

GENUSPLUS ACQUISITION UPDATE

KEY POINTS

- **GenusPlus to expand its communications division with the purchase of key Tandem Corp assets and contracts**
- **The purchase secures 120 full-time jobs and will position GenusPlus for future communications infrastructure spend**
- **The purchase will strengthen GenusPlus' national communications services footprint**
- **Cash consideration of \$3.4 million, funded from existing cash**
- **The purchase anticipated to be immediately EPS accretive for GenusPlus**

National essential power and communications infrastructure provider GenusPlus Group Ltd (**ASX: GNP**) (**GenusPlus** or the **Company**) is pleased to announce today that it has entered into an Asset Sale Agreement to purchase selected key contracts, intellectual property, IT systems, plant and equipment and employee contracts (**Business**) of Tandem Corp Pty Ltd (Administrators Appointed) and 10 of its 14 subsidiaries for a total consideration of \$3.4 million cash.

The consideration will be funded from existing cash. Following integration, it is anticipated the Business will be earnings per share accretive for GenusPlus. Completion is subject to satisfaction of a number of conditions precedent and expected to occur by 31 July 2021.

The purchase will extend the capability of the Company's communications division by novating into a series of existing contracts and, in particular, significantly expand the Company's ongoing relationship with Telstra. The key Telstra Supply Agreement is for a period of 5 years with an initial term of 4 years commencing on 1 July 2021, plus an optional 1 year extension, for the provision of field services including the following:

- Access Networks services, including pit remediation, manhole repair and replacement, lead-in conduit provisioning, copper cable network design and installation, and related design and construction support; and
- installation and maintenance services related to the customer access network and customer premises equipment.

As is customary for agreements of this nature, Telstra has a right to terminate for convenience. While the agreement does not provide guaranteed volumes, GenusPlus anticipates it will be a key delivery partner responsible for these services. Telstra has provided confirmation that it will novate the Supply Agreement to Genus Services (a subsidiary of GenusPlus), subject to completion occurring under the Asset Sale Agreement.

The purchase will utilise the integrated field service delivery model presently in place, and it will significantly expand GenusPlus' ability to provide nationwide communications services to the industrial, commercial and residential sectors. This includes customer network improvements, design and construction of assets, and the installation and maintenance of communications infrastructure.

GenusPlus expects to employ approximately 120 employees of the Business and engage with more than 1,000 sub-contractors. Offices located in Melbourne and Sydney are also expected to be retained to facilitate the continued operations of the contracts being purchased and to expand GenusPlus' communications division nationally.



Key executive and operational personnel together with proprietary intellectual property are being retained to ensure a seamless transition for all stakeholders of each of the novated contracts.

The accounts as made available immediately prior to this purchase showed the Business had an annualised revenue of approximately \$75 million.

The acquisition of the Business does not include Tandem Corp subsidiary ISG Management Pty Ltd (Administrators Appointed), which is a defendant in a class action that commenced in 2018. Neither GenusPlus nor the Business it is acquiring is part of the class action.

GenusPlus' Managing Director David Riches commented: *"This is an exciting opportunity for GenusPlus to expand its national communications division with a suite of quality assets and contracts and add a team of about 120 full-time and valued professionals to our Company's family of highly skilled and dedicated employees. This transaction is in line with GenusPlus' strategy to expand our communications division nationally. We look forward to working with existing and new industrial, commercial and residential customers in the communications sector and continuing to deliver outstanding services and innovative solutions to our clients."*

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

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ABOUT GENUSPLUS

National Footprint. Regional Expertise.

GenusPlus Group Ltd is an end-to-end specialist service provider for essential power and communications infrastructure. GenusPlus provides an integrated service offering to its customers in the resources, power, utilities and communications sectors across Australia.