

## ASX Announcement

23 April 2021

### Verbrec secures \$3 million for next growth phase

- Verbrec successfully raises \$3 million in an oversubscribed placement at \$0.18 per share
- The Placement was strongly supported by institutional, sophisticated and strategic investors
- Proceeds of the Placement will be used for initial working capital following the Site Skills asset acquisition, commercialisation of *StacksOn™* and to strengthen the Company's balance sheet.

**Verbrec Limited (ASX:VBC)** a leading mid-tier engineering service provider, is pleased to announce it has successfully completed a \$3 million capital raising (the "**Placement**") with strong demand received from institutional, sophisticated and strategic investors. Morgans Corporate Limited ("**Morgans**") in Brisbane acted as Lead Manager to the Placement.

The Company raised \$3 million before costs, issuing 16,666,667 fully paid ordinary shares at \$0.18 per share pursuant to the Company's Listing Rule 7.1 placement capacity. The issue price represents a 9.4% discount to the volume weighted average price of Verbrec ordinary shares for the last 30 days prior to its trading halt on 21 April 2021.

The new shares will rank equally with existing ordinary shares of the Company on issue.

#### Use of funds

As highlighted in the Company's Capital Raising presentation (also released today), proceeds from the Placement will be used to further commercialise Verbrec's *StacksOn™* software including additional software development and the creation of a dedicated website and other marketing materials. It will also assist in funding the initial working capital for the recently acquired Site Skills Training assets and further strengthens the Company's balance sheet to execute its strategic plan.

**Linton Burns, Verbrec's Managing Director commented:** "It is encouraging to see such great support for our Placement from investors. This is a testament to the strength of our business model and growth strategy.

We have made solid progress over recent months executing on our refocused growth strategy including our Competency Training subsidiary completing the acquisition of assets from Site Skills, which is expected to triple the revenue of this business unit. As such, Competency Training represents a strategically important growth division of Verbrec over the next financial year as the economy rebounds and where people gain new skills to enter industry sectors like Mining and Infrastructure. Competency Training will now have the capacity to deliver its courses from the recently acquired locations in Darwin and Gladstone. We are also focused on fully commercialising our wholly owned proprietary stockpile inventory software, *StacksOn™*. With the strength of the Mining sector set to continue we see significant opportunity for *StacksOn™* to further diversify our revenue streams and generate material margins."

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**Authorised for release by the Board of Directors of Verbrec Limited.**

**Further Information**

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**About Verbrec Ltd**

Verbrec is a leading mid-tier engineering and project services company that supports customers across Australia, New Zealand, PNG and beyond. The Verbrec group of companies serve the energy, infrastructure, and mining industries through their six service lines; asset management, competency training, digital industry, pipelines, power, and process plant, with capabilities that span across the entire life cycle of an asset. Verbrec is an Australian Securities Exchange listed company (ASX:VBC).