

16 October 2020

WEBCENTRAL GROUP LIMITED (ASX: WCG)

## 5GN TAKEOVER BID UPDATE

### **RECOMMENDATION**

Webcentral Group Limited (ASX:WCG) (**Webcentral**) refers to the off-market takeover bid for all the shares in Webcentral by 5G Networks Limited (**5GN**) (the **Offer**).

The Webcentral Directors strongly encourage and unanimously recommend that Webcentral Shareholders **ACCEPT** the Offer **NOW** and without delay. The Webcentral Directors consider it to be very unlikely that a Superior Proposal will now emerge.

To be valid, acceptances must be received and processed **before 7.00pm (Sydney time) on Tuesday, 27 October 2020**.

**Webcentral Shareholders should not assume that 5GN will extend the closing date of the Offer beyond this time and date. Webcentral Shareholders should assume that the Offer will close at 7.00pm (Sydney time) on Tuesday, 27 October 2020. Accordingly, it is essential that Webcentral Shareholders who wish to ACCEPT the Offer should act without delay.**

### **RETURNING ACCEPTANCE FORMS VIA EMAIL**

As an alternative to returning an Acceptance Form by post, Webcentral Shareholders can now accept the Offer by submitting scanned copies of completed and signed Acceptance Forms by email to [capitalmarkets@linkmarketservices.com.au](mailto:capitalmarkets@linkmarketservices.com.au), using the email subject line: "WCGZ – Takeover Acceptance Processing".

Any Webcentral Shareholders who hold their Webcentral Shares through CHESS (in which case their Holder Identification Number will be prefixed with 'X') will, however, be able to accept the Offer faster by instructing their Controlling Participant (normally their broker) to initiate acceptance of the Offer on their behalf. Such emails must be received in sufficient time to enable 5GN or its share registry to contact the Webcentral Shareholder's Controlling Participant (normally their broker) to accept the Offer on their behalf before the end of the Offer Period.

Please refer to Webcentral's supplementary target's statement released to the ASX on 15 October 2020 for further details on how to accept.

If you have questions about the Offer, please call the Webcentral shareholder information line on 1300 853 816 (for callers in Australia) or +61 1300 853 816 (for callers outside Australia).

If you have lost or misplaced your Acceptance Form (which would have been sent to you with the 5GN's Bidder's Statement) you will need to request a replacement from 5GN. They can be reached on the Bidder information line on 1800 606 866 (for callers in Australia) and +61 1800 606 866 (for callers outside Australia).

### **5GN LOAN TO WEBCENTRAL**

The Webcentral Directors wish to emphasise the following potentially adverse consequences that are relevant to Webcentral Shareholders who do not accept the Offer now that 5GN has declared the Offer unconditional.

As set out in Webcentral's Target's Statement, 5GN has agreed that, if it acquires at least 50.1% of the Webcentral Shares, 5GN will (via a subsidiary) provide a secured loan to Webcentral of approximately \$47.7 million. Webcentral will, in turn, use the money from that loan to repay its Existing Financiers in full. Webcentral will then owe approximately \$47.7 million to 5GN.

Webcentral will have to repay that loan, which will bear interest at a rate higher than the interest rate under the Existing Debt Facilities by approximately 2 times, within 12 months.

5GN has stated that if it does not acquire 100% of the Webcentral Shares, it will require Webcentral to repay the loans provided by 5GN to Webcentral.

In those circumstances, Webcentral may need to undertake an equity raising to repay some or all of the loans provided by 5GN. It is reasonable to expect that any such equity raising will likely be at a material discount to the then prevailing share price and if any Webcentral Shareholders do not participate in that equity raising, they are likely to be materially diluted.

If these risks conflict with your individual risk profile, you should strongly consider these implications in making your decision as to whether to **ACCEPT** the Offer.

### **DIRECTOR APPOINTMENTS**

As foreshadowed in Webcentral's first supplementary target's statement dated 15 October 2020, Webcentral announces that it has now appointed Joseph Demase and Joe Gangi as directors, effective from today.

Details of these proposed two new Webcentral directors are set out in section 5.1 of 5GN's Bidder's Statement.

An independent board committee (**IBC**) has been established by the Board consisting of Andrew Reitzer, Andrew Macpherson and Karl Siegling to oversee the conduct of the takeover offer.

### **FURTHER INFORMATION**

Please contact Ms Emma Jewell of Red Agency for any media enquiries or Mr Andrew Reitzer for any investor queries.

Ms Emma Jewell  
Red Agency  
P: 0408 199 396  
E: emma.jewell@redhavas.com

Andrew Reitzer  
Chairman  
0417 275 806

The release of this announcement to the ASX was authorised by the IBC of Webcentral.