



NSX RELEASE

29 June 2023

EXECUTION OF SHARE PURCHASE AGREEMENT FOR ACQUISITION OF SULLIVAN WINDOWS AND FACADES

Australia Sunny Glass Group Limited (**ASGG** or **Company**) (NSX: AG1) is pleased to announce that it has executed a binding share purchase agreement to acquire a 100% interest in Sullivan Windows and Facades, a specialist provider of windows, cladding and curtain wall solutions for Australia's top tier builders in Melbourne, Victoria, through the acquisition of 100% of the issued capital of DW Sullivan Windows Pty Ltd (**Sullivans**). The transformational acquisition includes a robust projects pipeline and custom manufacturing and supply capabilities from the Sullivans' factory in Melbourne's West.

The acquisition, which is consistent with the Company's focus on securing large-scale commercial glass supply projects, will allow AG1 to pursue its growth objectives including expansion plans in its primary markets of New South Wales and Victoria and pursue new opportunities in Queensland following the incorporation of DW Sullivan Windows Qld Pty Ltd. The acquisition will complement and strengthen the Company's project capabilities and integrated glass supply solutions.

Acquisition terms

The acquisition of Sullivans from its shareholders (**Vendors**) will be funded through the issue of AG1 shares and two separate cash payments.

In part consideration for the acquisition, AG1 will pay the Vendors A\$150,000 as an upfront cash consideration, in accordance with the terms of the binding term sheet (**Upfront Payment**). An additional payment of A\$150,000 to the Vendors will occur one year after completion, in accordance with the terms of the transaction (**Final Payment**). The cash payments will be made to the Vendors on a pro rata basis.

In accordance with shareholder approval obtained on 5 June 2023, the Company will issue 13,333,333 fully paid ordinary shares at a deemed issue price of A\$0.30 per share pro-rata to the Vendors to complete the acquisition.

The acquisition is unconditional.

Other material terms

AG1 has agreed to provide a working capital injection of A\$3 million to Sullivans, to be paid in quarterly instalments of not less than A\$375,000 per instalment, commencing on the last day of the financial quarter in which completion occurs or as otherwise agreed by the parties. This obligation must be satisfied in cash, unless the Sellers give their prior written consent for any instalment to be satisfied by the provision of glass and other stock supplies (calculated at cost).

David Sullivan will remain in the role of Managing Director of Sullivans from Completion and will also be appointed to the board of AG1 as a non-executive director.

Indicative timetable and capital structure

The following indicative timetable sets out expected dates for the completion of the acquisition.

Event	Date
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1. Execution of Share Purchase Agreement and satisfaction of conditions precedent	Wednesday, 28 June 2023
2. Anticipated date for the completion of the Sullivans acquisition – issue of Consideration Shares and lodgement of Application for Quotation	On or after Monday, 3 July 2023
3. Lodgement of Cleansing Prospectus in respect of the Consideration Shares	On or after Monday, 3 July 2023

The above dates, with the exception of item 1, are indicative only and may be subject to change.

The anticipated effect of the acquisition on AG1's issued share capital is detailed below:

Element	Number of Shares	%
Existing Shares	96,298,169	87.84
Consideration Shares	13,333,333	12.16
Total	109,631,502	100

Management comment

Managing Director of AG1, Mr Sunny Chi, said the acquisition of Sullivans marked the start of an exciting chapter for the Company.

“The growth potential of the combined group is supported by a highly experienced team at Sullivans, existing infrastructure and a healthy projects pipeline. In addition, David Sullivan will join us on the Board.

The Board believes that the acquisition will enhance the profile of the group and facilitate improved access to equity capital and other fundraising opportunities and enable the group to support and progress its growth objectives.

Our small but capable team is looking forward to working with Sullivans and the expansion of our operational capability in Victoria.”

Authorised by:

The Board of Directors
Australia Sunny Glass Group Limited

Investor Inquiries

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