

8 August 2022

Update – Change in Finance Facilities

- **Verbrec has agreed terms to change finance facilities to Westpac Banking Corporation.**
- **An increase in working capital provides improved flexibility to fund growth.**
- **Key terms of the new facilities are detailed in this release.**

Further to the announcement made on 3 August 2022, Verbrec Limited (**ASX:VBC**) (**Verbrec** or the **Company**) is pleased to provide the following additional information regarding the finance facilities agreed with Westpac Banking Corporation (**Westpac**).

As noted in the previous announcement, Verbrec is changing banks and has entered into an agreement with Westpac for the provision of those finance facilities. The Company notes that the finance facilities are subject to a settlement process between Westpac and Verbrec's previous finance provider, National Australia Bank (**NAB**). The process has commenced and the Company will notify the market once settlement has occurred.

The key terms of the facilities are summarised below:

Ongoing, At Call Facilities

- **Available Limit:** \$18,800,000
- **Term and Repayment:** Ongoing, At Call
- **Usage:** Overdraft (\$1.5m), Bank Guarantees (\$7.5m), Invoice Finance (\$8.0m), Equipment Finance (\$1.5m), Business Credit Card (\$0.3m).
- **Interest Rate:** Indicative variable rates (linked to BBSY) of 3.06% p.a. (Overdraft) and 3.87% (Invoice Finance), payable monthly in arrears. Interest rate for other sub limits are determined at the time of drawdown.
- **Bank Guarantee Service Fees:** 1.250% p.a. of the value of each bank guarantee, payable half-yearly in advance.
- **Other Ongoing Fees:** 1.500% of the overdraft facility limit p.a. and 0.500% of the invoice finance facility limit p.a., payable monthly in advance.

Business Loan

- **Loan Amount:** \$5,000,000
- **Term and Repayment:** 10 years, redraw available, principal and interest repayment.
- **Interest Rate:** Indicative variable rate (linked to BBSY) of 4.03% p.a., payable monthly in arrears.

Verbrec Limited

ASX : VBC

ACN: 127 897 689

Verbrec.com

Share Registry

Computershare Investor Services Pty Ltd

Ph: +61 3 9415 4000

computershare.com

Other Key Terms:

Security Agreements:

Each facility is subject to general security agreements which require Westpac to maintain first ranking security over all present and after-acquired property of the Company and its Australian subsidiaries. Additionally, the equipment finance facility requires a limited guarantee providing security over equipment financed thereunder.

Review and Covenants

On 1 March and 1 September each year the facilities are subject to a review requiring the Company to provide compliance certificate and audited financials confirming the following covenants have been met:

- Financial Debt¹ to Adjusted EBITA² < **3.50 times**
- Adjusted Equity Ratio³ ≥ **40%**

The facility may additionally be reviewed if there a material adverse event on the Company or its subsidiaries or an event which otherwise affects the enforceability or validity of the whole or any part of any document forming the agreement between the parties.

Footnotes

1. Financial Debt means, for the calculation period total financial liabilities excluding IFRS 16 right of use liabilities specific to property leases.
2. Adjusted EBITA means earnings before interest, tax, depreciation and amortisation, minus lease expense which is no longer accounted for as lease expense due to IFRS 16 application.
3. Adjusted Equity Ratio means the percentage calculated by dividing the sum of total shareholder funds plus / minus net intercompany loans, by total assets excluding IFRS 16 right of use assets specific to property leases.

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

Company Enquiries

Linton Burns

CEO & Managing Director
Linton.Burns@verbrec.com

Investor Relations

Rod Hinchcliffe

Media & Capital Partners
Rod.Hinchcliffe@mcpartners.com.au

Media Enquiries

Melissa Hamilton

Media & Capital Partners
Melissa.Hamilton@mcpartners.com.au

About Verbrec Limited

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).

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