



Brisbane Markets Limited

Notice of intention to make a Proportional Takeover Bid for Perth Markets Group Limited

1. Intention to make a Proportional Takeover Bid

Brisbane Markets Limited ACN 064 983 017 (**BML**) announces its intention to make a proportional off-market takeover bid to acquire 65% of each shareholder's shares in Perth Markets Group Limited ACN 633 346 184 (**PMGL**) that BML does not own at an offer price of **\$3.30** per PMGL Share (**Offer**).

The key terms and conditions of the Offer are detailed below in Section 3 and Schedule 1.

2. Reasons to accept the Offer

BML considers the Offer to be compelling for PMGL's Shareholders for a number of reasons, including:

- (a) (**Competitive Price**) PMGL Shareholders will be offered a competitive price (\$3.30 per PMGL Share) for a portion of their PMGL Shares, reflecting a competitive premium over PMGL's Net Assets per Share of \$2.36 per share¹ and to the historic market value of PMGL Shares.
- (b) (**Retain a level of investment in PMGL**) BML wants to retain the involvement of existing and industry-based Shareholders, so that Shareholders can continue to be involved and share in the future growth of PMGL. BML has specifically structured the Offer to provide PMGL Shareholders with the best of both worlds, as under the Offer PMGL Shareholders can sell a portion of their PMGL Shares (up to 65% of their holding) at \$3.30 per PMGL Share and retain the balance of their PMGL Shares to continue to participate in the future of PMGL.
- (c) (**Liquidity**) BML's Offer provides liquidity for all PMGL Shareholders. BML notes that liquidity has historically been limited in PMGL.

¹ The PMGL net assets at 30 June 2022 were approximately \$138,718,000 – refer PMGL Financial Report for the year ended 30 June 2022. Calculation of Net Assets Per Share is based on there being 58,840,131 PMGL Shares on issue.



3. Offer Terms

3.1 General Offer Terms

BML will make an Offer to acquire 65% of each PMGL Shareholder's Shares (rounded down to the nearest whole number of shares) at \$3.30 per PMGL Share (**Offer Price**).

PMGL Shareholders may accept the Offer (when it is made) for any proportion of their PMGL Shares, up to a maximum of 65% of their PMGL Shares (rounded down to the nearest whole number of shares).

The Offer Price will not be reduced by the fully franked final dividend of 3.5 cents per share (**PMGL Final Dividend**) to be paid on 19 October 2022 to PMGL Shareholders registered on the PMGL share register as at 5pm on 30 August 2022. Where the PMGL Final Dividend is paid by PMGL, PMGL Shareholders will retain the benefit of that dividend.

3.2 Conditions

The Offer will be subject to limited conditionality, namely:

- (a) a "Registration of Share Transfers" Condition; and
- (b) a "No Prescribed Occurrences" Condition.

The Offer is **not** subject to a minimum number of acceptances.

Details of the Conditions to the Offer are set out in Schedule 1 of this announcement.

Registration of Share Transfers Condition

The PMGL Constitution provides that the PMGL Directors may refuse to register a transfer of shares, without having to give any reason.

BML recently attempted to acquire approximately 3% of PMGL, however it has been unable to do so as the share transfer forms lodged by it were held in abeyance for a number of months by the PMGL Directors independent of BML without a decision being made in respect of their registration.

Accordingly, BML has specifically included a Condition to its Offer that the PMGL Directors independent of BML confirm by no later than the date of the PMGL Target's Statement that they will register the transfer of PMGL Shares to BML where a PMGL Shareholder chooses to accept the Offer (such confirmation may be made subject to certain qualifications as detailed in Schedule 1 of this announcement).

BML considers that, in the context of a regulated takeover bid under the Corporations Act that is made available to all PMGL Shareholders, the PMGL Directors independent of BML are not entitled to rely upon such a general constitutional provision to make a decision on behalf of the PMGL Shareholders in respect of the ownership of their PMGL Shares.

This Condition does not seek or require that the PMGL Directors independent of BML recommend BML's Offer.



4. **Financing**

BML will fund the consideration payable pursuant to the Offer from cash on hand and credit facilities available to it and anticipated to be available to it (on the basis of a commitment letter).

Accordingly, BML believes that it has a reasonable basis for holding the view, and it does hold the view, that it will be able to satisfy its obligations to fund the maximum amount required in respect of the Offer as and when it is due and payable under the terms of the Offer.

5. **Bidder's Statement**

More information about the Offer will be submitted in a Bidder's Statement to be released to PMGL Shareholders in the near future. BML intends to shortly lodge its Bidder's Statement, but in any event will do so within the prescribed two-month period required by section 631(1)(b) of the Corporations Act.

6. **Target's Statement and Independent Expert's Report**

PMGL will be required to issue a Target's Statement outlining, amongst other matters, the recommendation of the PMGL Directors independent of BML.

In addition, as BML holds in excess of 30% of the Voting Power in PMGL, and BML and PMGL share a common director (Andrew Young), the Target's Statement is required to include or be accompanied by an Independent Expert's Report prepared by an expert who opines whether the Offer is "fair and reasonable".

BML has made this announcement as to its Notice of intention to make a Proportional Takeover Bid in advance of lodging its formal Bidder's Statement so as to allow the PMGL Directors independent of BML additional time to obtain such Independent Expert's Report.

7. **Other matters**

- (a) This Notice of intention to make a Proportional Takeover Bid is dated 6 October 2022.
- (b) Capitalised Terms which are not defined shall take their meaning from Schedule 2.

Anthony Kelly
Chair



Schedule 1 – Offer Conditions

The completion of the Offer and any contract that results from an acceptance of the Offer, is subject to the fulfilment of the following Conditions:

1. Registration of Share Transfers Condition

By no later than the date of the Target's Statement, the PMGL Directors independent of BML publicly confirm (including by way of a PMGL Circular or the Target's Statement) that, for the purposes of Article 6.6 of the PMGL Constitution and for all other purposes, they will register (or cause the registration of) the transfer of PMGL Shares to BML where a PMGL Shareholder chooses to accept the Offer, subject to: (1) the Offer being, or becoming, unconditional; (2) BML complying with its obligations pursuant to the Offer; (3) the relevant transfers being in registrable form; and (4) the payment by BML of any stamp duty (if applicable).

2. No Prescribed Occurrences

During the period from the Announcement Date to the end of the Offer Period (each inclusive), none of the following events occur:

- (a) PMGL converts all or any of its shares into a larger or smaller number of shares;
- (b) PMGL or a subsidiary of PMGL resolves to reduce its share capital in any way;
- (c) PMGL or a subsidiary of PMGL:
 - (1) enters into a buy-back agreement; or
 - (2) resolves to approve the terms of a buy-back agreement under subsection 257C(1) or 257D(1) of the Corporations Act;
- (d) PMGL or a subsidiary of PMGL issues shares, or grants an option over its shares, or agrees to make such an issue or grant such an option;
- (e) PMGL or a subsidiary of PMGL issues, or agrees to issue, convertible notes;
- (f) PMGL or a subsidiary of PMGL disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;
- (g) PMGL or a subsidiary of PMGL grants, or agrees to grant, a security interest in the whole, or a substantial part, of its business or property;
- (h) PMGL or a subsidiary of PMGL resolves to be wound up;
- (i) a liquidator or provisional liquidator of PMGL or a subsidiary of PMGL is appointed;
- (j) a court makes an order for the winding up of PMGL or a subsidiary of PMGL;
- (k) an administrator of PMGL, or a subsidiary of PMGL, is appointed under section 436A, 436B or 436C of the Corporations Act;
- (l) PMGL or a subsidiary of PMGL executes a deed of company arrangement; or



- (m) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of PMGL or a subsidiary of PMGL

Schedule 2 – Definitions

Announcement Date means 6 October 2022, being the date of the announcement of the Offer.

Bidder's Statement means the bidder's statement to be prepared in relation to the Offer and includes any supplementary or replacement bidder's statement.

BML means Brisbane Markets Limited ACN 064 983 017.

Corporations Act means the *Corporations Act 2001* (Cth) and any regulations made under that Act.

Offer Period means the period during which the Offer remains open for acceptance by PMGL Shareholders.

PMGL means Perth Markets Group Limited ACN 633 346 184.

PMGL Board means the board of directors of PMGL.

PMGL Circular means a circular or other form of public announcement made by PMGL to the PMGL Shareholders.

PMGL Constitution means the constitution of PMGL.

PMGL Directors independent of BML means the PMGL Board excluding Andrew Young.

PMGL Share or **Share** means a fully paid ordinary share in PMGL.

PMGL Shareholder or **Shareholder** means a person who is registered as the holder of PMGL Shares.

Target's Statement means the target's statement to be prepared in relation to the Offer and includes any supplementary target's statement.

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