

ASX ANNOUNCEMENT

27 May 2021

Acquisition of Eureka 4WD Training Pty Ltd

Engenco Limited (ASX: EGN) (Engenco or Company) is pleased to announce that it has executed an agreement to acquire all of the shares of registered training organisation (RTO), Eureka 4WD Pty Ltd (Eureka) for a consideration of \$4.5m. The acquisition is subject to standard conditions precedent for transactions of this nature and is expected to complete on 1 July 2021.

Eureka is a Perth based market-leading RTO focused on providing certified four-wheel-drive vehicle training to the industrial, mining and consumer markets. The company also undertakes heavy road vehicle licencing and training.

The acquisition price for Eureka represents a multiple of 2.6 times the company's FY20 EBITDA, and is expected to be earnings per share accretive for Engenco in FY22. The purchase price includes an earn-out component and will be funded via a combination of cash and new equity to be issued to the vendors.

Engenco's Managing Director and CEO, Kevin Pallas said, "We are delighted to welcome the Eureka team to our Workforce Solutions division where they will strengthen and complement our existing RTO, Centre for Excellence in Rail Training (CERT) that is principally focused on the rail training segment. Eureka has been very successful in the Western Australian market providing best-of-class four-wheel-drive training, truck training and certification services to ensure the safe operation of these vehicles in both commercial and recreational applications. We believe there is an attractive national market opportunity to expand Eureka's services as we integrate the business into our Australian network."

This announcement has been authorised for release by the Engenco Board of Directors.

About Engenco Limited

Engenco (EGN) specialises in:

- Maintenance, repair and overhaul of locomotives
- Manufacture and maintenance of wagons, carriages and associated rail equipment
- Maintenance, repair and overhaul of heavy duty engines, powertrain, propulsion and gas compression systems
- Project management, training and workforce solutions
- Manufacture and supply of road transport and storage tankers for dry bulk products

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Engenco services a diverse client base across the defence, resources, marine, power generation, rail, heavy industrial, mining and infrastructure sectors.

For further information, please contact:

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