

18 October 2023

AVJennings Limited - Pro-rata Accelerated Renounceable Entitlement Offer – Notification to Ineligible Shareholders

On 11 October 2023, AVJennings Ltd (**AVJennings**) announced that it was conducting an accelerated renounceable entitlement offer to eligible shareholders to subscribe for 1 new AVJennings share (**New Shares**) for every 2.67 existing AVJennings shares (**Existing Shares**) held at 7pm (AEDT) on 13 October 2023 (**Record Date**) (the **Offer**) to raise approximately A\$30.4 million. The Offer is fully underwritten by Bell Potter Securities Limited (the **Underwriter**).

The Offer is being conducted in two parts: the institutional offer (**Institutional Entitlement Offer**) and the retail offer (**Retail Entitlement Offer**). The terms of the Offer are detailed in an ASX announcement dated 11 October 2023, an investor presentation dated 11 October 2023 and a Retail Offer Booklet dated 18 October 2023 (**Offer Document**). The proceeds of the Offer will be used by AVJennings, to accelerate built-form housing to meet customer preferences and general working capital.

Under the terms of the Offer, you are either an Ineligible Institutional Shareholder (defined below) or an Ineligible Retail Shareholder (defined below). Accordingly, in compliance with ASX Listing Rule 7.7.1(b) and section 9A(3) of the Corporations Act 2001 (Cth) (the **Act**), AVJennings wishes to advise you that you are not eligible to subscribe for New Shares and you will not be sent a copy of the Offer Document.

This letter is to inform you about the Offer. It is neither an offer to issue shares to you, nor an invitation for you to apply for New Shares. You are not required to do anything in response to this letter. However, you may still receive some benefit from the Offer, as described below.

What is the Offer?

The Offer involves an offer to Eligible Institutional Shareholders (as defined below) under the Institutional Entitlement Offer and Eligible Retail Shareholders (as defined below) under the Retail Entitlement Offer, in each case, of an entitlement to subscribe for 1 New Share for every 2.67 Existing Shares (**Entitlement**) held at the Record Date, at a price of A\$0.20 (**Offer Price**) for each New Share.

Eligibility Criteria

"**Eligible Institutional Shareholders**" are those persons who:

- a) were identified as an Institutional Shareholder by AVJennings;
- b) have a registered address on AVJennings' share register that is in Australia, New Zealand, Hong Kong or Singapore;
- c) are eligible under all applicable securities laws to receive an offer under the Institutional Entitlement Offer; and
- d) have successfully received an offer under the Institutional Entitlement Offer.

"Eligible Retail Shareholders" are those persons who:

- a) are registered as a holder of Existing Shares as at 7.00pm (AEDT) on the Record Date;
- b) have a registered address on AVJennings' share register that is in Australia, New Zealand or Singapore;
- 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 a person holds securities in AVJennings for the account or benefit of such persons in the United States);
- d) are not an Eligible Institutional Shareholder or Ineligible Institutional Shareholder under the Institutional Entitlement Offer; and
- e) are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer without any requirement for a prospectus or offer document to be lodged or registered.

Bookbuild

A number of Entitlements equal to the number of Entitlements not taken up by Eligible Institutional Shareholders under the Institutional Entitlement Offer and the Entitlements which would have been offered to those institutional shareholders who are ineligible to participate (**Ineligible Institutional Shareholders**) if they had been eligible to participate in the Institutional Entitlement Offer, were offered for subscription to institutional investors through a bookbuild process following the Institutional Entitlement Offer (**Institutional Bookbuild**). Similarly, a number of Entitlements equal to the number of Entitlements not taken up by Eligible Retail Shareholders in the Retail Entitlement Offer and the Entitlements which would have been offered to those retail shareholders who are ineligible to participate (**Ineligible Retail Shareholders**) if they had been eligible to participate in the Retail Entitlement Offer will be offered for subscription to institutional investors through a bookbuild process, which is to be undertaken by the Underwriter, following the Retail Entitlement Offer, on 6 November 2023 (**Retail Bookbuild**).

The Offer Price will be paid to AVJennings from the proceeds of each bookbuild as full consideration for the Entitlements and New Shares to be issued on exercise of the Entitlements. The A\$0.05 per Entitlement that was achieved for the sale of Entitlements under the Institutional Bookbuild on 12 October 2023 will be paid (less any withholdings required by law) pro rata to Eligible Institutional Shareholders who did not take up their Entitlement in full (with respect to that part of the Entitlement they did not take up only) and each Ineligible Institutional Shareholder.

The price for the sale of Entitlements that is achieved under the Retail Bookbuild on 6 November 2023 will be paid (less any withholdings required by law) pro rata to Eligible Retail Shareholders who did not take up their Entitlement in full (with respect to that part of the Entitlement they did not take up only) and each Ineligible Retail Shareholder.

There is no guarantee that Eligible Retail Shareholders or Ineligible Retail Shareholders will receive any value in the Retail Bookbuild for the Entitlements. The fact that proceeds were paid under the Institutional Bookbuild is not an indication that there will be any proceeds under the Retail Bookbuild.

The ability to sell Entitlements under the Retail Bookbuild and the ability to obtain any value will be dependent upon various factors, including market conditions. To the maximum extent permitted by law, none of AVJennings, the Underwriter, or any associates of those entities, will be liable, including for negligence, for any failure to procure applications under the Retail Bookbuild at any price.

Any proceeds received may have Australian and overseas tax consequences, depending on individual circumstances. You may be entitled to a refund of some or all tax withheld. You should seek professional tax advice regarding the taxation of any proceeds received.

Why am I not eligible to participate in the Offer?

Under the terms of the Offer, investors that are not Eligible Retail Shareholders or Eligible Institutional Shareholders are ineligible to take up Entitlements to subscribe for New Shares under the Offer.

The restrictions upon eligibility are due to legal limitations in some countries, the relatively small number of shareholders there, the small number and value of Existing Shares they hold and the potential cost of complying with regulatory requirements in those countries. AVJennings has determined that, pursuant to Listing Rule 7.7.1(a) of the ASX Listing Rules and section 9A(3) of the Act, and having regard to the relatively small number of shareholders, the small number and value of Existing Shares they hold and the potential cost of complying with regulatory requirements, it would be unreasonable to make the Offer to shareholders resident in any country outside of Australia, New Zealand or Singapore (in connection with the Retail Entitlement Offer) or the other stated jurisdictions above (in connection with the Institutional Entitlement Offer).

Yours sincerely,



Carl Thompson
Company Secretary

If you have any questions, please contact your professional adviser or the AVJennings Shareholder Information Line on 1800 500 095 (within Australia) or +61 1800 500 095 (outside Australia) from 8.30am to 5.30pm (AEDT) Monday to Friday (excluding public holidays) during the Retail Entitlement Offer period. For other questions, you should consult your broker, solicitor, accountant, financial adviser, or other professional adviser.

This letter is not a financial product or investment advice, a recommendation to acquire New Shares or accounting, legal or tax advice. AVJennings is not licensed to provide financial product advice in respect of an investment in shares.

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