

20 November 2023

NOTICE UNDER SECTION 708AA(2)(f) OF THE CORPORATIONS ACT 2001 (CTH) – RIGHTS ISSUE CLEANSING NOTICE

Verbrec Limited (ASX: VBC) (Verbrec) today announced that it is undertaking a non-renounceable pro rata entitlement offer (Entitlement Offer) to raise up to \$2,044,395 million, before offer costs and expenses.

Under the Entitlement Offer, eligible shareholders in Australia and New Zealand can subscribe for 1.0 new fully paid ordinary share in Verbrec (New Share) for every 6.5 existing shares held as at 7.00pm (AEST) on 23 November 2023 at an issue price of \$0.06 per New Share.

Further details regarding the Entitlement Offer are set out in the ASX announcement relating to the Entitlement Offer.

This notice is given under section 708AA(2)(f) of the Corporations Act 2001 (Cth) (Act) (as notionally modified by ASIC Corporations (Non-Traditional Rights Issue) Instrument 2016/84) (ASIC Instrument 2016/84). Where applicable, references in this notice to the Act are to those sections as modified by ASIC Instrument 2016/84.

For the purposes of section 708AA(7) of the Act, Verbrec advises that:

- a) the New Shares will be issued without disclosure to investors under Part 6D.2 of the Act;
- b) this notice is being given under section 708AA(2)(f) of the Act (as notionally modified by ASIC Instrument 2016/84);
- c) as at the date of this notice, Verbrec has complied with:
 - (i) the provisions of Chapter 2M of the Act as they apply to Verbrec; and
 - (ii) section 674 of the Act;
- d) as at the date of this notice, there is no excluded information of the type referred to in sections 708AA(8) and 708AA(9) of the Act that is required to be set out in this notice under section 708AA(7) of the Act;
- e) the potential effect the Entitlement Offer will have on the control of Verbrec, and the consequences of that effect, will depend on a number of factors, including eligible shareholders' interest in taking up their entitlements as well as the level of demand of institutional investors participating in the shortfall bookbuilds;
- f) while it is not possible for the directors to predict the outcome of the factors set out in paragraph (e) above, a non-exhaustive list setting out the potential effect on the control of Verbrec is as follows:
 - (i) the percentage interests of:
 - (A) shareholders who are not eligible shareholders; and
 - (B) eligible shareholders who do not take up their full entitlement, will be diluted;
 - (ii) if all eligible shareholders take up their entitlements for New Shares, all eligible shareholders will hold the same percentage interest in Verbrec as before the Entitlement Offer;

Verbrec Limited

ASX : VBC
ACN: 127 897 689

Verbrec.com

AUI-933301621v1

Share Registry

Computershare Investor Services Pty Ltd
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computershare.com

- (iii) eligible shareholders will be entitled to participate in an uncapped top-up facility where eligible shareholders can subscribe for New Shares in excess of their entitlement;
- (iv) in the event there is a shortfall in the Entitlement Offer, Verbrec intends to conduct a shortfall bookbuild following the Entitlement Offer; and
- (v) as at the date of this notice, the following persons are substantial shareholders in Verbrec. The table below illustrates the potential effect of the Entitlement Offer on each substantial shareholder's holding assuming that only that substantial shareholder fully participates in the Entitlement Offer¹ (and no other shareholder takes up its entitlement), indicating the maximum voting power in Verbrec that each substantial shareholder may obtain as a result of the Entitlement Offer:

Substantial shareholder	Current shareholding (number of shares)	Current shareholding (%)	Shareholding after completion of the Entitlement Offer (number of shares)	Shareholding after completion of the Entitlement Offer (%)
Brian Patrick O'Sullivan	69,410,779	31.34	80,089,360 ²	34.50
Thorney Holdings Pty Ltd and TIGA Trading Pty Ltd	24,709,573	11.16	28,511,046	12.66
Candyblossom Pty Ltd and Bloemhof Pty Ltd	21,843,076	9.86	25,203,549	11.21
GFNA Bartley Family Pty Ltd	17,880,475	8.07	20,631,317	9.20
Forager Funds Management Pty Ltd	14,293,724	6.45	16,492,758	7.37

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

Company Enquiries

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¹ Refer to footnote 2 below.

² Note that Mr O Sullivan has committed to only take up \$175,000 worth of his entitlement (approximately 2,916,666 shares) as part of the Entitlement Offer. Assuming that no other shareholders participated in the Entitlement Offer, Mr O'Sullivan's maximum voting power would be approximately 32.23%. The scenario presented above where Mr O'Sullivan takes up his full entitlement is shown for illustrative purposes only.

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