

GENUSPLUS SIGNS BINDING AGREEMENT TO ACQUIRE PARTUM ENGINEERING

KEY POINTS:

- GenusPlus has signed a binding, conditional agreement to acquire all of the ordinary shares in Partum Engineering Pty Ltd
- Partum provides engineering design services to various public and private customers, including GenusPlus, with revenue of ~\$16.2 million and EBIT of ~\$4.1m in FY24¹
- Consideration payable includes upfront consideration of \$12m, and a potential earn-out of up to \$4 million (subject to Partum achieving FY25 EBIT of \$4.1 million, and to the extent FY25 EBIT is less, the earn-out will be reduced pro-rata)
- The Proposed Acquisition is anticipated to be immediately highly EPS accretive for GenusPlus, and will bring critical engineering design expertise in-house positioning GenusPlus for future growth
- As the vendors include related parties and associates, the Proposed Acquisition has been driven by an independent committee of the GenusPlus Board (IBC) and is subject to the approval of GenusPlus shareholders at the annual general meeting to be held on 29 November 2024
- The Proposed Acquisition is also conditional on the independent expert concluding that it is fair and reasonable to the non-associated GenusPlus shareholders for the purpose of ASX Listing Rule 10.1.

GenusPlus Group Ltd (**ASX: GNP**) (**GenusPlus** or the **Company**) is pleased to advise that it has entered into a binding, conditional agreement (**Share Purchase Agreement**) to acquire all of the fully paid ordinary shares in Partum Engineering Pty Ltd (**Partum**) from its current shareholders (**Vendors**) for total consideration of up to \$16 million (**Proposed Acquisition**).

The Vendors include Mr David Riches (Managing Director and CEO of GenusPlus) and Mr Matthew Riches (who jointly hold ~52.6% of the Shares in the Company), and other members of the Company's executive management team, together with Partum Managing Director Mr Brett Norris. Accordingly, an independent committee of the Board (comprising all Directors except Mr Riches) (**IBC**) was established to consider and approve the Proposed Acquisition.

The Proposed Acquisition is also subject to (among other things) GenusPlus shareholder approval under ASX Listing Rule 10.1.

Background to the Proposed Acquisition

Partum was established in 2019 and provides engineering design consulting services to a range of sophisticated private and government clients (including GenusPlus as a customer). Partum's consulting experience extends back over 30+ years following the acquisition and integration of other engineering companies under the Partum banner, with strong experience across the sectors in which GenusPlus operates.

For the year ended 30 June 2024, Partum recorded earnings before interest and tax of approximately \$4.1 million on revenue of approximately \$16.2 million in FY24.

¹ Based on unaudited management accounts of Partum.



As GenusPlus experiences strong growth across its power infrastructure business, Partum's services have been identified as integral to the Company's own client offering, and GenusPlus has therefore pursued the Proposed Acquisition to bring Partum's critical engineering design expertise in-house and position GenusPlus for future growth. Whilst GenusPlus is currently Partum's largest client at approximately 35% of its FY24 order book, the balance of Partum's services (approximately 65%) were provided to other tier 1 utility or construction contractors, and Partum is expected to continue to provide and grow its service offering to external clients.

Key terms and conditions of the Proposed Acquisition

Under the Share Purchase Agreement, GenusPlus has agreed to provide the following aggregate consideration for the Partum shares:

- initial consideration of \$12 million, payable on completion; and
- contingent consideration of up to a further \$4 million, subject to Partum achieving FY25 EBIT of at least \$4.1 million (and to the extent FY25 EBIT is less, the proportion of contingent consideration will be reduced pro rata).

The consideration under the Share Purchase Agreement is payable in proportion to the Vendors' shareholdings in Partum. Each of the Vendors had the opportunity to elect for their respective proportion of the upfront consideration in cash, fully paid ordinary shares in GenusPlus (**Consideration Shares**) (at a deemed issue price of \$2.56, being equal to the 10-VWAP up to 11 October 2024) or a combination of both. David Riches and Matthew Riches elected to receive 100% of their upfront consideration in Consideration Shares (a total of 2,109,375 Consideration Shares) and Brett Norris elected to receive 50% of their upfront consideration in Consideration Shares (a total of 351,562 Consideration Shares). The issue of these Consideration Shares is subject to GenusPlus shareholder approval under Listing Rule 10.11. The Consideration Shares will be subject to a 12-month voluntary escrow.

The Vendors will also have the opportunity to elect to receive their respective proportion of any contingent consideration payable in cash, Consideration Shares (at a deemed issue price equal to the 10-VWAP up to the date on which contingent consideration documentation is provided before 5 September 2025) or a combination of both. To the extent any Vendor elects to receive any portion of their contingent consideration in Consideration Shares, the issue of those shares will be subject to GenusPlus shareholder approval under Listing Rule 10.11 (which will be sought at the Company's 2025 annual general meeting) and those Consideration Shares will also be subject to a 12-month voluntary escrow.

In addition to the shareholder approvals detailed above, the obligations of the parties under the Agreement are conditional on):

- the consent of the counterparties to certain material contracts of Partum;
- new employment arrangements for key personnel; and
- the independent expert appointed for the purposes of Listing Rule 10.1 approval concluding that the Proposed Acquisition is fair and reasonable to the non-associated GenusPlus shareholders.

Independent Expert

The IBC has engaged RSM Australia Pty Ltd (**RSM**) to prepare an independent expert's report on the Proposed Transaction, which will be included in GenusPlus' notice of annual general meeting to be dispatched to shareholders in late October.

A summary of the material terms of the Share Purchase Agreement is set out in the Annexure to this announcement.

Timetable

An indicative timetable for the Proposed Acquisition is set out below.

Event	Indicative timing*
Announcement of the Proposed Transaction	14 October 2024
Expected dispatch of notice of meeting	Late October 2024
Annual general meeting	29 November 2024
Last date for conditions precedent to be satisfied or waived (as applicable)	6 December 2024
Expected date for Completion	5 business days after the last condition precedent is satisfied or waived (as applicable)

* This timetable is indicative only and may be subject to change. The Company reserves the right to amend any or all of these events and dates in its absolute discretion.

Commenting on the Proposed Acquisition, Mr Simon High, Chair of GenusPlus, said:

"We are excited to announce this Proposed Acquisition today. The Company has been working with Partum for the past few years and we are pleased to be able to acquire a high-calibre quality engineering design consulting company such as Partum, which will put us in a good position to expand and improve our service offering to our customers. We look forward to the Partum team joining GenusPlus as we continue to deliver market leading services to our customers".

The Independent Board Committee has authorised the release of this announcement to the market.

For more information:

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ABOUT GENUSPLUS

GenusPlus Group Ltd is a specialist power and communications infrastructure and services provider operating across Australia. With years of practical experience across Australia, we design, build and maintain electrical transmission and distribution networks, substations and battery systems.

We enable customers to integrate new generation technology into traditional networks and support emerging networking solutions, meeting the demands of a carbon neutral economy.

Capitalising on our expertise in power networks and using the world's best knowledge and technology, we also specialise in delivering integrated, efficient and scalable communication network solutions, including network design, and fixed and wireless infrastructure supported by real time network management expertise and capability.

Further information is available at www.genus.com.au.

Annexure – Summary of key terms of the Proposed Acquisition

Item	Summary
Vendors (and interest in Partum Shares)	<ul style="list-style-type: none"> • David Riches and Matthew Riches (45%); • Brett Norris (15%); • George Lloyd (13%);² • Patrick Lloyd (12%);³ • Hasan Murad (10%); and • Mike Green (5%).
Conditions precedent	<p>The Proposed Acquisition is conditional on the following matters being satisfied or waived by 5:00pm on 6 December 2024:</p> <ul style="list-style-type: none"> • GenusPlus shareholder approval of the Proposed Acquisition for the purposes of Listing Rule 10.1; • RSM (the independent expert) concluding that the Proposed Acquisition is fair and reasonable to the non-associated GenusPlus shareholders; • GenusPlus shareholder approval of the issue of Consideration Shares as part of the upfront consideration for the purposes of Listing Rule 10.11; • new employment arrangements for key personnel; and • counterparties under Partum’s material contracts providing consent to the Proposed Acquisition.
Consideration payable	<ul style="list-style-type: none"> • Initial consideration of \$12 million, payable on completion. • Contingent consideration Up to \$4 million, subject to Partum achieving FY25 EBIT of at least \$4.1 million (and to the extent FY25 EBIT is less, the proportion of contingent consideration will be reduced pro rata).
Form of consideration	<p><i>Initial consideration</i></p> <p>Each of the Vendors had the opportunity to elect to receive their respective proportion of upfront consideration to be paid in cash, Consideration Shares or a combination of both.</p> <p>David Riches and Matthew Riches have elected to receive 100% of their upfront consideration in Consideration Shares, and Brett Norris has elected to receive 50% of his upfront consideration in Consideration Shares. The Company will seek shareholder approval for the issue of those shares for the</p>

² Through his related entity, George Lloyd Pty Ltd.
³ Through his related entities, Patrick Lloyd Pty Ltd.

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	<p>purposes of Listing Rule 10.11 at its annual general meeting to be held on 29 November 2024.</p> <p>The Consideration Shares issued as part of the upfront consideration will be at a deemed issue price of \$2.56, being equal to the 10-VWAP up to 11 October 2024, representing a total of 2,460,937 Consideration Shares to be issued.</p> <p>The Company will seek shareholder approval for the issue of those shares for the purposes of Listing Rule 10.11 at its annual general meeting to be held on 29 November 2024.</p> <p><i>Contingent consideration</i></p> <p>Upon the Company advising the Vendors of the proposed contingent consideration, the Vendors may elect to receive their respective proportion of that contingent consideration in cash, Consideration Shares or a combination of both.</p> <p>Any Consideration Shares elected to be received will be subject to shareholder approval, to be sought at the Company's 2025 annual general meeting, and will be issued at a deemed issue price equal to the 10-VWAP up to the date on which contingent consideration documentation is provided before 5 September 2025.</p>
Adjustments	The Share Purchase Agreement contains a post completion adjustment mechanism in relation to the initial consideration to account for differences in the working capital of Partum and a specified target (normalised) level of working capital.
Conduct of business	The Share Purchase Agreement contains standard restrictions on the conduct of the Partum business between signing and completion.
Management and employees of Partum	Brett Norris (current Managing Director of Partum) will transition to an Executive General Manager role at Partum from completion. <p>It is otherwise intended that all current Partum management and employment arrangements will remain in place following completion.</p>
Warranties and representations	The Vendors have provided comprehensive representations, warranties and indemnities regarding Partum and its business and operations (subject to market standard exceptions and limitations).