

ASX ANNOUNCEMENT

17 August 2021



Level 28
108 St Georges Terrace
Perth WA 6000

ABN 98 103 348 947
ASX CNW

RECEIPT OF NOTICE UNDER SECTION 249D

Leading Australian Managed Service and IT solutions company, Cirrus Networks Holdings Limited (ASX: CNW) (**Cirrus** or the **Company**) confirms in accordance with ASX Listing Rule 3.17A, that a notice pursuant to section 249D of the *Corporations Act 2001* (Cth) (**Notice**) has been received from Webcentral Group Limited (**Webcentral**).

Further details in respect of the Notice are set out in the annexed Board statement.

Shareholders can contact the Company if they require further information. The Company will be making further statements in respect of the matter in due course.

Authorised for release by the Board.

For personal use only

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Dear Shareholders

REQUISITION TO CALL A GENERAL MEETING UNDER SECTION 249D

Cirrus Networks Holdings Limited (ASX: CNW) (**Cirrus** or the **Company**) advises that it has received notices purportedly issued pursuant to sections 203D and 249D of the *Corporations Act 2001* (Cth) from Webcentral Group Limited (**Webcentral**) (**Shareholder Requisition**).

The Shareholder Requisition follows Webcentral's unsolicited, unconditional on-market takeover offer to acquire all the shares in Cirrus that it does not already own for \$0.032 cash per Share (**Offer Price**) as announced on 30 July 2021 (**Offer**).

Subsequently, on 2 August 2021, the Cirrus Board recommended that Shareholders **REJECT the Offer by taking no action**. One of the five key reasons to reject the Offer, as laid out in Cirrus' Target's Statement dated 11 August 2021, was your Directors' belief that **the Offer being proposed represented an inadequate control premium**.¹

That belief remains and the Board continues to encourage all Cirrus Shareholders to read the Target's Statement carefully, and in its entirety, and to **continue to take no action in relation to the Offer**.

Pursuant to the Shareholder Requisition, Webcentral has requested that Cirrus call and arrange to hold a general meeting to consider:

- The removal of Andrew Milner as a director;
- The removal of Matthew Sullivan as a director;
- The removal of Daniel Rohr as a director;
- The appointment of Joe Demase as a director; and
- The appointment of Michael Wilton as a director.

together, the **Proposed Resolutions**.

The Board of Directors of Cirrus (including Mr Paul Everingham who was not subject of the Shareholder Requisition) unanimously agree the Proposed Resolutions are not in the best interests of the Company or Cirrus shareholders (excluding Webcentral) and intend to recommend shareholders vote **AGAINST** the Proposed Resolutions and intend to vote their own shares **AGAINST** the Proposed Resolutions.²

¹ Refer to section 2.1 of the Target's Statement for further details on the reasons to reject the Offer. The Directors have appointed an Independent Expert to prepare an Independent Expert's Report opining on whether the Offer is fair and reasonable to Shareholders. This report will also include a valuation range for Shares on a controlling interest basis. The Independent Expert's Report will be made available to Shareholders in a supplementary Target's Statement as soon as possible after the report has been finalised.

² The directors (and their associates) interests in Cirrus shares are set out in section 8.5 of the Target's Statement in respect of the Offer, being a relevant interest in an aggregate of 11.81% of the shares in the Company.

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Webcentral's Second Supplementary Bidder's Statement (13 August 2021) made claims in relation to *"a number of serious deficiencies in the financial and operational management and performance of CNW (Cirrus)"*, including a suggestion that Cirrus' management team and Board *"... are distant from, and not sufficiently engaged in, the day to day operations of the CNW business."*

Your Board believes these claims are misinformed, opportunistic and disingenuous, and designed only to intentionally disrupt Cirrus. Cirrus' share price has continued to trade above the Offer Price after the announcement of the Offer with Webcentral acquiring no shares under the Offer. Webcentral acquired its 8.86% shareholding in Cirrus after the Company announced its FY21 trading update on 5 July 2021. Webcentral was aware of the impacts of the COVID-19 pandemic on Cirrus' business before it acquired its shareholding in Cirrus. The Board considers that it is opportunistic and in Webcentral's interests (and not in the interests of Cirrus' other shareholders) to take this action now.

In light of the above, the Board has well founded concerns that the true purpose of the Shareholder Requisition proposed by Webcentral (an 8.86% shareholder in Cirrus) may be an attempt to gain control of the Company by appointing two Webcentral nominee directors, Joe Demase and Michael Wilton, representing a majority on the Board without paying an appropriate premium to their fellow Shareholders to acquire such control.

Cirrus will undertake the necessary steps to convene a general meeting in compliance with the Corporations Act. Such a meeting is to be held within two (2) months of receipt of the section 249D notice. The Board will be in further communication with shareholders about the requisitioned meeting, including the Board's detailed reasons why it considers the Board changes proposed by Webcentral are not in the best interests of all shareholders in due course.

Your Directors will continue to keep you updated on all material developments in relation to the Offer and the general meeting.

Your sincerely

A Milner

D Rohr

M Sullivan

P Everingham

Cirrus Networks Holdings Limited
Board of Directors

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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.