

27 November 2023

Verbrec Pro-Rata Entitlement Offer

Verbrec Limited (ASX : VBC) (**Verbrec** or the **Company**) a leading engineering, training, mining technology and infrastructure services business executing work across Australia, New Zealand, PNG and Pacific Islands, announced on Monday 20 November 2023 details in relation to capital raising activities, including a Placement and an Entitlement Offer.

Verbrec today announces that personalised letters, including an Entitlement Offer Information Booklet, have been distributed to eligible shareholders in relation to the Entitlement Offer.

The Entitlement Offer Information Booklet is attached as an appendix to this announcement.

The Entitlement Offer is a non-renounceable pro-rata offer to existing eligible shareholders in Australia and New Zealand. Shareholders who do not take up their entitlements will not receive any value in respect of those entitlements they do not take up. In addition to being able to apply for new Shares under the Entitlement Offer, eligible shareholders can also apply for additional new Shares in excess of their entitlements under a top-up facility.

Entitlement Offer

Ratio	1 New Share for every 6.5 Existing Share held by an Eligible Shareholder.
Issue Price	\$0.06 per New Share.
Total number of New Shares to be issued under the Entitlement Offer	Up to approximately 34,073,256 New Shares (subject to rounding of fractional entitlements).
Amount to be raised under the Entitlement offer before costs	Up to approximately \$2 million (subject to rounding of fractional entitlements).

For more information on the Entitlement Offer, please see the announcement, investor presentation and Appendix 3B published on Monday, 20 November 2023.

Key Dates

ACTIVITY	DATE
Announcement of Entitlement Offer	20 November 2023
Record Date for Entitlement Offer	7:00 pm (AEDT) on 23 November 2023
Information Booklet and Entitlement and Acceptance Form despatched	27 November 2023
Entitlement Offer opens	27 November 2023
Closing Date	5:00 pm (AEDT) on 7 December 2023

Verbrec Limited

ASX : VBC
ACN: 127 897 689

[Verbrec.com](https://www.verbrec.com)

Share Registry

Computershare Investor Services Pty Ltd
Ph: +61 3 9415 4000

computershare.com

ACTIVITY	DATE
Settlement of the Entitlement Offer	14 December 2023
Issue of New Shares under Entitlement Offer	14 December 2023
New Shares under the Entitlement Offer commence trading on ASX on a normal settlement basis	15 December 2023
Despatch of holding statements for New Shares	15 December 2023

This timetable is indicative only and subject to change. The Directors may, with the consent of the Lead Manager, vary these dates subject to the Corporations Act and the Listing Rules. An extension of the Closing Date will delay the anticipated date for issue of the New Shares. The Directors also reserve the right not to proceed with the whole or part of the Entitlement Offer any time before the allotment and issue of the New Shares. In that event, the relevant Application Monies (without interest) will be returned in full to Applicants.

- ends -

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

Company Enquiries

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About Verbrec Limited

Verbrec is a leading engineering and project services company 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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Computershare Investor Services Pty Ltd

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Verbrec Limited

Entitlement Offer Information Booklet

Pro rata non-renounceable entitlement offer of 1 New Share for every 6.5 Existing Shares at an issue price of \$0.06 per New Share.

Last date for acceptance and payment is 5:00 pm (AEDT) on 7 December 2023 (unless extended)

If you are an Eligible Shareholder, this document is important and requires your immediate attention. It should be read in its entirety. This document is not a prospectus under the *Corporations Act 2001* (Cth) and has not been lodged with the Australian Securities & Investments Commission. If you have any questions, you should contact your stockbroker, solicitor, accountant or other professional adviser.

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES OF AMERICA

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IMPORTANT NOTICES

This Information Booklet is dated 27 November 2023.

The Entitlement Offer is being made without a prospectus under section 708AA of the Corporations Act (as notionally modified by *ASIC Corporations (Non-Traditional Rights Issue) Instrument 2016/84* and *ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73*). This Information Booklet does not contain all of the information which a prospective investor may require to make an informed investment decision. The information in this Information Booklet does not constitute financial product advice and does not take into account your investment objectives, financial situation or particular needs.

This Information Booklet is important and should be read in its entirety before deciding to participate in the Entitlement Offer. This Information Booklet is not a prospectus under the Corporations Act and has not been lodged with ASIC.

Verbrec Limited (**Verbrec**) may make additional announcements after the date of this Information Booklet and throughout the period that the Entitlement Offer is open that may be relevant to your consideration about whether you should participate in the Entitlement Offer.

No party other than Verbrec has authorised or caused the issue of this Information Booklet, or takes any responsibility for, or makes, any statements, representations or undertakings in this Information Booklet or for any action you take in reliance on this Information Booklet.

The Lead Manager has not authorised, permitted or caused the issue or lodgement, submission, dispatch or provision of this Information Booklet and there is no statement in this Information Booklet which is based on any statement made by it or by any of its affiliates, officers, employees or advisers. To the maximum extent permitted by law, the Lead Manager, its related bodies corporate and affiliates and each of their respective, officers, employees and advisers expressly disclaim all liabilities in respect of, and make no representations or warranties regarding, and take no responsibility for, any part of this Information Booklet other than references to their names and make no representation or warranty as to the currency, accuracy, reliability or completeness of this Information Booklet.

By returning an Entitlement and Acceptance Form or otherwise paying for your New Shares through BPAY® in accordance with the instructions on the Entitlement and Acceptance Form, you acknowledge that you have read this Information Booklet and you have acted in accordance with and agree to the terms of the Entitlement Offer detailed in this Information Booklet.

Foreign offers

This Information Booklet and the accompanying Entitlement and Acceptance Form do not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make that offer or invitation. In particular, this Information Booklet does not constitute an offer to Ineligible Shareholders and may not be distributed in the United States of America and the New Shares may not be offered or sold, directly or indirectly, to persons in the United States of America.

This Information Booklet is not to be distributed in, and no offer of New Shares is to be made in countries other than Australia and New Zealand. The distribution of this Information Booklet (including an electronic copy) in other jurisdictions may be restricted by law and, therefore, persons who come into possession of this Information Booklet should seek advice on and observe these restrictions. Any failure to comply with these restrictions may constitute a violation of applicable securities laws.

No action has been taken to register or qualify the Entitlement Offer, the Entitlements or the New Shares, or otherwise permit the public offering of the New Shares, in any jurisdiction.

Foreign exchange control restrictions or restrictions on remitting funds from your country to Australia may apply. Each Application will be subject to all requisite authorities and clearances being obtained for Verbrec to lawfully receive any or all of the Application Monies.

Definitions, currency and time

Defined terms used in this Information Booklet are contained in section 4. All references to currency are to Australian dollars and all references to time are to Australian Eastern Daylight Time (**AEDT**) unless otherwise indicated.

Taxation consequences for Applicants

There will be tax implications associated with participating in the Entitlement Offer and receiving New Shares. Section 3 of this Information Booklet provides a general guide to the Australian income tax, goods and services tax and stamp duty implications of the Entitlement Offer for certain Eligible Shareholders who are Australian tax residents holding Shares on capital account. The guide does not take into account the individual circumstances of particular Eligible Shareholders and does not constitute tax advice. Verbrec recommends that you consult your professional tax adviser in connection with the Entitlement Offer.

Privacy

By submitting an Entitlement and Acceptance Form, you will be providing personal information to Verbrec (directly or through the Share Registry). Verbrec collects, holds and will use that information to assess your Application. Verbrec collects your personal information to process and administer your shareholding in Verbrec and to provide related services to you. Verbrec may disclose your personal information for purposes related to your shareholding in Verbrec, including to the Share Registry, Verbrec's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory bodies. You can obtain access to personal information that Verbrec holds about you. To make a request for access to your personal information, please contact the Share Registry.

Governing law

This Information Booklet, the Entitlement Offer and the contracts formed on acceptance of the Applications are governed by the law applicable in Queensland, Australia. Each Applicant submits to the exclusive jurisdiction of the Queensland courts and courts competent to hear appeals from those courts.

No representations

No person is authorised to give any information, or to make any representation, in connection with the Entitlement Offer which is not contained in this Information Booklet. Any information or representation in connection with the Entitlement Offer not contained in the Information Booklet may not be relied upon as having been authorised by Verbrec or any of its officers. Except as required by law, and only to the extent so required, neither Verbrec nor any other person warrants or guarantees the future performance of Verbrec or any return on any investment made pursuant to this Information Booklet.

Past performance

Investors should note that Verbrec's past performance, including past share price performance, cannot be relied upon as an indicator of (and provides no guidance as to)

Verbrec's future performance including Verbrec's future financial position or share price performance.

Forward looking statements

This Information Booklet contains certain forward-looking statements with respect to the financial condition, results of operations, projects and business of Verbrec and certain plans and objectives of the management of Verbrec. These forward-looking statements involve known and unknown risks, uncertainties and other factors which are subject to change without notice, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct. Forward-looking statements are provided as a general guide only and there can be no assurance that actual outcomes will not differ materially from these statements.

Neither Verbrec, nor any other person, gives any representation, warranty, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statement will actually occur. In particular, those forward-looking statements are subject to significant uncertainties and contingencies, many of which are outside the control of Verbrec. A number of important factors could cause actual results or performance to differ materially from the forward-looking statements. Investors should consider the forward-looking statements contained in this Information Booklet in light of those disclosures.

Risks

Refer to the 'Key Risks' section of the investor presentation lodged with the ASX on 20 November 2023 for a summary of general and specific risk factors that may affect Verbrec.

Trading of New Shares

Verbrec and the Lead Manager will have no responsibility and disclaim all liability (to the maximum extent permitted by law) to persons who trade New Shares they believe will be issued to them before they receive their holding statements, whether on the basis of confirmation of the allocation provided by Verbrec or the Share Registry or otherwise, or who otherwise trade or purport to trade New Shares in error or to which they do not hold or are not entitled.

If you are in any doubt as to these matters, you should first consult with your stockbroker, solicitor, accountant or other professional adviser.

Interpretation

In this Information Booklet, references to:

- (a) 'you' are references to Eligible Shareholders and references to 'your Entitlement', 'your Entitlement and Acceptance Form' or similar expressions are references to the Entitlement or Entitlement and Acceptance Form of Eligible Shareholders;
- (b) terms which are defined in the Corporations Act have the same meaning when used in this Information Booklet, unless the context requires otherwise; and
- (c) unless otherwise specified, 'section' is a reference to a section of this Information Booklet.

LETTER FROM THE CHAIRMAN

27 November 2023

Dear Shareholder

On 20 November 2023, Verbrec Limited (ASX: VBC) (**Verbrec** or **Company**) announced its plan to undertake:

- an institutional placement of new ordinary fully paid shares in the Company (**New Shares**) at an issue price of \$0.06 per New Share (**Issue Price**) to raise up to \$2 million (**Placement**); and
- a 1 for 6.5 pro rata non-renounceable entitlement offer at the same Issue Price as the Placement to raise approximately \$2 million (**Entitlement Offer** and, together with the Placement, the **Equity Raising**).

Veritas Securities Limited is acting as lead manager for the Equity Raising (**Lead Manager**).

The proceeds of the Equity Raising will be used for the following purposes:

- approximately \$1.5 million will be used invest into growth activities;
- approximately \$1 million for working capital purposes, including the costs of the Equity Raising; and
- approximately \$1.5 million to reduce net debt position.

Entitlement Offer

On behalf of the Board, I am pleased to invite you to participate in the Entitlement Offer.

The Entitlement Offer, to which this entitlement offer information booklet (**Information Booklet**) relates, is expected to raise gross proceeds of up to approximately \$2 million.

Under the Entitlement Offer, eligible shareholders will have the opportunity to subscribe for 1 New Share for every 6.5 fully paid ordinary shares in Verbrec (**Existing Shares**) held as at 7:00 pm (AEDT) on 23 November 2023 (**Record Date**) at the Issue Price.

The issue price of \$0.06 per New Share represents a discount of:

- 24.1% to the theoretical ex-rights issue price¹ (**TERP**) of \$0.079;
- 26.8% to the last traded price of shares on 15 November 2023 (the last trading day prior to announcement of the Entitlement Offer) of \$0.082; and
- 25.4% to the five-day volume weighted average price of shares on 15 November 2023 (the last trading day prior to announcement of the Entitlement Offer) of \$0.080.

If you take up your full Entitlement, you may also apply for additional New Shares in excess of your Entitlement, at the same issue price of \$0.06 per New Share (**Top Up Facility**). Any shortfall under the Entitlement Offer will be made available for Eligible Shareholders who have taken up their full entitlement to take up under the Top Up Facility. The allocation of additional New Shares under the Top Up Facility

¹ The theoretical ex-rights price of \$0.079 is calculated using Verbrec's closing price on 15 November 2023 assuming proceeds from the Entitlement Offer are \$2 million. TERP is the theoretical price at which shares should trade immediately after the ex-date for the Entitlement Offer assuming 100% take-up of the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which shares trade immediately after the ex-date for the Entitlement Offer will depend on many factors and may not be equal to the TERP.

will be subject to the availability of New Shares under the Entitlement Offer. Verbrec retains the flexibility to scale back applications for additional New Shares at its discretion.

New Shares will be issued on a fully paid basis and will rank equally with Existing Shares on issue.

The number of New Shares you are entitled to subscribe for under the Entitlement Offer (i.e. your **Entitlement**) is set out in your personalised Entitlement and Acceptance Form that is enclosed in this Information Booklet.

Other information

The Directors encourage you to read this Information Booklet carefully (in particular, the “Risks” section set out in the investor presentation lodged with the ASX on 20 November 2023, which contains a number of key risks associated with an investment in Verbrec). You should also consult your stockbroker, solicitor, accountant or other professional adviser to evaluate whether or not to participate in the Entitlement Offer.

The Entitlement Offer closes at 5:00 pm (AEDT) on 7 December 2023.

If you wish to participate in the Entitlement Offer you must submit your application to the Share Registry by that time.

For further information regarding the Entitlement Offer, please contact the Share Registry on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) between 8:30 am to 5:00 pm (AEDT) Monday to Friday during the offer period.

On behalf of the board of Directors of Verbrec, I encourage you to consider this investment opportunity and thank you for your ongoing support.

Yours faithfully,

Phillip Campbell
Non-Executive Chairman
Verbrec Limited

SUMMARY OF THE ENTITLEMENT OFFER

Entitlement Offer	
Ratio	1 New Share for every 6.5 Existing Share held by an Eligible Shareholder
Issue Price	\$0.06 per New Share
Total number of New Shares to be issued under the Entitlement Offer	Up to approximately 34,073,256 New Shares (subject to rounding of fractional entitlements)
Amount to be raised under the Entitlement Offer before costs	Up to approximately \$2 million (subject to rounding of fractional entitlements)

Key dates for the Entitlement Offer

Activity	Date
Announcement of Entitlement Offer	20 November 2023
Record Date for Entitlement Offer	7:00 pm (AEDT) on 23 November 2023
Information Booklet and Entitlement and Acceptance Form despatched	27 November 2023
Entitlement Offer opens	27 November 2023
Closing Date	5:00 pm (AEDT) on 7 December 2023
Settlement of the Entitlement Offer	14 December 2023
Issue of New Shares under Entitlement Offer	14 December 2023
New Shares under the Entitlement Offer commence trading on ASX on a normal settlement basis	15 December 2023
Despatch of holding statements for New Shares	15 December 2023

This timetable is indicative only and subject to change. The Directors may, with the consent of the Lead Manager, vary these dates subject to the Corporations Act and the Listing Rules. An extension of the Closing Date will delay the anticipated date for issue of the New Shares. The Directors also reserve the right not to proceed with the whole or part of the Entitlement Offer any time before the allotment and issue of the New Shares. In that event, the relevant Application Monies (without interest) will be returned in full to Applicants.

Enquiries

If you require further information regarding the Entitlement Offer, or if you would like a replacement Entitlement and Acceptance Form, please contact the Share Registry on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) at any time from 8:30 am to 5:00 pm (AEDT) Monday to Friday.

1. DESCRIPTION OF THE ENTITLEMENT OFFER

1.1 Overview

The Entitlement Offer is a pro rata non-renounceable entitlement offer of approximately 34,073,256 New Shares at \$0.06 per New Share to raise up to approximately \$2 million (before direct offer costs including fees paid to advisers and to providers of specific services to cover share registry, printing and postage costs).

1.2 Entitlement Offer

The Entitlement Offer constitutes an offer only to persons who:

- (a) are registered as a Shareholder as at the Record Date, being 7:00 pm (AEDT) on 23 November 2023;
- (b) have a registered address on Verbrec's share register in Australia or New Zealand;
- (c) are not in the United States and are not acting for the account or benefit of a person in the United States (to the extent such person holds Shares for the account or benefit of such person in the United States); and
- (d) are eligible under all applicable securities laws to receive an offer under the Entitlement Offer,

(Eligible Shareholders).

Eligible Shareholders are entitled to acquire 1 New Share for every 6.5 Existing Shares held by them on the Record Date.

The Entitlement Offer opens on 27 November 2023 and will close at **5:00 pm (AEDT) on 7 December 2023**.

This Information Booklet relates to the Entitlement Offer and is relevant only to Eligible Shareholders. A personalised Entitlement and Acceptance Form setting out your Entitlement accompanies this Information Booklet. If you are an Eligible Shareholder, your choices with respect to your Entitlement are outlined in section 2.1.

By returning a completed personalised Entitlement and Acceptance Form with payment or making a payment by BPAY®, you will be taken to have represented and warranted that you satisfy each of the criteria listed above to be an Eligible Shareholder. Nominees, trustees or custodians are, therefore, advised to seek independent professional advice as to how to proceed.

Eligible Shareholders should be aware that an investment in Verbrec involves risks. The key risks identified by Verbrec are summarised in the 'Key Risks' section of the investor presentation lodged with the ASX on 20 November 2023.

Any fractional Entitlement will be rounded up to the nearest whole number of New Shares. Verbrec reserves the right to round the Entitlement of any relevant holdings down so as to negate the effect of any intentional shareholding splitting or division which in Verbrec's reasonable opinion have been conducted in an attempt to gain an advantage by reference to the rounding provided for in the calculation of Entitlements.

No New Shares will be issued including under the Top-Up Facility if to do so would, to the knowledge of Verbrec, result in a breach of the Listing Rules or the restrictions on obtaining or increasing relevant interests of greater than 20% of Verbrec's issued voting shares under Chapter 6 of the Corporations Act, or would otherwise be contrary to the Listing Rules or Corporations Act.

1.3 **Ineligible Shareholders**

Shareholders who are not Eligible Shareholders are **Ineligible Shareholders**. Verbrec reserves the right to determine whether a Shareholder is an Eligible Shareholder or an Ineligible Shareholder.

The Entitlement Offer is not being extended to Ineligible Shareholders because of the small number of those Shareholders, the number and value of the Shares they hold and the cost of complying with applicable regulations in foreign jurisdictions. Verbrec may (in its absolute discretion) extend the Entitlement Offer to Shareholders that have registered addresses outside Australia and New Zealand (except the United States of America) in accordance with applicable law.

New Shares to which Ineligible Shareholders would have been entitled, had they been eligible, will form part of the shortfall.

1.4 **Ranking of New Shares**

The New Shares issued under the Entitlement Offer will be fully paid and rank equally with Existing Shares. The rights and liabilities attaching to the New Shares are set out in Verbrec's constitution, a copy of which can be obtained by contacting Verbrec.

1.5 **Allotment**

Verbrec has applied for quotation of the New Shares on ASX in accordance with the Listing Rules. Allotment of the New Shares under the Entitlement Offer will take place as soon as practicable after the close of the Entitlement Offer (as applicable).

Application Monies will be held by Verbrec on trust for Applicants until the New Shares are allotted. No interest will be paid on Application Monies.

It is the responsibility of Applicants to determine the number of New Shares allotted and issued to them before trading the New Shares. The sale by an Applicant of New Shares before receiving their holding statement is at the Applicant's own risk.

1.6 **Further information**

Eligible Shareholders can obtain a copy of this Information Booklet from the Verbrec website at <http://www.verbrec.com/investor-centre> or by contacting the Share Registry on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) at any time from 8:30 am to 5:00 pm (AEDT) Monday to Friday during the offer period.

Persons who access the electronic version of this Information Booklet should ensure that they download and read the entire Information Booklet. The electronic version of this Information Booklet will not include an Entitlement and Acceptance Form.

A replacement Entitlement and Acceptance Form can be requested by calling the Share Registry on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) at any time from 8:30 am to 5:00 pm (AEDT) Monday to Friday.

1.7 **Offer under section 708AA of the Corporations Act**

The Entitlement Offer is being made pursuant to provisions of the Corporations Act (as notionally modified by *ASIC Corporations (Non-Traditional Rights Issue) Instrument 2016/84* and *ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73*) which allow entitlement offers to be made without a prospectus. This Information Booklet does not contain all of the information which may be required in order to make an informed decision regarding an application for New Shares offered under the Entitlement Offer. As a result, it is important for you to read carefully and understand the information on Verbrec and the Entitlement Offer

made publicly available, prior to deciding whether to take up all or part of your Entitlement or to do nothing in respect of your Entitlement. In particular, please refer to this Information Booklet and other announcements by Verbrec made available at www.asx.com.au (including announcements which may be made by Verbrec after publication of this Information Booklet).

1.8 Foreign Shareholders

This Information Booklet and the accompanying Entitlement and Acceptance Form do not constitute an offer in any place which, or to any person to whom, it would be unlawful to make such an offer. The Entitlement Offer is being made without a disclosure document under section 708AA of the Corporations Act (as notionally modified by *ASIC Corporations (Non-Traditional Rights Issue) Instrument 2016/84* and *ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73*) and no action has been taken to register this Information Booklet in Australia or any other jurisdiction.

(a) New Zealand

The New Shares are not being offered to the public within New Zealand other than to existing shareholders of Verbrec with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the *Financial Markets Conduct Act 2013* and the *Financial Markets Conduct (Incidental Offers) Exemption Notice 2016*.

This document has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

(b) United States of America

This Information Booklet is not an offer to sell, nor a solicitation of an offer to buy, securities in the United States. The New Shares have not been, and will not be, registered under the US Securities Act or the securities law of any state or other jurisdiction of the United States of America and may not be offered or sold, directly or indirectly, in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and any applicable US state securities laws.

2. HOW TO APPLY

2.1 Shareholder's choices

If you are an Eligible Shareholder, you may take any one, or a combination, of the following actions:

- (a) take up all or part of your Entitlement (refer to section 2.2). If you take up all of your Entitlement, you may also apply for additional New Shares under the Top Up Facility; or
- (b) do nothing and allow your Entitlement to lapse (refer to section 2.3).

If you are an Eligible Shareholder, the number of New Shares to which you are entitled under the Offer is shown on the accompanying Entitlement and Acceptance Form. If you have more than one eligible registered holding of Shares, you will be sent more than one personalised Entitlement and Acceptance Form and will have a separate Entitlement for each holding.

Ineligible Shareholders will not receive and may not take up any Entitlement.

The Closing Date for acceptance of the Entitlement Offer is 5:00 pm (AEDT) on 7 December 2023 (however, that date may be varied by Verbrec, in accordance with the Listing Rules. Verbrec reserves the right to reject any Entitlement and Acceptance Form that is not correctly completed or that is received after the Closing Date.

Please consult with your stockbroker, solicitor, accountant or other professional adviser if you have any queries or are uncertain about any aspect of the Entitlement Offer. You should also refer to the 'Key Risks' section of the investor presentation lodged with the ASX on 20 November 2023 for a summary of general and specific risk factors that may affect Verbrec.

2.2 Taking up all or part of your Entitlement and participating in the Top Up Facility

If you wish to take up all or part of your Entitlement, you should follow the instructions set out on the Entitlement and Acceptance Form.

Any shortfall under the Entitlement Offer may be made available to those Eligible Shareholders who took up their full Entitlement and applied for additional New Shares under the Top Up Facility.

If you take up all of your Entitlement, you may also apply for additional New Shares under the Top Up Facility. There is no guarantee that you will be allocated any additional New Shares under the Top Up Facility.

If you only take up part of your Entitlement, the part not taken up will lapse. You will not be entitled to apply for additional New Shares under the Top Up Facility and the New Shares not subscribed for may be acquired by Eligible Shareholders under the Top Up Facility.

If you apply for additional New Shares under the Top Up Facility and if your application is successful (in whole or in part), your additional New Shares will be issued to you at the same time that other New Shares are issued under the Entitlement Offer. New Shares will only be allocated to Eligible Shareholders if available. If you apply for additional New Shares, there is no guarantee that you will be allocated any additional New Shares.

Amounts received by Verbrec in excess of the Issue Price multiplied by the number of New Shares on your Entitlement and Acceptance Form may be treated as an Application to apply for as many additional New Shares under the Top Up Facility as your Application Monies will pay for in full.

There is no guarantee that Eligible Shareholders will receive the number of New Shares applied for under the Top Up Facility, or any New Shares applied for under the Top Up Facility. New Shares will only be allocated to Eligible Shareholders under the Top Up Facility if available and then only if and to the extent that Verbrec so determines, in its absolute discretion.

Ineligible Shareholders may not participate in the Top Up Facility.

Please return your completed Entitlement and Acceptance Form together with your Application Monies in accordance with section 2.4 for the amount shown on the Entitlement and Acceptance Form to the Share Registry so that it is received no later than 5:00 pm (AEDT) on 7 December 2023 to:

Computershare Investor Service Pty Limited
GPO Box 505, MELBOURNE VIC 3001, Australia

You may also take up your Entitlement by payment of the Application Monies through BPAY® in accordance with the instructions on the Entitlement and Acceptance Form. If payment is being made through BPAY®, you do not need to return the Entitlement and Acceptance Form. Your payment must be received by no later than 5:00 pm (AEDT) on 7 December 2023.

Refund amounts, if any, will be paid in Australian dollars and without any interest. You will be paid either by cheque sent by ordinary post to your address as recorded on the share register (the registered address of the first-named in the case of joint holders), or by direct credit to the nominated bank account as noted on the share register as at the closing date of the offer. If you wish to advise or change your banking instructions with the Share Registry you may do so by going to <https://www.computershare.com.au/easyupdate/VBC> and following the instructions.

If you wish to take up part of your Entitlement, payment must be made by following the instructions set out on the personalised Entitlement and Acceptance Form. If Verbrec receives an amount that is less than the Issue Price multiplied by your Entitlement, your payment may be treated as an Application for as many New Shares as your Application Monies will pay for in full.

No New Shares will be issued including under the Top-Up Facility if to do so would, to the knowledge of Verbrec, result in a breach of the Listing Rules or the restrictions on obtaining or increasing relevant interests of greater than 20% of Verbrec's issued voting shares under Chapter 6 of the Corporations Act, or would otherwise be contrary to the Listing Rules or Corporations Act.

2.3 Do nothing and allow your Entitlement to lapse

If you do not wish to accept all or any part of your Entitlement, do not take any further action and all or that part of your Entitlement will lapse.

If you do not accept all or part of your Entitlement in accordance with the instructions set out above, those New Shares for which you would have otherwise been entitled under the Entitlement Offer (including New Shares that relate to the portion of your Entitlement that has not been accepted) will form part of the shortfall.

By allowing your Entitlement to lapse, you will forgo any exposure to increases or decreases in the value of the New Shares had you taken up your Entitlement and you will not receive any value for your Entitlement. Your interest in Verbrec will also be diluted.

The Directors reserve the right, subject to the requirements of the ASX Listing Rules and the Corporations Act, to place Shortfall Shares within three months after the Closing Date to either existing or new Shareholders at their discretion. If issued, Shortfall Shares will be issued at a price not less than the Issue Price of New Shares under the Entitlement Offer. Shareholders will not receive any payment or value for the Entitlements not taken up under the Entitlement Offer that are subsequently taken up as Shortfall Shares.

2.4 **Payment**

The consideration for the New Shares is payable in full on application by a payment of \$0.06 per New Share. The completed Entitlement and Acceptance Form must be accompanied by a cheque for the Application Monies. Cheques must be drawn in Australian currency on an Australian bank and made payable to '**Verbrec Limited**' and crossed 'Not Negotiable'.

Alternatively, you may arrange for payment of the Application Monies through BPAY® in accordance with the instructions on the Entitlement and Acceptance Form. It is your responsibility to ensure your BPAY® payment is received by the Share Registry by no later than 5:00 pm (AEDT) on 7 December 2023. Your financial institution may implement earlier cut-off times with regard to electronic payment, and you should take that into consideration.

Verbrec will treat you as applying for as many New Shares as your payment of Application Monies will pay for in full up to your Entitlement. If your payment will pay for more than your full Entitlement, Verbrec will treat you as applying for your full Entitlement and in respect of any excess amount, applying for as many additional New Shares under the Top Up Facility as it will pay for in full.

Eligible Shareholders must not forward cash by mail. Receipts for payment will not be issued.

2.5 **No minimum subscription**

There is no minimum subscription amount for the Entitlement Offer.

2.6 **Entitlement and Acceptance Form is binding**

A completed and lodged Entitlement and Acceptance Form with the requisite Application Monies, or a payment made through BPAY®, constitutes a binding offer to acquire New Shares on the terms of this Information Booklet and, once paid, cannot be withdrawn. If the Entitlement and Acceptance Form is not completed correctly it may still be treated as a valid Application for New Shares. The Directors' (or their delegates') decision whether to treat an acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form is at their sole discretion and final.

By completing and returning your personalised Entitlement and Acceptance Form with the requisite Application Monies or making a payment by BPAY®, you will also be deemed to have acknowledged, represented and warranted on behalf of each person on whose account you are acting that you:

- (a) acknowledge that you have read this Information Booklet and the accompanying Entitlement and Acceptance Form in their entirety;
- (b) agree to be bound by the terms of the Entitlement Offer, this Information Booklet and Verbrec's constitution;
- (c) authorise Verbrec to register you as the holder(s) of the New Shares allotted to you;
- (d) declare that all details and statements made in the Entitlement and Acceptance Form are complete and accurate;
- (e) declare that you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Entitlement and Acceptance Form;
- (f) acknowledge that, once Verbrec or the Share Registry receives the Entitlement and Acceptance Form or your payment by BPAY®, you may not withdraw it except as allowed by law;

- (g) apply for the number of New Shares specified in the Entitlement and Acceptance Form, or for which you have submitted payment of any Application Monies, at the Issue Price per New Share;
- (h) authorise Verbrec, the Lead Manager, the Share Registry and their respective officers or agents to do anything on your behalf necessary for the New Shares to be issued to you, including to act on instructions of the Share Registry upon using the contact details set out in the Entitlement and Acceptance Form;
- (i) acknowledge and agree that:
 - (1) determination of eligibility of investors for the purposes of the Entitlement Offer was determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of Verbrec and the Lead Manager; and
 - (2) Verbrec and the Lead Manager and each of their respective related bodies corporate and affiliates, disclaim any duty or liability (including for negligence) in respect of that determination and the exercise or otherwise of that discretion, to the maximum extent by law;
- (j) declare that you were the registered holder(s) at the Record Date of the Existing Shares indicated on the Entitlement and Acceptance Form;
- (k) acknowledge that the information contained in this Information Booklet is not investment advice or a recommendation that New Shares are suitable for you, given your investment objectives, financial situation or particular needs;
- (l) acknowledge that the Information Booklet is not a prospectus and does not contain all of the information that you may require in order to assess an investment in Verbrec and is given in the context of Verbrec's past and ongoing continuous disclosure announcements to ASX;
- (m) acknowledge that you have read and understood the statements of risks in the 'Key Risks' section of the investor presentation lodged with the ASX on 20 November 2023 and that an investment in Verbrec is subject to risks;
- (n) acknowledge that neither Verbrec and the Lead Manager, nor their respective related bodies corporate and affiliates and their respective directors, officers, partners, employees, representatives, agents, consultants or advisers, guarantees the performance of Verbrec, nor do they guarantee the repayment of capital;
- (o) agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Entitlement Offer and of your holding of the Existing Shares on the Record Date;
- (p) authorise Verbrec to correct any errors in your personalised Entitlement and Acceptance Form or other form provided by you;
- (q) represent and warrant (for the benefit of Verbrec and the Lead Manager and their respective related bodies corporate and affiliates) that you are not an Ineligible Shareholder and are otherwise eligible to participate in the Entitlement Offer;
- (r) represent and warrant that the law of any place does not prohibit you from being given this Information Booklet and the personalised Entitlement and Acceptance Form, nor does it prohibit you from making an application for New Shares and that you are otherwise eligible to participate in the Entitlement Offer;
- (s) are not in the United States of America and are not a person (including nominees or custodians) acting for the account or benefit of a person in the United States of America

(to the extent such person holds Shares in Verbrec for the account or benefit of such person in the United States) and are not otherwise a person to whom it would be illegal to make an offer or issue New Shares under the Entitlement Offer;

- (t) acknowledge that the New Shares have not been, and will not be, registered under the US Securities Act or under the laws of any other jurisdiction outside Australia;
- (u) have not and will not send any materials relating to the Entitlement Offer to any person in the United States of America or to any person (including nominees or custodians) acting for the account or benefit of a person in the United States of America;
- (v) understand and acknowledge that neither the Entitlement nor the New Shares have been, or will be, registered under the US Securities Act or the securities laws of any state or other jurisdiction in the United States. Notwithstanding the foregoing, the Entitlement may not be purchased, taken up or exercised by persons in the United States or by persons who are acting for the account or benefit of a person in the United States. Neither the Entitlements nor the New Shares may be offered, sold or resold in the United States except in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and the applicable securities laws of any state or other jurisdiction in the United States; and
- (w) if you are acting as nominee or custodian, each beneficial holder on whose behalf you are submitting the Entitlement and Acceptance Form is resident in Australia or New Zealand and is not in the United States and is not acting for the account or benefit of a person in the United States, and you have not sent this Information Booklet, the Entitlement and Acceptance Form or any information relating to the Entitlement Offer to any such person.

2.7 Brokerage and stamp duty

No brokerage fee is payable by Eligible Shareholders who accept their Entitlement. No stamp duty is payable for subscribing for New Shares under the Entitlement Offer or for additional New Shares under the Top Up Facility.

2.8 No cooling off rights

Cooling off rights do not apply to an investment in New Shares. You cannot withdraw your Application once it has been accepted.

2.9 Notice to nominees and custodians

Nominees and custodians may not distribute any part of this Information Booklet or any Entitlement and Acceptance Form in any country outside Australia, except to beneficial holders of Shares in New Zealand or any other country to the extent Verbrec may determine it is lawful and practical to make the Entitlement Offer.

Verbrec is not required to determine whether or not any registered holder or investor is acting as a nominee or custodian or the identity or residence of any beneficial owners of existing Shares or Entitlement. Where any person is acting as a nominee or custodian for a foreign person, that person, in dealing with its beneficiary, will need to assess whether indirect participation in the Entitlement Offer by the beneficiary complies with applicable foreign laws. Verbrec is not able to advise on foreign laws.

3. AUSTRALIAN TAX CONSIDERATIONS

3.1 Introduction

This section is a general summary of the Australian income tax implications of the Entitlement Offer for Eligible Shareholders.

The taxation implications of the Entitlement Offer will vary depending on your particular circumstances. Accordingly, you should seek and rely upon the professional advice of your own taxation or financial adviser before concluding on the particular taxation treatment that will apply to you.

The comments in this section deal only with the Australian taxation implications of the Entitlement Offer if you:

- are a resident for Australian income tax purposes; and
- hold your Shares on capital account.

The comments do not apply to you if you:

- are not a resident for Australian income tax purposes; or
- hold your Shares as revenue assets or trading stock (which will generally be the case if you are a bank, insurance company or carry on a business of share trading); or
- are subject to the “taxation of financial arrangements” rules (commonly referred to as the **TOFA rules**) in Division 230 of the *Income Tax Assessment Act 1997* (Cth) in relation to your holding of Shares, Entitlements or New Shares; or
- acquired the Shares in respect of which the Entitlements are issued under any employee share scheme or where the New Shares are acquired pursuant to any employee share scheme; or
- acquired Entitlements otherwise than because you are an Eligible Shareholder (e.g. where the Entitlements are acquired on ASX).

If you are such a Shareholder, you should seek your own independent professional tax advice applicable to your particular circumstances.

The comments are necessarily general in nature and are reflective of the comments in the Commissioner of Taxation’s public ruling Taxation Ruling 2017/4 (Income Tax: taxation of rights and retail premiums under renounceable rights offers where shares are held on capital account). The comments are based on Australian taxation law and administrative practice as at the time of issue of this Information Booklet.

The comments do not take into account any financial objectives, tax positions or investment needs of any particular Shareholder. As the taxation implications of the Entitlement Offer will depend upon an Eligible Shareholder’s particular circumstances, all Eligible Shareholders should seek and rely upon their own professional taxation advice before concluding on the particular taxation treatment that will apply to them.

Eligible Shareholders that are subject to tax in a jurisdiction outside Australia may be subject to tax consequences in that jurisdiction in respect of the Entitlement Offer that are not covered by taxation advice in relation to the taxation implications of the Entitlement Offer in any jurisdictions that are relevant to them.

Verbrec, its officers or employees and taxation or other advisers do not accept any liability or responsibility in respect of any statement concerning taxation consequences of the Entitlement Offer.

3.2 **Income tax consequences of Entitlements**

(a) **Issue of Entitlements**

The issue of Entitlements to Australian resident Eligible Shareholders should not, of itself, give rise to any amount of assessable income or capital gain for Eligible Shareholders.

(b) **Exercise of Entitlements**

The exercise of Entitlements or application under the Top-Up Facility should not, of itself, result in any amount being included in an Eligible Shareholder's assessable income and should not give rise to any capital gain under the capital gains tax (**CGT**) provisions.

Eligible Shareholders that exercise their Entitlements or participate in the Top-Up Facility will receive New Shares. The amount paid to exercise Entitlements or to participate in the Top-Up Facility (i.e. the Issue Price) and any non-deductible incidental costs will form the cost base for CGT purposes of the New Shares acquired through exercise.

(c) **Income tax consequences of New Shares**

Dividends paid on the New Shares should be included in the assessable income of the relevant Eligible Shareholder.

Such dividends should also be frankable under the imputation provisions in the income tax laws. Generally, this means that, provided that an Eligible Shareholder is a 'qualified person' and the Commissioner of Taxation does not make a determination under the dividend streaming rules to deny the benefit of the franking credits to the Eligible Shareholder, the Eligible Shareholder should:

- include the amount of the dividend as well as an amount equal to the franking credits attached to the dividend in their assessable income in the income year in which they receive the dividend; and
- qualify for a tax offset equal to the franking credits attached to the dividend, which can be applied against their income tax liability for the relevant income year.

An Eligible Shareholder should be a 'qualified person' if the 'holding period rule' and the 'related payments rule' are satisfied. Generally:

- to satisfy the 'holding period rule', an Eligible Shareholder must have held their New Shares 'at risk' for a continuous period of at least 45 days (excluding the day of disposal) within a period beginning on the day after the day on which they acquired and ending on the 45th day after they become ex-dividend. To be held 'at risk', an Eligible Shareholder must retain 30% or more of the risks and benefits associated with holding their New Shares. Where an Eligible Shareholder undertakes risk management strategies in relation to their New Shares (e.g. by the use of limited recourse loans, options or other derivatives), the Eligible Shareholder's ability to satisfy the 'at risk' requirement of the 'holding period rule' may be affected; and
- under the 'related payments rule', an Eligible Shareholder who is obliged to make a 'related payment' (essentially a payment passing on the benefit of the dividend to another person), in respect of a dividend must hold the New Shares 'at risk' for at least 45 days (not including the days of acquisition and disposal) within each period beginning 45 days before and ending 45 days after they become ex-dividend.

An Eligible Shareholder who is an individual is automatically treated as a 'qualified person' for these purposes if the total amount of the tax offsets in respect of all franked amounts to which the Shareholder is entitled in an income year does not exceed \$5,000. This is referred to as the 'small shareholder exemption'. However, an Eligible Shareholder will not be a 'qualified person' under the small shareholder exemption if 'related payments' have been made, or will be made, in respect of such amounts.

Any gain or loss realised on disposal of New Shares should be taxable under the CGT provisions. Capital gains are generally calculated as the amount by which the proceeds on disposal of the New Shares exceeds the cost base of the New Shares. The cost base for New Shares will be the amount paid for them (i.e. the Issue Price) together with certain incidental costs of acquisition and disposal. The New Shares will be treated as having been acquired for CGT purposes on the date the relevant Shareholder exercised their Entitlements to buy the New Shares (i.e. the date the Shareholder returned their completed Entitlement and Acceptance Form). This means that the New Shares would need to be held for at least 12 months after this date in order for an Eligible Shareholder (who is an individual, trust or complying superannuation fund) to be eligible for the CGT discount concession on disposal of the New Shares.

4. DEFINITIONS

These definitions are provided to assist the understanding some of the expressions used in this Information Booklet.

"\$" or "AUD" means Australian dollars.

"**Applicant**" means an Eligible Shareholder who has applied to subscribe for New Shares by submitting an Entitlement and Acceptance Form or has arranged for payment through BPAY® in accordance with the instructions on the Entitlement and Acceptance Form.

"**Application**" means a duly completed Entitlement and Acceptance Form submitted to Verbrec accompanied by the relevant Application Monies or arranging for payment of the relevant Application Monies through BPAY® in accordance with the instructions on the Entitlement and Acceptance Form.

"**Application Monies**" means the aggregate amount of money payable for the New Shares applied for in a duly completed Entitlement and Acceptance Form or through BPAY®.

"**ASIC**" means the Australian Securities and Investments Commission.

"**ASX**" means ASX Limited ACN 008 624 691 or the securities exchange operated by it (as the case requires).

"**Closing Date**" means 7 December 2023, being the day the Entitlement Offer closes, or any other date that the Directors in their absolute discretion determine, subject to the Listing Rules and the Underwriting Agreement.

"**Corporations Act**" means the *Corporations Act 2001* (Cth).

"**Directors**" means the directors of Verbrec as appointed from time to time.

"**Eligible Shareholder**" has the meaning given in section 1.2.

"**Entitlement**" means the right to subscribe for New Shares under the Entitlement Offer.

"**Entitlement and Acceptance Form**" means the personalised acceptance form accompanying this Information Booklet.

"**Entitlement Offer**" means a pro rata non-renounceable entitlement offer to Eligible Shareholders to raise approximately \$2 million at the Issue Price on the basis of 1 New Share for every 6.5 Existing Shares held on the Record Date.

"**Existing Shares**" means the Shares already on issue in Verbrec as at the Record Date.

"**GST**" means Goods and Services Tax.

"**Ineligible Shareholder**" has the meaning given in section 1.3.

"**Information Booklet**" means this document.

"**Issue Price**" means \$0.06 per New Share.

"**Lead Manager**" means Veritas Securities Limited ACN 117 124 535.

"**Listing Rules**" means the official listing rules of ASX.

"**New Shares**" means Shares to be allotted and issued under the Entitlement Offer.

"Record Date" means 7:00 pm (AEDT) on 23 November 2023.

"Shareholders" means holders of Shares.

"Shares" means fully paid ordinary shares in the capital of Verbrec.

"Share Registry" means Computershare Investor Services Pty Limited ACN 078 279 277.

"Shortfall Shares" means New Shares not taken up by Eligible Shareholders under the Entitlement Offer or Top-Up Facility, as well as New Shares not able to be taken up by Ineligible Shareholders.

"TERP" means theoretical ex-rights issue price.

"TFN" means an Australian tax file number.

"Top Up Facility" means the facility described in section 2.2 under which Eligible Shareholders may apply for New Shares in excess of their Entitlement.

"US Securities Act" means the *United States Securities Act of 1933*, as amended.

"Verbrec" or **"Company"** means Verbrec Limited ACN 127 897 689.

Corporate directory

Verbrec Limited

Level 14
200 Mary Street
Brisbane QLD 4000

Directors

Mr Phillip Campbell (Chairman, Non-Executive Director)

Mr Brian O'Sullivan (Non-Executive Director)

Mr Matthew Morgan (Non-Executive Director)

Ms Sarah Zeljko (Non-Executive Director)

Company Secretary

Mr Joel Voss

Share Registry

Computershare Investor Services Pty Limited
GPO Box 2975
Melbourne VIC 3000

Lead Manager

Veritas Securities Limited
Level 4, 175 Macquarie Street
Sydney NSW 2000

Legal Adviser to the Entitlement Offer

Jones Day
Level 31, Riverside Centre
123 Eagle Street
Brisbane QLD 4000

ASX Listing

Verbrec ordinary shares are quoted by the ASX (ASX: VBC)