

ASX Announcement

8 November 2019

EQUITY RAISING FOR ACQUISITION OF HILLS AUDIO VISUAL

Highlights

- Acquisition of Hills Audio Visual (HAV), a leading distributor in the commercial AV segment and division of Hills Limited (ASX: HIL).
- HAV has exclusive distribution agreements with operating agencies across Australia and New Zealand
- The combined group of Ambertech and HAV is forecasting FY20 revenue and EBIT of approximately A\$70M-\$75M and A\$2.5M-\$3.0M respectively, before the costs of the acquisition
- Undertaking a two-tranche placement and underwritten Share Purchase Plan (SPP) to raise A\$5m to fund 100% of the acquisition of HAV and provide working capital to assist with the integration
- The acquisition is EPS accretive.

Ambertech Limited (ASX: AMO) ("Ambertech" or "Company") is pleased to announce the completion of funding arrangements for the Hills Audio Visual (HAV), a division of Hills Limited by way of a two-tranche placement and underwritten SPP. The HAV acquisition, which is subject to certain conditions and final approval by Ambertech shareholders, is expected to complete in mid-December 2019 and includes the Hills AV businesses in Australia and New Zealand.

HAV is a leading distributor of technology products and services in the commercial Audio Visual (AV) market with exclusive distribution agreements with operating agencies across Australia and New Zealand. In addition, the acquisition of HAV adds an experienced team, an active customer base and a suite of complementary commercial AV products and services.

HAV solutions offerings include:

- Unified communication
- Hearing augmentation
- Professional LCD displays
- Projectors
- Australian Monitor (HAV owned and designed product)
- Professional Audio solutions for indoor and outdoor applications.

Ambertech will retain the majority of HAV employees that will become integral to Ambertech's team and will be the only ASX-listed company in the commercial AV vertical post completion of the acquisition.

Ambertech CEO, Peter Amos, said: "we firmly believe that the opportunity to merge the Hills Audio Visual business into our existing Integrated Solutions division of Ambertech will deliver the new benchmark for audio visual and broadcast equipment market companies in Australia. Our customers and suppliers will directly benefit from the additional breadth and depth of skills and our employees will be able to enjoy a challenging and rewarding career path."

Strategic Rationale

There is strong strategic rationale for the acquisition of HAV:

- Acquiring a leading distributor of commercial AV products and services to customers across Australia and New Zealand;
- Adds operating agencies under exclusive distribution;
- Complements Ambertech's existing AV offering and adds technology for commercial solutions;
- Strong active customer base representing an opportunity to deliver value uplift to customers of both HAV and Ambertech when combined;
- Key HAV staff identified with extensive experience in the commercial AV vertical that will power ongoing growth in that market segment; and
- Positions Ambertech for future growth with new and existing customers post integration.

Equity Raising

The Company has completed the first phase of a two-tranche placement and underwritten SPP of fully paid ordinary shares in Ambertech to raise approximately A\$5.0m from institutional and sophisticated investors as well as existing shareholders ("Placement"). Proceeds from the Placement will be used to fund the acquisition and provide working capital to assist with the integration of HAV and Ambertech, as well as transaction costs.

As part of the Placement, Ambertech will issue up to 45.9 million shares at A\$0.11 per share, comprising:

- **Tranche 1:** 4.6 million shares within Company's placement capacity under ASX Listing Rule 7.1
- **Tranche 2:** 27.2 million shares subject to shareholder approval at an Extraordinary General Meeting (EGM) scheduled for Monday 16 December 2019
- **SPP:** 14.1 million Share Purchase Plan shares subject to shareholder approval at an Extraordinary General Meeting (EGM) scheduled for Monday 16 December 2019

SPP underwritten amount is approximately A\$1.55 million.

The Company intends to offer a Share Purchase Plan (SPP) to eligible shareholders. Under the SPP all eligible shareholders will have the opportunity to subscribe for up to A\$30,000 worth of shares at the same price as the Placement. The SPP is underwritten by EL&C Baillieu up to A\$1.8 million.

E.L. & C. Baillieu Limited is acting as lead manager to the Placement.

Indicative Timetable:

| | |
|----------------------------------|----------------------------|
| Enter Trading Halt | Wednesday 6 November 2019 |
| Announcement to the ASX | Friday 8 November 2019 |
| Trading resumes | Friday 8 November 2019 |
| Placement (tranche 1) settlement | Wednesday 13 November 2019 |
| Release notice of EGM and proxy | Wednesday 13 November 2019 |
| EGM meeting | Monday 16 December 2019 |
| Placement (tranche 2) settlement | Tuesday 17 December 2019 |

Financial Impact

Following the acquisition, Ambertech's FY20 revenue and EBIT expectations are:

- Revenue of approximately A\$70M-75M
- EBIT of approximately A\$2.5M-\$3.0M, before the costs of the acquisition.

Further Information

Investor Enquires:

Robert Glasson, Company Secretary
02 9998 7600
rglasson@ambertech.com.au

About Ambertech

Ambertech is a specialist value-added distributor with leading expertise in the audio, video and professional services market. Ambertech operates as an exclusive supplier and distributor of innovative and well-known products and services across Australia and New Zealand via a central and vertically integrated warehousing that utilising a sale, shipping and distributed representation model.