



FIRSTWAVE
CLOUD SECURITY TECHNOLOGY

21 May 2020: ASX Media Release

FirstWave launches \$14.9m Equity Raising

Leading Australian headquartered global cyber security company, **FirstWave Cloud Technology Limited (ASX: FCT) (Company)** today launched an equity offering to raise up to \$14.9 million comprising:

- a \$11.4 million accelerated non-renounceable pro-rata entitlement offer (**Entitlement Offer**); and
- a \$3.5 million institutional placement (**Placement**),

(collectively, the **Capital Raise**).

Executive Chairman, John Grant, said "Over the last year, FirstWave and its global channel partners have made tremendous progress in laying the foundations for commercialising FirstWave's world-class Cloud Content Security Platform. Even given our market has been disrupted by COVID-19 in recent months, I continue to be optimistic and excited about the prospects for our Company. This Capital Raise is an opportunity for both existing and new investors to provide the runway the Company needs to realise its opportunity to be a leading cyber security partner to Telcos and managed security service providers world-wide. We look forward to your participation in the offer."

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

Details of the Capital Raise

The Company is undertaking a 4 for 5 Entitlement Offer to raise approximately \$11.4 million, and a \$3.5 million Placement, together raising up to \$14.9 million.

The Capital Raise will result in the issue of approximately 332 million new fully paid shares in the Company, representing approximately 105% of existing shares on issue. All new shares will rank equally with existing shares on the date of issue.

Placement

The \$3.5 million Placement will be offered to institutional investors at a price of \$0.045 per share (4.5 cents), representing a 35.3% discount to the 7-day VWAP up to 18th May 2020 (being the last trading day before the Capital Raise was announced) of \$0.07. The Placement is being conducted today, Thursday 21st May 2020.

In accordance with Class Waiver Decision – Temporary Extra Placement Capacity granted by ASX on 23rd April 2020, the Placement is within the Company's placement capacity calculated as if the Company's placement capacity under Listing Rule 7.1 is 25% and not 15%, and accordingly, no shareholder approval is required in connection with the Placement. Shares issued under the Placement do not have rights to participate in the Entitlement Offer.



FirstWave Cloud Technology Ltd ABN: 35 144 733 595 (ASX: FCT)

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Entitlement Offer

The Entitlement Offer comprises:

- an institutional entitlement offer to raise approximately \$2.4 million which opens on Thursday 21st May 2020 and closes on Thursday 21st May 2020 (**Institutional Entitlement Offer**); and
- a fully underwritten retail entitlement offer to raise approximately \$9.0 million which opens on Thursday 28th May 2020 and closes on Tuesday 9th June 2020 (**Retail Entitlement Offer**).

Under the Entitlement Offer, eligible shareholders are invited to subscribe for 4 new shares for every 5 shares they hold as at 7.00pm (AEST) on Monday 25th May 2020. All new shares issued under the Entitlement Offer will be issued at a price of \$0.045 per Share (4.5 cents) (**Issue Price**), which represents a:

- 35.3% discount to the 7-day VWAP up to 18th May 2020; and
- 15.6% discount to the theoretical ex-rights price ('TERP')

Entitlements cannot be traded on the ASX or transferred. Eligible shareholders who do not accept their entitlement under the Entitlement Offer in full or part, will not receive any value in respect to those entitlements not accepted.

Morgans Corporate Limited and Wentworth Global Capital Finance Pty Limited are joint lead managers to the Capital Raise and Morgans Corporate Limited will fully underwrite the Retail Entitlement Offer. The underwriter's obligations to underwrite any shortfall under the Retail Entitlement Offer is subject to terms and conditions which are customary for these types of agreements.

Executive Chairman, John Grant will accept his entitlement in full and participate as a sub-underwriter to the Retail Entitlement Offer up to \$300,000. No fees, commissions or other consideration will be payable to Mr Grant in connection with his role as a sub-underwriter to the Retail Entitlement Offer. Mr Grant's participation as a sub-underwriter will terminate in circumstances where the Underwriting Agreement has been terminated. Directors, Paul MacRae will be taking up his full entitlement and Scott Lidgett will be taking up his entitlement to the extent of \$100,000.

The Placement and Institutional Entitlement Offer are not underwritten

Institutional Entitlement Offer

Eligible institutional shareholders will be invited to participate in the Institutional Entitlement Offer, which will commence today, 21st May 2020. Eligible institutional shareholders can choose to take up all, part of or none of their entitlement.

Entitlements that eligible institutional shareholders do not take up by the close of the Institutional Entitlement Offer, and entitlements that would otherwise have been offered to ineligible institutional shareholders, will be offered to new and existing institutional shareholders concurrently with the Institutional Entitlement Offer.





Retail Entitlement Offer

Eligible retail shareholders with registered addresses in Australia and New Zealand will be invited to participate in the Retail Entitlement Offer. The Retail Entitlement Offer will open on 28th May 2020 and close at 5.00pm (AEST) on 9th June 2020.

Eligible retail shareholders can choose to take up all, part or none of their entitlement. Eligible retail shareholders who apply for their entitlement in full will have the ability to apply for additional shares in excess of their entitlement.

Eligible retail shareholders wishing to participate in the Retail Entitlement Offer should carefully read the Retail Offer Booklet and accompanying personalised Entitlement and Acceptance Form which are expected to be despatched on or around 28th May 2020. A copy of the Retail Offer Booklet will be available on the ASX website.

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| Announcement of Capital Raise | Thursday, 21 May 2020 |
| Placement and Institutional Entitlement Offer opens | Thursday, 21 May 2020 |
| Placement and Institutional Entitlement Offer closes | Thursday, 21 May 2020 |
| Announcement of results of Placement and Institutional Entitlement Offer | Friday, 22 May 2020 |
| Trading halt lifted and trading resumes on an ex-entitlement basis | Friday, 22 May 2020 |
| Record date for the Entitlement Offer (7:00pm AEST) | Monday, 25 May 2020 |
| Retail Entitlement Offer opens and Retail Offer Booklet despatched | Thursday, 28 May 2020 |
| Settlement of Placement and Institutional Entitlement Offer | Thursday, 28 May 2020 |
| Allotment of shares issued under Placement and Institutional Entitlement Offer | Friday, 29 May 2020 |
| Retail Entitlement Offer closes (5:00pm AEST) | Tuesday, 9 June 2020 |
| Announcement of results of Retail Entitlement Offer | Friday, 12 June 2020 |
| Settlement of Retail Entitlement Offer | Monday, 15 June 2020 |
| Allotment of Shares under Retail Entitlement Offer | Tuesday, 16 June 2020 |
| Quotation and trading commences on a normal settlement basis | Wednesday, 17 June 2020 |

**The above timetable is indicative only and subject to change. Subject to the ASX Listing Rules and Corporations Act and other applicable laws, the Company reserve the right to vary these dates and times without notice.*





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Further information

Further information in relation to the Entitlement Offer is also set out in the Investor Presentation which the Company filed with ASX today which contains important information including key risks with respect to the Entitlement Offer and Placement.

For more information, please contact:

Gai Stephens
Company Secretary
02 9409 7000

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



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This announcement 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.

ENDS –

For media and investor inquiries, please contact:

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Follow FCT on its Twitter investor relations feed: https://twitter.com/Firstwave_FCT

About FirstWave Cloud Technology Limited (FirstWave)

Australian headquartered global cyber security company, FirstWave, has delivered Security as a Service (SaaS) solutions since 2004. FirstWave provides safety through the most accessible and adaptive cloud-based cyber-security solutions that are affordable, easy and fast to implement enabling SaaS. Its unique proprietary cloud-platform orchestration is available for service providers and enterprises of any size, anywhere. In an increasingly vulnerable digital world, FirstWave believes that safe business is good business and that all companies should have access to enterprise-quality cyber-security. FirstWave's infrastructure, management and security processes are certified to ISO 27001 Information Security Management System Standard and ISO 9001 Quality Management System Standard.



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