

16 May 2024

ACROW DIVIDEND REINVESTMENT PLAN (“DRP”) SHORTFALL UNDERWRITE

Acrow Limited (ASX: ACF) (“Acrow” or “the Company”) is pleased to announce that it has entered into an underwriting agreement with Morgans Corporate Limited (“**Morgans**”) under which Morgans will fully underwrite the shortfall of \$7.6 million under the Company’s Dividend Reinvestment Plan (“**DRP**”) in relation to Acrow’s fully franked dividend of 2.85 cents per share which is payable on 31 May 2024 (“**Underwriting Agreement**”).

Opportunities for short to mid-term growth off the back of the introduction of the new Acrowdeck and Jacking Systems products, as well as a range of new contracts secured across the Industrial Services division, have brought forward anticipated capex requirements. Acrow considers this as an opportunity to provide balance sheet flexibility and deliver on these opportunities.

DRP participation

Approximately 9% of the Company’s shareholders have elected to reinvest their dividends under the DRP, representing approximately \$0.8 million of the total \$8.4 million dividend. Shares will be issued under the DRP on the dividend payment date of 31 May 2024 at a 2.5% discount to the share price based on a 10-day VWAP commencing on 2 May 2024, being \$1.1445 per share. The total shortfall of \$7.6 million is underwritten by Morgans.

Underwriting arrangements

Morgans has agreed to underwrite the shortfall to the DRP by subscribing, or procuring subscriptions, for 6,645,663 shares at \$1.1445 per share, expected to be issued on or around 3 June 2024.

A summary of the key terms of the Underwriting Agreement is provided in the Appendix to this announcement in accordance with ASX Listing Rule 3.10.9.

This release was approved by the Acrow Board of Directors.

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About Acrow

Acrow Limited (ASX: ACF) is a leading provider of smart integrated construction systems across formwork, industrial services and commercial scaffolding in Australia. Enhancing our portfolio are falsework and shoring, screen solutions, Jacking Systems (also known as Jumpform), and internal engineering capabilities.

With over 80 years of experience, Acrow has grown from a small local business to a national leader in the construction industry. Our journey is marked by continuous innovation, expansion, and a vision to set the national standard in engineered industrial and construction services. We’re committed to removing barriers to success for construction and industrial professionals through our smart solutions, can do attitude, and strong partnerships.

Operating in 10 locations with over 60,000 tonnes of equipment, Acrow aims to expand its presence in Australia’s civil infrastructure market. Our national network with local expertise ensures efficient project delivery while adhering to best practices. To learn more, please visit: www.acrow.com.au

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Appendix

Details of Underwriting Agreement (ASX Listing Rule 3.10.9)

Name of Underwriter	Morgans Corporate Limited (ABN 32 010 539 607)
Extent of Underwriting	Fully underwritten
Underwritten Amount	\$7.6 million
Fee, commissions or other consideration payable to the Underwriter	<p>Cash underwriting fee of 3.0% (exclusive of GST) of the Underwritten Amount.</p> <p>In accordance with the terms of the DRP, shares will be issued under the DRP at a 2.5% discount to the share price based on a 10-day VWAP commencing 2 May 2024, being \$1.1445. This discounted share price will apply to the shares applied for by the Underwriter in accordance with the terms of the Underwriting Agreement.</p>
Summary of significant events that could lead to the underwriting being terminated	<p>Morgans may, without cost or liability to itself by notice in writing, upon or at any time prior to 5.00 pm on the Shortfall Settlement Date terminate its obligations under this Agreement if:</p> <ul style="list-style-type: none"> (a) (suspension): Acrow is removed from the official list of ASX or the Shares become suspended from official quotation by ASX (even if that suspension is lifted following such suspension); (b) (solvent): any of Acrow or its controlled entities (each a Group Member) is or becomes insolvent, or suspends payment of its debts generally, or an event described in section 652C(2) of the Corporations Act exists or occurs in relation to a Group Member; or circumstances arise or may reasonably be expected to arise, as a result of which, a Group Member may cease to be solvent or able to pay its debts as and when they fall due or an event described in section 652C(2) may occur in relation to a Group Member; (c) (index fall): the ASX All Ordinaries Index is, at any time during the period commencing on the close of business on the date of this Agreement and ending on the close of business on the Shortfall Settlement Date, 10% or more below its level as at the close of business on the date of this Agreement; (d) (restriction on allotment): Acrow is prevented from allotting and issuing the Shortfall Shares within the time required by this Agreement, under the Corporations Act, the Listing and Market Rules, any statute, regulation or order of a court of competent jurisdiction, by ASIC, ASX or any governmental or semi-governmental agency or authority;

	<p>(e) (ASIC or other prosecution): ASIC gives notice of any deficiency in the Offer or related documents or ASIC gives notice of an intention to hold a hearing, examination or investigation in connection with the Offer or of Acrow which is not resolved by the Allotment Date;</p> <p>(f) (Timetable): there is a delay in any specified date in the Timetable which is greater than 5 Business Days without the consent of Morgans;</p> <p>(g) (Fraud): Acrow or any of their respective directors or officers (as those terms are defined in the Corporations Act) are engaged, or have engaged, in any fraudulent conduct or activity whether or not in connection with the Offer;</p> <p>(h) (Withdrawal): Acrow withdraws the Offer or indicates that it does not intend to proceed with the Offer or any part of the Offer;</p> <p>(i) (change to Acrow): Acrow alters the issued capital of Acrow or disposes or attempts to dispose of a substantial part (directly or indirectly) of the business or property of Acrow, without the prior written consent of Morgans;</p> <p>(j) (representations and warranties): a representation, warranty, undertaking or obligation contained in this Agreement on the part of Acrow is breached, becomes not true or correct or is not performed;</p> <p>(k) (breach): Acrow defaults on any of its obligations under this Agreement;</p> <p>(l) (constitution): Acrow varies any term of its Constitution without the prior written consent of Morgans.</p>
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