

17 December 2021

Dear Shareholders,

Re: Results of non-renounceable pro rata entitlement offer to Shareholders

Last month your Company made a very significant step to secure its future, reduce costs and ultimately improve returns to all our stakeholders, announcing the acquisition of the Branch premises and a 1 for 3 entitlement offer at \$2.50 per share to help finance the acquisition.

The recent AGM held on 29 November 2021 was an excellent opportunity for shareholders to ask questions and understand more fully the basis of these key decisions and the longer term strategies for our social enterprise.

It was very hearting to see shareholders positively responding to the opportunity to increase their investment in the Company by strongly endorsing the 1 for 3 entitlement offer. The offer has now closed more than 20% oversubscribed from shareholders alone. There has been a need to scale back applications for the Shortfall Shares and \$74,000 in excess applications is in the process of being returned to shareholders in the week beginning 20 December 2021.

All shareholders who applied for their 1 for 3 pro rata entitlement shares will receive 100% of their application for Entitlement Shares. More than half of shareholders who applied also requested access to Shortfall Shares. The maximum application for Shortfall Shares was capped at \$20,000 per shareholder under the terms of the Offer Information Statement. Funds received for Shortfall Shares in excess of \$20,000 will be returned and after allowing for rounding shareholders will on average be issued around 70% of their Shortfall Share application. All new shares will be issued on 17 December 2021 and will rank equally with all existing shares.

The Board and staff at Malvern East Community Bank sincerely appreciate the strong vote of confidence from our shareholders and would like to take this opportunity to wish all shareholders and their families a safe and enjoyable festive season. Hopefully a better and more prosperous 2022 is to come where we can all reconnect with the family and friends we have missed so much.

Thank you for your ongoing support of the social enterprise we know as Malvern East Community Bank.



Stuart Martyn
Chairman