

28 May 2020

Mr Ivan Tatkovich  
ASX Listings Compliance  
20 Bridge Street  
Sydney NSW 2000

Dear Ivan,

**Retail Entitlement Offer – Notification to Ineligible Retail Shareholders**

Further to the pro-rata accelerated non-renounceable entitlement offer announced by Firstwave Cloud Technology Limited ACN 144 733 595 (ASX:FCT) (**Company**) on 21 May 2020, the Company has distributed the attached letter to retail shareholders who are ineligible to participate in the Retail Entitlement Offer.

This announcement has been authorised for release to ASX by the Board of Directors of the Company.

Yours faithfully,



**Gai Stephens**  
Company Secretary  
Firstwave Cloud Technology Limited



28 May 2020

Dear Shareholder,

### **Retail Entitlement Offer – Notification to Ineligible Retail Shareholders**

On 21 May 2020, Firstwave Cloud Technology Limited ACN 144 733 595 (ASX:FCT) (**Company**) announced to ASX Limited (**ASX**) that it was conducting a pro-rata accelerated non-renounceable entitlement offer on the basis of 4 fully paid ordinary shares in the Company (**New Shares**) for every 5 ordinary shares held by shareholders registered at 7.00 pm (AEST) on Monday, 25 May 2020 at an issue price of \$0.045 (4.5 cents) per New Share (**Entitlement Offer**).

The Entitlement Offer comprises:

- an institutional entitlement offer to raise approximately \$2.4 million (**Institutional Entitlement Offer**); and
- a retail entitlement offer to raise approximately \$9 million (**Retail Entitlement Offer**).

The Entitlement Offer is being made without a prospectus in accordance with section 708AA of the *Corporations Act 2001* (Cth) as modified by *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84*.

The net proceeds of the Entitlement Offer will be used to fund the Company's projected operational and investment expenditure through to what its forward plan projects to be cash flow break even in December 2022.

### **Retail Entitlement Offer**

The Retail Entitlement Offer is being made to Eligible Retail Shareholders (as defined below) on the basis of 4 New Shares for every 5 existing shares held in the Company (**Entitlement**) as at 7.00 pm (AEST) on Monday, 25 May 2020 (**Record Date**).

Eligible Retail Shareholders will be able to take up their Entitlement as well as apply for additional New Shares. Further details about the Entitlement Offer are set out in the Retail Offer Booklet which will be made available on ASX's website today.

Morgans Corporate Limited and Wentworth Global Capital Finance Pty Limited are joint lead managers to the Retail Entitlement Offer and Morgans Corporate Limited will fully underwrite the Retail Entitlement Offer.

Shareholders who are eligible to participate in the Retail Entitlement Offer (**Eligible Retail Shareholders**) are those shareholders in the Company who:

- (a) are registered as the holder of shares in the Company as at 7.00 pm (AEST) on the Record Date;



- (b) have a registered address on the share register of the Company in Australia or New Zealand;
- (c) are not in the United States and are not “U.S. persons” (as defined under Regulation S under the United States Securities Act of 1933, as amended) (**U.S. Persons**) or acting for the account or benefit of U.S. Persons;
- (d) were not invited to participate (other than as nominee, in respect of other underlying holdings) under the Institutional Entitlement Offer, and were not treated as an ineligible institutional shareholder under the Institutional Entitlement Offer; and
- (e) are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.

Retail shareholders who do not satisfy the above criteria are ineligible retail shareholders (**Ineligible Retail Shareholders**). The Retail Entitlement Offer is not being extended to Ineligible Retail Shareholders and Ineligible Retail Shareholders will not be sent a copy of the Retail Offer Booklet.

#### **Eligibility criteria**

In determining eligibility, pursuant to ASX Listing Rule 7.7.1(a) and section 9A(3) of the *Corporations Act 2001* (Cth) (**Corporations Act**), the Company has had regard to the legal and regulatory requirements of making offers of securities in certain countries, the number of shareholders in those countries and the number of shares they hold, the value of New Shares to which those shareholders would otherwise be entitled to and the cost of complying with the legal and regulatory requirement in those countries.

The Company has determined, pursuant to ASX Listing Rule 7.7.1(a) and section 9A(3) of the Corporations Act, that it would be unreasonable to make offers under the Retail Entitlement Offer to all shareholders with addresses outside of Australia and New Zealand having regard to the Company's current shareholding and the costs of complying with legal and regulatory requirements in those jurisdictions.

#### **No right to participate**

**Unfortunately, the Company has determined that you do not satisfy the eligibility criteria for an Eligible Retail Shareholder. Accordingly, the Company wishes to advise you that it will not be extending the Retail Entitlement Offer to you and you will not be able to subscribe for New Shares under the Retail Entitlement Offer. As the Retail Entitlement Offer is non-renounceable, entitlements in respect of the New Shares you would have been offered if you were an Eligible Retail Shareholder will lapse and you will not receive any payment or value for those entitlements.**

**The purpose of this letter is to inform you about the Retail Entitlement Offer and to explain why you will not be able to subscribe for New Shares under the Retail Entitlement Offer. This letter constitutes the notice that the Company is required to give each Ineligible Retail Shareholder under ASX Listing Rule 7.7.1(b) and section 9A(3)(b) of the Corporations Act.**



**This letter is not an offer to issue entitlements or New Shares to you and is not an invitation for you to apply for entitlements in New Shares. You are not required to do anything in response to this letter.**

**Further information**

For further information on the Retail Entitlement Offer you may call Ms Gai Stephens, Company Secretary, on 02 9409 7000 from 8.30am to 5.00pm (AEST) Monday to Friday and select 3 for Investor Enquiries. You may wish to contact your stockbroker, accountant or other professional adviser should you have any queries regarding your eligibility.

On behalf of the Board and management of Firstwave Cloud Technology Limited, we regret that you are not eligible to participate in the Retail Entitlement Offer and thank you for your continued interest and support of the Company.

Yours faithfully,



John Grant  
Executive Chairman

**NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES**

This letter is issued by Firstwave Cloud Technology Limited. This letter is not a prospectus or offer document under Australian law or under any other law. It is for information purposes only and does not constitute an offer, invitation or recommendation to subscribe for, retain or purchase any securities in Firstwave Cloud Technology Limited in any jurisdiction. This letter does not constitute financial product advice and does not and will not form any part of any contract for the acquisition of Firstwave Cloud Technology Limited shares. No action has been, or will be, taken to register any offer or otherwise permit a public offering of securities outside Australia and New Zealand. This letter may not be released or distributed in the United States.

This letter does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. The entitlements and the New Shares offered in the Entitlement Offer have not been, and will not be, registered under the U.S. Securities Act of 1933 ("**U.S. Securities Act**") or the securities laws of any state or other jurisdiction of the United States. Accordingly, the entitlements may not be taken up by persons in the United States and the New Shares may not be offered or sold in the United States, unless they have been registered under the U.S. Securities Act or are offered or sold in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act. The New Shares to be offered and sold in the Entitlement Offer may only be offered and sold outside the United States in "offshore transactions" (as defined in Rule 902(h) under the U.S. Securities Act) in reliance on Regulation S under the U.S. Securities Act.

