



ASX Release: 12 August 2021

Exercise of Options and Underwriting Agreement

Highlights:

- **Unexercised options to be underwritten.**
- **4,246,148 unquoted options with an exercise price of \$0.05 and expiring on 13 August 2021 currently remain unexercised.**
- **Additional funds raised as a result of the exercise of the underwritten options will be used by the Company for general working capital purposes.**

FirstWave Cloud Technology Limited (ASX:FCT) (FirstWave or Company), an Australian global cybersecurity technology company, advises that as a result of the 30,000,000 unquoted options (**Options**), with an exercise price of \$0.05 each (**Exercise Price**) and expiry date of 13 August 2021 (**Expiry Date**) that were issued to the sub-underwriters of the retail entitlement offer announced by the Company on 21 May 2020 25,753,852 options have been exercised.

Each Option, upon exercise, converts into one fully paid ordinary share in the capital of the Company (**Share**).

As at the date of this announcement, 4,246,148 Options remain unexercised (**Shortfall**).

The Company also advises that it has entered into an underwriting agreement with Morgans Corporate Limited (**Underwriter**) in relation to the Shortfall (**Underwriting Agreement**).

FirstWave has entered into the Underwriting Agreement to ensure the Company receives the economic benefit of the exercise of all Options that were issued, net of costs, and allowing it to deploy the funds for general working capital purposes.

The Underwriting Agreement contains indemnities and warranties that are usual for an agreement of this nature, the material terms of which are summarised below.

In accordance with ASX Listing Rule 3.11.3, FirstWave advises that the Underwriter, which is not a related party of the Company, will be paid a fee of 4% of the funds raised pursuant to the Shortfall.

The Underwriting Agreement is subject to the following additional material terms:

1. the Underwriter may nominate sophisticated or professional investors to subscribe for Shares under the Shortfall (**Permitted Nominee**); and
2. the events that could lead to the Underwriting Agreement being terminated are set out in the schedule to this announcement.

Any Shares issued to the Underwriter (or its nominees) will be issued in accordance with ASX Listing Rule 7.2 (Exception 10), and therefore shareholder approval is not required.

ENDS

This announcement has been approved for release by the Company Secretary.





FIRSTWAVE
CLOUD SECURITY TECHNOLOGY

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About FirstWave Cloud Technology Limited (FirstWave)

Leading Australian cybersecurity technology company FirstWave has delivered cybersecurity-as-a-service (CSaaS) solutions since 2004.

FirstWave's mission is to democratise enterprise-grade cybersecurity-as-a-service for the SMB market. Through its global partner network, FirstWave provides affordable enterprise-grade CSaaS via its unique proprietary Cloud Content Security Platform (CCSP).

In an increasingly connected and vulnerable digital world, FirstWave believes that safe business is good business and that all companies should have access to enterprise-grade cybersecurity regardless of size. FirstWave's infrastructure, management and security processes are certified to ISO 27001 Information Security Management System Standard and ISO 9001 Quality Management System Standard.



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



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Schedule – Events of Termination

- (a) (**market fall**): the S&P/ASX 300 Index at market close on any day between the date of this agreement and the Business Day immediately prior to the Settlement Date, falls to a level that is 10% or more below that index's level at market close on the Business Day prior to the date of this agreement ("Index Starting Level") and at market close for at least 2 consecutive Business Days remains at a level that is 10% or more below the relevant Index Starting Level.
- (b) (**Offence**) Any director of the Issuer is charged with a criminal offence relating to any financial or corporate matter or any fraudulent or dishonest behaviour, or a director of the Issuer is disqualified from managing a corporation under the Corporations Act.
- (c) (**Change in management**) A change in the board of directors of the Issuer occurs (except a change in the board of directors which was disclosed to the Underwriter in writing before the date of this agreement).
- (d) (**withdrawal**) The Issuer does not give a Shortfall Notice by the Shortfall Notification Date.
- (e) (**ASX actions**) ASX does any of the following:
 - i. announces or makes a statement to any person that the Issuer will be removed from the official list of ASX or Shares will be suspended from quotation, other than any announcement by ASX of a trading halt or suspension made in accordance with the Timetable;
 - ii. removes the Issuer from the official list;
 - iii. refuses to approve or does not grant unconditional approval to the quotation of the Shortfall Shares on ASX on or before 10.00am on the Settlement Date or if granted, the approval is subsequently withdrawn, qualified or withheld; or
 - iv. suspends the trading of Shares for any period of time, other than any trading halt or suspension made in accordance with the Timetable.
- (f) (**ASIC action**) ASIC:
 - i. applies for an order under Part 9.5 of the Corporations Act in relation to the Option Shortfall, unless that application is:
 - A. not made public; and
 - B. is withdrawn by the earlier of 6pm on the second Business Day after it is made and 10am on the Settlement Date;
 - ii. holds, or gives notice of intention to hold, a hearing or investigation in relation to the Option Shortfall under the Corporations Act or the Australian Securities and Investments Commission Act 2001 (Cth), unless that hearing, or notice, is:
 - A. not made public; and
 - B. is terminated (in the case of a hearing) or withdrawn (in the case of a notice) by the earlier of 6pm on the second Business Day after it is made and 10am on the Settlement Date.
- (g) (**Insolvency event**) Any one of the following occurs:
 - i. the Issuer (or any other Group Member):
 - A. being or stating that it is unable to pay its debts as and when they fall due; or
 - B. failing to comply with a statutory demand;
 - ii. an application or order is made (and, in the case of an application, it is not stayed, withdrawn or dismissed within 2 Business Days) or resolution is passed for:
 - A. the appointment of a liquidator, provisional liquidator, administrator, receiver, receiver and manager or other similar official in relation to, or to any property of, the Issuer (or any other Group Member); or
 - B. the Issuer (or any other Group Member) being wound up or dissolved or entering into a scheme, moratorium, composition or other arrangement with, or to obtain protection from, its creditors or any class of them or an assignment for the benefit of its creditors or any class of them;
 - iii. circumstances existing which would permit a presumption of insolvency in relation to the Issuer (or any other Group Member) under section 459C(2) of the Corporations Act, or
 - iv. anything analogous or having a substantially similar effect to (g)(i) - (iii) above occurring in relation to the Issuer (or any other Group Member).
- (h) (**Material adverse change**) Any material adverse change occurs in the assets, liabilities, financial position or performance, profits, losses or prospects of the Issuer and the Group (insofar as the position in relation to an entity in the Group affects the overall position of the Issuer), including any material adverse change in the assets, liabilities, financial position or performance, profits, losses or prospects of the Group from those respectively disclosed in information publicly available at the date of this agreement.
- (i) (**no exemptions or orders**) an:
 - i. exemption under sections 111AS or 111AT of the Corporations Act; or
 - ii. order under sections 340 or 341 of the Corporations Act,is given or made in respect of the Issuer, or any person, as a director or auditor of the Issuer.





- (j) **(no determination)** ASIC makes a determination under sections 708A(2) of the Corporations Act in respect to the Issuer.
- (k) **(repayment of application monies)** the Issuer does for whatever reason repay, or is required by ASIC or the ASX to repay, some or all of the application money relating to the Shortfall Shares.
- (l) **(Other termination events)** Subject to clause 10.2, any of the following occurs.
 - i. **(Breach of agreement)** The Issuer is or becomes in default of any of the terms and conditions of this agreement or a representation or warranty by the Issuer is or becomes false or incorrect.
 - ii. **(Economic conditions and financial markets)** There occurs, in the reasonable opinion of the Underwriter, any adverse change or disruption to the political or economic conditions or the financial markets of Australia, New Zealand, United States, United Kingdom, any member of the European Union, Japan, People's Republic of China, Hong Kong or Singapore (or the international financial markets including trading on those markets which is adverse to the Option Shortfall) or any change or development involving a prospective adverse change in national or international political, financial or economic conditions.
 - iii. **(Banking moratorium)** A general moratorium on commercial banking activities in Australia, New Zealand, United States, United Kingdom, any member of the European Union, Japan, People's Republic of China, Hong Kong or Singapore is declared by the relevant central banking authority in any of those countries, or there is a material disruption in commercial banking or security settlement or clearance services in any of those countries.
 - iv. **(Trading of securities)** Trading of securities quoted on ASX, New Zealand Exchange the London Stock Exchange, the New York Stock Exchange, the Hong Kong Stock Exchange, the Shanghai Stock Exchange, the Tokyo Stock Exchange or the Singapore Stock Exchange is suspended, or there is a material limitation in trading, for more than one Business Day on which the exchange is open for trading.
 - v. **(Failure to comply)** The Issuer or any Group Member fails to comply with any of the following:
 - A. the Corporations Act or any other applicable laws;
 - B. the Listing and Market Rules;
 - C. the Constitution or other constituent documents;
 - D. any legally binding requirement of ASIC, the ASX or other Government Agencies; or
 - E. any material agreement entered into by it.

Materiality

No event listed in clause (l) above entitles the Underwriter to exercise its termination rights unless, in the bona fide opinion of the Underwriter, it:

- (a) has, or could reasonably be expected to have, a material adverse effect on the willingness of persons to apply for the Shortfall Shares at the Shortfall Price or the price at which Shares are sold on the ASX;
- (b) renders it impracticable to effect settlement and issue of the Shortfall Shares; or
- (c) has given, or is likely to give, rise to a liability for the Underwriter under the Corporations Act or any other applicable law.

