

29 May 2020

The Manager
ASX Market Announcements
Australian Securities Exchange
20 Bridge Street
Sydney NSW 2000

ASX ANNOUNCEMENT

NOTICE UNDER SECTION 708AA(2)(F) OF THE CORPORATIONS ACT 2001 (CTH)

Enevis Limited (ASX:ENE) (**Company**) today announced a non-renounceable pro rata entitlement offer of up to approximately 33,305,550 new fully paid ordinary shares in the Company (**New Shares**), at an issue price of \$0.045 per New Share (**Offer Price**), to raise up to approximately A\$1,498,750 million (before costs and expenses) (**Entitlement Offer**). The Directors have considered a range of factors when determining the Offer Price, including having regard to the fluctuating share price between 4 cents and 6 cents over the last two months, the illiquidity of the Company's shares, and the current downturn in the economy.

Under the Entitlement Offer, shareholders of the Company (**Shareholders**) with a registered address in Australia and New Zealand (**Eligible Shareholders**) have the opportunity to subscribe for 1 New Share for every 2 fully paid ordinary shares in the Company (**Shares**) of which they are the registered holder as at 7.00pm (Melbourne time) on Wednesday, 3 June 2020. Shareholders who are not Eligible Shareholders will be ineligible to participate in the Entitlement Offer.

Any New Shares that are not taken up by Eligible Shareholders (**Shortfall**) will form part of the oversubscription facility (**Oversubscription Facility**). Eligible Shareholders will have the opportunity to subscribe for New Shares in excess of their entitlement under the Oversubscription Facility with such allocations to be determined by the Board of directors of the Company at their discretion. The Entitlement Offer is non-renounceable.

The primary purpose of the Entitlement Offer is to discharge the secured and unsecured borrowings (**Loans**) of \$1,400,000 with a related party lender (please refer to the Company's announcement dated 29 May 2020 for further detail on the Loans).

The Entitlement Offer is fully underwritten by Gregory Darrell Jinks and Dorothy Jinks as trustee for the GD Super Fund (**GD Super Fund**) (a related entity of Greg Jinks) and Bundarah Pty Ltd ACN 635 500 613 (a related entity of Peter Jinks) (together **Underwriters**), subject to no Underwriter acquiring voting power in the Company in excess of 19.99%. Mr Peter Jinks and Mr Greg Jinks are executive directors of the Company (together **Executive Directors**).

Pursuant to sections 708AA(2)(f) and 708AA(7) of the *Corporations Act 2001* (Cth) (**Act**), the Company advises that:

- 1 the Company will offer the New Shares for issue without disclosure under Part 6D.2 of the Act.
- 2 this notice is given under section 708AA(2)(f) of the Corporations Act.
- 3 as at the date of this notice, the Company has complied with:
 - (a) the provisions of Chapter 2M of the Act as they apply to the Company; and

- (b) section 674 of the Act.
- 4 other than for the information stated in the paragraph below, there is no excluded information of the type referred to in sections 708AA(8) and 708AA(9) of the Corporations Act which is required to be disclosed by the Company under section 708AA(7)(d) of the Corporations Act.
- 5 the Company envisages that there may be an impairment of stock and goodwill in relation to its lighting business of approximately \$1.3 million – 1.5 million with a corresponding impact on the Group profit; and
- 6 having regard to the composition of the Company's share register, the terms of the Entitlement Offer, the underwriting arrangements in place for the Entitlement Offer, and the nature of the Underwriters, the Company does not believe that any person will increase their percentage shareholding in the Company pursuant to the Entitlement Offer in a way which will have any material impact on the control of the Company. The potential effect that the issue of the New Shares under the Entitlement Offer will have on the control and dilution, and the consequences of that effect, are as follows:
- (a) if all Eligible Shareholders take up their entitlements under the Entitlement Offer, there will be no significant effect on the control of the Company;
 - (b) if Eligible Shareholders do not take up all of their entitlements under the Entitlement Offer, the shareholding interests of those Eligible Shareholders will be diluted;
 - (c) the proportional interests of Shareholders who are not Eligible Shareholders will be diluted because those Shareholders are not entitled to participate in the Entitlement Offer;
 - (d) the shareholding interest of the Underwriters will increase if Eligible Shareholders do not accept all or some of their Entitlements as the Underwriters are required to subscribe for all of the Shortfall under their underwriting agreement with the Company (**Underwriting Agreement**). The extent of the interest that the Underwriters acquire under the Entitlement Offer will vary, depending on:
 - (i) the demand of Eligible Shareholders to participate in the Entitlement Offer; and
 - (ii) the demand of Eligible Shareholders to subscribe for additional New Shares in excess of their entitlement as part of the Oversubscription Facility.
- 7 Under the Underwriting Agreement, the Underwriters have agreed to subscribe for the Shortfall remaining under the Oversubscription Facility after Eligible Shareholders (if any) have subscribed for, and have been allocated, additional New Shares in excess of their entitlement. The Underwriters have agreed to severally underwrite the Entitlement Offer in the following proportions:
- (a) GD Super Fund \$715,625 (comprising 47.75% of the Entitlement Offer); and
 - (b) Bundarah – \$783,125 (comprising 52.25% of the Entitlement Offer).
- The potential effect that the issue of the Shortfall to the Underwriters will have on the Executive Directors' control of the Company is illustrated in the table below where the

Entitlement Offer is 20%, 45%, 50% and 75% subscribed and no Eligible Shareholders subscribe for New Shares under the Oversubscription Facility.

Scenario ¹	Mr Peter Jinks' voting power at Completion		Mr Greg Jinks' voting power at Completion	
	Shares ²	%	Shares	%
Entitlement Offer is 20% subscribed	19,937,547	19.99 ³	19,937,547	19.99 ³
Entitlement Offer is 45% subscribed	18,937,777	18.95	18,937,777	18.95
Entitlement Offer is 50% subscribed	18,105,139	18.12	18,105,139	18.12
Entitlement Offer is 75% subscribed	13,941,945	13.95	13,941,945	13.95

Notes:

1. The scenarios assume that Messrs Peter Jinks and Greg Jinks take up their full Entitlement in their controlled entities' capacity as Eligible Shareholders.
2. The total Shares on issue at completion of the Entitlement Offer will be 99,916,650 Shares.
3. As noted above, the Underwriters' underwriting obligations under the Underwriting Agreement are subject to the Underwriters not acquiring an amount of Shortfall that would result in either of them exceeding 19.99% in voting power in the Company's shares. For the avoidance of doubt, in this scenario, the Underwriters would be allocated the maximum amount of Shortfall that would result in their voting power in the Company not exceeding 19.99%. This will result in a loan balance remaining under the secured Loan.

Neither Mr Peter Jinks nor Mr Greg Jinks will have a relevant interest in excess of 19.99% on completion of the Entitlement Offer under the terms of the Underwriting Agreement.

Authorised for release by the Board of Enevis Limited

For more information, please contact:

Peter Jinks
Enevis Limited, Chairman & Managing Director
Phone 03 9289 5020

About Enevis Limited (ENE)

Enevis 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 market.