

30 August 2021



Level 28  
108 St Georges Terrace  
Perth WA 6000

ABN 98 103 348 947  
ASX CNW

## RESPONSE TO UPDATE REGARDING ON-MARKET TAKEOVER OFFER BY WEBCENTRAL

Cirrus Networks Holdings Limited (ASX: CNW) (**'Cirrus'** or **'the Company'**) notes the update by Webcentral Group Limited (ASX: WCG) (**'Webcentral'**), with respect to Webcentral's unsolicited, unconditional on-market takeover offer for all Cirrus shares it does not already own, at an Offer price that represents a 9.3% discount to the last closing price of \$0.035 per Cirrus share.

In particular, the Cirrus Board notes and strongly rejects Webcentral's claim that its attempts to constructively engage with Cirrus, either directly or via its advisers, were rebuffed.

On the contrary, a Cirrus Board director and a representative of Azure Capital, invited Webcentral to directly contact Cirrus Chairman, Mr Andrew Milner, on 1 August and 5 August 2021 respectively. Neither invitation was accepted or acted upon by Webcentral.

On 23 August 2021, an invitation was again put to Webcentral via a letter to its lawyers. The same letter offered access to Cirrus' due diligence information, should it be formally requested by Webcentral, subject to the following additional terms that were not disclosed by Webcentral in its update announcement, being:

- (a) Evidence of capacity of Webcentral and its lenders to fund an improvement in the Offer price; and
- (b) Agreement of a confidentiality deed with Webcentral.

The Cirrus Board and its advisers regard these terms to be appropriate in the circumstances, particularly given:

1. Webcentral has not provided an update in respect of its Offer that the Commonwealth Bank of Australia bridge facility for \$10,500,000 it is seeking to put in place to fund its Offer, is legally binding; and
2. In light of the requirement to agree protocols to adequately protect Cirrus' confidential information for an approved purpose, given Webcentral has also requisitioned the removal of the current Cirrus Board (including the Managing Director) other than Paul Everingham.

Cirrus maintains its view that Webcentral's Offer of \$0.032 cash per Cirrus share that it does not already own continues to represent an inadequate control premium. Cirrus' share price has consistently traded above the Offer price since the announcement of the Offer, with Webcentral acquiring no shares under the Offer.

# ASX ANNOUNCEMENT

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Since the announcement of Webcentral's Offer, the Board has been in discussions with various counterparties regarding the potential for an alternative proposal at a premium to the Offer. These discussions are preliminary and non-binding, and shareholders should be aware they may not result in a formal, binding offer.

The Cirrus Board reminds shareholders that an Independent Expert has been appointed to prepare an Independent Expert's Report opining on whether the Offer is fair and reasonable to Shareholders. This Independent Expert's Report will be made available to Shareholders as soon as possible after the report is finalised and is an important document to consider in assessing the merits of the Offer.

The Cirrus Board continues to believe that Webcentral's actions are opportunistic and disingenuous, and, as an 8.86% shareholder in Cirrus, not in the best interests of *all* Cirrus shareholders. Cirrus Directors continue to unanimously recommend that shareholders reject Webcentral's inadequate unsolicited takeover offer by taking no action.

The Cirrus Board will keep shareholders updated on all material developments in relation to the Offer and comply with its obligations in respect of dispatch of the notice of meeting in respect of the section 249D notice, received from Webcentral, on or before 7 September 2021.

Authorised for release by the Board.

**ENDS**

## ABOUT CIRRUS

Cirrus Networks Holdings Limited (ASX: CNW) is an innovative IT solutions provider who works with businesses to understand their technological needs and implement world leading solutions that are both cost effective and provide long term operational gain. The diverse reach of Cirrus means the company is able to provide a wide range of solutions including:

- Data Centre and Cloud
- Convergence
- Storage
- Data management (including big data)
- Network design and optimisation
- Business continuity and Cyber Security
- End user computing
- Unified communications and IP Telephony, and;
- High quality IT Service Management, Consulting and Project Management services.

Excellent service and an innovative, holistic approach have seen Cirrus quickly grow an extensive base of blue-chip clients across industry sectors. The rapid expansion of Cirrus has seen the company receive a number of awards as one of Australia's fastest growing technology companies.

The Cirrus offering was strengthened further in 2015 with the acquisition of Perth-based IT Solutions Provider, L7 Solutions. Since then, an assertive national expansion strategy has enabled Cirrus to establish a robust Eastern states presence with the recent acquisitions of Melbourne based IT Provider, NGage Technology Group and leading Canberra IT services company Correct Communications.