

ASSET ACQUISITIONS AND DISPOSALS::PROPOSED ACQUISITION OF SHARES IN FREIGHT MANAGEMENT HOLDINGS PTY LTD**Issuer & Securities****Issuer/ Manager**

SINGAPORE POST LIMITED

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Please refer to the attachments.

Attachments[SGXAnn.pdf](#)[Increase in FMH Shareholdings Presentation.pdf](#)[Media Release.pdf](#)

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SINGAPORE POST LIMITED

(Incorporated in the Republic of Singapore)

Company Registration No. 199201623M

ANNOUNCEMENT

PROPOSED ACQUISITION OF FMH SHARES; PROPOSED AMENDMENTS TO THE TERMS OF THE OFFERS TO BUY; AND PROPOSED GRANT OF CALL OPTIONS IN RESPECT OF FMH SHARES

Where capitalised terms are used in this announcement and not otherwise defined, such capitalised terms shall bear the same meanings as ascribed to them in the Circular (as defined below) and in the announcements made by Singapore Post Limited on 19 October 2020, 7 December 2020, 31 December 2020, 5 March 2021, 8 October 2021, 11 November 2021, 26 November 2021, 30 November 2021, 14 March 2022 and 2 December 2022 relating to the Acquisition of Shares in Freight Management Holdings Pty Ltd.

1. Introduction

- 1.1 Singapore Post Limited ("**SingPost**" or the "**Company**" and together with its subsidiaries, the "**SingPost Group**") refers to the circular (the "**Circular**") despatched electronically to the shareholders of the Company on 11 November 2021, in relation to the SingPost Group's acquisition of shares in Freight Management Holdings Pty Ltd ("**FMH**", and the shares in FMH, the "**FMH Shares**").
- 1.2 As at the date of this Announcement, the SingPost Group, through its wholly-owned subsidiary, SingPost Australia Investments Pty Ltd ("**SPAI**"), holds 9,001 FMH Shares, representing approximately 51.0% of the issued share capital of FMH.
- 1.3 Pursuant to the shareholders agreement relating to FMH dated 30 November 2021 entered into between SPAI and the other FMH shareholders ("**FMH SHA**") and as disclosed in the Circular, SPAI had granted:
 - (i) the Initial Offers to Buy and the Subsequent Offers to Buy (as defined in the Circular) to the FMH Non-Management Shareholders and the Degenhardt Shareholders; and
 - (ii) the Management Offers to Buy (as defined in the Circular) to the FMH Management Shareholders,

(collectively, the "**Existing Offers to Buy**").

Under the terms of the Existing Offers to Buy, each of the FMH Non-Management Shareholders, the Degenhardt Shareholders and the FMH Management Shareholders (as the case may be) has put options which when exercised during their respective exercise period, will require SPAI to purchase a proportion of their FMH Shares.

Further information on the Existing Offers to Buy is set out in paragraph 5 of the Circular, a copy of which is available on the website of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") at www.sgx.com.

- 1.4 SingPost wishes to announce that SPAI has today entered into a conditional sale and purchase agreement with FMH, the FMH Non-Management Shareholders and the Degenhardt Shareholders, to acquire a further 6,529 FMH Shares, representing approximately 37.0% of the issued share capital of FMH (the “**2023 FMH SPA**”) (the “**Proposed 2023 FMH Acquisition**”). Upon the completion of the Proposed 2023 FMH Acquisition, SPAI will hold 15,530 FMH Shares, representing approximately 88.0% of the issued share capital of FMH. Further details of the 2023 FMH SPA are set out in paragraph 4 below.
- 1.5 In connection with the Proposed 2023 FMH Acquisition, SPAI is also in negotiations with FMH and the other FMH shareholders and intends to enter into a conditional shareholders agreement (the “**Proposed 2023 FMH SHA**”), to revise the terms of the FMH SHA, including the terms of the Existing Offers to Buy previously granted by SPAI under the FMH SHA. Concurrently, the FMH shareholders (other than SPAI) intend to grant various call options to SPAI under the Proposed 2023 FMH SHA to purchase the FMH Shares held by such FMH shareholders. Further details of the Proposed 2023 FMH SHA are set out in paragraph 5 below.
- 1.6 In view of the above arrangements, SingPost will be consulting with the SGX-ST on whether shareholders’ approval for the transactions set out in this Announcement will be required, notwithstanding the shareholders’ approval previously obtained at the extraordinary general meeting convened and held by SingPost on 26 November 2021. SingPost will make further announcement(s) on the outcome of its consultation with the SGX-ST.

2. Information on FMH

2.1 General

As set out in the Circular, FMH is a leading 4th party logistics (“**4PL**”) service company incorporated in Victoria, Australia in 2001. The principal activity of FMH is the provision of integrated supply chain and distribution solutions to customers in Australia through unique proprietary 4PL technology. FMH provides these services to over 3000 diversified freight senders across Australia. FMH is an asset-light, technology-driven ‘control tower’ business. Through the use of proprietary technology including its core 4PL technology platforms, FMH manages and executes its customers’ supply chain and distribution requirements. Utilising its technology, analytics and evolving network, FMH is able to match customers’ freight profile with the optimal carrier, thereby increasing sustainability, efficiency, and profitability for both customer and carrier. FMH has built up a diversified customer base across a broad range of industries over the last 22 years. It also has a wide partner carrier base and long-standing relationships with these carriers, with over 200 carriers engaged in the last year. The business was founded in 2000 by Damian Degenhardt who remains an Executive Director and shareholder and is led by Group CEO Simon Slagter who has been employed with FMH for over 10 years.

As at the date of this Announcement, SPAI holds approximately 51.0% of the issued share capital of FMH and FMH is a subsidiary of the SingPost Group.

2.2 Financial Information on FMH

Based on the audited consolidated financial statements of FMH for its financial year ended 30 June 2022 ("**FMH FY2022**", and such financial statements, the "**FMH FY2022 Financial Results**"), the profit before tax ("**NPBT**") of FMH and its subsidiaries for FMH FY2022 was approximately A\$45.4 million (equivalent to approximately S\$41.8 million) and the net asset value ("**NAV**") and the net tangible assets ("**NTA**") of FMH as at 30 June 2022 was approximately A\$100.7 million (equivalent to approximately S\$92.7 million) and approximately A\$8.3 million (equivalent to approximately S\$7.6 million), respectively.

Based on the FMH FY2022 Financial Results, the normalised earnings before interest, tax, depreciation and amortisation ("**EBITDA**") of FMH and its subsidiaries for FMH FY2022 is approximately A\$52.5 million (equivalent to approximately S\$48.6 million). Unless indicated otherwise, the indicative A\$-to-S\$ exchange rate used for the purposes of this Announcement is A\$1.00 : S\$0.9203.

3. Rationale

The acceleration of the investment into FMH is in line with the SingPost Group's strategy to transform into a leading eCommerce logistics solutions provider, focusing on opportunities in the fast-growing Asia-Pacific region and in Australia in particular. FMH has delivered strong performance since the SingPost Group's investment in 2020. FMH experienced growth in both 4PL and 3PL businesses from organic and inorganic growth as it continues to expand its network. As of H1 FY2022/2023, Australia accounted for 42% and 56% of SingPost Group's revenue and operating profit respectively.

Assuming the Proposed 2023 FMH Acquisition is completed, the SingPost Group will hold approximately 88% equity interest in FMH. The proposed grant of the various call options by the FMH shareholders (other than SPAI) to SPAI to purchase the remaining 12% equity interest in FMH provides the SingPost Group with a measured and calculated pathway to full ownership of FMH in time, as well as full integration with its Australian assets. It also provides a clear exit path for the other FMH shareholders.

4. Proposed Acquisition of FMH Shares

4.1 Consideration

Pursuant to the terms of the 2023 FMH SPA, and subject to the satisfaction of the conditions precedent listed in paragraph 4.2 below, SPAI will acquire an aggregate of 6,529 FMH Shares (representing approximately 37% equity interest in FMH) from the FMH Non-Management Shareholders and the Degenhardt Shareholders in two tranches:

(i) Tranche A

On or before 31 March 2023, SPAI will acquire an aggregate of 4,150 FMH Shares (representing approximately 23.5% equity interest in FMH) ("**Tranche A FMH Shares**") from the FMH Non-Management Shareholders and the Degenhardt Shareholders for an aggregate consideration (the "**2022 Offer Price**") computed based on the following formula:

$$2022 \text{ Offer Price} = [(9.6 \times \text{NE for FY22}) + \text{ND for FY22}] \times \text{SP}$$

where:

“**NE**” means the Normalised EBITDA of FMH;

“**ND**” means the Net Debt of FMH;

“**FY22**” means the financial year of FMH ending on 30 June 2022; and

“**SP**” means 0.235, this being the shareholding percentage in respect of the Tranche A FMH Shares.

For the avoidance of doubt, the formula for the computation of the 2022 Offer Price is the same formula for the computation of the consideration payable by SPAI under the terms of the First Offer to Buy previously granted by SPAI to the FMH Non-Management Shareholders and the Degenhardt Shareholders. Further information on the First Offer to Buy is set out in paragraph 5.1(i)(a) of the Circular.

(ii) Tranche B

On or before 31 March 2023, and subject to the completion of the acquisition of the Tranche A FMH Shares by SPAI, SPAI will simultaneously acquire an aggregate of 2,379 FMH Shares (representing approximately 13.5% equity interest in FMH) (“**Tranche B FMH Shares**”) from the FMH Non-Management Shareholders and the Degenhardt Shareholders for an aggregate consideration (the “**2023 Offer Price**”) computed based on the following formula:

$$2023 \text{ Offer Price} = [(9.6 \times \text{NE for FY23}) + \text{ND for FY23}] \times \text{SP}$$

where:

“**NE**” means the Normalised EBITDA of FMH;

“**ND**” means the Net Debt of FMH;

“**FY23**” means the 12-month period ending on 30 June 2023; and

“**SP**” means 0.135, this being the shareholding percentage in respect of the Tranche B FMH Shares,

provided that, on the completion of the acquisition of the Tranche B FMH Shares, the aggregate consideration payable by SPAI in respect of the Tranche B FMH Shares shall first be computed based on the Normalised EBITDA and Net Debt of FMH for FY22, and such consideration shall be subsequently adjusted to the 2023 Offer Price after the Normalised EBITDA and Net Debt of FMH for FY23 are available and determined by the directors of FMH.

For the avoidance of doubt, the formula for the computation of the 2023 Offer Price is the same formula for the computation of the consideration payable by SPAI under the terms of the Second Offer to Buy previously granted by SPAI to the FMH Non-Management Shareholders and the Degenhardt Shareholders.

The exercise period in respect of the Second Offer to Buy is from 30 June 2023 to 30 June 2024. Further information on the Second Offer to Buy is set out in paragraph 5.1(i)(b) of the Circular. As elaborated in paragraph 3 above, the SingPost Group has reached an agreement with the FMH Non-Management Shareholders and the Degenhardt Shareholders to accelerate its investment in FMH. Subject to the satisfaction of the conditions precedent listed in paragraph 4.2 below, including any approvals required pursuant to the Listing Rules of the SGX-ST and any approval of the shareholders of SingPost at a duly convened extraordinary general meeting of SingPost (if required), the above arrangements in respect of the acquisition of the Tranche B FMH Shares will allow SPAI to acquire a further 13.5% equity interest in FMH at an earlier date and at the same consideration payable. Assuming the Proposed 2023 FMH Acquisition is completed, the SingPost Group will hold approximately 88% equity interest in FMH.

4.2 Conditions Precedent

The Proposed 2023 FMH Acquisition is conditional upon, amongst others, the following conditions:

- (i) the approval of the Foreign Investment Review Board of Australia (“**FIRB**”) for the acquisition by the SingPost Group of the Tranche A FMH Shares and the Tranche B FMH Shares; and
- (ii) any approvals required pursuant to the Listing Rules of the SGX-ST in connection with the acquisition by the SingPost Group of the Tranche A FMH Shares and the Tranche B FMH Shares, including any approval of the shareholders of SingPost at a duly convened extraordinary general meeting of SingPost (if required).

5. Proposed Amendments to the terms of the Offers to Buy and Grant of Call Options in respect of FMH Shares

5.1 Proposed 2023 FMH SHA

In connection with the Proposed 2023 FMH Acquisition, SPAI is in negotiations with FMH and the other FMH shareholders to enter into the Proposed 2023 FMH SHA, to revise the Existing Offers to Buy previously granted by SPAI under the FMH SHA.

Under the terms of the Proposed 2023 FMH SHA, it is intended that the Existing Offers to Buy will be replaced by (i) new put options in respect of FMH Shares to be granted by SPAI to the other FMH shareholders; and (ii) new call options in respect of FMH Shares to be granted by the other FMH shareholders to SPAI.

5.2 Proposed Amendments to the terms of the Initial Offers to Buy

Under the terms of the FMH SHA, SPAI had previously granted the Initial Offers to Buy (comprising the First Offer to Buy and the Second Offer to Buy) to the FMH Non-Management Shareholders and the Degenhardt Shareholders.

(i) **Existing terms of the First Offer to Buy**

The First Offer to Buy is exercisable by each of the FMH Non-Management Shareholders and each of the Degenhardt Shareholders at any time between 30 June 2022 and 30 June 2023, and if exercised, will require SPAI to purchase 50% of all the FMH Shares held by each of the FMH Non-Management Shareholders and each of the Degenhardt Shareholders as at 30 June 2022.

(ii) **Existing terms of the Second Offer to Buy**

The Second Offer to Buy is exercisable by each of the FMH Non-Management Shareholders and each of the Degenhardt Shareholders at any time between 30 June 2023 and 30 June 2024, and if exercised, will require SPAI to purchase all of the remaining FMH Shares held by each of the FMH Non-Management Shareholders and each of the Degenhardt Shareholders as at 30 June 2023.

(iii) **Removal of the First Offer to Buy and Second Offer to Buy**

Further to discussions among SPAI, the FMH Non-Management Shareholders and the Degenhardt Shareholders, it is intended that the First Offer to Buy and the Second Offer to Buy will be replaced by the transactions pursuant to the Proposed 2023 FMH Acquisition, where SPAI will acquire an aggregate of 6,529 FMH Shares (representing approximately 37% equity interest in FMH) from the FMH Non-Management Shareholders and the Degenhardt Shareholders, on or before 31 March 2023. As such, it is intended that the Proposed 2023 FMH SHA will not include any options similar to the First Offer to Buy or Second Offer to Buy.

5.3 Proposed Amendments to the terms of the Subsequent Offers to Buy

Under the terms of the FMH SHA, SPAI had previously granted the Subsequent Offers to Buy (comprising the Subsequent First Offer to Buy, the Subsequent Second Offer to Buy and the Subsequent Third Offer to Buy) to the FMH Non-Management Shareholders and the Degenhardt Shareholders. The Subsequent Offers to Buy may only be exercised by each of the FMH Non-Management Shareholders and each of the Degenhardt Shareholders upon the occurrence of a Subsequent Offer to Buy Trigger (as defined in paragraph 5.1(ii) of the Circular).

(i) **Subsequent First Offer to Buy**

(A) **Existing terms of the Subsequent First Offer to Buy**

The Subsequent First Offer to Buy is exercisable by each of the FMH Non-Management Shareholders and each of the Degenhardt Shareholders at any time between 30 September 2024 and 30 December 2024, and if exercised, will require SPAI to purchase 50% of all of the FMH Shares held by each of the FMH Non-Management Shareholders and each of the Degenhardt Shareholders as at 30 September 2024.

The consideration payable by SPAI in respect of the FMH Shares pursuant to the exercise of the Subsequent First Offer to Buy (the “**2024 Offer Price**”) will be computed based on the following formula:

$$2024 \text{ Offer Price} = [(9.6 \times \text{NE for FY24}) + \text{ND for FY24}] \times \text{SP}$$

where:

“**NE**” means the Normalised EBITDA of FMH;

“**ND**” means the Net Debt of FMH;

“**FY24**” means the financial year of FMH ending on 30 June 2024, or such other 12-month period ending in 2024 as determined by the board of directors of FMH to be the financial year of FMH; and

“**SP**” means the shareholding percentage in respect of the FMH Shares to be acquired.

(B) **Amendments to the terms of the Subsequent First Offer to Buy**

Under the terms of the Proposed 2023 FMH SHA, it is intended that the Subsequent First Offer to Buy will be amended as follows (the “**Revised First Offer to Buy**”):

Exercise Period: **Between 1 July 2023 and 30 September 2023**

Exercise Terms: If exercised, SPAI will be required to purchase **all** of the FMH Shares held by each of the FMH Non-Management Shareholders and each of the Degenhardt Shareholders **as at 1 July 2023**

Consideration Payable: $[(9.6 \times \text{NE for } \textbf{FY23}) + \text{ND for } \textbf{FY23}] \times \text{SP}$

where:

“**NE**” means the Normalised EBITDA of FMH;

“**ND**” means the Net Debt of FMH;

“**FY23**” means the 12-month period ending on 30 June 2023; and

“**SP**” means the shareholding percentage in respect of the FMH Shares to be acquired.

A summary of the amendments to the terms of the Subsequent First Offer to Buy is set out in the table below:

| Term | Subsequent First Offer to Buy | Revised First Offer to Buy |
|-----------------|---|---|
| Exercise Period | 30 September 2024 to 30 December 2024 | <u>1 July 2023 to 30 September 2023</u> |
| Exercise Terms | If exercised by each of the FMH Non-Management Shareholders and each of the Degenhardt Shareholders, SPAI will be required to purchase 50% of all of the FMH Shares held by each of the FMH Non-Management Shareholders and each of the Degenhardt Shareholders as at 30 September 2024 | If exercised by each of the FMH Non-Management Shareholders and each of the Degenhardt Shareholders, SPAI will be required to purchase <u>all</u> of the FMH Shares held by each of the FMH Non-Management Shareholders and each of the Degenhardt |

| | | |
|-------------------------------|---|---|
| | | Shareholders as at 1 July 2023 |
| Consideration payable by SPAI | $[(9.6 \times \text{NE for FY24}) + \text{ND for FY24}] \times \text{SP}$ | $[(9.6 \times \text{NE for FY23}) + \text{ND for FY23}] \times \text{SP}$ |

(C) **Grant of First Call Option**

Concurrently with the grant of the Revised First Offer to Buy by SPAI, each of the FMH Non-Management Shareholders and each of the Degenhardt Shareholders intends to grant a corresponding call option to SPAI to purchase all of their FMH Shares (the “**First Call Option**”) at the same consideration and with the same exercise period, as set out below:

Exercise Period: Between 1 July 2023 and 30 September 2023

Exercise Terms: If exercised by SPAI, each of the FMH Non-Management Shareholders and each of the Degenhardt Shareholders will be required to sell all of their FMH Shares as at 1 July 2023

Consideration Payable: $[(9.6 \times \text{NE for FY23}) + \text{ND for FY23}] \times \text{SP}$

(ii) **Subsequent Second Offer to Buy**

(A) **Existing terms of the Subsequent Second Offer to Buy**

The Subsequent Second Offer to Buy is exercisable by each of the FMH Non-Management Shareholders and each of the Degenhardt Shareholders at any time between 30 September 2025 and 30 December 2025, and if exercised, will require SPAI to purchase 25% of all of the FMH Shares held by each of the FMH Non-Management Shareholders and each of the Degenhardt Shareholders as at 30 September 2024.

The consideration payable by SPAI in respect of the FMH Shares pursuant to the exercise of the Subsequent Second Offer to Buy (the “**2025 Offer Price**”) will be computed based on the following formula:

$$\text{2025 Offer Price} = [(9.6 \times \text{NE for FY25}) + \text{ND for FY25}] \times \text{SP}$$

where:

“**NE**” means the Normalised EBITDA of FMH;

“**ND**” means the Net Debt of FMH;

“**FY25**” means the financial year of FMH ending on 30 June 2025, or such other 12-month period ending in 2025 as determined by the board of directors of FMH to be the financial year of FMH; and

“**SP**” means the shareholding percentage in respect of the FMH Shares to be acquired.

(B) **Amendments to the terms of the Subsequent Second Offer to Buy**

Under the terms of the Proposed 2023 FMH SHA, it is intended that the Subsequent Second Offer to Buy will be amended as follows (the “**Revised Second Offer to Buy**”):

Exercise Period: **Between 1 July 2024 and 30 September 2024**

Exercise Terms: If exercised, SPAI will be required to purchase **all** of the FMH Shares held by each of the FMH Non-Management Shareholders and each of the Degenhardt Shareholders **as at 1 July 2024**

Consideration Payable: $[(9.6 \times \text{NE for } \textbf{FY24}) + \text{ND for } \textbf{FY24}] \times \text{SP}$

where:

“**NE**” means the Normalised EBITDA of FMH;

“**ND**” means the Net Debt of FMH;

“**FY24**” means the 12-month period ending on 30 June 2024; and

“**SP**” means the shareholding percentage in respect of the FMH Shares to be acquired.

A summary of the amendments to the terms of the Subsequent Second Offer to Buy is set out in the table below:

| Term | Subsequent Second Offer to Buy | Revised Second Offer to Buy |
|-------------------------------|---|--|
| Exercise Period | 30 September 2025 to 30 December 2025 | <u>1 July 2024 to 30 September 2024</u> |
| Exercise Terms | If exercised by each of the FMH Non-Management Shareholders and each of the Degenhardt Shareholders, SPAI will be required to purchase 25% of all of the FMH Shares held by each of the FMH Non-Management Shareholders and each of the Degenhardt Shareholders as at 30 September 2024 | If exercised by each of the FMH Non-Management Shareholders and each of the Degenhardt Shareholders, SPAI will be required to purchase <u>all</u> of the FMH Shares held by each of the FMH Non-Management Shareholders and each of the Degenhardt Shareholders <u>as at 1 July 2024</u> |
| Consideration payable by SPAI | $[(9.6 \times \text{NE for FY25}) + \text{ND for FY25}] \times \text{SP}$ | $[(9.6 \times \text{NE for } \textbf{FY24}) + \text{ND for } \textbf{FY24}] \times \text{SP}$ |

(C) **Grant of Second Call Option**

Concurrently with the grant of the Revised Second Offer to Buy by SPAI, each of the FMH Non-Management Shareholders and each of the Degenhardt Shareholders intends to grant a corresponding call option to SPAI to purchase all of their FMH Shares (the “**Second Call Option**”) at the same consideration and with the same exercise period, as set out below:

Exercise Period: Between 1 July 2024 and 30 September 2024

Exercise Terms: If exercised by SPAI, each of the FMH Non-Management Shareholders and each of the Degenhardt Shareholders will be required to sell all of their FMH Shares as at 1 July 2024

Consideration Payable: $[(9.6 \times \text{NE for FY24}) + \text{ND for FY24}] \times \text{SP}$

(iii) **Subsequent Third Offer to Buy**

(A) **Existing terms of the Subsequent Third Offer to Buy**

The Subsequent Third Offer to Buy is exercisable by each of the FMH Non-Management Shareholders and each of the Degenhardt Shareholders at any time between 30 September 2026 and 30 December 2026, and if exercised, will require SPAI to purchase all of the remaining FMH Shares held by each of the FMH Non-Management Shareholders and each of the Degenhardt Shareholders as at the date the Subsequent Third Offer to Buy is accepted.

The consideration payable by SPAI in respect of the FMH Shares pursuant to the exercise of the Subsequent Third Offer to Buy (the “**2026 Offer Price**”) will be computed based on the following formula:

$2026 \text{ Offer Price} = [(9.6 \times \text{NE for FY26}) + \text{ND for FY26}] \times \text{SP}$

where:

“**NE**” means the Normalised EBITDA of FMH;

“**ND**” means the Net Debt of FMH;

“**FY26**” means the financial year of FMH ending on 30 June 2026, or such other 12-month period ending in 2026 as determined by the board of directors of FMH to be the financial year of FMH; and

“**SP**” means the shareholding percentage in respect of the FMH Shares to be acquired.

(B) **Amendments to the terms of the Subsequent Third Offer to Buy**

Under the terms of the Proposed 2023 FMH SHA, it is intended that the Subsequent Third Offer to Buy will be amended as follows (the “**Revised Third Offer to Buy**”):

Exercise Period: **The 3-month period commencing on the date immediately following the final day of FY25**

Exercise Terms: If exercised, SPAI will be required to purchase all of the FMH Shares held by each of the FMH Non-Management Shareholders and each of the Degenhardt Shareholders **as at the date immediately following the final day of FY25**

Consideration Payable: $[(9.6 \times \text{NE for } \underline{\text{FY25}}) + \text{ND for } \underline{\text{FY25}}] \times \text{SP}$

where:

“**NE**” means the Normalised EBITDA of FMH;

“**ND**” means the Net Debt of FMH;

“**FY25**” means the 12-month period ending on 30 June 2025, or such other 12-month period ending on the last day of the financial year adopted by FMH; and

“**SP**” means the shareholding percentage in respect of the FMH Shares to be acquired.

A summary of the amendments to the terms of the Subsequent Third Offer to Buy is set out in the table below:

| Term | Subsequent Third Offer to Buy | Revised Third Offer to Buy |
|-------------------------------|---|---|
| Exercise Period | 30 September 2026 to 30 December 2026 | <u>The 3-month period commencing on the date immediately following the final day of FY25</u> |
| Exercise Terms | If exercised by each of the FMH Non-Management Shareholders and each of the Degenhardt Shareholders, SPAI will be required to purchase all of the remaining FMH Shares held by each of the FMH Non-Management Shareholders and each of the Degenhardt Shareholders as at the date the Subsequent Third Offer to Buy is accepted | If exercised by each of the FMH Non-Management Shareholders and each of the Degenhardt Shareholders, SPAI will be required to purchase all of the FMH Shares held by each of the FMH Non-Management Shareholders and each of the Degenhardt Shareholders <u>as at the date immediately following the final day of FY25</u> |
| Consideration payable by SPAI | $[(9.6 \times \text{NE for FY26}) + \text{ND for FY26}] \times \text{SP}$ | $[(9.6 \times \text{NE for } \underline{\text{FY25}}) + \text{ND for } \underline{\text{FY25}}] \times \text{SP}$ |

(C) **Grant of Third Call Option**

Concurrently with the grant of the Revised Third Offer to Buy by SPAI, each of the FMH Non-Management Shareholders and each of the Degenhardt Shareholders intends to grant a corresponding call option to SPAI to purchase all of their FMH Shares (the “**Third Call Option**”) at the same consideration and with the same exercise period, as set out below:

Exercise Period: The 3-month period commencing on the date immediately following the final day of FY25

Exercise Terms: If exercised by SPAI, each of the FMH Non-Management Shareholders and each of the Degenhardt Shareholders will be required to sell all of their FMH Shares as at the date immediately following the final day of FY25

Consideration Payable: $[(9.6 \times \text{NE for FY25}) + \text{ND for FY25}] \times \text{SP}$

5.4 **Proposed Grants of Fourth, Fifth, Sixth and Recurring Offers to Buy and Call Options**

In addition, under the terms of the Proposed 2023 FMH SHA, new put options in respect of FMH Shares will be granted by SPAI to the FMH Non-Management Shareholders and Degenhardt Shareholders, and new corresponding call options in respect of FMH Shares will be granted by the FMH Non-Management Shareholders and Degenhardt Shareholders to SPAI. These new put options extend the applicable period where FMH Non-Management Shareholders and Degenhardt Shareholders may choose to sell their FMH Shares to SPAI and exit their investment in FMH. Concurrently, these new call options extend the applicable period where SPAI may choose to acquire further FMH Shares and increase its ownership in FMH.

(i) **Fourth Offer to Buy**

Under the terms of the Proposed 2023 FMH SHA, it is intended that a new put option exercisable following the end of FY26, will be granted by SPAI to the FMH Non-Management Shareholders and Degenhardt Shareholders (the **"Fourth Offer to Buy"**) with the following terms:

Exercise Period: The 3-month period commencing on the date immediately following the final day of FY26

Exercise Terms: If exercised, SPAI will be required to purchase all of the FMH Shares held by each of the FMH Non-Management Shareholders and each of the Degenhardt Shareholders as at the date immediately following the final day of FY26

Consideration Payable: $[(9.6 \times \text{NE for FY26}) + \text{ND for FY26}] \times \text{SP}$

where:

"NE" means the Normalised EBITDA of FMH;

"ND" means the Net Debt of FMH;

"FY26" means the 12-month period ending on 30 June 2026, or such other 12-month period ending on the last day of the financial year adopted by FMH; and

"SP" means the shareholding percentage in respect of the FMH Shares to be acquired.

(ii) **Fourth Call Option**

Concurrently with the grant of the Fourth Offer to Buy by SPAI, each of the FMH Non-Management Shareholders and each of the Degenhardt Shareholders intends to grant a corresponding call option to SPAI to purchase all of their FMH Shares (the **"Fourth Call Option"**) at the same consideration and with the same exercise period, as set out below:

Exercise Period: The 3-month period commencing on the date immediately following the final day of FY26

Exercise Terms: If exercised by SPAI, each of the FMH Non-Management Shareholders and each of the Degenhardt Shareholders will be required to sell all of their FMH Shares as at the date immediately following the final day of FY26

Consideration Payable: $[(9.6 \times \text{NE for FY26}) + \text{ND for FY26}] \times \text{SP}$

(iii) **Fifth Offer to Buy**

In addition, it is intended that a new put option exercisable following the end of FY27, will be granted by SPAI to the FMH Non-Management Shareholders and Degenhardt Shareholders (the **"Fifth Offer to Buy"**) with the following terms:

Exercise Period: The 3-month period commencing on the date immediately following the final day of FY27

Exercise Terms: If exercised, SPAI will be required to purchase all of the FMH Shares held by each of the FMH Non-Management Shareholders and each of the Degenhardt Shareholders as at the date immediately following the final day of FY27

Consideration Payable: $[(9.6 \times \text{NE for FY27}) + \text{ND for FY27}] \times \text{SP}$

where:

"NE" means the Normalised EBITDA of FMH;

"ND" means the Net Debt of FMH;

"FY27" means the 12-month period ending on 30 June 2027, or such other 12-month period ending on the last day of the financial year adopted by FMH; and

"SP" means the shareholding percentage in respect of the FMH Shares to be acquired.

(iv) **Fifth Call Option**

Concurrently with the grant of the Fifth Offer to Buy by SPAI, each of the FMH Non-Management Shareholders and each of the Degenhardt Shareholders intends to grant a corresponding call option to SPAI to purchase all of their FMH Shares (the **"Fifth Call Option"**) at the same consideration and with the same exercise period, as set out below:

Exercise Period: The 3-month period commencing on the date immediately following the final day of FY27

Exercise Terms: If exercised by SPAI, each of the FMH Non-Management Shareholders and each of the Degenhardt Shareholders will be required to sell all of their FMH Shares as at the date immediately following the final day of FY27

Consideration Payable: $[(9.6 \times \text{NE for FY27}) + \text{ND for FY27}] \times \text{SP}$

(v) **Sixth Offer to Buy**

In addition, it is intended that a new put option exercisable following the end of FY28, will be granted by SPAI to the FMH Non-Management Shareholders and Degenhardt Shareholders (the “**Sixth Offer to Buy**”) with the following terms:

Exercise Period: The 3-month period commencing on the date immediately following the final day of FY28

Exercise Terms: If exercised, SPAI will be required to purchase all of the FMH Shares held by each of the FMH Non-Management Shareholders and each of the Degenhardt Shareholders as at the date immediately following the final day of FY28

Consideration Payable: $[(9.6 \times \text{NE for FY28}) + \text{ND for FY28}] \times \text{SP}$

where:

“**NE**” means the Normalised EBITDA of FMH;

“**ND**” means the Net Debt of FMH;

“**FY28**” means the 12-month period ending on 30 June 2028, or such other 12-month period ending on the last day of the financial year adopted by FMH; and

“**SP**” means the shareholding percentage in respect of the FMH Shares to be acquired.

(vi) **Sixth Call Option**

Concurrently with the grant of the Sixth Offer to Buy by SPAI, each of the FMH Non-Management Shareholders and each of the Degenhardt Shareholders intends to grant a corresponding call option to SPAI to purchase all of their FMH Shares (the “**Sixth Call Option**”) at the same consideration and with the same exercise period, as set out below:

Exercise Period: The 3-month period commencing on the date immediately following the final day of FY28

Exercise Terms: If exercised by SPAI, each of the FMH Non-Management Shareholders and each of the Degenhardt Shareholders will be required to sell all of their FMH Shares as at the date immediately following the final day of FY28

Consideration Payable: $[(9.6 \times \text{NE for FY28}) + \text{ND for FY28}] \times \text{SP}$

(vii) **Recurring Offer to Buy**

Under the terms of the Proposed 2023 FMH SHA, it is intended that SPAI will grant new put options to each of the FMH Non-Management Shareholders and each of the Degenhardt Shareholders, pursuant to which following the end of FY29, each of the FMH Non-Management Shareholders and each of the Degenhardt Shareholders has a recurring right on an annual basis to require SPAI to purchase all of their remaining FMH Shares at a consideration to be determined based on the performance of FMH in

the immediately preceding financial year (the “**Recurring Offer to Buy**”). Further details of the Recurring Offer to Buy are set out below:

Exercise Period: The 3-month period commencing on each Recurring Offer to Buy Trigger Date

Exercise Terms: If exercised, SPAI will be required to purchase all of the FMH Shares held by each of the FMH Non-Management Shareholders and each of the Degenhardt Shareholders as at the Recurring Offer to Buy Trigger Date

Consideration Payable: $[(9.6 \times \text{FYNE}) + \text{FYND}] \times \text{SP}$

where:

“**FY29**” means the financial year of FMH ending on 30 June 2029, or such other 12-month period ending in 2029 as determined by the board of directors of FMH to be the financial year of FMH;

“**Recurring Offer to Buy Trigger Date**” means the day immediately following the final day of FY29 and the day immediately following the final day of each subsequent financial year after that date until the FMH Non-Management Shareholders and the Degenhardt Shareholders no longer hold any FMH Shares;

“**FYNE**” means the Normalised EBITDA of FMH for the financial year immediately prior to the acceptance of the relevant Recurring Offer to Buy;

“**FYND**” means the Net Debt of FMH for the financial year immediately prior to the acceptance of the relevant Recurring Offer to Buy;

“**SP**” means the shareholding percentage in respect of the FMH Shares to be acquired.

(viii) **Recurring Call Option**

Concurrently with the grant of the Recurring Offer to Buy by SPAI, each of the FMH Non-Management Shareholders and each of the Degenhardt Shareholders intends to grant corresponding call options to SPAI, pursuant to which following the end of FY29, SPAI has a recurring right on an annual basis to require each of the FMH Non-Management Shareholders and each of the Degenhardt Shareholders to sell all of their remaining FMH Shares at a consideration to be determined based on the performance of FMH in the immediately preceding financial year (the “**Recurring Call Option**”). For the avoidance of doubt, the exercise period and consideration payable in respect of the Recurring Offer to Buy and the Recurring Call Option exercisable in the same financial year, are the same. Further details of the Recurring Call Option are set out below:

Exercise Period: The 3-month period commencing on each Recurring Call Option Trigger Date

Exercise Terms: If exercised by SPAI, each of the FMH Non-Management Shareholders and each of the Degenhardt Shareholders will be required to sell all of their FMH Shares as at the Recurring Call Option Trigger Date

Consideration Payable: $[(9.6 \times \text{FYNE}) + \text{FYND}] \times \text{SP}$

where:

“**FY29**” means the financial year of FMH ending on 30 June 2029, or such other 12-month period ending in 2029 as determined by the board of directors of FMH to be the financial year of FMH;

“**Recurring Call Option Trigger Date**” means the day immediately following the final day of FY29 and the day immediately following the final day of each subsequent financial year after that date until the FMH Non-Management Shareholders and the Degenhardt Shareholders no longer hold any FMH Shares;

“**FYNE**” means the Normalised EBITDA of FMH for the financial year immediately prior to the exercise of the relevant Recurring Call Option;

“**FYND**” means the Net Debt of FMH for the financial year immediately prior to the exercise of the relevant Recurring Call Option;

“**SP**” means the shareholding percentage in respect of the FMH Shares to be acquired.

5.5 **Proposed Amendments to the terms of the Management Offers to Buy**

Under the terms of the FMH SHA, SPAI had previously granted the Management Offers to Buy (comprising the Management First Offer to Buy, the Management Second Offer to Buy and the Management Third Offer to Buy) to the FMH Management Shareholders.

(i) **Management First Offer to Buy**

(A) **Existing terms of the Management First Offer to Buy**

The Management First Offer to Buy is exercisable by each of the FMH Management Shareholders at any time between 30 September 2024 and 30 December 2024, and if exercised, will require SPAI to purchase 50% of all of the FMH Shares held by each of the FMH Management Shareholders as at 30 September 2024.

The consideration payable by SPAI in respect of the FMH Shares pursuant to the exercise of the Management First Offer to Buy (the “**2024 Management Offer Price**”) will be computed based on the following formula:

$$\text{2024 Management Offer Price} = [(9.6 \times \text{NE for FY24}) + \text{ND for FY24}] \times \text{SP}$$

where:

“**NE**” means the Normalised EBITDA of FMH;

“**ND**” means the Net Debt of FMH;

“**FY24**” means the financial year of FMH ending on 30 June 2024, or such other 12-month period ending in 2024 as determined by the board of directors of FMH to be the financial year of FMH; and

“**SP**” means the shareholding percentage in respect of the FMH Shares to be acquired.

(B) **Amendments to the terms of the Management First Offer to Buy**

Under the terms of the Proposed 2023 FMH SHA, it is intended that the Management First Offer to Buy will be amended as follows (the “**Revised Management First Offer to Buy**”):

Exercise Period: **Between 1 July 2024 and 30 September 2024**

Exercise Terms: If exercised, SPAI will be required to purchase 50% of all of the FMH Shares held by each of the FMH Management Shareholders **as at 1 July 2024**

Consideration Payable: $[(9.6 \times \text{NE for FY24}) + \text{ND for FY24}] \times \text{SP}$

where:

“**NE**” means the Normalised EBITDA of FMH;

“**ND**” means the Net Debt of FMH;

“**FY24**” means the 12-month period ending on 30 June 2024; and

“**SP**” means the shareholding percentage in respect of the FMH Shares to be acquired.

For the avoidance of doubt, the consideration payable in respect of the Management First Offer to Buy and the Revised Management First Offer to Buy, are the same.

A summary of the amendments to the terms of the Management First Offer to Buy is set out in the table below:

| Term | Management First Offer to Buy | Revised Management First Offer to Buy |
|-------------------------------|---|---|
| Exercise Period | 30 September 2024 to 30 December 2024 | <u>1 July 2024 to 30 September 2024</u> |
| Exercise Terms | If exercised by each of the FMH Management Shareholders, SPAI will be required to purchase 50% of all of the FMH Shares held by each of the FMH Management Shareholders as at 30 September 2024 | If exercised by each of the FMH Management Shareholders, SPAI will be required to purchase 50% of all of the FMH Shares held by each of the FMH Management Shareholders <u>as at 1 July 2024</u> |
| Consideration payable by SPAI | $[(9.6 \times \text{NE for FY24}) + \text{ND for FY24}] \times \text{SP}$ | $[(9.6 \times \text{NE for FY24}) + \text{ND for FY24}] \times \text{SP}$ |

(C) **Grant of FY24 Management Call Option**

Concurrently with the grant of the Revised Management First Offer to Buy by SPAI, each of the FMH Management Shareholders intends to grant a corresponding call option to SPAI to purchase 50% of all of their FMH Shares as at 1 July 2024 (the “**FY24 Management Call Option**”) at the same consideration and with the same exercise period, as set out below:

Exercise Period: Between 1 July 2024 and 30 September 2024

Exercise Terms: If exercised by SPAI, each of the FMH Management Shareholders will be required to sell 50% of all of their FMH Shares as at 1 July 2024

Consideration Payable: $[(9.6 \times \text{NE for FY24}) + \text{ND for FY24}] \times \text{SP}$

(ii) **Management Second Offer to Buy**

(A) **Existing terms of the Management Second Offer to Buy**

The Management Second Offer to Buy is exercisable by each of the FMH Management Shareholders at any time between 30 September 2025 and 30 December 2025, and if exercised, will require SPAI to purchase 25% of all of the FMH Shares held by each of the FMH Management Shareholders as at 30 September 2024.

The consideration payable by SPAI in respect of the FMH Shares pursuant to the exercise of the Management Second Offer to Buy (the “**2025 Management Offer Price**”) will be computed based on the following formula:

2025 Management Offer Price = $[(9.6 \times \text{NE for FY25}) + \text{ND for FY25}] \times \text{SP}$

where:

“**NE**” means the Normalised EBITDA of FMH;

“**ND**” means the Net Debt of FMH;

“**FY25**” means the financial year of FMH ending on 30 June 2025, or such other 12-month period ending in 2025 as determined by the board of directors of FMH to be the financial year of FMH; and

“**SP**” means the shareholding percentage in respect of the FMH Shares to be acquired.

(B) **Amendments to the terms of the Management Second Offer to Buy**

Under the terms of the Proposed 2023 FMH SHA, it is intended that the Management Second Offer to Buy will be amended as follows (the “**Revised Management Second Offer to Buy**”):

Exercise Period: **The 3-month period commencing on the date immediately following the final day of FY25**

Exercise Terms: If exercised, SPAI will be required to purchase 25% of all of the FMH Shares held by each of the FMH Management Shareholders **as at 1 July 2024**

Consideration Payable: $[(9.6 \times \text{NE for FY25}) + \text{ND for FY25}] \times \text{SP}$

For the avoidance of doubt, the consideration payable in respect of the Management Second Offer to Buy and the Revised Management Second Offer to Buy, are the same.

A summary of the amendments to the terms of the Management Second Offer to Buy is set out in the table below:

| Term | Management Second Offer to Buy | Revised Management Second Offer to Buy |
|-------------------------------|---|---|
| Exercise Period | 30 September 2025 to 30 December 2025 | <u>The 3-month period commencing on the date immediately following the final day of FY25</u> |
| Exercise Terms | If exercised by each of the FMH Management Shareholders, SPAI will be required to purchase 25% of all of the FMH Shares held by each of the FMH Management Shareholders as at 30 September 2024 | If exercised by each of the FMH Management Shareholders, SPAI will be required to purchase 25% of all of the FMH Shares held by each of the FMH Management Shareholders <u>as at 1 July 2024</u> |
| Consideration payable by SPAI | $[(9.6 \times \text{NE for FY25}) + \text{ND for FY25}] \times \text{SP}$ | $[(9.6 \times \text{NE for FY25}) + \text{ND for FY25}] \times \text{SP}$ |

(C) **Grant of the FY25 Management Call Option**

Concurrently with the grant of the Revised Management Second Offer to Buy by SPAI, each of the FMH Management Shareholders intends to grant a corresponding call option to SPAI to purchase 25% of all of their FMH Shares as at 1 July 2024 (the “**FY25 Management Call Option**”) at the same consideration and with the same exercise period, as set out below:

Exercise Period: The 3-month period commencing on the date immediately following the final day of FY25

Exercise Terms: If exercised by SPAI, each of the FMH Management Shareholders will be required to sell 25% of all of their FMH Shares as at 1 July 2024

Consideration Payable: $[(9.6 \times \text{NE for FY25}) + \text{ND for FY25}] \times \text{SP}$

(iii) **Management Third Offer to Buy**

(A) **Existing terms of the Management Third Offer to Buy**

The Management Third Offer to Buy is exercisable by each of the FMH Management Shareholders at any time between 30 September 2026 and 30 December 2026, and if exercised, will require SPAI to purchase 25% of all of the FMH Shares held by each of the FMH Management Shareholders as at 30 September 2024, together with all of the remaining FMH Shares held by each of the FMH Management Shareholders as at the date the Management Third Offer to Buy is accepted.

The consideration payable by SPAI in respect of the FMH Shares pursuant to the exercise of the Management Third Offer to Buy (the “**2026 Management Offer Price**”) will be computed based on the following formula:

2026 Management Offer Price = $[(9.6 \times \text{NE for FY26}) + \text{ND for FY26}] \times \text{SP}$

where:

“**NE**” means the Normalised EBITDA of FMH;

“**ND**” means the Net Debt of FMH;

“**FY26**” means the financial year of FMH ending on 30 June 2026, or such other 12-month period ending in 2026 as determined by the board of directors of FMH to be the financial year of FMH; and

“**SP**” means the shareholding percentage in respect of the FMH Shares to be acquired.

(B) **Amendments to the terms of the Management Third Offer to Buy**

Under the terms of the Proposed 2023 FMH SHA, it is intended that the Management Third Offer to Buy will be amended as follows (the “**Revised Management Third Offer to Buy**”):

Exercise Period: **The 3-month period commencing on the date immediately following the final day of FY26**

Exercise Terms: If exercised, SPAI will be required to purchase **25% of all of the FMH Shares** held by each of the FMH Management Shareholders **as at 1 July 2024**

Consideration Payable: $[(9.6 \times \text{NE for FY26}) + \text{ND for FY26}] \times \text{SP}$

For the avoidance of doubt, the consideration payable in respect of the Management Third Offer to Buy and the Revised Management Third Offer to Buy, are the same.

A summary of the amendments to the terms of the Management Third Offer to Buy is set out in the table below:

| Term | Management Third Offer to Buy | Revised Management Third Offer to Buy |
|-----------------|---|---|
| Exercise Period | 30 September 2026 to 30 December 2026 | <u>The 3-month period commencing on the date immediately following the final day of FY26</u> |
| Exercise Terms | If exercised by each of the FMH Management Shareholders, SPAI will be required to purchase 25% of all of the FMH Shares held by each of the FMH Management Shareholders as at 30 September 2024, together with all of the remaining FMH Shares held by each of the FMH Management Shareholders as at the date the Management Third Offer to Buy is accepted | If exercised by each of the FMH Management Shareholders, SPAI will be required to purchase <u>25% of all of the FMH Shares</u> held by each of the FMH Management Shareholders <u>as at 1 July 2024</u> |

| | | |
|-------------------------------|---|---|
| Consideration payable by SPAI | $[(9.6 \times \text{NE for FY26}) + \text{ND for FY26}] \times \text{SP}$ | $[(9.6 \times \text{NE for FY26}) + \text{ND for FY26}] \times \text{SP}$ |
|-------------------------------|---|---|

(C) **Grant of FY26 Management Call Option**

Concurrently with the grant of the Revised Management Third Offer to Buy by SPAI, each of the FMH Management Shareholders intends to grant a corresponding call option to SPAI to purchase 25% of all of their FMH Shares as at 1 July 2024 (the **"FY26 Management Call Option"**) at the same consideration and with the same exercise period, as set out below:

Exercise Period: The 3-month period commencing on the date immediately following the final day of FY26

Exercise Terms: If exercised by SPAI, each of the FMH Management Shareholders will be required to sell 25% of all of their FMH Shares as at 1 July 2024

Consideration Payable: $[(9.6 \times \text{NE for FY26}) + \text{ND for FY26}] \times \text{SP}$

5.6 **Proposed Grants of Management Recurring Offer to Buy and Management Recurring Call Option**

Similar to the proposed new put and call options listed in paragraph 5.4 above, it is intended that new put options in respect of FMH Shares will be granted by SPAI to the FMH Management Shareholders, and new call options in respect of FMH Shares will be granted by the FMH Management Shareholders to SPAI.

(i) **FY23 Management Offer to Buy**

Under the terms of the Proposed 2023 FMH SHA, it is intended that a new put option exercisable following the end of FY23, will be granted by SPAI to the FMH Management Shareholders (the **"FY23 Management Offer to Buy"**) with the following terms:

Exercise Period: The 3-month period commencing on the date immediately following the final day of FY23

Exercise Terms: If exercised, SPAI will be required to purchase all of the FMH Shares held by each of the FMH Management Shareholders as at the date immediately following the final day of FY23

Consideration Payable: $[(9.6 \times \text{NE for FY23}) + \text{ND for FY23}] \times \text{SP}$

where:

"NE" means the Normalised EBITDA of FMH;

"ND" means the Net Debt of FMH;

"FY23" means the 12-month period ending on 30 June 2023; and

"SP" means the shareholding percentage in respect of the FMH Shares to be acquired.

(ii) **FY23 Management Call Option**

Concurrently with the grant of the FY23 Management Offer to Buy by SPAI, each of the FMH Management Shareholders intends to grant a corresponding call option to SPAI to purchase all of their FMH Shares (the “**FY23 Management Call Option**”) at the same consideration and with the same exercise period, as set out below:

Exercise Period: The 3-month period commencing on the date immediately following the final day of FY23

Exercise Terms: If exercised by SPAI, each of the FMH Management Shareholders will be required to sell all of their FMH Shares as at the date immediately following the final day of FY23

Consideration Payable: $[(9.6 \times \text{NE for FY23}) + \text{ND for FY23}] \times \text{SP}$

(iii) **Management Recurring Offer to Buy**

In addition to the FY23 Management Offer to Buy, it is intended that SPAI will grant new put options to each of the FMH Management Shareholders, pursuant to which following the end of FY27, each of the FMH Management Shareholders has a recurring right on an annual basis to require SPAI to purchase all of their remaining FMH Shares at a consideration to be determined based on the performance of FMH in the immediately preceding financial year (the “**Management Recurring Offer to Buy**”). Further details of the Management Recurring Offer to Buy are set out below:

Exercise Period: The 3-month period commencing on each Management Recurring Offer to Buy Trigger Date

Exercise Terms: If exercised, SPAI will be required to purchase all of the FMH Shares held by each of the FMH Management Shareholders as at the Management Recurring Offer to Buy Trigger Date

Consideration Payable: $[(9.6 \times \text{FYNE}) + \text{FYND}] \times \text{SP}$

where:

“**FY27**” means the financial year of FMH ending on 30 June 2027, or such other 12-month period ending in 2027 as determined by the board of directors of FMH to be the financial year of FMH;

“**Management Recurring Offer to Buy Trigger Date**” means the day immediately following the final day of FY27 and the day immediately following the final day of each subsequent financial year after that date until the FMH Management Shareholders no longer hold any FMH Shares;

“**FYNE**” means the Normalised EBITDA of FMH for the financial year immediately prior to the acceptance of the relevant Management Recurring Offer to Buy;

“**FYND**” means the Net Debt of FMH for the financial year immediately prior to the acceptance of the relevant Management Recurring Offer to Buy;

“**SP**” means the shareholding percentage in respect of the FMH Shares to be acquired.

(iv) **Management Recurring Call Option**

Concurrently with the grant of the Management Recurring Offer to Buy by SPAI, each of the FMH Management Shareholders intends to grant corresponding call options to SPAI, pursuant to which following the end of FY27, SPAI has a recurring right on an annual basis to require each of the FMH Management Shareholders to sell all of their remaining FMH Shares at a consideration to be determined based on the performance of FMH in the immediately preceding financial year (the “**Management Recurring Call Option**”). For the avoidance of doubt, the exercise period and consideration payable in respect of the Management Recurring Offer to Buy and the Management Recurring Call Option exercisable in the same financial year, are the same. Further details of the Management Recurring Call Option are set out below:

Exercise Period: The 3-month period commencing on each Management Recurring Call Option Trigger Date

Exercise Terms: If exercised by SPAI, each of the FMH Management Shareholders will be required to sell all of their FMH Shares as at the Management Recurring Call Option Trigger Date

Consideration Payable: $[(9.6 \times \text{FYNE}) + \text{FYND}] \times \text{SP}$

where:

“**FY27**” means the financial year of FMH ending on 30 June 2027, or such other 12-month period ending in 2027 as determined by the board of directors of FMH to be the financial year of FMH;

“**Management Recurring Call Option Trigger Date**” means the day immediately following the final day of FY27 and the day immediately following the final day of each subsequent financial year after that date until the FMH Management Shareholders no longer hold any FMH Shares;

“**FYNE**” means the Normalised EBITDA of FMH for the financial year immediately prior to the exercise of the relevant Management Recurring Call Option;

“**FYND**” means the Net Debt of FMH for the financial year immediately prior to the exercise of the relevant Management Recurring Call Option;

“**SP**” means the shareholding percentage in respect of the FMH Shares to be acquired.

6. Proposed transactions subject to Listing Rules of SGX-ST

The proposed transactions set out in this Announcement are subject to any approvals required pursuant to the Listing Rules of the SGX-ST, including the approval of the shareholders of SingPost at a duly convened extraordinary general meeting of SingPost, if required.

7. Method of Financing

The SingPost Group intends to fund the consideration for the Proposed 2023 FMH Acquisition and any acquisition of FMH Shares pursuant to the exercise of any put options or call options granted under the Proposed 2023 FMH SHA from its internal cash resources as well as from existing external borrowings.

8. Pro Forma Financial Effects

8.1 Bases and Assumptions

The pro forma financial effects of the Proposed 2023 FMH Acquisition have been prepared based on:

- (i) the audited consolidated financial statements for the SingPost Group for the financial year ended 31 March 2022; and
- (ii) the FMH FY2022 Financial Results,

and are purely for illustrative purposes only and do not reflect the future actual financial position of the SingPost Group following completion of the various transactions.

The pro forma financial effects have also been prepared based on, *inter alia*, the following assumptions:

- (a) the Proposed 2023 FMH Acquisition had been effected on 31 March 2022, being the end of the most recently completed financial year of the SingPost Group and of which the statement of financial position of the SingPost Group has been publicly announced, for illustrating the financial effects on the consolidated NTA of the SingPost Group;
- (b) the Proposed 2023 FMH Acquisition had been effected on 1 April 2021, being the beginning of the most recently completed financial year of the SingPost Group and of which the profit and loss of the SingPost Group has been publicly announced, for illustrating the financial effects on the consolidated earnings of the SingPost Group;
- (c) the pro forma is for a full 12 month trading period, ignoring the differences in financial year ends between the SingPost Group's and FMH's financial statements; and
- (d) assuming a purchase consideration of A\$175.4 million (equivalent to approximately S\$161.5 million) for the Proposed 2023 FMH Acquisition.

8.2 NTA

For illustrative purposes only, assuming that the Proposed 2023 FMH Acquisition had been completed on 31 March 2022, the pro forma financial effects on the NTA of the SingPost Group are as follows:

| | Before the Proposed 2023 FMH Acquisition | After the Proposed 2023 FMH Acquisition |
|----------------------------------|---|---|
| Net assets (S\$ million) | 1,142.1 | 1,141.2 |
| Less : intangibles (S\$ million) | 529.4 | 529.4 |
| NTA (S\$ million) | 612.7 | 611.7 |

| | Before the Proposed 2023 FMH Acquisition | After the Proposed 2023 FMH Acquisition |
|--|---|---|
| Number of issued SingPost Shares (excluding treasury shares) as at 31 March 2022 (million) | 2,249.6 | 2,249.6 |
| NTA per SingPost Share (S\$ cents) | 27.2 | 27.2 |

8.3 Earnings Per Share

For illustrative purposes only and assuming that the Proposed 2023 FMH Acquisition had been completed on 1 April 2021, the pro forma financial effects on the earnings of the SingPost Group are as follows:

| | Before the Proposed 2023 FMH Acquisition | After the Proposed 2023 FMH Acquisition |
|---|---|---|
| Net profit attributable to ordinary shareholders (S\$ million) ⁽¹⁾ | 69.5 | 81.5 |
| Weighted average number of issued SingPost Shares for the financial year ended on 31 March 2022 (million) | 2,249.6 | 2,249.6 |
| Basic earnings per SingPost Share (S\$ cents) | 3.09 | 3.62 |

Note:

(1) Figures are arrived after deducting net profit attributable to perpetual securities.

9. Discloseable Transaction

9.1 Rule 1006 Relative Figures

The relative figures computed on the bases set out in Rule 1006 of the Listing Manual of the SGX-ST (the “**Listing Manual**”) in respect of the Proposed 2023 FMH Acquisition are as follows:

| Rule 1006 | Bases | Proposed 2023 FMH Acquisition S\$'million | SingPost Group S\$'million | Relative Figures % |
|--------------|--|--|----------------------------------|--------------------------|
| (b) | Net profit ^{(1) (2)} attributable to the FMH Shares to be acquired pursuant to the Proposed 2023 FMH Acquisition, compared with the SingPost Group's net profit | 15.5 | 107.4 | 14.4 |

| Rule 1006 | Bases | Proposed 2023 FMH Acquisition S\$'million | SingPost Group S\$'million | Relative Figures % |
|--------------|--|--|----------------------------------|--------------------------|
| (c) | Aggregate consideration payable for the FMH Shares to be acquired pursuant to the Proposed 2023 FMH Acquisition, compared with SingPost's market capitalization ⁽³⁾ | 161.5 | 1,199.2 | 13.5 |

Notes:

- (1) Net profit means net profit before income tax and non-controlling interests.
- (2) Based on FMH's net profit for FY2022 and the net profit of the SingPost Group for FY2022.
- (3) SingPost's market capitalisation is based upon 2,249,740,048 SingPost Shares (excluding treasury shares) as at 9 January 2023 at a volume weighted average price of S\$0.533042 per SingPost Share.

9.2 Disclosable Transaction

As each of the relative figures under Rule 1006(b) and (c) of the Listing Manual exceeds 5% but does not exceed 20%, the Proposed 2023 FMH Acquisition constitutes a discloseable transaction as defined in Chapter 10 of the Listing Manual.

10. Further Information

10.1 Consultation with SGX-ST

As stated in paragraph 1.6, SingPost will be consulting with the SGX-ST on whether shareholders' approval for the transactions set out in this Announcement will be required, notwithstanding the shareholders' approval previously obtained at the extraordinary general meeting convened and held by SingPost on 26 November 2021. SingPost will make further announcement(s) on the outcome of its consultation with the SGX-ST.

10.2 Directors' Service Contracts

No person is proposed to be appointed as director of SingPost in connection with the various transactions described above. Accordingly, no service contract is proposed to be entered into between SingPost and any such person.

10.3 Interests of Directors and Controlling Shareholders

Save as disclosed in this Announcement, other than by virtue of being a director of SingPost or FMH as the SingPost Group's nominee or their shareholding interest in SingPost, none of the Directors or controlling shareholders of SingPost has any interest, direct or indirect, in the various transactions described above.

10.4 **Documents for Inspection**

Copies of the 2023 FMH SPA are available for inspection during normal business hours at the registered office of SingPost at 10 Eunos Road 8, Singapore Post Centre, Singapore 408600, for a period of three months commencing from the date of this Announcement.

Issued by Singapore Post Limited on 11 January 2023.



Increase in FMH Shareholdings

11 January 2023

Proposed transaction for accelerated acquisition of FMH interest

Accelerated acquisition of shares to raise FMH shareholdings from 51% to 88%

Strong rationale for acceleration of accretive acquisition

Key part of Group's transformation and Australia growth strategy
Earnings accretive; strong FMH performance, good growth momentum
Possible higher consideration if acquired at a later stage
Synergies with Australian businesses

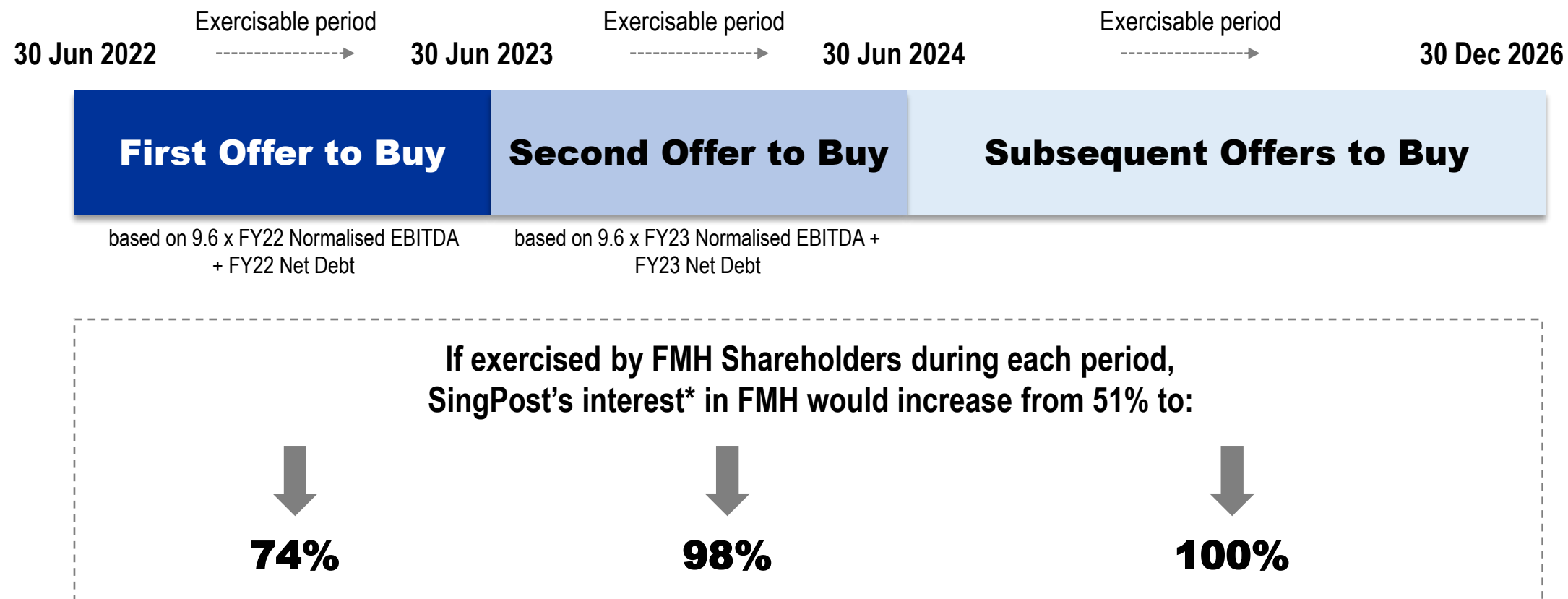
Valuation formula as approved in EGM; funding via cash and borrowings

Based on valuation formula for consideration at 9.6 x EBITDA approved in Nov 2021 EGM; estimated total consideration of A\$175.4 million
Funding from cash reserve and available bank loan facilities

Approvals

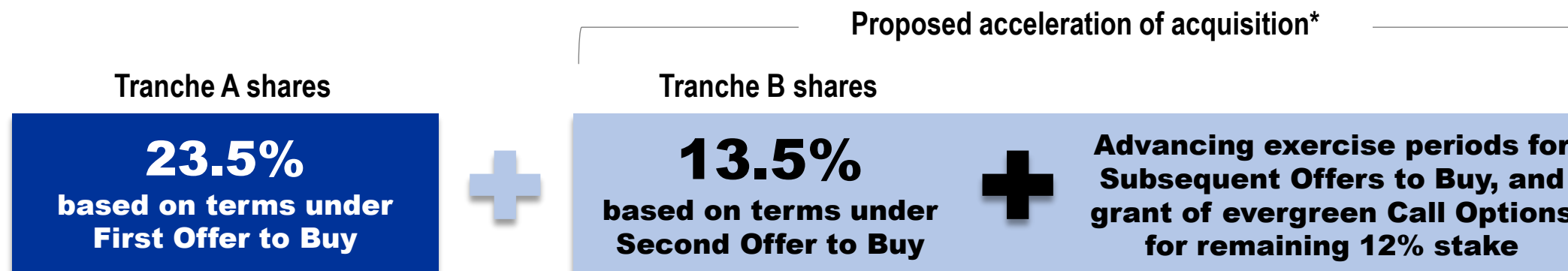
Subject to statutory approvals, and any approvals required under SGX Listing Rules, including shareholders' approval if required

Existing pathway for increasing stake in FMH



* Approximate shareholding following completion of each transaction

Proposed accelerated acquisition of FMH shareholdings



* Including other amendments to Shareholders' Agreement

Strong rationale for accelerated acquisition of additional stake and call/put options on remaining shares

1. In line with Group's strategy to transform into a global logistics enterprise

Strategic acquisition of FMH a key move to launch Group forward in overseas logistics space

Building a digitally enabled, integrated B2B and B2C logistics business with FMH

- ✓ Leader in 4PL in structurally profitable and growing Australian market
- ✓ Proprietary best-in-class technology platform underpinning digitally enabled 4PL businesses
- ✓ Expanding 3PL network and capabilities

Strong rationale for accelerated acquisition of additional stake and call/put options on remaining shares



2. Earnings accretive; strong financial performance, good growth momentum

FMH has performed well since the initial investment, contributing to Group’s Logistics revenue and profit growth

Revenue and operating profit 3-year CAGR of approximately 28% and 50% respectively

Good growth momentum with organic and inorganic growth as FMH expands its network

Possibility of higher purchase consideration if acquired at a later stage

FMH Performance, A\$m

| FY ended 30 June | FY18/19 | FY19/20 | FY20/21 | FY21/22 |
|------------------|---------|---------|---------|---------|
| Revenue | 253 | 249 | 347 | 524 |
| Operating Profit | 14 | 17 | 28 | 48 |

↑
Acquired 28% stake
in Dec 2020

↑
Increased stake to
51% in Nov 2021

Strong rationale for accelerated acquisition of additional stake and call/put options on remaining shares

3. Synergies with Australia businesses

Good progress in integrating and leveraging capabilities of the Australian businesses

Collaboration among FMH and wholly owned subsidiaries, CouriersPlease and Quantum Solutions ANZ



Valuation formula as approved in Nov 2021 EGM; funding in place



Valuation formula as approved in Nov 2021 EGM

Formula for consideration computation unchanged at:

*9.6 x Normalised EBITDA for relevant FY + Net Debt of relevant FY x
applicable shareholding percentage*

Total consideration of approximately A\$175.4 million for 37% interest in FMH

Funding via cash and borrowings

Funding fully catered for – from cash reserve and available bank loan facilities (5-year fixed rate term loan)

Cash reserve of S\$435.8 million as at 30 Sep 2022

Strategic review of non-core assets



Relevant statutory approvals

Any approvals required pursuant to SGX Listing Rules, including shareholders' approval at EGM if required

Expected completion in early 2023

A decorative graphic in the top-left corner consisting of a grid of isometric cubes, rendered in a light blue color against the dark blue background.

End

Please refer to the SGX announcements dated 11 January 2023 for the full details.

SingPost accelerates transformation with acquisition of additional stake in leading 4PL service provider FMH in Australia

- **Acquisition of further 37% interest to raise FMH shareholdings to 88%**
- **Key part of Group's transformation into a global logistics enterprise; building a digitally enabled B2B2C logistics business in Australia**
- **Earnings accretive since initial investment; strong financial performance with good business momentum**

SINGAPORE, 11 January 2023 – Singapore Post Limited ("SingPost") today announced the acceleration of its acquisition of a further stake in 51%-owned subsidiary Freight Management Holdings Pty Ltd ("FMH"). Through its wholly owned subsidiary, SingPost Australia Investments Pty Ltd ("SPAI"), SingPost will be acquiring an additional 37% interest in FMH, increasing its total stake to 88% upon completion of the transaction.

FMH is the leading 4th party logistics ("4PL") service provider based in Australia, providing integrated supply chain and distribution services through a proprietary technology platform. FMH has been expanding its geographical reach and 3rd party logistics ("3PL") capabilities as part of the Group's strategy to develop a digitally enabled integrated B2B and B2C logistics business.

SPAI first acquired a 28% interest in FMH in December 2020 and increased its shareholdings to 51% in November 2021 with a pathway to further raise its shareholdings subsequently. With this transaction, SPAI's interest will now be raised from 51% to 88%.

Mr Vincent Phang, SingPost Group Chief Executive Officer, said: "The strategic acquisition of FMH is a key move in strengthening the SingPost Group in the overseas logistics space. FMH has performed strongly since our initial investment and is a key growth driver in the Group's Logistics business."

Besides FMH, SingPost also owns CouriersPlease, a first- and last-mile delivery courier network covering 90% of the population in Australia.

"We have made good progress in combining the capabilities of our Australian businesses, leveraging each of their capabilities. This strategic acquisition gives us access to FMH's digitally enabled logistics capabilities, and with our last-mile delivery network in CouriersPlease, allows us to offer customers technology-led integrated B2B and B2C logistics solutions in the Australian market.

This would play a key role in us being a logistics player of choice in the Asia Pacific." Mr Phang added.

Details of transaction

Total purchase consideration for the acquisition of the 37% interest is expected to amount to approximately A\$175.4 million. The transaction will be funded by the Group's cash reserves and available bank loan facilities. The Group's cash reserves amounted to S\$435.8 million as at 30 September 2022.

The acquisition of the shares is based on the terms under the First and Second Offers to Buy, including the valuation computation formula, approved by shareholders at the Extraordinary General Meeting ("EGM") in November 2021.

The total 37% interest being acquired comprises two tranches of shares:

- Tranche A – amounting to 23.5% interest (exercised under First Offer to Buy);
- Tranche B – amounting to 13.5% interest (based on terms under Second Offer to Buy).

In addition, as part of the transaction, exercise periods for Subsequent Offers to Buy granted to FMH vendors will be advanced and evergreen Call Options will be granted for the remaining 12% stake as a pathway to full ownership.

The transaction is subject to statutory approvals and approvals pursuant to SGX Listing Rules including shareholders' approval at a duly convened EGM if required.

For the full details, please refer to the SGX Announcement dated 11 January 2023 on "Proposed Acquisition of FMH Shares; Proposed Amendments to the Terms of the Offers to Buy; and Proposed Grant of Call Options in respect of FMH Shares".

- End -

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About Singapore Post Limited

For more than 160 years, SingPost has been delivering trusted and reliable services to homes and businesses in Singapore. Today, SingPost is a leading eCommerce logistics player in Asia Pacific, providing innovative mail and logistics solutions in Singapore and around the world with operations in 15 markets, making every delivery count for people and planet.

Building on its trusted communications through domestic and international delivery services, SingPost offers best-in-class eCommerce logistics solutions, from warehousing and fulfilment, last mile delivery and international freight forwarding.