

18 November 2025

SKS Technologies to acquire Delta Elcom

SKS Technologies Group Limited (ASX: SKS) is pleased to inform the market of its intention to acquire 100% of the business and assets of Delta Elcom, a specialist in data centre infrastructure and electrical solutions based in Sydney, NSW.

SKS Technologies Chief Executive Officer, Matthew Jinks, said, "We've been investigating our options in the New South Wales market over the past year in order to accelerate our efforts from which to capture market share more quickly in the largest data centre market by a long way in Australia. We believe that we've found a business in Delta Elcom that is an advantageous strategic and cultural fit with SKS Technologies.

"From the types of projects undertaken, the skills, capabilities, systems and services, the customer overlay, and the team commitment to project excellence, the similarities and shared values make the two businesses natural partners in building a larger share of the data centre market, as well as in the traditional market sectors in NSW and across Australia."

Delta Elcom is a specialist electrical and communications contractor delivering end-to-end solutions for complex infrastructure projects and has annual revenues of approximately \$25 million. The company has extensive experience in data centre construction, network cabling, and integrated technology systems, providing design, installation, and maintenance services for clients across commercial, industrial, and mission-critical environments throughout Australia.

Consideration for the acquisition will comprise a package of between \$13.75 million and \$15 million depending on earnout level, specifically:

- a completion payment of \$11.75 million; and
- the issue of \$2 million of new fully-paid ordinary SKS Technologies shares on completion; and
- an earnout payment capped at \$1.25 million relating to calendar year 2026 performance.

The \$13.75 million completion payment is derived from a five-times multiple of a three-year weighted average of normalised earnings of approximately \$2.75 million. The cash component of this payment will be funded from cash reserves, with SKS Technologies' cash balance sitting at \$42.5 million as at the end of October 2025.

The \$2 million of scrip consideration will be calculated at the volume weighted average price of trading on the ASX during the period commencing 5 business days prior to this announcement and ending on the day immediately preceding it. From the date of completion, fifty percent of the shares will be held in escrow for 12 months with the remaining 50% held for 24 months.

Similarly, the same multiple used to calculate the completion payment will be applied to the earnout payment for the calendar year 2026 and is payable in cash by 31 March 2027.

With due diligence largely completed, the target completion date is expected to be 12 January 2026, at which time, an integration process will be implemented to bring the new business under the SKS Technologies operations.

The transaction, whilst agreed in principle, is still subject to legal formalities, and the Company will make an announcement once the transaction becomes binding and unconditional.

It is anticipated that Mark Brame, the current Managing Director of Delta Elcom, will become SKS Technologies' NSW General Manager, retaining his team to lead existing and new projects. The roles and responsibilities of the existing SKS Technologies' NSW employees will blend with the Delta Elcom team and work as a cohesive team.

Mr Jinks also said, "The New South Wales data centre market offers significant long-term growth driven by digital infrastructure expansion and unabating hyperscale investment. Acquiring Delta Elcom positions SKS Technologies to capitalise on this momentum by combining its specialist delivery capability and client relationships with SKS's national scale and technical strength to accelerate market reach and penetration, and earnings growth in future years."

~ ENDS ~

Approved for release by the Board of SKS Technologies Group

Further Information:

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About SKS Technologies Group Limited (ASX: SKS)

SKS Technologies Group specialises in the design and installation of electrical technologies and digital infrastructure with a diversified service offering covering audio visual, communications and electrical solutions across Australia. SKS Technologies serves the full spectrum of industry sectors, including data centres, defence, mining, health, retail and commercial buildings.