

19 December 2019

## ASX Release

### Enevis Divests Street Column Business

Enevis Limited (ASX: ENE) wholly owned subsidiary Urban Lighting Group Pty Ltd is pleased to announce that it has entered into a binding agreement for the sale of its non-core street column business to Urban Lighting Group Australia Pty Ltd for a gross consideration of \$3.1 million, including a \$2 million payment for inventory on hand and a further \$1.1 million for the operations.

The sale encompasses the transfer of property, plant and equipment, the Urban Lighting Group name and the use of the Urban Lighting Group logo for 12 months. The ongoing commercial lighting business within Enevis will operate under a different brand as of settlement date on 31 January 2020.

Executive Chairman and Managing Director, Mr Peter Jinks, said “Over the past few years, the board has been transitioning Enevis into a business that generates a greater proportion of revenue from services from its integrated mix of audio visual and energy efficient technology solutions.

“The execution of this strategy has already seen the addition of the Lumex business in FY19 and the acquisition of the exclusive LumiGrow distribution agreement earlier this calendar year to service the horticultural industry with sophisticated LED grow lighting solutions. Similarly, the divestment of non-core assets is integral to this plan so that we can reinvest capital in the core businesses, he said.”

The gross proceeds from the sale are due over the next 12 months with an initial payment of \$1.8 million on 31 January 2020 and the balance of \$1.3 million due over the next 12 months. Proceeds from the sale will be used to fund working capital and debt reduction.

The \$2 million stock valuation includes an amount of \$0.1 million which may be subject to impairment, contingent upon the sale of the stock over the next 12 months. The final proceeds will be adjusted for changes in stock at 31 January 2020 and the market will be updated in the 1H20 results announcement in February next year.

Mr Peter Jinks also said “Over the last three years, Enevis has restructured the street column business to a point where it is a profitable business and in a position to grow. Equally, the SKS Technologies business has grown at a rate of approximately 30 % per annum over the last three years, opening up many long-term opportunities that require capital. As a result, the board believes this to be an opportune time to sell this non-core asset and exit the street column industry.”

The overall impact of the sale on Enevis’ financial position will be positive with a significant increase in cash and minimal impact on the group’s future earnings. The sale, together with cost cutting measures over the past two quarters, will improve the 2H20 net profit after tax.

~ ENDS ~

**Further Information:**

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**About Enevis Limited (ENE)**

Enevis (previously known as Stokes) delivers energy efficient technology solutions, through the creative manufacture, design and engineering of software, hardware and installation support services. With strong capabilities in servicing national customers, Enevis provides innovative LED lighting products, energy consumption cost benefit and rebate analysis, audio-visual, communications and electrical solutions to the commercial, industrial and retail markets.