



301/44 Miller St
 North Sydney, NSW 2060
 P | +61 2 8624 6135
 E | info@vertua.com.au

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 By E-Lodgment

National Stock Exchange
 1 Bligh Street
 Sydney, NSW 2000

Vertua to acquire freight forwarding, licensed customs brokers, clearing and logistics solution business Flynt Worldwide

The directors of Vertua Limited (NSX:VERA) (**Vertua**) are pleased to advise that Vertua has entered into a conditional binding agreement to acquire 100% of the shares in Flynt Worldwide Pty Limited (**Flynt**) including its controlled entities together with the assignment of an intra-group loan receivable (**Loan**) from Transport and Clearance Pty Ltd as trustee for the Transport and Clearance Fund (**Vendor**) for a total consideration of \$6,500,000 (**Acquisition**).

Established in 1980, Flynt is a licensed customs agent, logistics and freight forwarding services business operating across Australia, China and Hong Kong.

Key highlights

- This acquisition will enhance Vertua's portfolio of investments
- In FY2022, Flynt had a Revenue of \$49,994,620, Gross Profit of \$8,326,034 and an EBITDA of \$2,448,544
- The Consideration will be paid through the issue of shares in Vertua to the Vendor such that Vertua will preserve its cash position

Year end 30 June	2022	2021	y.o.y growth (\$)	y.o.y growth (%)
Revenue	\$ 49,994,620	\$ 31,202,884	\$ 18,791,736	60%
Gross profit	\$ 8,326,034	\$ 5,661,358	\$ 2,664,676	47%
EBITDA	\$ 2,448,544	\$ 188,747	\$ 2,259,797	1197%
EBIT	\$ 2,398,750	\$ 142,485	\$ 2,256,265	1584%
EBT	\$ 2,181,416	\$ 29,971	\$ 2,151,445	7178%
NPAT	\$ 2,056,200	\$ 19,650	\$ 2,036,550	10364%

y.o.y: year on year



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About Flynt

Flynt is a licensed customs agent, logistics and freight forwarding services business, operating across Australia, China and Hong Kong. The majority of its operations are in air freight, sea freight, warehousing and customs services.

Flynt is an Australian company with its head office in Sydney and offices located in Hong Kong, Shanghai and Guangzhou, PRC. The Flynt business was established more than 40 years ago as a result of a merger of two independently owned companies based in Sydney and Hong Kong, both of which were established in 1980.

Revenue is generated from a combination of freight forwarding, storage, customs agency fees. The last two financial periods Flynt has experienced significant growth, with revenue growth 60% y.o.y and EBITDA growth of 1197% y.o.y. The Flynt group has Net Assets of \$5,647,997.

Acquisition overview

Vertua's Chair, Christopher Bregenhøj and Vertua's Managing Director, James Manning each hold interests in the Vendor (including units in the Transport and Clearance Fund). Completion of the Acquisition is therefore subject to the receipt of all necessary shareholder approvals under the NSX listing rules in addition to other conditions common to transactions of the Acquisition's nature. Vertua will shortly hold a general meeting to obtain these shareholder approvals and additional information about the Acquisition will be set out in that notice of meeting together with an accompanying independent expert report. Completion will occur within 5 business days of the date the last condition is satisfied, which, subject to the passing of the necessary shareholder approvals, the board anticipates will occur in December 2022.

Key terms of the Acquisition

Vertua has entered into a share sale agreement to acquire 100% of the shares in Flynt and the Loan for total consideration of \$6,500,000 paid in script (being 32,500,000 fully paid ordinary shares in Vertua at an issue price of \$0.20).

The Loan which will form part of the assets of the Acquisition, is owed by Flynt to the Vendor and attracts an interest rate of 5% and matures in March 2024. The Loan is secured by a first ranking charge over the assets of Flynt and will be assigned to Vertua.

The Acquisition is conditional on:

- Vertua obtaining all necessary approvals to give effect to the Acquisition, these approvals will be the subject of a notice of meeting which will be issued in late November / early December 2022 and will be accompanied by an independent expert report to assist shareholders to decide how to vote on each resolution;
- the NSX confirming it will not require Vertua to re-comply with Chapter 4 of the NSX listing rules as a result of the Acquisition – as at the date of this announcement, NSX has confirmed Vertua will not be required to re-comply with Chapter 4;
- the Vendor obtaining written consent to the change in control in Flynt from specified third parties who contract with Flynt;
- the Vendor arranging for the release of any security over the shares in Flynt, unless exempt by Vertua;



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- Vertua assigning the Loan and associated security interest to Vertua; and
- key management personnel signing new employment contracts on similar terms to their current contracts of employment as agreed by Vertua.

The Acquisition may be terminated at any time if the above conditions are not satisfied or incapable of being satisfied by 31 March 2023, unless extended by Vertua at its option.

The Vendor will also provide customary warranties and indemnities in favour of Vertua regarding Flynt's business, corporate structure, contracts and other key aspects of its operations.

Authorised by the Board
Vertua Limited

-- ENDS --