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SHAPE Australia Corporation Limited (ASX: SHA)

ASX Announcement & Media Release

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SHAPE Australia Announces Acquisition of Modular Construction Business

Leading Australian fit-out and construction specialist SHAPE Australia announced that it has entered into a Contract to acquire a 100% interest in KLMSA, a modular construction business based in Kinglake, Victoria. The total consideration is circa \$10.7m. The transaction is anticipated to be completed in the next 24 hours and will be funded through a 3 Year Amortising Term Loan Facility.

With over 30 years' experience in providing modern, bespoke modular building solutions, KLMSA have a particular focus on the education and community infrastructure sectors. The acquisition allows SHAPE Australia to diversify its capabilities to deliver greater value for its clients through additional, value add services provided by KLMSA, while also providing increased career opportunities for its people and improved returns for its shareholders.

The acquisition will be integrated over the next twelve months, and once fully integrated is expected to contribute an additional \$25m revenue and \$2.5m EBITDA on an annualised basis.

SHAPE's expertise is in the delivery of fast paced, high quality, technically challenging construction projects in occupied environments. This is achieved by fostering a culture of teamwork and innovation. The development of modular construction capabilities builds on this expertise and is a logical evolution of SHAPE's service offering. SHAPE looks forward to welcoming all KLMSA's employees.

Existing KLMSA Directors, Susanne Rolland and Geoff Marshall have resigned as part of the transaction and will be replaced by Peter Marix-Evans and Scott Jamieson of SHAPE. Both Susanne and Geoff will remain in an advisory capacity to ensure a smooth transition. There are no other changes to the Board or Senior Management as a consequence of the transaction.

"By pairing KLMSA's deep understanding and experience in designing and manufacturing innovative and attractive modular buildings, combined with SHAPE's strengths in high quality, risk management and stakeholder management, we will be able to offer our clients an exceptional delivery experience with all the benefits of offsite construction, including faster schedules, improved safety, minimal on-site disruption, and more sustainable construction." said Peter Marix-Evans, SHAPE CEO.

"Over the past 30 years, we've evolved our offering from fit-outs to a multi-product portfolio, and this acquisition is a significant landmark in the continued diversification of our capabilities. With the added ability to build offsite, SHAPE will ensure minimal on-site construction time, meaning less disruption to operational continuity, less live environment safety risks and improved sustainability outcomes, like waste reduction."

SHAPE has gone from strength to strength through its focus on a great customer experience, quality work and an investment into building high-performing teams and expects to continue on a path of growth.

-ENDS

This announcement was authorised for release by the Chief Executive Officer.

About SHAPE:

SHAPE is an Australian multi-disciplinary building contractor with over 30 years' experience in fit-out, refurbishment, and construction services. SHAPE's national portfolio expands over multiple sectors in both the private and public spaces, including Health, Hospitality, Commercial, Education and Retail. With over 450 staff nationally, and an impressive Net Promoter Score of +80, SHAPE has become one of the most trusted Australian building partners.

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