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ASX Release
3 April 2025
For immediate release to the market

ACQUISITION OF MGC GROUP HOLDINGS

HIGHLIGHTS:

- **Genus to acquire 100% of MGC Group Holdings (WA) Pty Ltd for an upfront cash consideration of A$10.25m and contingent earn-out payments of up to A$10.5m subject to achieving strong growth targets in CY25 to CY27**
- **Upfront consideration implies FY24 multiple of 2.6x Normalised EBITDA and expected to be immediately earnings accretive for Genus**
- **MGC is a WA-based specialised provider of safety critical rail systems including overhead line equipment (OLE), signalling, electrical, and communications to Tier 1 customers across Metro, Mining and Freight sectors**
- **MGC has recently strengthened its capability in OLE services through its acquisition of Rhomberg's West Australian business**
- **MGC provides Genus a strategic entry into the Rail sector which has significant growth potential**
- **MGC's overhead line equipment, electrical and communications service offering in the Rail sector is highly complementary with other Genus divisions**
- **MGC's principals Chris Newton and Mark Byrne will continue to manage the business, with all staff offered continued employment under Genus**

National essential power and telecommunications infrastructure services provider, GenusPlus Group Limited (ASX: GNP) ("Genus", or the "Company"), is pleased to announce it has entered into a binding Share Purchase Agreement ("SPA") to acquire 100% of MGC Group Holdings (WA) Pty Ltd ("MGC") from entities associated with MGC principals, Mr Chris Newton and Mr Mark Byrne ("Sellers").

MGC is a privately-owned, WA-based specialised provider of safety critical rail systems including overhead line equipment (OLE), signalling, electrical, and communications to Tier 1 customers in WA. MGC has over 100 highly specialised and experienced staff generating unaudited normalised EBITDA of A$4.0m in FY24.

Genus Managing Director, David Riches, said, *"I am excited to announce the signing of the acquisition of MGC which is a strategic transaction for Genus. MGC provides Genus with an entry into the significant Rail sector through a company which provides highly specialised services for Tier 1 customers. The transaction will allow MGC and Genus to provide a better service to our customers through the highly complementary skillsets of the two teams in design & engineering, electrical and comms. We are very excited to leverage the complementary service offering, customer base, and expertise of the team, to continue to drive growth of the business. Additionally, in MGC we gain a very talented team. I am pleased to welcome the founders of MGC and their workforce to the Genus family, with the determination that Genus will assist them to continue to grow and succeed in Australia."*

Commenting on the Acquisition, Chris Newton, said "*We are confident that we have found the perfect home for MGC, providing a strong foundation for our continued growth and success. Our team is excited about joining the Genus family, as this partnership offers a unique opportunity to strengthen our industry presence and expand the services and solutions we offer to our valued clients. We look forward to collaborating with David and his team, combining our expertise and resources to broaden our reach and enhance our capabilities."*

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Acquisition Terms

In consideration for the acquisition of 100% of MGC, Genus has agreed to pay an upfront consideration of A$10.25m (less the gross amount of any pre-completion dividend), payable in cash.

The upfront consideration represents an acquisition multiple of 2.6x EV / normalised EBITDA based on MGC's FY24 unaudited accounts.

The upfront cash payment is subject to certain customary post-completion adjustments (including for cash, debt, and working capital).

The Sellers may also receive contingent earn-out payments of up to A$10.5m in aggregate across CY25-CY27 (either in cash, or 75% cash / 25% Genus scrip for the calendar year earn-outs, at Genus' sole election, with the scrip component subject to Genus shareholder approval), comprised of:

- CY25 earn-out: A$4.25m subject to MGC achieving CY25 EBITDA of A$6m
    - Nil payable if CY25 EBITDA is A$3.5m or below
    - Pro rata if CY25 EBITDA is between A$3.5m and A$6m
    - Full A$4.25m payable if CY25 EBITDA is A$6m or above
- CY26 earn-out: A$3m subject to MGC achieving CY26 EBITDA of A$7.5m
    - Nil payable if CY26 EBITDA is A$5.5m or below
    - Pro rata if CY26 EBITDA is between A$5.5m and A$7.5m
    - Full A$3m payable if CY26 EBITDA is A$7.5m or above
- CY27 earn-out: A$3m subject to MGC achieving CY27 EBITDA of A$9m
    - Nil payable if CY27 EBITDA is A$7m or below
    - Pro rata if CY27 EBITDA is between A$7m and A$9m
    - Full A$3m payable if CY27 EBITDA is A$9m or above
- One additional one-off earn-out of A$250k payable, if either CY26 EBITDA is A$8.5m or above, or CY27 EBITDA is A$10m or above

The EBITDA for the calculation of the earn-out payments will be adjusted for any abnormal one-off items agreed between Genus and the Sellers, and will also be adjusted for any excess capital expenditure spend above agreed amounts.

In addition, Genus will receive (for nominal consideration) a 20% equity stake in Rail Science Labs Pty Ltd, a separate, early-stage, pre-revenue entity which is majority owned and controlled by the MGC principals, and was established with the aim of developing and manufacturing products for the rail sector.

Conditions Precedent

Completion of the acquisition under the SPA is subject to certain conditions precedent, including but not limited to those set out below, being satisfied or waived:

- Receipt of change of control consents for MGC's material contracts
- Finalisation of new employment agreements for the MGC principals

Completion of the acquisition is anticipated for mid to late April 2025. If the conditions precedent are not satisfied or waived by 30 April 2025, the SPA will terminate, unless extended.

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Advisers

Sternship Advisers acted as corporate adviser and Gilbert + Tobin acted as legal adviser to Genus.

Poynton Stavrianou acted as corporate adviser and Squire Patton Boggs acted as legal adviser to the Sellers.

The Board of the Company 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.