

Your reference:
Our reference: MEW:JTE:1050372



22 October 2020

Private & Confidential

ASX Limited
Exchange Centre
20 Bridge Street
Sydney NSW 2000

Dear Sir/Madam

5GN OFF-MARKET TAKEOVER BID FOR WCG – FIRST SUPPLEMENTARY BIDDER'S STATEMENT

We act on behalf of 5G Networks Limited (ASX: 5GN) (**5GN**) in relation to its off-market takeover bid for all of the fully paid ordinary shares in Webcentral Group Limited (ASX: WCG) (**WCG**) and have been authorised by the board of 5GN to provide this release.

On behalf of 5GN, we **attach** a First Supplementary Bidder's Statement dated 22 October 2020, which supplements 5GN's Bidder's Statement dated 18 September 2020.

Yours faithfully

A handwritten signature in blue ink, appearing to be 'Q' followed by a flourish.

CORNWALLS

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FIRST SUPPLEMENTARY BIDDER'S STATEMENT

by 5G Networks Limited ACN 163 312 025 (**5GN**) in relation to its off-market offer to acquire all of the fully paid ordinary shares on issue in Webcentral Group Limited ACN 073 716 793 (**Webcentral**) for:

1 5GN share for every 12 Webcentral shares¹

**Recommended Offer supported by the Webcentral
Independent Board Committee**

**WEBCENTRAL'S INDEPENDENT BOARD
COMMITTEE UNANIMOUSLY RECOMMEND THAT
WEBCENTRAL SHAREHOLDERS ACCEPT 5GN'S OFFER,
IN THE ABSENCE OF A SUPERIOR PROPOSAL**

THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION.

You should read this document in its entirety. If you are in any doubt as to how to deal with this document, you should consult your financial or other professional adviser.

If you have any queries in relation to the Offer, please call the 5GN Offer Information Line on 1800 606 866 (for callers within Australia) or +61 1800 606 866 (for callers outside Australia).

¹ All fractions will be rounded downwards.

IMPORTANT INFORMATION

This document is the first supplementary bidder's statement (**First Supplementary Bidder's Statement**) under section 643 of the *Corporations Act 2001* (Cth) issued by 5G Networks Limited ACN 163 312 025 (**5GN**) in relation to 5GN's off-market takeover offer (as varied by a notice dated 9 October 2020) to acquire all of the fully paid ordinary shares on issue in the capital of Webcentral Group Limited ACN 073 716 793 (**Webcentral**) contained in 5GN's bidder's statement dated 18 September 2020 (**Original Bidder's Statement**).

This First Supplementary Bidder's Statement supplements, and should be read together with, the Original Bidder's Statement. This First Supplementary Bidder's Statement prevails to the extent of any inconsistency with the Original Bidder's Statement.

A copy of this First Supplementary Bidder's Statement was lodged with ASIC and will be sent to ASX on Thursday, 22 October 2020. Neither ASIC, ASX nor any of their respective officers takes any responsibility for the contents of this First Supplementary Bidder's Statement or the merits of the Offer. This First Supplementary Bidder's Statement has been approved by a unanimous resolution passed by the directors of 5GN.

Words and phrases defined in this First Supplementary Bidder's Statement have the same meaning as in the Original Bidder's Statement unless the context requires otherwise.

A copy of this document and the Original Bidder's Statement can be obtained from the 5GN website: www.5gnetworks.com.au.

SUPPLEMENTARY INFORMATION

1. EXTENSION OF OFFER PERIOD

On 9 October 2020, 5GN released to the ASX a notice varying the Offer by extending the Offer Period for a further 7 days.²

The Offer is now scheduled to close at 7.00 pm (Sydney time) on Tuesday, 27 October 2020, unless extended.

2. ACCEPTANCE OF THE OFFER BY WEBCENTRAL BOARD

On 13 October 2020, Webcentral announced that each of the then Webcentral Directors, who collectively then held a relevant interest in approximately 19% of the total number of Webcentral Shares on issue, had taken the steps necessary to accept the takeover offer by 5GN.³

5GN is pleased to advise that these acceptances have now been received and successfully processed, and 5GN is now the registered holder of these Webcentral Shares.

As at the date of this First Supplementary Bidder's Statement, 5GN has a relevant interest in approximately 46.76% of Webcentral Shares.

² See 5GN's ASX announcement, "5GN: Extension of Takeover Offer Period for WCG" dated 9 October 2020, a copy of which can be found on the ASX website (www.asx.com.au).

³ See Webcentral's ASX announcement, "5GN Takeover Bid – Director Acceptances", dated 13 October 2020, a copy of which can be found on the ASX website (www.asx.com.au).

3. OFFER DEEMED WHOLLY UNCONDITIONAL

On 13 October 2020, 5GN freed the Offer from all of the defeating conditions set out in section 15.8 of the Original Bidder's Statement, namely:

- (a) Section 15.8(a) (minimum acceptance);
- (b) Section 15.8(b) (no material adverse change); and
- (c) Section 15.8(c) (no prescribed occurrences).⁴

Accordingly, the Offer is now wholly unconditional. Set out at Annexure A is a copy of the formal notice under section 650F of the Corporations Act freeing the Offer from all of the defeating conditions.

4. APPOINTMENT OF INITIAL 5G NOMINEES TO WEBCENTRAL BOARD

5GN and Webcentral agreed in the Bid Implementation Deed (which was announced to the ASX on 17 September 2020) that, as soon as reasonably practicable after the Offer has been declared wholly unconditional and 5GN has issued the Offer Consideration for, and, together with its Subsidiary, 5G Network Operations Pty Ltd, become registered as the holder of, at least 30% of all Webcentral Shares, if requested to do so by 5GN, Webcentral must use its best endeavours to procure the appointment of 2 5GN nominees as directors of Webcentral.

In this regard, 5GN nominated Mr Joseph Demase and Mr Joe Gangi (each of whom is currently a 5GN director) as appointees to the Webcentral Board. Both Joseph Demase and Joe Gangi were appointed to the Webcentral Board on Friday, 16 October 2020.⁵

Information on these 2 new Webcentral Directors is set out in section 5.1 of the Original Bidder's Statement.

5. REVISED FUNDING ARRANGEMENTS

As outlined in sections 7.4 and 10.3 of the Original Bidder's Statement, 5GN agreed to provide a secured loan to Webcentral to allow Webcentral to pay the Existing Financiers the full amount of their Existing Debt Facilities outstanding – currently about \$47.7m.

Under the facility agreement entered into between 5GN and Webcentral, it was a condition precedent to the obligation of 5GN to provide the funding to pay the Existing Financiers that the "Drawdown Date" had occurred. The Drawdown Date was defined as 5 business days after 5GN acquired a relevant interest in at least 50.1% of Webcentral Shares, the Offer became unconditional, and the board of Webcentral comprised a majority of persons nominated by 5GN.

As at the date of this First Supplementary Bidder's Statement, 5GN has a relevant interest in approximately 46.76% of Webcentral Shares. Accordingly, while the Offer is unconditional, 5GN does not have a relevant interest in at least 50.1% of Webcentral Shares. Further, until that threshold is reached, Webcentral is not obliged to take steps to appoint any further 5GN nominees to the Webcentral Board.

⁴ See 5GN's ASX announcement, "Notice Freeing 5GN's Offer of All Defeating Conditions" dated 13 October 2020, a copy of which can be found on the ASX website (www.asx.com.au).

⁵ See Webcentral's ASX announcement, "5GN Takeover Bid Update", dated 16 October 2020, a copy of which can be found on the ASX website (www.asx.com.au).

On Thursday, 22 October 2020 5GN and Webcentral entered into an agreement to waive the requirement for 5GN hold a relevant interest in at least 50.1% of Webcentral Shares as a condition to the Drawdown Date occurring. This waiver takes effect on and from the date that the Webcentral Board consists of a majority of persons nominated by 5GN (**Effective Date**).

The facility agreement provides that 5GN must, subject to the satisfaction of the conditions precedent contained in the facility agreement, make the funding available to Webcentral on the business day that Webcentral gives a funding notice (if the funding notice is given before 11am) or on the next business day (if the funding notice is given after 11am).

The Webcentral Board now comprises a majority of persons nominated by 5GN (see section 7 for further detail), so the Effective Date has occurred. Also, all other conditions precedent contained in the facility agreement have been satisfied.

Webcentral has given a funding notice and Webcentral and 5GN have agreed that the loan funding to Webcentral to pay the Existing Financiers the full amount of their Existing Debt Facilities outstanding – currently about \$47.7m – will be provided to Webcentral on Monday, 26 October 2020. The funding notice is irrevocable and 5GN is contractually obliged to provide the funding requested in the funding notice.

6. FURTHER EXPLANATION OF STATEMENT REGARDING REPAYMENT

5GN refers to the statement in the Original Bidder's Statement that: *"If 5GN does not acquire 100% of the shares in Webcentral it will require those loans to be repaid."*

5GN wishes to confirm that, this statement does not mean that 5GN has the intention or the right to require the loans to be repaid in the short term if it does not acquire 100% of Webcentral. As explained in the Target's Statement, the principal loan of approximately \$47.7 million is repayable 1 year after drawdown, being 26 October 2021. 5GN does not have a contractual right to require early repayment unless there is a default by Webcentral. The statement merely makes the point that if 5GN does not acquire 100% of Webcentral it will, at some time in the future, require repayment.

The loans, and their current scheduled repayment dates may be summarised as follows:

- On 18 September 2020, 5GN advanced a \$500,000 loan to Webcentral to fund the payment of the "reimbursement fee" payable by Webcentral in relation to the Web.com Scheme. That loan was provided pursuant to a document called the "Reimbursement Fee Loan Agreement". Unless there is a default, this loan is not repayable until 31 March 2021; and
- On 26 October 2020, 5GN will advance a further loan of approximately \$47.7 million to allow Webcentral to pay the Existing Financiers the full amount of their Existing Debt Facilities (see section 5 of this First Supplementary Bidder's Statement). Unless there is a default, this loan is not repayable until the date which 12 months from the date of first drawdown (26 October 2021).

In no sense should the statement be taken to imply that 5GN will request immediate repayment of the loans if it does not reach a 100% interest in Webcentral under the Offer.

7. APPOINTMENT OF FURTHER 5GN NOMINEE TO WEBCENTRAL BOARD AND DIRECTOR RESIGNATION

On Thursday, 22 October 2020, Ms Natalie Mactier, an independent director, was appointed to the Webcentral Board. Ms Mactier is a nominee of 5GN. On the same day, Mr Andrew Macpherson resigned from the Webcentral Board. As a result of this appointment and resignation, the Webcentral Board now comprises a majority of persons nominated by 5GN.

Ms Mactier has a demonstrated history of building start-ups in the digital space, with experience in capital raising, offshore expansion, acquisitions and exits. Her expertise lies in sales and marketing with a focus on brand building, growth marketing and business development. Ms Mactier has over a decade of executive experience and currently leads a B2B SaaS organisation.

8. CLOSING DATE AND ACCEPTANCES

The Offer is scheduled to close at 7.00 pm (Sydney time) on Tuesday, 27 October 2020, unless extended.

The quickest way for CHESS holders (you are a CHESS holder if your HIN starts with an “X”) to accept the Offer is by instructing your Controlling Participant (normally your broker) to accept the Offer on your behalf or initiate acceptance procedures yourself in accordance with ASX Settlement Operating Rules.

Issuer sponsored holders (you are an Issuer sponsored holder if your SRN starts with an “I”) can accept the Offer by submitting scanned copies of completed and signed Acceptance Forms and any other required documents by email to capitalmarkets@linkmarketservices.com.au, using the email subject line: “WCGZ – Takeover Acceptance Processing”.

Alternatively, you can mail or hand deliver the completed and signed Acceptance Form and any other required documents to Link Market Services. If returning your Acceptance Form by mail, we recommend using an express post envelope to ensure there is sufficient time for your acceptance to be received and processed before the closing time.

The Acceptance Form and full instructions on how to accept can be found in the Original Bidder’s Statement, which was sent to Webcentral Shareholders in or around the week commencing 21 September 2020.

If you have lost or misplaced your Acceptance Form (which would have been sent to you with the Original Bidder’s Statement) you can request a replacement by contacting 5GN’s information line on 1800 606 866 (for callers in Australia) and +61 1800 606 866 (for callers outside Australia).

9. TAKEOVERS PANEL APPLICATION

As advised its ASX announcement this morning, 5GN received a copy of an application to the Takeovers Panel made by Keybridge Capital Limited (**Keybridge**) in relation to the Offer (the **Takeovers Panel Application**).⁶

⁶ See 5GN ASX announcement, “Takeover’s Panel Application In relation to 5GN and WCG” dated 22 October 2020, a copy of which can be found on the ASX website (www.asx.com.au).

In summary, under the Takeovers Panel Application, Keybridge is seeking:

- (a) interim orders to the effect that (1) 5GN not process any acceptances until the Takeovers Panel has considered Keybridge's Takeovers Panel Application and (2) 5GN extends the expiry of its bid by 3 weeks; and
- (b) final orders to the effect that (1) Webcentral shareholders be provided with withdrawal rights under the takeover bid or the takeover bid be withdrawn, (2) certain of the shares acquired by 5GN from the Webcentral directors be vested in ASIC for sale and (3) corrective disclosures be made by 5GN and Webcentral.

While the directors of 5GN consider that Keybridge's Takeovers Panel Application is wholly without merit, pursuant to the Takeovers Panel's Rules, 5GN is unable to discuss Keybridge's Takeovers Panel Application further at this stage.

Further details of the Takeovers Panel Application are set out in a Media Release from the Takeovers Panel released to the ASX today.⁷

5GN will keep shareholders updated in relation to material developments to the extent appropriate in accordance with the Takeovers Panel's Rules.

UNANIMOUS APPROVAL OF FIRST SUPPLEMENTARY BIDDER'S STATEMENT

This First Supplementary Bidder's Statement has been approved by a unanimous resolution of the directors of 5GN.

Dated 22 October 2020

Signed for and on behalf of 5G Networks Limited ACN 163 312 025 by:



Joe Demase

Managing Director

⁷ See ASX announcement on 5GN's platform, "WCG Panel Receives Application" dated 22 October 2020, a copy of which can be found on the ASX website (www.asx.com.au).

ANNEXURE A

Section 650F

Notice of freeing off market bid from defeating conditions

TO: ASX Limited (**ASX**)

Webcentral Group Limited ACN 073 716 793 (**WCG**)

This notice (**Notice**) is given under section 650F of the *Corporations Act 2001* (Cth) (**Corporations Act**) by 5G Networks Limited ACN 163 312 025 (**5GN**) in relation to its offer dated 18 September 2020 (as varied) (**Offer**) under its off-market takeover bid to acquire all of the fully paid ordinary shares on issue in WCG. The Offer is contained in 5GN bidder's statement dated 18 September 2020 (**Bidder's Statement**).

Unless otherwise defined in this Notice, words defined in the Bidder's Statement have the same meaning in this Notice.

Notification

5GN gives notice that it declares the Offers and each contract formed by the acceptance of those Offers free from all of the defeating conditions contained in section 15.8 of the Bidder's Statement, namely:

1. Section 15.8(a) (minimum acceptance);
2. Section 15.8(b) (no material adverse change); and
3. Section 15.8(c) (no prescribed occurrences).

Accordingly, the Offer has now become unconditional.

At the time of lodgment of this Notice, the voting power of 5GN in WCG is 34.75%.

Date

This Notice is dated 13 October 2020.

Authorisation

Signed for and on behalf of **5G Networks Limited ACN 163 312 025**



Glen Dymond
Joint Company Secretary – 5G Networks Limited