

6 August 2021

The Manager
Companies Announcement Office
ASX Limited
Level 4, 20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

On-market takeover offer by Webcentral Group Limited ACN 073 716 793 (Webcentral) (ASX: WCG) for all ordinary shares in Cirrus Networks Holdings Limited ACN 103 348 947 (ASX: CNW) (Cirrus) – First Supplementary Bidder's Statement

We act for Webcentral.

In accordance with subsection 647(3)(b) of the Corporations Act, we enclose a copy of Webcentral's first supplementary bidder's statement dated 6 August 2021 (**First Supplementary Bidder's Statement**), which supplements Webcentral's original bidder's statement dated 30 July 2021.

The First Supplementary Bidder's Statement will be lodged with the Australian Securities and Investments Commission and sent to Cirrus today.

A copy of the First Supplementary Bidder's Statement will be despatched to Cirrus shareholders together with the Bidder's Statement dated 30 July 2021 prior to the opening of the offer period under Webcentral's on-market takeover bid.

Yours faithfully



Michael Wilton
Partner
Cornwalls

Encl.

First Supplementary Bidder's Statement

1 Introduction

1.1 Supplementary Bidder's Statement

This document is a supplementary bidder's statement given pursuant to Division 4 of Part 6.5 of the *Corporations Act 2001* (Cth) (**Corporations Act**) in compliance with the requirements of section 643 of the Corporations Act by Webcentral Group Limited ACN 073 716 793 (**Webcentral**) in relation to its unconditional on-market takeover offer to acquire all of the fully paid ordinary shares in the capital of Cirrus Networks Holdings Limited ACN 103 348 947 (**CNW**).

This document is the first supplementary bidder's statement (**First Supplementary Bidder's Statement**) issued by Webcentral to the bidder's statement dated 30 July 2021 issued by Webcentral (**Original Bidder's Statement**). This First Supplementary Bidder's Statement supplements, and is to be read together with, the Original Bidder's Statement. This document prevails in the event of any inconsistency with the Original Bidder's Statement.

1.2 Important notices

This First Supplementary Bidder's Statement is dated 6 August 2021 which is the date on which it was lodged with the Australian Securities and Investments Commission (**ASIC**). Neither ASIC, ASX nor any of its respective officers takes any responsibility for the contents of this First Supplementary Bidder's Statement.

1.3 Defined terms

Unless the context otherwise requires, capitalised terms in this First Supplementary Bidder's Statement have the same meaning given to them in section 16 of the Original Bidder's Statement.

2 Sources of consideration

2.1 Bidder funding arrangements

The maximum amount that the Bidder could be required to pay under the Offer in respect of CNW Shares not yet acquired is \$27,114,545.

The Bidder has arranged funding to be available to pay this amount from internal cash resources and loan facilities with 5GN and the Commonwealth Bank of Australia (**CBA**).

In addition to the information provided at section 9.2 of the Original Bidder's Statement, the Bidder provides the following information in relation to the funding of the Offer.

CBA Facility

The Bidder and CBA entered into a facility agreement on 30 June 2021 under which CBA agreed to provide a debt facility to the Bidder (**CBA Facility**). The CBA Facility consists of a:

- (a) market rate loan facility in the amount of \$15,000,000;
- (b) corporate credit card facility in the amount of \$100,000; and

- (c) contingent liability facility in the amount of \$1,500,000.

The CBA Facility is fully drawn, except for \$100,000. There are no constraints on the use of funds.

Current CBA facility

The Bidder currently has a \$100,000 undrawn availability under the CBA Facility. Drawdowns under the CBA Facility are available on request and are not subject to any conditions precedent or other conditions that are not within the control of the Bidder.

CBA bridge facility

The Bidder is establishing a further \$10,500,000 bridge facility with CBA. The Bidder accepted an offer to establish the bridge facility from CBA and has paid to CBA the required upfront fee in connection with the establishment of that bridge facility on 30 July 2021. This bridge facility is subject to the execution of customary documentation to formalise the bridge facility, being an amendment to the CBA Facility, expected to occur on or before the start of the Offer Period. As in the case of the CBA Facility, drawdowns under this bridge facility are not subject to any conditions precedent or other conditions that are not within the control of the Bidder. Following execution of formal documentation, drawdowns will be available on request.

The Bidder will only be permitted to apply funds under the bridge facility to the payment of consideration in respect of the acquisition of CNW Shares under the Offer.

5GN Loan

5GN has agreed to provide a standby facility to the Bidder in an amount of up to \$16,000,000. 5GN has cash at bank to provide a loan to the Bidder in that amount. There is no restriction on 5GN's ability to call on those funds for the purposes of the standby facility. Drawdowns under the 5GN loan are available on request and are not subject to any conditions precedent or other conditions that are not within the control of the Bidder.

Webcentral Cash

The Bidder has sufficient cash at bank to pay the balance of the maximum amount which the Bidder could be required to pay under the Offer in respect of CNW Shares not yet acquired following complete drawdown of the abovementioned facilities (the balance being \$614,545 as at the date of this First Supplementary Bidder's Statement).

3 Bidder's intentions in relation to CNW

3.1 Intentions upon the Bidder acquiring 90% or more of the CNW Shares

Section 10.4 of the Original Bidder's Statement describes the intentions if, at the end of the Offer Period, the Bidder acquires a Relevant Interest in at least 90% of CNW Shares on issue.

In addition to the information provided at section 10.4 of the Original Bidder's Statement, the Bidder provides the following information.

Operations

If the Bidder acquires 90% or more of the CNW Shares, the Bidder is likely to continue most if not all CNW's existing operations. Based on publicly available information, the Bidder

considers that most if not all of CNW's operations are consistent with or complementary to the Bidder's operations. The Bidder does expect to dispose of any material fixed assets of CNW.

If the Bidder ascertains, from its review of detailed financial information, that any particular CNW operations are unprofitable, the Bidder will consider ceasing or disposing of them.

The Bidder will consider whether each of CNW's operations that are similar to the Bidder's operations are best continued on a stand-alone basis or would be best merged with compatible operations of the Bidder. In the case of CNW operations that are complementary to the Bidder's operations, the Bidder is likely to continue to operate them on a stand-alone basis unless they are unprofitable and the Bidder does not consider there to be strategic or other reasons for continuing to own or operate them.

Subject to reviewing detailed financial information, the Bidder may seek to increase the margins of some products and services supplied by CNW, and may seek to leverage its resources to assist CNW to complete projects in a timely manner.

Employees and management

Following the conclusion of the Offer, the Bidder will undertake a general review of CNW's operations. Part of that review will include an assessment of whether existing management and employee staffing arrangements are appropriate taking into account the future needs of CNW and any outcomes of the general review both strategic and operational referred to in section 10.4(b) of the Original Bidder's Statement.

The Bidder does not have any present intention to materially reduce or increase CNW's current staffing levels and will work with CNW's management team when undertaking the general review of CNW's operations to determine if there are to be any changes to current staffing levels.

The Bidder considers it likely that most CNW employees will not be affected by the review other than employees of business operations that the Bidder considers to be unprofitable and the Bidder does not consider there to be strategic or other reasons for continuing to own or operate them. The Bidder anticipates that some management and head office roles will be determined to be surplus to requirements given the Bidder's management and head office resources.

Impact of Merger between Webcentral and 5GN

The Bidder does not expect successful implementation of the Merger to materially impact the intentions of the Bidder set out in this section 3.1 or section 10.4 of the Original Bidder's Statement. If elements of 5GN's operations overlap with or complement CNW's operations they will be dealt with as described above as though 5GN's operations are the Bidder's own operations.

3.2 Intentions upon the Bidder acquiring more than 50% of the CNW Shares

Section 10.5 of the Original Bidder's Statement describes the Bidder's intentions if, at the end of the Offer Period, the Bidder acquires a Relevant Interest in more than 50% but less than 90% of the CNW Shares on issue.

In addition to the information provided at section 10.5 of the Original Bidder's Statement, the Bidder provides the following information.

If the Bidder controls CNW following the close of the Offer (more than 50% but less than 90%), the Bidder currently intends to endeavour to procure that the CNW Board acts consistently

with the intentions of the Bidder set out in section 3.1 of this First Supplementary Bidder's Statement and section 10.4 of the Original Bidder's Statement.

4 Buying on-market: Chi-X

There are various statements throughout the Original Bidder's Statement where it is referenced that the Broker will commence purchasing CNW Shares "on-market" or "on-market on ASX" from the Announcement Date until the end of the Offer Period.

For avoidance of doubt, all such references should be read to include on-market purchases on both the ASX and Chi-X markets (as applicable).

5 Relationship between 5GN and Bidder

5GN currently holds approximately 44.75% of the issued capital of the Bidder and the Bidder is a controlled entity of 5GN.

If the Merger referred to in section 6.3 of the Original Bidder's Statement is successfully implemented, 5GN will become a wholly owned subsidiary of the Bidder.

Since the Merger effectively requires the approval of both Webcentral and 5GN shareholders, there can be no guarantee that the Merger will be implemented.

6 Dealings in CNW Shares

Section 8.5 of the Original Bidder's Statement sets out dealings where the Bidder has provided, or agreed to provide, consideration for CNW Shares under any purchase or agreement during the 4 months before the date of the Original Bidder's Statement. The below dealing is added to the table in section 8.5 of the Original Bidder's Statement. All such dealings have been made by or on behalf of the Bidder.

Date of dealing	Price (A\$)	Number of CNW Shares acquired	Nature of dealing
28 July 2021	\$1,091,186.91	34,099,591 fully paid ordinary shares	Pursuant to the WAM Agreement summarised in section 12.1

7 Relevant Interests and Voting Power

Section 12.1 of the Original Bidder's Statement sets out the Bidder's Relevant Interest in CNW Shares. Section 12.1 should state that the Bidder holds a Relevant Interest in approximately 8.86% of the CNW Shares.

8 Consent

The Original Bidder's Statement and this First Supplementary Bidder's Statement contain statements made by, or statements based on statements made by, the Bidder. The Bidder has consented to being named in the Original Bidder's Statement and this First Supplementary Bidder's Statement and has consented to the inclusion of:

- (a) each statement it has made; and
- (b) each statement which is said in the Original Bidder's Statement and this First Supplementary Bidder's Statement to be based on a statement it has made,

in the form and context in which the statements have been included, and has not withdrawn that consent.

The following person has given, and has not at the date the Original Bidder's Statement and this First Supplementary Bidder's Statement are lodged with ASIC withdrawn, its consent to being named in the Original Bidder's Statement and this First Supplementary Bidder's Statement:

Consenting party	Role
5GN	Controlling shareholder of the Bidder and counterparty to the financing arrangements discussed in section 2 above.

5GN:

- (c) has not caused or authorised the issue of the Original Bidder's Statement or this First Supplementary Bidder's Statement;
- (d) has not made or purported to make any statement in the Original Bidder's Statement or this First Supplementary Bidder's Statement, or any statement on which a statement in the Original Bidder's Statement or this First Supplementary Bidder's Statement is based, other than a reference to its name and role; and
- (e) to the maximum extent permitted by law, expressly disclaims all liability, in respect of, makes no representation regarding and takes no responsibility for, any part of the Original Bidder's Statement or this First Supplementary Bidder's Statement (other than as specified above).

9 Authorisation

This First Supplemental Bidder's Statement has been approved by a resolution passed by the directors of Webcentral.

Signed for and on behalf of Webcentral Group Limited



Joe Demase, Managing Director