accept or reject the Offer, Shareholders should also take into account the period of time before they may receive the Cash Consideration and the restrictions on transacting in Eumundi shares following acceptance but prior to the Cash Consideration being received.

In our view, the uncertainty in the timing of the receipt of the Cash Consideration increases the risk of the Offer to Eumundi shareholders. We understand that the Offer period commenced on 18 November 2024 and will close at 7:00pm (Sydney time) on 4 March 2025, unless extended or withdrawn.

Tax considerations

If the Offer is accepted, the Shareholders will be treated as having disposed of their shares for tax purposes. A gain or loss on disposal may arise depending on the cost base of each individual Shareholder's shares, the length of time held, whether the shares are held on capital or revenue account and whether or not the Shareholder is an Australian resident for tax purposes.

Details of the taxation consequence are set out in Section 7 of the Bidder's Statement. As we have not considered the specific taxation implications that may be relevant for individual shareholders in connection with the Offer, Shareholders should consult their own advisor in relation to the taxation consequences of the Offer.

2.3.5 Position of the Shareholders if the Offer is not accepted

Table 2.4 below outlines the potential position of the individual Eumundi shareholders if the Offer is not accepted, or the conditions for the Offer are not met.

Table 2.4: Position of the Shareholders who do not accept the Offer, or if the conditions are not met

Position of Shareholders	Explanation
Continued shareholding in Eumundi	<p>If the Offer is not accepted or the Offer does not proceed, the Shareholders will continue to hold shares in Eumundi. The Shareholders will continue to be exposed to the risks and opportunities associated with ownership of Eumundi shares. We specifically note:</p> <ul style="list-style-type: none"> ▶ Eumundi's share price movements have remained within a \$0.35 range over the nearly three-year period prior to the Announcement. As outlined in Figure 5.3, in the period before the Announcement Date, the daily VWAP displays a period low of \$1.00 on 23 March 2022 and a period high of \$1.35 on 28 May 2024, showing a spread of \$0.35; ▶ Eumundi has consistently paid dividends over the past three years. We note that Eumundi has paid 7.0 cents annual dividends (3.5 cents interim dividends and 3.5 cents final dividends) from FY22 to FY24, implying a dividend yield of 5.6% on the 1-week VWAP (\$1.257) prior to the Announcement Date. In September 2024, the Company increased dividends by 0.25 cents relative to last year to 3.75 cents, meaning the dividend yield over the last 12 months is 5.8%. Notwithstanding historical track record, there is also no guarantee that dividends will be paid to shareholders as they have been in the past (e.g. if SEQ obtain a material relevant interest in Eumundi and change the dividend policy); ▶ Shareholders are exposed to business operation risks; ▶ Eumundi's dividend reinvestment plan has a strong uptake and results in shares being issued at a discount to the net asset value per share. Any shareholder not participating will be subject to increasing levels of dilution over time; and ▶ Eumundi has a tightly held share register and the share trading is not particularly liquid. For example, approximately 94.9% of Eumundi shares are held by the shareholders within a share parcel in excess of 100,000 shares (refer to Table 5.5). In the 12 months to 29 October 2024, the monthly volume of shares traded exceeded 100,000 shares in only four months (refer to Table 5.8). There may be limited opportunities for shareholders with larger parcels of shares to realise any value for their shares in the absence of the Offer.

Position of Shareholders	Explanation
Share trading prices may be materially different to recent share trading prices and the shares in Eumundi may trade at prices that are lower than the value of the Cash Consideration	<p>If Shareholders do not accept the Offer, and once the Offer lapses, the price of Eumundi shares may decrease relative to trading prices prior to the Announcement Date and the decrease may be material.</p> <p>As outlined in Table 5.7, ASX trading of Eumundi shares prior to the Announcement Date was at VWAPs in the range of \$1.168 (3-month VWAP prior to the Announcement Date) to \$1.304 (6-month VWAP prior to the Announcement Date).</p> <p>The shares in Eumundi have been valued in this Report on a controlling interest basis to assess the Offer. If the Offer is not accepted, the Scheme is not implemented and no superior proposal emerges, the trading price of shares in Eumundi may reflect the value of Eumundi on a minority interest basis.</p> <p>It is possible that shares in Eumundi will trade at a price that is materially lower than the value of the Cash Consideration if the Offer is not accepted, the Scheme is not implemented and no superior proposal emerges.</p>
Change in liquidity	<p>If SEQ obtains a relevant interest in at least 90% of Eumundi shares, then the 'free float' of shares available to trade on the ASX will be reduced. This may have the effect of reducing liquidity of Eumundi shares on the ASX and make it more difficult for a Eumundi shareholder to efficiently exit their investment.</p> <p>If SEQ does not achieve compulsory acquisition at the end of the Offer period but elects to waive the minimum acceptance condition, subject to meeting the eligibility requirements of the listing rules, SEQ will seek to have Eumundi removed from the official list of the ASX. Should a delisting occur, Shareholder's in Eumundi as an unlisted company may experience greater difficulty in selling their shares at market price levels or at all.</p>
Compulsory acquisition	<p>If SEQ obtains a relevant interest in at least 90% of Eumundi shares, then it will be entitled, in certain circumstances, to acquire the remaining Eumundi shares not already held. SEQ have indicated in Section 6 of the Bidder's Statement that it intends to proceed with compulsory acquisition in this circumstance.</p>
Prospect of a superior proposal or alternative transaction	<p>As set out in section 6.8 of the Target's Statement, Eumundi appointed Savills (QLD) Pty Ltd to introduce potential buyers to Eumundi of the operations of Eumundi. At the time of entering into the TID, the Eumundi Directors' considered the Offer from SEQ to be the best offer available. As set out in section 8.3 of the Target's Statement, the TID contains no shop, no talk and no due diligence restrictions on Eumundi during the exclusivity period (to the extent that complying with these restrictions does not involve a breach of the Eumundi Directors' fiduciary duties).</p> <p>It is possible that Eumundi may receive an alternative offer that is superior to the Offer. However, as at the date of this Report, the Directors have not received a proposal superior to the Offer.</p>
Non-recoverable costs	<p>Eumundi has incurred costs in relation to the Offer irrespective of whether the Offer is implemented. Eumundi will not be able to recover costs that it has incurred in relation to the Offer in the event that the Offer is not accepted and/ or implemented.</p>

Source: BDOCF analysis

2.3.6 Assessment of the reasonableness of the Offer

In our opinion, after considering all of the issues set out in this Report, it is our view that, in the absence of any other information or a superior proposal, the Offer is **Reasonable** to the Shareholders as at the date of this Report.

2.4 Opinion

After considering the above assessments, it is our view that, in the absence of any other information or a superior proposal, the Offer is **Fair and Reasonable** as at the date of this Report.

Before forming a view on whether to accept or reject the Offer, Shareholders must:

- ▶ Have regard to the information set out in the balance of this Report, including the Important Information set out in Section 3;
- ▶ Consult their own professional advisers; and
- ▶ Consider their specific circumstances.

3.0 Important Information

3.1 Read this Report, and other documentation, in full

This Report, including Part I, Part II and the appendices, should be read in full to obtain a comprehensive understanding of the purpose, scope, basis of evaluation, limitations, information relied upon, analysis, and assumptions underpinning our work and our findings.

Other information provided to the Shareholders in conjunction with this Report should also be read in full, including the Bidder's Statement and the Target's Statement.

3.2 Shareholders' individual circumstances

Our analysis has been completed and our conclusions expressed at an aggregate level having regard to the Shareholders as a whole. BDOCF has not considered the impact of the Offer on the particular circumstances of individual Shareholders. Individual Shareholders may place a different emphasis on certain elements of the Offer relative to the emphasis placed in this Report. Accordingly, individual Shareholders may reach different conclusions as to whether or not the Offer is fair and reasonable in their individual circumstances.

The decision of an individual Shareholder to accept or reject the Offer is likely to be influenced by their particular circumstances and accordingly, the Shareholders are advised to consider their own circumstances and seek their own independent advice.

Accepting or rejecting the Offer is a matter for individual Shareholders based on their expectations as to the expected value, future prospects and market conditions together with their particular circumstances, including risk profile, liquidity preference, portfolio strategy and tax position. The Shareholders should carefully consider the Bidder's Statement. Shareholders who are in doubt as to the action they should take in relation to the Offer should consult their professional adviser.

With respect to the taxation implications of the Offer, it is strongly recommended that the Shareholders obtain their own taxation advice, tailored to their own particular circumstances.

3.3 Scope

In this Report we provide our opinion on whether the Offer is fair and reasonable to the Shareholders.

This Report has been prepared at the request of the Directors of Eumundi ('Directors') for the sole benefit of the Shareholders, to assist them in their decision to accept or reject the Offer. This Report is to accompany the Target's Statement to be sent to the Shareholders to consider the Offer and was not prepared for any other purpose. Accordingly, this Report and the information contained herein may not be relied upon by anyone other than the Directors and the Shareholders without our written consent. We accept no responsibility to any person other than the Directors and the Shareholders in relation to this Report.

This Report should not be used for any other purpose and we do not accept any responsibility for its use outside this purpose. Except in accordance with the stated purpose, no extract, quote or copy of this Report, in whole or in part, should be reproduced without our written consent, as to the form and context in which it may appear.

We have consented to the inclusion of this Report with the Target's Statement. Apart from this Report, we are not responsible for the contents of the Target's Statement or any other document associated with the Offer. We acknowledge that this Report may be lodged with regulatory authorities to obtain the relevant approvals prior to it being made available to the Shareholders.

The scope of procedures we have undertaken has been limited to those procedures required in order to form our opinion. Our procedures did not include verification work nor constitute an audit or assurance engagement in accordance with Australian Auditing and Assurance Standards. In preparing this Report we considered a range of matters, including the necessary legal requirements and guidance of the Corporations Act 2001 (Cth) ('the Corporations Act'), the Corporation Regulations 2001 ('the Regulations'), the regulatory guides ('RGs') published by ASIC, the listing requirements of the relevant exchanges (where relevant) and commercial practice.

In conducting our analysis and forming our opinion, we have assumed:

- ▶ The conditions precedent to the Offer are satisfied;
- ▶ All legal matters (such as title to all relevant assets, compliance with laws and regulations and contracts in place) are in good standing, and will remain so, and there are no material legal proceedings, other than as publicly disclosed;
- ▶ All information material to the Shareholders' decision regarding the Offer has been provided and is complete, accurate and fairly presented in all material respects;
- ▶ ASX announcements and other publicly available information we have relied on is accurate, complete and not misleading;
- ▶ If the Offer is accepted, it will be implemented in accordance with the stated terms;
- ▶ The legal mechanism to implement the Offer is correct and effective; and

- ▶ There are no undue changes to the terms and conditions of the Offer or complex issues unknown to us.

A range of other assumptions as outlined in this Report have also been adopted in forming our opinion.

In this Report we have not provided any taxation, legal or other advice of a similar nature in relation to the Offer. Eumundi has engaged other advisors in relation to those matters.

Eumundi has acknowledged that the Company's engagement of BDOCF is as an independent contractor and not in any other capacity, including a fiduciary capacity.

The statements and opinions contained in this Report are given in good faith and are based upon our consideration and assessment of the information provided by the Board, executives and management of all the entities.

3.4 Purpose of this Report

An independent expert, in certain circumstances, must be appointed to meet the requirements set out in the Corporations Act, the Regulations, RGs and in some cases the listing requirements of the relevant exchanges. These requirements have been set out in Sections 3.4.1 and 3.4.2 below.

3.4.1 Requirements of the Corporations Act

SEQ has prepared a Bidder's Statement in accordance with Section 636 of the Corporations Act. Under section 633 item 10 of the Corporations Act, Eumundi is required to prepare a Target's Statement in response to the Bidder's Statement.

Section 640 of the Corporations Act requires the Target's Statement to include an independent expert's report to shareholders if:

- ▶ The bidder's voting power in the target is 30% or more; or
- ▶ The bidder and the target have a common director or directors.

As SEQ holds less than 30% of the shares in Eumundi and the companies do not have any common directors there is no requirement under the Corporations Act for Eumundi to engage an independent expert in relation to the Offer.

Notwithstanding the above, Eumundi has engaged BDOCF to prepare this Report for provision to Eumundi shareholders to assist them in deciding whether to accept or reject the Offer.

3.4.2 Listing requirements

We have been instructed that Eumundi will not be using this Report or our assessment of the Offer for the purpose of complying with the listing requirements of the ASX or any other stock exchange.

3.5 Current market conditions

Our opinion and the analysis set out in this Report is based on economic, market and other conditions prevailing at the date of this Report. Such conditions can change significantly over relatively short periods of time and may have a material impact on the results presented in this Report and result in any valuation or other opinion becoming quickly outdated and in need of revision.

In circumstances where we become aware of and believe that a change in these conditions, prior to the close of the Offer, results in a material statement in this Report becoming misleading, deceptive or resulting in a material change in valuation, we will provide supplementary disclosure to Eumundi. BDOCF is not responsible for updating this Report following the close of the Offer period or in the event that a change in prevailing circumstance does not meet the above conditions.

3.6 Reliance on information

Eumundi recognises and confirms that, in preparing this Report, except to the extent to which it is unreasonable to do so, BDOCF, BDO Services Pty Ltd or any of the partners, directors, agents or associates (together 'BDO Persons'), will be using and relying on publicly available information and on data, material and other information furnished to BDO Persons by Eumundi, its management, and other parties, and may assume and rely upon the accuracy and completeness of, and is not assuming any responsibility for independent verification of, such publicly available information and the other information so furnished.

Unless the information we are provided suggests the contrary, we have assumed that the information provided was reliable, complete and not misleading, and material facts were not withheld. The information provided was evaluated through analysis and inquiry for the purpose of forming an opinion as to whether or not the Offer is fair and reasonable.

We do not warrant that our inquiries have identified or verified all of the matters which an audit, extensive examination or due diligence investigation might disclose. In any event, an opinion as to whether a corporate transaction is fair and reasonable is in the nature of an overall opinion rather than an audit or detailed investigation.

It is understood that the accounting information provided to us was prepared in accordance with generally accepted accounting principles.

Where we relied on the views and judgement of management, the information was evaluated through analysis and inquiry to the extent practical. Where we have relied on publicly available information, we have considered the source of the information and completed our own analysis to assist us to determine the accuracy of the information we have relied on. However, in many cases the information we have relied on is often not capable of external verification or validation and on that basis we provide no opinion or assurance on the information.

The Directors represent and warrant to us for the purpose of this Report, that all information and documents furnished by Eumundi (either by management directly or through its advisors) in connection or for use in the preparation of this Report do not contain any untrue statements of a material fact or omit to state a material fact necessary in order to make the statements therein. We have received representations from the Directors in relation to the completeness and accuracy of the information provided to us for the purpose of this Report.

Under the terms of our engagement, Eumundi has agreed to indemnify BDO Persons against any claim, liability, loss or expense, costs or damage, arising out of reliance on any information or documentation provided, which is false or misleading or omits any material particulars, or arising from failure to supply relevant documentation or information.

3.7 Glossary

Capitalised terms used in this Report have the meanings set out in the glossary. A glossary of terms used throughout this Report is set out in Appendix A.

All dollar ('\$') references in this Report are in Australian dollars unless otherwise stated.

3.8 Sources of information

This Report has been prepared using information obtained from sources including the following:

- ▶ Eumundi annual report for the year ended 30 June 2022, 2023 and 2024;
- ▶ Eumundi management accounts as at 31 October 2024;
- ▶ Eumundi budget for the year ended 30 June 2025;
- ▶ Eumundi historical management accounts for Ashmore Tavern and Aspley Central Tavern for the year ended 2023 and 2024;
- ▶ Valuation reports prepared by independent valuation experts with regards to the properties held by Eumundi as at 30 June 2023 ('the Property Valuation(s)');
- ▶ Operational board reports and board minutes prepared, and other operational items furnished to us by Management for the period 30 June 2022 to present;
- ▶ Eumundi ASX announcements;
- ▶ The Bidder's Statement;
- ▶ Capital IQ;
- ▶ IBISWorld;
- ▶ MergerMarket;
- ▶ Other research publications and publicly available data as sourced throughout this Report;
- ▶ Various transaction documents provided by the Management of Eumundi and their advisors; and
- ▶ Discussions and other correspondence with Eumundi, management and their advisers.

3.9 APES 225 Valuation Services

This assignment is a Valuation Engagement as defined by Accounting Professional & Ethical Standards Board professional standard APES 225 *Valuation Services* ('APES 225'). A Valuation Engagement is defined by APES 225 as 'an Engagement or Assignment to perform a Valuation and provide a Valuation Report where the Valuer is free to employ the Valuation Approaches, Valuation Methods, and Valuation Procedures that a reasonable and informed third party would perform taking into consideration all the specific facts and circumstances of the Engagement or Assignment available to the Valuer at that time.'

This Valuation Engagement has been undertaken in accordance with the requirements set out in APES 225.

3.10 Forecast information

Any forecast financial information referred to in this Report has originated from the Company's management and is adopted by the Directors in order to provide us with a guide to the potential financial performance of Eumundi. There is a considerable degree of subjective judgement involved in preparing forecasts since they relate to event(s) and transaction(s) that have not yet occurred and may not occur. Actual results are likely to be different from the forecast financial information since anticipated event(s) or transaction(s) frequently do not occur as expected and the variation between actual results and forecast results may be material.

The directors' best-estimate assumptions on which the forecast is based relate to future event(s) and/or transaction(s) that management expect to occur and actions that management expect to take and are also subject to uncertainties and contingencies, which are often outside the control of Eumundi. Evidence may be available to support the directors' best-estimate assumptions on which the forecast is based however, such evidence is generally future-oriented and therefore speculative in nature. In certain circumstances, we may adjust the forecast assumptions provided by management to complete our valuation work. In this instance, the forecasts we have adopted for our valuation work will not be the same as the forecasts provided by management.

BDOCF cannot and does not provide any assurance that any forecast is representative of results or outcomes that will actually be achieved. While we have considered the forecast information to the extent we considered necessary to complete the analysis set out in this Report, we have not been engaged to provide any form of assurance conclusion on any forecast information set out in this Report. We disclaim any assumption of responsibility for any reliance on this Report, or on any forecast to which it relates, for any purpose other than that for which it was prepared. We have assumed, and relied on representations from certain members of management, that all material information concerning the prospects and proposed operations of Eumundi has been disclosed to us and that the information provided to us for the purpose of our work is true, complete and accurate in all respects. We have no reason to believe that those representations are false.

3.11 Qualifications

BDOCF has extensive experience in the provision of corporate finance advice, including takeovers, valuations and acquisitions. BDOCF holds an Australian Financial Services Licence issued by ASIC for preparing expert reports pursuant to the Listing Rules of the ASX and the Corporations Act.

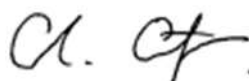
BDOCF and its related parties in Australia have a wide range of experience in transactions involving the advising, auditing or expert reporting on companies that have operations domestically and in foreign jurisdictions. BDO in Queensland and in Australia is a national association of separate partnerships and entities and is a member of the international BDO network of individual firms.

Mark Whittaker and Chris Catanzaro have prepared this Report with the assistance of staff members. Mr Whittaker, BCom (Hons), CA, CFA, and Mr Catanzaro, BCom (Hons), BBusMan, CA, CFA are directors of BDOCF. Both Mr Whittaker and Mr Catanzaro have extensive experience in corporate advice and the provision of valuation and professional services to a diverse range of clients, including large private, public and listed companies, financial institutions and professional organisations. Mr Whittaker and Mr Catanzaro are considered to have the appropriate experience and professional qualifications to provide the advice offered within this Report.

BDO Corporate Finance Ltd



Mark Whittaker
Director



Chris Catanzaro
Director

PART II: INFORMATION SUPPORTING OUR OPINION ON THE OFFER

4.0 Overview of the Offer

This section sets out an overview of the Offer and is structured as follows:

- ▶ Section 4.1 provides a brief description of the Offer;
- ▶ Section 4.2 describes the key parties involved in the Offer;
- ▶ Section 4.3 summarises SEQ's intentions in relation to Eumundi;
- ▶ Section 4.4 summarises the conditions precedent to the Offer; and
- ▶ Section 4.5 details the rationale for the Offer.

This section is a summary only and should not be treated as a complete description of the Offer. The Shareholders should refer to the Bidder's Statement and any subsequent disclosures for additional information relating to the Offer and the key parties involved.

4.1 Summary of the Offer

On 30 October 2024, Eumundi announced that it had entered into a TID with SEQ. Under the TID, SEQ has agreed to acquire all Eumundi shares through two concurrent mechanisms (together, 'the Transaction'):

- ▶ An off-market takeover offer at \$1.55 cash per Eumundi share; and
- ▶ A scheme of arrangement at \$1.55 cash per Eumundi share ('the Scheme').

This report is solely focused on the Offer and does not address the concurrent Scheme. Shareholders should refer to the transaction structure in the Bidder's statement to understand the process of the Transaction.

In conjunction with the Offer, SEQ have also permitted Eumundi to issue an interim dividend of up to 2.4c per Eumundi share without affecting the \$1.55 of Cash Consideration under SEQ's offer.

If the Offer is accepted, Shareholders will be entitled to receive the Cash Consideration of \$1.55 per Eumundi share. Having regard to the last day Eumundi traded prior to the Announcement Date (i.e. the Pre-Announcement Date), the Cash Consideration represents:

- ▶ A premium of 23% relative to Eumundi's closing share price as at 29 October 2024 (\$1.2600 per share); and
- ▶ A premium of 33% relative to the three-month VWAP as at 29 October 2024 (\$1.1678 per share).

Shareholders should refer to the Bidder's Statement and subsequent disclosures for more detailed information in relation to the Transaction, and to the interrelationship between the Offer and the Scheme.

4.2 Description of the key parties involved in the Offer

This section is a summary based on information set out in the Bidder's Statement. Shareholders should refer to section 3 of the Bidder's Statement for further information.

4.2.1 SEQ

SEQ is an Australian proprietary company that was incorporated on 27 September 2024, as a special purpose vehicle to acquire Eumundi shares under the Transaction. SEQ and its holding company, SEQ Holdings, are part of the Fortitudo Group ('Fortitudo').

Fortitudo is an independent hotel and liquor retail operator based in Southeast Queensland. Fortitudo owns and operates:

- ▶ Boathouse Tavern in Coomera;
- ▶ QA Hotel in New Farm, Brisbane;
- ▶ Treetops Tavern in Burleigh Waters;
- ▶ The Ambassador of Redcliffe;
- ▶ Trader Dukes in Kings Circle, Caboolture; and
- ▶ A total of 17 bottle shops.

4.2.2 Directors of SEQ

Martin Ward

Mr. Ward began his career in hospitality with Allied Breweries, managing 15 pubs in southeast England. In 1990, he joined Inchcape PLC, working in Bahrain's liquor division, where he became managing director for the Middle East in 1992 and expanded to oversee the Asia Pacific region in 1994, relocating to Singapore. He later managed Inchcape Motors in Australia in 1996 and was appointed regional CEO for Asia Pacific/Australasia in 1998. From 2001 to 2005, he was CEO of Ford Motor Company's Sydney Retail Joint Venture.

In 2005, he joined Eagers Automotive Limited (ASX:APE), serving as CEO from 2006 to 2021, and still remains as an advisor to the board. Mr. Ward is also a director of the Australian Automotive Dealer Association and a non-executive director of Motorcycle Holdings Limited (ASX:MTO).

Nicholas Politis

Mr. Politis has served as a non-executive director of Eagers Automotive Limited (ASX:APE) since May 2000. He is the Executive Chairman of the NGP Group of companies and a director of numerous proprietary limited companies.

Gregory Duncan

Mr. Duncan is a director at JWT Bespoke Pty Ltd (since 2013) and a non-executive director of Eagers Automotive Limited (ASX:APE) since 2019. He is the former owner and executive chairman of Trivett Automotive Group and previously served as chairman of Cox Automotive Australia (2016-2021) and director of Automotive Holdings Group Ltd (2015-2019).

4.3 SEQ's Intentions in relation to Eumundi

SEQ's intentions in relation to Eumundi are set out in full in Section 6 of the Bidder's Statement.

4.3.1 Intentions upon acquisition of 90% or more of Eumundi Shares

If SEQ acquires 90% or more of Eumundi shares and is entitled to compulsorily acquire the remaining shares, SEQ plans the following actions:

- ▶ Compulsory Acquisition: SEQ intends to compulsorily acquire any remaining Eumundi shares in accordance with the Corporations Act;
- ▶ Delisting: SEQ will arrange for Eumundi to be removed from the ASX;
- ▶ Operational and Strategic Review: SEQ will review Eumundi's assets, strategy, and operations, focusing on:
 - Assessing asset portfolio, with potential asset disposals;
 - Integrating management systems and optimising costs;
 - Reviewing management and operations for synergies and cost savings;
 - Evaluating financing arrangements and future capital needs; and
 - Examining external commercial relationships.
- ▶ Business Integration: SEQ will centralise certain corporate functions to eliminate duplication and reduce costs. Some head office functions may become redundant if Eumundi is delisted;
- ▶ Board Composition: SEQ will replace Eumundi's board members with its own nominees, subject to relevant approvals;
- ▶ Impact on Management and Employees: Potential job losses may occur due to redundancy of certain functions (e.g., ASX listing maintenance). However, SEQ will make efforts to reassign employees where possible and provide legal entitlements if necessary;
- ▶ Senior Management Employment: Senior management remaining after the acquisition will retain largely the same employment terms;
- ▶ Eumundi's Constitution: SEQ plans to amend Eumundi's constitution to reflect its status as a wholly-owned subsidiary and convert it to a proprietary company; and
- ▶ Consolidated Tax Group: Eumundi and its subsidiaries will join SEQ's consolidated tax group, with agreements for tax sharing and funding.

4.3.2 Intentions upon acquisition of less than 90% but more than 50.1% of Eumundi Shares

If SEQ acquires less than 90% but more than 50.1% of Eumundi shares, SEQ may elect to waive the 90% minimum acceptance condition and become a controlling entity of Eumundi. Under this circumstance, SEQ plans the following actions:

- ▶ Operational and Strategic Review: Should SEQ acquire control of Eumundi, it intends to ask the Eumundi board to undertake a detailed review of Eumundi's assets, strategy and operations consistent with that outlined in the section above (as if SEQ were to acquire more than 90% of Eumundi shares);

- ▶ Delisting: SEQ may, in certain circumstances, where liquidity and the listing rules permit, seek to have Eumundi removed from the official list of ASX;
- ▶ Board Composition: SEQ intends to appoint its nominees to the Eumundi board to establish a majority of the board;
- ▶ Intentions for management and employees: SEQ intends to retain the management personnel of Eumundi in roles appropriate to their skills, expertise, performance and strategic fit. SEQ intends to continue the employment of Eumundi's present employees in accordance with their current terms of employment;
- ▶ Dividend Policy: SEQ may seek to review (through its nominees on the Eumundi board) the dividend policy of Eumundi having regard to any capital funding and ongoing operational requirements of Eumundi on the one hand and the appropriateness of paying dividends to shareholders on the other;
- ▶ Further acquisitions of Eumundi shares: SEQ may acquire further Eumundi Shares in a manner consistent with the Corporations Act; and
- ▶ Compulsory acquisition: It is possible that, even if SEQ is not entitled to proceed to compulsory acquisition of minority holdings after the end of the Offer period, it may subsequently become entitled to exercise rights of general compulsory acquisition, for example, as a result of acquisitions of Eumundi shares in reliance on the '3% creep' exception in item 9 of section 611 of the Corporations Act. If so, it intends to exercise those rights.

4.3.3 Intentions upon acquisition of less than 50% of Eumundi Shares

If SEQ acquires less than 50% of Eumundi shares, SEQ may waive the 90% minimum acceptance condition and plan the following actions:

- ▶ SEQ will seek to obtain representation on the Eumundi board;
- ▶ SEQ does not expect to be in a position to give effect to the intentions set out in the section above (as if SEQ were to acquire more than 50% of Eumundi shares) but will use its best endeavours to encourage the Eumundi board to give effect to those intentions to the extent they remain appropriate; and
- ▶ SEQ intends to continue to hold any stake in Eumundi with a view to maximising returns for its investment (which may include SEQ acquiring additional Eumundi Shares, to the extent permitted by law).

Shareholders should refer to Section 6 of the Bidder's Statement for more information on SEQ's plans.

4.4 Key conditions of the Offer

The Offer is subject to certain conditions that are set out in full in the Bidder's Statement. In summary, these include:

- ▶ 90% minimum acceptance Condition: SEQ must acquire a relevant interest (as defined in sections 608 and 609 of the Corporations Act) in at least 90% of Eumundi shares to proceed with compulsory acquisition;
- ▶ No Prescribed Occurrences: Between the Announcement Date and the date 3 business days after the end of the Offer period (each inclusive), none of the prescribed occurrences as defined in Section 9.7 (b) of the Bidder's Statement occur;
- ▶ No Material Events: Between the Announcement Date and the end of the Offer period (each inclusive), none of the material events as defined in Section 9.7 (c) of the Bidder's Statement occur;
- ▶ Regulatory Approvals: Before the end of the Offer period, all regulatory approvals (if any), other than any Office of Liquor and Gaming Regulation ('OLGR') approvals, are granted or obtained unconditionally (or on the basis of conditions that impose only non-material requirements incidental to the regulatory approval), and none of those regulatory approvals have been withdrawn, cancelled or revoked;
- ▶ No Regulatory Action: No legal or regulatory decisions or actions should arise that could impede or adversely affect the Offer or require divestment of shares or assets;
- ▶ Third-Party Consents: All required consents or waivers for changes in control under existing contracts must be obtained and remain valid; and
- ▶ Scheme Condition: The Scheme is not approved by Shareholders or the court.

We recommend that Shareholders consider all conditions of the Offer set out in the Bidder's Statement.

We note that, as at the date of this Report, the conditions precedent have not been satisfied.

4.5 Strategic rationale for the Offer

SEQ is strategically focused on expanding its portfolio and strengthening its presence in the Southeast Queensland region. The acquisition of Eumundi Group presents a bolt-on opportunity for SEQ, granting access to a well-regarded portfolio of venues.

In forming their view to unanimously recommend the Offer (in the absence of a superior proposal and subject to the independent expert's conclusion), Eumundi's directors considered:

- ▶ The Offer price represents an attractive premium to Eumundi's historical trading prices. As per the Bidder's Statement, the offer price of \$1.55 represents a premium of:

- 23.0% to \$1.260, being the closing price of Eumundi shares on 29 October 2024.
- 32.2% to the VWAP of Eumundi shares for the 30 days up to and including 29 October 2024, being \$1.172 per share.
- 32.7% to the VWAP of Eumundi shares for the 90 days up to and including 29 October 2024, being \$1.168 per share.
- ▶ The Offer provides a significant liquidity event for monetising the investment in Eumundi. According to the Bidder's Statement, the average daily trading volume of Eumundi Shares in the 12-month period up to and including 29 October 2024 was 13,332 shares. On that basis, only 7.2% of Eumundi shares on issue were traded in that 12-month period². If the Offer is not accepted or the Scheme is not implemented, investors may face risks associated with poor liquidity leading to uncertainty as to the future monetisation of the investment.
- ▶ The Offer by SEQ to acquire Eumundi Shares is for 100% cash consideration. This gives Eumundi Shareholders certainty about the value of the consideration being offered.
- ▶ Eumundi's share price may fall if the Offer lapses and the Scheme is not implemented.
- ▶ No alternative or competing control proposal has emerged for Eumundi shares since the Transaction was announced.
- ▶ Shareholders may risk becoming a minority Eumundi shareholder if neither the Offer nor the Scheme succeed. The Offer is conditional upon SEQ obtaining a relevant interest in at least 90% (by number) of the Eumundi shares currently on issue. While SEQ has no current intention to waive this condition, it is open to SEQ to do so at its discretion in accordance with the Corporations Act. If the Scheme is not implemented and SEQ elects to waive the 90% minimum acceptance condition and gains a majority shareholding in Eumundi (but is not entitled to compulsorily acquire those Eumundi shares which were not accepted into the Offer), those Eumundi Shareholders who do not accept the Offer will become minority Eumundi Shareholders with possibly less influence over the future direction and control of Eumundi.

² This information is sourced directly from the Bidder's Statement and differs from the data we sourced from Capital IQ.

5.0 Background of Eumundi

This section is set out as follows:

- ▶ Section 5.1 provides an overview and background information on Eumundi;
- ▶ Section 5.2 outlines properties held by Eumundi;
- ▶ Section 5.3 summarises the corporate structure of Eumundi;
- ▶ Section 5.4 summarises the equity structure of Eumundi;
- ▶ Section 5.5 summarises the share market trading in Eumundi shares; and
- ▶ Section 5.6 summarises the historical financial information of Eumundi.

5.1 Background

Eumundi (trading as ASX:EBG), originally known as Eumundi Brewing Group, was listed on the ASX in December 1985, focusing on brewing premium boutique beers and operating the Imperial Hotel Eumundi, located in Eumundi, Queensland, Australia. However, due to competitive pressures and financial challenges, the company exited the brewing industry to shift its focus toward property investments.

Since then, Eumundi has evolved into a diversified property and hotel management company. It specialises in acquiring, developing, and managing a portfolio of commercial properties, primarily in the hospitality and retail sectors. A summary of the corporate history is set out in the figure below.

Figure 5.1: Summary of Eumundi's corporate history



Source: Eumundi website

The Company's portfolio includes:

- ▶ Hotel properties:
 - Ashmore Tavern (refer Section 5.2.1 below); and
 - Aspley Central Tavern (refer Section 5.2.2 below).
- ▶ Investment properties:
 - Aspley Shopping Centres (refer Section 5.2.2 below);
 - Aspley Arcade Shopping Villages (refer Section 5.2.3 below);
 - The Plough Inn (refer Section 5.2.3 below); and
 - Court House Hotel (refer Section 5.2.3 below).

5.2 Properties held by Eumundi

5.2.1 Ashmore Tavern

Ashmore Tavern was acquired in August 1996 for \$3.6 million. The tavern offers patrons inviting indoor and outdoor dining areas, versatile function spaces, and 45 gaming machines. The tavern undertook a major capital works program between April 2020 and September 2022, at a total cost of \$5.4 million.

Table 5.1 below provides a summary of the key details for the property.

Table 5.1: Summary of information for Ashmore Tavern

Operating properties	Location	Type of property	Site area (sqm)	Acquisition date	Acquisition cost (\$'m)
Ashmore Tavern	Ashmore, Queensland	Hospitality	8,944	August 1996	3.6

Source: Eumundi website, Management, BDOCF analysis

5.2.2 Aspley Shopping Centre & Aspley Central Tavern

Eumundi acquired the Aspley Shopping Centre in March 2004. In March 2013, the Company assumed control of Publovers' Tavern, a tenant of the shopping centre, as a mortgagee in possession. Following a \$0.85 million upgrade completed in August 2015, the tavern was rebranded and relaunched as Aspley Central Tavern.

Eumundi classifies the shopping centre as an investment property³ while the tavern is treated as an operating entity.

The Aspley Shopping Centre comprises 14 retail tenancies and the tavern, while the tavern features modern and stylish dining areas and 45 gaming machines. The shopping centre has undertaken major capital upgrades, including the following:

- ▶ Between November 2018 and November 2019, a major refurbishment was conducted on Aspley Shopping Centre and Aspley Arcade Shopping Villages, at a total cost of \$5.4 million.
- ▶ Between July and September 2019, capital works were undertaken on Aspley Central Tavern to modernise and extend the venue's gaming lounge at a cost of \$0.7 million.

Table 5.2 provides a summary of the key details for the property.

Table 5.2: Summary of information for Aspley Shopping Centre & Aspley Central Tavern

Operating properties	Location	Type of property	Site area (sqm) ¹	Acquisition date	Acquisition cost (\$'m)
Aspley Shopping Centre & Aspley Central Tavern	Aspley, Queensland	Retail/Hospitality	2,530	March 2004	17.4

Source: Eumundi website, Management, BDOCF analysis

¹ For Aspley Shopping Centre & Aspley Central Tavern, the site area represents the lettable area.

5.2.3 Other investment properties

The Company acquired Aspley Arcade Shopping Villages in 2007, adjoining the Aspley Shopping Centre, and subsequently acquired The Plough Inn and Court House Hotel in the following years to add to its portfolio.

The Aspley Arcade Shopping Villages comprises 14 retail tenancies, while The Plough Inn and the Court House Hotel are both rented out under long term leases, generating passive income. Table 5.3 provides a summary of the key details for the investment properties.

Table 5.3: Summary of information for the investment properties

Investment properties	Location	Type of property	Site area (sqm) ¹	Acquisition date	Acquisition cost (\$'m)
Aspley Arcade Shopping Villages	Aspley, Queensland	Retail	2,219	Jun 2007	13.0
The Plough Inn	South Brisbane, Queensland	Hospitality	984	Nov 2017	13.1
Court House Hotel	Murwillumbah, New South Wales	Hospitality	898	Aug 2021	6.0

Source: Eumundi website, Management, BDOCF analysis

¹ For Aspley Arcade Shopping Villages, the site area represents the lettable area.

³ We note that the Aspley Shopping Centre is classified under Property, Plant and Equipment not Investment Property for financial reporting purposes, and only the land and building values are measured at fair value on the financial statements.

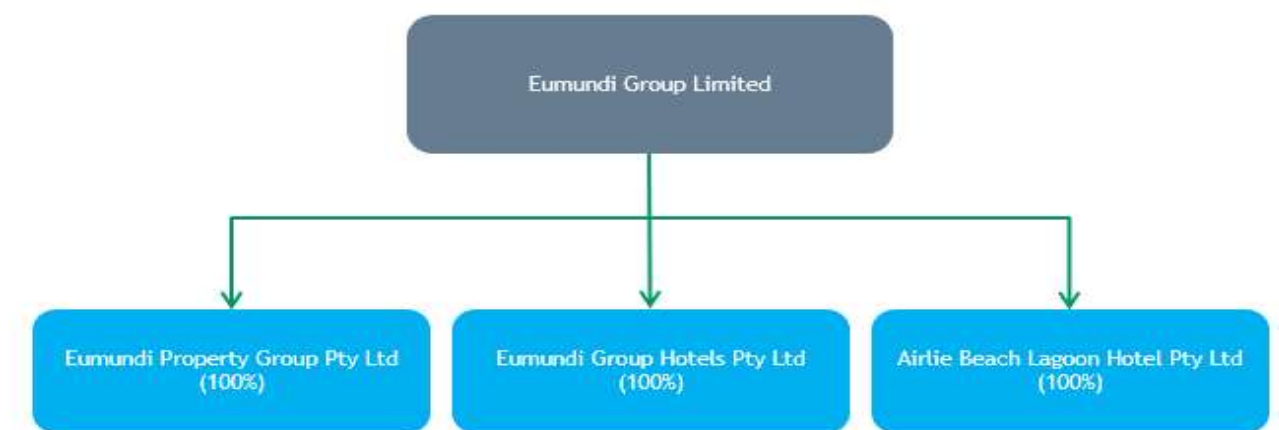
In addition to the Table 5.3 above, we note the following:

- ▶ As mentioned in Section 5.2.2, a total of \$5.4 million was invested in refurbishing both the Aspley Shopping Centre and Aspley Arcade Shopping Villages between 2018 and 2019.
- ▶ The Plough Inn is held under a leasehold agreement with South Bank Corporation for a 100-year term, with approximately 90 years remaining, expiring on 17 August 2114.
- ▶ The Plough Inn is subleased to Plough Inn Brisbane Pty Ltd under the terms of a 15-year sublease agreement, expiring 2 November 2032, with four options of 10 years each.
- ▶ The Court House Hotel is leased to CHTD Pty Ltd under the terms of a 15-year sub-lease agreement, expiring 24 July 2036, with four options of 10 years each.

5.3 Corporate structure of Eumundi

Eumundi's corporate structure is set out in Figure 5.2 below.

Figure 5.2: Corporate structure of Eumundi



Source: FY24 Annual Report

With regards to Figure 5.2 above, we note:

- ▶ Eumundi Property Group Pty Ltd manages the investment properties and performs the corporate functions;
- ▶ Eumundi Group Hotels Pty Ltd manages the operation of the Ashmore Tavern and the Aspley Central Tavern; and
- ▶ Airlie Beach Lagoon Hotel Pty Ltd is a shell company with no business operations or associated assets.

5.4 Equity structure of Eumundi

As at 31 October 2024, Eumundi had 49,767,770 ordinary shares on issue. The substantial shareholders are set out in Table 5.4. Table 5.4 does not consider the impact of any changes in shareholding as a result of the Offer.

Table 5.4: Substantial Shareholders

Name	Number of Shares	% of total shares issued
Joseph Michael Ganim ¹	13,021,572	26.16%
Peter Milton Ganim ¹	10,834,791	21.77%
Paul Calile Ganim ¹	10,546,628	21.19%
Gansons Pty Ltd	3,323,650	6.68%
Ganbros Pty Ltd	3,137,739	6.30%
Ganboys Pty Ltd	3,094,304	6.22%
Agpro Pty Ltd	2,746,496	5.52%
Less Duplication ¹	(31,413,575)	(63.12%)
Subtotal	15,291,605	30.72%
SCMS Pty Ltd - SJ Shoobridge Superannuation Fund	9,000,052	18.08%
Gilbert De Luca	8,548,118	17.18%
Mr Robert Darius Fraser	3,579,305	7.19%
Total Substantial Shareholders	36,419,080	73.17%
Other	13,348,690	26.82%
Total	49,767,770	100.00%

Source: Management

¹ Joseph Michael Ganim, Peter Milton Ganim and Paul Calile Ganim hold interests in Gansons Pty Ltd, Ganbros Pty Ltd and Ganboys Pty Ltd, and Joseph Michael Ganim also holds an interest in Agpro Pty Ltd. These entities collectively contribute to their respective relevant interests in Eumundi. The duplicate shares are removed at the subtotal line to show the holding net of the duplication.

Having regard to the information set out in Table 5.4 above, we note:

- ▶ As at 31 October 2024, Eumundi has 49,767,770 fully paid ordinary shares outstanding, of which the substantial shareholders hold 73.17%; and
- ▶ Joseph Michael Ganim and Gilbert De Luca are directors of Eumundi.

In addition to the above analysis, we have set out in Table 5.5 below a summary of the share distribution.

Table 5.5: Share distribution

Range of shares held	No. of Shareholders	No. of ordinary shares	Percentage of issued shares (%)
1 - 1,000	170	105,833	0.21%
1,001 - 5,000	170	403,577	0.81%
5,001 - 10,000	26	201,102	0.40%
10,001 - 100,000	57	1,812,961	3.64%
100,001 - and over	37	47,244,297	94.93%
Total	460	49,767,770	100.00%

Source: Share register dated on 31 October 2024 provided by Management, BDOCF analysis

Having regard to Table 5.5, we note:

- ▶ Eumundi has concentrated share ownership with 94.93% of the shares held by a small group of shareholders (37); and
- ▶ Shareholders holding between 1 to 5,000 shares represent the majority of the shareholders by number but only own 1.02% of shares.

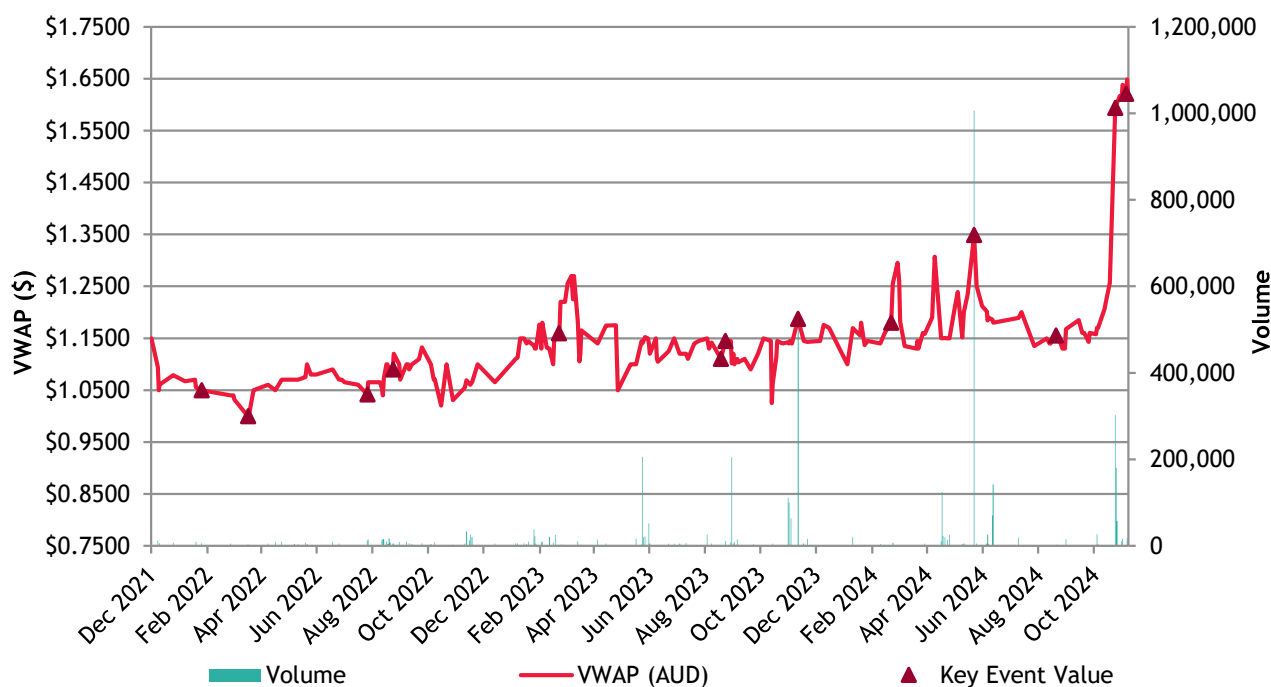
The only class of equity instrument in Eumundi is ordinary shares. There are no unlisted securities (e.g. options or performance rights) in Eumundi.

5.5 Share trading data of Eumundi

5.5.1 Share trading data

Figure 5.3 displays the daily volume weighted average price ('VWAP') and daily volume of Eumundi shares traded on the ASX over the period 7 December 2021 up to and including 22 November 2024.

Figure 5.3: Daily VWAP and volume of Eumundi Shares traded from 7 December 2021 up to and including 22 November 2024



Source: Capital IQ as at 25 November 2024

Over the period graphed in Figure 5.3 above, Eumundi's daily VWAP displays a period low of \$1.00 on 23 March 2022 and a period high of \$1.65 on 12 November 2024. We note that SCMS Pty Ltd, as trustee for the SJ Shoobridge Superannuation Fund, was a key contributor to the high trading volumes observed around November 2023 and May 2024, as outlined in Figure 5.3 above and Table 5.6 below. Furthermore, SCMS Pty Ltd acquired 1,000,000 shares in January 2024, which is not reflected in the market trading data.

In addition to the share price and volume data of Eumundi shown in Figure 5.3, we have also provided additional information in Table 5.6 below to assist readers to understand the possible reasons for the movement in Eumundi's share price over the period analysed. The price-sensitive ASX announcements referred to in Table 5.6 below correspond to the key event values in Figure 5.3 above.

For completeness, we note that Eumundi makes relatively few price-sensitive announcements each year, with the announcements generally restricted to half year and full year financials.

Table 5.6: Selected Eumundi ASX announcements from 7 December 2021 to 25 November 2024

Date	Announcement
31/01/2022	Eumundi released a market update to announce the expected financial result for the half-year ended 31 December 2021.
24/02/2022	Eumundi released the financial result for the half-year ended 31 December 2021.
14/03/2022	Eumundi announced the issuance of a total of 1,339,333 new fully paid ordinary shares under the Dividend Reinvestment Plan, at a price of 98.8 cents per share.
01/08/2022	Eumundi released a market update to announce the expected financial result for the full year ended 30 June 2022.
29/08/2022	Eumundi released the financial result for the full year ended 30 June 2022.
27/02/2023	Eumundi released the financial result for the half-year ended 31 December 2022.
22/08/2023	Eumundi released a market update to announce the expected financial result for the full year ended 30 June 2023.
28/08/2023	Eumundi released the financial result for the full year ended 30 June 2023.
22/11/2023	SCMS Pty Ltd atf SJ Shoobridge Superannuation Fund acquired 820,000 shares in November 2023.
27/02/2024	Eumundi released the financial result for the half-year ended 31 December 2023.
28/05/2024	SCMS Pty Ltd atf SJ Shoobridge Superannuation Fund acquired 1,035,284 shares in May 2024.
26/08/2024	Eumundi released the financial result for the full year ended 30 June 2024.
30/10/2024	Eumundi enters into Transaction Implementation Deed with SEQ to acquire 100% of Eumundi for \$1.55 per share.
11/11/2024	The Bidder's Statement for the off-market takeover is released.

Source: ASX announcements

In Table 5.7 below we have set out Eumundi's VWAP for the 1 week, 1 month, 3 months, 6 months, 9 months and 12 months up to and including 29 October 2024, being the date SEQ publicly announced the Offer.

Table 5.7: Eumundi's VWAP for specified periods up to and including 29 October 2024

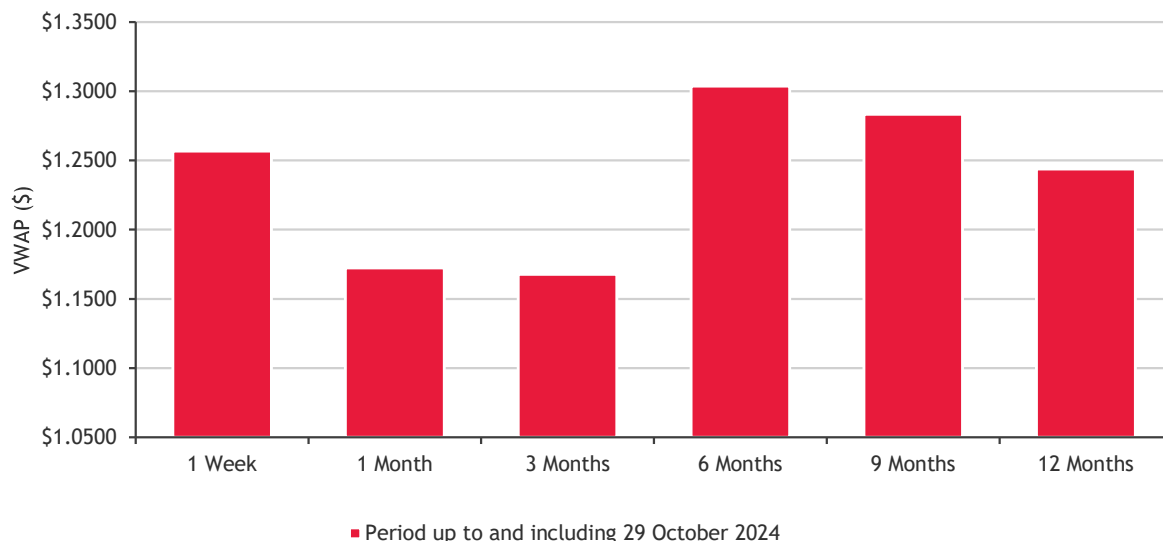
Length of relevant VWAP period	VWAP ¹ up to and including 29 October
1 Week	\$1.2567
1 Month	\$1.1723
3 Months	\$1.1678
6 Months	\$1.3036
9 Months	\$1.2833
12 Months	\$1.2438

Source: Capital IQ as at 25 November 2024

¹ VWAP data may differ from the data set out in the Bidder's Statement due to differences in databases used. For the purposes of the analysis set out in this Report, the differences are immaterial.

The information presented in Table 5.7 is shown graphically in Figure 5.4 below.

Figure 5.4: Eumundi's VWAP for specified periods up to and including 29 October 2024



Source: Capital IQ as at 25 November 2024

With regards to Table 5.7 and Figure 5.4, we note:

- ▶ The Company's share price remained below \$1.25 for most of the time between 17 November 2021 to 29 October 2024; and
- ▶ The 6-month and 9-month VWAPs exceed \$1.25 due to the high transaction volume and turnover that occurred around May 2024.

5.5.2 Liquidity of Eumundi Shares on the ASX

The rate at which equity instruments are traded is generally referred to as the 'liquidity' of the equity instruments. Changes in liquidity may impact the trading price of equity instruments. This is particularly dependent on the number of equity instruments required to be bought and/or sold and the time period over which the equity instrument holder needs to buy and/or sell those equity instruments. Depending on the circumstances, a movement in market price may or may not represent a shift in value of either the equity instruments or a shift in value of the company to which the equity instruments relate as a whole.

Table 5.8 summarises the monthly liquidity of Eumundi shares from 1 October 2023 up to and including 22 November 2024. Liquidity has been summarised by considering the following:

- ▶ Volume of Eumundi share trades per month;
- ▶ Value of total trades in Eumundi shares per month;
- ▶ Number of Eumundi shares traded per month as a percentage of total Eumundi shares outstanding at the end of the month;
- ▶ The monthly low daily VWAP and high daily VWAP of the Company; and
- ▶ Volume weighted average price per month.

Table 5.8: Liquidity of Eumundi shares on the ASX

Month	Volume	Shares Outstanding	Volume per Shares Outstanding	Monthly Low Share Price	Monthly VWAP	Monthly High Share Price
November 2024 (to 22th)	226,950	49,767,770	0.46%	\$1.6046	\$1.6364	\$1.6491
October 2024 (From 30th to 31st)	482,710	49,767,770	0.97%	\$1.5935	\$1.5960	\$1.6000
Total Post-Transaction Announcement	709,660	49,767,770	1.43%	\$1.5935	\$1.6089	\$1.6491
October 2024 (to 29th)	35,350	49,767,770	0.07%	\$1.1431	\$1.1723	\$1.2567
September 2024	19,900	48,976,460	0.04%	\$1.1300	\$1.1640	\$1.1850
August 2024	5,920	48,185,150	0.01%	\$1.1350	\$1.1538	\$1.1600
July 2024	18,650	48,185,150	0.04%	\$1.1894	\$1.1897	\$1.2000
June 2024	248,820	48,185,150	0.52%	\$1.1798	\$1.1828	\$1.2118
May 2024	1,047,000	48,185,150	2.17%	\$1.1500	\$1.3423	\$1.3492
April 2024	200,470	48,185,150	0.42%	\$1.1499	\$1.1516	\$1.3067
March 2024	3,190	47,601,050	0.01%	\$1.1300	\$1.1614	\$1.2950

Month	Volume	Shares Outstanding	Volume per Shares Outstanding	Monthly Low Share Price	Monthly VWAP	Monthly High Share Price
February 2024	13,960	46,822,250	0.03%	\$1.1400	\$1.1984	\$1.2552
January 2024	24,980	46,822,250	0.05%	\$1.1000	\$1.1619	\$1.1697
December 2023	2,630	46,822,250	0.01%	\$1.1450	\$1.1620	\$1.1756
November 2023	827,400	46,822,250	1.77%	\$1.1400	\$1.1706	\$1.1871
October 2023	8,170	46,822,250	0.02%	\$1.0251	\$1.0788	\$1.1450
Total Pre-Transaction Announcement	2,456,440	47,865,590	5.13%	\$1.0251	\$1.2433	\$1.3492

Source: Capital IQ as at 25 November 2024

1 We note that the share prices (monthly low and high) included as a total does not represent the sum of share prices over the period. Rather, the share price listed as the total monthly low represents the lowest daily VWAP over the period and the share price listed as the total monthly high represents the highest daily VWAP over the period.

5.6 Historical financial information of Eumundi

This section sets out the historical financial information of Eumundi. As this Report contains only summarised historical financial information, we recommend that any user of this Report read and understand the additional notes and financial information contained in Eumundi's annual reports, including the full Statements of Profit or Loss and Other Comprehensive Income, Statements of Financial Position and Statements of Cash Flows.

Eumundi's financial statements have been audited by Pitcher Partners. BDOCF has not performed any audit or review of any type on the historical financial information of Eumundi and we make no statement as to the accuracy of the information provided. However, we have no reason to believe that any of the information provided is false or misleading.

5.6.1 Statements of profit or loss and other comprehensive income

Table 5.9 summarises the Consolidated Statement of Profit or Loss and Other Comprehensive Income of Eumundi for the 12 month periods ended 30 June 2022, 2023 and 2024.

Table 5.9: Eumundi consolidated statement of profit or loss and other comprehensive income

AUD (\$'000)	Ref	12-months ended 30-Jun-2022 audited	12-months ended 30-Jun-2023 audited	12-months ended 30-Jun-2024 audited
Sales of goods	A	13,640	14,088	13,989
Gaming revenue	A	9,826	11,326	12,110
Rental income	B	3,637	3,922	3,967
Other revenue		581	397	366
Total Income		27,684	29,733	30,432
Expenses				
Cost of goods sold		(8,548)	(8,310)	(8,141)
Selling and promotion		(1,020)	(1,034)	(1,017)
Employee benefits expense	C	(4,395)	(4,645)	(4,636)
Repair and maintenance		-	(139)	(151)
Depreciation and amortisation		(1,786)	(1,858)	(1,666)
Insurance		(205)	(205)	(174)
Rates and taxes		(65)	(127)	(127)
Electricity		(243)	(205)	(207)
Listing and governance		(340)	(350)	(362)
Gaming tax	D	(5,037)	(5,936)	(6,397)
Occupancy		-	(718)	(798)
Investment property expense		(585)	(563)	(594)
Other expenses		(1,077)	(499)	(485)
Earnings before interest and taxes		4,383	5,144	5,677
Finance costs		(695)	(1,441)	(1,694)
Net fair value gain (loss) on revaluation of investment properties	E	5,447	(1,740)	840
Net profit before tax		9,135	1,963	4,823
Income tax expense		(2,113)	(486)	(1,202)
Net profit after tax		7,022	1,477	3,621
Other comprehensive income				
Fair value revaluation of land and buildings	F	8,108	4,987	937
Income tax on other items of comprehensive income		(2,027)	(1,247)	(234)
Total comprehensive income for the year, net of tax		6,081	3,740	703
Total comprehensive income		13,103	5,217	4,324

Source: Eumundi FY2022, FY2023 and FY2024 Annual Reports

Notes to Table 5.9

A	▶ Sales of goods and gaming revenue are the main income streams for the tavern operations
	▶ Sales of goods saw a slight increase from \$13.6 million to \$14.0 million, while gaming revenue experienced a significant growth of 23%, rising from \$9.8 million in FY22 to \$12.1 million in FY24.
	▶ A driver of gaming revenue growth is the Ashmore Tavern bistro and gaming expansion/redevelopment completed in March 2021.
B	▶ Rental income reflects the revenue from investment properties, which increased by 9.1%, rising from \$3.6 million in FY22 to \$4.0 million in FY24.
C	▶ Employee benefits expense accounts for approximately 30% of operating expenses (excluding costs of goods sold) across all the reporting periods.
	▶ The expense increased by 6% in FY23, mainly attributed to full operation of hotels during the year (Ashmore Tavern had construction work which required less staffing in the prior years), along with award wage increases.
	▶ Labour costs remained stable in FY24 despite rising wage rates. This was achieved through enhanced efficiencies, driven by the implementation of new point-of-sale and business systems, alongside flexible rostering to adapt to fluctuations in sales.
D	▶ Gaming tax, including gaming machine tax and health services levies, increased in line with the rise in gaming revenue, accounting for over 50% of total gaming revenue.
E	▶ Investment properties, including Aspley Arcade Shopping Villages, The Plough Inn and Court House Hotel, are reported at fair value.
	▶ FY22 reported a \$5.4 million gain, primarily attributed to a decrease in capitalisation rates and an increase in rent income, driven by low interest rates and high inflation.
	▶ FY23 reported a loss of \$1.7 million, primarily driven by the softening of assessed capitalisation rates resulting from rising interest rates and inflationary pressures impacting demand.
	▶ FY24 had a 2% increase in property values due to rental increases.
	▶ Fair value is discussed further in Section 5.6.2 below.
F	▶ The fair value revaluation reflects movements in the valuation of land and buildings for the Aspley Shopping Centre and Ashmore Tavern.
	▶ FY22 recorded an \$8.1 million gain, primarily attributed to a sharpening in capitalisation rates and the improvement in profits.
	▶ FY23 recorded a \$5.0 million gain, primarily driven by the value increase of Ashmore Tavern, attributed to its improved earnings performance, despite the market experiencing a slowdown.
	▶ FY24 recorded a \$0.9 million gain from the fair value revaluation of the buildings.
	▶ Fair value is discussed further in Section 5.6.2 below.

5.6.2 Statements of financial position

Table 5.10 summarises Eumundi statements of financial position as at 30 June 2022, 2023 and 2024.

Table 5.10: Eumundi's summarised consolidated statements of financial position

AUD (\$'000)	Ref	As at 30-Jun-2022 audited	As at 30-Jun-2023 audited	As at 30-Jun-2024 audited
Current assets				
Cash and cash equivalents		1,831	1,606	1,431
Trade and other receivables		222	223	186
Inventories		1,335	1,332	1,387
Other assets		486	349	427
Total current assets		3,874	3,510	3,431
Non-current assets				
Trade and other receivables		5	2	-
Property, plant and equipment	A	48,723	53,900	53,765
Investment properties	B	48,150	46,349	47,100
Intangibles	C	2,368	2,419	2,419
Total non-current assets		99,246	102,670	103,284
Total assets		103,120	106,180	106,715
Current liabilities				
Trade and other payables		4,484	3,578	3,502
Lease liabilities		227	192	144
Income tax		396	521	364
Provisions		588	586	590
Total current liabilities		5,695	4,877	4,600

AUD (\$'000)	Ref	As at 30-Jun-2022 audited	As at 30-Jun-2023 audited	As at 30-Jun-2024 audited
Non-current assets				
Borrowings	D	31,432	29,564	26,206
Lease liabilities		224	407	263
Deferred tax	E	7,986	8,574	8,795
Provisions		44	47	47
Total non-current liabilities		39,686	38,592	35,311
Total liabilities		45,381	43,469	39,911
Net assets	F	57,739	62,711	66,804
Equity				
Issued capital	G	27,276	30,081	33,080
Reserves		16,685	20,425	21,128
Retained profits		13,778	12,205	12,596
Total equity		57,739	62,711	66,804
Number of shares		42,902,666	45,465,892	48,185,154
Net assets per share (\$)	H	1.35	1.38	1.39

Source: Eumundi FY2022, FY2023 and FY2024 Annual Reports

Notes to Table 5.10

A	<ul style="list-style-type: none"> ▶ The land and buildings at Ashmore Tavern and Aspley Shopping Centre, measured at fair value, accounted for \$51.6 million of the \$53.8 million balance as at 30 June 2024. ▶ The combined value of land and buildings at Ashmore Tavern was \$21.7 million in FY22. It increased to \$26.9 million in FY23, primarily driven by the strong financial performance following the completion of the major venue upgrade. The value remained unchanged in FY24. ▶ The combined value of land and buildings at Aspley Shopping Centre was \$25.1 million in FY22. It decreased to \$24.6 in FY23 due to the softening in the market. The value remained stable in FY24. ▶ The land at Ashmore Tavern was valued at \$6.6 million in FY22, where the Company valued the land together with the benefit of gaming and liquor licenses and then subtracted the value of the licenses to determine the land value. However, in FY23, the Company determined that this method was no longer applicable and adopted a new approach based on the unit price per square meter observed in the market, which resulted in the land value increasing to \$9.8 million in FY23. ▶ The land at Aspley Shopping Centre was valued at \$4.4 million in FY22, with the Company referencing the value provided by the Department of Natural Resources. However, in FY23, the Company determined that this method was no longer applicable and adopted the same approach as the Ashmore land, which resulted in the land value increasing to \$10.8 million in FY23. ▶ The building value for Ashmore Tavern was \$15.1 million in FY22 before increasing to \$17.1 million in FY23, attributed to improved earnings. ▶ The building value for Aspley Shopping Centre was calculated by subtracting the apportioned land value from the total property value. While the total property value decreased by 3% in FY23, the land value increased significantly as described above. As a result, the building value decreased from \$20.7 million to \$13.8 million in FY23. ▶ We note that when properties are sold, Capital Gains Tax ('CGT') will apply to any gain in property value based on the fair value at the time of sale, while a capital loss may be recognised if the sale price is lower than the cost value.
B	<ul style="list-style-type: none"> ▶ The investment properties, including Aspley Arcade Shopping Villages, The Plough Inn and Court House Hotel, are measured at fair value. ▶ Aspley Arcade Shopping Villages was valued at \$21.4 million in FY22, with the value decreasing to \$20.4 million in FY23, reflecting a cooling market. The value remained similar in FY24. ▶ The Plough Inn was valued at \$19.3 million in FY22 before decreasing to \$18.8 million in FY23 due to the softer market. The value increased to \$19.3 million in FY24 due to a rent increase. ▶ Court House Hotel was valued at \$7.5 million in FY22 with the value decreasing to \$7.2 million in FY23 due to the softer market. The value increased to \$7.4 million in FY24 due to a CPI increase in rent. ▶ CGT will also apply to investment properties upon sale.
C	<ul style="list-style-type: none"> ▶ Eumundi owns 90 gaming authorities, recorded at a cost value of \$2.3 million. ▶ We note that the gaming authorities represent a net realisable value of \$32.4 million as of June 2024 (\$360k per gaming authority). While these gaming authorities are recorded at cost value, the gaming income generated from them is included in tavern revenue.

D	▶ The Company had total facilities of \$35.4 million, of which \$26.3 million was used as of 30 June 2024, leaving an unused balance of \$9.2 million.
E	▶ As mentioned earlier, CGT is applicable when the properties are sold and the upward revaluations give rise to unrealised gains and consequential deferred tax liabilities.
	▶ As at 30 June 2024, the Company had net deferred tax liabilities of \$8.8 million which is primarily related to land and buildings recorded in the property, plant and equipment, as well as investment properties.
	▶ Property, plant and equipment accounts for \$6.3 million of deferred tax liabilities.
	▶ Investment properties accounts for \$3.3 million of deferred tax liabilities.
F	
	▶ The net asset position improved by \$9.1 million over the past three years, mainly driven by the increase in valuations of underlying assets and the reduction in borrowings.
G	▶ Eumundi has a Dividend Reinvestment Plan ('DRP'), and the increase in issued capital was attributed to the participation in the plan.
	▶ In FY22, the Company had an opening number of shares of 41,543,333. The Company issued 1,339,333 shares at \$0.988 under the DRP and 20,000 shares at \$1.050 under share-based payments, totalling a \$1.3 million increase in the issued capital account.
	▶ In FY23, the Company issued 2,563,226 shares at \$1.100 under the DRP, totalling a \$2.8 million increase in the issued capital account.
	▶ In FY24, the Company issued 2,719,262 shares at \$1.107 under the DRP, totalling a \$3.0 million increase in the issued capital account.
H	
	▶ Eumundi's net asset value per share increased at a slower rate compared to the overall increase in net asset value due to the dilutionary effect of the DRP shares, which were issued at a price below the net asset value per share.

5.6.3 Statements of cash flows

Table 5.11 summarises Eumundi's Statement of Cash Flows for the 12 month periods ended 30 June 2022, 2023 and 2024.

Table 5.11: Eumundi's summarised consolidated statements of cash flows

AUD (\$'000)	Ref	12-months ended 30-Jun-2022 audited	12-months ended 30-Jun-2023 audited	12-months ended 30-Jun-2024 audited
Receipts from customers (inclusive of GST)		29,843	32,402	34,460
Payments to suppliers and employees (inclusive of GST)		(24,210)	(25,199)	(27,227)
Interest received		2	-	1
Interest and other finance costs paid	A	(562)	(1,296)	(1,646)
Income taxes refund		219	-	-
Income taxes paid		(403)	(1,017)	(1,368)
Net cash from operating activities		4,889	4,890	4,220
Payments for investment property	B	(6,379)	(55)	(15)
Payments for property, plant and equipment	C	(373)	(2,714)	(580)
Proceeds from disposal of property, plant and equipment		(910)	27	30
Net cash used in investment activities		(7,662)	(2,742)	(565)
Proceeds from borrowings	D	10,000		
Repayment of borrowings	D	(6,465)	(1,860)	(3,345)
Loan establishment costs		(29)	(30)	(37)
Share issue transaction costs		(8)	(13)	(15)
Dividends paid	E	(131)	(235)	(220)
Repayment of lease liabilities		(231)	(235)	(213)
Net cash used in financing activities		3,136	(2,373)	(3,830)
Net cash movements		363	(225)	(175)

Source: Eumundi FY2022, FY2023 and FY2023 Annual Reports

Notes to Table 5.11

A	▶ Interest and other finance costs paid tripled from \$0.6 million to \$1.6 million over the past three years, reflecting the rise in interest rates.
B	▶ In FY22, the Company acquired the Court House Hotel for \$6.4 million (including acquisition costs).
C	▶ In FY23, the Company had a cash outflow \$2.7 million, which is mainly attributed to the capital works for the Ashmore tavern and Aspley Central Tavern.
D	▶ In FY22, the Company increased its borrowings, primarily to finance the acquisition of the Court House Hotel and other planned capital works. ▶ The Company increased its repayment from \$1.9 million in FY23 to \$3.3 million in FY24, resulting in a reduced debt balance.
E	▶ The Company paid an unfranked interim dividend of 3.5 cents per share, totalling \$1.5 million in FY22, with \$1.3 million participating in the DRP. ▶ The Company paid a fully franked interim dividend and a fully franked final dividend of 3.5 cents per share, totalling \$3.1 million in FY23, with \$2.8 million participating in the DRP. ▶ The Company paid a fully franked interim dividend and a fully franked final dividend of 3.5 cents per share, totalling \$3.2 million in FY24, with \$3.0 million participating in the DRP.

6.0 Industry Overview

The information presented in this section has been compiled from a range of publicly available sources, together with information taken from various databases to which we subscribe. BDOCF has not independently verified any of the information and we recommend that users of this Report refer to the original source of any information listed in this section. This section should be referred to as a guide only.

As outlined in Section 5, Eumundi operates two taverns and holds investment properties spanning the retail and hospitality sectors. Accordingly, this industry overview addresses the broader property sector, with a focus on the hotels, pubs, and hospitality sector. We have also provided an overview of the gambling sub-sector.

6.1 Property sector

6.1.1 Overview

In FY24, the Australian commercial property market was impacted by a combination of rising interest rates, economic uncertainty, and sector-specific challenges. The Property Council of Australia/MSCI Australia Annual Property Index reported a total return of negative 3.7%, with capital growth declining by 8.5%, marking the worst result since 2009⁴. Different sub-sectors have been impacted in varying ways: the office sector has been hit hardest due to oversupply and reduced demand for office space, while the retail sector has shown resilience, supported by strong rental growth despite declining capital values. Industrial properties, which had previously been top performers, have seen a slowdown.

Figure 6.1: Rolling annual returns in Australia



Source: MSCI/PCA

As shown in Figure 6.1, capital growth has largely been negative across all sectors for the past five quarters leading up to June 2024. The office sector posted a total return of negative 9.3% for FY24, driven by a capital loss of 13.6%, with declines surpassing those seen during the Global Financial Crisis ('GFC'). Retail properties performed better with a total return of 2%, supported by an income return of 6%, despite a capital growth decline of 3.8%. The industrial sector saw its total return drop to just 0.1%, reflecting a sharp slowdown from previous years, while healthcare properties remained more stable with smaller fluctuations in returns.

6.1.2 Key drivers

The performance of the property sector is influenced by several macroeconomic factors, including:

- ▶ Interest rates;
- ▶ Property yields;
- ▶ GDP growth; and
- ▶ Inflation.

⁴ Commercial real estate market experiences value adjustments. The Property Council of Australia: <https://www.propertycouncil.com.au/property-australia/commercial-real-estate-market-experiences-value-adjustments>

Figure 6.2: 10-year Australian Government bond yields



Source: RBA

Figure 6.2 above sets out Australia's 10-year government bond yields between January and November 2024. Starting at 4.00% on 2 January, yields rose to 4.66% on 13 November, an increase of 66 basis points. This volatility was driven by inflationary pressures, expectations of tighter monetary policy, and global economic conditions. The Reserve Bank of Australia maintained the cash rate at 4.35% during this period, emphasising a restrictive stance to curb inflation. Higher bond yields directly impacted the real estate sector by increasing financing costs, reducing profitability, and raising capitalisation rates, which placed downward pressure on property values.

Figure 6.3: Historical yield spread to cash rate

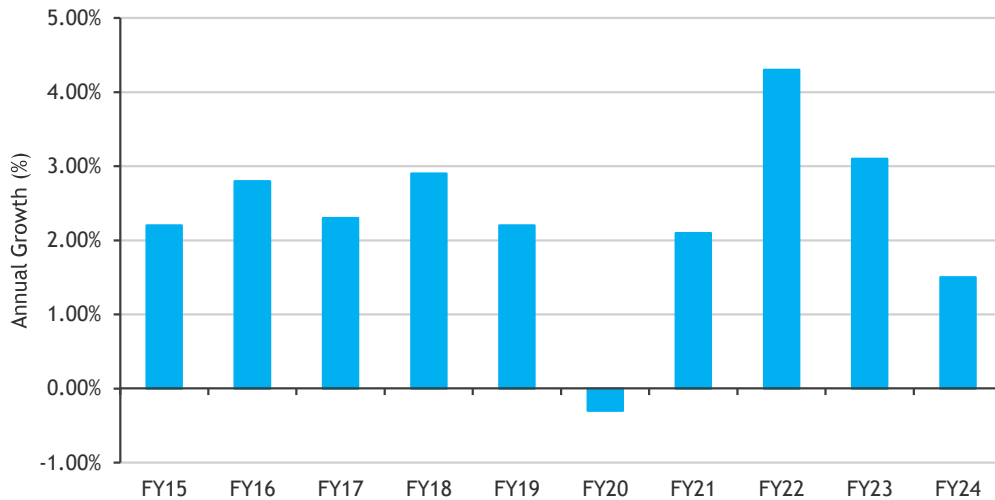


Source: Ray White Commercial, RBA, MSCI

Figure 6.3 above illustrates the historical yield spread to the cash rate across Australian commercial property asset classes, including retail, office, and industrial over the 30 year period to June 2024. The yield spread represents the additional return investors require to compensate for the risks of commercial property compared to alternative investments like government bonds. Since 2021, the spread has narrowed sharply to between 50 and 150 basis points, well below the historical average of 280 to 350 basis points.⁵ This contraction was driven by rapidly rising interest rates from mid-2022, following the pandemic period of ultra-low cash rates that caused significant yield compression. For the real estate industry, the reduced spread has pressured valuations and increased the need for further capitalisation rate adjustments to maintain investor appeal.

⁵ Are we at the bottom of the commercial property market?. Ray White Commercial:
<https://www.raywhitecommercial.com/research/are-we-at-the-bottom-of-the-commercial-property-market>

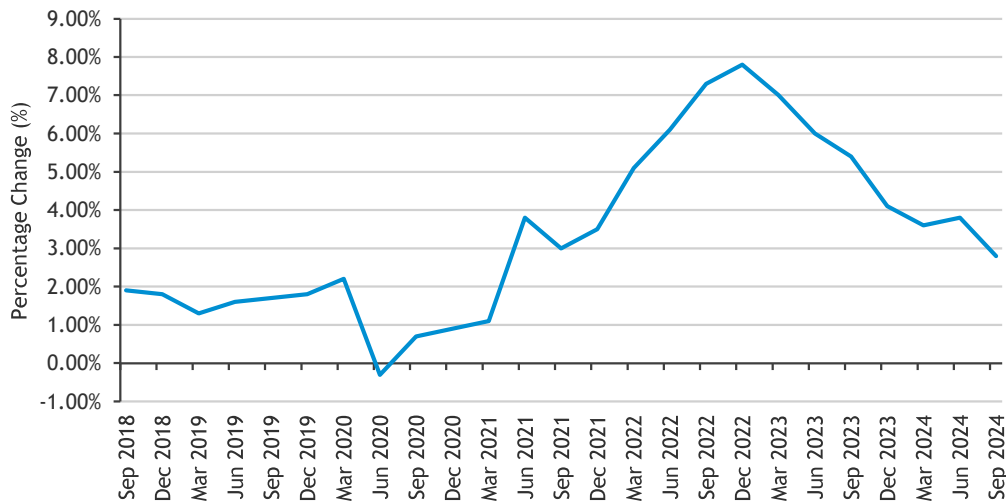
Figure 6.4: Annual GDP growth



Source: ABS

Figure 6.4 above sets out Australia's annual GDP growth rates from FY15 to FY24, highlighting the volatility in economic performance over the past five years compared to the previous five. During FY24, the economy grew by a modest 1.5%, with 0.2% growth recorded in the June quarter of 2024. While this marks the eleventh consecutive quarter of total GDP growth, it is also the sixth consecutive quarter of GDP per capita declines, with GDP per capita falling 1.0% over the year. This trend reflects subdued household demand, with weaker retail and discretionary spending impacting economic activity. For the real estate sector, slowing economic growth and declining per capita output imply potential challenges for tenant profitability, investment returns, and demand for new developments, particularly in retail and hospitality assets.

Figure 6.5: Consumer Price Index; year-ended change



Source: ABS

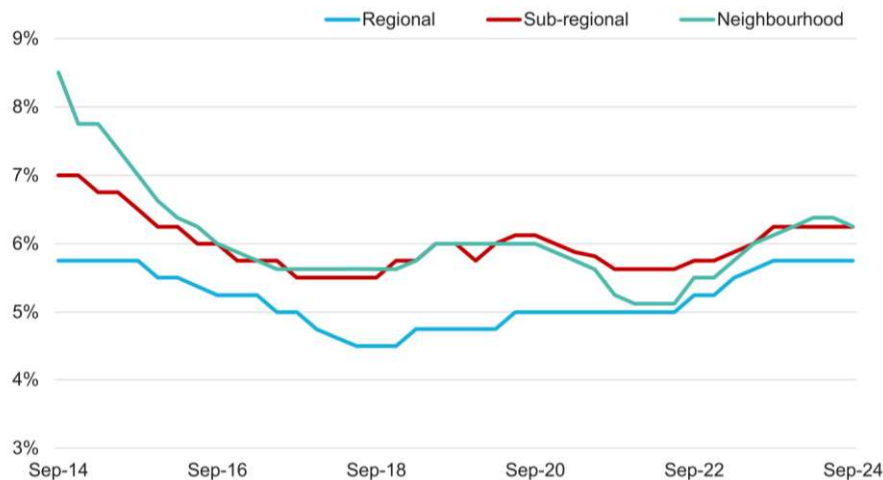
Figure 6.5 above sets out Australia's Consumer Price Index year-ended change, with inflation easing to 2.8% in Q3 2024 from 3.8% in Q2 2024, reaching its lowest level since Q1 2021. This sharper-than-expected decline, below market forecasts of 2.9%, was driven by a significant slowdown in goods inflation, particularly in electricity and fuel prices, supported by Energy Bill Relief Fund rebates. Despite this, services inflation remained elevated at 4.6%, reflecting rising costs in recreation, education, and household services. The RBA's Trimmed Mean CPI rose by 3.5% year-on-year, marking the smallest increase in nearly three years but still exceeding the central bank's 2-3% target band.

6.2 Shopping centres

Shopping centres are classified within the retail sector of the MSCI/PCA index, with their performance and valuation influenced by key factors including:

- ▶ Yields;
- ▶ Retail turnover;
- ▶ Online spending;
- ▶ Discretionary and non-discretionary spending;
- ▶ Vacancy rates; and
- ▶ Rent growth.

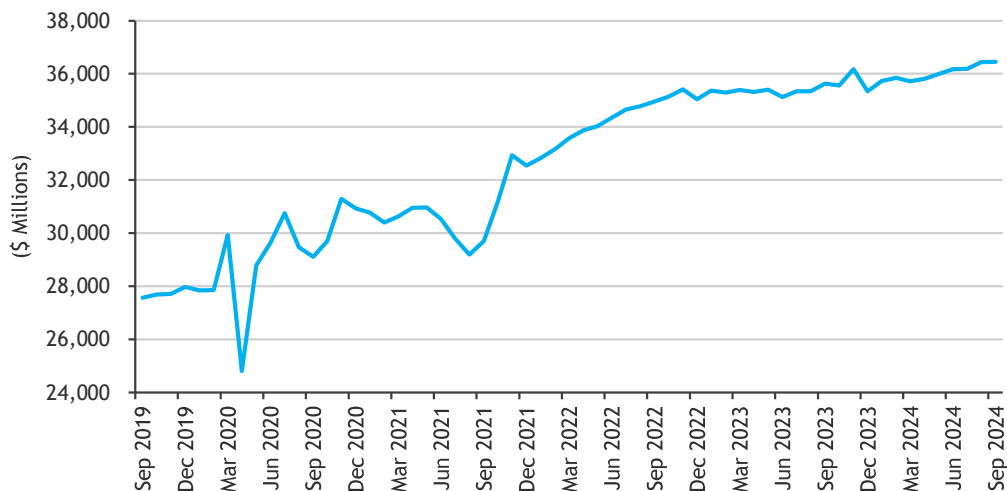
Figure 6.6: Shopping centre yields by type



Source: JLL Research, Dexus Research

Figure 6.6 above sets out the yields across different shopping centre types. Yields are inversely related to valuations, with lower yields indicating higher property values due to perceived lower risk, while higher yields suggest lower values due to higher risk or weaker demand. Neighbourhood Shopping Centres, defined as those with less than 10,000 sqm of gross lettable area, a supermarket, and approximately 35 specialty shops⁶, have experienced relatively stable yields over the past twelve months.⁷ While not directly comparable to Eumundi's assets, the adjoining Aspley Arcade Shopping Villages and Aspley Shopping Centre feature a combined site area of 15,158 sqm and a gross lettable area of 4,765 sqm.

Figure 6.7: Total retail turnover, seasonally adjusted



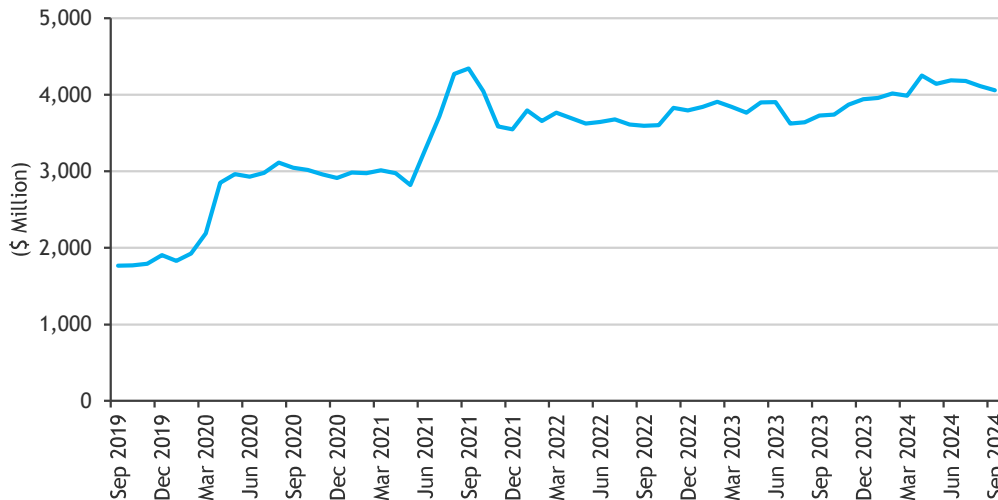
Source: ABS

⁶ Shopping Centre Classifications. Property Council Australia: <https://www.propertycouncil.com.au/wp-content/uploads/2023/03/Property-Council-Shopping-Centre-Classifications.pdf>

⁷ Australian Real Asset Review Q4 2024. Dexus Research: https://www.dexus.com/-/media/files/linked/202410_arar_q4_2024_finaledit.pdf

Figure 6.7 above sets out total retail turnover over the past five years. In September 2024, Australian retail turnover increased by 0.1% month-on-month and was 2.3% higher than September 2023, indicating a measured rise in consumer spending over the year.⁸ Retail turnover plays a pivotal role in the performance of shopping centres, as it directly impacts tenant sales and their ability to meet rental obligations. For centres with turnover-based lease agreements, where rent is linked to a percentage of tenant sales, variations in retail turnover significantly affect revenue streams. Higher turnover supports tenant profitability and stable rental income, whereas lower turnover can create financial challenges for both tenants and landlords.

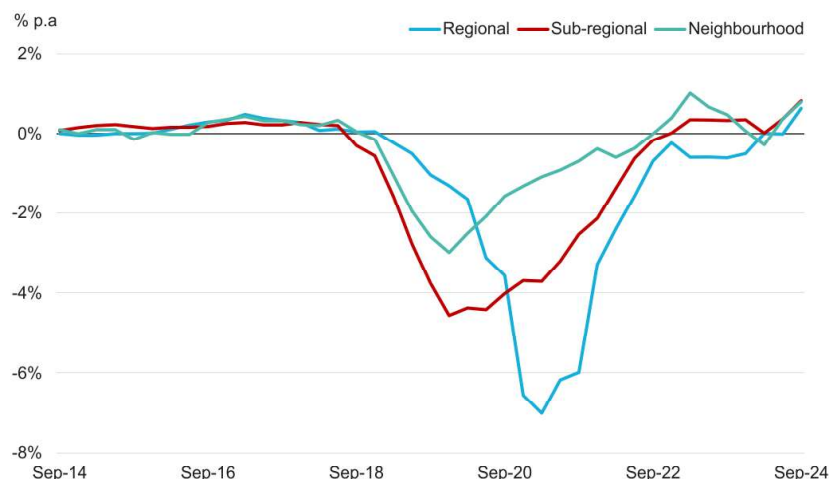
Figure 6.8: Total online sales, seasonally adjusted



Source: ABS

The growth of online sales continues to reshape the retail landscape, with online transactions accounting for 11.4% of total retail sales in September 2024, an increase of 0.9% year-on-year. Figure 6.8 above highlights the expanding volume of online sales, particularly during the COVID-19 period. This trend reflects a growing consumer shift towards digital platforms, which poses challenges for traditional brick-and-mortar stores by reducing foot traffic. However, shopping centres anchored by essential services such as healthcare providers, post offices, and specialty retailers tend to perform more resiliently during periods of declining retail turnover. These tenants attract consistent foot traffic due to their necessity and convenience, helping offset the broader impacts of evolving consumer preferences on physical retail spaces.

Figure 6.9: Shopping centre rent growth by type



Source: JLL Research, Dexus Research

Figure 6.9 illustrates rent growth trends across regional, sub-regional, and neighbourhood shopping centres over the past decade. Neighbourhood centres experienced the smallest rent declines during the COVID-19 pandemic and have recovered the fastest. South East Queensland neighbourhood centres achieved year-on-year rent growth of 3.1% in September 2024.⁹

⁸ Retail Trade, Australia. Australia Bureau of Statistics: <https://www.abs.gov.au/statistics/industry/retail-and-wholesale-trade/retail-trade-australia/latest-release#data-downloads>

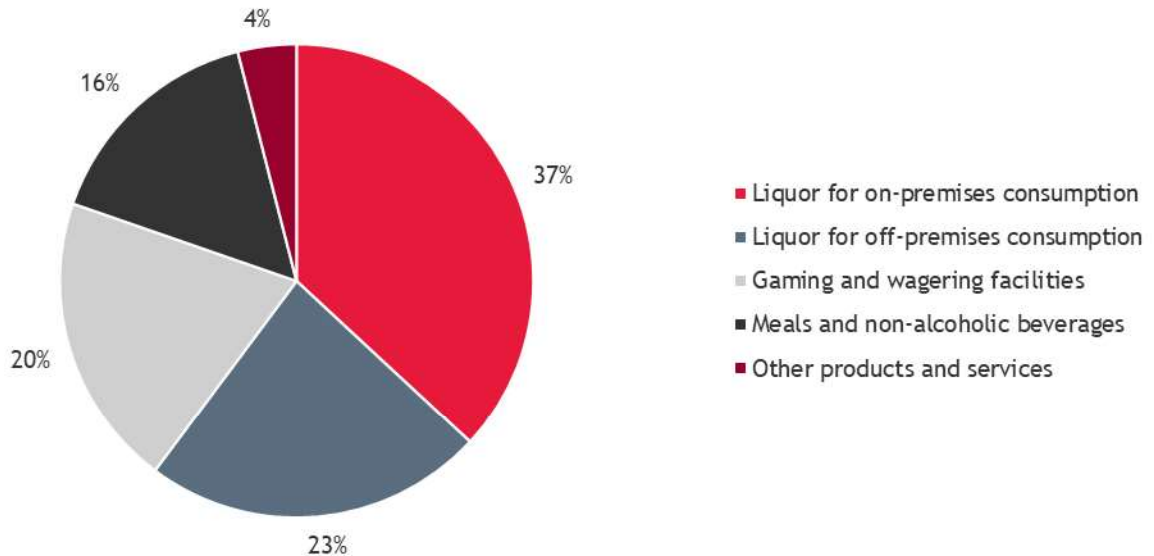
⁹ Australian Real Asset Review Q4 2024. Dexus: https://www.dexus.com/-/media/files/linked/202410_arar_q4_2024_finaledit.pdf

6.3 Hotels, pubs and hospitality

6.3.1 Overview

The Australian pubs, bars, and hospitality industry is diverse, encompassing small, independent venues alongside larger operators. The sector offers a range of services, including liquor sales, dining, gambling, and entertainment. Figure 6.10 below highlights the composition of revenue sources within the industry, with liquor for on and off-premises consumption accounting for the largest share at 60%, followed by meals and non-alcoholic beverages at 20%. Recent trends, such as a shift towards premium food and beverage offerings, reflect efforts to cater to an increasingly discerning customer base. Rising health consciousness, regulatory changes, and competition from online gambling platforms continue to influence industry dynamics, requiring businesses to adapt their strategies.

Figure 6.10: Product and services segmentation, FY24

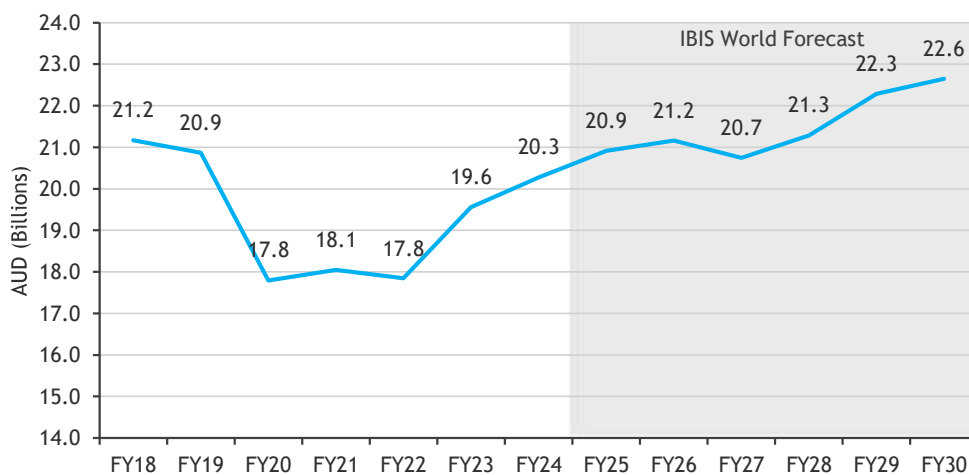


Source: IBIS World: Pubs, bars and nightclubs in Australia

6.3.2 Market size

The industry generated \$20.3 billion in revenue in FY24, reflecting a \$0.6 billion decline from FY19. As shown in Figure 6.11 below, revenue is projected to grow at an annual rate of 1.9%, reaching \$22.6 billion by FY30. While the sector was heavily impacted by COVID-19, it has demonstrated strong recovery momentum, supported by rising domestic tourism and a shift toward premium offerings. Employment within the industry expanded to approximately 88,877 workers in FY24, exceeding pre-pandemic figures.

Figure 6.11: Historical and forecasted revenue



Source: IBIS World: Pubs, bars and nightclubs in Australia

6.3.3 Key drivers

We have set out below a summary of the key drivers of the industry:

- ▶ **Household discretionary income:** Higher levels of household discretionary income positively impact the industry by enabling increased spending on leisure activities such as dining, drinking, and entertainment. Real household discretionary income in Australia is forecast to reach \$542.5 billion in FY25, marking a recovery from recent declines caused by inflation and rising interest rates.¹⁰ This recovery is expected to continue, with a projected compound annual growth rate of 1.03% through to FY30, reaching \$571.1 billion.¹¹
- ▶ **Consumer confidence:** Consumer confidence plays a critical role in hospitality spending, as higher confidence levels encourage discretionary expenditure on dining and entertainment. In October 2024, the Westpac-Melbourne Institute Consumer Sentiment Index increased by 6.2% to 89.8, its highest level in two and a half years.¹² This improvement, driven by easing concerns over inflation and interest rates, reflects growing optimism and is expected to support moderate growth in the hospitality sector.
- ▶ **Alcohol consumption:** Alcohol consumption remains a significant revenue driver for the industry, though evolving consumer preferences pose challenges. Per capita alcohol consumption is expected to decline by 0.5% in FY24 as health awareness grows, alongside rising demand for low- and no-alcohol beverages.¹³ In response, venues are increasingly offering premium and non-alcoholic options to align with these preferences. Off-premises alcohol sales, dominated by major retailers, continue to capture market share, exerting competitive pressure on on-premises liquor sales.
- ▶ **Gambling expenditure:** Gambling, particularly revenue from Electronic Gaming Machines ('EGMs') is a vital income stream for many venues. Per capita gambling expenditure is forecast to increase by 1.9% to \$1,341 in FY25, underscoring its financial importance.¹⁴ However, the sector faces challenges, including the shift toward online gambling, stricter government regulations, and restrictions on new gaming licenses. These factors limit growth opportunities for in-person venues, though gambling remains a key component of the industry's revenue profile.

6.3.4 Competition and barriers to entry

Larger operators, such as the Endeavour Group and Australian Venue Co, hold relatively modest market shares of 9.7% and 4.0% respectively, underscoring the industry's low concentration and the predominance of numerous independent venues.¹⁵ Barriers to entry vary by the scale of operations but are largely defined by regulatory hurdles, including liquor licensing laws, trading hour restrictions, and gaming regulations. Furthermore, new entrants must navigate the challenge of differentiating themselves through premium services or niche offerings to compete effectively in a saturated market.

¹⁰ IBIS World - Real Household Discretionary Income

¹¹ IBIS World - Real Household Discretionary Income

¹² Westpac-Melbourne Institute Consumer Sentiment Index

¹³ IBIS World - Pubs, Bars and Nightclubs

¹⁴ IBIS World - Per Capita Gambling Expenditure

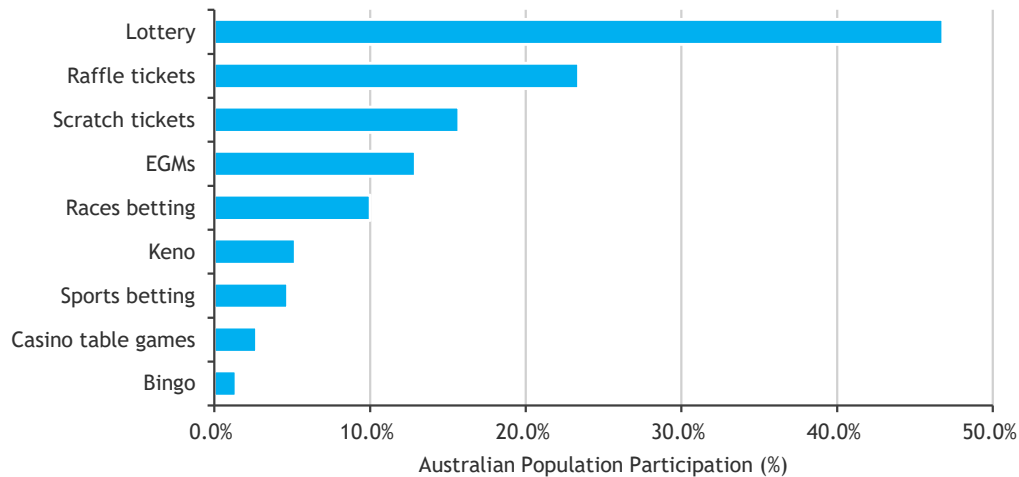
¹⁵ IBIS World - Pubs, Bars and Nightclubs

6.4 Gambling sector

6.4.1 Overview

Due to the COVID-19 pandemic, per capita gambling expenditure fell sharply by 19.4% in FY20, as lockdowns and the closure of physical venues such as casinos, pubs, and gaming sites disrupted in-person gambling activities.¹⁶ Social distancing measures significantly curtailed these activities, though online sports betting and racing helped mitigate some of the losses. Post-pandemic, per capita gambling expenditure recovered, rising from \$1,200 in FY21 to \$1,368 in FY23, supported by the easing of restrictions and increased discretionary income from wage subsidies and reduced household spending during lockdowns.¹⁷ The reopening of physical venues, particularly those with gaming machines, spurred a resurgence in in-person gambling, while online sports betting gained further traction, especially among younger demographics.

Figure 6.12: Gaming participation by activity, 2024



Source: Australian National University: Gambling participation in Australia 2024

Figure 6.12 above sets out the participation rates by gambling activity in 2024. The most popular gambling activities among Australian adults were purchasing lottery tickets, with a participation rate of 46.8%, followed by raffles at 23.4% and scratch tickets at 15.7%. EGMs accounted for 12.9% of participation, while 10.0% of adults engaged in race betting. Less common activities included Keno, sports betting, casino table games, and bingo, which collectively represented smaller shares of the gambling population. These trends reflect the enduring appeal of low-cost, accessible gambling formats like lotteries, alongside the participation in venue-based activities such as EGMs and casino table games.

6.4.2 Regulation

The regulation of EGMs in Queensland is designed to balance community protection with industry sustainability. The state enforces a comprehensive framework to control machine numbers, evaluate social impacts, and mitigate gambling-related harm.

Under the Gaming Machine Act 1991, Queensland imposes caps on the number of EGMs. Hotels are limited to a maximum of 45 gaming machine operating authorities, while clubs can have up to 300 gaming machine entitlements. The Electronic Gaming Machine Reallocation Scheme requires hotels to bid in a tender process, whereas clubs may transfer entitlements or participate in tenders.

Licensees must adhere to a compliance program that meets the prescribed standards to ensure alignment with the state's regulatory framework. Harm minimisation strategies are central to Queensland's regulatory approach, including the use of gaming room supervisors, self-exclusion programs, and restrictions on gaming room visibility. Additional measures target ATM placement, operating hours, and betting limits, ensuring responsible gambling practices. Oversight of these initiatives is provided by the Office of Liquor and Gaming Regulation, which monitors adherence to the framework and enforces compliance across the state.

These measures collectively aim to ensure that the benefits of gaming are realised while safeguarding the community from potential harms associated with gambling.

¹⁶ IBIS World - Per Capita Gambling Expenditure

¹⁷ IBIS World - Per Capita Gambling Expenditure

6.4.3 Outlook

Over the next five years, per capita gambling expenditure in Australia is expected to grow at a compound annual growth rate of 1.1%, reaching \$1,413 by FY30. In the short term, expenditure is projected to increase by 1.0% in FY26, rising to \$1,354, driven by easing cost-of-living pressures and improving household financial positions. These trends are expected to align with reductions in cash rates, growing discretionary incomes, and improving consumer sentiment.¹⁸

Economic factors, including higher disposable incomes and shifting demographics, will underpin this growth. Older Australians, with larger savings, are expected to sustain high-stakes gambling, while younger demographics are increasingly driving growth in online sports betting. However, the number of EGMs is forecast to decline by 5% from FY24 to FY31, reflecting regulatory pressures. Growth areas such as casinos, horse racing, and digital platforms like online sports betting are anticipated to strengthen, supported by technological advancements and targeted marketing campaigns.¹⁹

¹⁸ IBIS World - Per Capita Gambling Expenditure

¹⁹ IBIS World - Per Capita Gambling Expenditure

7.0 Common Valuation Methodologies

7.1 Overview

RG 111 states that an expert should use its skill and judgment to select the most appropriate methodology or methodologies in its report. The expert must have a reasonable (or tenable) basis for choosing its valuation methodologies. However, RG 111 does not prescribe which methodology should be used by the expert, but rather notes that the decision lies with the expert based on the expert's skill and judgement and after considering the unique circumstances of the securities or assets being valued.

For the purposes of this Report we have had regard to the International Valuation Standards published by the International Valuation Standards Council ('IVSC').

There are three overarching valuation methodologies described by the IVSC as follows:

- ▶ Income approach methods
- ▶ Market approach methods
- ▶ Cost approach methods.

7.2 Basis of value

The basis of valuation we have adopted is 'market value'. Market value is defined by the IVSC as:

"...the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."

The valuation work set out in this Report assumes this relationship.

7.3 Income approach

7.3.1 Discounted cash flow ('DCF') method

The DCF method is widely used in cases where future cash flows, while uncertain, can be reasonably forecast based on available data, industry trends, or strategic projections. This approach is particularly applicable when an asset or business may experience initial cash outflows (e.g. during development or expansion phases) with anticipated positive cash flows in later years as it matures or achieves commercialisation. The DCF method captures these varying cash flow profiles by discounting projected future cash flows to present value, enabling a comprehensive valuation of entities with both stable and dynamic cash flow expectations.

The DCF method involves several key steps:

- ▶ Select the appropriate type of cash flow (e.g., pre-tax or post-tax, total cash flows or cash flows to equity, real or nominal) based on the nature of the subject asset.
- ▶ Determine the explicit forecast period, if applicable, over which cash flows will be projected. For assets at a stabilised level of growth and profits at the valuation date, an explicit forecast period may not be necessary, and a terminal value alone may form the basis of value (sometimes referred to as an income capitalisation method).
- ▶ Prepare cash flow projections for the explicit forecast period, aligning them with the asset's expected economic and operational performance.
- ▶ Calculate the terminal value, if appropriate, based on the asset's residual value or long-term growth rate beyond the forecast period.
- ▶ Determine the discount rate to reflect investor expectations of return, taking into account the specific risk characteristics of future cash flows and financing costs.
- ▶ Discount the projected cash flows and terminal value to present value using the selected discount rate.
- ▶ Adjust for non-operating assets or liabilities to ensure the final valuation reflects the entity's full financial position.

7.4 Market approach

7.4.1 Guideline comparable method

The guideline comparable method is a common market approach that values an asset by reference to market-based metrics from comparable companies or transactions. This method is particularly applicable when there is reliable data on similar businesses or transactions in the relevant market.

The guideline comparable method involves several key steps:

- ▶ Identify relevant valuation metrics or comparable evidence that reflect how participants in the market value similar assets. Common metrics in business valuation include revenue, Earnings Before Interest, Taxes, Depreciation and Amortisation ('EBITDA'), Earnings Before Interest and Taxes ('EBIT'), net profit after tax, and book values, with the choice depending on the industry and characteristics of the business.

- ▶ Select comparable publicly traded companies and relevant transactions, calculating key valuation metrics for each. When limited comparable information exists, we may also consider prices of similar businesses listed or offered for sale.
- ▶ Conduct a comparative analysis of qualitative and quantitative similarities and differences between the selected comparable companies and the subject asset to identify relevant adjustments.
- ▶ Make necessary adjustments to valuation metrics, if required, to account for differences between the subject asset and comparable companies (e.g., size, growth prospects, or risk profile).
- ▶ Apply the adjusted valuation metrics to the subject asset to arrive at an estimated value.

Additional adjustments may be appropriate to reflect differences between actual historical cash flows and those expected by a buyer on the valuation date.

Where earnings-based metrics (e.g. EBIT or EBITDA) are used for comparison, this is often referred to as the capitalisation of maintainable earnings ('CME') method.

7.4.2 Share transactions

The share transactions approach values an entity based on recent transactions of its securities, providing an indication of market value when transaction data is available. This approach is particularly relevant in the following scenarios:

- ▶ For publicly traded entities, where share prices on an exchange can indicate market value, provided there is sufficient trading volume and a consistent trading history over time; and/or
- ▶ For entities with recent share issuances, such as rights issues or private placements, which can provide insight into the entity's perceived value.

Share market prices typically reflect transactions for minority interests and may not incorporate a premium for control.

7.4.3 Industry specific metrics

Industry-specific valuation metrics can be relevant when market participants commonly rely on alternative measures of value specific to the industry.

7.5 Cost based method

7.5.1 Replacement cost method

The replacement cost method values an asset based on the economic principle that a buyer would pay no more than the cost to acquire an asset with equivalent utility, either by purchase or by construction, assuming no undue time, inconvenience, or risk factors. This method calculates value by estimating the current replacement or reproduction cost of an asset and deducting allowances for physical deterioration and any other relevant forms of obsolescence.

The key steps in the replacement cost method are:

- ▶ Calculate all costs that a typical participant would incur to create or acquire an asset with equivalent utility.
- ▶ Assess depreciation due to physical, functional, or external obsolescence associated with the subject asset.
- ▶ Deduct total depreciation from the replacement cost to determine the asset's value.

When the replacement cost method is applied based on the book value of an entity's assets, it is often referred to as an asset based valuation ('ABV') methodology.

7.5.2 Summation method

The summation method is useful for valuing entities whose overall value primarily depends on the individual values of different assets at various stages of development, or with different risk profiles.

The key steps in the summation method are:

- ▶ Value each component asset within the entity individually, using appropriate valuation approaches and methods for each type of asset.
- ▶ Aggregate the values of all component assets to determine the total value of the entity.

8.0 Valuation of Eumundi

8.1 Our Valuation Approach for Eumundi

We have considered each of the valuation methodologies outlined in Section 7 above and, in our view, it is appropriate to value Eumundi with reference to the summation method, share transactions and guideline comparable method. We discuss each of these approaches below.

8.1.1 Summation method

We have applied the summation method, commonly used for entities where value is primarily derived from individual assets. Under this approach, each of Eumundi's assets, including its property holdings, is valued separately on a market value basis, then aggregated to determine a total entity value. From this, liabilities and adjustments, such as the capitalised value of planned dividends, are deducted to derive an equity value.

To establish asset values, we have considered Eumundi's valuations for financial reporting purposes in FY23 and FY24 as a starting basis and, based on our additional valuation procedures, applied adjustments to determine the most appropriate values for this Report.

Our summation method is set out in Sections 8.2 to 8.7 below.

8.1.2 Share transactions

Eumundi shares are listed on the ASX and it is possible to observe the market price of trades in Eumundi shares.

As Eumundi shares are listed on the ASX, we have also considered the observed market prices of Eumundi shares. This provides an additional reference point for market value.

Our analysis on the share transactions is set out in Section 8.8 below.

8.1.3 Guideline comparable method

To cross-check the reasonableness of our summation method valuation, we have referenced key metrics from comparable property and hospitality companies, focusing on premium/(discount) to NTA, distribution yield, and relevant financial ratios. This provides a contextual benchmark, allowing us to assess whether Eumundi's valuation aligns with market expectations for similar assets.

Our guideline comparable method is set out in Section 8.9 below.

8.1.4 Conclusion on value

Having regard to the above valuation methodologies, we have formed a view on the most appropriate value to adopt for each Eumundi share, on a controlling interest basis, for the purpose of this Report (refer Section 8.10).

8.2 Summation method overview

Table 8.1 below summarises our summation valuation methodology.

Table 8.1: Summary of valuation methodologies utilised in our summation valuation

Category	Description
Eumundi's properties and business operations (i.e. the taverns and freehold properties)	<p>For financial reporting purposes, Eumundi reports its property holdings at fair value. In doing so, Eumundi periodically obtain an independent valuation of its properties and business operations. Due to this, we have readily available valuation reports on each of the properties which were performed by industry experts for the Company as at 30 June 2023 ('the Property Valuation(s)'). For the purposes of the valuation work in this Report, we have utilised the Property Valuations as a starting point for our work. Further details regarding our assessment of the Property Valuations are set out under this table.</p> <p>While we have considered the Property Valuations, our valuation is ultimately based on our view of:</p> <ul style="list-style-type: none"> ▶ Industry standard valuation methodologies; ▶ An appropriate maintainable earnings estimate for each asset, being either EBITDA, net passing income, net market income, or an alternate income measure; ▶ An appropriate capitalisation rate to adopt; and ▶ Any other required capital adjustments for capital expenses or related items.
Other assets / liabilities	In relation to all other assets and liabilities of Eumundi, including surplus assets, surplus liabilities, cash and debt-like items, we have adopted an asset-based valuation (or ABV) methodology.

In accordance with the requirements of RG 111, we have critically evaluated the Property Valuations. In relation to the procedures completed, we note:

- ▶ The property valuers state in the Property Valuations that they have no potential conflict of interest or pecuniary interest relating to Eumundi;
- ▶ The Property Valuations were undertaken by well-regarded valuation practitioners who have the necessary experience and qualifications in accordance with the standards of the Australian Property Institute;
- ▶ We considered the engagement instructions provided to the property valuer and note they did not limit the scope of the methodology applied in the valuations;

- ▶ The property valuers adopted valuation methodologies within each of the Property Valuations that we consider common in the industry for the asset class being valued;
- ▶ We held discussions with the authors of the Property Valuations regarding the valuation methodologies applied and key assumptions as well as recent trends, market evidence and other market drivers which are relevant to consider since the date the Property Valuations were undertaken. This has assisted to inform our view on capitalisation rates, yields and other property specific adjustments;
- ▶ We also held discussions with property valuers not involved with the Property Valuations to gain further insights into market evidence, key drivers, and trends, further informing our understanding of capitalisation rates and yields;
- ▶ We completed our own internal research and relied on internal BDO expertise to confirm information set out in the Property Valuations and additional information communicated to us in our discussions; and
- ▶ We performed a sensitivity analysis on the value of the properties as a result of varying selected key assumptions and inputs.

Our valuation of the properties is set out in Sections 8.3 to 8.5 below, other adjustments we considered appropriate to make are set out in Section 8.6, and we conclude on a value per share from our summation valuation methodology in Section 8.7 below.

8.3 Valuation of Ashmore Tavern

The valuation of Ashmore Tavern set out below includes Eumundi's holdings in:

- ▶ Ashmore Tavern operations;
- ▶ Ashmore Tavern buildings, plant and equipment; and
- ▶ The freehold land that Ashmore Tavern occupies.

8.3.1 Adopted maintainable EBITDA

In our view, it is appropriate to adopt EBITDA as an earnings measure for the purpose of determining the fair value of Ashmore Tavern using a capitalisation methodology. We have adopted EBITDA as opposed to other earnings measures for the following reasons:

- ▶ EBITDA is independent of the direct financial impacts of a given capital structure and taxes;
- ▶ Adopting EBITDA as an earnings measure assists in removing irregularities that may arise from differences in depreciation and amortisation accounting policies, including those that may arise from acquisition related amortisation;
- ▶ EBITDA was the earnings metric adopted by the property valuers in the most recent Property Valuation commissioned by Eumundi for Ashmore Tavern; and
- ▶ Management have provided us with historical and budgeted financial information including trading information for Ashmore Tavern, which we consider is sufficiently detailed enough for us to be able to determine a maintainable earnings estimate.

To determine an appropriate maintainable EBITDA for Ashmore Tavern for the purpose of our valuation, we have considered the historical EBITDA, the budgeted EBITDA and the EBITDA adopted by the property valuers in the most recent Property Valuation commissioned by Eumundi for Ashmore Tavern.

Eumundi is responsible for the financial information. BDOCF has not performed any audit or review of any type on the historical financial information of Eumundi, and we make no statement as to the accuracy of the information provided. BDOCF has not completed any audit, review or due diligence procedures on the financial information provided to us beyond critically analysing the assumptions adopted and making enquiries of Management.

Table 8.2 below sets out the EBITDA of Ashmore Tavern for the financial years FY23 to FY25B as well as the EBITDA adopted in the Property Valuation.

Table 8.2: Ashmore Tavern historical, budget and expert EBITDAs

Ashmore Tavern historical	FY23 actuals	Property Valuation ¹	FY24 actuals	FY25 budget	Adopted
EBITDA	3,173,735	3,247,345	3,495,422	3,774,829	3,600,000
EBITDA margin	20.57%	20.78%	22.33%	23.49%	n/a

Source: Eumundi accounts, The Property Valuations, BDOCF analysis

¹ Per the Property Valuation as at 30 June 2023

In our opinion, it is appropriate to adopt an annual maintainable earnings figure of \$3.6 million for the purpose of the valuation set out in this Report. In forming our view, we have considered:

- ▶ The recent trading performance of Ashmore Tavern which has outperformed prior years in its trading history. We note that FY24 was \$248k above the earnings figure adopted by the Property Valuation estimate as at 30 June 2023. Regarding the FY24 result, we understand that the following items contributed to Ashmore's performance:

- An increase in gaming revenues, driven by ongoing investments in facilities;
 - Higher bistro sales following a prior-year kitchen redevelopment, while bar sales remained stable;
 - A decrease in retail and corporate liquor sales, attributed to reduced customer spending, increased competition, and a shift towards value-focused purchases; and
 - A marginal increase in employment and operational costs;
- ▶ The FY25 budget projects further earnings growth due to continued increases in both gaming and bistro revenues;
 - ▶ We have assumed that gaming and retail operations continue without disruption. We have also considered our maintainable earnings figure net of GST, gaming and staff related taxes which we have treated as operating expenses; and
 - ▶ Our capitalisation rates from comparable transactions are based on historical earnings. To ensure a like-with-like comparison between adopted earnings and the selected capitalisation rate, it is standard practice to apply a historical capitalisation rate to the historical earnings of the subject being valued. Notwithstanding this, where we think an adjustment to historical earnings is required to better reflect expected ongoing performance, we have made an additional adjustment.

8.3.2 Capitalisation rate adopted for Ashmore Tavern

A summary of the observable comparable capitalisation rates is set out in Appendix B.

Based on the capitalisation rate research set out in Appendix B, we have adopted a capitalisation rate range of 9.25% and 8.75% for Ashmore Tavern, consistent with the most recent Property Valuation.

8.3.3 Capitalised value of Ashmore Tavern

Table 8.3 below summarises our calculation of the capitalisation value of Ashmore Tavern.

Table 8.3: Capitalised value of Ashmore Tavern

Ashmore Tavern valuation	Reference	Low Value	High Value
Adopted EBITDA	Section 8.3.1	3,600,000	3,600,000
Adopted yield (capitalisation rate)	Section 8.3.2	9.25%	8.75%
Capitalised value		38,918,919	41,142,857
Adopted value (rounded)		38,900,000	41,150,000

Source: BDOCF analysis

Table 8.4: Capitalisation value of Ashmore Tavern sensitivity analysis

(\$)	Yield				
Income	8.50%	8.75%	9.00%	9.25%	9.50%
(10.00%)	38,100,000	37,050,000	36,000,000	35,050,000	34,100,000
(5.00%)	40,250,000	39,100,000	38,000,000	36,950,000	36,000,000
0.00%	42,350,000	41,150,000	40,000,000	38,900,000	37,900,000
5.00%	44,450,000	43,200,000	42,000,000	40,850,000	39,800,000
10.00%	46,600,000	45,250,000	44,000,000	42,800,000	41,700,000

Source: BDOCF analysis

Having regard to the tables above, we have calculated the capitalised value of Ashmore Tavern to be within the range of \$38.9 million to \$41.2 million exclusive of GST on a controlling interest basis.

8.3.4 Ashmore Tavern's gaming assets

The above valuation work has been conducted based on the assumption that Ashmore Tavern will be operated as a going concern for the remaining term of the lease agreement. Considering this, our adopted maintainable earnings include income and expenses related to Ashmore Tavern's gaming assets.

The ownership of gaming authorities is heavily regulated, and any sale is conducted through publicly observable market tenders. Information on the latest available prices of gaming authority tenders is set out in Appendix D.

Based on the information set out in Appendix D, the highest observed selling price for a gaming authority is \$485k based on the sale of 72 machines on 5 June 2024.

As at the date of this Report, Ashmore Tavern owns 45 gaming authorities, the cap for hotel-based establishments in the state of Queensland. In the event that Ashmore Tavern was not operating efficiently enough to achieve a reasonable return on the gaming authorities relative to their market value, Eumundi could theoretically realise more value by selling the gaming authorities in whole or in part for a lump sum.

If Eumundi were to sell the gaming authorities, the following items would need to be considered:

- ▶ Statutory costs involved in selling the gaming authorities, including:
 - 10% GST payable on the gross sale price of the authorities; and

- 15% Contribution Fund²⁰ charge payable on the gross sale price excluding GST (prior to 30 June 2025²¹);
- ▶ Tax, marketing and legal costs related to the sale of the gaming authorities;
- ▶ Opportunity costs related to the lost gaming and retail revenue; and
- ▶ Any capital costs which might be required to renovate or repurpose the gaming area, or potentially the entire premises should the entirety of the gaming authorities be sold, and Ashmore Tavern cease operations.

In Table 8.5 below, we have calculated the potential value of Ashmore Tavern's gaming authorities net of the related statutory costs and based on the average selling price of \$485k per authority as per the latest observable public tender.

Table 8.5: Gaming authority sale value

Gaming authority value	Value
Number of gaming authorities	45
Most recent tender value per authority	485,302
Gross value	21,838,590
Selling costs of authorities	
GST on sale	(2,183,859)
Contribution fund charge (15%)	(2,948,210)
Net value	16,706,521
Net value per authority	371,256

Source: BDOCF analysis, Queensland Government

As calculated above, and before any other costs, the 45 gaming authorities may be sold for a net amount of \$16.7 million.

Regarding this, we have also considered the following factors:

- ▶ Ashmore Tavern has a history of profitable operations which we understand have been returning an acceptable yield on operations;
- ▶ The EGMs have historically outperformed the Gold Coast statistical area figures by approximately 200%, driven by ongoing investments in facilities that have supported consistent year-on-year growth over the past three years. Over the most recent rolling 12-month period, Ashmore Tavern has averaged approximately \$541 of daily metered revenue per gaming machine with recent occupancy levels of approximately 30%;
- ▶ Ashmore Tavern occupies a lease and fit out which is specific to its current operations. We expect this may not easily be remodelled to serve an alternate purpose to that of Ashmore Tavern's existing operations without significant capital expenditure;
- ▶ The sale of the authorities may not occur at the price which the above calculation is based upon, and there is a risk that the authorities may sell for less than the amount noted in Table 8.5, or that not all 45 authorities are acquired; and
- ▶ There may not be an equivalent asset or asset class to which Eumundi could deploy the sale proceeds to continue earning an adequate return on their invested capital.

Noting the points above, we do not consider it reasonable to assume that the sale, or partial sale, of the gaming authority assets of Ashmore Tavern would result in a value higher than that calculated through the capitalisation of Ashmore Tavern's maintainable earnings.

8.3.5 Ashmore Tavern valuation conclusion

Our adopted value is set out in Table 8.6 below.

Table 8.6 Ashmore Tavern adopted value

Ashmore Tavern adopted value	Reference	Low Value	High Value
Capitalised value of Ashmore Tavern	Section 8.3.3	38,900,000	41,150,000
Value of surplus gaming authorities (net of costs)	Section 8.3.4	-	-
Adopted value		38,900,000	41,150,000

Source: BDOCF analysis

²⁰ A government fund that distributes part of the proceeds of sale from gaming authorities to a consolidated community fund.

²¹ As at the date of this Report, the 15% Contribution Fund charge will increase to 33% on 30 June 2025. We have assumed that any sale of the gaming authorities would occur prior to 30 June 2025.

8.4 Valuation of Aspley Central Tavern

The valuation of Aspley Central Tavern set out below includes Eumundi's holdings in Aspley Central Tavern operations, plant and equipment and the gaming authorities²².

For clarity, our valuation of Aspley Central Tavern represents the leasehold interest noting that it does not include the freehold land or improvements that the Aspley Central Tavern occupies. We have considered the freehold value within our valuation set out in Section 8.5.2.

8.4.1 Adopted maintainable EBITDA

In our view, it is appropriate to adopt EBITDA as an earnings measure for the purpose of determining the fair value of Aspley Central Tavern using a capitalisation methodology. The reasons for this are consistent with the Ashmore Tavern valuation set out in Section 8.3.1 above.

To determine an appropriate maintainable EBITDA for Aspley Central Tavern for the purpose of our valuation of the leasehold interest, we have considered the historical EBITDA, the budgeted EBITDA and the EBITDA adopted by the property valuers in the most recent Property Valuation commissioned by Eumundi for Aspley Central Tavern.

Eumundi is responsible for the financial information. BDOCF has not performed any audit or review of any type on the historical financial information of Eumundi, and we make no statement as to the accuracy of the information provided. BDOCF has not completed any audit, review or due diligence procedures on the financial information provided to us beyond critically analysing the assumptions adopted and making enquiries of Management.

Table 8.7 below sets out the EBITDA of Aspley Central Tavern for the financial years FY23 to FY25B as well as the EBITDA adopted in the Property Valuation.

Table 8.7: Aspley Central Tavern historical, budget and expert EBITDAs

Aspley Central Tavern historical	FY23 actuals	Property Valuation ¹	FY24 actuals	FY25 budget	Adopted
EBITDA	845,195	802,317	795,092	918,354	920,000
EBITDA margin	18.02%	16.88%	17.16%	19.51%	n/a

Source: Eumundi accounts, The Property Valuations, BDOCF analysis

¹ Per the Property Valuation as at 30 June 2023

In our opinion, it is appropriate to adopt an annual maintainable earnings figure of \$920k for the purpose of the valuation set out in this Report. In forming our view, we have considered:

- ▶ The recent trading performance of Aspley Central Tavern has underperformed prior years in its trading history. We note that FY24 was approximately \$50k below FY23 (or approximately 9%). Regarding the underperformance, we understand that the following items impacted Aspley Central Tavern's FY24 operations:
 - A softening in gaming turnover, which has been slightly offset by a number of gaming machine upgrades in the fourth quarter of FY24;
 - Flat or decreasing bistro and bar sales combined with increasing costs due to larger than anticipated staff turnover, training costs and recruitment fees; and
 - Depressed customer numbers and retail liquor sales, which Eumundi have attributed to cost of living pressures reducing consumer budgets during FY24.
- ▶ The budgeted FY25 figures estimate a reversal of the downward pressure on earnings present in the FY24 actuals. We understand that Eumundi have taken certain measures to turn around the operating results of Aspley Central Tavern. The implemented changes have resulted in a reduction in costs of approximately \$36k year to date versus FY24 and include:
 - Hiring a new head chef to improve bistro operations, along with decreasing staff headcount where applicable;
 - A reduction of spending on marketing and advertising promotions which were deemed to be uneconomical; and
 - Gaming room upgrade to ensure fleet offering is up to date to attract higher customer engagement.
- ▶ The trading results of Aspley Central Tavern for the first 4 months of FY25 have been below both the trading results of the same period in FY24 and the FY25 budget. We note many of the cost savings discussed above have only recently been implemented and may not yet be fully reflected in the year to date results of Aspley Central Tavern. Management have also indicated the year to date results are reflective of a slowing economy and may not be directly comparable to the FY24 trading conditions;
- ▶ The rental rate charged by Eumundi is on a discretionary basis. However, we have considered it and it sits within an appropriate range for the premises and has been adopted for the purposes of the valuation. Any change in the adopted market rental rate for Aspley Central Tavern results in an inverse but outsized change in the valuation of the Aspley Shopping Centre premises (refer Section 8.5.2) which has a lower capitalisation rate applied;

²² While the gaming authorities are owned by the lessor, being Eumundi, we have considered them as part of the operations and assets in our valuation of the Aspley Central Tavern.

- ▶ We have assumed that gaming and retail operations continue without disruption. We have also considered our maintainable earnings figure net of GST, gaming and staff related taxes which we have treated as operating expenses; and
- ▶ Our capitalisation rates from comparable transactions are based on historical earnings. To ensure a like-with-like comparison between adopted earnings and the selected capitalisation rate, it is standard practice to apply a historical capitalisation rate to the historical earnings of the subject being valued. Notwithstanding this, where we think an adjustment to historical earnings is required to better reflect expected ongoing performance, we have made an additional adjustment.

8.4.2 Capitalisation rate adopted for Aspley Central Tavern

A summary of the observable comparable capitalisation rates is set out in Appendix B.

Based on the capitalisation rate research set out in Appendix B, we have adopted a capitalisation rate range of 18.75% and 17.75% for Aspley Central Tavern.

For completeness, we note that the adopted capitalisation rate for Aspley Central Tavern is higher than, and not comparable to, the rate adopted for the Ashmore Tavern. The Aspley Central Tavern capitalisation rate is higher as it reflects the leasehold interest only (i.e. does not capture the freehold value).

8.4.3 Capitalised value of Aspley Central Tavern

Table 8.8 below summarises our calculation of the capitalised value of Aspley Central Tavern.

Table 8.8: Capitalised value of Aspley Central Tavern

Aspley Central Tavern valuation	Reference	Low Value	High Value
Adopted EBITDA	Section 8.4.1	920,000	920,000
Adopted yield	Section 8.4.2	18.75%	17.75%
Capitalised value		4,906,667	5,183,099
Adopted value		4,900,000	5,200,000

Source: BDOCF analysis

Having regard to the table above, we have calculated the capitalised value of the leasehold interest in the Aspley Central Tavern to be between \$4.9 million and \$5.2 million exclusive of GST utilising a capitalised earnings methodology on a controlling interest basis.

We have also tested our adopted capitalisation value under alternate maintainable earnings and capitalisation rates in the sensitivity analysis set out in Table 8.9 below.

Table 8.9: Aspley Central Tavern valuation sensitivity analysis

(\$)	Yield				
Income	18.75%	18.50%	18.25%	18.00%	17.75%
(10.00%)	4,400,000	4,500,000	4,550,000	4,600,000	4,650,000
(5.00%)	4,650,000	4,700,000	4,800,000	4,850,000	4,900,000
0.00%	4,900,000	4,950,000	5,050,000	5,100,000	5,200,000
5.00%	5,150,000	5,200,000	5,300,000	5,350,000	5,450,000
10.00%	5,400,000	5,450,000	5,550,000	5,600,000	5,700,000

Source: BDOCF analysis

8.4.4 Aspley Central Tavern's gaming assets

The above valuation work has been conducted based on the assumption that Aspley Central Tavern will be operated as a going concern under a notional long term lease agreement. Considering this, our adopted maintainable earnings includes income and expenses related to Aspley Central Tavern's gaming assets.

As at the date of this Report, Aspley Central Tavern owns 45 gaming authorities, the cap for hotel-based establishments in the state of Queensland. In the event that Aspley Central Tavern was not operating efficiently enough to achieve a reasonable return on the gaming authorities relative to their market value, Eumundi could theoretically realise more value by selling the gaming authorities in whole or in part for a lump sum.

For the reasons set out in Section 8.3.4 above, before any other costs, the 45 gaming authorities may be sold for a net value of \$16.7 million, which equates to a value of approximately \$371k per machine.

Regarding this, we have also considered the following factors:

- ▶ Aspley Central Tavern has had flat to negative EBITDA growth recorded across the prior two financial periods. Albeit the budgeted earnings anticipate a reversal of this trend;
- ▶ Excluding gaming revenue and related costs, the Aspley Central Tavern EBITDA returned negative \$1.2 million in FY24 and this financial performance is not expected to improve materially in FY25B (on a gaming machine excluded basis);

- ▶ When compared to the results of Ashmore Tavern's gaming machines, Aspley Central Tavern is operating well below optimal capacity. Over the most recent rolling 12-month period, Aspley Central Tavern has averaged approximately \$284.38 of daily metered revenue per gaming machine with recent occupancy levels of approximately 15%;
- ▶ Discussions with Management indicate that a reduction in the number of gaming machines available at Aspley Central Tavern may not result in a material reduction of the total gaming profit for the venue, but rather, an increase in per machine utilisation. This would indicate that a portion of the gaming authorities may be surplus to the current operations of Aspley Central Tavern;
- ▶ Aspley Central Tavern sits on a fit for purpose lease which may not easily be remodelled to serve any purposes alternate to that of Aspley Central Tavern's existing operations. However, we note that Aspley Central Tavern sits within a broader operating commercial shopping centre owned by Eumundi. We consider it reasonable to assume that such a property could be subdivided and remodelled successfully in an area where there is already commercial infrastructure and foot traffic;
- ▶ The calculated net sale value of the gaming authorities is \$16.7 million, being \$11.7 million greater than the calculated midpoint capitalised value of Aspley Central Tavern's maintainable earnings (leasehold interest);
- ▶ Management have indicated that the sale of a portion of the gaming authorities may be done without having to undergo any capital works or refurbishment of the gaming room;
- ▶ The sale of the authorities may not occur at the price which the above calculation is based upon, and there is a risk that the authorities may sell for less than the amount noted in Table 8.5, or that not all 45 authorities are acquired; and
- ▶ There may not be an equivalent asset or asset class to which Eumundi could deploy the sale proceeds to earn an adequate return on their invested capital.

Noting the points above, we consider it reasonable to assume that 10 of the gaming authorities are surplus to the operations of the Aspley Central Tavern and could be sold separately. We consider this assumption reasonable due to the following:

- ▶ While both venues have the same amount of gaming authorities, Aspley Central Tavern machines have underperformed when compared to Eumundi's Ashmore Tavern machines by roughly 48%. While there may be a range of factors which contribute to this performance asymmetry, we have no reason to believe that this theme will change in the near term. We also note that, in the near term, Eumundi is not planning on making any material expenditure in capital works or marketing and advertising which might result in a rapid increase in the performance of Aspley Central Tavern's gaming;
- ▶ Gaming machines are a key driver of EBITDA for the Aspley Central Tavern and a core number would need to be retained to generate the EBITDA figure we have adopted; and
- ▶ An alternative course of action is to sell the entirety of Aspley Central Tavern's gaming authorities and redevelop the area as an extension of the Aspley Arcade Shopping Villages and Aspley Shopping Centre. However, as Eumundi has not fully investigated this option, we have not been able to accurately quantify the costs associated with this option or the alternative revenue that may be generated from the redevelopment if such an option were taken.

As discussed above, the net realisable value per gaming authority for Aspley Central Tavern is \$371k. Considering this, we have included the potential sale of 10 of the gaming authorities in the high end of our valuation range for Aspley Central Tavern.

At the low end of the valuation range we have assumed no surplus gaming authorities. This is on the basis that Eumundi has no immediate plans to sell any of the gaming authorities, there is no guarantee of the price that may be realised if they were to sell the gaming authorities, and there may be a consequential risk to the business from selling the gaming authorities.

8.4.5 Aspley Central Tavern valuation conclusion

In determining the value of Aspley Central Tavern, we have considered the items set out in Section 8.4. Our adopted value is set out in table 8.10 below.

Table 8.10: Aspley Central Tavern adopted value

Aspley Central Tavern adopted value	Reference	Low Value	High Value
Capitalised value of Aspley Central Tavern earnings	Section 8.4.3	4,900,000	5,200,000
Value of surplus gaming authorities (net of costs)	Section 8.4.4	-	3,712,560
Adopted value		4,900,000	8,912,560

Source: BDOCF analysis

8.5 Valuation of Eumundi's freehold and long-term leasehold assets

8.5.1 Valuation approach

Eumundi's freehold and long-term leasehold assets are the land and buildings owned by the Company on which Eumundi collects rental income but does not operate within the premises. These assets include:

- ▶ Aspley Shopping Centre (including the lease of the Aspley Central Tavern);
- ▶ Aspley Arcade Shopping Villages;
- ▶ The Plough Inn; and
- ▶ Court House Hotel.

In our view, it is appropriate given the income producing nature of the assets to adopt a capitalised earnings methodology as follows:

- ▶ Determine net market income for each of the assets, which refers to the expected market rental income to be received for each of the properties;
- ▶ Determine a capitalisation rate appropriate to the net market income;
- ▶ Calculate a capitalised value by dividing the net market income by the capitalisation rate;
- ▶ Perpetual vacancy allowance where deemed relevant for multi-tenant properties;
- ▶ Adjust the capitalised value for items such as:
 - Forecast capital expenditure or building works;
 - Unexpired leasing incentives and rental abatements;
 - Current passing incomes determined to be either above or below expected market rental income rates and accounting for this variance until lease expiry; and
 - Incentive allowances and leasing up allowances accounting for the assumed time and costs to lease any vacant areas.

The above approach is consistent with the methodology adopted in the Property Valuations as at 30 June 2023.

8.5.2 Aspley Shopping Centre

Our valuation of Aspley Shopping Centre includes the following Eumundi assets:

- ▶ Leased tenancies as per the tenancy schedule dated 31 October 2024 and relied on for the purpose of this Report. As per the tenancy schedule, the Aspley Shopping Centre comprises 14 specialty tenancies, of which 3 are currently vacant;
- ▶ Outgoings of \$101/sqm has been adopted as per the agreed upon budget between the Company and each of the current tenants; and
- ▶ The notional Aspley Central Tavern lease, which was included as an expense in the calculations in Section 8.4.

To determine the appropriate net market income to adopt for Aspley Shopping Centre, we have had regard to Aspley Shopping Centre's net passing income as at FY24 (net of outgoings) in addition to Management's latest available rental tenancy schedules as well as leasing evidence including recent rents within the centre. The rental tenancy schedules include items such as:

- ▶ Tenancy and lessee details including trading name;
- ▶ Rental rates for each tenancy;
- ▶ Rental review mechanism under the lease;
- ▶ Outgoings contributions for each tenancy;
- ▶ Lease start and finish dates as well as any options periods under the lease;
- ▶ Rental periods for each tenancy; and
- ▶ Any special arrangements or rental abatements for each tenancy.

To determine the appropriate capitalisation rate to adopt against the net market income for Aspley Shopping Centre we have had regard to the detailed analysis of capitalisation rates set out in Appendix B.

We have discussed adjustments required to our capitalised value with management and, in our view, it is reasonable to make an adjustment of \$620k for items including leasing up allowances on vacant tenancies, agent fees at 15% of the first years gross annual income relating to new leases over the vacant tenancies, incentives and unexpired rental incentives under the existing leases. The adjustments we have applied are generally consistent with the adjustments made in the Property Valuations.

Table 8.11 below summarises our calculation of the capitalised value of Aspley Shopping Centre.

Table 8.11: Capitalised value of Aspley Shopping Centre

Aspley Shopping Centre	Low Value	High Value
Net market income	1,535,000	1,535,000
Capitalisation rate	6.75%	6.00%
Capitalisation value	22,740,741	25,583,333
Capital adjustments	(620,000)	(620,000)
Adjusted capitalisation value	22,120,741	24,963,333
Adopted value	22,100,000	24,950,000

Source: BDOCF analysis, the rental tenancy schedules

Having regard to the table above, the value of the Aspley Shopping Centre falls within the range of \$22.1 million to \$25.0 million exclusive of GST utilising the capitalisation approach on a controlling interest basis.

8.5.3 Aspley Arcade Shopping Villages

Our valuation of Aspley Arcade Shopping Villages include the 14 specialty tenancies as per the tenancy schedule (dated 31 October 2024), of which two tenancies are vacant.

To determine the appropriate net market income to adopt for Aspley Arcade Shopping Villages, we have had regard to Aspley Arcade Shopping Villages' net passing income as at FY24 (net of outgoings) in addition to Management's latest available tenancy schedules.

To determine the appropriate capitalisation rate to adopt against the net income for the Aspley Arcade Shopping Villages we have had regard to the detailed analysis of capitalisation rates set out in Appendix B.

We have discussed adjustments required to our capitalised value with management and, in our view, it is reasonable to make an adjustment of \$490k for items including leasing up and incentive allowances for vacant tenancies and unexpired rental incentives, forecast capital expenditure allowances etc. The adjustments we have applied are generally consistent with the adjustments made in the Property Valuations.

Table 8.12 below summarises our calculation of the capitalisation value of Aspley Arcade Shopping Villages.

Table 8.12: Capitalisation value of Aspley Arcade Shopping Villages

Aspley Arcade Shopping Villages	Low Value	High Value
Net market income	1,305,000	1,305,000
Capitalisation rate	6.50%	6.00%
Capitalisation value	20,076,923	21,750,000
Capital adjustments	(490,000)	(490,000)
Adjusted capitalisation value	19,586,923	21,260,000
Adopted value	19,600,000	21,250,000

Source: BDOCF analysis, the rental tenancy schedules

Having regard to the table above, the value of Aspley Arcade Shopping Villages falls within the range of \$19.6 million to \$21.3 million exclusive of GST utilising a capitalised earnings methodology on a controlling interest basis.

8.5.4 The Plough Inn

Our valuation of The Plough Inn includes the leasehold value of the land and building in which The Plough Inn hotel operates. Eumundi holds the property under a leasehold agreement with South Bank Corporation, with approximately 90 years remaining on the term. The property has been subleased to Plough Inn Brisbane Pty Ltd, which assumes responsibility for all ongoing capital and operating expenses associated with the building. Eumundi collects rent with no material outgoings. We note that there is limited available evidence of recent transactions involving long-leasehold interests. However, given the length of the lease, we consider that any variation in investment parameters compared to a freehold interest is likely to be minimal.

To determine the appropriate net market income to adopt for The Plough Inn, we have had regard to the sub-lease contract between Eumundi (lessor) and Plough Inn Brisbane Pty Ltd (lessee) and the position paper as at 30 June 2024 provided by Management. We consider the current rental rate for The Plough Inn to be reasonably representative of current market rates.

To determine the appropriate capitalisation rate to adopt against the earnings of The Plough Inn, we have had regard to the detailed analysis of capitalisation rates set out in Appendix B.

Following discussions with Management and the authors of the Property Valuations, we have not made any capital adjustments to the capitalised value of The Plough Inn on the assumption that any sustaining capital for the asset is captured within the net market income assumption. The asset is subject to a triple net lease which comprises a long residual lease term of approximately 8 years to Plough Inn Brisbane Pty Ltd, with the passing rent generally in line with market.

Table 8.13 below summarises our calculation of the capitalisation value of The Plough Inn.

Table 8.13: Capitalisation value of The Plough Inn

The Plough Inn	Low Value	High Value
Net market income	1,255,000	1,255,000
Capitalisation rate	6.50%	6.00%
Capitalisation value	19,307,692	20,916,667
Adopted value	19,300,000	20,900,000

Source: BDOCF Analysis, The Plough Lease Contract, Position Paper provided by Management

Having regard to the table above, the value of The Plough Inn falls within the range of \$19.3 million to \$20.9 million exclusive of GST utilising a capitalised earnings methodology on a controlling interest basis.

8.5.5 Court House Hotel

Our valuation of the Court House Hotel includes the freehold value of the land and building in which the Court House Hotel operates. We note that, while Eumundi owns the Court House Hotel building, the tenants are responsible for the ongoing capital and operating expenses related to the building such that Eumundi collects rent with no material outgoings.

To determine the appropriate net market income to adopt for the Court House Hotel, we have had regard to the lease contract between Eumundi (formerly Tweed Volcano Pty Limited) (lessor) and CHTD Pty Ltd (lessee) and the position paper as at 30 June 2024 provided by Management. We consider the current rental rate for the Court House Hotel to be reasonably representative of current market rates.

To determine the appropriate capitalisation rate to adopt against the earnings of the Court House Hotel, we have had regard to the detailed analysis of capitalisation rates set out in Appendix B.

Following discussions with Management and the Independent Valuation Experts, we have not made any capital adjustments to the capitalised value of the Court House Hotel. The asset is subject to a triple net lease which comprises a long residual lease term of approximately 12 years to CHTD Pty Ltd, with the passing rent generally in line with market. We believe this is reasonable as the sustaining capital for the asset is captured within the net passing income assumption.

Table 8.14 below summarises our calculation of the capitalisation value of the Court House Hotel.

Table 8.14: Capitalisation value of the Court House Hotel

Court House Hotel	Low Value	High Value
Net passing income	410,000	410,000
Capitalisation rate	5.75%	5.25%
Capitalisation value	7,130,435	7,809,524
Adopted value	7,150,000	7,800,000

Source: BDOCF Analysis, Court House Hotel Lease Contract, Position Paper provided by Management

Having regard to the table above, the value of Court House Hotel falls within the range of \$7.2 million to \$7.8 million exclusive of GST utilising a capitalised earnings methodology on a controlling interest basis.

8.6 Valuation of Eumundi's remaining assets and liabilities

The asset values set out in Sections 8.3 to 8.5 exclude the impact of the Company's debt on the financial results as well as the value of surplus assets or liabilities (i.e. those assets and liabilities which are not required for the usual business operations).

When adopting the summation valuation methodology to calculate the value of the equity in a company, it is appropriate to add the Company's surplus cash and cash equivalents, subtract the value of interest-bearing liabilities, and add (subtract) the value of any surplus assets (liabilities) to (from) the enterprise value to find the equity value.

We have set out our analysis of Eumundi's remaining assets and liabilities below in this section.

8.6.1 Eumundi's deferred tax liabilities

Eumundi's deferred tax liabilities primarily relate to the deferred tax on unrealised gains recognised on the upward revaluation of the Company's assets.

The asset values set out in Sections 8.3 to 8.5 above for Eumundi's core operations do not account for the potential tax consequences that would arise from the realisation of these gains. To ensure our summation valuation methodology accurately reflects the net value of the assets, we have separately considered the deferred tax liabilities.

To determine the value of the Company's deferred tax liabilities, we have:

- Obtained information regarding the original or depreciated cost base of the assets valued in Section 8.3 to Section 8.5;
- Calculated the surplus value of the assets based on the updated valuations in Section 8.3 to Section 8.5; and

- ▶ Applied the Company's applicable tax rate of 25% to determine the expected capital gains tax liability on the surplus value.

Based on the above, we have calculated a deferred tax liability in the range of \$11.9 million to \$15.2 million. We note that our calculated range is \$2.4 million to \$5.7 million greater than the book value of \$9.5 million²³ for Eumundi's deferred tax liabilities based on the Company's 31 October 2024 management accounts.

8.6.2 Eumundi's net debt position

To determine the value of the Company's net debt position, we have considered the information included in the Company's 31 October 2024 financial accounts and have made enquiries with Management in relation to any material adjustments required to reflect the fair market value of the assets and liabilities.

Eumundi's net debt position as at 31 October 2024 is set out in Table 8.15 below.

Table 8.15 Eumundi's net debt

Eumundi net debt	Value (\$)
Cash	(1,075,682)
Borrowings	24,307,556
Net debt	23,231,874

Source: Management Accounts as at 31 October 2024

8.6.3 Capitalised corporate costs

The summation valuation methodology reflects the theoretical aggregate value of Eumundi Group's property assets without considering the practical operational costs that may be incurred by an acquirer. While Eumundi's hotels have existing management teams in place and its rental properties operate as passive investments, some ongoing corporate costs would remain relevant for a hypothetical acquirer.

Eumundi's assets are likely to require minimal incremental costs for oversight and integration. These include one-off costs such as system alignment and branding, as well as modest recurring costs for lease renewals, tenant interactions, and occasional portfolio-level oversight. However, a well-established acquirer with an existing hospitality and property management platform would likely absorb significant corporate functions, such as human resources, finance, and compliance, without requiring additional overhead.

We estimate that the residual corporate overheads specific to Eumundi's assets would equate to approximately \$125,000 annually after accounting for synergies. Capitalising these costs at a multiple of 8x, consistent with market practices for recurring costs of this nature, results in an assessed value of \$1.0 million for residual corporate overheads.

8.6.4 Portfolio premium

The summation valuation methodology does not take into account a potential portfolio premium for acquiring a group of properties. We have considered the application of a portfolio premium and formed the view that no portfolio premium is required to be applied to the group of properties owned by Eumundi. In forming this view, we note that we have no compelling market evidence that a premium would be paid for Eumundi's properties over and above the values that we have determined as part of our summation valuation methodology.

8.6.5 Other surplus assets and liabilities

Other items which we consider to be surplus assets or liabilities the Company's operations include:

- ▶ \$499k deferred tax assets related to losses on previous sales of the Company's property assets;
- ▶ The \$351k income tax payable as per 31 October 2024 per Management Accounts; and
- ▶ \$1.2 million relating to the permissible 2.4c per share interim dividend, as per the details set out in Section 4.1.

²³ Excludes \$224k of deferred tax liabilities/(assets) related to items we have classified working capital and \$499k of deferred tax assets we have considered in Section 8.6.5.

8.7 Adopted per share value using summation method

Our summation valuation of Eumundi is set out in Table 8.16 below.

Table 8.16: Equity value of Eumundi - summation method

\$	Reference	Low Value	High Value
Ashmore Tavern	Section 8.3	38,900,000	41,150,000
Aspley Central Tavern	Section 8.4	4,900,000	8,912,560
Aspley Shopping Centre (14 specialty tenancies)	Section 8.5.2	22,100,000	24,950,000
Aspley Arcade Shopping Villages (14 speciality tenancies)	Section 8.5.3	19,600,000	21,250,000
The Plough Inn	Section 8.5.4	19,300,000	20,900,000
Court House	Section 8.5.5	7,150,000	7,800,000
Enterprise value		111,950,000	124,962,560
Add/(less): surplus assets/(liabilities)			
Deferred tax (on properties)	Section 8.6.1	(11,938,139)	(15,191,279)
Cash	Section 8.6.2	1,075,682	1,075,682
Borrowings	Section 8.6.2	(24,307,556)	(24,307,556)
Capitalised corporate overheads	Section 8.6.3	(1,000,000)	(1,000,000)
Deferred tax assets	Section 8.6.5	499,000	499,000
Income tax	Section 8.6.5	(350,604)	(350,604)
Proposed interim dividend (2.4c)	Section 8.6.5	(1,194,426)	(1,194,426)
Equity value		74,733,956	84,493,376

Source: BDOCF analysis

Table 8.16 shows that the total equity value of we have calculated for Eumundi using the summation valuation methodology is between \$74.7 million and \$84.5 million on a controlling interest basis. Table 8.17 below converts this value into a value per Eumundi share.

Table 8.17: Value per Eumundi ordinary share - summation method

	Reference	Low Value	High Value
Total summation method value	Table 8.16	74,733,956	84,493,376
Total number of Eumundi Shares	Section 5.4	49,767,770	49,767,770
Value per Eumundi Share (\$/Share)		1.502	1.698

Source: BDOCF analysis

Table 8.17 sets out our value of Eumundi's ordinary shares within the range of \$1.502 and \$1.698 per share. We note that our summation valuation of Eumundi provides a value per share for Eumundi on a controlling interest basis.

8.8 Share transactions

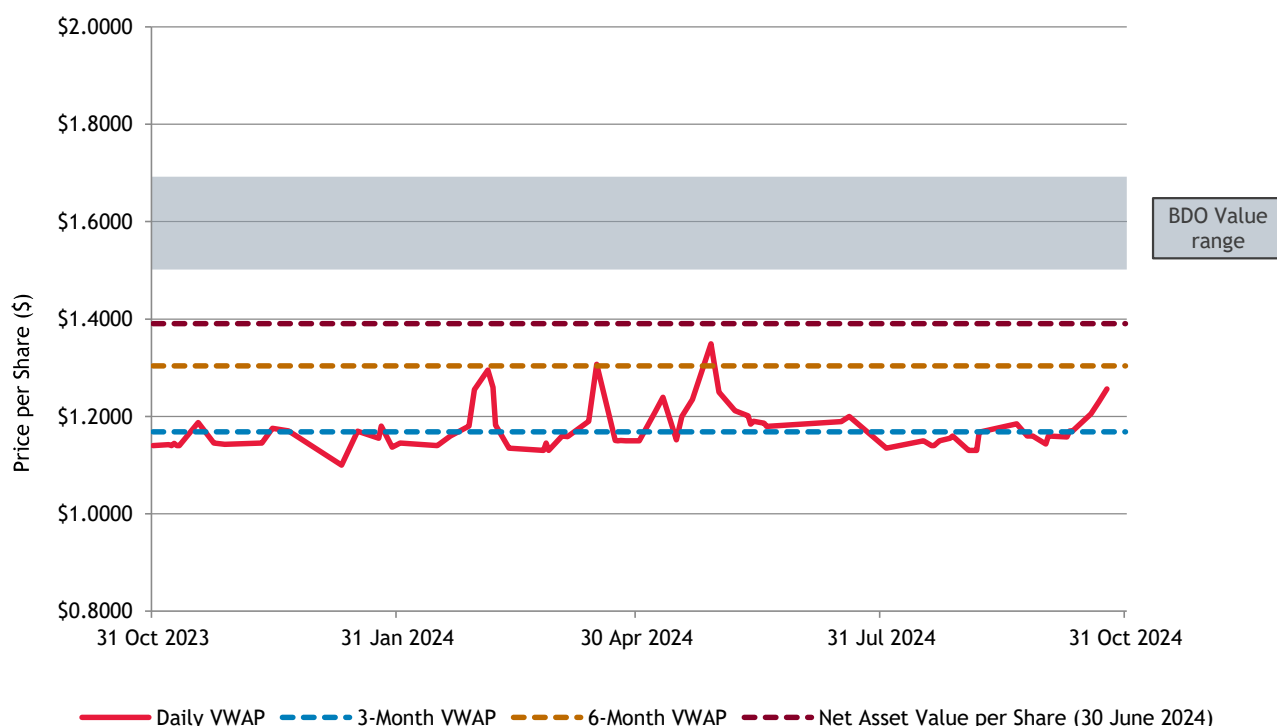
Eumundi's ordinary shares are listed on the ASX and trade under the ticker 'EBG'. Information relating to the recent share trading data of Eumundi's ordinary shares along with an analysis of recent announcements made by Eumundi to the ASX are set out in Section 5.5 of this Report.

Notwithstanding that Eumundi shares are traded on the ASX, we do not consider the underlying share data to be particularly liquid. For example, we note:

- ▶ Eumundi has a tightly held share structure, as shown in Table 5.5, with approximately 94.9% of Eumundi shares held by shareholders with a share parcel in excess of 100,000 shares;
- ▶ As outlined in Table 5.8, the monthly trading volumes exceeded 100,000 shares in only four months in the 12 months to the Announcement Date; and
- ▶ The total trading volume over the 12 months preceding the Announcement Date represents approximately 5.13% of the average shares outstanding.

As a result of the limited liquidity in Eumundi's shares, it is our view that it is more appropriate to compare our summation value for Eumundi to share trading data to confirm reasonableness, rather than complete a valuation based off the underlying Eumundi share transactions. For completeness, in this graph we have also shown the 3 month and 6 month VWAP prior to the Announcement Date along with the net asset value per share as at 30 June 2024. This analysis is set out in Figure 8.1 below.

Figure 8.1: Share price and summation value analysis



From Figure 8.1 above, we note:

- ▶ We have set out the daily VWAP and volume traded for the period from 31 October 2023 to 29 October 2024 (being the last day of trading prior to the Offer being announced);
- ▶ Eumundi's daily VWAP over the period graphed was in the range of \$1.100 to \$1.349;
- ▶ We have set out the 3 month and 6 month VWAP for Eumundi for the period up to and including 29 October 2024. We note the 3 month VWAP of \$1.168 is the lowest VWAP listed in Table 5.7²⁴ above while the 6 month VWAP of \$1.301 is the highest VWAP listed in Table 5.7 above;
- ▶ We have set out Eumundi's reported net asset per share value as at 30 June 2024 of \$1.39 (refer Table 5.10 for this calculation); and
- ▶ We have set out our summation method valuation range of \$1.502 to \$1.698 per share. Our summation method valuation range is:
 - A premium of 28.6% to 45.4% over the 3 month VWAP. We consider the 3 month VWAP generally reflective of the value of share trades over the previous 12 month period;
 - A premium of 15.4% to 30.5% over the 6 month VWAP. We note that the higher value for the 6 month VWAP is influenced by trading during three specific periods (i.e. early March, mid April and late May) where share prices were elevated. However, the trading volumes during these periods were sufficient to significantly impact the VWAP calculation, resulting in the higher observed value; and
 - A premium of 8.3% to 22.5% over the reported net asset value per share as at 30 June 2024.

In considering a comparison of Eumundi's share transactions to our summation method, in our view it is not unusual to expect the share transaction values to be at a discount to the summation method valuation range. The reason for this is that share prices from market trading typically do not reflect the market value for control of a company while our summation method valuation range is on a controlling interest basis. A controlling interest in a company is generally regarded as being more valuable than that of a minority interest as it may provide the owner with:

- ▶ Control over the operating and financial decisions of the company;
- ▶ The right to set the strategic direction of the company;
- ▶ Control over the buying, selling and use of the company's assets; and
- ▶ Control over the appointment of staff and setting of financial policies.

²⁴ Table 5.7 sets out Eumundi's VWAP for the 1 week, 1 month, 3 months, 6 months, 9 months and 12 months up to and including 29 October 2024, being the date SEQ publicly announced the Offer.

The increase in value for a controlling interest is often observed where an acquirer launches a takeover bid, or some other mechanism for control, for another company. Empirical research suggests that control premiums are typically within the range of 20% to 40%, albeit we would expect a value towards the lower end of this range for an Australian Real Estate Investment Trust ('A-REIT') transaction. In Table E.1 in Appendix E we have summarised some recent A-REIT transactions and note the premium observed was in a range of 9.2% to 41.0% with a median and average of 17.7% and 21.2% respectively.

We are of the opinion that the above analysis supports our valuation assessment based on the summation valuation methodology.

8.9 Guideline comparable method

As a cross-check to our summation valuation method, we have compared dividend yields and premium/(discount) to net assets against market evidence derived from various listed retail and hotel REITs. A summary of the market evidence is set out in Appendix C.

Table 8.18: REIT dividend yield and premium/(discount) to net assets

(\$ Million)	Market capitalisation	Net assets	Premium / (discount) to NA	Dividend yield LTM
Mean	2,589	2,897	(13.8%)	6.3%
Median	2,011	2,619	(13.4%)	6.4%
Min	385	491	(27.2%)	5.3%
Max	9,969	10,639	(6.2%)	7.1%

Source: Capital IQ as at 25 October 2024, BDOCF analysis

From Table 8.18 above, we note:

- ▶ The REITs predominantly own freehold land, avoiding exposure to the operational risks associated with their tenants' businesses. However, Eumundi is more uniquely placed, as it combines business operations from the hotels with investments across freehold and leasehold retail and hotel assets (making the identification of directly comparable companies more difficult);
- ▶ The median market capitalisation is \$2 billion, whereas Eumundi's market capitalisation is below \$100 million and significantly below this median benchmark;
- ▶ The dividend yield and discount to net assets are assessed against observed share trading prices on the ASX on 25 October 2024. We consider these share prices to be reflective of a non-controlling interest;
- ▶ Despite the above observations, we consider the REITs offer directional insights that are relevant to considering the reasonableness of our summation valuation approach; and
- ▶ The observed REITs trade at a median discount to net assets of 13.4% and provide a median dividend yield of 6.4%.

From Table 8.19 below, we have calculated similar metrics for Eumundi being the dividend yield and premium/(discount) to net assets. For the purpose of this analysis, we have used the 3 month and 6 month VWAP as the Eumundi share price. This enables direct comparability to the non-controlling interests set out in Table 8.19 above. We have also set out the analysis using the low and high values from our summation valuation methodology.

Table 8.19: Eumundi's dividend yield and premium/(discount) to net assets

\$	Reference	Summation low value	Summation high value	3 month VWAP	6 month VWAP
Value per Eumundi share	Section 8.7, 8.8	1.502	1.698	1.168	1.304
Dividend yield					
LTM dividend (cents per Share)		7.250	7.250	7.250	7.250
LTM dividend yield		4.83%	4.27%	6.21%	5.56%
Premium/(discount) to net assets					
Net assets as at 30 June 2024		1.386	1.386	1.386	1.386
Premium/(discount) to net assets (%)		8.31%	22.46%	(15.77%)	(5.97%)

Source: Capital IQ as at 25 October 2024, BDOCF analysis

From Table 8.19 above, we note:

- ▶ The summation method valuation is presented on a controlling basis, whereas the 3 month and 6 month VWAP is calculated on a non-controlling basis;
- ▶ The 3 month VWAP largely reflects the values that Eumundi has traded at over the previous 12 month period leading up to the Announcement Date. The dividend yield and discount to net assets observed over this period of 5.97% and a discount of 15.77% aligns relatively closely with the mean and median values set out in Table 8.19 above;
- ▶ At the 6 month VWAP, the discount to net assets value observed for Eumundi is closer to the maximum value from Table 8.19 above, while the dividend yield is closer to the minimum value;

- ▶ The summation method indicates a premium to net assets as at 30 June 2024, ranging from 8.31% to 22.46%. We have considered the data available in relation to comparable transactions involving REITs and consider this premium to be within the range observed for the other transactions (albeit the data on this type of transaction is more limited relative to other types of corporate takeovers). We have set out more information on this analysis in Appendix E; and
- ▶ The summation method indicates a dividend yield in the range of 4.27% to 4.83%, which is below the observed dividend yield for the REITs. In our view, a marginal acquirer would consider the impact of this lower dividend yield on their overall yield. If the acquisition results in dilution to their existing dividend yield, this may reduce the price they are willing to pay.

We are of the opinion that the above analysis supports our valuation assessment based on the summation valuation methodology.

8.10 Conclusion on the value of Eumundi Shares

In our view, for the purpose of our assessment of the Offer set out in this Report, it is appropriate to adopt a value in the range of \$1.502 to \$1.698 per Eumundi share on a controlling interest basis. This valuation range was determined having regard to our summation valuation methodology. We believe this value is appropriate having regard to the cross-checks we have applied to the share transactions and the guideline comparable method.

For completeness, we note we have set out sensitivity analysis' throughout Section 8 of this Report to assist users that may have an alternative view on certain key assumptions adopted for our work.

APPENDIX A: GLOSSARY

Reference	Definition
A\$ or \$	Australian dollars
ABV	Asset-based valuation
AFCA	Australian Financial Complaints Authority
Announcement Date, the	30 October 2024
APES 225	Accounting Professional and Ethical Standards Board professional standard APES 225 <i>Valuation Services</i>
ASIC	Australian Securities and Investment Commission
ASX	Australian Securities Exchange
A-REIT	Australian Real Estate Investment Trust
BDO Persons	The partners, directors, agents or associates of BDO
BDOCF	BDO Corporate Finance Ltd
Bidder's Statement, the	The Bidder's Statement dated 11 November 2024 prepared by SEQ
Board, the	The board of directors of the Company
Cash Consideration, the	The cash consideration of \$1.55 per share in the Company
CGT	Capital Gain Tax
CME	Capitalisation of Maintainable Earnings
Company, the	Eumundi Group Limited
Corporations Act, the	The Corporations Act 2001
DCF	Discounted cash flow
Directors, the	The Directors of the Company
DRP, the	Dividend Reinvestment Plan
EBIT	Earnings Before Interest and Taxes
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortisation
EGM	Electronic Gaming Machine
Eumundi	Eumundi Group Limited
Fortitudo	The Fortitudo Group
FH	Freehold
FHGC	Freehold Going Concern
FSG	Financial Services Guide
FY	The financial year or 12-month period ended on 30 June
GFC	Global Financial Crisis
IVSC	International Valuation Standards Council
LHGC	Leasehold Going Concern
LTLH	Long-term leasehold

Reference	Definition
Offer, the	An off-market takeover offer at \$1.55 cash per Eumundi share
OLGR	Office of Liquor and Gaming Regulation
Property Valuation, the	Property Valuation performed by independent industry experts for the Company as at 30 June 2023
Regulations, the	The Corporation Regulations 2001
Report, this	This independent expert's report prepared by BDOCF and dated 29 November 2024
RG 111	Regulatory Guide 111: <i>Content of Expert Reports</i> , issued by ASIC
RGs	Regulatory guides published by ASIC
Scheme	A scheme of arrangement at \$1.55 cash per Eumundi share
SEQ	SEQ Hospitality Group Pty Ltd
Shareholders, the	The holders of fully paid ordinary shares in the Company
TID, the	The Transaction Implementation Deed
Transaction, the	The proposed acquisition by SEQ of all Eumundi Shares by way of the Offer and the Scheme, to be implemented in the alternative under a dual and concurrent process and either the Offer or the Scheme
VWAP	Volume weighted average price
We, us, our	BDO Corporate Finance Ltd

APPENDIX B: ADOPTED CAPITALISATION RATES

Capitalisation rates adopted

In selecting the appropriate capitalisation rates, we have had regard to our assessment of the financial performance, risk and future growth prospects for each of the properties, in addition to the valuation procedures summarised in Section 8.2

Table B.1 below sets out the capitalisation rates for each of the properties held.

Table B.1: Capitalisation rates

Capitalisation rates		Property Valuations ²		Director Valuations ³	BDO adopted	
Property	Type ¹	Low	High	Adopted	Low	High
Ashmore Tavern	FHGC	8.75%	9.25%	9.00%	8.75%	9.25%
Aspley Central Tavern	LHGC	17.75%	18.75%	18.25%	17.75%	18.75%
Aspley Shopping Centre	FH	6.25%	6.75%	6.37%	6.00%	6.75%
Aspley Arcade Shopping Villages	FH	6.00%	6.50%	6.25%	6.00%	6.50%
The Plough Inn	LTLH	6.00%	6.50%	6.25%	6.00%	6.50%
Court House Hotel	FH	5.35%	5.75%	5.51%	5.25%	5.75%

Source: BDOCF analysis

1 Freehold Going Concern ('FHGC'), Leasehold Going Concern ('LHGC'), Long-term Leasehold ('LTLH'), Freehold ('FH')

2 Independent Expert Valuations as at 30 June 2023

3 Director Valuations as at 30 June 2024

Observable market yields

Table B.2 below sets out the yields observed for freehold going concern hotel sales.

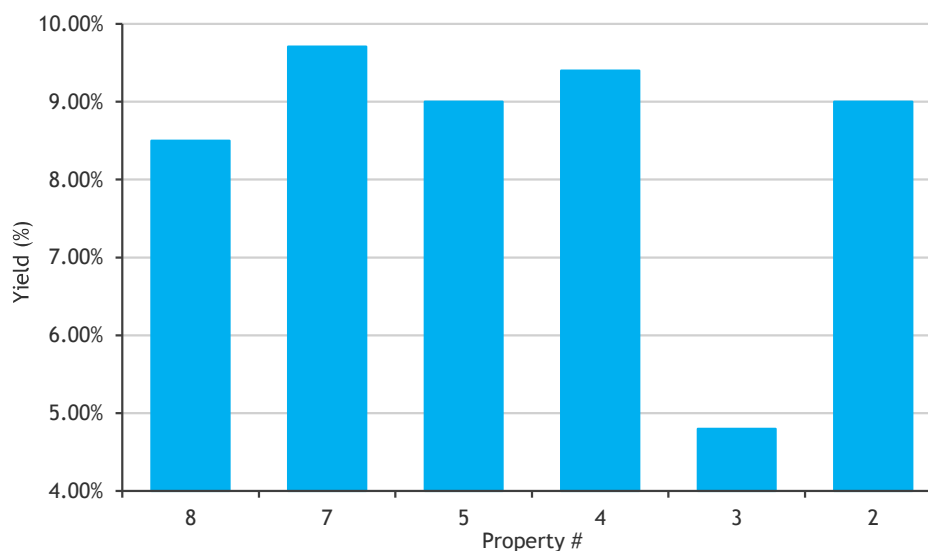
Table B.2: Freehold going concern - hotel sales

#	Property name	Sale date	Sale price	No. EGM	Passing net income (pa)	Yield
1	The Fox Hotel, South Brisbane	Aug-24	13,500,000	10	n/a	n/a
2	The Shafston Hotel, East Brisbane	Sep-23	18,600,000	34	1,674,000	9.00%
3	Aspley Hotel, Aspley	Jul-23	10,500,000	40	504,000	4.80%
4	Montague Hotel, West End	May-23	16,000,000	10	1,504,000	9.40%
5	Beachmere Tavern, Beachmere	Apr-23	17,000,000	30	1,530,000	9.00%
6	Lord Stanley Hotel, East Brisbane	Mar-22	20,000,000	40	n/a	n/a
7	Arundel Tavern, Gold Coast	Nov-21	34,000,000	45	3,300,000	9.71%
8	Durack Tavern, Brisbane	Oct-21	15,650,000	35	1,330,000	8.50%
	Min		10,500,000	10	504,000	4.80%
	Median		16,500,000	35	1,517,000	9.00%
	Average		18,156,250	31	1,640,333	8.40%
	Max		34,000,000	45	3,300,000	9.71%

Source: BDOCF analysis

Figure B.1 below sets out the yields observed for freehold going concern hotel sales.

Figure B.1: Freehold going concern - hotel sales



Source: BDOCF analysis

Table B.3 below sets out the yields observed for leasehold going concern hotel sales.

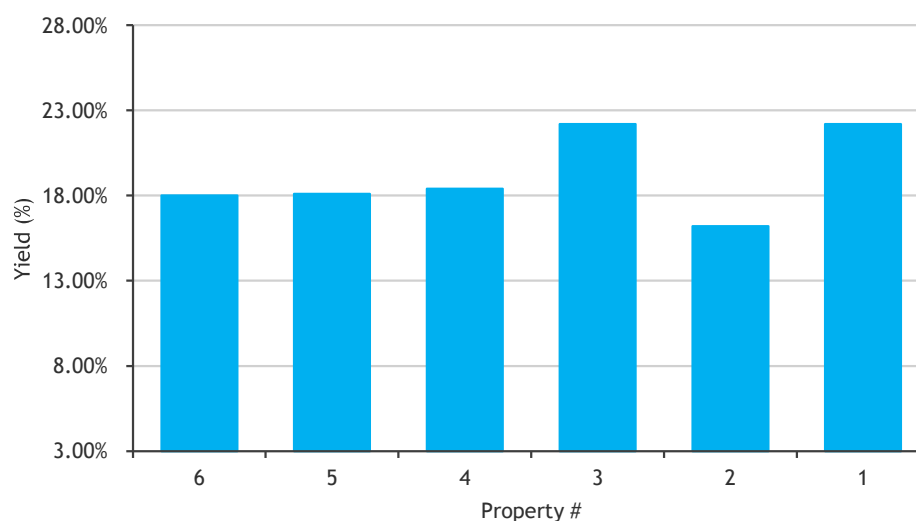
Table B.3: Leasehold going concern - hotel sales

#	Property	Sale date	Sale price	No. EGM	Passing net income (pa)	Yield
1	The Dock, Mooloolaba	Aug-23	4,500,000	0	999,000	22.20%
2	Meadowbrook Hotel, Meadowbrook	Mar-23	11,000,000	40	1,782,000	16.20%
3	Rainbow Beach Hotel, Rainbow Beach	Oct-22	6,676,000	10	1,228,964	18.40%
4	Horse & Jockey Hotel Motel, Warwick, QLD	Sep-22	3,370,000	22	748,495	22.20%
5	Boundary Hotel, West End, Brisbane	Jun-22	10,500,000	25	1,900,000	18.10%
6	Watermark Hotel, Townsville	Jan-22	2,500,000	15	450,000	18.00%
Min			2,500,000		450,000	16.20%
Median			5,588,000		1,113,982	18.25%
Average			6,424,333		1,184,743	19.18%
Max			11,000,000		1,900,000	22.20%

Source: BDOCF analysis

Figure B.2 below sets out the yields observed for leasehold going concern hotel sales.

Figure B.2: Leasehold going concern - hotel sales



Source: BDOCF analysis

Table B.4 below sets out the yields observed for freehold hotel sales.

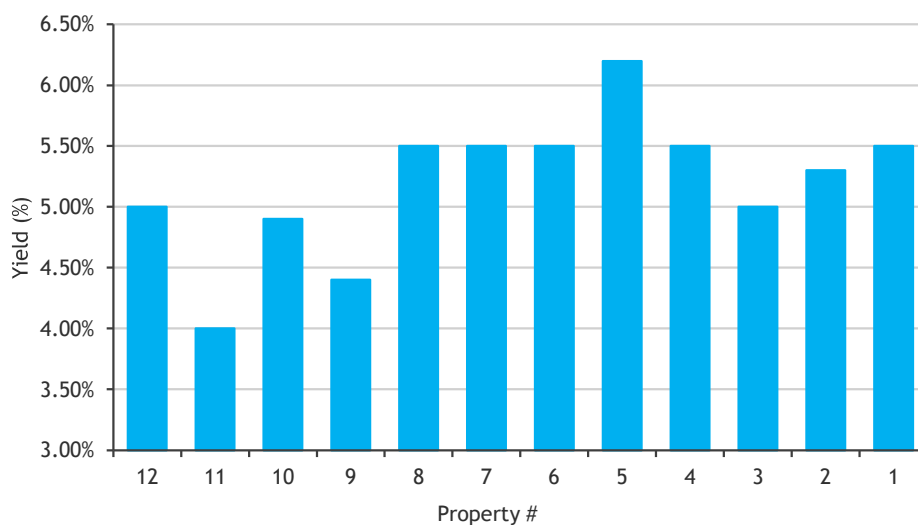
Table B.4: Freehold - hotel sales

#	Property name	Sale date	Sale price	No. EGM	Passing net income (pa)	Yield
1	Hotel HQ, Underwood	May-24	\$34,000,000	45	\$1,870,000	5.50%
2	Ball Court Hotel, Sunbury	Mar-24	\$8,700,000	0	\$461,100	5.30%
3	Woodpecker Bar & Grill, Burpengary	Mar-24	\$7,600,000	22	\$380,000	5.00%
4	Royal Mail Hotel, Tewantin	Mar-24	\$17,300,000	40	\$951,500	5.50%
5	Alex Hotel, Alexandra Headland	May-23	\$11,000,000	40	\$682,000	6.20%
6	Rainbow Beach Hotel, Rainbow Beach	Oct-22	\$3,424,000	10	\$188,320	5.50%
7	Horse & Jockey Hotel Motel, Warwick, QLD	Sep-22	\$7,880,000	22	\$433,262	5.50%
8	Redcliffe Tavern & 1st Choice Liquor, Redcliffe	Dec-21	\$19,290,000	40	\$1,068,000	5.50%
9	Acacia Ridge Hotel, Acacia Ridge	Dec-21	\$25,000,000	45	\$1,111,000	4.40%
10	Imperial Hotel, Beenleigh	Sep-21	\$6,618,000	40	\$323,000	4.90%
11	Royal Exchange Hotel, Toowong, Brisbane	Aug-21	\$14,050,000	40	\$562,715	4.00%
12	Osbourne Hotel, Fortitude Valley, Brisbane	Jul-21	\$7,850,000	0	\$392,500	5.00%
Min			3,424,000		188,320	4.00%
Median			9,850,000		511,908	5.40%
Average			13,559,333		701,950	5.19%
Max			34,000,000		1,870,000	6.20%

Source: BDOCF analysis

Figure B.3 below sets out the yields observed for freehold hotel sales.

Figure B.3: Freehold - hotel sales



Source: BDOCF analysis

Table B.5 below sets out the equivalent market yields observed for freehold retail centre sales.

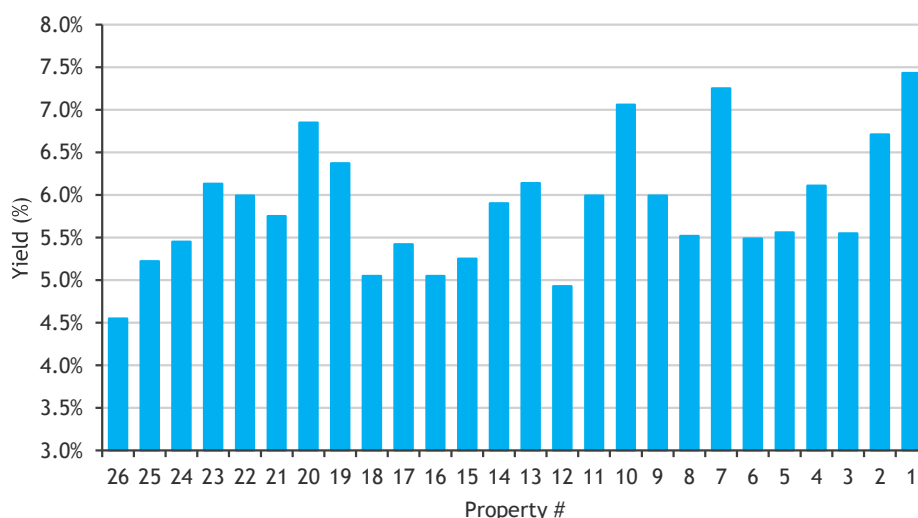
Table B.5: Freehold - retail centre sales

#	Property name	Sale date	Sale price	Equivalent market yield	IRR	GLAR (sqm)	Analysed \$psm (GLAR)	Income WALE (years)
1	Northway Plaza, Bundaberg	Aug-24	18,590,000	7.43%	8.87%	4,046	4,595	3.17
2	Yeronga Village, Yeronga	Jul-24	21,500,000	6.71%	7.70%	2,410	8,921	3.07
3	Woolworths Coomera East, Coomera	Jul-24	24,000,000	5.55%	5.04%	3,869	6,203	8.58
4	East Brisbane Marketplace, East Brisbane	Jun-24	16,250,000	6.11%	7.55%	2,019	8,049	6.34
5	Soda Factory, South Brisbane	Jun-24	42,000,000	5.56%	5.53%	5,239	8,017	4.94
6	Dockside Village, Pelican Waters	Jun-24	13,500,000	5.49%	6.91%	1,579	8,550	13.82
7	Lillybrook Shopping Village, Kallangur	Jun-24	25,200,000	7.25%	7.91%	6,993	3,604	3.42
8	Bellmere Central, Bellmere	Apr-24	37,750,000	5.52%	5.71%	5,164	7,310	8.4
9	Flagstone Village, Flagstone	Nov-23	26,435,000	5.99%	6.33%	4,602	5,744	7.69
10	Coomera Waters Marketplace, Coomera	Oct-23	7,050,000	7.06%	7.40%	2,237	3,152	2.11
11	Windaroo Village, Windaroo	Sep-23	10,400,000	5.99%	7.46%	1,795	5,794	6.25
12	Robina Central, Robina	Sep-23	34,000,000	4.93%	6.33%	2,891	11,761	12.7
13	The Hub, Westlake	Jul-23	11,460,000	6.14%	7.87%	1,668	6,871	8.31
14	Central Park, Calamvale	Jun-23	10,900,000	5.90%	6.94%	2,217	6,574	2.3
15	Poinciana Place, Tewantin	Jun-23	17,500,000	5.25%	6.20%	3,104	5,638	2.73
16	Woolworths, Mountview	Apr-23	35,200,000	5.05%	5.34%	4,981	7,067	8.09
17	Gailey Fiveways Shopping Centre, Taringa	Apr-23	13,400,000	5.42%	6.70%	1,557	8,606	n/a
18	Woolworths Mountview, Redbank Plains	Apr-23	35,200,000	5.05%	5.34%	4,981	7,067	n/a
19	50 Market Place, Waterford West	Jan-23	9,415,000	6.37%	6.29%	1,256	7,496	n/a
20	Deagon Marketplace, Deagon	Nov-22	20,000,000	6.85%	7.82%	6,006	3,330	n/a
21	Yamanto Village, Yamanto	Jul-22	21,100,000	5.75%	7.05%	1,928	10,944	n/a
22	Strathpine Square, Strathpine	May-22	23,000,000	5.99%	6.88%	3,391	6,783	2.4
23	Flagstone Markets, Flagstone	May-22	10,550,000	6.13%	7.37%	1,749	6,032	n/a
24	Ashmore Pitstop, Ashmore	Apr-22	11,800,000	5.45%	6.41%	1,082	10,906	n/a
25	1354 Gympie Road, Aspley	Apr-22	8,187,887	5.22%	6.69%	861	9,510	n/a
26	Caloundra Village, Caloundra	Apr-22	30,500,000	4.55%	6.25%	3,005	10,150	n/a
Min			7,050,000	4.55%	5.04%	861	3,152	2.11
Median			19,295,000	5.83%	6.79%	2,651	7,067	6.25
Average			20,572,611	5.87%	6.77%	3,101	7,257	6.14
Max			42,000,000	7.43%	8.87%	6,993	11,761	13.82

Source: BDOCF analysis

Figure B.4 below sets out the equivalent market yields observed for freehold retail centre sales.

Figure B.4: Freehold - retail centre sales



Source: BDOCF analysis

APPENDIX C: MARKET EVIDENCE A-REITS

Comparable listed A-REITs

The table below sets out a summary of the trading premium/(discount) to net asset value and dividend yields of listed A-REITs.

Table C.1: Comparable company premium/(discount) to net asset value and dividend yields

Ticker	Company name	Market capitalisation (\$m)	Net assets (\$m) ¹	Premium/(Discount) to NA (\$m)	Dividend yield (\$m)
ASX:EBG	Eumundi Group Limited	63	67	(6%)	5.95%
ASX:HPI	Hotel Property Investments	707	782	(10%)	5.28%
ASX:CLW	Charter Hall Long WALE REIT	2,868	3,370	(15%)	6.50%
ASX:CQR	Charter Hall Retail REIT	2,011	2,619	(23%)	7.14%
ASX:CDP	Carindale Property Trust	385	530	(27%)	5.69%
ASX:DXC	Dexus Convenience Retail REIT	406	491	(17%)	7.11%
ASX:VCX	Vicinity Centres	9,969	10,639	(6%)	5.37%
ASX:HDN	HomeCo Daily Needs REIT	2,591	2,993	(13%)	6.83%
ASX:RGN	Region Group	2,640	2,815	(6%)	6.04%
ASX:WPR	Waypoint REIT	1,719	1,833	(6%)	6.44%
Mean		2,589	2,897	(14%)	6.26%
Median		2,011	2,619	(13%)	6.44%
Min		385	491	(27%)	5.28%
Max		9,969	10,639	(6%)	7.14%

Source: Capital IQ as at 25 October 2024, BDOCF analysis

¹ NA per the most recent end of financial report for each entity

APPENDIX D: GAMING AUTHORITIES

Public tenders of gaming authorities

The table below sets out the public information regarding the tendered sale of gaming in South East Queensland. We note that this area includes the Brisbane and Moreton Australian Bureau of Statistics statistical divisions. We understand this is the same area in which the Aspley Central Tavern is located.

Table D.1: Public tenders of gaming authorities

Tender	Closing date of sale	Offered	South East		Avg. price ¹
			Sold		
Tender 55	05/06/2024	72	72		\$485,302
Tender 54	20/03/2024	21	21		\$465,929
Tender 53	28/09/2023	12	12		\$400,888
Tender 52	10/05/2023	103	103		\$380,870
Tender 51	11/01/2023	44	44		\$384,057
Tender 50	14/09/2022	39	39		\$374,471
Tender 49	13/04/2022	2	2		\$281,500
Tender 48	21/07/2021	0	0		0
Tender 47	24/03/2021	12	12		\$197,937
Tender 46	25/11/2020	25	25		\$178,603

Source: Queensland Government

¹ Average prices include GST and the contribution to the Queensland Government Consolidated Fund, but exclude stamp duty and fees payable to the Public Trustee

APPENDIX E: COMPARABLE TRANSACTIONS A-REITS

Comparable Transactions A-REITs

The table below sets out a summary of transactions that have taken place since 2018 involving A-REITs.

Table E.1: Comparable transactions A-REITs

#	Announcement date	Target	Consideration (\$ millions)	Premium/ (Discount) to NTA ¹	Premium/ (discount) to VWAP ²
1	Jan-24	Newmark Property REIT	246.8	(17.20%)	41.00%
2	Oct-21	Aventus Group	2,177.9	12.00%	16.00%
3	Sep-21	ALE Property Group	2,413.7	53.80%	19.30%
4	Apr-21	Primewest Group Limited	598.9	n/a	11.80%
5	Nov-20	Vitalharvest Freehold Trust	246.1	12.80%	32.90%
6	Oct-18	Asia Pacific Data Centre Group	162.8	n/a	9.20%
7	Sep-18	Propertylink Group	723.3	11.70%	13.10%
8	May-18	Investa Office Fund	3,016.0	2.20%	26.10%
Min			162.8	(17.20%)	9.20%
Median			661.1	11.85%	17.65%
Average			1,198.2	12.55%	21.18%
Max			3,016.0	53.80%	41.00%

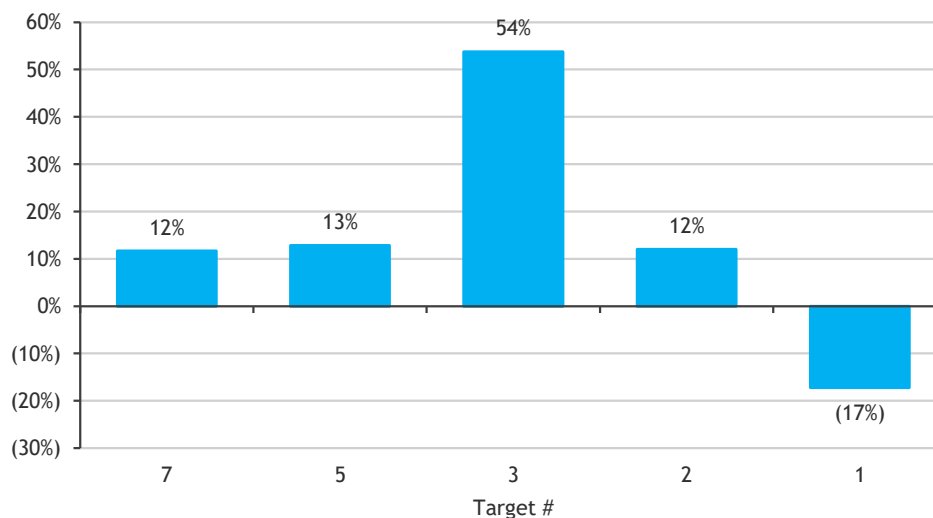
Source: Capital IQ, BDOCF analysis

1 NTA from the last financial report for each target entity

2 One-month VWAP prior to the announcement of the transaction or notable corporate activity

Figure E.1 below sets out the premium/(discount) to NTA in transactions that have taken place since 2018 involving A-REITs.

Figure E.1: Premium/(discount) to NTA in A-REIT transactions



Source: Capital IQ, BDOCF analysis

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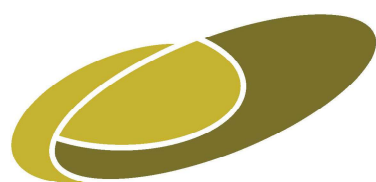
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Corporate Directory

Directors	Joseph Michael Ganim <i>Non-Executive Chair</i>
	Gilbert De Luca <i>Non-Executive Director</i>
	Murray Raymond Boyte <i>Non-Executive Director</i>
Registered Office	c/- HopgoodGanim Lawyers Level 8, Waterfront Place 1 Eagle Street Brisbane QLD 4000 Telephone: (07) 3229 7222
Website	https://eumundigroup.com.au/
Share Registry	Computershare Investor Services Pty Limited Yarra Falls, 452 Johnston Street Abbotsford VIC 3067
Stock Exchange Listing	Australian Securities Exchange ASX Code: EBG
Solicitors	HopgoodGanim Lawyers Level 8, Waterfront Place 1 Eagle Street Brisbane Qld 4000
Financial Adviser	Taylor Collison Limited Level 10, 151 Macquarie Street Sydney NSW 2000
Independent Expert	BDO Corporate Finance Ltd Level 10 12 Creek Street Brisbane QLD 4000



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