



TARGET'S STATEMENT

Issued by **Cirrus Networks Holdings Limited**
ACN 103 348 947

In relation to the on-market takeover bid made by
Webcentral Group Limited ACN 073 716 793
for all the ordinary shares on issue in Cirrus
Networks Holdings Limited (ASX:CNW)

**Cirrus Networks Holdings Limited's
Directors unanimously recommend that you**

 **REJECT**

Webcentral Group Limited's Offer

BY TAKING NO ACTION

THIS DOCUMENT CONTAINS IMPORTANT INFORMATION AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to how to deal with this document, you should consult a licensed financial adviser, accountant, stockbroker, lawyer or other professional adviser immediately.

If you require further information or have questions in relation to the Offer, please contact Cirrus' Chief Financial Officer on +61 8 6180 4231 between 9.00am and 5.00pm (Perth time) Monday to Friday.

Legal adviser

Corporate adviser

HWL
EBSWORTH
LAWYERS

 **Azure Capital**

The Directors unanimously recommend that you REJECT the Offer BY TAKING NO ACTION, given that:



1. Your Directors believe the Offer represents an **INADEQUATE CONTROL PREMIUM**

2. If you accept the offer or sell your Shares on market, you risk missing out on the benefit of any higher offer that may arise from Webcentral or any other third party in the future

3. If you accept the Offer you will not benefit from Cirrus' future growth

4. Your Directors do not believe Webcentral is offering enough for the benefits it may receive

5. The Directors and key members of Management do not intend to accept 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.

The full basis for the Directors' recommendation is provided in Section 2.1 of this Target's Statement.

LETTER FROM THE CHAIRMAN

Dear Cirrus Shareholder,

Your Board of Directors **unanimously recommends that shareholders REJECT** the inadequate unsolicited takeover offer.

TO REJECT THE UNSOLICITED WEBCENTRAL OFFER, SHAREHOLDERS SHOULD TAKE NO ACTION

On 30 July 2021, Webcentral Group Limited (ACN 073 716 793) (**Webcentral**), announced an unsolicited unconditional on-market takeover offer to acquire all the shares in Cirrus Networks Holdings Limited (ACN 103 348 947) (**Cirrus**) that it does not already own for \$0.032 cash per Share (**Offer**). As announced, Webcentral has recently acquired and now owns Shares representing 8.86% of the fully paid ordinary shares on issue.

As announced on 2 August 2021, the Cirrus Board, following consideration of the terms of the Offer with its advisers, recommended that Shareholders **REJECT** the Offer by taking no action.

The Offer is a premium of only 3.2% to the last closing price of Shares of \$0.031 and a premium of 11.77% and 9.93% to the one month and three-month Volume Weighted Average Price (**VWAP**) of Shares, being \$0.0286 and \$0.0291 respectively, up to the trading day prior to the announcement of the Offer. **The premium implied for your Shares by the Offer Price is materially below the average premiums paid** in Australian corporate control transactions.

This Target's Statement sets out your Directors' formal response to the Offer.

The 5 key reasons why you should reject the Offer are set out below and in Section 2 of this document:

1. Your Directors believe the Offer represents an inadequate control premium;
2. If you accept the Offer or sell your Shares on market, you risk missing out on the benefit of any higher offer that may arise from Webcentral or any other third party in the future;
3. If you accept the Offer you will not benefit from Cirrus' future growth;
4. Your Directors do not believe Webcentral is offering enough for the benefits it may receive; and
5. the Directors and key members of Management do not intend to accept the Offer.

The Company believes that it remains very well placed for organic growth through a focus on improved earnings from revenues generated by higher margin services contracts and disciplined overhead cost controls. The Company's diversified geographic base is also expected to provide a platform for further expansion. Consistent with its growth aspirations, the Company continues its active pursuit of complementary acquisition targets.

Your 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 Independent Expert Report will be made available to Shareholders in a supplementary Target's Statement as soon as possible after the report is finalised and is an important document to consider as part of your assessment of the Offer.

Your Directors also reiterate the unsolicited nature of Webcentral's Offer, which was made without any prior engagement with Cirrus' Board.

We recommend that you read this Target's Statement in its entirety and in conjunction with the Bidder's Statement you have received from Webcentral (and the Independent Expert's Report, once available). In

assessing whether or not to accept the Offer, you should consider the information provided to you in the Target's Statement, the risks and potential rewards of remaining a Shareholder and your own personal circumstances.

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

If you have any questions in relation to the Offer, I encourage you to seek either financial or legal advice without delay.

Yours faithfully



Andrew Milner
Non-Executive Chairman

11 August 2021



Section	Page No
Letter from the Chairman.....	ii
Important Information	v
Key Points	vi
Important Dates	vi
1. Recommendations of the Directors	1
2. Why you should reject the Offer.....	3
3. Frequently asked questions	8
4. Important information for Shareholders to consider.....	13
5. Your choices as a Shareholder.....	15
6. Key features of the Offer	17
7. Risks	22
8. Information relating to Cirrus	28
9. Taxation Implications	37
10. Other material information.....	41
11. Authorisation.....	44
12. Glossary of terms	45
Annexure A – Cirrus Unquoted Options on Issue	49
Corporate Directory.....	51

IMPORTANT INFORMATION

Important Information

This is an important document. If you do not understand it or are in doubt as to how to act, you should consult your lawyer, accountant, stockbroker or financial adviser immediately.

Shareholder Information

If Shareholders have any queries in relation to the Offer, they may call the Company on +61 8 6180 4231 on weekdays between 9.00am and 5.00pm (Perth time) or visit Cirrus' website at www.cirrusnetworks.com.au.

Nature of this document

This Target's Statement is dated 11 August 2021 and is given under Part 6.5 Division 3 of the Corporations Act by Cirrus Networks Holdings Limited ACN 103 348 947 (**Cirrus**) in response to the Bidder's Statement lodged by Webcentral Group Limited (ACN 073 716 793) (**Webcentral**) with ASIC and served on Cirrus by Webcentral on 30 July 2021.

ASIC and ASX disclaimer

A copy of this Target's Statement was lodged with ASIC and given to ASX on 11 August 2021. Neither ASIC or ASX nor any of their respective officers take any responsibility for the content of this Target's Statement.

No account of personal circumstances

This Target's Statement does not take into account your individual investment objectives, financial situation or particular needs, nor does it contain personal advice. Before deciding whether or not to accept the Offer, you should consider the contents of the Bidder's Statement and the Target's Statement in their entirety in light of your personal circumstances (including financial and taxation matters), and if you are in any doubt as to what to do in relation to the Offer, you should seek professional advice from a licensed financial adviser, accountant, stockbroker, lawyer or other professional adviser.

Cirrus is not licensed to provide financial product advice in relation to Shares or any other financial products. The recommendations and other information contained in this Target's Statement do not constitute financial product advice.

Defined terms

This Target's Statement uses a number of capitalised terms that are defined in Section 12, which also contains some of the rules of interpretation that apply to this Target's Statement.

Forward-looking statements

This Target's Statement contains various forward-looking statements. Statements other than statements of historical fact may be forward-looking statements. Shareholders should note that such statements are subject to inherent risks and uncertainties in that they may be affected by a variety of known and unknown risks, variables and other factors, many of which are beyond the control of Cirrus. Actual results, values, performance or achievements may differ materially from results, values, performance or achievements expressed or implied in any forward-looking statement.

These forward looking statements are based on present economic and business conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Target's Statement, are considered reasonable.

None of Cirrus, or its subsidiaries, or any of their respective officers, employees or advisers, any person named in this Target's Statement with their consent or any person involved in the preparation of this Target's Statement makes any representation or warranty (express or implied) as to the accuracy or likelihood of fulfilment of any forward-looking statement, or any results, values, performances or achievements expressed or implied in any forward-looking statement, except to the extent required by law. Shareholders should not place undue reliance on any such statement.

The forward-looking statements in this Target's Statement on behalf of Cirrus only reflect views held as at the date of this Target's Statement.

Notice to foreign parties

The distribution of this Target's Statement may, in some countries, be restricted by law or regulation. Persons who come into possession of this Target's Statement should inform themselves of and observe those restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. This Target's Statement has been prepared in accordance with Australian law and the information contained in this Target's Statement may not be the same as that which would have been disclosed if this Target's Statement had been prepared in accordance with laws and regulations outside of Australia.

Information on Webcentral in this Target's Statement

Except where disclosed otherwise, the information on Webcentral in this Target's Statement has been obtained from the Bidder's Statement and other publicly available information. Cirrus and its Directors are unable to verify the accuracy or completeness of the information on Webcentral. Subject to the Corporations Act, neither Cirrus, nor its officers make any representation or warranty, express or implied, regarding such information and disclaim any responsibility in respect of that information.

Financial amounts and rounding

Financial amounts in this Target's Statement are expressed in Australian dollars unless otherwise stated. A number of figures, amounts, percentages, prices, estimates, calculations of value and fractions in this Target's Statement are subject to the effect of rounding. Accordingly, actual numbers may differ from those set out in this Target's Statement.

Maps and diagrams

Any diagrams, charts, maps, graphs and tables appearing in this Target's Statement are illustrative only and may not be drawn to scale. Unless stated otherwise, all data contained in diagrams, charts, maps, graphs and tables is based on information available at the date of this Target's Statement.

Privacy statement

Cirrus has collected your information from the Register for the purpose of providing you with this Target's Statement. The type of information that Cirrus has collected about you includes your name, contact details and information on your shareholding in Cirrus. The Corporations Act requires the name and address of Shareholders to be held in a public register.

Cirrus has also provided or will provide personal information about its Shareholders to Webcentral in accordance with the Corporations Act and the ASX Settlement Operating Rules.

No internet site is part of this Target's Statement

No internet site is part of this Target's Statement. Cirrus maintains an internet site (www.cirrusnetworks.com.au). Any references in this Target's Statement to this internet site are textual references only and the information contained on the site does not form part of this Target's Statement.

KEY POINTS

Webcentral is offering to acquire all of your Shares on-market for \$0.032 each in cash, subject to the terms of the Offer.

Your choices are to:

1. **REJECT the Offer and do nothing.**

This is the Directors unanimous recommendation (see Section 2 for further information as the reasons for this recommendation).

2. Sell some or all of your Shares on the ASX at the prevailing market price on the ASX for your Shares.
3. ACCEPT the Offer for some or all of your Shares. Instructions for accepting the Offer are set out in the Bidder's Statement.

If you do accept the Offer or otherwise sell your Shares, you will not be able to participate in any superior proposal or other offer that may emerge.

The Offer will expire at 4.00pm (Melbourne time) on 16 September 2021 (unless extended or withdrawn by Webcentral beforehand in accordance with the Corporations Act and Listing Rules).

IMPORTANT DATES

Event	Date
Offer received	30 July 2021
Webcentral's appointed Broker commences standing in the market to purchase Shares at the Offer Price	30 July 2021
Date of this Target's Statement	11 August 2021
Offer Period commences	16 August 2021
Expected release of the Independent Expert's Report	Prior to 16 September 2021
Close of the Offer Period (unless extended or withdrawn)	4.00pm (Melbourne time) on 16 September 2021

Note:

The above dates are indicative only and may change without notice in accordance with the Corporations Act and Listing Rules.

1. Recommendations of the Directors

1.1 Summary of the Offer

The consideration being offered by Webcentral under the Offer is \$0.032 in cash for each Share you own, subject to the terms of the Offer (**Offer Price**).

Webcentral has appointed a Broker (FinClear) to buy the Shares on-market at the Offer Price.

The Offer is unconditional.

1.2 Directors' recommendation

After taking into account each of the matters in this Target's Statement and in the Bidder's Statement, each of the Directors recommend that you REJECT the Offer.

In making this recommendation, each Director has considered the merits of the Offer and weighed up the factors for and against acceptance. A summary of the reasons for the Directors' recommendation is provided in Section 2.

When making your decision, you should:

- (a) read this Target's Statement and the Bidder's Statement in their entirety;
- (b) carefully consider the terms of the Offer, as set out in section 13 of the Bidder's Statement and summarised in Section 6 below;
- (c) carefully consider the choices available to you as a Shareholder, including the risks in accepting the Offer as set out in Section 7.1 and the consequences of becoming a minority Shareholder, as set out in Section 6.10;
- (d) have regard to your individual risk profile, portfolio strategy, tax position and financial circumstances; and
- (e) obtain personal advice from your broker, financial adviser, accountant, lawyer, taxation specialist and/or any other professional adviser in regard to the Offer and the effect of accepting the Offer.

The Directors' recommendation is given as at the date of this Target's Statement. The Directors reserve the right to change their recommendation should new circumstances arise.

1.3 Intentions of the Directors in relation to the Offer

Each of the Directors intends to reject the Offer, in respect of all of the Shares controlled or held by or on behalf of that Director or their Associates.

The Shares which are held by your Directors and their Associates represents approximately 11.81%, in aggregate, of all the Shares on issue at the time of this Target's Statement.

The number of Shares each Director holds or controls is set out in Section 8.5.

1.4 Further developments

Should there be any developments during the Offer Period (for example, the emergence of a superior proposal or an increase in the Offer Price) which would alter the Directors' recommendations in relation to the Offer, you will be notified through an ASX announcement and/or a supplementary target's statement.

2. Why you should reject the Offer

The 5 key reasons for your Directors' recommendation to REJECT the Offer are listed below. Further explanation for each reason is provided in the remainder of Section 2.

1. Your Directors believe the Offer represents an inadequate control premium;
2. If you accept the Offer or sell your Shares on market, you risk missing out on the benefit of any higher offer that may arise from Webcentral or any other third party in the future;
3. If you accept the Offer you will not benefit from Cirrus' future growth;
4. Your Directors do not believe Webcentral is offering enough for the benefits it may receive; and
5. The Directors and key members of Management do not intend to accept the Offer.

2.1 Reasons to reject the Offer

(a) **Your Directors believe the Offer represents an inadequate premium**

Webcentral is seeking to gain control of Cirrus without paying an adequate control premium. The Directors consider the Offer is inadequate and opportunistic and does not fully reflect the strategic and financial value of Cirrus.

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.

The Directors will update their recommendation once the Independent Expert's Report is complete.

The Offer Price only represents a premium of 3.2% to the closing price of Shares as at 29 July 2021, and a premium of 11.77% and 9.93% to the one month and three month VWAP of Shares, being \$0.0286 and \$0.0291 respectively, up to the Trading Day prior to the Announcement Date.

The premium implied by the Offer Price is materially below the average premiums paid in Australian corporate control transactions and, specifically, the average premium of 45% observed in recent transactions considered directly comparable to Cirrus (see Figure 3).

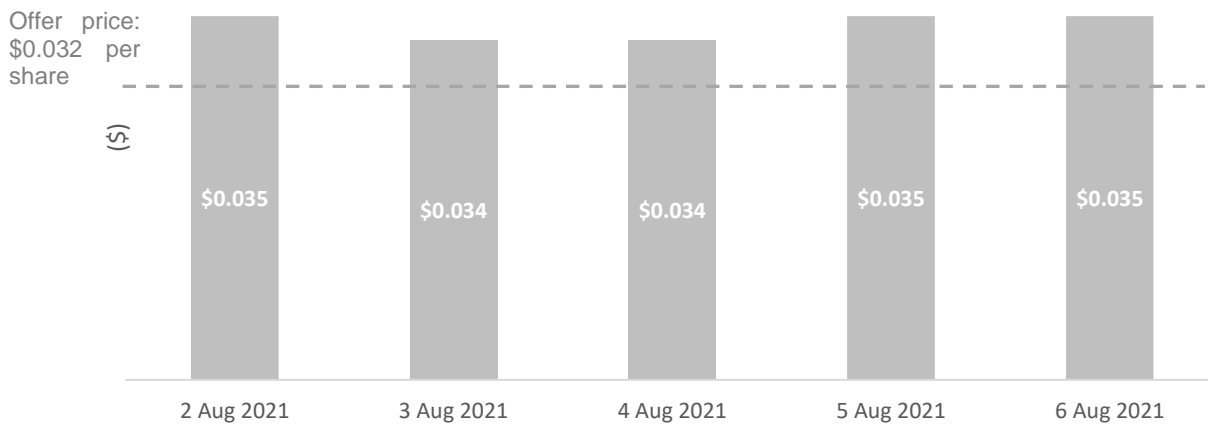
Shares have traded above the Offer Price since the Announcement Date with Webcentral yet to acquire any Shares since announcing the Offer.

Figure 1: Webcentral have offered a low premium of only 3.2% to Cirrus pre-announcement share price(\$)



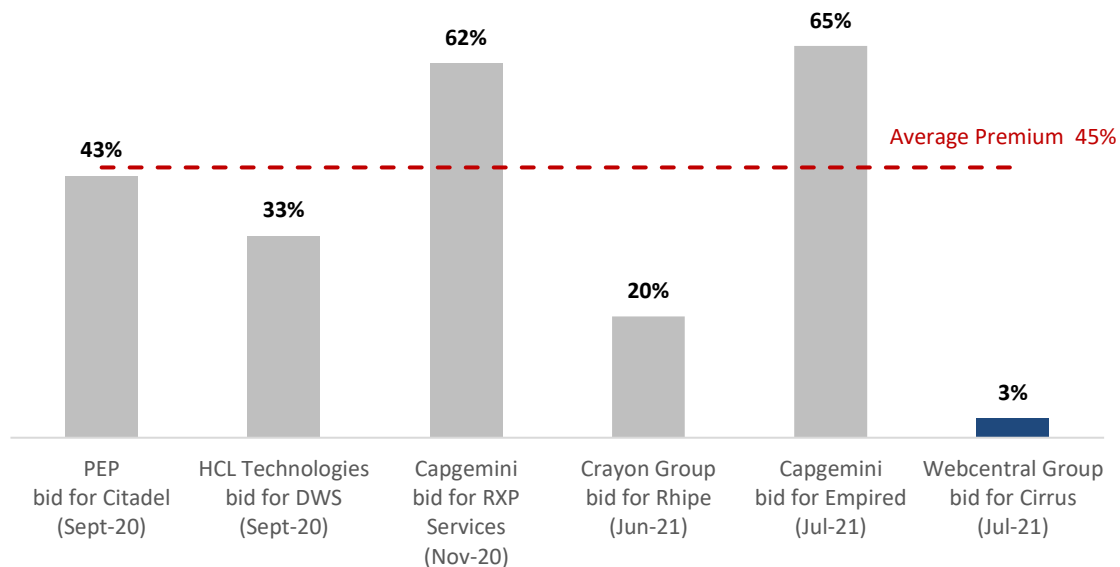
Note: Numbers in the chart above have been rounded. Source: IRESS Trading Data

Figure 2: Cirrus Shares have traded above the Offer Price since the Offer was announced



Note: Numbers in the chart above have been rounded. Source: IRESS Trading Data

Figure 3: Premium to close price offered for selected recent transactions (%)



Sources

1. *PEP bid for Citadel*: offer price as per ASX announcement by Citadel Group Ltd dated 14 September 2020.
2. *HCL Technologies bid for DWS*: offer price as per ASX announcement by DWS Limited dated 30 October 2020.
3. *Capgemini bid for RXP Services*: offer price as per ASX announcement by RXP Services Limited dated 11 November 2020.
4. *Crayon Group bid for Rhipe*: offer price as per ASX announcement by Rhipe Limited dated 6 July 2021.
5. *Capgemini bid for Empired*: offer price as per ASX announcement by Empired Limited dated 19 July 2021.

(b) **If you accept the Offer or sell your Shares on market, you risk missing out on the benefit of any higher offer that may arise from Webcentral or any other third party in the future**

If you do accept the Offer or otherwise sell your Shares on-market, you will not receive the benefit of any increase in Webcentral's Offer or any superior proposal from other third parties that may emerge for your Shares.

Since the Announcement Date, the Board has been in discussions with various counterparties regarding the potential for an alternative proposal at a premium to the Offer. While there can be no assurance such a proposal will be made, if you sell your Shares to Webcentral at \$0.032, and an alternative superior proposal is made, you will not receive the benefit of that proposal.

Webcentral is also able to increase its Offer Price at any time other than during the last five Trading Days of the Offer Period. As Webcentral has not received any acceptances for its Offer at \$0.032 per Share, and Shares have traded above the Offer Price since the Offer was announced, it is possible Webcentral may choose to increase its Offer Price (but there can be no assurance that it will do so).

There is no urgency for you to sell your Shares. The Offer will remain open until 16 September 2021 unless extended or withdrawn in accordance with applicable statutory provisions, which only permit withdrawal in very limited circumstances.

By TAKING NO ACTION and retaining your Shares you preserve the possibility of being able to benefit from an increased Offer from Webcentral or a superior competing proposal if one is made.

(c) **If you accept the Offer you will not benefit from Cirrus' future growth**

The offer fails to recognise Cirrus' unrealised potential.

If you sell your Shares on-market you will not receive the benefit of any future growth potential of Cirrus, with a significant number of growth opportunities being pursued by the Company.

In particular, the Company is well placed for organic growth through a focus on improved earnings from revenues generated by higher margin services contracts and disciplined overhead cost controls.

The Company's diversified geographic base is also expected to provide a platform for further expansion, with the performance of the Company's Canberra operations in FY21 a case in point.

(d) **Your Directors do not believe Webcentral is offering enough for the benefits it may receive**

Your Directors believe potential bidders, including Webcentral, will be able to access a reasonable level of cost synergies through a transaction and that such value should be reflected in the premium paid by any bidder.

In the event Webcentral is able to secure 100% of Cirrus' fully paid ordinary shares on issue, Webcentral would likely benefit from meaningful corporate overhead and administrative cost savings which Cirrus' Directors do not consider to be reflected in the Offer.

(e) **Directors and key members of Management do not intend to accept the Offer**

Directors (or their Associates) and key members of Management (or their Associates) who have a relevant interest in Shares have confirmed to the Board that they will not accept the Offer at the current price of \$0.032 per Share.

As stated in Section 1.3, the Directors and their Associates have a relevant interest in an aggregate of 11.81% of the Shares in the proportions set out in Section 8.5.

The key members of Management and their Associates who have confirmed to the Board that they will not accept the Offer at the Offer Price have a relevant interest in an aggregate of 4.78% of the Shares (see Section 8.16 for details of each of the key members of Management). Together, with the Board and their Associates, these shareholders own an aggregate of 16.59% of the Shares. On that basis, Webcentral will be unable to meet the 90% compulsory acquisition threshold pursuant to the current terms of the Offer.

2.2 **Other considerations and risks in deciding whether to reject the Offer**

Although the Directors unanimously recommend that you REJECT the Offer, there may be a number of reasons why you may wish to accept the Offer. A summary of some of those reasons is set out below.

This summary is not exhaustive and you should have regard to your own personal investment objectives and financial circumstances, and should consult your professional advisers, before deciding whether or not to accept the Offer.

(a) **You may wish to take up the certain liquidity of the Offer**

Shareholders who accept the Offer will receive \$0.032 in cash per Share.

The Offer may therefore provide a liquidity event whereby all Shareholders are given the opportunity to realise value for their investment in Cirrus. Although Shareholders would be deprived of any future benefits as a result of the financial performance of Cirrus, they will also be relieved from the risks associated with Cirrus' operational and project funding commitments.

However, Shareholders should be aware that as at the Latest Practicable Date, the Shares closed at \$0.035, being at a premium to the current Offer Price (\$0.032).

(b) **You may disagree with the Board and consider that the consideration represents fair value**

Despite the recommendation provided by the Board in this Target's Statement, you may take a different view and believe that notwithstanding the recent trading in Cirrus' Shares being at a premium to the consideration under the Share Offer, the consideration represents fair value.

(c) **You may consider it unlikely that any superior proposal may emerge**

As at the date of this Target's Statement, there is no other offer for your Shares. Further, the Directors have received no superior proposal since the announcement of the Offer.

(d) **Share Price may fall if the Offer is unsuccessful**

While the traded price of Share's on the ASX is subject to a range of factors, if the Offer is not successful or an attractive alternative proposal does not emerge, there is a risk that the Share price may fall to a lower price than the price at which it traded prior to the Offer being announced on 30 July 2021.

3. Frequently asked questions

This Section 3 answers some common questions you may have about the Offer. It is not intended to address all relevant issues for Shareholders. This Section should be read together with all other parts of this Target's Statement.

Question	Answer	Further Information
Takeover Documents		
What is the Bidder's Statement?	The Bidder's Statement is the document from Webcentral containing the Offer. You should receive a copy of the Bidder's Statement on or about the date of this Target's Statement.	-
What is the Target's Statement?	<p>This document is the Target's Statement. The Target's Statement contains Cirrus' formal response to the Offer and includes the recommendations of the Directors in relation to the Offer.</p> <p>The Directors encourage you to review the information in this Target's Statement and the Bidder's Statement carefully before making a decision as to whether to accept the Offer.</p>	-
The Offer		
Who is making the Offer?	<p>Webcentral Group Limited (ACN 073 716 793) is a substantial holder of Cirrus and has Voting Power in Cirrus of 8.86%.</p> <p>Webcentral describes itself as an Australian owned, full-service supplier of digital services to small and medium businesses who are in the various stages of their online journey.</p> <p>In 2020, pursuant to an off-market takeover bid by 5G Networks Limited (5GN), 5GN became the major shareholder of Webcentral. If the merger referred to in section 6.3 of the Bidder's Statement is successfully implemented, 5GN will become a wholly owned subsidiary of Webcentral.</p>	<p>Section 6 of the Bidder's Statement</p> <p>Section 5 of the First Supplementary Bidder's Statement</p>
What is the Offer?	<p>Webcentral is offering, via an on-market takeover bid, to acquire all of your Shares at \$0.032 cash per Share.</p> <p>FinClear Services Pty Ltd (FinClear) is standing in the market on behalf of Webcentral to purchase all Shares offered to it at the Offer Price from the Announcement Date until 16 September 2021, being the date the Offer is scheduled to close (unless extended or withdrawn in accordance with the Corporations Act and Listing Rules).</p>	<p>Section 6</p> <p>Section 4 of the Bidder's Statement</p>
Can Webcentral vary the Offer?	Yes, Webcentral may increase the Offer Price and/or extend the Offer Period at any time up until five Trading Days before the end of the Offer Period.	<p>Section 6.4</p> <p>Section 13.12 of the Bidder's Statement</p>

Question	Answer	Further Information
Is the Offer 'hostile'?	Yes. Takeover bids like the Offer are often labelled 'hostile' because the bidder (in this case Webcentral) is making an unsolicited offer to the target's shareholders (in this case, Shareholders) without the endorsement or support of the Directors.	-
Did Cirrus have any knowledge of Webcentral's intention to make its Offer?	No. The Offer was unsolicited and made without any prior notice to or consultation with Cirrus and accordingly the Board was not provided with the opportunity to ensure the adequacy of the Offer.	-
Will Webcentral improve its Offer?	Cirrus cannot speculate on whether Webcentral will improve its Offer as this is fundamentally a matter for Webcentral. However, Shareholders should note that, as at the Latest Practicable Date, Webcentral has not declared its Offer to be final. Accordingly, it remains open for Webcentral to improve its Offer (subject to the limitation that it is not permitted to increase the Offer Price during the last five Trading Days of the Offer Period).	-
Your Choices		
What choices do I have as a Shareholder?	As a Shareholder you can: <ul style="list-style-type: none"> • REJECT the Offer and DO NOTHING. The Directors recommend that you reject the Offer. • Sell your Shares on-market to a third party (unless you have previously accepted the Offer). • Accept the Offer. You should be aware that, if you accept the Offer, you will not benefit if the price offered for your Shares is subsequently increased. 	Section 5
What are the Directors recommending?	The Directors unanimously recommend that you REJECT the Offer for the reasons set out in this Target's Statement.	Sections 1 and 2.1
Why are the Directors recommending that I REJECT the Offer?	The Directors recommended that you REJECT the Offer for the following 5 reasons: <ol style="list-style-type: none"> 1. Your Directors believe the Offer represents an inadequate premium; 2. If you accept the Offer or sell your Shares on market, you risk missing out on the benefit of any higher offer that may arise from Webcentral or any other third party; 3. If you accept the Offer you will not benefit from Cirrus' future growth; 4. Your Directors do not believe Webcentral is offering enough for the benefits it may receive; and 5. The Directors and key members of Management do not intend to accept the Offer. 	Section 2.1

Question	Answer	Further Information
What do the Directors intend to do with their Shares?	Your Directors intend to REJECT the Offer for all Shares owned or controlled by them.	Section 2.1
Is an Independent Expert's Report being prepared?	<p>Yes. Cirrus has appointed an Independent Expert, Lonergan Edwards & Associated Limited (Lonergan Edwards), to prepare an Independent Expert's Report assessing the Offer, and to provide an opinion on whether the Offer is fair and reasonable to Shareholders.</p> <p>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 and prior to close of the Offer. The Directors will review their recommendation at this time and encourage Shareholders not to consider accepting the Offer until they have had the benefit of reviewing the findings in the Independent Expert's Report.</p>	Section 4.4
Acceptance of the Offer		
How do I accept the Offer?	You should be aware that your Directors have unanimously recommended that you reject the Offer. However, if you wish to accept the Offer, you should carefully follow the instructions in section 3 of the Bidder's Statement.	Section 5(c) Section 3 of the Bidder's Statement
What are the consequences of accepting the Offer now?	If you accept the Offer now: <ul style="list-style-type: none"> • you will receive a cash payment of A\$0.032 cash for each Share sold; • you will not be able to receive the benefit of any increase in Webcentral's Offer or any superior proposal made by a third party; and • you will not otherwise be able to sell your Shares. 	Sections 2.1(c) and 5(c)
Can I accept the Offer for only some of my Shares?	Yes. You are not required to sell all of your Shares. You may elect to sell only some of your Shares and are able to do so until the end of the Offer Period.	Section 3 of the Bidder's Statement
Will Shares remain listed on the ASX?	<p>The continued listing of Shares on ASX depends on the outcome of the Offer.</p> <p>If the Offer is successful and Webcentral acquires 90% of Shares, Webcentral has stated that it intends to proceed to compulsory acquisition, which will result in Cirrus being delisted. If Webcentral controls more than 50% but less than 90% of Shares, Webcentral has said that it will review Cirrus' listing on ASX and consider whether the benefits of a listing on the ASX justify the additional corporate and compliance costs of maintaining this listing.</p>	Sections 6.9 and 6.10 Sections 10.4 and 10.5 of the Bidder's Statement
Does the Offer extend to Options?	Webcentral is not making a separate takeover offer to holders of Options, however, the Offer extends to any Shares that are issued during the Offer Period as a result of	Section 10.2

Question	Answer	Further Information
	the exercise of any Options (or any other securities that confer rights to be issued Shares).	
If I accept the Offer now, can I withdraw my acceptance?	No. You cannot withdraw your acceptance and you will not receive any further payment for Shares you agree to sell if there is a subsequent increase in the Offer Price or if a superior proposal emerges.	Sections 6.6 and 6.8
Can I be forced to sell my Shares?	<p>You cannot be forced to sell your Shares unless Webcentral has a right of compulsory acquisition under the Corporations Act. This requires Webcentral to acquire at least 90% of all Shares (under the Offer or otherwise).</p> <p>If Webcentral does compulsorily acquire the outstanding Shares following its acquisition of at least 90% of Shares under the Offer, you will receive the same Offer Price for your Shares that you would have received under the Offer.</p> <p>However, as key members of Management and their Associates (who have a relevant interest in 4.78% of the Shares) together with the Board and their Associates (who have a relevant interest in 11.81% of the Shares) intend to reject the Offer at the Offer Price, Webcentral will not be able to proceed with compulsory acquisition under the current terms of the Offer</p>	Section 6.9
What happens if I do nothing?	<p>You will remain a Shareholder and will continue to be subject to the risks associated with holding Shares.</p> <p>If Webcentral acquires between 50% and 90% of Shares, you will be a minority Shareholder. The possible implications of this outcome are noted in Section 6.10 of this Target's Statement.</p> <p>If Webcentral acquires 90% or more of Cirrus' Shares under the Offer, Webcentral has stated it intends to proceed with compulsory acquisition of your Shares.</p>	Sections 6.9, 6.10 and 7.2
What happens if Webcentral increases the Offer Price?	<p>If Webcentral increases the Offer Price, the Directors will carefully consider the revised proposal and advise you of their revised recommendation.</p> <p>If you sell your Shares on the ASX, you will forego the opportunity to accept any increased consideration offered by Webcentral or any other party.</p>	-
When does the Offer close?	The Offer is presently scheduled to close at 4.00pm (Melbourne time) on 16 September 2021, but the Offer Period can be extended in certain circumstances in accordance with the Corporations Act.	Sections 6.2 and 6.4
When will I be paid if I accept the Offer?	The usual rules for settlement of transactions which occur on-market on ASX will apply to Webcentral's purchase of Shares on-market. This means, if you accept the Offer, you will be paid cash on a T+2 basis (being two Trading Days after the sale date).	Section 6.7
Will I need to pay brokerage if I accept the Offer?	As the Offer is an on-market takeover bid, you may only accept the Offer through your Broker or Controlling Participant, and you will be responsible for payment of any	Section 5(c)

Question	Answer	Further Information
	brokerage, fees or other costs that your Broker or Controlling Participant may charge.	Section 13.10 of the Bidder's Statement
Additional Information		
What are the risks associated with continuing to hold Shares?	The risks associated with continuing an investment in Cirrus are non-exhaustively outlined in Section 7.	Section 7.2
Are there any conditions to the Offer?	No, the Offer is unconditional.	Section 6.3
What are the tax implications of accepting the Offer?	<p>A general outline of the tax implications for certain Australian resident Shareholders of accepting the Offer is set out in Section 9 of this Target's Statement and section 11 of the Bidder's Statement.</p> <p>You should not rely on these outlines as advice on your own affairs. They do not deal with the position of particular Shareholders. You should seek your own personal, independent financial and taxation advice before making a decision as to whether to accept or accept the Offer for your Shares.</p>	Section 9 Section 11 of the Bidder's Statement
How do I get updates on the Share price?	You can check the market price for all ASX listed securities by visiting www.asx.com.au . The ticker code for Shares is CNW.	-
Further enquiries	For further information in relation to the Offer: <ul style="list-style-type: none"> • see the Bidder's Statement for the full terms and conditions of the Offer; and • consult your broker, financial adviser, accountant, lawyer, taxation specialist and/or any other professional adviser. 	-

4. Important information for Shareholders to consider

4.1 Webcentral's Offer

On 30 July 2021, Webcentral announced its intention to make an on-market takeover offer for all Shares that are not already owned or controlled by Webcentral. A summary of the Offer, is set out in Section 6.

The Offer opens on 16 August 2021 and are open for acceptance until 4.00pm (Melbourne time) on 16 September 2021, unless it is extended or withdrawn (Sections 6.4 and 6.5 describe the circumstances in which Webcentral can extend or withdraw its Offer).

4.2 Information about Cirrus

Section 8 contains detailed information about Cirrus.

A summary of the risks and uncertainties associated with an investment in Cirrus is set out in Section 7. Those risks (and other risks) will continue to be relevant to Shareholders who do not accept the Offer and retain their current investment in Cirrus. These risks will also continue to be relevant to all Shareholders if the Offer is not successful.

4.3 Considerations in favour of accepting the Offer

Webcentral has set out its views on the considerations in favour of accepting the Offer in section 5 of the Bidder's Statement.

The Directors recommend that you reject the Offer, for the reasons summarised in Section 2.1. The Directors have outlined some considerations you may have regard to when considering whether to reject or accept the Offer in Section 2.2.

The Directors encourage you to review the Bidder's Statement and this Target's Statement in their entirety.

4.4 Preparation of an Independent Expert's Report

On 3 August 2021, the Board appointed an Independent Expert (Lonergan Edwards), to prepare an Independent Expert's Report opining on whether the Offer is fair and reasonable to Shareholders.

It 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 and prior to close of the Offer. The Directors will review their recommendation at this time.

The Independent Expert's Report is an important document that will contain information relevant to your decision in relation to the Offer. The Directors encourage you to consider the Independent Expert's Report as part of your assessment of the Offer.

4.5 Share price absent the Offer

While there are many factors that influence the market price of Shares, your Directors point out that, following the close of the Offer, the market price of Shares may fall if Webcentral acquires less than 90% of the Shares.

4.6 **Other alternatives to the Offer**

Since the Announcement Date, the Board has been in discussions with various counterparties regarding the potential for an alternative proposal at a premium to the Offer. As at the date of this Target's Statement, no alternative proposal which is capable of acceptance by Shareholders has been received and no superior proposal has been made to the Board. The Directors will keep Shareholders informed of any material developments.

4.7 **Taxation consequences of a change in control in Cirrus**

The taxation consequences of accepting the Offer depends on a number of factors and will vary depending on your particular circumstances. A general outline of the Australian taxation considerations of accepting the Offer is set out in Section 9 of this Target's Statement and section 11 of the Bidder's Statement.

You should carefully read and consider the taxation consequences of accepting the Offer. The outlines provided in the Bidder's Statement and the Target's Statement are of a general nature only and you should seek your own specific professional advice as to the taxation implications applicable to your circumstances.

4.8 **Company announcements**

Cirrus is a disclosing entity under the Corporations Act. It is subject to regular reporting and disclosure obligations under both the Corporations Act and the Listing Rules. Copies of announcements lodged with ASX can be obtained from ASX's website at www.asx.com.au under the code "CNW" or from Cirrus' website at www.cirrusnetworks.com.au.

Cirrus has not made any announcements to ASX between 11 August 2021 (the date of release of Cirrus' Annual Report for the financial year ended 30 June 2021) and the date of this Target's Statement.

5. Your choices as a Shareholder

In considering whether to accept the Offer, the Directors encourage you to read this Target's Statement and seek professional advice if you are unsure as to whether or not accepting the Offer is in your best interests, taking into account your individual circumstances.

The Bidder's Statement contains important information which you are urged to read carefully. Cirrus has not undertaken investigations to verify the accuracy or completeness of the information contained in the Bidder's Statement and neither Cirrus nor its Directors or advisers makes any representation as to the accuracy or completeness of information contained in the Bidder's Statement. To the fullest extent permitted by law, each of those parties disclaims liability to any person who acts in reliance of that information.

You can find information about Cirrus and its activities on the Cirrus website at www.cirrusnetworks.com.au.

During the Offer Period you have the following choices:

(a) **REJECT the Offer and retain your Shares**

The Directors recommend that you **REJECT** the Offer, and retain your Shares. To reject the Offer and retain your Shares, you need take no action.

You should note that if Webcentral acquires 90% of Shares and the compulsory acquisition provisions of the Corporations Act are satisfied, Webcentral will be entitled to compulsorily acquire the Shares that it does not already own.

You should also note that if Webcentral acquires Voting Power in more than 50% but less than 90% of all Shares on issue, you will be exposed to the risks associated with being a minority Shareholder. See Section 6.10 for further details.

(b) **Sell your Shares**

During the Offer Period, you may sell all or some of your Shares on-market, provided you have not already accepted the Offer for those Shares. If you sell any of your Shares, you may receive the agreed consideration for your Shares sooner than if you accept the Offer.

If you sell any or all of your Shares, you:

- (i) will lose the ability to accept the Offer in respect of those Shares;
- (ii) may be liable for CGT or income tax on the sale of those Shares;
- (iii) may incur a brokerage fee; and
- (iv) will lose the opportunity to receive any future returns from Cirrus in respect of those Shares, if the Offer is not successfully completed.

If you are considering selling your Shares, you should contact your Broker for information on how to do so and your tax adviser to determine your tax implications from such a sale.

(c) **Accept the Offer**

The Directors unanimously recommend that you reject the Offer. However, if you wish to accept the Offer, you should follow the instructions in section 3 of the Bidder's Statement.

If you accept the Offer, you will be entitled to receive \$0.032 in cash for every 1 Share that you hold and transfer to Webcentral.

The consequences of accepting the Offer are discussed in Section 6.

As the Offer is an on-market takeover offer, Shareholders may only accept the Offer through Brokers or Controlling Participants who are members of ASX. You should ask your Broker or Controlling Participant if any fees or charges will apply. Any fees or other charges of such Brokers or Controlling Participants will be your responsibility, as the accepting Shareholder.

Webcentral will bear its own brokerage, if any, on transfers of Shares acquired through acceptances of the Offer.

No stamp duty or GST will be payable by you on the transfer of your Shares pursuant to the Offer (other than GST payable to your Broker in respect of brokerage fees charged to you).

Shareholders who accept the Offer may be liable for income tax, including by reference to a capital gain made on the sale.

If you accept the Offer, you are unable to accept any superior proposal if one emerges or otherwise sell your Shares as set out in Section 5(b) above.

6. Key features of the Offer

6.1 On-market takeover bid

On 30 July 2021, Webcentral announced an unsolicited unconditional on-market takeover Offer to acquire all ordinary fully paid Shares on issue in Cirrus that are not already owned or controlled by Webcentral.

The Offer also extends to all new Shares that are issued during the Offer Period as a result of the exercise of Options (or any other securities that confer rights to be issued Shares).

The consideration being offered by Webcentral is \$0.032 for each Share that it does not already own (as at the Latest Practicable Date, Webcentral held 8.86% of Shares on issue).

Webcentral has appointed a Broker (FinClear) to stand in the market on its behalf to purchase Shares offered to it at the Offer Price from the Announcement Date until the end of the Offer Period.

The conduct of the Offer is otherwise governed by the terms set out in the Bidder's Statement.

6.2 Offer Period

As the Offer is an on-market takeover offer, Webcentral's Broker, FinClear, is required to stand in the market and purchase shares at \$0.032 per Share from 16 August 2021 until 4.00pm (Melbourne time) on 16 September 2021 (unless the Offer is extended or withdrawn).

The circumstances in which Webcentral may vary or withdraw its Offer are set out in Sections 6.4 and 6.5 respectively.

6.3 Conditions of the Offer

The Offer is unconditional.

6.4 Variation of the Offer

Webcentral may increase the Offer Price or extend the Offer Period at any time up until five Trading Days before the end of the Offer Period.

Any variations to the Offer must be announced on ASX.

Based on the scheduled end of the Offer Period of 16 September 2021, the last day on which Webcentral is able to do this (subject to the exception explained below) is 9 September 2021.

An extension to the Offer Period may be announced during the last five Trading Days of the Offer Period in limited circumstances prescribed by the Corporations Act, including where another person makes an offer under a takeover bid for Shares or the consideration for offers under another takeover bid for Shares is improved.

There will be an automatic extension of the Offer Period if, within the last 7 days of the Offer Period, Webcentral's Voting Power in Cirrus increases to more than 50%. In that event, the Offer

Period will end 14 days after Webcentral's Voting Power first increased to more than 50%, in accordance with section 624(2) of the Corporations Act.

6.5 Withdrawal of Offer

Webcentral may only withdraw its Offer for Shares in limited circumstances:

- (a) with ASIC's written consent, subject to any conditions specified in such consent;
- (b) if one of the following events occurs during the Offer Period and at that time Webcentral's voting power in Cirrus is at or below 50%:
 - (i) Cirrus converts all or any of its shares into a larger or smaller number of shares;
 - (ii) Cirrus or a subsidiary resolves to reduce its share capital in any way;
 - (iii) Cirrus or a subsidiary:
 - (A) enters into a buy-back agreement; or
 - (B) resolves to approve the terms of a buy-back agreement under subsection 257C(1) or 257D(1) of the Corporations Act;
 - (iv) Cirrus or a subsidiary issues shares, or grants an option over its shares, or agrees to make such an issue or grant such an option;
 - (v) Cirrus or a subsidiary issues, or agrees to issue, convertible notes;
 - (vi) Cirrus or a subsidiary disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;
 - (vii) Cirrus or a subsidiary grants, or agrees to grant, a security interest in the whole, or a substantial part, of its business or property;
 - (viii) Cirrus or a subsidiary resolves to be wound up; or
- (c) if any of the following events occur during the Offer Period (regardless of Webcentral's voting power at the time):
 - (i) a liquidator or provisional liquidator of Cirrus or of a subsidiary is appointed;
 - (ii) a court makes an order for the winding up of Cirrus or of a subsidiary;
 - (iii) an administrator of Cirrus, or of a subsidiary, is appointed under section 436A, 436B or 436C of the Corporations Act;
 - (iv) Cirrus or a subsidiary executes a deed of company arrangement;
 - (v) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of Cirrus or of a subsidiary.

Any withdrawal of the Offer must be announced by Webcentral to ASX.

6.6 No withdrawal of acceptances

If you accept the Offer in respect of a Share, you will not be able to withdraw your acceptance and you will not receive any further payment for that Share if there is a subsequent increase in Webcentral's Offer Price or if a superior proposal emerges. As at the date of this Target's Statement, the Board is not aware of any superior proposal.

6.7 When you will receive payment if you accept the Offer

The usual rules for settlement of transactions which occur on-market on ASX will apply to Webcentral's purchase of Shares on-market. This means, if you accept the Offer, you will be paid cash on a T+2 basis (being two Trading Days after the sale date).

6.8 If you sell your Shares, you will not receive any improved Offer Price

If you sell your Shares on market (including into the Offer) and Webcentral subsequently improves the Offer Price, you will not be entitled to the benefit of that improved Offer Price. Similarly, if sell your Shares (including into the Offer), you will forfeit the opportunity to benefit from any superior offer made by another bidder for your Shares, if such an offer were to eventuate.

6.9 Consequences of Webcentral having a relevant interest in Cirrus of 90% or more

The latest information from Webcentral as at the Latest Practicable Date is that it holds a relevant interest in 8.86% of Shares.

(a) Compulsory acquisition following the Offer

Webcentral has stated in the Bidder's Statement that if, at the end of the Offer Period, it has a relevant interest in Cirrus of 90% or more, then it intends to proceed with compulsory acquisition of the outstanding Shares in accordance with the provisions of Chapter 6A.1 of the Corporations Act.

Webcentral will be entitled to compulsorily acquire any Shares in respect of which it has not received an acceptance of its Offer on the same terms as the Offer if, during or at the end of the Offer Period, Webcentral and its associates have a relevant interest in at least 90% (by number) of the Shares and acquired at least 75% (by number) of the Shares bid for under the Offer.

If Webcentral reaches the 90% threshold pursuant to the Offer, Webcentral will have one month after the end of the Offer Period within which to give compulsory acquisition notices to Shareholders who have not accepted the Offer.

If Webcentral does proceed to compulsory acquisition pursuant to the Offer, then Shareholders who do not accept the Offer will still be entitled to receive the Offer Price. However, as a result of the need to complete the compulsory acquisition procedures in the Corporations Act, there is likely to be a delay in the provision of that consideration.

In this regard, as disclosed in Section 2.1(e), key members of Management and their Associates (who have a relevant interest in 4.78% of the Shares) together with the Board and their Associates intend to reject the Offer at the Offer Price. These Shareholders own an aggregate of 16.59% of the Shares, therefore Webcentral will be unable to meet the 90% compulsory acquisition threshold pursuant to the current terms of the Offer.

(b) Future compulsory acquisition by Webcentral

Even if Webcentral does not reach the 90% threshold pursuant to the Offer, it is possible that Webcentral will, at some time after the end of the Offer Period, become the beneficial owner of 90% of the Shares. Webcentral would then have rights to compulsorily acquire Shares not owned by it by issuing compulsory acquisition notices within 6 months after becoming the holder of 90% or more of Shares. Webcentral's price for compulsory acquisition under this procedure would have to be considered in a report of an independent expert at the relevant time.

(c) **Challenging compulsory acquisition**

Shareholders have statutory rights to challenge the compulsory acquisition, but a successful challenge will require the relevant Shareholder to establish to the satisfaction of a Court that the terms of the Offer do not represent "fair value" for their Shares.

See Section 10.4 of the Bidder's Statement and Section 3.1 of the First Supplementary Bidder's Statement for further details of Webcentral's intentions upon reaching the 90% threshold at the end of the Offer Period, which notably includes the procurement of the removal of Cirrus from the official list of ASX.

6.10 **Consequences of Webcentral having a relevant interest in Cirrus of more than 50% but less than 90%**

If Webcentral has a relevant interest in Cirrus of more than 50% but less than 90%, those Shareholders other than Webcentral will be minority shareholders in Cirrus.

This has a number of possible implications, including that:

- (a) Webcentral will be in a position to cast the majority of votes at a general meeting of Cirrus. This will enable Webcentral to control the composition of Cirrus' board of directors and senior management, determine Cirrus' fundraising plans and dividend policy as well as control the strategic direction of Cirrus and its subsidiaries. In Section 10.5 of the Bidder's Statement, Webcentral stated that it intends to seek board representation so that Webcentral's nominees are commensurate with Webcentral's shareholding in Cirrus;
- (b) if Webcentral acquires 75% or more of the Shares it will be able to pass special resolutions at meetings of Shareholders. This will enable Webcentral to, among other things, change Cirrus' constitution;
- (c) the liquidity of Shares may be affected;
- (d) Webcentral may seek to have Cirrus removed from the official list of ASX if the corporate and compliance costs of maintaining those listings outweigh the benefits of being listed. If this occurs, Shares will not be able to be bought or sold on ASX; and
- (e) Shares may trade at prices lower than they did prior to the announcement of the Offer (as it is unlikely that Cirrus' Share price will contain any takeover premium).

6.11 **Consequences of Webcentral having a relevant interest in Cirrus of 50% or less**

Even if Webcentral has a relevant interest in Cirrus of 50% or less, it is possible that Webcentral will seek to use its voting power to influence decision making within Cirrus. The scale of such influence may depend on what relevant interest Webcentral ultimately has in Cirrus. Webcentral has indicated in the Bidder's Statement that in such a situation, it would still seek to:

- (a) obtain representation on the Board which is at least consistent with its proportionate shareholding;

- (b) work with the Board to implement its intentions in sections 10.4(b) and 10.4(c) of the Bidder's Statement and the additional information provided in section 3.1 of the First Supplementary Bidder's Statement; and
- (c) having regard to the circumstances at the time, consider the appropriate courses of action that are in the best interests of Webcentral.

Section 10 of the Bidder's Statement and section 3 of the First Supplementary Bidder's Statement sets out further details of Webcentral's intentions in relation to Cirrus.

7. Risks

7.1 Risks associated with accepting the Offer

There are various risks in accepting the Offer. The following is not intended to be an exhaustive list of the risk factors to which Shareholders may be exposed should they accept the Offer. The types of risks Shareholders may be exposed depends on the personal circumstances of Shareholders.

(a) **Superior proposal**

Whilst no superior proposal exists as at the date of this Target's Statement, a third party with a superior proposal may emerge. By accepting the Offer, you will not be able to accept any superior proposal that may be made, unless you become entitled to withdraw your acceptance (see section 6.5 for further information). As such, you may not be able to obtain any potential benefit associated with any such superior proposal. Accepting the Offer will also preclude you from selling your Shares off-market to a person or entity other than Webcentral.

(b) **Possible appreciation of Shares**

Shareholders may be able to sell their Shares in the future for more valuable consideration than the Offer Price (though the Directors can give no assurances and make no forecast as to whether this will occur).

(c) **Tax consequences**

The taxation consequences of disposing of your Shares pursuant to the Offer depend on a number of factors and your particular circumstances. A general outline of certain Australian tax considerations of such a disposal is set out in section 9. Shareholders should seek their own specific professional tax advice as to the taxation implications applicable to your circumstances

7.2 Risks associated with continuing an investment in Cirrus

Shareholders who reject the Offer and continue to invest in Shares will be exposed to certain risks associated with that investment. Set out below is a summary of key risks which may have a material impact on the operations and financial performance of Cirrus and the market price of Shares, and how Cirrus manages these risks. The following is not intended to be an exhaustive list of the risk factors to which Cirrus is exposed. The types of risks Cirrus is exposed to can change over time and vary with changes in economic, technological, environmental and regulatory conditions.

(a) **Risks specific to the Company**

(i) **Earnings Guidance**

The Company may from time to time provide earnings guidance on the basis of a number of assumptions and forward looking expectations, which it believes are reasonable but may subsequently be proved incorrect. Earnings guidance is not a guarantee of future performance and involves known and unknown risks, many of which are beyond the control of the Company.

The Company has limited control over the timing as to when customer's engage the Company and, accordingly, the financial period in which revenue for that engagement will be received.

Cost overruns, unfavourable contract outcomes, serious or continued operational failures or disruptions to communication systems could potentially give rise to adverse financial impacts on the Company's margins. The Company is exposed to input costs through its operations, such as the cost of electricity, information technology equipment and personnel and the Company's operating costs (including the costs of labour, premises leases, insurance and external contractors) may increase which may have a negative effect on the Company's profitability and in turn the trading price of Shares.

Whilst the Company endeavours to take appropriate action to mitigate these cost overruns and operational risks and, in some circumstances, insure against them, the Company cannot control the risks its clients are exposed to nor can it completely remove all possible risks relating to its own business.

(ii) **Staff Recruitment and Retention**

The successful operation of the Company's business (in particular, its higher margin service offerings) relies on the Company's ability to attract and retain quality, experienced and high-performing key management and operating personnel with IT expertise. It is essential that appropriately skilled personnel be available in sufficient numbers to support the quality of the Company's services and maintain the diversity of its business skills.

Should a number of its key personnel leave the Company, this may have a negative impact on the Company as it may be difficult to replace them, or to do so in a timely manner or at a comparable expense. Additionally, any key personnel of the Company who leave to work for a competitor may adversely impact the Company.

The Company seeks to attract and retain appropriately skilled, qualified and experienced staff by implementing human resource strategies to become an employer of choice, including long term incentive packages and equity security participation in the Company where the Board deems it appropriate. The Company is also committed to initiative to provide employees with non-financial benefits and providing exposure to interesting work.

(iii) **Labour Costs and Availability**

Tightening of the labour market in key regions due to a shortage of skilled labour (particularly as a result of the limitations on skilled migration as a result of COVID-19), combined with a high industry turnover rate and growing number of competing employers for skilled labour, has inhibited the Company's ability to hire and retain employees. Growth in the demand for skilled personnel in the IT services industry has created greater employment competition, specifically in the form of increased demand for in-house personnel in the private sector (in the resources sector particularly).

While the Company seeks to attract and retain appropriately skilled, qualified and experienced staff by developing attractive employment packages to become an employer of choice, each of these factors could materially adversely impact the

Company's revenue and operating margins as a result of increased labour costs and reduced productivity.

(iv) **Supply Chain Delays**

The operations of the Company require the involvement of a number of third party suppliers and contractors. Supply chain delays in obtaining product components resulting from the COVID-19 pandemic and measures implemented by governmental authorities around the world to limit virus transmissions (such as travel bans and quarantining) have impacted product supply.

The Company has implemented a number of procurement strategies to mitigate future delays and customer impacts (including ship hold orders, product quarantining, preferred supplier engagements and unique product diversification).

(v) **State and Federal Election Cycles**

A large proportion of the Company's client base is comprised of State and Federal government departments and agencies. The available budgets of these customers is cyclical and sensitive to periods of upcoming elections which may result in customers reducing expenditure to care and maintenance levels.

The Company maintains an awareness of these cycles and works with the relevant departments in the lead up to election cycles to mitigate the effect of election cycles on the Company's operating revenue. However, changes in government, monetary policies, taxation and other laws can have a significant impact on the Company's assets, operations and ultimately the financial performance of the Company and its Shares. Such changes are likely to be beyond the control of the Company and may affect industry profitability as well as the Company's capacity to conduct its business.

(vi) **Project Execution Risk**

The Company is exposed to a range of operational risks relating to both current and future operations, including unanticipated or undetected quality problems or departures from specifications, delays to project timetables and scheduled maintenance shutdowns. There is a risk that the Company will be unable to deliver on its commitments to its customers due to technical or operational breakdowns which may have an adverse effect on the Company's revenue.

The Company invests significant resources in agreeing to appropriate scopes of work with customers, developing systems and processes and providing training to ensure staff are well positioned to manage and deliver on the Company's commitments to its customers.

(vii) **Contractual Risk**

The Company derives a significant proportion of its revenue at any given time from a concentrated number of substantial contracts which may be terminated, delayed or incur unforeseen costs in performance which may not be recoverable.

Several of the material contracts the Company has entered into with its customers provide customers with the right to terminate their agreement with the Company or reduce their service level under the agreement. In particular, the Geoscience Agreement provides Geoscience with a right to terminate the

Geoscience Agreement in the event the Company undergoes a change of control such as would occur if Webcentral acquires a majority of Shares. The Company is party to the MacCallum Agreement with a right to terminate the MacCallum Agreement for convenience (including, for example, where the Company undergoes a change of control).

In the event that Webcentral acquires a majority of the issued capital in the Company, some of the Company's customers (including Geoscience and the MacCallum Institute) may seek to rely on any available contractual rights to terminate their agreement with the Company. The early termination of any of the Company's customer contracts may, however, mean that the Company will incur additional costs or not realise the full value of the contract, which may adversely affect the growth prospects, operating results and financial performance of the Company.

As at the date of this Target's Statement, the Company is not aware of any customers who wish to terminate their agreements with the Company. The Company seeks to enter into various other smaller customer and product agreements in order to diversify its revenue streams and provide revenue in addition to revenue resulting from its major customer agreements.

(viii) **IT & Cyber Security Risk**

The Company is reliant on its information systems and technology (IT) to support its operations. This exposes the Company to a number of IT operational risks including system corruption or failure, technology breakdown and cyber-attacks.

An IT system incident could lead to disruption of critical business processes, theft of commercially sensitive information, loss of cash or other assets or a breach of privacy. If these matters occurred it could adversely affect Infigen's revenue, future financial performance and/or reputation.

The Company uses firewall monitoring software and anti-virus software to block potential cyber threats. Additionally, the Company has network monitoring and alert tools designed to detect and signal unusual network behaviour. Ongoing review and input are implemented to ensure the effectiveness of 'cyber' controls to meet ever-evolving threats of this nature, including business continuity plans and disaster recovery testing.

(ix) **Debtors Risk**

The Company generates revenue from customers in accordance with its payment terms. However, there is a risk that the Company's customers may default on their payment obligations to the Company or delay payment which may have an adverse effect on the Company's financial position. The Company closely monitors its aged debtors to ensure they remain within appropriate levels in the context of the Company's industry and business.

(x) **Insurance risk**

The Company's insurance may not be of a nature or level to provide adequate cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company. Insurance of risks associated with the Company's business is not always available and, where available, the costs can

be prohibitive (particularly with respect to the costs of information technology and cyber security insurance).

The Company will use reasonable endeavours to insure against the risks it considers appropriate for the Company's needs and circumstances. However, no assurance can be given that the Company will be able to obtain such insurance coverage in the future at reasonable rates or that any coverage it arranges will be adequate and available to cover claims.

(b) **General Risks**

(i) **COVID-19 Lockdowns**

The outbreak of coronavirus disease (COVID-19) is having a material effect on global economic markets including the demand for the Company's services. The global economic outlook is facing uncertainty due to the COVID-19 pandemic, which has had and may continue to have a significant impact on capital markets and share prices. The Company has implemented a COVID-19 mitigation plan in order to minimise the impact of COVID-19 and government mandated lockdowns on its financial performance, including a business structure and overhead review and creating an online ordering system and emphasising its managed environment service offerings to customers.

(ii) **General Economic Conditions**

The operating and financial performance of the Company is impacted by a variety of general economic conditions and business conditions, including levels of consumer spending, inflation, interest rates and exchange rates, supply and demand, access to debt and capital markets and government fiscal, monetary and regulatory policies. Changes in general economic conditions may result from many factors, including government policy, international economic conditions, significant acts of terrorism, hostilities, war or natural disasters. A prolonged deterioration in general economic conditions, including an increase in interest rates or a decrease in consumer and business demand, could be expected to have an adverse impact on the Company's operating and financial performance and financial position. The Company's future possible revenues and share price can be affected by these factors, which are beyond the control of the Company.

(iii) **Securities Investments**

Shareholders should be aware that there are risks associated with any securities investment. Securities listed on the ASX may be subject to price and volume fluctuations which in some cases may be unrelated to the operating performance of the underlying business. These factors may materially affect the market price of the securities regardless of the Company's performance. The past performance of the Company is not necessarily an indication as to future performance of the Company as the trading price of the Shares can go up or down. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(iv) **Litigation**

The Company is subject to litigation risks. All industries, including the IT services industry, are subject to legal claims, with and without merit. Defence and settlement costs of legal claims can be substantial, even with respect to claims

that have no merit. The Company seeks to adhere to its contractual arrangements, is not subject to current litigation proceedings and is not presently aware of any threatened or pending claims against it.

(v) **Taxation**

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All Shareholders are urged to obtain independent financial advice about the consequences of their Shareholdings from a taxation point of view and generally. Further details in respect of the taxation consequences of a disposal of Shares by Australian residents is set out in Section 9.

7.3 **Investment Speculative**

- (a) The above list of risk factors ought not to be taken as exhaustive of the risks faced by Cirrus or by investors in Cirrus. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of Cirrus and the value of the Shares of Cirrus.
- (b) You should be cognisant of all the above risks when making your decision whether to accept or reject the Offer. Accepting the Offer will mean that you may reduce your exposure to the above risks by receiving the Offer Price, whereas rejecting the Offer will see you remain exposed to all the above risks on an ongoing basis.

8. Information relating to Cirrus

8.1 Background of 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:

- (a) data centre and cloud;
- (b) convergence;
- (c) storage;
- (d) data management (including big data);
- (e) network design and optimisation;
- (f) business continuity & cyber security;
- (g) end user computing;
- (h) unified communications and IP telephony; and
- (i) 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 bluechip 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 Pty Ltd. Since then, an assertive national expansion strategy has enabled Cirrus to establish a robust Eastern states presence with the acquisitions of Melbourne based IT Provider, NGage Technology Group Pty Ltd (now renamed Cirrus Networks (Victoria) Pty Ltd) and leading Canberra IT services company Correct Communications Pty Ltd (now renamed Cirrus Networks (ACT) Pty Ltd).

8.2 Company Direction and Strategy

While the Company achieved an 11.8% increase in group sales revenue to \$106 million (up from \$95 million in FY20) during FY21, a turbulent operating environment saw EBITDA (pre options expense) decline from \$3.7 million last year to \$2.0 million.

Materially affecting this result were global supply chain delays as well as a tight labour market resulting in a shortage of appropriately skilled service delivery resources, both exacerbated by the ongoing COVID-19 pandemic.

Despite these challenging conditions, the Company is well positioned for the coming year, having achieved a number of key milestones:

- (a) award of a \$13 million, 3 year managed services contract with Geosciences Australia (being the Geoscience Agreement), the Company's largest to date. This has been successfully on-boarded with benefits being fully realised from June 2021. The Geoscience Agreement will drive an expected increase in managed services annuity revenue in excess of 35% year on year;
- (b) a materially improved balance sheet, with a reduction in debt to zero and an increase in cash to \$7.7 million being fuelled by solid operating cashflows of \$2.8 million; and
- (c) a substantial increase in revenue from the strategically important Federal Government sector of 94% to \$55 million.

A positive outlook for FY22 is further underpinned by a comprehensive review of costs and organisational structure undertaken in the final quarter of FY21 against the backdrop of the pandemic, along with a significant order backlog and positive sales indicators across the Company's portfolio of services.

8.3 Directors

The names and details of the Directors are as follows:

- (a) Mr Andrew Milner – Non-Executive Chairman;
- (b) Mr Matthew Sullivan - Managing Director and Chief Executive Officer;
- (c) Mr Daniel Rohr – Non-Executive Director; and
- (d) Mr Paul Everingham – Non-Executive Director.

Biographical details of each of the Directors are set out below.

(a) **Andrew Milner**

Andrew Milner is a veteran of the Australian Information Communications Technology industry and has more than 20 years' experience in managing successful high-growth technology businesses.

Founding Wantree Internet (Wantree) in 1995 (which became one of Australia's first commercial Internet Service Providers), he was appointed to the iiNet board when Wantree was vended into the iiNet Limited IPO in 1999. Mr Milner spent 9 years with that company in a variety of executive and non-executive Director roles. iiNet grew to a \$1.4 billion market capitalization with over 2,000 staff and \$1 billion in annual revenue, prior to being acquired by TPG Telecom Limited in 2015.

From 2004, Mr Milner was co-founder and non-executive Chairman of L7 Solutions Pty Ltd, one of WA's fastest growing systems integrators, with a turnover of \$55 million at the time of its acquisition by Amcom Telecommunications in 2011.

During the previous 3 years, Mr Milner has not held any other directorships in listed entities.

(b) **Matthew Sullivan**

Matthew Sullivan has more than 20 years' experience in the IT industry and has held various executive roles within strong performing and high growth IT organisations in

Australia and was CEO and co-founder (with Mr Milner) of L7 Solutions Pty Ltd in 2004 until its 2011 acquisition by Amcom.

During this time the company was awarded numerous industry accolades including:

- (i) 5th fastest growing WA company in 2007 (WA Business News);
- (ii) 18th fastest growing Australian company in 2008 (BRW Fast 100);
- (iii) 2005 Cisco A/NZ Partner of the Year; and
- (iv) 2010 EMC WA partner of the Year.

Mr Sullivan was also a 2005 and 2008 winner of the WA Business News "40 under 40" and Western Region finalist in the 2010 Ernst & Young Entrepreneur of the Year.

Most recently Mr Sullivan has been Chief Solutions Officer of Amcom and Chief Operations Officer at Comcentre. During the previous 3 years, Mr Sullivan has not held any other directorships in listed entities.

(c) **Daniel Rohr**

Daniel Rohr is a Chartered Accountant with a Bachelor of Commerce degree and has over 30 years management, corporate advisory, finance and accounting experience across a range of listed and unlisted companies in Australia and overseas.

He is currently the CFO of HealthEngine Pty Limited and has acted as a corporate advisor for a number of listed and non-listed businesses in the IT and mining sectors. Mr Rohr has extensive experience in managing the development of high growth companies in the digital, mining, real estate and financial services industries.

During the previous 3 years, Mr Rohr has not held any other directorships in listed entities.

(d) **Paul Everingham**

Mr Everingham is Chief Executive Officer of the Chamber of Minerals & Energy of Western Australia.

Prior to joining the Chamber of Minerals & Energy, Paul held numerous senior executive roles in business and government including; Chief Executive of Marketforce Australia, a leading Australian advertising agency; Founder and Managing Director of GRA Everingham Advisory, Western Australia's premier government relations advisory business; Executive Director of the Liberal Party of Australia (WA); and as a Senior Adviser in the Commonwealth Treasury.

Mr Everingham has a Bachelor of Commerce from the University of Queensland; a Post Graduate Diploma in Applied Finance & Investment from the University of NSW; and a Graduate Certificate in Financial Mathematics from Queensland University of Technology.

During the previous 3 years, Mr Everingham has not held any other directorships in listed entities.

8.4 Cirrus management team

The names and details of Cirrus' key management personnel, including qualifications and background, are as follows:

(a) **Chris McLaughlin - Chief Operating Officer**

20 years of industry experience in business management, engineering, IT and professional services with a history of growth and career progression.

(b) **Matt Green - Chief Financial Officer**

Matt Green is a Qualified Accountant with a Bachelor of Commerce degree and over 25 years of combined commercial and financial experience.

After commencing his career with PriceWaterhouseCoopers, he has held senior roles across multiple sectors within both listed and non-listed companies. Matt has extensive experience in establishing and implementing systems and process for sustained growth within organisations.

8.5 Interests in Cirrus securities

As at the date of this Target's Statement, the Directors (and their associates) have the following relevant interests in Shares and Options:

Shareholder	Shares ¹	% Shareholding	Options
Andrew Milner ²	37,623,387	4.05%	2,500,000
Matthew Sullivan ³	44,473,387	4.79%	20,000,000
Daniel Rohr ⁴	7,678,863	0.83%	2,500,000
Paul Everingham ⁵	19,880,000	2.14%	2,500,000

Notes:

- On the basis there are 928,715,314 Shares on issue in Cirrus at the date of this Target's Statement and no further Shares are issued or Options exercised.
- Shares held indirectly by Alcotrack Pty Ltd ATF The Milner Investment Trust, of which Mr Milner is a director and has a beneficial interest in. 1,250,000 Options exercisable at \$0.035 each on or before 22 November 2021 and 1,250,000 Options exercisable at \$0.045 each on or before 22 November 2021 are held indirectly by Alcotrack Pty Ltd ATF The Milner Investment Trust.
- 22,223,387 Shares held indirectly by Jaraba Avenue Pty Ltd ATF Sullivan Family Trust, of which Mr Sullivan is a director of and has a beneficial interest in (Mr Sullivan also has a beneficial interest in the Sullivan Family Trust), and 22,250,000 Shares held indirectly by Pakenham Pty Ltd ATF the Pakenham SF, of which Mr Sullivan is a director of and has a beneficial interest in (Mr Sullivan also has a beneficial interest in the Pakenham SF). 20,000,000 Options are indirectly held by Jaraba Avenue Pty Ltd ATF Sullivan Family Trust as follows:
 - 5,000,000 Options exercisable at \$0.045 each on or before 18 April 2023;
 - 5,000,000 Options exercisable at \$0.06 each on or before 18 October 2024;
 - 5,000,000 Options exercisable at \$0.045 each on or before the date that is 5 years from vesting (the Options will vest when the Company achieves an EBIT of more than \$2,000,000); and
 - 5,000,000 Options exercisable at \$0.06 each on or before the date that is 5 years from vesting (the Options will vest when the Company achieves an EBIT of more than \$4,000,000).

4. 7,678,863 Shares held indirectly by Bearnick Pty Ltd ATF DR Family Trust, of which Mr Rohr is a director and has a beneficial interest in. 1,250,000 Options exercisable at \$0.035 each on or before 22 November 2021 and 1,250,000 Options exercisable at \$0.045 each on or before 22 November 2021 are held indirectly by Bearnick Pty Ltd ATF DR Family Trust.
5. 11,700,000 Shares held indirectly by Gettysburg Investment Company Pty Ltd ATF P & E Everingham Family Trust of which Mr Everingham is a director of and has a beneficial interest in (Mr Everingham also has a beneficial interest in the P & E Everingham Family Trust), and 8,180,000 Shares held non-beneficially by Mr Paul Alexander Everingham & Mrs Elisa Jean Everingham ATF Everingham Superannuation Fund of which Mr Everingham has a beneficial interest in. 1,250,000 Options exercisable at \$0.07 each on or before 11 November 2023 and 1,250,000 Options exercisable at \$0.09 each on or before 11 November 2023 are held indirectly by Gettysburg Investment Company Pty Ltd ATF P & E Everingham Family Trust.

No Director has acquired or disposed of a relevant interest in any Shares or Options in the four-month period ending on the date immediately before the date of this Target's Statement.

All Directors have decided to reject the Offer in relation to their Shares. See Section 1.3 for further information on the Directors' intentions in relation to the Offer.

8.6 No benefits to Directors

No benefit (other than a benefit permitted under sections 200E or 200F of the Corporations Act) is proposed to be given to a Director (or anyone else) in connection with the Director's retirement as a Director (or executive) of Cirrus.

Cirrus notes that the material terms of the employment of Cirrus' Managing Director, Matthew Sullivan (Cirrus' only executive director) are as disclosed in the Company's announcement of 12 February 2016.

8.7 Other agreements or arrangements with Directors

There are no other agreements or arrangements made between a Director and any other person in connection with or conditional upon the outcome of the Offer.

8.8 Interests of Directors in Webcentral

No Director has a relevant interest in any securities of Webcentral.

No Director acquired or disposed of any securities in Webcentral within the four-month period immediately prior to the date of this Target's Statement.

No Director has any interest in any contract entered into by Webcentral.

8.9 Summary of historical financial information

The summary historical financial information below has been extracted from Cirrus' audited financial statements for the years ended 30 June 2020 and 30 June 2021 and are to be read in conjunction with the Company's annual report for the Financial Year ended 30 June 2021 as announced to ASX on 11 August 2021 (including corresponding notes). The below information in this section does not take into account the effect of the Offer.

Copies of Cirrus' annual reports from which the financial information was extracted can be found on Cirrus' website at www.cirrusnetworks.com.au. These reports also contain details of Cirrus' accounting policies. Shareholders without internet access can obtain copies of these reports by contacting the Chief Financial Officer of Cirrus on +61 8 6180 4231.

Statement of Financial Position	2021 (\$)	2020 (\$)
Total Assets	47,100,383	40,491,718
Total Liabilities	30,863,684	25,927,001
Total Equity	16,236,699	14,564,717

	2021 (\$)	2020 (\$)
Sales revenue	106,341,385	95,136,463
Normalised EBITDA	2,082,766	3,797,016
Adjusted EBITDA (Pre-option expense)	2,041,266	3,676,127
Net profit / (loss) before income tax	845,487	1,121,912

Statement of Cash Flows	2021 (\$)	2020 (\$)
Net cash flows from operating activities	2,776,918	2,942,145
Net cash flows from investing activities	(657,507)	(276,682)
Net cash flows from financing activities	(538,532)	(1,514,800)

Statement of Cash Flows	2021 (\$)	2020 (\$)
Net movement in cash and cash equivalents	1,580,879	1,150,663
Cash and cash equivalents at the beginning of the financial year	6,163,432	5,012,769
Cash and cash equivalents at the end of the financial year	7,744,311	6,163,432

8.10 No material change in financial position

Cirrus' last published financial statements are for the year ended 30 June 2021, as set out in its Annual Report lodged with ASX on 11 August 2021. Except as disclosed in this Target's Statement and in any announcement made by Cirrus to ASX since 11 August 2021, the Directors are not aware of any material change to the financial position of Cirrus since 11 August 2021.

8.11 Takeover response costs

The Offer will result in Cirrus incurring expenses that would not otherwise have arisen in the financial year ending 30 June 2022. These include expenses payable to the Independent Expert for preparing the Independent Experts Report, payable to the legal and financial advisers engaged by Cirrus to assist in responding to the Offer and payable to Cirrus' share register for administrative and mailing costs. The total cost of the takeover response depends on the outcome of the Offer, the duration of the Offer and required response activities, and the complexity of the issues addressed in the response. Therefore it is difficult to estimate the likely total cost to Cirrus.

8.12 Publicly available information and continuous disclosure

Cirrus is a disclosing entity under the Corporations Act. It is subject to regular reporting and disclosure obligations under both the Corporations Act and the Listing Rules of ASX. Copies of announcements lodged with ASX can be obtained from the ASX's website at www.asx.com.au under the code "CNW" or from Cirrus' website at www.cirrusnetworks.com.au.

Cirrus has not made any announcements to ASX between 11 August 2021 (the date of release of Cirrus' Annual Report for the financial year ended 30 June 2021) and the date of this Target's Statement.

Further announcements about developments on the Offer will continue to be made publicly available on Cirrus' website at www.cirrusnetworks.com.au after the date of this Target's Statement.

8.13 Issued capital

Cirrus' issued capital as at the date of this Target's Statement comprises:

Number of Shares	Number of Options
928,715,314	90,525,000

A summary of the terms of the Options on issue are set out in Annexure A.

The Offer does not extend to the Options. However, the Offer extends to all Shares that are issued prior to the end of the Offer Period as a result of conversion of Shares or other convertible securities that were on issue prior to the Announcement Date.

8.14 Substantial holders

Based on substantial shareholder notices lodged with the ASX and registry data available as at the Latest Practicable Date, the following persons (and their associates) have Voting Power of more than 5%:

Shareholder	Shares	%
Webcentral Group Limited	82,323,375	8.86%

8.15 Historical trading price

Cirrus' trading price performance between 29 April 2021 and 29 July 2021 being the trading day before the Announcement Date is outlined in the graphic below:



Source: Bloomberg

As at the Latest Practicable Date, the last recorded trading price of Shares was \$0.035.

As at 29 July 2021, being the last Trading Day before the Offer was announced:

- (a) the last recorded trading price of Shares was \$0.031;
- (b) the one-month VWAP of Shares was \$0.0286;
- (c) the three-month VWAP of Shares was \$0.0291;
- (d) the four-month VWAP of Shares was \$0.0289; and
- (e) the highest and lowest closing prices of Shares during the preceding three 3 months were:
 - (i) Highest: \$0.033 per Share on 21 July 2021.
 - (ii) Lowest: \$0.025 per Share on 8 July 2021.

8.16 Key members of Management's interest in Cirrus Shares

Details of each of the key members of Management (and their Associates) and their relevant interests in Shares who have confirmed to the Board that they will not accept the Offer at the Offer Price are set out below:

Key member of Management	Relevant interest in Shares as at the Latest Practicable Date	Voting Power as at the Latest Practicable Date
Justin Bock (National Sales Manager)	5,000,000 ¹	0.54%
Matt Green (Chief Financial Officer)	35,704,604 ²	3.84%

Key member of Management	Relevant interest in Shares as at the Latest Practicable Date	Voting Power as at the Latest Practicable Date
Darren Grocott (Branch Manager - Australian Capital Territory)	802,941 ³	0.09%
Glenn McAtee (Branch Manager - Western Australia)	1,765,235 ⁴	0.19%
Christopher McLaughlin (Chief Operating Officer)	1,116,093 ⁵	0.12%
Total	44,388,873	4.78%

Notes:

1. 5,000,000 Shares registered in the name of Bock Corp Pty Ltd (as trustee for the JJ Max Family Trust).
2. 16,904,604 Shares registered in the name of Mr Matthew Green and Mrs Natalie Green (as trustee for the Green Future Fund Trust) and 18,800,000 Shares registered in the name of Wescare Pty Ltd.
3. 802,941 Shares registered in the name of Mr Darren Grocott.
4. 752,000 Shares registered in the name of Mr Glenn William McAtee and 1,013,235 Shares registered in the name of Mr Glenn McAtee.
5. 1,116,093 Shares registered in the name of Mr Christopher McLaughlin.

9. Taxation Implications

9.1 Introduction

This Section provides a summary of the Australian income tax, goods and services tax (**GST**) and stamp duty implications for Shareholders on disposing of their Shares (through acceptance of the Offer or having them compulsorily acquired by Webcentral) in return for cash consideration.

This information relates only to Shares, and not to other rights held over Shares. This Section does not consider the Australian tax consequences for Shareholders:

- (a) who hold their Shares as trading stock;
- (b) who hold their Shares as assets used in carrying on a business or as part of a profit making undertaking or scheme;
- (c) who acquired their Shares through an employee share scheme;
- (d) who are Australian tax residents but who hold their Shares as part of an enterprise carried on, at or through a permanent establishment in a foreign country;
- (e) that are financial institutions, insurance companies, partnerships, tax exempt organisations, trusts (except where expressly stated), superannuation funds (except where expressly stated) or temporary residents;
- (f) who are subject to the taxation of financial arrangements rules in relation to gains and losses on their Shares; or
- (g) are taken to have acquired their Shares before 20 September 1985.

The information in this Section is based on the Australian taxation law and practice in effect as at the date of this Target's Statement. It is not intended to be an authoritative or complete statement or analysis of the taxation laws applicable to the particular circumstances of every Shareholder. Shareholders should seek independent professional advice regarding the taxation consequences of accepting the Offer and disposing of their Shares relevant to their own particular circumstances.

9.2 Taxation consequences of disposal of Shares by Australian residents

A summary of the income tax consequences relevant for Australian resident Shareholders who dispose of their Shares by way of transfer to Webcentral is outlined below. Under the Offer, Shareholders will dispose of their Shares to Webcentral in exchange for the Offer Price.

(a) *Disposal of shares held on revenue account*

The disposal of Shares under the Offer by Shareholders who hold the shares on revenue account (i.e. the Shares were acquired for the predominant purpose of making a profit upon resale) should treat any gain or loss arising from the disposal as either assessable income or an allowable deduction.

Any gain or loss on the disposal of the Shares should be calculated by comparing the value of the consideration received and the cost of acquiring the Shares.

(b) *Disposal of shares held on capital account*

The disposal of Shares to Webcentral under the Offer will constitute a capital gains tax (CGT) event for Shareholders that hold their Shares on capital account. The CGT event will happen:

- (i) at the time Shareholders accept the Offer; or
- (ii) if the Shareholder does not accept the Offer and the Shares are compulsorily acquired by Webcentral, the time at which the Shares are acquired.

Shareholders who acquired their Shares on or after 20 September 1985 will:

- (i) make a capital gain if the capital proceeds received on the disposal of their Shares are more than the cost base of those Shares; or
- (ii) make a capital loss if the capital proceeds received on the disposal of their Shares are less than the reduced cost base of those Shares.

The capital proceeds received by a Shareholder that accepts the Offer (or has their Shares compulsorily acquired by Webcentral) will be equal to the Offer Price. The cost base of Shares in the hands of the Shareholders will be broadly the original amount paid to acquire their Shares, any non-deductible incidental costs associated with the acquisition of the Shares (such as brokerage or stamp duty) and any non-deductible incidental costs associated with the disposal of the Shares to Webcentral. The reduced cost base of a Share is calculated in a similar, but not identical, manner.

Capital gains and capital losses of a taxpayer in a year of income are aggregated to determine whether there is a net capital gain (or loss).

A net capital gain may be further reduced by other concessions (particularly the CGT discount rules as discussed below). If so, that net capital gain after applying any CGT concessions is included in assessable income and subject to Australian income tax.

(c) *CGT Discount*

The CGT discount should be available to Shareholders who are individuals, trusts or complying superannuation funds and have held their Shares for at least 12 months before the time of the CGT event resulting in the disposal of the Shares by accepting the Offer (or having their Shares compulsorily acquired).

Broadly, the CGT discount rules enable the Shareholders to reduce their capital gain (after the application of any current year or prior year capital losses) by 50% for individuals and trusts and 33 1/3% for complying superannuation funds.

The CGT discount is not available to Shareholders that are companies. The application of the CGT discount rules to a Shareholder that is a trustee of a trust is complex, particularly where distributions to beneficiaries of the trust are attributable to discounted capital gains. Shareholders that are trustees of trusts should obtain specific tax advice.

(d) *The CGT discount is not relevant for the purposes of calculating a capital loss.*

(i) *Capital losses*

A capital loss will arise where the capital proceeds received by the Shareholders on the disposal of their Shares are less than the reduced cost base of those

Shares. A capital loss may be used to offset any other capital gains made by the Shareholders for the relevant year of income or may be carried forward to offset capital gains made in future income years. Specific loss recoupment rules apply to companies to restrict their ability to utilise capital losses in future years in some circumstances. Shareholders should seek their own tax advice in relation to the operation of these rules.

(ii) *Indexation*

Shareholders who acquired the Shares on or before 21 September 1999 and are either an individual, a complying superannuation fund or a trust, can choose to adjust the cost base of their Shares by including indexation by reference to changes in the consumer price index from, broadly, the calendar quarter in which the expenditure was incurred until the quarter ended 30 September 1999. Indexation adjustments are taken into account for calculating a capital gain and not in calculating a capital loss.

Making a choice to adjust the cost base to include indexation precludes the Shareholder from applying the CGT discount.

9.3 Taxation consequences of disposal of Shares by foreign residents

(a) *Disposal of shares held on revenue account*

Foreign resident Shareholders who hold their shares on revenue account, whether any gain arising from the disposal of the Shares could be taxed in Australia as assessable income will depend on whether the gain has an Australian source. This position may be modified where a Foreign resident Shareholder is resident of a country with which Australia has concluded a double tax treaty. Any foreign resident Shareholder that holds their Shares on revenue account should seek their own specific Australian tax advice.

(b) *Disposal of shares held on capital account*

Generally, a Shareholder who is a foreign resident for Australian income tax purposes and who does not carry on business in Australia at or through a permanent establishment should be exempt from CGT on the disposal of their Shares, unless, broadly:

- (i) the foreign resident Shareholder (together with its associates) hold 10% or more of the issued shares in Cirrus at the time of the CGT event resulting from the disposal of the Shares or for any continuous twelve month period within two years preceding the time of the CGT event; and
- (ii) at the time of the disposal, more than 50% of the market value of Cirrus is represented directly or indirectly by 'taxable Australian real property'. This includes interests in Australian land (including leases), and mining, quarrying and prospecting rights over minerals petroleum or quarry materials situated in Australia.

Importantly, foreign resident Shareholders must assess whether they are subject to CGT at the time of the CGT event resulting from the disposal of their Shares. Foreign resident Shareholders who are subject to CGT on the disposal of their Shares will not be entitled to the CGT discount in relation to that portion of the capital gain which relates to the period after 8 May 2012. Shareholders who are not resident in Australia for income tax purposes should note that the Australian tax consequences from the disposal of Shares

may be affected by any double tax agreement between Australia and their country of residence. Foreign resident Shareholders should obtain specific tax advice.

9.4 **Foreign resident CGT payment rules**

In respect of certain types of transactions entered into on or after 1 July 2016, and subject to certain exceptions, purchasers are required to pay an amount equal to 12.5% of the offer consideration to the ATO (broadly referred to as the foreign resident CGT payment rules).

Relevantly, an exception to these rules is where the transaction occurs on an approved stock exchange. On the basis that Webcentral's Offer is an on-market takeover offer, the foreign resident CGT payment rules should not apply in respect of a transfer of Shares to Webcentral under Webcentral's Offer.

9.5 **Stamp duty**

Webcentral will pay the stamp duty (if any) payable in Australia on the transfers of Shares under the Offer.

9.6 **GST**

The disposal of Shares by a Shareholder to Webcentral pursuant to Webcentral's Offer should either be an input taxed financial supply (if the Shareholder is registered for GST), or an out-of-scope supply (if the Shareholder is not registered for GST). In either case, no GST should be payable.

Shareholders may be charged GST on costs (such as brokerage and advisor fees) that relate to their participation in Webcentral's Offer. Shareholders may not be entitled to claim full input tax credits for the GST included in such costs that relate to the disposal of their Shares. Shareholders should seek independent advice in relation to the impact of GST in their individual circumstances.

10. Other material information

10.1 Effect of the Offer on Cirrus' material contracts

Several of the material contracts the Company has entered into with its customers include contractual rights in favour of the customer which allow the customer to terminate the agreement on notice to the Company, including a change of control right in the case of the Geoscience Agreement and a termination for convenience right in the case of the MacCallum Agreement. In the event that Webcentral acquires a majority of the issued capital in the Company, the Company's customers may seek to rely on any available change of control rights to terminate their agreement with the Company. As at the date of this Target's Statement, the Company is not aware of any customers who wish to terminate their agreements with the Company.

10.2 Effect of the Offer on Options

The Offer does not apply to the Options on issue. However, the Offer extends to any Shares that are issued during the Offer Period as a result of the exercise of any Options (or any other securities that confer rights to be issued Shares). All unvested DESOP Options will immediately be deemed to have vested in the event of a change in control of the Company, with the Board having discretion as to whether any such event has occurred, but at all times having reference to s 50AA of the Corporations Act. Therefore, if Webcentral acquires a relevant interest in 50.1% of the Shares, the Board may, in its absolute discretion, determine that all or a specified number of unvested Options have vested.

10.3 Material litigation

As at the date of this Target's Statement, Cirrus is not involved in any material litigation and is not aware of any pending or threatened claims involving it.

10.4 Consents

The following persons have given, and have not before the date of issue of this Target's Statement withdrawn, their consent to:

- (a) be named in this Target's Statement in the form and context in which they are named; and
- (b) the inclusion of other statements in this Target's Statement which are based on or referable to statements made in the reports or statements noted next to their names, or which are based on or referable to other statements made by those persons, in the form and context in which they appear:

Name of Person	Capacity	Reports or Statements
Mr Andrew Milner, Mr Matthew Sullivan, Mr Daniel Rohr, and Mr Paul Everingham	Directors	Statements made by, or statements based on the statements made by, the Directors
HWL Ebsworth Lawyers	Legal advisor to Cirrus	N/A

Name of Person	Capacity	Reports or Statements
Azure Capital	Corporate Adviser	N/A
Lonergan Edwards	Independent Expert	N/A
BDO	Auditor	N/A

Each of the persons named above:

- (a) does not make, or purport to make, any statement in this Target's Statement other than those statements referred to above and as consented to by that person; and
- (b) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Target's Statement other than as described in this Section with the person's consent.

As permitted by ASIC Class Order 13/521, this Target's Statement contains statements that are made, or based on statements made, in documents lodged with ASIC or ASX (in compliance with the Listing Rules), including the Bidder's Statement. Pursuant to this Class Order, the consent of persons to whom such statements are attributed to is not required for the inclusion of those statements in the Target's Statement.

Any Shareholder who would like to receive a copy of any of the documents (or parts of the documents) that contain the statements which have been included pursuant to ASIC Class Order 13/521 may obtain a copy free by writing to Cirrus' Chief Financial Officer.

Copies of all announcements by Cirrus may also be obtained from its website at www.cirrusnetworks.com.au or from ASX's website www.asx.com.au under the code "CNW".

Additionally, as permitted by ASIC Corporations (Consents to Statements) Instrument 2016/72, this Target's Statement may include or be accompanied by statements:

- (a) fairly representing a statement by an official person; or
- (b) from a public official document or a published book, journal or comparable publication.

Pursuant to that instrument, the consent of persons to whom such statements are attributed is not required for inclusion of those statements in this Target's Statement.

10.5 No other material information

This Target's Statement is required to include all the information that Shareholders and their professional advisers would reasonably require to make an informed assessment whether to accept the Offer, but:

- (a) only to the extent to which it is reasonable for investors and their professional advisers to expect to find this information in this Target's Statement; and
- (b) only if the information is known to any Director of Cirrus.

The Cirrus Directors are of the opinion that the information that Shareholders and their professional advisers would reasonably require to make an informed assessment whether to accept the Offer is:

- (a) the information contained in the Bidder's Statement (to the extent that the information is not inconsistent or superseded by information in this Target's Statement);
- (b) the information contained in Cirrus' releases to the ASX, and in the documents lodged by Cirrus with ASIC before the date of this Target's Statement; and
- (c) the information contained in this Target's Statement.

The Cirrus Directors have appointed an Independent Expert (Lonergan Edwards) to prepare an Independent Expert's Report opining on whether the Offer is fair and reasonable to Shareholders, which will be made available to Shareholders in a supplementary Target's Statement expected to be released to the ASX before the close of the Offer period on 16 September 2021.

The Cirrus Directors have assumed, for the purposes of preparing this Target's Statement, that the information in the Bidder's Statement is accurate (unless they have expressly indicated otherwise in this Target's Statement). However, the Cirrus Directors do not take any responsibility for the contents of the Bidder's Statement and are not to be taken as endorsing, in any way, any or all statements contained in the Bidder's Statement.

In deciding what information should be included in this Target's Statement, the Directors have had regard to, amongst other things,

- (a) the nature of Shares;
- (b) the matters which Shareholders (or their professional advisers) may reasonably be expected to know, including information contained in documents previously sent to Shareholders and information available from public sources such as the ASX, ASIC or Cirrus' website at www.cirrusnetworks.com.au;
- (c) the fact that certain matters may reasonably be expected to be known to Shareholders' professional advisers; and
- (d) the time available to Cirrus to prepare this Target's Statement.

11. Authorisation

Mr Andrew Milner, the Chairman of Cirrus, is authorised to sign this Target's Statement pursuant to a resolution passed by Directors on 10 August 2021.



Andrew Milner
Non-Executive Chairman
Dated: 11 August 2021

12. Glossary of terms

12.1 Glossary

In this Target's Statement, unless a contrary intention appears, the following expressions have the following meanings:

5GN means 5G Networks Limited (ACN 163 312 025).

Announcement Date means 30 July 2021, being the date on which Webcentral announced unsolicited unconditional on-market takeover bid for Cirrus.

ASIC means Australian Securities and Investment Commission.

ASX means ASX Limited (ACN 008 624 691) trading as Australian Securities Exchange.

ASX Settlement means ASX Settlement Pty Limited (ABN 98 008 504 532).

ASX Settlement Operating Rules means the settlement rules of ASX Settlement.

Associate has the meaning given in Section 12 of the Corporations Act.

ATF means as trustee for.

ATO means the Australian Taxation Office.

BDO means BDO Audit (WA) Pty Ltd (ACN 112 284 787).

Bidder's Statement means the bidder's statement of Webcentral dated and served on Cirrus on 30 July 2021 (as supplemented by the First Supplementary Bidder's Statement).

Board means the board of Directors of Cirrus.

Broker means a person who is a share broker and a participant in CHESS.

CHESS means the Clearing House Electronic Sub-register System, which provides for electronic share transfer in Australia.

CHESS Holding means a holding of Shares on the CHESS sub-register of Cirrus.

Cirrus or **Company** means Cirrus Networks Holdings Limited (ACN 103 348 947).

CGT means capital gains tax.

CGT Discount means a capital gains tax discount available on certain capital gains arising from the disposal of capital gains tax assets held for greater than 12 months, as described in Section 9.2(c).

Control has the meaning given in section 50AA of the Corporations Act.

Controlling Participant means the broker who is designated as the controlling participant for Shares in a CHESS Holding in accordance with the ASX Settlement Operating Rules.

Corporations Act means the *Corporations Act 2001* (Cth).

DESOP Options means the 77,125,000 Options issued to Directors and employees of the Company pursuant to the Company's employee securities incentive plan.

Director means a director of Cirrus and **Directors** means all of the directors of Cirrus.

EBIT means earnings before interest and taxes.

EBITDA means earnings before interest, taxes, depreciation and amortisation.

FinClear means FinClear Services Pty Ltd (ACN 136 184 962).

First Supplementary Bidder's Statement means the first supplementary bidder's statement of Webcentral dated and served on Cirrus on 6 August 2021.

FY20 means the financial year ended 30 June 2020.

FY21 means the financial year ended 30 June 2021.

FY22 means the financial year ended 30 June 2022.

Geoscience means the Commonwealth of Australia as represented by Geoscience Australia (ABN 80 091 799 039)

Geoscience Agreement means the agreement between Cirrus Correct (being a wholly-owned subsidiary of the Company) and Geoscience dated 11 March 2021.

GST means GST within the meaning of the *A New Tax System (Goods and Services Tax) Act 1999*.

Independent Expert means Lonergan Edwards & Associates Limited (ACN 095 445 560).

Independent Expert's Report means the report and related financial services guide being prepared by the Independent Expert.

IT means information technology.

Latest Practicable Date means 6 August 2021, being the latest practicable date before the finalisation of this Target's Statement.

Listing Rules means the listing rules of the ASX.

Lonergan Edwards means Lonergan Edwards & Associates Limited (ACN 095 445 560).

MacCallum Institute means the Peter MacCallum Cancer Institute (ABN 42 100 504 883).

MacCallum Agreement means the services register contract between the Company and the MacCallum Institute dated 5 January 2018 (as amended).

Management means the senior officers and management of the Company.

Offer means the on-market takeover bid by Webcentral for all Shares other than those already owned by Webcentral or its associates, as described in the Bidder's Statement.

Offer Period means the period commencing on 16 August 2021 and ending at 4.00pm (Melbourne time) on 16 September 2021 (unless extended or withdrawn) during which the Offer will remain open for acceptance.

Offer Price means the consideration offered by Webcentral under the Offer. As at the date of this Target's Statement, the Offer Price is A\$0.032 cash for each Share.

Option means an option to acquire a Share.

Section means a section of this Target's Statement.

Share means a fully paid ordinary share in the capital of Cirrus.

Shareholder means the holder of a Share.

Target's Statement means this Target's Statement, being the statement of Cirrus issued under Part 6.5 Division 3 of the Corporations Act.

Trading Day has the meaning given in the Listing Rules.

Voting Power has the meaning given in section 610 of the Corporations Act.

Webcentral means Webcentral Group Limited (ACN 073 716 793).

VWAP means volume weighted average price of Shares.

12.2 Interpretation

Various defined terms are used in this Target's Statement. Unless the contrary intention appears, the context requires otherwise, or words are defined in Section 12.1, words and phrases in this Target's Statement have the same meaning and interpretation as in the Corporations Act.

In this Target's Statement, headings are for convenience only and do not affect interpretation and unless the context indicates a contrary intention:

- (a) the expression "person" includes an individual, the estate of an individual, a corporation, an authority, an association or a joint venture (whether incorporated or unincorporated), a partnership and a trust;
- (b) a reference to any party includes that party's executors, administrators, successors and permitted assigns, including any person taking by way of novation and, in the case of a trustee, includes any substituted or additional trustee;
- (c) a reference to any document (including this Target's Statement) is to that document as varied, novated, ratified or replaced from time to time;
- (d) a reference to any statute or to any statutory provision includes any statutory modification or re-enactment of it or any statutory provision substituted for it, and all ordinances, by-laws, regulations, rules and statutory instruments (however described) issued under it;
- (e) words importing the singular include the plural (and vice versa), and words indicating a gender include every other gender;
- (f) references to sections, schedules, exhibits or annexures are references to sections, schedules, exhibits and annexures to or of this Target's Statement, and a reference to this Target's Statement includes any schedule, exhibit or annexure to this Target's Statement;

- (g) where a word or phrase is given a defined meaning, any other part of speech or grammatical form of that word or phrase has a corresponding meaning;
- (h) the word "includes" in any form is not a word of limitation;
- (i) a reference to "\$", "A\$" or "dollar" is to Australian currency; and
- (j) if any day appointed or specified by this Target's Statement for the payment of any money or doing of anything falls on a day which is not a business day, the day so appointed or specified shall be deemed to be the next business day.

ANNEXURE A – Cirrus Unquoted Options on Issue

ASX Code	Exercise Price	Expiry Date	Number of Options
CNWAG	\$0.035	22 November 2021	4,250,000
CNWAH	\$0.045	22 November 2021	4,250,000
CNWAQ	\$0.035	30 June 2022	3,787,500
CNWAR	\$0.045	30 June 2022	3,787,500
CNWAAE	\$0.035	30 June 2022	5,425,000
CNWAAF	\$0.045	30 June 2022	5,425,000
CNWAS	\$0.06	31 December 2022	4,600,000
CNWAT	\$0.08	31 December 2022	4,600,000
CNWAU	\$0.045	18 April 2023	5,000,000
CNWAW	\$0.035	30 June 2023	1,500,000
CNWAX	\$0.045	30 June 2023	1,500,000
CNWAO	\$0.05	30 June 2023	1,500,000
CNWAP	\$0.07	30 June 2023	1,500,000
CNWAY	\$0.045	11 October 2023	7,500,000
CNWAZ	\$0.06	11 October 2023	7,500,000
CNWAI	\$0.045	5 years from the date of vesting (subject to a vesting condition of the Company achieving > \$2 million EBIT).	5,000,000
CNWAI	\$0.06	5 years from the date of vesting (subject to a vesting condition of the Company achieving > \$4 million EBIT).	5,000,000
CNWAJ	\$0.07	11 November 2023	1,250,000
CNWAK	\$0.09	11 November 2023	1,250,000
CNWAL	\$0.035	31 December 2023	2,200,000
CNWAM	\$0.045	31 December 2023	2,200,000

ASX Code	Exercise Price	Expiry Date	Number of Options
CNWAAB	\$0.045	30 June 2024	3,250,000
CNWAAC	\$0.06	30 June 2024	3,250,000
CNWAV	\$0.06	18 October 2024	5,000,000

CORPORATE DIRECTORY

Directors

Mr Andrew Milner	Non-Executive Chairman
Mr Matthew Sullivan	Managing Director and CEO
Mr Daniel Rohr	Non-Executive Director
Mr Paul Everingham	Non-Executive Director

Company Secretary

Ms Catherine Anderson

Registered Office

Level 28
108 St Georges Terrace
PERTH WA 6000

Telephone: (08) 6180 4222
Email: info@cirrusnetworks.com.au
Website: www.cirrusnetworks.com.au

ASX Code: CNW

Share Registry*

Automic Pty Ltd
Level 5, 126 Phillip Street
Sydney NSW 2000
Telephone: +61 8 1300 288 664

Solicitors to the Offer

HWL Ebsworth Lawyers
Level 20, 240 St Georges Terrace
PERTH WA 6000

Auditors*

BDO Audit (WA) Pty Ltd
38 Station Street
Subiaco WA 6008

Corporate Adviser

Azure Capital Pty Ltd
Level 46
108 St Georges Terrace
Perth WA 6000
AFSL: 276569

* These entities are included for information purposes only. They have not been involved in the preparation of this Target's Statement.