

Strategic Acquisition of APEC Technologies Delivers Scale and Growth Opportunities

SKS Technologies Limited (ASX: SKS) is pleased to announce that it has entered into a binding agreement to acquire the assets and ongoing business of the APEC Technologies Group valued at approximately \$2 million subject to satisfactory due diligence. The acquisition represents the development of the strategy to grow capacity as well as capability, and capture rapidly emerging opportunities in the sector.

Based in Victoria, APEC Technologies Group is focused on providing fibre networking, communications and electrical solutions nationally to a blue-chip client base that includes major banks, telcos, retailers, sporting facilities, healthcare and hospitals, educational institutions, defence and broader government organisations.

Chief Executive Officer, Matthew Jinks said, "Combining these two businesses is an obvious next step for SKS Technologies, given the similarities in our client bases and the services we offer. It gives us the strength of a workforce that can provide innovative technical solutions, including converged fibre networks for smart buildings, on a larger range of projects combined with the scale economies that come with a more efficient business structure."

Through the acquisition, SKS expects to achieve annualised revenue in excess of \$50 million and will reach a combined work in hand position of greater than \$20 million. The addition of the APEC Technologies Group also secures a platform to leverage and build long-term recurring revenue from its existing client base. The acquisition will be EPS accretive in the first year of combined operations.

The purchase will be paid for through the issue of new equity in SKS Technologies. Ordinary shares will be issued to the vendor, calculated at a 20% discount to the 10-day volume weighted average price, ending five days before the completion of the sale. Half of the shares will be held in voluntary escrow for a period of 12 months from completion and the balance for a period of 24 months.

Completion of the transaction is expected to be achieved in late March, giving SKS Technologies a full quarter of revenue before the year-end. The acquired business will be re-branded to SKS Technologies from the first day of combined operations.

Mr Jinks also said, "APEC has developed some innovative solutions for IT and AV applications that provide the superior, secure, discrete networks that have become so much more critical in a post-COVID workplace. This is a further step in SKS Technologies' strategy to be at the forefront of the convergence of AV and IT to better connect workplaces with disparate workforces."

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Approved for release by the Board of SKS Technologies Group



Further Information

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SKS Technologies delivers advanced technology through digital transformation via creative design and installation of converged AV/IT, electrical and communication networking solutions nationally.