

29 November 2023

Chair's Address to Shareholders at Verbrec's 2023 Annual General Meeting

Verbrec Limited (ASX : VBC) (**Verbrec** or the **Company**) is pleased to issue the following address delivered by Verbrec's Chairperson, Phillip Campbell at the Company's 2023 Annual General Meeting.

Verbrec Limited – Chairperson's Address – 2023 AGM

Fellow shareholders, on behalf of the Board, welcome to the 2023 Annual General Meeting of Verbrec Limited. To those who could not be here in person, and are joining remotely, thank you and welcome.

Ahead of our official business today I would like to take some time to reflect on the challenges and achievements of the past year. The underlying financial performance for FY23 was roughly in line with expectation.

There has been a financial impact associated with the termination of the final legacy project attributable to the legal costs incurred to recover fees associated with that project.

People & Safety

The business employs over 500 dedicated employees across 9 sites in Australia and New Zealand who work collaboratively with clients to deliver critical services and cost effective engineering solutions to emerging challenges in the fields of electrification, gas market transition and green commodities.

This is achieved while putting the safety of our people and the communities we serve at the centre of our endeavours. In 2023 the business continued its record of zero lost time injuries for a seventh consecutive year. The Board will continue to support the executives in their pursuit of industry leading health and safety performance and has championed the recent introduction of a comprehensive leading safety indicators to complement the lag indicators which have served us well to date.

CEO & CFO

This the first year in which our new Chief Executive, Mark Read, will address you and detail the executive team's strategic plan which is being rigorously pursued.

Mark is a remarkably resilient executive and accepted the difficult situation he inherited in March this year with aplomb. His inclusive leadership style has seen him garner support from executives, customers and shareholders alike. The Board has witnessed a significant improvement in the attitude of our people and the underlying financial performance of the organisation. We also welcomed new CFO, Richard Aden, to the executive ranks in August.

Verbrec Limited

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Share Registry

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Together, Mark and Richard are driving accountability down to all levels in the business and laying the foundations of a high-performance culture.

Capital Raise

The focus is to return Verbrec to a position of generating an acceptable return on assets for our Shareholders. Key elements of the plan are an emphasis on projects that utilise our core engineering design expertise, a decrease in emphasis on fixed price E&C projects, boosting our commercial project management skills and generating integrated engineering, service and training opportunities with our blue-chip client base.

To do this, we need to invest in those parts of the business which are performing well, fund growth and working capital and reduce our net debt position.

You will have no doubt noted the capital raising activities we have been undertaking over the past couple of weeks, including a placement, which was oversubscribed and raised nearly \$2 million and a pro-rata entitlement offer to our shareholders to purchase 1 share for every 6.5 shares owned.

The Board and CEO, demonstrating our belief in the prosperous future for this business took part in the placement. Due to the timing of the raise, it was not possible to seek shareholder approval at this AGM for director's to be issued with shares. Accordingly, in the near future we will propose an extraordinary general meeting to subsequently seek shareholder approval for those shares to be issued to directors as part of the placement.

Additionally, in a show of support, I have been informed that practically all Verbrec's senior management team have applied to take part in the placement of the shortfall from the entitlement offer.

Remuneration Structure

Attracting high quality and capable people continues to be a nationwide challenge. Having the right culture is critical to retention of talent and for building a solid platform for sustained future growth. Having the right remuneration structure is also critical. We have listened to the concerns of shareholders regarding the previous long term incentive plan and as a result the past plan was terminated, as announced to the market on 5 October 2023. Today you will be asked to vote in favour of a new long term incentive plan which the Board believes is more in line with Shareholder interests, and at the same time rewards executives for quickly rebuilding and then increasing Shareholder value. I urge your support of Resolution # 3 when it is put to the vote later in the meeting.

Retirement of non-executive Director - Sarah Zeljko

As flagged in a recent market announcement, Sarah Zeljko will retire as a Non-Executive Director at the conclusion of today's AGM. Sarah joined the Board in September 2020 at a particularly difficult time in the history of the organisation. Her good cheer, considered advice, and stoicism has been crucial in helping us

maintain Board solidarity and focus on the important matters at hand. We wish Sarah every success in the future and particularly as Chair of Energy Queensland.

Future Prospects and Acknowledgements

We saw Michael Casey depart as CFO in August. Michael like Sarah helped the Board weather some very difficult times and I know that caused him to lose many nights sleep. His resilience in the face of these challenges will not be quickly forgotten. Michael, this Board wishes you well in your new role.

I remain personally optimistic about Verbrec's future and I am committed to the company achieving the business performance we expect and know is possible for the balance of FY24 and beyond. We are back on track and heading in the right direction with a capable executive team and a committed small Board. In the New Year we will look to strengthen the Board and broaden its skills base.

I would lastly like to express my sincere thanks to our Shareholders for their steadfast support and thank my fellow directors and over 500 employees for their commitment, dedication and sheer hard work over the last year. And a last special note. The Board is indebted to our intrepid Company Secretary, Joel Voss. He went above and beyond in this last year.

- ends -

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

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About Verbrec Limited

Verbrec is a leading engineering, project, training and mining technology service provider that supports customers across Australia, New Zealand, PNG and beyond. The Company serves the energy, infrastructure, and mining industries through their technical specialties; asset management, automation and control, pipelines, power, process plant and training, with capabilities that span across the entire life cycle of an asset. Verbrec is an Australian Securities Exchange listed company (ASX:VBC).

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