

General Manager
ASX Market Announcements
Australian Securities Exchange Limited
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BSA to Sell HVAC Build Business to Fredon

Sydney, 13th August 2019: BSA Limited (ASX:BSA) is pleased to announce that it has agreed to sell its HVAC Build Major Projects Business in New South Wales and Victoria to Fredon Air Pty Limited (Fredon), a private company within a group that provides engineering, construction and maintenance solutions.

BSA will retain three mature HVAC Build Major Projects that are expected to complete in the next month.

The transaction does not include BSA's profitable HVAC Build Minor Projects Business, which will be retained in its entirety and operated within BSA's Maintain Division going forward, nor does it include BSA's Fire Build Business, which is being strategically retained as a profitable and high growth service offering.

The divestment will result in gross proceeds of \$5.5m less net liabilities transferring of \$1.1m resulting in net cash proceeds to BSA of approximately \$4.4m (before associated transaction costs). Economic ownership of the HVAC Build Major Projects will transfer to Fredon effective from 1 July 2019. BSA expects completion to occur on 30 August 2019.

The sale to Fredon and the completion of the three retained HVAC Build Major Projects will see BSA completely exit the HVAC Major Project construction market.

BSA CEO, Nicholas Yates said, "We are pleased that our HVAC Major Projects Business will end up in the hands of Fredon – a professional and respected business. We believe the HVAC Build business is a logical fit with Fredon, and that the sale will present continuity of service for both employees and existing HVAC Build Major Projects customers.

BSA's strategy remains focused on continuing to deliver growth in its Maintain, Connect and Fire divisions where we remain confident about our forward outlook. We look forward to updating our shareholders when our results for the financial year ended 30 June 2019 are released on 20 August."

BSA is currently reviewing the carrying goodwill associated with the HVAC Build Major Projects Business and any appropriate adjustments will be reported in the relevant financial results.

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