

## **BAUMART ANNOUNCES THE SALE OF GLASS PROCESSING ASSETS**

BauMart Holdings Limited (ASX: **BMH**) (the **Company** or **BauMart**) has entered into a conditional agreement with Ventus Aqua Pty Ltd (**Ventus Aqua**) to sell its Lisec glass processing equipment (**Lisec Equipment**) currently leased to Sydney Sunny Glass Pty Ltd, a glass products supplier based in Smithfield, New South Wales.

Under the agreement, the Company has agreed to sell to Ventus Aqua the following:

- ownership interest in the Lisec Equipment; and
- rights under the Lisec Equipment Lease (by an assignment of the lease to Ventus Aqua) (together, the **Assets**).

The Assets will be sold on an “as is, where is” basis.

Ventus Aqua proposes to undertake an initial public offering (**IPO**) of its shares and apply for admission to the official list of the National Stock Exchange of Australia (**NSX**). It is expected that Ventus Aqua will lodge a prospectus for the IPO with the Australian Securities and Investments Commission around mid to late June 2020.

Other relevant aspects of the sale are as follows:

<b>Consideration</b>	The Company will receive 11,666,667 shares in Ventus Aqua ( <b>Consideration Shares</b> ) at a deemed issue price of \$0.30 per share (\$3,500,000.10).
<b>Escrow Restrictions</b>	These Consideration Shares will be subject to escrow restriction for a period in accordance with NSX listing rules.
<b>Conditions Precedent</b>	Completion of the sale is subject to various conditions precedent being satisfied or waived on or before 15 August 2020, including: <ul style="list-style-type: none"> <li>• BauMart obtaining shareholder approval to complete the sale under ASX Listing Rule 11.4;</li> <li>• Ventus Aqua raising the minimum subscription of \$2m under its IPO prospectus (nb. BauMart has been advised that this amount will be fully underwritten); and</li> <li>• Ventus Aqua obtaining conditional approval for its admission to the Official List of NSX.</li> </ul>
<b>Accounting Outcome</b>	The sale will result in an accounting profit of approximately \$3.4m to the Company.

Shareholder approval will be sought for the transaction at a General Meeting expected to be held in the second half of July 2020 and more details will be provided in the Notice of Meeting to be released in the coming weeks.

### **Management comment**

BauMart’s Executive Director, Matthew Logan said “The sale of the glass processing equipment and the rights under the current equipment lease is an important step in BauMart’s strategy to divest non-core assets and focus on the pursuit of other opportunities in the supply and procurement sector. The sale is consistent with our strategic direction to focus on divisions with stronger margin products and services. Ventus Aqua’s business objectives are focused on the glass processing and supply sector and will be better positioned to more efficiently manage the Assets within its structure.”

“The Company is continuing to review organic and inorganic expansion opportunities such as earnings accretive acquisitions, complementary distributorships, new product development and geographic expansion for our core businesses in the future.”

**AUTHORISED BY:**

Matthew Logan

***Executive Director***

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**About BauMart Holdings Limited**

BauMart Holdings Limited (ASX: BMH) is an Australian public company listed on the Australian Securities Exchange. The origins of the Company began with securing distribution partnerships with suppliers of building materials and its investment and leasing of automated glass-processing equipment. Since its listing in June 2015, the Company has diversified its business across a broad range of divisions including, but not limited to:

- supply of industrial products, including plastic material handling unit load devices;
- supply of building products, including premium volcanic natural stones;
- sourcing, procurement and end-to-end supply chain services; and
- managed services.

Headquartered in Perth with operations in Sydney, Melbourne and Brisbane and overseas in Auckland, New Zealand, the Company has a far-reaching presence and a robust network of infrastructure that is positioned for growth.

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