

# FirstWave Cloud Technology Ltd (ASX: FCT)

ABN 35 144 733 595

## Bidder's Statement

# ACCEPT

the offer to purchase all of your shares in

# Opmantek Limited

ACN 147 099 063

11.5159 FirstWave Shares for every Opmantek Share (subject to voluntary escrow with any fractional entitlements to be rounded up to the next whole number of FirstWave Share)

Opmantek Directors **UNANIMOUSLY RECOMMEND** you accept the Offer in the absence of a Superior Proposal

**FirstWave**



This is an important document and requires your immediate attention. If you are in doubt as to how to deal with this document, you should consult your broker or financial or legal adviser immediately.

### Key dates

Announcement Date	29 November 2021
Date of Bidder's Statement	3 December 2021
Date of the Offer <sup>o</sup>	3 December 2021
Offer scheduled to close (unless extended or withdrawn*)	5.00pm (Sydney time) on 4 January 2022

\* The Offer may be extended to the extent permitted under the Corporations Act.

<sup>o</sup> Opmantek (by authority of its directors) has agreed that this Takeover may be sent earlier than the date for sending under item 6 of section 633(1) of the Corporations Act.

### FirstWave information line

If you have any questions about this Bidder's Statement or the Offer, you should contact FirstWave on 02 9409 7000 between 9.00am and 5.00pm (Sydney time) Monday to Friday or email any questions to [iain.bartram@firstwavecloud.com](mailto:iain.bartram@firstwavecloud.com).

### Important Information

#### Bidder's Statement

This document is the Bidder's Statement dated 3 December 2021 given by FirstWave Cloud Technology Ltd (ASX: FCT) ABN 35 144 733 595 (**FirstWave**) to Opmantek Limited ACN 147 099 063 (**Opmantek**) in relation to the off-market takeover offer for all Opmantek Shares under Part 6.5 of the Corporations Act.

A copy of this Bidder's Statement was lodged with ASIC on 29 November 2021. ASIC nor its officers take any responsibility for the content of this Bidder's Statement.

#### Definitions and interpretation

A number of important words and phrases with particular meanings are used in this Bidder's Statement. These terms are explained in **section 9**. **Section 9** also includes certain rules of interpretation which apply to this Bidder's Statement.

#### Investment decisions

This Bidder's Statement does not take into account the individual investment objectives, financial situation or particular needs of each Opmantek Shareholder or any other person. You may wish to seek independent financial and taxation advice before making a decision as to whether or not to accept the Offer made to you.

#### Information regarding Opmantek and the Combined Group

The information relating to Opmantek contained in **sections 3.1 to 3.6** has been provided, and the information on the Combined Group in this Bidder's Statement, to the extent that it incorporates or reflects information on Opmantek, has been prepared using information provided, by Opmantek and is the sole responsibility of Opmantek. That information has not been independently verified by FirstWave and neither FirstWave nor any of its officers, employees or advisers assumes any responsibility for the accuracy or completeness of that information. Any other information in this Bidder's Statement concerning

Opmantek, including information on the Combined Group to the extent that it incorporates or reflects information on Opmantek, has been prepared from publicly available information and limited information made available by Opmantek to FirstWave. This information has not been independently verified by FirstWave, and accordingly to the extent permitted by the Corporations Act, FirstWave and its officers make no representations and warranties, express or implied, as to the accuracy or completeness of such information.

The information in this Bidder's Statement relating to Opmantek should not be considered comprehensive. Further information relating to Opmantek may be included in the Target's Statement which will be sent to you by Opmantek.

#### Forward looking statements

This Bidder's Statement may contain forward looking statements, which include statements other than statements of historical fact. You should be aware that such statements are only predictions and are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to the industry in which Opmantek and FirstWave operate as well as general economic conditions, prevailing exchange rates and interest rates, and conditions in the financial markets and other factors, many of which are beyond the control of FirstWave. Actual events, results, values, performance or achievements may differ materially from events, results, values, performance or achievements expressed or implied in any forward looking statement. The past performance of FirstWave is no guarantee of future performance.

None of FirstWave, any of the FirstWave Directors, officers or advisers, or any other person named in this Bidder's Statement with their consent or involved in the preparation of this Bidder's Statement, gives any representation, warranty, assurance or guarantee that the occurrence of the events expressed or implied in any forward looking statements in this Bidder's Statement will actually occur. Accordingly, you are

cautioned not to place undue reliance on any forward looking statements.

The forward looking statements in this Bidder's Statement only reflect views held as at the date of this Bidder's Statement.

### **Value of FirstWave Shares**

As you are being offered FirstWave Shares as consideration for your Opmantek Shares (**Consideration Shares**), the implied value of the Offer will vary with the market price of FirstWave Shares. Further information on the implied value of the Offer is contained in the 'Reasons why you should accept the Offer' section of this Bidder's Statement.

### **Foreign Shareholders**

Opmantek Shareholders should be aware that the Consideration Shares are FirstWave Shares, which are shares in an Australian public company listed on ASX. The Offer is subject to disclosure requirements in Australia which are different from those applicable in other countries.

Opmantek Shareholders whose addresses in Opmantek's Register are not in Australia or New Zealand (**Foreign Shareholders**), will not be entitled to receive Consideration Shares on acceptance of the Offer (unless FirstWave determines otherwise).

Foreign Shareholders who accept the Offer will be paid a cash amount calculated in accordance with **section 7.12**. This Bidder's Statement does not constitute an offer to issue or sell, or the soliciting of an offer to buy, any securities referred to in this Bidder's Statement in any jurisdiction in which the offer or issue of such securities would be unlawful.

In particular, FirstWave Shares have not been, and will not be, registered under the *Securities Act 1933* of the United States of America (**Securities Act**) and may not be offered or sold in the United States or to, or for the account or benefit of, a US person (as defined in Regulation S under the Securities Act), except in a transaction exempt from the registration requirements of the Securities Act and applicable United States state securities laws.

### **New Zealand**

In making the Offer available to persons in New Zealand, FirstWave is relying on an exemption contained in the *New Zealand Securities Act (Overseas Companies) Exemption Notice 2002* in relation to prospectus and investment statement requirements in New Zealand. This Bidder's Statement may not contain all the information that a bidder's statement under New Zealand law is required to contain.

### **No internet site is part of this Bidder's Statement**

FirstWave maintains an internet site at <https://www.firstwavecloud.com/>. Any references in this Bidder's Statement to an internet site are a textual reference for information only and no information in any internet site forms part of this Bidder's Statement.

### **Privacy**

FirstWave has collected your information from the registers of securityholders of Opmantek for the purposes of making the Offer and, if accepted, administering your shareholding in FirstWave. Under the Corporations Act, the name and address of security

holders are required to be held in a public register. FirstWave and the share registry may disclose your personal information to their Related Bodies Corporate and external service providers and may be required to disclose such information to regulators, such as ASIC. If you would like details of information about you held by FirstWave, please contact FirstWave on 02 9407 7000.

### **ASX code FirstWave: FCT**

### **Miscellaneous**

All amounts are in Australian currency unless otherwise specified. All references to time are to the local time in Sydney, NSW.

## Chairman's Letter

**Dear Opmantek Shareholder,**

On behalf of the FirstWave Board, I am pleased to present you with this compelling Offer to acquire all your Opmantek Shares. If you accept the Offer you will receive 11.5159 FirstWave Shares for every Opmantek Shares (**Consideration Share**)<sup>1</sup>.

The Opmantek Directors unanimously recommend that Opmantek Shareholders accept the Offer, in the absence of a Superior Proposal. Opmantek Shares owned or controlled by Opmantek Directors, represent approximately 46%, of the Opmantek Shares. Each of the Opmantek Directors intends to accept the Offer in respect of all Opmantek Shares that they own or control, in the absence of a Superior Proposal. As at the date of this Bidder's Statement, I understand FirstWave's offer is the only offer that has been made for the Opmantek Shares.

The Offer extends to Opmantek Shares that are issued during the period from the Record Date to the end of the Offer Period (inclusive) as a result of the exercise or conversion of Opmantek Options on issue at the Record Date, that confer rights to be issued Opmantek Shares.

Our Offer for your Opmantek Shares has been structured so that you receive an attractive valuation for your Opmantek Shares, whilst also retaining exposure to the Opmantek Business. By accepting the Offer and becoming a FirstWave Shareholder, you will also become a part owner of the assets owned by FirstWave which we believe, when combined with Opmantek, will represent an attractive opportunity for you.

The holders of 46,598,266 shares in Opmantek, representing approximately 84% of issued shares, have indicated an intention to accept the Offer on the terms provided, subject to no superior proposal being received.

The FirstWave Shares issued as Consideration Shares, will be voluntarily escrowed in respect of 50% of the Consideration Shares until the date of release by FirstWave of the Appendix 4E for the period ended 30 June 2022 and in respect of the balance of the Consideration Shares the date of release by FirstWave of the Appendix 4D for the period ended 31 December 2022.

The Offer is subject to a limited number of conditions including that Opmantek's assets are maintained in their current form, that there are no "prescribed occurrences" or material adverse changes and a minimum acceptance threshold of 90% of the total number of Opmantek Shares on issue. A full list of the bid conditions is provided in **section 8.12** of this Bidder's Statement.

By accepting the Offer you will become a shareholder in a company with asset diversification and very attractive growth prospects. The FirstWave Board invite Opmantek Shareholders to be part of our exciting growth strategy.

FirstWave believes the Offer made to Opmantek Shareholders is attractively priced and designed to provide liquidity in the form of FirstWave Shares while retaining ongoing exposure to the share price upside FirstWave believes may be generated through the proposed transaction.

I urge you to **ACCEPT** the Offer as soon as possible and take this opportunity to be part of the merged business – an established, rapidly growing, diversified, global software company with strong future growth prospects.

Yours sincerely,



John Grant  
**Chairman**  
**FirstWave Cloud Technology**

<sup>1</sup>If you are a Foreign Opmantek Shareholder you will not receive FirstWave Shares as part of the Offer Consideration. Please see **sections 8.11** for further details.

## Contents

REASONS WHY YOU SHOULD ACCEPT THE OFFER .....	6
SUMMARY OF THE OFFER.....	7
1. Information about FirstWave .....	11
2. Information on FirstWave securities.....	17
3. Profile of Opmantek .....	21
4. Profile of the Combined Group .....	27
5. Intentions of FirstWave.....	39
6. Australian tax implications.....	41
7. Risk factors .....	44
8. Terms of the Offer .....	55
9. Definitions and interpretation .....	67
10. Approval of Bidder's Statement.....	71
CORPORATE DIRECTORY .....	73

## REASONS WHY YOU SHOULD ACCEPT THE OFFER

- 1** The Opmantek Directors unanimously recommend that Opmantek Shareholders accept the Offer, in the absence of a Superior Proposal.
- 2** Opmantek Shareholders representing 84% of shares on issue, have indicated an intention to accept the Offer, in the absence of a Superior Proposal.
- 3** If the Offer becomes or is declared unconditional, you will become a shareholder in FirstWave and have the opportunity to benefit from the strategic repositioning and diversity of the Combined Group.
- 4** Accepting Australian Opmantek Shareholders will receive FirstWave shares tradeable on the official list of the ASX (subject to the escrow and the Offer becoming or being declared unconditional).
- 5** The conditions of the Offer are limited.

**ACCEPT THE OFFER**

## SUMMARY OF THE OFFER

The information set out in this section is a summary of the Offer and should be read in conjunction with the detailed information contained in this Bidder's Statement.

You should read this Bidder's Statement and Opmantek's Target's Statement in their entirety before deciding whether to accept the Offer made to you.

Question	Answer	Further information
<b>What is the Bidder's Statement?</b>	This Bidder's Statement relates to the Offer by FirstWave to acquire all of Your Opmantek Shares and sets out the terms of the Offer, information relating to the Offer and the Consideration Shares you will receive if you accept the Offer (subject to satisfaction or waiver of the conditions of the Offer).	<b>Section 8</b>
<b>Who is FirstWave?</b>	FirstWave is an ASX listed company with a focus on the development and global sales of enterprise grade cybersecurity services.  FirstWave Shares are listed on the ASX under the code FCT with FirstWave having a market capitalisation of approximately A\$69 million as at 24 November 2021 and cash as at 30 September 2021 of A\$6,864,604.	<b>Section 2</b>
<b>What is FirstWave offering to buy?</b>	FirstWave is offering to buy all of your Opmantek Shares on the terms set out in this Bidder's Statement.  This includes Opmantek Shares that are issued during the Offer Period as a result of the exercise of Opmantek Options.  <b>You may only accept the Offer for all the Opmantek Shares you own.</b>	<b>Section 8.</b>
<b>What will you receive if you accept the Offer?</b>	If you accept the Offer in respect of your Opmantek Shares and that Offer becomes or is declared unconditional, you will receive 11.5159 new FirstWave Share/s for every Opmantek Shares/s that you own ( <b>Consideration Shares</b> ). <sup>1</sup>  The FirstWave Shares issued as Consideration Shares will be voluntarily escrowed for the Escrow Period (being, in respect of 50% of the Consideration Shares, the date of release by FirstWave of the Appendix 4E for the period ended 30 June 2022 and in respect of the balance of the Consideration Shares the date of release by FirstWave of the Appendix 4D for the period ended 31 December 2022).	<b>Section 8.1.</b>
<b>When will you receive the FirstWave Shares?</b>	If you validly accept the Offer made to you, FirstWave will generally issue the FirstWave Shares to you under the Offer on or before the earlier of: <ul style="list-style-type: none"> <li>one month after the date of your acceptance or one month after the Offer becomes or is declared unconditional (whichever is later); or</li> <li>21 days after the end of the Offer Period.</li> </ul> Foreign Shareholders will be provided with the cash proceeds of sale to which they are entitled under the Offer in accordance with <b>sections 7.12</b> .	<b>Section 8.10.</b>

<sup>1</sup> If you are a Foreign Shareholder, you should refer to the 'What if you are a Foreign Shareholder' question below.

Question	Answer	Further information
<b>Can you accept the Offer for a portion of your holding?</b>	No. You may only accept the Offer for ALL the Opmantek Shares you own.	<b>Section 8.6.</b>
<b>What if you are a Foreign Shareholder?</b>	Foreign Shareholders who accept the Offer will not receive new FirstWave Shares. Instead, Foreign Shareholders will be paid the net proceeds of the sale by the Sale Nominee of those FirstWave Shares that you would otherwise have been entitled to in respect of the Offer.	<b>Section 7.12.</b>
<b>When will the Offer close?</b>	The Offer is scheduled to close at 5.00pm (Sydney time) on 4 January 2022 unless the Offer is extended or withdrawn.	<b>Section 8.3.</b>
<b>Can FirstWave extend the time at which the Offer are to close?</b>	Yes. FirstWave can extend the Offer Period in accordance with the Corporations Act.	<b>Section 8.3.</b>
<b>Is the Offer subject to conditions?</b>	<p>The Offer is subject to a number of conditions, which are set out in full in <b>section 8.12</b>. These conditions include (by way of summary only):</p> <ul style="list-style-type: none"> <li>(a) FirstWave having a Relevant Interest in at least 90% of the Opmantek Shares on issue at the end of the Offer Period;</li> <li>(b) no 'prescribed occurrences' occurring in relation to Opmantek; and</li> <li>(c) no material adverse change occurring.</li> </ul> <p>If any of these conditions (or the other conditions set out in <b>section 8.12</b>) are not satisfied or waived by FirstWave by the end of the Offer Period, then the Offer will lapse and not proceed (i.e. you will retain your Opmantek Shares).</p> <p>In addition, there is a statutory condition (see <b>section 8.14</b>) relating to the ASX quotation of FirstWave Shares to be issued under the Offer. If this condition is not fulfilled, the Offer will lapse and not proceed (i.e. you will retain Your Opmantek Shares).</p>	<b>Section 8.12.</b>
<b>What happens if the conditions of the Offer are not satisfied or waived?</b>	If the conditions of the Offer are not satisfied or waived by the time the Offer closes, the Offer will lapse and your acceptance will be void. In those circumstances, you will not receive the Consideration Shares for your Opmantek Shares and you will retain your Opmantek Shares.	<b>Sections 8.17 &amp; 8.15</b>
<b>When will I receive my Consideration Shares?</b>	<p>Generally, FirstWave will issue the Consideration Shares to you under the Offer on or before the earlier of:</p> <ul style="list-style-type: none"> <li>(a) one month after the Offer is accepted or one month after all of the conditions have been waived or fulfilled (whichever is the later); and</li> <li>(b) 21 days after the end of the Offer Period.</li> </ul> <p>If the conditions of the Offer are not satisfied or waived by the time the Offer closes, the Offer will lapse and your acceptance will be void. In those circumstances you will</p>	<b>Section 8.10</b>

Question	Answer	Further information
	not receive the Consideration Shares for your Opmantek Shares and you will retain your Opmantek Shares.	
<b>Will my new FirstWave Shares be quoted on the ASX?</b>	<p>FirstWave will apply for the FirstWave Shares to be issued under the Offer to be quoted on the ASX within 7 days after the date of this Bidder's Statement.</p> <p>Quotation of these FirstWave Shares will not be automatic but will depend on the ASX exercising its discretion. However, as FirstWave is already admitted to the official list of the ASX and FirstWave Shares in the same class as to those to be issued under the Offer are already quoted, FirstWave believes quotation of the new FirstWave Shares will be granted.</p>	
<b>How do you accept the Offer?</b>	To accept the Offer, you should follow the instructions detailed in this Bidder's Statement and in the enclosed Acceptance Form. Your acceptance must be received in sufficient time to be processed before the end of the Offer Period.	<b>Section 8.6.</b>
<b>Are there any risks in accepting the Offer?</b>	<p>If you accept the Offer, you will become a FirstWave Shareholder (unless you are a Foreign Shareholder).</p> <p>There are risks associated with holding FirstWave Shares, summarised in <b>section 7</b>. In deciding whether or not to accept the Offer, you should carefully consider those risks.</p>	<b>Section 7.</b>
<b>What are the consequences of accepting the Offer now?</b>	<p>If you accept the Offer now:</p> <p>(a) you will not be able to sell your Opmantek Shares or deal with them in any other manner while the Offer remains open, unless any withdrawal rights apply at the applicable time and you withdraw your acceptance of the Offer, or the Offer lapses; and</p> <p>(b) you will relinquish control of your Opmantek Shares and the rights attached to them to FirstWave with no guarantee of payment until the Offer becomes unconditional, subject to your right to withdraw your acceptance of the Offer in limited circumstances.;</p> <p>(c) when the conditions to the Offer are satisfied or waived you will receive the Consideration shares in accordance with the payment terms set out in <b>section 8.8</b> or if the Offer lapses you will be able to deal with your Opmantek Shares as you see fit.</p>	<b>Section 8.8.</b>
<b>Can you withdraw your acceptance of the Offer?</b>	<p>No. You will not be able to withdraw your acceptance of the Offer unless a right to withdraw arises under the Corporations Act.</p> <p>A withdrawal right will arise if, after you accept the Offer, the Offer remains subject to conditions and FirstWave varies the Offer in a way that postpones the time that FirstWave has to meet its obligations under the Offer for more than one month (for example, if FirstWave extends the Offer for more than one month while the Offer remains subject to any of the conditions of the Offer).</p>	<b>Section 8.8.</b>

Question	Answer	Further information
<p><b>What happens if you do not accept the Offer?</b></p>	<p>In those circumstances, you will remain an Opmantek Shareholder but if FirstWave becomes entitled to compulsorily acquire your Opmantek Shares, it will proceed with the compulsory acquisition. If this happens, you will still receive the consideration under the Offer but at a later date than had you accepted the Offer.</p> <p>If the Offer becomes unconditional but FirstWave is not entitled to compulsorily acquire your Opmantek Shares under the Corporations Act, unless you sell your Opmantek Shares, you will remain a shareholder of Opmantek. In these circumstances and, depending on the number of Opmantek Shares acquired by FirstWave, you may be a minority Opmantek Shareholder.</p>	<p><b>Section 5.2 and 5.3</b> for information regarding FirstWave's intentions if Opmantek becomes a controlled entity.</p>
<p><b>Where you should go for more information</b></p>	<p>For further information on how to accept the Offer, please see the enclosed Acceptance Forms.</p> <p>For all queries in relation to the Offer, please contact FirstWave on 02 9409 7000 between 9.00am and 5.00pm (Sydney time) Monday to Friday or email any questions to <a href="mailto:iain.bartram@firstwavecloud.com">iain.bartram@firstwavecloud.com</a>. Please note that any calls to this number may be recorded.</p>	

## 1. Information about FirstWave

### 1.1. Overview of FirstWave

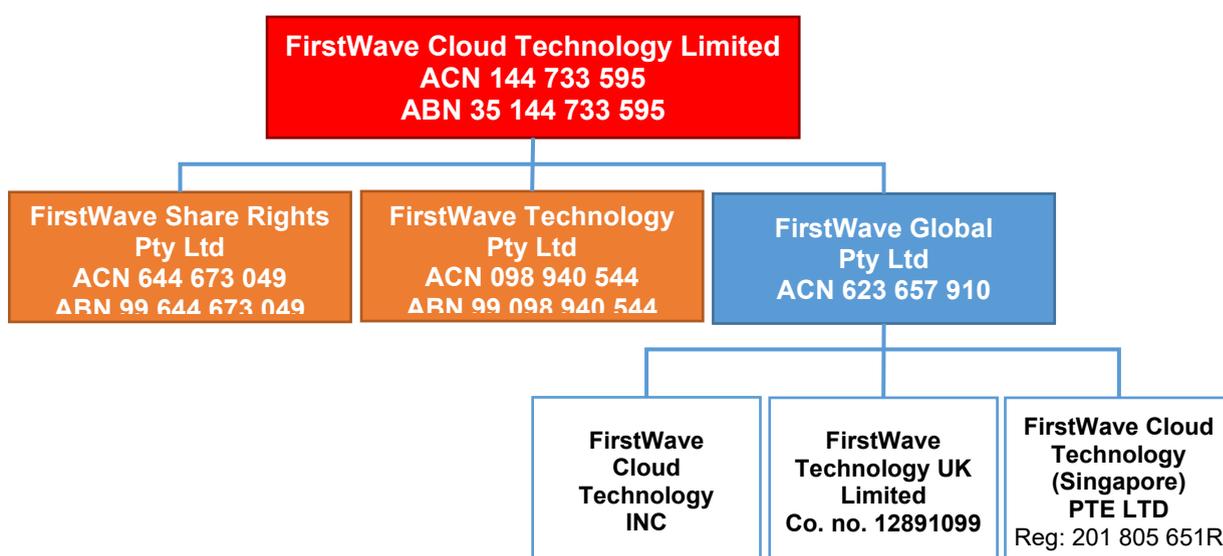
FirstWave Cloud Technology (ASX: FCT) is an Australian-headquartered global cybersecurity company listed on the ASX on 2 May 2016, which has been delivering Cybersecurity-as-a-service solutions to the market since 2004. Its principal activities comprise the development and sale of internet security software.

FirstWave has offices in Sydney, Melbourne and Singapore with on-the-ground sales and support in Australia, UK, Africa, India and South East Asia.

At the heart of FirstWave is its unique and proprietary technology – CyberCision. The platform enables its service provider partners to deliver a comprehensive range of security services to their SMB customers 'as-a-Service'. This provides economies-of-scale and efficiencies that enable the provision of a range of security services typically only affordable by very large customers with dedicated cybersecurity resources.

### 1.2. Structure and ownership of FirstWave

An overview of the corporate structure of FirstWave is set out below.



### 1.3. Directors of FirstWave

The profiles of the FirstWave's Directors as at the date of this Bidder's Statement are set out below.

- **John Edwin Grant – Executive Director and Chairman**

**Qualifications** – John has a degree in Engineering with Honours

**Experience and expertise** – John has an extensive career spanning technology, engineering and construction and sports administration. He has held leadership positions including Managing Director and CEO of ASX listed technology company, Data#3 Limited, and inaugural Chair of the Australian Rugby League Commission. He is currently a Non-Executive Director of UniQuest Pty Ltd and Inspect Real Estate Pty Ltd. He has also chaired or been a member of various industry and government advisory groups and industry associations.

**Special responsibilities** – Member of the Remuneration and Nomination Committee and member of the Audit, Risk and Compliance Committee and member of the Technology and Markets Committee.

- **Paul Gordon MacRae – Non-Executive Director**

**Qualifications** – Paul is a Graduate of the Australian Institute of Company Directors and holds Business qualifications and a Bachelor of Science in Chemistry.

**Experience and expertise** – Paul has a successful history of setting up and running businesses

in the IT industry in Australia and overseas. Paul's background includes having run divisions of TechnologyOne Limited. Paul has a strong background in IT security, application software, software development, and outsourcing, cloud computing and transactional systems. His roles have included establishing MessageLabs in Australia and New Zealand (which was acquired by Symantec to establish their cloud business). Paul set up the Global reservation system Galileo in New Zealand. Paul sold his successful SAP Consultancy and has been instrumental in growing business at several leading software companies.

**Special responsibilities** – Chairman of the Audit, Risk and Compliance Committee and member of the Remuneration and Nomination Committee.

- **Euh (David) Hwang – Non-Executive Director**

**Qualifications** – Euh (David) is a Graduate of the University of New South Wales and holds a Bachelor of Laws degree.

**Experience and expertise** – Euh (David) is an experienced corporate lawyer specialising in capital markets, corporate governance and compliance. He currently serves as Principal of Automic Legal (formerly Whittens & McKeough), an Australian specialist law and corporate governance firm. He also serves as Chief Compliance Officer of Automic Group. He has extensive expertise in legal, governance and compliance matters for ASX listed entities across a wide range of industry sectors, including technology, and currently serves as company secretary for a number of ASX listed companies, including LiveTiles Limited (ASX: LVT) and BikeExchange Limited (ASX: BEX). He is also a Notary Public.

**Special responsibilities** – Chairman of the Remuneration and Nomination Committee and member of the Audit, Risk and Compliance Committee.

#### 1.4. Key Management

- **Simon David Ryan – Chief Technology Officer**

**Qualifications** – Simon studied at Monash University and has a Bachelor of Engineering with Honours in Electrical and Computer Systems Engineering

**Experience and expertise** – Simon is a Fellow of The Electrical College of Engineers Australia. Prior to joining FirstWave in 2007, Simon worked in the Telecommunications industry for more than 16 years, including 8 years with Telstra Research Laboratories with a focus on Artificial Intelligence and Machine Learning and has several Australian and International patents in Information Retrieval and Data Classification.

- **Iain Bartram – Chief Financial Officer and Company Secretary**

**Qualifications** – Iain Bartram studied both as an undergraduate and postgraduate at Cambridge University, United Kingdom and has a Master's degree in Computer and Management Science and a post graduate diploma in Design and Manufacturing.

**Experience and expertise** – Iain trained as an accountant with PwC in London and holds an ACA and is a member of Institute of Chartered Accountants in England and Wales as well as being a member of the Institute of Chartered Accountants Australia. He was appointed as company secretary on 9 November 2020. Iain has over 20 years' experience as a strategic CFO with international experience in high growth, listed and unlisted technology businesses. Iain's previous experience includes CFO of Jaxsta Limited (ASX:JXT) and Group CFO of Fusion Payments.

#### 1.5. Financial information of FirstWave

The historical financial information below relates to FirstWave and does not reflect any impact of the Offer. It is an extract only. The full consolidated financial accounts for the financial periods ending 2019, 2020 and 2021, which include notes to the accounts, can be found in FirstWave's Annual Reports for 2019 and 2020 and the financial statements for the years ended 30 June 2021. Copies of the Annual Reports are available from FirstWave's website at <https://www.firstwavecloud.com/financial-reporting.html> and the financial statement is available at <https://app.sharelinktechnologies.com/announcement/asx/406812749b271f82aaa462304108fdb>.

**(a) Statement of financial position**

The statements of financial position of FirstWave set out below have been extracted from the audited financial statements of FirstWave for the financial years ended 2019, 2020 and 2021 being the last three audited financial statements prior to the date of this Bidder's Statement.

<b>Statement of financial position</b>			
<b>As at 30 June 2021, 30 June 2020, and 30 June 2019</b>			
	<b>Consolidated</b>	<b>Consolidated</b>	<b>Consolidated</b>
	<b>2021</b>	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	9,961,866	15,281,338	8,061,168
Term deposits	133,776	133,776	-
Trade and other receivables	2,843,953	776,062	1,029,353
Contract assets	552,697	452,652	-
Other assets	1,139,701	1,132,099	1,293,821
<b>Total current assets</b>	<b>14,631,993</b>	<b>17,775,927</b>	<b>10,384,342</b>
<b>Non-current assets</b>			
Property, plant and equipment	126,206	228,928	427,494
Right-of-use assets	622,149	382,165	-
Intangibles	9,503,305	6,667,519	4,568,979
Other assets	-	192,016	563,987
<b>Total non-current assets</b>	<b>10,251,660</b>	<b>7,470,628</b>	<b>5,560,460</b>
<b>Total assets</b>	<b>24,883,653</b>	<b>25,246,555</b>	<b>15,944,802</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	4,258,988	3,068,781	2,596,317
Contract liabilities	901,819	3,046,578	3,553,775
Employee benefits	1,266,539	976,409	832,858
Borrowings	-	-	4,478
Lease liabilities	176,758	464,271	-
Other	832,128	429,264	240,759
<b>Total current liabilities</b>	<b>7,436,232</b>	<b>7,985,303</b>	<b>7,228,187</b>
<b>Non-current liabilities</b>			
Contract liabilities	121,231	592,812	691,817
Employee benefits	155,445	116,172	95,728
Provisions	105,000	152,649	152,649
Lease liabilities	456,230	-	-
Other	1,739,171	1,044,667	767,061
<b>Total non-current liabilities</b>	<b>2,577,077</b>	<b>1,906,300</b>	<b>1,707,255</b>
<b>Total liabilities</b>	<b>10,013,309</b>	<b>9,891,603</b>	<b>8,935,442</b>
<b>Net assets</b>	<b>14,870,344</b>	<b>15,354,952</b>	<b>7,009,360</b>
<b>Equity</b>			
Issued capital	63,760,506	54,667,525	36,506,677

Reserves	7,611,200	6,386,579	2,736,492
Accumulated losses	(56,501,362)	(45,699,152)	(32,233,809)
<b>Total equity</b>	<b>14,870,344</b>	<b>15,354,952</b>	<b>7,009,360</b>

**(b) Statement of financial performance**

The statements of financial performance of FirstWave set out below for the financial years ended 2019, 2020, and 2021 has been extracted from FirstWave's audited consolidated statement of financial performance for that period. The statements of financial performance of FirstWave set out below for the financial years ended 2019, 2020, and 2021 have been extracted from the audited financial statements of FirstWave for those periods, and presented in line with the format of the 2021 statement.

During 2021 financial year the Board of Directors decided to update the classification and presentation of expenses on the face of the Statement of profit or loss and other comprehensive income. The update of the classification and presentation of expenses was to better reflect the nature of costs incurred by the business. The 2020 financial year comparatives in the financial statements have been realigned to the current financial year 2021 presentation. There was no impact on the results of operations for the year.

<b>Statement of profit or loss and other comprehensive income</b>			
<b>For the years ended 30 June 2021, 30 June 2020, and 30 June 2019</b>			
	<b>Consolidated</b>	<b>Consolidated</b>	<b>Consolidated</b>
	<b>2021</b>	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Revenue</b>			
Sales revenue	7,975,182	8,252,880	8,831,731
Cost of sales	(3,672,032)	(3,770,999)	(3,847,376)
<b>Gross profit</b>	<b>4,303,150</b>	<b>4,481,881</b>	<b>4,984,355</b>
Other income	2,427,485	1,172,565	799,899
Interest revenue calculated using the effective interest method	91,660	48,761	56,165
<b>Expenses</b>			
Sales and marketing – domestic	(1,769,430)	(1,598,518)	-
Sales and marketing – international	(3,399,836)	(3,594,396)	-
Sales and marketing	-	-	(6,867,873)
Product and development	(3,246,854)	(3,741,179)	-
Engineering and development	-	-	(4,079,335)
Operations and support	(2,884,306)	(3,228,096)	-
Corporate and administration	(6,280,826)	(7,193,129)	-
General and administration	-	-	(5,856,945)
Finance costs	(53,151)	(125,370)	(43,603)
<b>Total expenses</b>	<b>(17,634,403)</b>	<b>(19,480,688)</b>	<b>(16,847,756)</b>
<b>Loss before income tax expense</b>	<b>(10,812,108)</b>	<b>(13,777,481)</b>	<b>(11,007,337)</b>
Income tax expense	-	-	-
<b>Loss after income tax expense for the year attributable to the owners of FirstWave Cloud Technology Limited</b>	<b>(10,812,108)</b>	<b>(13,777,481)</b>	<b>(11,007,337)</b>

<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation	4,180	(1,819)	(4,526)
<b>Other comprehensive income for the year, net of tax</b>	<b>4,180</b>	<b>(1,819)</b>	<b>(4,526)</b>
Total comprehensive income for the year attributable to the owners of FirstWave Cloud Technology Limited	<b>(10,807,928)</b>	<b>(13,779,300)</b>	<b>(11,011,863)</b>
	<b>Cents</b>	<b>Cents</b>	<b>Cents</b>
Basic earnings per share	(1.61)	(4.24)	(4.46)
Diluted earnings per share	(1.61)	(4.24)	(4.46)

**(c) Statement of cash flows**

The statements of financial position of FirstWave set out below have been extracted from the audited financial statements of FirstWave for the financial years ended 2019, 2020 and 2021 being the last three audited financial statements prior to the date of this Bidder's Statement.

<b>Consolidated statement of cash flow</b>			
<b>For the years ended 30 June 2021, 30 June 2020, and 30 June 2019</b>			
	<b>Consolidated</b>	<b>Consolidated</b>	<b>Consolidated</b>
	<b>2021</b>	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of GST)	4,070,181	8,334,102	12,040,951
Payments to suppliers and employees (inclusive of GST)	(14,432,542)	(18,130,837)	(19,335,535)
Interest received	66,182	48,761	56,165
Other income	2,287,248	1,172,565	961,646
Interest and other finance costs paid	(37,742)	(125,370)	(69,047)
<b>Net cash used in operating activities</b>	<b>(8,046,673)</b>	<b>(8,700,779)</b>	<b>(6,345,820)</b>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment	(100,058)	(42,047)	(66,821)
Payment for intangibles	(3,727,130)	(3,708,299)	(2,501,411)
<b>Net cash used in investing activities</b>	<b>(3,827,188)</b>	<b>(3,750,346)</b>	<b>(2,568,232)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares	6,441,238	21,615,359	11,822,000
Proceeds from exercise of options	738,900	-	-
Share issue transaction costs	(348,029)	(1,624,511)	(546,992)
Repayment of borrowings	-	-	(82,661)
Repayment of receivables from key management personnel	221,500	-	-
Repayment of lease liabilities	(499,220)	(319,553)	-
<b>Net cash from financing activities</b>	<b>6,554,389</b>	<b>19,671,295</b>	<b>11,192,347</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(5,319,472)</b>	<b>7,220,170</b>	<b>2,278,295</b>
<b>Cash and cash equivalents at the beginning of the financial year</b>	<b>15,281,338</b>	<b>8,061,168</b>	<b>5,782,873</b>
<b>Cash and cash equivalents at the end of the financial year</b>	<b>9,961,866</b>	<b>15,281,338</b>	<b>8,061,168</b>

**(d) Management comments on historical results**

Over the past 3 years FirstWave has been focussed on diversification through international growth and an expanding product portfolio to build on FirstWave's foundational customer, Telstra. This has involved investment in international resources and the expansion of development capabilities. Revenue has been flat in the period due to a Cisco product that was a significant component of the offering to Telstra being retired by Cisco without a suitable replacement being available. International revenue has grown through this period from \$14,000 in FY19, \$386,000 in FY20 to \$1.25 million in FY21.

**1.6. Further information on FirstWave**

Since FirstWave is offering FirstWave Shares as consideration for the acquisition of Opmantek Shares, the Corporations Act requires this Bidder's Statement to include all information that would be required for a prospectus for an offer of FirstWave Shares under sections 710 to 713 of the Corporations Act. FirstWave does not need to issue a prospectus for the Offer as the Offer is occurring under a takeover bid.

FirstWave is a disclosing entity for the purposes of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations imposed by the Listing Rules and the Corporations Act. In particular, FirstWave is required to continuously disclose to the market any information it has which a reasonable person would expect to have a material effect on the price or value of FirstWave Shares, subject to certain limited exceptions.

ASX maintains files containing publicly disclosed information about all listed companies. FirstWave's file is available for inspection at ASX during normal business hours. Copies of announcements made by FirstWave to ASX are available from the ASX website or from <https://www.firstwavecloud.com/news.html>. A list of announcements made by FirstWave since the lodgement of the annual report for the year ended 30 June 2020 with ASX is contained in **Annexure 1**.

In addition, FirstWave is also required to lodge various documents with ASIC. Copies of documents lodged with ASIC by or in relation to FirstWave may be obtained from, or inspected at, any office of ASIC.

FirstWave will provide a copy of the following documents free of charge to any Opmantek Shareholders who requests such documents during the Offer Period:

- FirstWave's annual financial report for the year ended 30 June 2021;
- FirstWave's half year report for the period ending 31 December 2020; and
- any continuous disclosure notices given by FirstWave after the lodgement of the annual report for the year ended 30 June 2020 with ASIC and before the lodgement of this Bidder's Statement with ASIC.

Requests for copies of these documents may be made by contacting FirstWave on 02 9409 7000 between 9.00am and 5.00pm (Sydney time) Monday to Friday or email any questions to [iain.bartram@firstwavecloud.com](mailto:iain.bartram@firstwavecloud.com).

## 2. Information on FirstWave securities

### 2.1. Securities on issue in FirstWave

As at the date of this Bidder's Statement, FirstWave had on issue the following securities:

- 769,397,308 FirstWave Shares;
- 31,925,999 Unlisted Options with exercise prices ranging from \$0.29 to \$0.75 and expiry dates from 2021 until March 2027;
- 6,766,638 service rights granted to the Executive Chairman John Grant and 8,628,552 service rights to other parties;
- 2,040,740 restricted rights granted to the Non-Executive Director Paul MacRae and 3,284,550 restricted rights granted to other parties; and
- 2,575,739 and 9,277,165, Performance Share Appreciation Rights (**PSARs**) and Share Appreciation Rights (**SARs**) respectively granted to the Senior Executive Iain Bartram.

### 2.2. FirstWave's substantial shareholder

As at the date of this Bidder's Statement, there were approximately 3,850 FirstWave Shareholders including the following substantial shareholder:

FirstWave substantial shareholder	FirstWave Shares	Voting power
Perennial Value Management Limited	112,204,676	14.58%

### 2.3. Recent trading in FirstWave Shares

FirstWave Shares are quoted on ASX. Set out below is a table showing relevant trading prices of FirstWave Shares on ASX:

Comparative trading price of FirstWave Shares	Price (A\$)
Highest trading price in the 4 months prior to the date this Bidder's Statement was lodged with ASIC	(26/10/2021) \$0.105
Lowest trading price in the 4 months prior to the date this Bidder's Statement was lodged with ASIC	(2/8/2021) \$0.058
Closing trading price for FirstWave Shares traded on ASX on 24/11/2021, being the last full trading day prior to FirstWave requesting a halt to trading in FirstWave Shares on ASX	\$0.090
Last available closing price of FirstWave Shares traded on ASX prior to the date this Bidder's Statement was lodged with ASIC	\$0.090

### 2.4. FirstWave's dividend history

There were no dividends paid, recommended or declared during the current or previous financial year.

### 2.5. Rights and liabilities attaching to FirstWave Shares

The rights and liabilities attaching to the Consideration Shares are:

- detailed in the FirstWave Constitution which may be inspected during normal business hours at the registered office of FirstWave; and
- in certain circumstances, regulated by the Corporations Act, the ASX Listing Rules, the ASX Settlement Operating Rules and the general law,

and will be subject to voluntary escrow during the Escrow Period.

The Consideration Shares are fully paid ordinary shares in the capital of FirstWave and from the date of their issue will rank equally with existing FirstWave ordinary shares and will have the same rights and liabilities attaching to them

The main rights and liabilities attaching to the FirstWave Shares are summarised below. This summary is not exhaustive nor does it constitute a definitive statement of the rights and liabilities attaching to FirstWave Shares. Full details of the rights and liabilities attaching to FirstWave Shares are set out in the constitution of FirstWave, a copy of which is available on FirstWave's website at <https://www.firstwavecloud.com/shareholder-centre>.

**(a) Meetings of Shareholders and notices**

Each Shareholder is entitled to receive notice of, attend and vote at general meetings of the Company and receive all notices, accounts and other documents required to be sent to Shareholders under the Constitution, the Corporations Act or the ASX Listing Rules.

**(b) Voting**

At a general meeting, every Shareholder present in person or by proxy, attorney or representative has one vote on a show of hands (irrespective of the number of Shares they hold) and one vote for each Share held on a poll. Where there are two or more joint holders of a Share and more than one joint holder tenders a vote, the vote of the holder named first in the register who tenders the vote will be accepted to the exclusion of the votes of the other joint holders.

Voting at any meeting of Shareholders is by a show of hands unless a poll is demanded. A poll may be demanded by:

- (i) at least five Shareholders entitled to vote on the resolution;
- (ii) Shareholders with at least 5% of the votes that may be cast on the resolution; or
- (iii) the Chairman.

If the votes are equal on a proposed resolution, the Chairman has a casting vote on a show of hands.

**(c) Dividends**

The Directors may from time to time pay dividends to Shareholders out of the profits of the Company. The Directors may pay any interim and final dividends which, in their judgement, the financial position of the Company permits.

The Board may fix the amount and the method of payment of the dividends. The payment of a dividend does not require any confirmation by a general meeting.

Subject to any special rights or restrictions attaching to any shares, dividends must be paid equally on all shares and in proportion to the number of, and the amounts paid on, the shares held.

**(d) Issues of Shares**

Subject to the restrictions on the issue of shares imposed by the Constitution, the ASX Listing Rules and the Corporations Act, the Directors may issue, grant options in respect of, or otherwise dispose of further shares to any person on such terms and conditions (including preferential, deferred or special rights, privileges or conditions, or restrictions) as they see fit.

**(e) Variation of class rights**

Subject to the Corporations Act and their terms of issue, the rights attached to a class of shares may be varied with the consent in writing of the holders of at least three quarters of the issued shares in the particular class, or by a special resolution passed at a separate meeting of the holders of shares in that class. In either case, the holders of not less than 10% of the votes in the class of shares whose rights have been varied or cancelled may apply to a court of competent jurisdiction to exercise its discretion to set aside such variation or cancellation.

The creation or issue of further shares ranking equally with a class of shares already on issue is not a variation of class rights.

**(f) Transfer of Shares**

Shareholders may transfer Shares by a written transfer instrument in the usual form or any form approved by the Directors or, while the Company is listed on ASX, Shares can be transferred electronically in accordance with the ASX Settlement Operating Rules and ASX requirements. All transfers must comply with the Constitution, the Corporations Act, the ASX Listing Rules and the ASX Settlement Operating Rules. The Directors may refuse to register a transfer of Shares, including in circumstances where the transfer is not in registrable form, or the refusal to register the transfer is permitted by the ASX Listing Rules or the Corporations Act. The Directors must refuse to register a transfer of Shares where required to do so by the ASX Listing Rules. The Directors may suspend the registration of a transfer at any time, and for any period, as permitted by the ASX Settlement Operating Rules.

Subject to the ASX Listing Rules, Shares are freely transferable.

**(g) Sale of non-marketable parcels**

The Directors may cause the Company to sell a Shareholder's Shares if that Shareholder holds less than a marketable parcel of Shares, provided that the procedures set out in the Constitution are followed. A non-marketable parcel of Shares is defined in the Listing Rules and is, generally, a holding of Shares with a market value of less than \$500.

**(h) Winding up**

Subject to the Constitution and any special resolution or rights or restrictions attaching to any class or classes of Shares, Shareholders will be entitled on a winding up to a share in any surplus assets of the Company in proportion to the Shares held by them.

**(i) Directors – appointment and removal**

The minimum number of Directors is three and the maximum is fixed by the Directors but must not be more than 11, unless the Shareholders pass a resolution varying that number. Directors are elected at annual general meetings of the Company.

The Directors may also appoint a Director to fill a casual vacancy on the Board or in addition to the existing Directors, who will then hold office until the next annual general meeting of the Company.

Retirement will occur on a rotational basis so that no Director (excluding the Managing Director) may hold office beyond the third annual general meeting following the meeting at which they were last elected or re-elected (whichever is later) without Shareholders approving their reappointment.

**(j) Directors – voting**

Questions arising at a meeting of Director will be decided by a majority of votes of the Directors present at the meeting and entitled to vote on the matter. In the case of a tied vote, the Chairman has a second or casting vote, unless there are only two Directors present or qualified to vote, in which case the proposed resolution is taken as having been lost.

**(k) Directors' and officers' indemnities**

The Company, on a full indemnity basis and to the full extent permitted by law, indemnifies each person who is or has been an executive officer of the Company or a Director, and such other officers or former officers of the Company or its related bodies corporate as the Directors in each case determine (each an "Officer"), against any liability (including costs and expenses) incurred by that person as an Officer of the Company or a related body corporate of the Company to the extent permitted by law.

The Company, to the extent permitted by law, may insure an Officer against a liability incurred by the Officer as an officer of the Company or any of its related bodies corporate including, but not limited to, a liability or negligence or for reasonable costs or expenses incurred in defending proceedings whether civil or criminal and whatever the outcome.

The Company has entered into deeds of access and indemnity with each Director which

confirm the Directors' right of access to Board papers and require the Company to indemnify the Director for a liability incurred as an officer of the Company or any of its related bodies corporate, subject to the restrictions imposed by the Corporations Act and the Constitution.

**(I) Variation of the Constitution**

The Constitution may be amended only by a special resolution passed by at least 75% of the votes cast by Shareholders present and entitled to vote on the resolution. At least 28 days' written notice specifying the intention to propose the resolution must be given to Shareholders.

**2.6. FirstWave equity plans**

Executives and directors have salary sacrificed their salaries and fees for service rights and restricted rights.

In respect of the service rights, these rights vest on a quarterly basis at the end of each financial quarter. The service rights are subject to service conditions and there are no performance conditions. The exercise price of the service rights is \$nil as these rights have been granted in lieu of cash salary or fees.

Restricted rights granted to Non-Executive Directors vest on grant date and are not forfeited on resignation. The sale of the rights is restricted to the earlier of the expiration of three years from the date of grant or the date at which the Non-Executive Director ceases to be a Director.

As the Service Rights and Restricted Rights were acquired by Executives and Directors agreeing to forgo their salaries and fees, the maximum allowable life of 15 years was adopted. The Service Rights and Restricted Rights issued during the FY20 and FY21 years will not expire until June 2035.

### 3. Profile of Opmantek

#### 3.1. Disclaimer

The information contained in **section 3.1 to 3.6** has been provided by Opmantek and is the sole responsibility of Opmantek. That information has not been independently verified by FirstWave and neither FirstWave nor any of its officers, employees or advisers assumes any responsibility for the accuracy or completeness of that information. To the extent permitted by the Corporations Act, FirstWave and its officers makes no representations and warranties, express or implied, as to the accuracy or completeness of such information.

The information in this Bidder's Statement relating to Opmantek should not be considered comprehensive. Further information relating to Opmantek is contained in Opmantek's Target's Statement which will be sent to you by Opmantek.

#### 3.2. Overview of Opmantek

Opmantek was incorporated on 29 October 2010. Opmantek is an industry-leading software company operating in the field of Intelligent Network Management, Network Process Automation and IT Audit.

Opmantek has on-the-ground sales and support in Australia, US East and West Coasts and across LATAM.

Opmantek's core products are Open-AudIT and NMIS (Network Management Information System) which are extended by a suite of innovative "add-on" products that allow NMIS and Open-AudIT users to automate manual processes, consolidate disparate systems and improve network visibility.

Opmantek products are well known in the Network Management market for being low cost, high scale, able to operate diverse environments and fast to deploy. It is for these reasons that Opmantek software is especially popular within complex IT environments and with managed service providers where operational efficiency is being sought.

Further information about Opmantek can be obtained from its website: [www.opmantek.com](http://www.opmantek.com).

#### 3.3. Directors of Opmantek

As at the date of this Bidder's Statement, the Opmantek Directors are:

Daniel (Danny) Maher (Chairman);

Bede Hackney (Non-Executive Director); and

Iain Smith (Non-Executive Director).

#### 3.4. Financial information on Opmantek

The historical financial information below relates to Opmantek on a stand-alone basis and does not reflect any impact of the Offer. It is an extract only. The full consolidated financial accounts for the financial periods ended FY2019, FY2020 and FY2021 which includes notes to the accounts, can be found in Opmantek's Annual Reports for those periods. Copies of those Annual Reports are available upon request by emailing [legal@opmantek.com](mailto:legal@opmantek.com).

##### (a) Consolidated statement of financial position

The consolidated statements of financial position of Opmantek set out below have been extracted from the audited financial statements of Opmantek for the years ended FY2019, FY2020 and FY 2021, being the last three audited financial statements prior to the date of this Bidder's Statement.

<b>Statement of financial position</b>			
<b>As at 30 June 2021</b>			
	<b>Consolidated</b>	<b>Consolidated</b>	<b>Consolidated</b>
	<b>2021</b>	<b>2020</b>	<b>2019</b>
		<b>(Restated)</b>	<b>(Restated)</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Asset</b>			
<b>Current assets</b>			
Cash and cash equivalents	1,321,107	1,050,700	526,384
Trade and other receivables	1,217,480	1,049,769	630,200
Other contract assets	620,074	839,805	314,366
Current tax assets	-	32,592	52,833
<b>Total current assets</b>	<b>3,158,661</b>	<b>2,972,866</b>	<b>1,523,783</b>
<b>Non-current assets</b>			
Property, plant and equipment	4,985	6,351	12,808
Intangible assets	-	-	-
Other non-current assets	3,323	-	-
<b>Total non-current assets</b>	<b>8,308</b>	<b>6,351</b>	<b>12,808</b>
<b>Total assets</b>	<b>3,166,969</b>	<b>2,979,217</b>	<b>1,536,590</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Current Tax Liability	64,864	-	-
Trade and other payables	315,434	1,203,656	483,141
Borrowings	433,653	888,753	211,295
Payroll liabilities	14,663	17,667	19,481
Deferred revenue	1,571,977	1,209,654	695,680
Provisions	396,000	216,775	209,244
<b>Total current liabilities</b>	<b>2,796,591</b>	<b>3,536,505</b>	<b>1,619,201</b>
<b>Non-current liabilities</b>			
Borrowings	1,156,455	-	601,005
Deferred revenue	217,751	211,507	283,124
Provisions	15,578	-	-
<b>Total non-current liabilities</b>	<b>1,389,784</b>	<b>211,507</b>	<b>884,129</b>
<b>Total liabilities</b>	<b>4,186,375</b>	<b>3,748,012</b>	<b>2,503,331</b>
<b>Net assets</b>	<b>(1,019,406)</b>	<b>(768,795)</b>	<b>(966,740)</b>
<b>Equity</b>			
Issued capital	1,440,700	1,440,700	1,440,700
Accumulated losses	(3,252,447)	(2,713,473)	(2,789,464)
Employee share awards reserve	842,282	519,659	302,065
Foreign currency translation reserve	(49,941)	(15,681)	79,959
<b>Total equity</b>	<b>(1,019,406)</b>	<b>(768,795)</b>	<b>(966,740)</b>

**(b) Consolidated statement of profit or loss and other comprehensive income**

The consolidated statement of profit or loss and other comprehensive income of Opmantek set out below for the financial years ended 2021, 2020 and 2019 has been extracted from Opmantek's audited consolidated statement of financial performance for that period.

The consolidated statements of profit or loss and other comprehensive income of Opmantek set out below for the financial years ended 2021, 2020, and 2019 have been extracted from the audited financial statements of Opmantek for those periods, and presented in line with the format of the 2021 financial year statement.

<b>Consolidated statement of comprehensive income</b>			
<b>For the year ended 30 June 2021</b>			
	<b>Consolidated</b>	<b>Consolidated</b>	<b>Consolidated</b>
	<b>2021</b>	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>(Restated)</b>	<b>(Restated)</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Sales	4,032,796	3,621,535	2,792,498
Other income	367,596	282,502	187,213
<b>Expenses</b>			
Professional expenses	(1,985,164)	(1,537,922)	(1,397,706)
Office expenses	(64,133)	(87,679)	(115,003)
Finance expenses	(90,640)	(79,150)	(79,166)
Communication expenses	(35,337)	(41,846)	(32,309)
Marketing expenses	(727,464)	(321,257)	(299,445)
Travel expenses	(9,088)	(108,725)	(81,372)
Employment expenses	(1,437,814)	(1,023,703)	(1,059,368)
Depreciation and amortisation expenses	(35,240)	(12,416)	(8,679)
Other expenses from ordinary activities	(927,525)	(705,230)	(716,846)
<b>Loss before income tax expense</b>	<b>(912,013)</b>	<b>(13,891)</b>	<b>(810,184)</b>
Income tax benefit	360,292	89,883	190,601
<b>Profit (Loss) for the year</b>	<b>(551,721)</b>	<b>75,992</b>	<b>(619,583)</b>
<b>Other comprehensive income</b>			
Exchange difference on transaction of foreign operation	(34,260)	(95,640)	58,520
<b>Profit / (loss) for the year attributable to members</b>	<b>(585,981)</b>	<b>(19,648)</b>	<b>(561,063)</b>
<b>Total comprehensive income / (loss) attributable to members</b>	<b>(585,981)</b>	<b>(19,648)</b>	<b>(561,063)</b>

**(c) Consolidated statement of cash flows**

The consolidated statements of cash flows of Opmantek set out below have been extracted from the audited financial statements of Opmantek for the years ending FY2019, FY2020 and FY2021, being the last three audited financial statements prior to the date of this Bidder's Statement.

<b>Consolidated statement of cash flow</b>			
<b>For the year ended 30 June 2021</b>			
	<b>Consolidated</b>	<b>Consolidated</b>	<b>Consolidated</b>
	<b>2021</b>	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>(Restated)</b>	<b>\$</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>			
Receipts from customers and grants	5,139,148	3,925,205	2,944,708
Payments to suppliers and employees	(5,794,605)	(3,396,383)	(2,956,222)
Interest received	396	1,627	723
Interest paid	(40,640)	-	(8,557)
<b>Net cash provided by / (used in) operating activities</b>	<b>(695,701)</b>	<b>530,449</b>	<b>(19,348)</b>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment	(9,014)	(6,133)	(7,963)
Payment for intangibles	-	-	-
<b>Net cash used in investing activities</b>	<b>(9,014)</b>	<b>(6,133)</b>	<b>(7,963)</b>
<b>Cash flows from financing activities</b>			
Loan from (to) director / employee	(376,131)	-	(3,323)
Borrowing costs	(145,424)	-	-
Loans from unrelated parties	1,496,677	-	-
<b>Net cash provided by / (used in) financing activities</b>	<b>975,122</b>	<b>-</b>	<b>(3,323)</b>
<b>Net increase / (decrease) in cash held</b>	<b>270,407</b>	<b>524,316</b>	<b>(30,634)</b>
<b>Cash at beginning of financial year</b>	<b>1,050,700</b>	<b>526,384</b>	<b>557,018</b>
<b>Cash at end of financial year</b>	<b>1,321,107</b>	<b>1,050,700</b>	<b>526,384</b>

**(d) Commentary in respect of Opmantek's financial information**

Over the years that are covered by these financial statements, Opmantek has made a significant transition to recurring revenues for its software. The shift away from perpetual (upfront/one-off) licences to subscription licences creates a sustainable and predictable business. The financial results of individual years are however impacted by lowering cash flows and deferring revenues while this transition takes place. Opmantek's management accounts report a growth in annual recurring revenues of 59% for FY21.

**3.5. Securities on issue in Opmantek**

As at the date of this Bidder's Statement, Opmantek's issued securities consisted of:

- (a) 55,254,716 Opmantek Shares; and
- (b) 3,046,084 Opmantek Options detailed below.

Number	Exercise Price
300,000	\$0.01
2,150,809	\$0.25
12,500	\$0.30
582,775	\$0.52

Various holders of Opmantek Options have agreed to exchange their options for Opmantek Shares.

- (c) 921,278 Opmantek warrants exercisable at \$0.01 per warrant. Global Credit Investments Pty Ltd as trustee for the GCI Leap Capital Growth Fund (**Leap**), is the sole holder of the 921,278 Warrants and is entitled to a fair value cash equivalent amount per share on completion and has elected to exercise that right pending the Takeover Offer becoming unconditional.
- (d) New Insights Australia Pty Ltd (**New Insights**) who is acting as an advisor to Opmantek on the acquisition is entitled to a fee calculated by reference to the enterprise value of Opmantek at the time of acquisition. New Insights has agreed with Opmantek to receive the fee in Opmantek Shares. This could result in 2,775,258 Opmantek Shares being issued to New Insights. The arrangement is conditional on the Takeover Offer becoming unconditional.

Assuming all options are converted, the fee agreement with New Insights is settled with scrip and the warrants are cancelled in return for a cash payment there will be 60,023,271 shares in Opmantek.

### 3.6. Opmantek's substantial shareholders

As at the day before the date of this Bidder's Statement, each of the following persons had the following substantial shareholdings in the issued ordinary share capital of Opmantek:

Shareholder Name	% Holding	Ordinary Shares
Danny Maher	40.3%	22,276,014
Eric Harold Greenwood	9.2%	5,061,200
Anna Wilkinson	9.1%	5,051,595
Sinclair Internetworking Services Pty Limited	8.9%	4,911,200
	67.50%	37,300,009

As at the date of this Bidders Statement, the Opmantek Shares that are owned or controlled by the Opmantek Directors represent 45.97%, in aggregate, of all the Opmantek Shares on issue on an undiluted basis and approximately 44%, in aggregate, of all Opmantek securities on a fully diluted basis.

### 3.7. Acquisition by FirstWave in past 4 months

Neither FirstWave nor any Associate of FirstWave has provided, or agreed to provide, consideration for Opmantek Shares under any purchase or agreement during the four months before the date of this Bidder's Statement.

### 3.8. FirstWave's interest in Opmantek Shares

As at the date of this Bidder's Statement, the FirstWave Directors have no Relevant Interest in any Opmantek Shares.

### 3.9. No collateral or other benefits

During the period of 4 months before the date of this Bidder's Statement, neither FirstWave nor any Associate of FirstWave gave, or offered to give, or agreed to give a benefit to another person which was likely to induce the other person, or an Associate of the other person, to:

- accept the Offer; or
- dispose of Opmantek Shares,

and which is not offered to all holders of Opmantek Shares under the Offer.

During the period from the date of this Bidder's Statement to the date before the date of the Offer, neither FirstWave nor any Associate of FirstWave gave, or offered to give, or agreed to give a

benefit to another person which was likely to include the other person, or an Associate of the other person, to:

- accept the Offer; or
- dispose of Opmantek Shares,

and which is not offered to all holders of Opmantek Shares under the Offer.

### **3.10. No escalation agreements**

Neither FirstWave nor any Associate of FirstWave has entered into any escalation agreement that is prohibited by section 622 of the Corporations Act.

### **3.11. Publicly available information**

Opmantek is not a "disclosing entity" for the purposes of the Corporations Act and as such is not subject to continuous reporting and disclosure obligations. However, Opmantek is required to lodge various documents with ASIC including the Target's Statement. Copies of documents lodged with ASIC by Opmantek may be obtained for a fee from, or inspected at, an office of ASIC.

Information about Opmantek is also available from the company's website: <https://opmantek.com/>.

## 4. Profile of the Combined Group

FirstWave's cybersecurity as-a-service protects and remediates vulnerabilities identified by Opmantek's network management platform. This includes enterprise-grade email, web, firewall virtual appliances and endpoint protection services

Opmantek's network management platform will further enhance FirstWave's offering through providing end-to-end visibility of the network and IT environment, enabling IT teams to detect faults, review current and historical network performance and predict future failures

### 4.1. Overview of the Combined Group

Following completion of the Offer, the Combined Group will result in the combination of complementary assets that will provide a business with a more diversified asset and service base. The FirstWave directors believe that a better capitalised company with a strengthened financial position to better fund the growth of the Combined Group's assets. The Combined Group will have access to additional management depth and expertise.

The acquisition of Opmantek will be transformative for FirstWave, bringing substantial operational, financial and strategic benefits including:

- Product Expansion - FirstWave's product portfolio expands to provide an end-to-end solution for network discovery, network management and cybersecurity
- New Channels - New global managed service provider channel and a direct sales force serving mid-market and enterprise customers that include Microsoft, Telmex, NASA and Singtel
- US Market Access - Immediate access to the large and lucrative US market with over 60% of Opmantek's revenue coming from North America (being US, Canada and Mexico)
- Additional SaaS Revenue – Opmantek is a fast-growing SaaS business that generated \$3.4 million of annualised recurring revenue (ARR) at 100% gross margin in June 2021
- Synergies - Substantial cross-sell and up-sell opportunities and immediate cost synergies estimated at \$2 million
- Strengthened Leadership Team – Opmantek's major shareholder and Chairman, Danny Maher to become FirstWave's Managing Director and CEO and US-based Craig Nelson to become Chief Revenue Officer and Head of Global Sales

The FirstWave directors believe that the two companies bring highly complementary business models, product offerings and geographic footprints. The combination significantly expands the growth potential of both companies by providing truly global reach, an expanded product portfolio and material operational, strategic and financial benefits.

FirstWave will gain access to Opmantek's channel partners and strong sales force in the US, the world's most lucrative market for cybersecurity, as well as Canada and Latin America, both large markets where FirstWave does not currently have a foothold.

The acquisition by FirstWave will enable the integration of Opmantek's software onto FirstWave's CyberCision Open Security Management Platform and create an end-to-end solution for network discovery, management and cybersecurity that is globally unique.

### 4.2. Capital structure of the Combined Group

Under the Offer, FirstWave is offering to issue FirstWave Shares to Opmantek Shareholders. The actual number of FirstWave Shares on issue at completion of the Offer will depend on the level of acceptances of the Offer.

The potential effect of the Offer on FirstWave's capital structure, post-transaction, is summarised in

the table below.

Capital structure of Combined Group	Number held by FirstWave Security-holders	Number held by Opmantek Security-holders	Total for Combined Group <sup>2</sup>
Ordinary shares <sup>1</sup>	969,731,459	691,221,883	1,660,953,342
Unlisted options	31,925,999		31,925,999
Service rights	15,395,190		15,395,190
Restricted rights	5,325,290		5,325,290
Other Share rights	11,852,904		11,852,904
<b>Total</b>	<b>1,034,230,842</b>	691,221,883	<b>1,725,452,725</b>
Undiluted percentage	58.4	41.6%	100.0%

**Notes and assumptions:**

1. Assumes that the Offer is accepted by all Opmantek Shareholders and the conditions to the Offer are satisfied or waived prior to the close of the Offer Period.
2. Assumes no new securities are issued by FirstWave, except for as contemplated under the Offer contained in this Bidder's Statement.
3. A diluted calculation has not been provided as the majority of FirstWave unlisted options have high exercise prices and are not considered likely to convert.

Based on information known to FirstWave at the date of this Bidder's Statement and the information provided by Opmantek, the table below summarises the five largest shareholders of the Combined Group assuming that FirstWave acquires 100% of Opmantek Shares and no FirstWave options are exercised.

Name	Number of FirstWave Shares held post completion of the Takeover Bid	Current Relevant Interest in FirstWave (%)	Relevant Interest following completion of the Takeover Bid (%)
Danny Maher	257,869,456	0%	15.5%
Perennial Value Management	112,204,676	14.6%	6.8% <sup>1</sup>
Eric Harold Greenwood	58,284,265	0%	3.5%
Anna Wilkinson	58,173,655	0%	3.5%
Sinclair Internetworking Services Pty Limited	56,556,880	0%	3.4%
New Insights Australia Pty Ltd	31,959,581	0%	1.9%
Inu Sangyo	28,789,746	0%	1.7%
HSBC Custody Nominees (Australia) Limited	20,912,187	2.7%	1.3%
Craig Nelson	19,509,360	0%	1.2%
Mr Scott Lidgett + Mrs Katherine Lidgett	17,552,290	2.3%	1.1%
Mr Gregory Vytas Maren + Mrs Geraldine Margaret Maclean Maren	17,218,056	2.2%	1.0%

Note: The Offer would dilute Perennial Value Management to 6.8% assuming they do not take up their entitlement in the rights issue and bid into the placement. It is believed that Perennial will take up their rights and bid into the placement and retain a holding between 10 and 15% of the enlarged entity.

#### 4.3. Offer Consideration

The consideration for the acquisition of the Opmantek Shares will be satisfied by the issue of FirstWave Shares (**Consideration Shares**) other than to Foreign Shareholders. Based on the number of Opmantek Shares and Options on issue on the day before the date of this Bidder's Statement, the maximum number of FirstWave Shares which would be required to be issued under the Offer if every Opmantek Shareholder accepted the Offer is 691,221,883 FirstWave Shares.

FirstWave believes that the majority of Opmantek Option holders will exercise their Opmantek Options and accept the Offer for their resulting Opmantek Shares.

FirstWave has the capacity to issue the maximum number of FirstWave Shares which it may be required to issue under the Offer.

FirstWave intends to apply for the quotation of FirstWave Shares issued under the Offer on the ASX within 7 days of the date of the Offer in accordance with the Corporations Act (refer to **section 8.14**).

#### 4.4. Pro-forma Consolidated Financial Information for the Combined Group

##### (a) Basis of presentation of pro-forma financial information

This section provides an overview of the financial effects of the Offer on FirstWave, based on the unaudited consolidated statements of financial position for each of FirstWave and Opmantek as at 30 September 2021, assuming that FirstWave acquires 100% of Opmantek Shares under the Offer and with the pro-forma adjustments explained in **section 4.4(c)**.

This section should be read in conjunction with the underlying financial information from which it is derived, FirstWave's current intentions regarding Opmantek set out in **section 5**, the risk factors set out in **section 7**, FirstWave's accounting policies and other information contained within this Bidder's Statement, Opmantek's accounting policies and other information contained within the Opmantek's Target's Statement.

This financial information has been prepared for illustrative purposes only and has been prepared on an abbreviated basis. It does not provide all the disclosure usually provided in an annual report in accordance with the Corporations Act.

Whilst the financial information below relating to each of FirstWave and Opmantek as at 30 June 2021 is based on their respective audited statements of financial positions as at that date, the adjustments made to reflect the activities of each of FirstWave and Opmantek up to 30 September 2021 are based on the unaudited financial statements of each of FirstWave and Opmantek as at 30 September 2021. Pro forma adjustments and assumptions have also been made to reflect the terms of the Offer. It is assumed that the acquisition will be accounted for as an asset acquisition in accordance with applicable accounting standards.

FirstWave will undertake a comprehensive assessment of the fair value of the assets and liabilities acquired after completion of the Offer.

All adjustments have been made in accordance with Australian International Financial Reporting Standards and Australian accounting standards and comply with Australian International Financial Reporting Standards.

##### (b) Combined Group pro-forma unaudited consolidated statement of financial position as at 30 June 2021

Statement of financial position				
As at 30 June 2021				
	Consolidated	Consolidated	Consolidated	Consolidated
	FirstWave	Opmantek	Pro Forma	Combined
	(Audited)	(Audited)	Total	Pro Forma
	\$	\$	Adjustments	\$
			\$	
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	9,961,866	1,321,107	-	11,282,973
Term deposits	133,776	-	-	133,776
Trade and other receivables	2,843,953	1,740,745	(291,838)	4,292,860
Contract assets	552,697	-	-	552,697
Other assets	1,139,701	96,810	-	1,236,511
<b>Total current assets</b>	<b>14,631,993</b>	<b>3,158,662</b>	<b>(291,838)</b>	<b>17,498,817</b>

<b>Non-current assets</b>				
Property, plant and equipment	126,206	4,985	-	131,191
Right-of-use assets	622,149	-	-	622,149
Intangibles	9,503,305	-	289,311	9,792,616
Related party receivable	-	3,323	-	3,323
<b>Total non-current assets</b>	<b>10,251,660</b>	<b>8,308</b>	<b>289,311</b>	<b>10,549,279</b>
<b>Total assets</b>	<b>24,883,653</b>	<b>3,166,970</b>	<b>(2,527)</b>	<b>28,048,096</b>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Trade and other payables	4,258,988	448,799	-	4,707,787
Contract liabilities	901,819	1,571,977	-	2,473,796
Employee benefits	1,266,539	342,162	-	1,608,701
Lease liabilities	176,758	-	-	176,758
Borrowings – related party	-	211,295	-	211,295
Borrowings – external	-	222,359	-	222,359
Other	832,128	-	-	832,128
<b>Total current liabilities</b>	<b>7,436,232</b>	<b>2,796,592</b>	<b>-</b>	<b>10,232,824</b>
<b>Non-current liabilities</b>				
Contract liabilities	121,231	217,751	-	338,982
Employee benefits	155,445	15,578	-	171,023
Provisions	105,000	-	-	105,000
Lease liabilities	456,230	-	-	456,230
Borrowings - external	-	1,156,455	-	1,156,455
Other	1,739,171	-	96,593	1,835,764
<b>Total non-current liabilities</b>	<b>2,577,077</b>	<b>1,389,784</b>	<b>96,593</b>	<b>4,063,454</b>
<b>Total liabilities</b>	<b>10,013,309</b>	<b>4,186,376</b>	<b>96,593</b>	<b>14,296,278</b>
<b>Net assets</b>	<b>14,870,344</b>	<b>(1,019,406)</b>	<b>(99,120)</b>	<b>13,751,818</b>
<b>Equity</b>				
Issued capital	63,760,506	1,440,700	-	65,201,206
Reserves	7,611,200	792,341	-	8,403,541
Accumulated losses	(56,501,362)	(3,252,447)	(99,120)	(59,852,929)
<b>Total equity</b>	<b>14,870,344</b>	<b>(1,019,406)</b>	<b>(99,120)</b>	<b>13,751,818</b>

**Statement of profit or loss and other comprehensive income**  
For the year ended 30 June 2021

	Consolidated	Consolidated	Consolidated	Consolidated
	FirstWave (Audited)	Opmantek (Audited)	Pro Forma Total Adjustments	Combined Pro Forma
	\$	\$	\$	\$
<b>Revenue</b>				
Sales revenue	7,975,182	4,032,796	-	12,007,978
Cost of sales	(3,672,032)	-	-	(3,672,032)
<b>Gross profit</b>	<b>4,303,150</b>	<b>4,032,796</b>	<b>-</b>	<b>8,335,946</b>
R&D income	2,239,577	-	360,292	2,599,869
Other income	187,908	367,200	(249,700)	305,408

<b>Total Other Income</b>	<b>2,427,485</b>	<b>367,200</b>	<b>110,592</b>	<b>2,905,277</b>
<b>Expenses</b>				
Staff costs	(13,703,938)	(3,097,605)	-	(16,801,543)
Staff bonus & commission	(595,871)	(340,596)	-	(936,467)
Salary sacrifice – share rights	1,160,422	-	-	1,160,422
Capitalized expenditure	4,517,828	-	371,512	4,889,340
Travel and entertainment	(19,942)	(14,524)	-	(34,466)
Occupancy	(118,719)	(92,217)	-	(210,936)
Marketing	(229,905)	(727,464)	-	(957,369)
Business infrastructure	(1,476,424)	(166,980)	-	(1,643,404)
Accounting	(238,790)	(100,178)	-	(338,968)
Legal costs	(239,161)	(6,581)	-	(245,742)
ASX and company registration costs	(203,381)	(2,739)	-	(206,120)
Insurance	(360,767)	(89,595)	-	(450,362)
Corporate Advisory	(93,828)	-	-	(93,828)
Impairment of receivables	(182,178)	(20,296)	(42,138)	(244,612)
General and administration	(48,933)	(193,378)	-	(241,311)
<b>Total expenses</b>	<b>(11,833,587)</b>	<b>(4,851,153)</b>	<b>329,374</b>	<b>(16,355,366)</b>
<b>Cash-settled EBITDA</b>	<b>(5,102,954)</b>	<b>(451,158)</b>	<b>439,965</b>	<b>(5,114,147)</b>
Options	(257,364)	(335,370)	-	(592,734)
Share rights	(2,821,538)	-	-	(2,821,538)
<b>Total Shared Based Exp (non cash)</b>	<b>(3,078,902)</b>	<b>(335,370)</b>	<b>-</b>	<b>(3,414,272)</b>
<b>EBITDA</b>	<b>(8,181,856)</b>	<b>(786,528)</b>	<b>439,965</b>	<b>(8,528,419)</b>
Right of use asset depreciation	(369,075)	-	-	(369,075)
Depreciation and amortisation other	(2,299,686)	(35,240)	(82,200)	(2,417,126)
<b>Total Depreciation and Amortisation (non cash)</b>	<b>(2,668,761)</b>	<b>(35,240)</b>	<b>(82,200)</b>	<b>(2,786,201)</b>
<b>EBIT</b>	<b>(10,850,617)</b>	<b>(821,768)</b>	<b>357,765</b>	<b>(11,314,620)</b>
<b>Net finance income/(costs)</b>	<b>38,509</b>	<b>(90,245)</b>	<b>-</b>	<b>(51,736)</b>
<b>Loss before income tax expense</b>	<b>(10,812,108)</b>	<b>(912,013)</b>	<b>357,765</b>	<b>(11,366,356)</b>
Income tax expense	-	360,292	(456,885)	(96,593)
<b>Loss after income tax expense for the year attributable to the owners</b>	<b>(10,812,108)</b>	<b>(551,721)</b>	<b>(99,120)</b>	<b>(11,462,949)</b>

<b>Consolidated statement of cash flow</b>				
<b>For the year ended 30 June 2021</b>				
	<b>Consolidated</b>	<b>Consolidated</b>	<b>Consolidated</b>	<b>Consolidated</b>
	<b>FirstWave</b>	<b>Opmantek</b>	<b>Pro Forma</b>	<b>Combined</b>
	<b>(Audited)</b>	<b>(Audited)</b>	<b>Total</b>	<b>Pro Forma</b>
	<b>\$</b>	<b>\$</b>	<b>Adjustments</b>	<b>\$</b>
			<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>				
Receipts from customers (inclusive of GST)	4,070,181	5,139,148	(249,700)	8,959,629
Payments to suppliers and employees (inclusive of GST)	(14,432,542)	(5,794,605)	371,512	(19,855,635)
Interest received	66,182	396	-	66,578
Other Income	2,287,248	-	249,700	2,536,948
Interest and other finance costs paid	(37,742)	(40,640)	-	(78,382)
<b>Net cash used in operating activities</b>	<b>(8,046,673)</b>	<b>(695,701)</b>	<b>371,512</b>	<b>(8,370,862)</b>
<b>Cash flows from investing activities</b>				
Payments for property, plant and equipment	(100,058)	(9,014)	-	(109,072)
Payment for intangibles	(3,727,130)	-	(371,512)	(4,098,642)
<b>Net cash used in investing activities</b>	<b>(3,827,188)</b>	<b>(9,014)</b>	<b>(371,512)</b>	<b>(4,207,714)</b>
<b>Cash flows from financing activities</b>				
Proceeds from issue of shares	6,441,238	-	-	6,441,238
Proceeds from exercise of options	738,900	-	-	738,900
Share issue transaction costs	(348,029)	-	-	(348,029)
Repayment of receivable from key management person	221,500	-	-	221,500
Repayment of lease liabilities	(499,220)	-	-	(499,220)
Loan from (to) director / employee	-	(376,131)	-	(376,131)
Borrowing costs	-	(145,424)	-	(145,424)
Loans from unrelated parties	-	1,496,677	-	1,496,677
<b>Net cash from financing activities</b>	<b>6,554,389</b>	<b>975,122</b>	<b>-</b>	<b>7,529,511</b>
<b>Net increase / (decrease) in cash held</b>	<b>(5,319,472)</b>	<b>270,407</b>	<b>-</b>	<b>(5,049,065)</b>
<b>Cash at beginning of financial year</b>	<b>15,281,338</b>	<b>1,050,700</b>	<b>-</b>	<b>16,332,038</b>
<b>Cash at end of financial year</b>	<b>9,961,866</b>	<b>1,321,107</b>	<b>-</b>	<b>11,282,973</b>

<b>Statement of financial position</b>				
<b>As at 30 September 2021</b>				
	<b>Consolidated</b>	<b>Consolidated</b>	<b>Consolidated</b>	<b>Consolidated</b>
	<b>FirstWave</b>	<b>Opmantek</b>	<b>Pro Forma</b>	<b>Combined</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>Total</b>	<b>Pro Forma</b>
	<b>\$</b>	<b>\$</b>	<b>Adjustments</b>	<b>\$</b>
			<b>\$</b>	<b>\$</b>
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	6,864,604	1,415,190	8,544,952	16,824,746
Term deposits	133,776	-	-	133,776
Trade and other receivables	2,286,396	955,121	(296,381)	2,945,136
Contract assets	318,531	-	-	318,531
Other assets	1,238,034	94,206	-	1,332,240
<b>Total current assets</b>	<b>10,841,341</b>	<b>2,464,517</b>	<b>8,248,571</b>	<b>21,554,429</b>
<b>Non-current assets</b>				
Property, plant and equipment	139,749	9,436	-	149,185
Right-of-use assets	565,704	-	-	565,704
Intangibles	9,801,402	-	323,842	10,125,244
Goodwill	-	-	49,368,528	49,368,528
Related party receivable	-	3,323	-	3,323
Other assets	-	337	-	337
<b>Total non-current assets</b>	<b>10,506,855</b>	<b>13,096</b>	<b>49,692,370</b>	<b>60,212,321</b>
<b>Total assets</b>	<b>21,348,196</b>	<b>2,477,613</b>	<b>57,940,941</b>	<b>81,766,750</b>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Trade and other payables	3,288,487	319,232	-	3,607,719
Contract liabilities	1,140,329	1,463,725	(200,000)	2,404,054
Employee benefits	1,559,119	348,572	-	1,907,691
Lease liabilities	205,730	-	-	205,730
Borrowings – related party	-	211,295	(211,295)	-
Borrowings – external	-	234,477	(234,477)	-
Other	554,130	-	-	554,130
<b>Total current liabilities</b>	<b>6,747,795</b>	<b>2,577,301</b>	<b>(645,772)</b>	<b>8,679,324</b>
<b>Non-current liabilities</b>				
Contract liabilities	121,231	-	200,000	321,231
Employee benefits	165,002	15,578	-	180,580
Provisions	30,000	-	-	30,000
Lease liabilities	419,448	-	-	419,448
Borrowings - external	-	1,156,455	(1,156,455)	-
Other	1,739,171	-	123,463	1,862,634
<b>Total non-current liabilities</b>	<b>2,474,852</b>	<b>1,172,033</b>	<b>(832,992)</b>	<b>2,813,893</b>
<b>Total liabilities</b>	<b>9,222,647</b>	<b>3,749,334</b>	<b>(1,478,764)</b>	<b>11,493,217</b>
<b>Net assets</b>	<b>12,125,549</b>	<b>(1,271,721)</b>	<b>59,419,705</b>	<b>70,273,533</b>

<b>Equity</b>				
Issued capital	64,516,433	1,440,700	62,919,541	128,876,674
Reserves	7,641,026	798,639	-	8,439,665
Accumulated losses	(60,031,910)	(3,511,060)	(3,499,836)	(67,042,806)
<b>Total equity</b>	<b>12,125,549</b>	<b>(1,271,721)</b>	<b>59,419,705</b>	<b>70,273,533</b>

<b>Statement of profit or loss and other comprehensive income</b>				
<b>For the period ended 30 September 2021</b>				
	<b>Consolidated</b>	<b>Consolidated</b>	<b>Consolidated</b>	<b>Consolidated</b>
	<b>FirstWave</b>	<b>Opmantek</b>	<b>Pro Forma</b>	<b>Combined</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>Total</b>	<b>Pro Forma</b>
	<b>\$</b>	<b>\$</b>	<b>Adjustments</b>	<b>\$</b>
			<b>\$</b>	
<b>Revenue</b>				
Sales revenue	1,739,028	1,222,566	-	2,961,594
Cost of sales	(580,378)	-	-	(580,378)
<b>Gross profit</b>	<b>1,158,650</b>	<b>1,222,566</b>	<b>-</b>	<b>2,381,216</b>
R&D income	277,998	-	-	277,998
Other income	21,018	-	-	21,018
<b>Total Other Income</b>	<b>299,016</b>	<b>-</b>	<b>-</b>	<b>299,016</b>
<b>Expenses</b>				
Staff costs	(3,898,090)	(840,529)	-	(4,738,619)
Staff bonus & commission	(350,985)	(90,795)	-	(441,780)
Salary sacrifice – share rights	68,319	-	-	68,319
Capitalized expenditure	992,975	-	103,345	1,096,320
Travel and entertainment	(10,521)	(4,851)	-	(15,372)
Occupancy	(9,934)	(22,029)	-	(31,963)
Marketing	(56,097)	(365,287)	-	(421,384)
Business infrastructure	(341,686)	(64,564)	-	(406,250)
Accounting	(93,043)	(17,772)	-	(110,815)
Legal costs	(31,756)	(726)	-	(32,482)
ASX and company registration costs	(45,823)	(344)	-	(46,167)
Insurance	(130,012)	(29,724)	-	(159,736)
Corporate Advisory	(99,291)	-	-	(99,291)
Impairment of receivables	(138,020)	-	(4,543)	(142,563)
General and administration	(34,532)	(2,894)	-	(37,426)
<b>Total expenses</b>	<b>(4,178,496)</b>	<b>(1,439,515)</b>	<b>98,802</b>	<b>(5,519,209)</b>
<b>Cash-settled EBITDA</b>	<b>(2,720,830)</b>	<b>(216,949)</b>	<b>98,802</b>	<b>(2,838,977)</b>
Options	(18,102)	-	-	(18,102)
Share rights	(12,006)	-	-	(12,006)
<b>Total Shared Based Exp (non cash)</b>	<b>(30,108)</b>	<b>-</b>	<b>-</b>	<b>(30,108)</b>
<b>EBITDA before Significant Items</b>	<b>(2,750,938)</b>	<b>(216,949)</b>	<b>98,802</b>	<b>(2,869,085)</b>
Significant items (Transaction/Restructure Costs)	-	-	(1,706,061)	(1,706,061)

<b>EBITDA after Significant Items</b>	<b>(2,750,938)</b>	<b>(216,949)</b>	<b>(1,607,259)</b>	<b>(4,575,146)</b>
Right of use asset depreciation	(56,445)	-	-	(56,445)
Depreciation and amortisation other	(720,210)	(603)	(68,815)	(789,628)
<b>Total Depreciation and Amortisation (non cash)</b>	<b>(776,655)</b>	<b>(603)</b>	<b>(68,815)</b>	<b>(846,073)</b>
<b>EBIT</b>	<b>(3,527,593)</b>	<b>(217,552)</b>	<b>(1,676,074)</b>	<b>(5,421,219)</b>
<b>Net finance costs</b>	<b>(2,956)</b>	<b>(41,134)</b>	<b>(1,697,773)</b>	<b>(1,741,863)</b>
<b>Loss before income tax expense</b>	<b>(3,530,549)</b>	<b>(258,686)</b>	<b>(3,373,847)</b>	<b>(7,163,082)</b>
Income tax expense	-	-	(26,870)	(26,870)
<b>Loss after income tax expense for the year attributable to the owners</b>	<b>(3,530,549)</b>	<b>(258,686)</b>	<b>(3,400,717)</b>	<b>(7,189,952)</b>

<b>Consolidated statement of cash flow</b>				
<b>For the period ended 30 September 2021</b>				
	<b>Consolidated</b>	<b>Consolidated</b>	<b>Consolidated</b>	<b>Consolidated</b>
	<b>FirstWave</b>	<b>Opmantek</b>	<b>Pro Forma</b>	<b>Combined</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>Total</b>	<b>Pro Forma</b>
	<b>\$</b>	<b>\$</b>	<b>Adjustment</b>	<b>\$</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>				
Receipts from customers (inclusive of GST)	2,597,610	1,889,483	(240,000)	4,247,093
Payments to suppliers and employees (inclusive of GST)	(5,711,186)	(1,795,490)	103,345	(7,403,331)
Interest received	5,214	90	-	5,304
Other Income	85,834	-	240,000	325,834
Interest and other finance costs paid	(184)	-	(109,068)	(109,252)
<b>Net cash provided by / (used in) operating activities</b>	<b>(3,022,712)</b>	<b>94,083</b>	<b>(5,723)</b>	<b>(2,934,352)</b>
<b>Cash flows from investing activities</b>				
Payments for property, plant and equipment	(38,227)	-	-	(38,227)
Payment for intangibles	(756,421)	-	(103,345)	(859,766)
<b>Net cash used in investing activities</b>	<b>(794,648)</b>	<b>-</b>	<b>(103,345)</b>	<b>(897,993)</b>
<b>Cash flows from financing activities</b>				
Proceeds from issue of shares	-	-	14,023,391	14,023,391
Proceeds from exercise of options	761,163	-	-	761,163
Share issue transaction costs	(8,492)	-	(3,246,701)	(3,255,193)
Repayment of lease liabilities	(32,573)	-	-	(32,573)
Repayment of borrowings	-	-	(2,122,670)	(2,122,670)

Net cash provided by financing activities	720,098	-	8,654,020	9,374,118
Net increase / (decrease) in cash held	(3,097,262)	94,083	8,544,952	5,541,773
Cash at beginning of financial year	9,961,866	1,321,107	-	11,282,973
Cash at end of financial year	6,864,604	1,415,190	8,544,952	16,824,746

**(c) Pro-forma adjustments and assumptions**

The following significant adjustments and assumptions have been made in the preparation of the pro-forma unaudited consolidated statement of financial position of the Combined Group under the scenario set out in **section 4.4(b)**:

(i) 30 June 2021 significant pro-forma adjustments and assumptions:

- Other Income adjustment of circa \$250,000 relates to the elimination of the one-off Covid-19 job keeper and cash boost income support received by Opmantek.
- FirstWave records its Research & Development (R&D) income in Other Income for statutory accounting purposes while Opmantek records it as a credit tax expense. The circa \$360,000 adjustment relates to reclassification of Opmantek's R&D income from tax expense to Other Income to align the accounting treatment in the combined group.
- FirstWave capitalises its salaries and wages costs in relation to development work performed for its software and platform as per its accounting policy. Opmantek currently expenses all development work. The circa \$371,000 adjustment reduces expenses and increases intangible assets in order to align the accounting treatment in the combined group.

(ii) 30 September 2021 significant pro-forma adjustments and assumptions:

- Deferred revenue (Contract liabilities) adjustment of \$200,000 in Opmantek relates to the reclassification of amounts greater than 12 months to non-current.
- Opmantek has a convertible note borrowing balance of circa \$211,000 as at 30 June 2021 and 30 September 2021. It was identified in the convertible note agreement that the convertible note has an option to be converted into equity. Opmantek has currently not performed any accounting for this option in its 30 June 2021 audited financials or in the 30 September 2021 management accounts. As part of the acquisition due diligence process, it has currently been assessed that the circa \$211,000 convertible note liability will be converted into circa \$1.8 million in equity if the Offer is completed. Hence, FirstWave has accounted for the convertible "option" as a pro forma adjustment in 30 September 2021 combined entity pro forma results. Essentially the convertible note liability balance will be increased from circa \$211,000 to circa \$1.8 million by a circa \$1.6 million accelerated non-cash interest expense.
- As part of the acquisition, there is an adjustment made for cash consideration payments of circa \$1.3 million in relation to the payment of Opmantek's warrants (from Leap Capital) and advisor fees. This cash payment reduces the final settlement share capital issued to the Opmantek shareholders and also reduces the final cash balance available to the combined entity after the acquisition as at 30 September 2021.
- Opmantek has a loan balance of circa \$1.5 million to Leap Capital as at 30 September 2021. There is an adjustment to reflect the repayment of this circa \$1.5 million loan. This cash payment reduces the final cash balance available to the combined entity after the acquisition as at 30 September 2021.
- As part of the acquisition process, the combined entity will incur circa \$2.7 million in transaction costs (including brokerage) in relation to the capital raise and acquisition process. There is an adjustment to reflect these transaction costs as a significant cost in the statement of profit and loss of circa \$1.7 million, circa \$1.0 million as issued costs in equity and a \$2.7 million reduction in cash.

- There is an adjustment in cash and equity to reflect the total \$14 million capital raise for the placement and rights issue.
- As part of the accounting for the acquisition of Opmantek by FirstWave, there is an adjustment in the combined entity to eliminate Opmantek's original issued capital balance of circa \$1.4 million and eliminate the convertible note balance of circa \$1.8 million, recognise circa \$63 million in net new issued capital, and also recognise circa \$49 million in goodwill.

#### 4.5. Financial outlook for the Combined Group

The business plan for the Combined Group involves an integration plan over first 6 months post acquisition that is costed at \$1.2 million. This involves minimal retrenchment of staff, alignment of employment agreements and company processes and potentially the establishment of operating entities in the US.

There will be synergies across the Combined Group and FirstWave will continue its existing cost out program.

It is assumed that both entities maintain their existing revenue forecasts while working through the integration process.

The result of the assumptions above is that the Combined Group will reduce the monthly cash burn to under \$500,000 a month by 30 June 2022.

#### 4.6. Voluntary Escrow by Danny Maher and Craig Nelson

In addition to the offer term described in **section 8.9** Danny Maher and Craig Nelson have each entered into additional voluntary escrow arrangement for the Consideration Shares to be issued to them. Danny Maher and Craig Nelson have agreed that in addition to the Escrow Period restrictions they will not dispose of their Consideration Shares (257,869,456 and 19,509,360 FirstWave Shares respectively) until the date of release by FirstWave of the Appendix 4E for the period ended 30 June 2023 in respect of 50% of the Consideration Shares; and Appendix 4D for the period ended 31 December 2023 in respect of the balance of the Consideration Shares.

#### 4.7. Operation of the Share Sale Facility

The Share Sale Facility will be used to sell FirstWave Shares that would have otherwise been received by Foreign Shareholders. Such FirstWave Shares will be issued to the Sale Nominee and sold on behalf of the relevant Opmantek Shareholders under the Share Sale Facility.

Under the Share Sale Facility, following the Closing Date, the Sale Nominee will sell the FirstWave Shares on ASX. The Share Sale Facility Proceeds will be remitted to Foreign Shareholders. To ensure that the sales of FirstWave Shares take place in an orderly market and that the Share Sale Facility does not unduly destabilise that market, it is anticipated that the completion of the sales of FirstWave Shares through the Share Sale Facility and the distribution of the Share Sale Facility Proceeds may require several months. Interest will not be paid on any Share Sale Facility Proceeds.

The Sale Nominee will sell those FirstWave Shares at such price and on such other terms as the Sale Nominee determines in good faith (and at the risk of the Foreign Shareholders) having due regard for the desire to achieve the best price reasonably available at the time of the sale.

Opmantek, FirstWave and the Sale Nominee give no assurance as to the price that will be achieved for the sale of FirstWave Shares described above. The proceeds that Ineligible Foreign Shareholders will receive may be more or less than the market value of Opmantek Shares. Sale of the FirstWave Shares by the Sale Nominee may result in a significant number of FirstWave Shares being offered for sale at the same time, which may have the effect of reducing the sale price of those shares.

The payment of the Share Sale Facility Proceeds from the sale of FirstWave Shares will be in full satisfaction of the rights of Foreign Shareholders under the Offer.

#### 4.8. Dividends

Any future determination to declare cash dividends will be made at the discretion of the FirstWave Board, subject to compliance with applicable laws and covenants under current or future credit

facilities, which may restrict or limit FirstWave's ability to pay dividends, and will depend on its financial condition, operating results, capital requirements, general business conditions and other factors that the FirstWave Board may deem relevant. FirstWave does not anticipate paying any cash dividends on FirstWave Shares in the foreseeable future. As a result, a return on your investment will only occur if FirstWave's Share price appreciates.

## 5. Intentions of FirstWave

### 5.1. Approach and intentions of FirstWave

**Sections 5.2 to 5.4** set out the intentions of FirstWave on the basis of facts and public information concerning Opmantek which are known to FirstWave at date of this Bidder's Statement in relation to the following:

- (a) the continued operation of Opmantek;
- (b) any major changes to be made to the operation of Opmantek, including any redeployment of the fixed assets of Opmantek;
- (c) the future employment of Opmantek employees; and
- (d) the compulsory acquisition of Opmantek Shares.

While FirstWave has conducted due diligence on Opmantek, that due diligence was limited to reviewing information provided by Opmantek and customary searches of public registers. FirstWave does not have knowledge of all material information necessary to reach final decisions as to its intentions and FirstWave will only reach final decisions in light of material facts and circumstances at the relevant time and following completion of the review of Opmantek's operations referred to below.

Accordingly, the statements set out in these sections are statements of current intentions only and may vary as new information becomes available or circumstances change.

### 5.2. Intentions for Opmantek as a wholly owned controlled entity

This section describes FirstWave's intentions if FirstWave acquires a Relevant Interest in 90% or more of the Opmantek Shares so as to become entitled to proceed to compulsory acquisition of the outstanding Opmantek Shares in accordance with Part 6A.1 of the Corporations Act. FirstWave intends to proceed with the compulsory acquisition of any Opmantek Shares not acquired under the Offer, if and when it is entitled to do so.

FirstWave intends (based on the information currently available to it) to implement its strategy for the Combined Group as set out below:

- Appoint Danny Maher as Managing Director and CEO
- Appoint Craig Nelson as the Head of Global Sales
- Keith Sinclair will move from his current CTO role into a Pre-Sales position and Simon Ryan, FirstWave's CTO will assume the broader responsibilities of CTO for the enlarged entity.
- Invite Ray Kiley to join the FirstWave board.

Subject to the below, it is the present intention of FirstWave, on the basis of the information concerning Opmantek known to FirstWave and the existing circumstances affecting the business of Opmantek, that:

- Opmantek's status will be changed from a limited liability public company to limited liability proprietary company in order to reduce administrative costs associated with its current status as a public company;
- the business of Opmantek will otherwise be continued in substantially the same manner as it is presently being conducted;
- no other major changes will be made to the business of Opmantek; and
- there will be a period of review and where there is duplications in assets or synergy in commodities a plan will be developed for the value accretive action concerning these businesses.

The current intentions of FirstWave may change in light of material facts and circumstances at the relevant time.

### 5.3. Intentions for Opmantek as a part owned controlled entity

FirstWave reserves the right to declare the Offer free from the 90% minimum acceptance condition or any other condition (refer to **section 8.15**). However, it has made no decision as to whether it will do so.

This **section 5.3**, describes FirstWave's intentions if FirstWave were to declare the Offer free from the 90% minimum acceptance condition and, on completion of the Offer, FirstWave may hold a sufficient number of Opmantek Shares to exercise control over the management and operations of Opmantek, but may not be entitled to compulsorily acquire all outstanding Opmantek Shares.

Even if FirstWave is not entitled to proceed to the compulsory acquisition of minority holdings after the end of the Offer Period under Part 6A.1 of the Corporations Act, it may subsequently become entitled to exercise rights of general compulsory acquisition under Part 6A.2 of the Corporations Act. This could occur, for example, if FirstWave acquired further Opmantek Shares in reliance on the 3% creep exception provided in item 9 of section 611 of the Corporations Act. If any such rights of compulsory acquisition arise, FirstWave intends to exercise those rights.

If, following the close of the Offer, FirstWave becomes a controlled entity, but not a wholly owned subsidiary of FirstWave, FirstWave presently intends, subject to the following, and to the extent possible, and appropriate, to implement the objectives and goals mentioned in **section 5.2**.

The extent to which FirstWave is able to implement these intentions will be subject to:

- (a) the Corporations Act and the ASX Listing Rules, in particular in relation to related party transactions and conflicts of interests; and
- (b) the legal obligation of the directors of Opmantek to act for proper purposes and in the best interests of Opmantek shareholders as a whole.

Having regard to this and in particular the possible requirements of minority shareholder approval, it is possible that FirstWave may not be able to implement some of these intentions.

### 5.4. Intentions for Opmantek if not controlled by FirstWave

This **section 5.4** describes FirstWave's intentions if FirstWave were to declare the Offer free from the 90% minimum acceptance condition and if Opmantek was not controlled by FirstWave.

FirstWave's intentions under this situation are as follows:

- (a) FirstWave does not expect to be in a position to give effect to the intentions set out in **sections 5.2 to 5.4** of this Bidder's Statement other than FirstWave's intention to request appointment of the FirstWave nominees as Opmantek Directors that at least corresponds to FirstWave's voting power in Opmantek; and
- (b) FirstWave's current intention is to continue to hold any Opmantek Shares acquired with a view to maximising returns for FirstWave Shareholders (this may result in FirstWave or its Associates acquiring additional Opmantek Shares, to the extent permitted by law).

## 6. Australian tax implications

The following is intended only as a general guide to the income tax position under current Australian income tax law and administrative practice as at the date of this Bidder's Statement. Income tax is a complex area of law and the income tax implications for you may differ from those detailed below, depending on your particular circumstances. As these statements are of a general nature only it is highly recommended that you obtain your own independent professional advice in respect of the Australian income tax implications of the Offer.

The following is an overview of the likely Australian income tax implications as a consequence of the Takeover Bid for an Australian tax resident or non-Australian tax resident Opmantek Shareholders who hold their Opmantek Shares on capital account.

The following may not apply to certain Opmantek Shareholders, such as if you are a dealer in securities, you hold Opmantek Shares on revenue account or as trading stock, if you are an insurance company or a collective investment scheme, or if Division 230 of the *Income Tax Assessment Act 1997 (ITAA 1997)* applies to you and you have made an election to apply certain methods to calculating gains and losses.

In addition, the following may not apply to you if you acquired your Opmantek Shares or Opmantek Options as a result of an employment or services arrangement. Such persons may be subject to special rules, or any gain on the exchange of their Opmantek Shares for FirstWave Shares may be assessed as ordinary income.

The following may also not apply to non-Australian tax resident Opmantek Shareholders. The Australian income tax implications for non-Australian resident Opmantek Shareholders are complex and will depend upon their own specific circumstances. Non-Australian tax resident Opmantek Shareholders may also have tax implications in their country of residence.

### 6.1. Australian tax resident Opmantek Shareholders

#### Capital gains tax

The transfer of Opmantek Shares to FirstWave pursuant to the Offer will trigger a capital gains tax (CGT) event for you. The income tax implications for you will depend on whether you receive FirstWave Shares and, if eligible, choose to obtain scrip-for-scrip roll-over relief under Subdivision 124-M of the ITAA 1997 in relation to the disposal of your Opmantek Shares.

Broadly, you may choose to obtain scrip-for-scrip roll-over relief where FirstWave acquires the number of Opmantek Shares sufficient to bring its total interest in Opmantek to at least 80% of the voting shares in Opmantek and you:

- (a) receive FirstWave Shares in exchange for your Opmantek Shares;
- (b) acquired your Opmantek Shares on or after 20 September 1985; and
- (c) would, apart from the application of the roll-over, make a capital gain from the disposal of your Opmantek Shares (which requires, among other things, that the relevant Opmantek Shares were held on capital account).

#### Where scrip-for-scrip roll-over relief is chosen

Where the above conditions are met, Opmantek Shareholders who wish to obtain scrip-for-scrip rollover relief must choose to obtain the roll-over relief.

Where scrip-for-scrip roll-over relief is chosen, any capital gain arising from the disposal of your Opmantek Shares will be disregarded and deferred until a CGT event occurs in respect of the FirstWave Shares acquired by you under the Offer.

As the FirstWave Shares issued as Consideration Shares are subject to the voluntary escrow, a capital gain is not capable of being realised with respect of the disposal of the relevant FirstWave Shares until the end of the Escrow Period. The CGT cost base and

reduced cost base of each FirstWave Share received will be determined by apportioning, on a reasonable basis, the cost base and reduced cost base of your Opmantek Share.

If you can apply the discount capital gains tax rules in Division 115 of the ITAA 1997 and you choose scrip-for-scrip roll-over relief your FirstWave Shares will be taken to have been acquired at the time your Opmantek Shares were originally acquired for the purposes of applying the CGT discount rules.

Where a capital loss arises, you will not be eligible to obtain scrip-for-scrip roll-over relief.

#### **Where scrip-for-scrip roll-over is not chosen**

Where scrip-for-scrip roll-over relief is not chosen, you will make a capital gain equal to the market value of your FirstWave Shares you are entitled to less the CGT cost base of your Opmantek Shares.

In determining your capital gain, the market value of your FirstWave Shares should be determined using the market value of those relevant FirstWave Shares on the date you cease to have ownership of your Opmantek Shares.

If you are an individual, trustee of a trust or superannuation fund, or a life insurance company, you may be entitled to concessional discount CGT treatment under Division 115 of the ITAA 1997 in respect of a capital gain. This will depend upon your individual circumstances.

If your reduced cost base of your Opmantek Shares is greater than the market value of your FirstWave Shares you are entitled to, you may realise a capital loss. A capital loss may be applied to reduce a capital gain in the same or a future tax year.

Where scrip-for-scrip roll-over relief is not chosen, the cost base of the FirstWave Shares will be equal to their respective market values, as determined on the date the relevant FirstWave Shares are allotted or issued.

Where scrip-for-scrip roll-over relief is not chosen, the acquisition date of the FirstWave Shares for CGT purposes will be the date on which the FirstWave Shares are allotted or issued to you.

#### **Holders of Opmantek Options**

Holders of Opmantek Shares issued during the period from the Record Date to the end of the Offer Period (inclusive) as a result of the exercise or conversion of Opmantek Options are eligible to participate in the Offer.

A capital gain or capital loss the grantee makes from exercising an Opmantek Option is disregarded. The acquisition date of the Opmantek Shares, as is relevant to the availability of the 50% CGT discount, will be the point of exercise or conversion of the Opmantek Options (however this may vary if the Opmantek Options were issued as a result of participation in an employment incentive scheme).

The issuance of FirstWave Shares pursuant to the Offer that relate to underlying Opmantek Shares which were previously issued as a result of the exercise or conversion of Opmantek Options will otherwise be subject to the CGT treatment as set out above, including in terms of eligibility to opt-in for scrip-for-scrip roll-over relief.

Holders of Opmantek Options should seek tax advice specific to their circumstances before accepting the Offer.

### **6.2. Non-Australian resident Opmantek Shareholders**

Non-Australian resident Opmantek Shareholders that hold Opmantek Shares on capital account would only be subject to Australian capital gains tax upon disposal of their Opmantek Shares where the following conditions are met:

- (a) the non-Australian resident Opmantek Shareholder, together with its associates, holds 10% or more of Opmantek's issued securities at the time of disposal or for

any 12-month period in the 24 months prior to disposal; and

- (b) more than 50 per cent of the market value of the assets of Opmantek is represented (directly or indirectly) by real property interests or mining rights in respect of certain resources in Australia.

If CGT applies, concessional CGT discount treatment is not available to non-Australian residents in relation to the disposal of Opmantek securities acquired after 8 May 2012.

Non-Australian resident Opmantek Shareholders should also seek advice on the tax consequence in the shareholder's country of residence before accepting the Offer.

### **6.3. Stamp Duty**

Opmantek Shareholders who accept the Offer will not be required to pay any stamp duty on the disposal of their Opmantek Shares under the Offer, on the acquisition of FirstWave Shares under the Offer, or on a subsequent disposal of FirstWave Shares.

### **6.4. Goods and Services Tax**

None of the following transactions is subject to Australian goods and services tax:

- (a) the transfer of Opmantek Shares pursuant to the Offer (except brokerage, if any);
- (b) the payment of dividends on FirstWave Shares (if any); and
- (c) a disposal of FirstWave Shares (except brokerage, if any).

## 7. Risk factors

### 7.1. Overview

If the Offer becomes unconditional, Opmantek Shareholders who accept the Offer (other than Foreign Shareholders) will become shareholders in FirstWave and FirstWave will acquire an interest in Opmantek.

A number of risks and uncertainties, which are both specific to FirstWave and the Combined Group and of a more general nature, may affect the future operating and financial performance of the Combined Group and the value of FirstWave Shares. There are also additional risks relating to the Offer and the Combined Group, to which Opmantek Shareholders may be exposed through their holding Opmantek Shares. Some of these risks can be mitigated by the use of safeguards and appropriate systems and controls, while others can be covered by insurance, but some are outside the control of FirstWave and the Combined Group and cannot be mitigated or insured against. Many of these risks also affect the businesses of other companies operating in the same industry.

The risks set out in this **section 7** are not exhaustive of all the risks faced or that may be faced by FirstWave Shareholders. The risks are general only and do not take into account your individual objectives, financial situation or needs. You should carefully consider the following risk factors, as well as other information provided by FirstWave, and consult your professional advisers before deciding whether to accept the Offer.

### 7.2. Specific risks relating to FirstWave and the Combined Group

#### Dependence on key personnel

FirstWave depends on the talent and experience of its personnel, and, as such, any departure of key personnel may be materially adverse to FirstWave's prospects. It may be difficult to replace key personnel or to do so in a timely manner or at a comparable expense. Additionally, if any key personnel were to leave to work for or establish a competitor, this could further impact FirstWave's prospects. FirstWave has sought to mitigate this risk with equity incentives, but these incentives cannot remove the risk altogether.

#### Intellectual property

The intellectual property in the FirstWave platform is critical to its commercialisation. There may be circumstances where FirstWave's intellectual property cannot be protected or is subject to unauthorized infringement. Notwithstanding that FirstWave may have legal rights in respect of any infringement, those rights may be costly and time consuming to enforce.

FirstWave has source code and other intellectual property which are important assets. It is therefore reliant on a combination of confidentiality agreements with its consultants and third parties with whom it operates, in addition to trademark and domain name intellectual property right protections, in order to protect the FirstWave brand. Given the nature of the product, FirstWave does not have complete copyright and patent protection of its intellectual property.

If FirstWave is unable to protect its intellectual property, competitors may gain access to its technology which may adversely impact the business. In addition, third parties may make claims against FirstWave for infringement of their intellectual property rights. Defending such actions may be costly to FirstWave and divert the time and resources of Board and key management personnel, resulting in detriment to FirstWave. The intellectual property rights of a third party may also prevent FirstWave from utilising its own intellectual property rights, requiring FirstWave to rebrand at significant cost to FirstWave.

#### Competition

Markets in which FirstWave competes may be subject to disruptive change from new technologies and competition may arise from a number of sources both in Australia and abroad. It may include companies that have greater capital resources and closer customer relationships than FirstWave. Competition may also arise from companies with developed processes, systems, and technology or customers may seek to develop their own equivalent analytical platforms.

Any significant competition or failure to keep pace with technological change may adversely affect FirstWave's ability to attract customers or meet its business objectives.

**Reliance on third parties**

As the FirstWave platform is cloud-based, FirstWave relies upon data centres and other third-party service providers for the ongoing availability of its platform. FirstWave's influence over these third-parties is limited. Any system failure that causes an interruption to the platform could materially affect FirstWave's business. System failures, if prolonged, could reduce the attractiveness of the platform to existing and potential customers and could damage FirstWave's business reputation and brand name, and consequently, its financial performance, position and prospects.

**Reliance on continual platform development**

FirstWave's ability to grow its customer base and generate revenue will be dependent in part upon its ability to continually develop and innovate the FirstWave platform to ensure it is a market leader in the industry. This may involve introducing significant changes to the existing FirstWave platform, including technologies with which there is little or no prior development or operating experience. If the modified platform does not attract customers, FirstWave may fail to generate sufficient revenue or operating profit to justify the investment.

**Hacking and breaches**

FirstWave may be adversely affected by malicious third-party actions that seek to breach security of the platform. Any such 'hacking' of the platform could, among other things, jeopardise the security of customer information stored on the FirstWave platform. If FirstWave's efforts to combat such malicious actions are unsuccessful, or if the platform has actual or perceived vulnerabilities, FirstWave's business reputation and brand name may be harmed, which may result in a loss of customers from the platform (and reduced prospects of securing new customers).

**Lead time delay**

There is a risk that the lead time from the identification of new customers/partners to the execution of the contract to product delivery and billing and actual payment for the services may be longer than anticipated. While FirstWave will use its best endeavours to reduce the lead times on its revenue generation activities, any delays which may be beyond the control of FirstWave have the potential to materially impact the financial position, performance and prospects of FirstWave.

**COVID-19**

The COVID 19 pandemic has had and continues to have an impact on FirstWave's business. In particular the inability for our people to travel internationally has delayed a number of product installations in offshore jurisdictions. Even after the travel restrictions are lifted, there is substantial uncertainty as to the economic outlook internationally.

There are also other changes in the domestic and global macroeconomic environment associated with the events relating to COVID-19 that are beyond the control of FirstWave and may be exacerbated in an economic recession or downturn. These include but are not limited to:

- changes in inflation, interest rates and foreign currency exchange rates;
- changes in employment levels and labour costs;
- changes in aggregate investment and economic output; and
- other changes in economic conditions which may affect the revenue or costs of FirstWave.

**Sufficiency of funding**

The funds raised under the Placement and Entitlement Offer will be applied primarily for working capital purposes to help FirstWave pursue its growth strategy. However there is no certainty that these expenditures will deliver sufficient sales growth to obviate the need for further capital. For example, even if FirstWave becomes cash flow positive, the Directors

may consider it appropriate to increase expenditure on the development of FirstWave's platform.

As a result, FirstWave may require further funding in the medium term. Any equity funding sought may be highly dilutive to Shareholders, depending on the price at which FirstWave seeks to issue new securities and the level of participation under the Entitlement Offer. While debt funding may be available to FirstWave in the future, the availability of such funding, will be dependent on FirstWave's financial performance. In addition to dilution, if FirstWave is unsuccessful in obtaining funds when required, it may need to delay planned business activities, and potentially forgo growth opportunities, which in turn may adversely affect FirstWave's financial performance or position.

#### **Information technology risks**

The platforms offered by FirstWave may contain defects and bugs when first introduced to a particular customer or as new versions are released. These defects or bugs could interrupt or delay the provision of services to customers and could ultimately damage FirstWave's business reputation or financial performance.

FirstWave's platform is also subject to risks associated with computer viruses, physical or electronic break-ins, loss of data from physical damage or from failures by third party service providers or operating systems and similar disruptions, as well as to damage from the inadvertent introduction onto its systems of incorrect programming language by its employees. Any failures, faults, interruption, loss or corruption of data or other compromise to FirstWave's platform as a result of these risks may have a longer-term impact on client satisfaction and could adversely affect the financial performance of FirstWave's business as well as its business reputation

#### **Regulatory risks.**

Changes in the structure and regulation of the industries in which FirstWave operates in Australia and elsewhere could materially affect FirstWave and its business. Changes to government policy, law or regulations, or the introduction of new regulatory regimes may lead to an increase in operational costs and may have a materially adverse effect on the operations, financial performance and prospects of FirstWave.

#### **General risks**

##### **Contractual risks**

The Combined Group will rely significantly on strategic relationships with other entities and also on good relationships with regulatory and government departments and other interest holders. The Combined Group will also rely on third parties to provide essential contracting services. There can be no assurance that its existing relationships will continue to be maintained or that new ones will be successfully formed. The Combined Group could be adversely affected by changes to such relationships or difficulties in forming new ones.

##### **Labour market and key personnel risks**

FirstWave is dependent upon a number of key management personnel and executives to manage the day-to-day requirements of its businesses. Although FirstWave enters into employment and incentive arrangements with such personnel to secure their services, it cannot guarantee the retention of their services. The loss of the services of one or more key management personnel could have an adverse effect on the Combined Group.

FirstWave needs to be able to recruit appropriately skilled and qualified individuals. There can be no guarantee that personnel with the appropriate skills will be available.

##### **Changes in Australian government policy and legislation**

Any material adverse changes in relevant government policies or legislation of Australia may affect the viability and profitability of the Combined Group, and consequent returns to investors. The activities of the Combined Group will be subject to various federal, state and local laws governing prospecting, development, production, taxes, labour standards, occupational health and safety and other matters.

**Economic conditions**

The operating and financial performance of the Combined Group is influenced by a variety of general economic and business conditions, including levels of consumer spending, oil prices, inflation, interest rates and exchange rates, supply and demand, industrial disruption, 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 or war, natural disasters or outbreaks of disease or pandemics. 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 Combined Group's operating and financial performance and financial position.

The Combined Group's future possible revenues and share prices can be affected by these facts, which are beyond FirstWave's control.

**Market conditions**

Share market conditions may affect the value of the FirstWave's quoted securities regardless of FirstWave's operating performance. Share market conditions are affected by many factors such as:

- general economic outlook;
- introduction of tax reform or other new legislation;
- interest rates and inflation rates;
- changes in investor sentiment toward particular market sectors;
- the demand for, and supply of, capital;
- terrorism or other hostilities;
- natural disasters; and
- outbreaks of disease or pandemics.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and cybersecurity stocks in particular.

The past performance of FirstWave is not necessarily an indication as to the future performance of FirstWave or the Combined Group as the trading price of shares can go up or down. Neither FirstWave nor the FirstWave Directors warrant the future performance of FirstWave or the Combined Group, or any return on an investment in FirstWave.

**Insurance and uninsurable risks**

Although FirstWave maintains insurance to protect against certain risks in such amounts as it considers reasonable, its insurance will not cover all potential risks associated with its operations, and insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Should such liabilities arise, they could reduce or eliminate any further profitability and result in increasing costs and a decline in the value of FirstWave Shares.

**Dividends**

Any future determination as to the payment of dividends by the Combined Group will be at the discretion of the FirstWave Directors and will depend on the financial condition of the Combined Group, future capital requirements and general business and other factors considered relevant by the FirstWave Directors at the time. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Combined Group.

**Taxation risks**

Future changes in Australian and international taxation laws in jurisdictions that FirstWave operates may affect taxation treatment of an investment in FirstWave shares, or the holding and disposal of those shares. Additionally, changes in tax law in the various jurisdictions in which FirstWave operates, may impact the future tax liabilities of FirstWave.

**Litigation risk**

Disputes or litigation may arise from time to time in the course of the business activities of FirstWave. There is a risk that any material or costly dispute or litigation could adversely affect FirstWave's reputation, financial position, performance or prospects.

**7.3. Risks specifically relating to the Offer and the Combined Group****Issue of FirstWave Shares as consideration**

The consideration offered to Opmantek Shareholders under the Offer consists of a specified number of FirstWave Shares, rather than a number of FirstWave Shares with a specified market value. As a result, the value of the consideration will fluctuate depending upon the market value of the FirstWave Shares.

Furthermore, although the Consideration Shares will be subject to the Escrow Period, under the Offer, FirstWave will issue a significant number of FirstWave Shares. Some Opmantek Shareholders may not intend to continue to hold FirstWave Shares and may wish to sell them on the ASX. There is a risk that if a significant number of Opmantek Shareholders seek to sell their FirstWave Shares, this may adversely impact the price of FirstWave Shares.

During the Escrow Period these Consideration Shares are prohibited from being transferred, trading in FirstWave Shares may be less liquid which may impact on the ability of a Shareholder to dispose of his or her FirstWave Shares in a timely manner.

Accordingly, the market value of the Consideration Shares at the time you receive them may vary significantly from their market value on the date of your acceptance of the Offer and again on the date that the escrow applicable to the relevant Consideration Shares has expired. This may result in the value of the consideration to Opmantek Shareholders increasing as well as decreasing.

**Rollover relief**

A condition of the Offer is that the level of acceptance must result in FirstWave obtaining a Relevant Interest in at least 90% of all Opmantek Shares. However, FirstWave reserves the right to free the Takeover Offer from the 90% minimum acceptance condition.

If FirstWave does not acquire a Relevant Interest in at least 80% of Opmantek Shares, scrip-for-scrip CGT rollover relief will not be available to Opmantek Shareholders. Refer to **section 7** for further details.

**Change of control risk**

The acquisition of Opmantek may trigger change of control clauses in some material contracts to which Opmantek is a party.

Where triggered, the change of control clause will, in most cases, require FirstWave to seek the counterparty's consent in relation to the acquisition of Opmantek.

There is a risk that a counterparty may not provide their consent to the acquisition, which may trigger a termination right in favour of that counterparty, or that the counterparty may require a payment from FirstWave or renegotiation of terms to obtain such consent.

If any of the material contracts containing a change of control clause are terminated by the counterparty or renegotiated on less favourable terms, it may have a material adverse effect on FirstWave's post-acquisition (assuming this occurs) financial performance and prospects. There can be no assurance that FirstWave will be able to negotiate such contracts on commercially reasonable terms, if at all.

Additionally, as a result of the acquisition, clients of Opmantek that are not bound by a contract or that have rights to terminate for convenience, may elect to terminate their relationship with Opmantek. If any material clients terminate their relationship with Opmantek, FirstWave's financial performance and prospects post-acquisition (assuming this occurs) may be materially adversely affected.

**Reliance on information provided by Opmantek**

A material unidentified misstatement of the recent financial performance of Opmantek's business could potentially have a material adverse impact on Opmantek into the future.

FirstWave undertook a due diligence process in respect of Opmantek, which relied in part on the review of financial, legal and other information provided by Opmantek. While FirstWave considers the due diligence process undertaken to be appropriate,

FirstWave has not been able to verify the accuracy, reliability or completeness of all the information which was provided to it against independent data. Similarly, FirstWave has prepared (and made assumptions in the preparation of) the financial information relating to Opmantek on a stand-alone basis, and also to FirstWave as part of the Combined Group should FirstWave become Opmantek's ultimate parent company.

If any of the data or information provided to and relied upon by FirstWave in its due diligence process and its preparation of this Bidder's Statement proves to be incomplete, incorrect, inaccurate or misleading, there is a risk that the actual financial position and performance of FirstWave may be materially different to the financial position and performance expected by FirstWave and reflected in this Bidder's Statement.

Further, the information reviewed by FirstWave includes forward-looking information. Forward-looking information is inherently unreliable and based on assumptions that may not be achieved or satisfied in future.

**Analysis of acquisition**

FirstWave has undertaken financial, business and other analyses of Opmantek to determine its attractiveness to FirstWave, and whether to pursue its acquisition. It is possible that such analyses, and the best-estimate assumptions made by FirstWave, draw conclusions and make forecasts that are inaccurate or which may not be realised.

To the extent that the actual results achieved by Opmantek are different to those indicated by FirstWave's analysis, there is a risk that the profitability and future earnings of the operations of FirstWave may be materially different from the profitability and earnings expected as reflected in this Bidder's Statement.

**Integration risk**

There are risks that any integration between the businesses of FirstWave and Opmantek may be more complex than anticipated, take longer than expected, encounter unexpected challenges or issues and take longer than expected, divert management attention or not deliver the expected benefits and this may affect FirstWave's operating and financial performance. Further, the integration of Opmantek's accounting functions may lead to revisions, which may impact on FirstWave's reported financial results.

**Historical liability**

If FirstWave becomes Opmantek's ultimate parent company, FirstWave may become directly or indirectly liable for any liabilities that Opmantek has incurred in the past as a result of prior acts or omissions, including liabilities which were not identified during FirstWave's due diligence or which are greater than expected, and for which the various forms of protections negotiated by FirstWave in its agreement to acquire Opmantek turn out to be inadequate in the circumstances. Such liabilities may adversely affect the financial performance or position of FirstWave post-acquisition.

**Loss of Opmantek personnel**

FirstWave is committed to providing attractive employment conditions and prospects, and an attractive employee environment to assist in the retention of Opmantek's key management personnel throughout the acquisition process.

However, there can be no assurance that there will be no loss of key staff leading up to and following Opmantek's acquisition by FirstWave, assuming this occurs.

**Dilution risk**

The consideration for the Takeover Offer is the consideration set out on the front page of this Bidder's Statement. If the Takeover Offer is completed, there will be a dilution for current FirstWave Shareholders as a result of the Consideration Shares being issued.

**7.4. FirstWave's Due diligence**

There is no assurance that the due diligence conducted in respect of the acquisition of Opmantek was conclusive and that all material issues and risks have been identified and avoided or managed appropriately.

There is a risk that unforeseen issues may arise, that may also have a material impact on the Combined Group (for example, FirstWave may later discover liabilities or defects which were not identified through due diligence or for which there is no protection for FirstWave). This could adversely affect the operations, financial performance or position of the Combined Group.

**7.5. Opmantek Shareholder intention statements**

FirstWave has received shareholder intention statements from the following Opmantek Shareholders in relation to the Offer:

Shareholder Name	Ordinary Shares	% Share
Super Fli Pty Ltd	17,474,411	31.63%
Eric Harold Greenwood	5,061,200	9.16%
Anna Wilkinson	5,051,595	9.14%
Sinclair Internetworking Services Pty Limited	4,911,200	8.89%
Danny Maher	4,801,603	8.69%
Inu Sangyo	2,500,000	4.52%
RPA Properties Pty Ltd	1,250,000	2.26%
Transtempo Pty Ltd	1,021,277	1.85%
Mark Unwin	850,510	1.54%
Meopes Pty Ltd	825,000	1.49%
Justin Bock	800,000	1.45%
Jason Tam	625,000	1.13%
Stephen Joseph Arundel & Dianne Heslop	625,000	1.13%
Winitel Trading Pty Ltd	300,000	0.54%
Jason Yip Tam	240,000	0.43%
Jason Tam	100,000	0.18%
Kim Wingerei	100,000	0.18%
Jason Tam & Lim Chew	40,000	0.07%
Keith Sinclair	21,470	0.04%
	46,598,266	84%

These Opmantek Shareholders (together holding interests in 84% of Opmantek) have stated that, in the absence of a superior proposal, they intend to accept, or direct any relevant nominee or associate to accept, the Offer.

Each of the above Opmantek Shareholders have reserved their rights to accept a superior proposal from any other bidder for Opmantek.

#### 7.6. Disclosure of interests/fees and benefits payable to FirstWave Directors and advisers

Other than as set out below or elsewhere in this Bidder's Statement, no:

- (a) FirstWave Director;
- (b) person named in this Bidder's Statement as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Bidder's Statement;
- (c) promoter of FirstWave; or
- (d) broker or underwriter in relation to the issue of FirstWave Shares pursuant to the Offer,

has, or had within two years before the date of this Bidder's Statement, any interest in:

- (i) the formation or promotion of FirstWave;
- (ii) any property acquired or proposed to be acquired by FirstWave in connection with its formation or promotion or in connection with the issue of FirstWave Shares under the Offer; or
- (iii) the offer or issue of FirstWave Shares under this Bidder's Statement.

No amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of those persons as an inducement to become, or to qualify as, a FirstWave Director or expert FirstWave or otherwise for services rendered by him or her in connection with the formation or promotion of FirstWave or the issue of FirstWave Shares under this Bidder's Statement.

#### 7.7. Directors' security interests<sup>2</sup>

The FirstWave Directors have the following interests in FirstWave securities (either held directly or held by their Associates) as at the date of this Bidder's Statement.

Director	FirstWave Shares	FirstWave Unlisted Options	FirstWave service rights	FirstWave restricted rights
John Grant	3,995,400	4,200,000	6,766,638	0
Paul MacRae	3,682,084	1,200,000	0	2,040,740
Euh (David) Hwang*	0	0	0	0

\* Euh (David) Hwang was appointed on 7 June 2021.

FirstWave Directors do not have any interest (either held directly or held by their Associates) in Opmantek Securities as at the date of this Bidder's Statement.

#### 7.8. Directors' fees and benefits

The FirstWave Constitution provides that the directors is paid out of the funds of the Company by way of remuneration for their services as directors. The total aggregate fixed sum per annum to be paid to the directors (excluding salaries of executive directors) from time to time does not exceed the sum determined by shareholders in general meeting and the total aggregate fixed sum is divided between the directors as the directors shall determine and, in default of agreement between them, in equal shares. No non-executive director is paid as part or whole of his remuneration a commission on or a percentage of

<sup>2</sup> NTD: FirstWave to confirm the information above.

profits or a commission or a percentage of operating revenue, and no executive director is paid as whole or part of his remuneration a commission on or percentage of operating revenue. The remuneration of a director accrues from day to day.

The amounts in the table below have been paid by FirstWave by way of remuneration for services provided by the FirstWave Directors or their Associates to FirstWave (including amounts by way of salary, fees, superannuation benefits and equity):

Director	Year ended 2021 A\$	Year ended 2020 A\$	Year ended 2019 A\$
John Grant	664,582	776,971	-
Paul MacRae	140,843	103,111	48,000
Euh (David) Hwang*			

\*Euh (David) Hwang was only appointed on 7 June 2021.

### 7.9. Advisers' fees and benefits

Each of the persons named in **section 7.10** (other than Opmantek) as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Bidder's Statement will be entitled to receive professional fees charged in accordance with their normal basis of charging.

### 7.10. Consents

The following persons have given their consent to be named in this Bidder's Statement in the form and context in which they are named:

- Pitcher Partners to assist in the financial and taxation due diligence process for the proposed acquisition of Opmantek and its subsidiaries;
- Opmantek;
- Latimer Partners as financial advisors to FirstWave;
- Corrs Chambers Westgarth as the Australian legal and tax advisor to FirstWave; and
- Computershare Investor Services Pty Limited as the FirstWave Registry.

Each person named above:

- has not authorised or caused the issue of this Bidder's Statement;
- does not make, or purport to make, any statement in this Bidder's Statement any statement on which a statement in this Scheme Booklet is based, other than Opmantek in respect of the material in **sections 3.1 to 3.6**;
- to the maximum extent permitted by law, expressly disclaims all liability in respect of, makes no representation regarding, and takes no responsibility for, any part this Bidder's Statement other than a reference to its name and the statement (if any) included in this this Bidder's Statement with the consent of that party as specified above.

Each of the persons named above has not withdrawn its consent prior to the lodgement of this Bidder's Statement with ASIC.

As permitted by ASIC Class Order 13/523, this Bidder's Statement may include or be accompanied by certain statements fairly representing a statement by an official person or from a public official document or a published book, journal or comparable publication.

### 7.11. No material litigation

FirstWave is not party to any material litigation and is not involved in any material disputes.

**7.12. Foreign Shareholders**

For the purposes of the Offer, an Opmantek Shareholder is considered to be a Foreign Shareholder if their address in the register of members is a place outside of Australia or New Zealand, unless FirstWave determines (in its absolute discretion) that it is lawful, not unduly onerous and not unduly impracticable to make the Offer to that Opmantek Shareholder in the relevant jurisdiction and to issue to that Opmantek Shareholder with FirstWave Shares, on the completion of the Offer and that it is lawful for that Opmantek Shareholder to participate in the Offer by the law of the relevant jurisdiction (**Foreign Shareholder**).

If you are a Foreign Shareholder and you accept the Offer, the FirstWave Shares which would otherwise have been issued to Foreign Shareholder will instead be issued to a Sale Agent approved by ASIC, who will then sell these securities. The net proceeds of the sale of such securities will then be remitted to the relevant Foreign Shareholder. See **section 8.11** of the Offer.

The Offer is not registered in any jurisdiction outside Australia. It is your sole responsibility to satisfy yourself that you are permitted by any law of a country other than Australia applicable to you to accept these Offer and to comply with any other necessary formality and to obtain any necessary governmental or other consents.

**7.13. Other material information**

There is no other information that:

- (a) is material to the making of a decision by a holder of Opmantek Shares as to whether or not to accept the Offer;
- (b) is known to FirstWave; and
- (c) has not previously been disclosed to Opmantek Shareholders, other than as is contained elsewhere in this Bidder's Statement.

**7.14. Supplementary disclosure**

FirstWave will issue a supplementary document to this Bidder's Statement if it becomes aware of any of the following between the date of this Bidder's Statement and the end of the Offer Period:

- a material statement in this document being misleading or deceptive;
- a material omission from this Bidder's Statement;
- a significant change affecting a matter included in this Bidder's Statement; or
- a significant new matter arising which would have been required to be included in this Bidder's Statement.

The form which the supplementary document may take, and whether a copy will be sent to each Opmantek Shareholder, will depend on the nature and timing of the new or changed circumstances. Any such supplementary document will be made available on FirstWave's website and released to the ASX (and accordingly, available from the ASX's website at [www.asx.com.au](http://www.asx.com.au) ).

**7.15. Date for determining holders**

For the purposes of section 633(2) of the Corporations Act, the date for determining the people to whom information is to be sent under items 6 and 12 of section 633(1) of the Corporations Act is 5.00pm (Sydney time) on 1 December 2021.

**7.16. ASIC modifications and exemptions, ASX waivers**

ASIC has published various "Class Order" instruments providing for modifications and exemptions that apply generally to all persons, including FirstWave, in relation to the

operation of Chapter 6 of the Corporations Act. FirstWave may rely on this "Class Order" relief.

FirstWave has applied for a modification under section 655A of the Corporations Act to enable FirstWave to apply voluntary escrow to the Consideration Shares to be issued to the identified Opmantek Shareholders under the Takeover Offer without FirstWave acquiring a relevant interest in its own securities under section 608 of the Corporations Act. FirstWave has not yet received confirmation from ASIC that they will grant the necessary relief and, in the event that the relief is not granted, FirstWave will vary the terms of the bid to remove the voluntary escrow condition applicable to the Takeover Offer.

## 8. Terms of the Offer

### 8.1. General terms

- (a) FirstWave offers to acquire all of your Opmantek Shares, together with all Rights attached to them, on the terms set out in this Offer.
- (b) The consideration being offered by FirstWave for the acquisition of all of your Opmantek Shares is 11.5159 FirstWave Share/s for every Opmantek Shares you own, subject to the terms set out in this Offer.
- (c) If you are a Foreign Shareholder and you accept the Offer then, despite any other provision of this Offer, you will not receive FirstWave Shares but are instead offered and will be paid a cash amount calculated under **section 7.12**.
- (d) The Consideration Shares to be issued pursuant to this Offer will, from their date of issue, rank equally in all respects with existing FirstWave Shares currently on issue.

### 8.2. Official Quotation

FirstWave will apply for Official Quotation on ASX of the FirstWave Shares to be issued under the Offer. Quotation will not be automatic but will depend on ASX exercising its discretion. FirstWave has already been admitted to the official list of ASX and the FirstWave Shares to be issued under the Offer are of the same class as FirstWave Shares already quoted on ASX. FirstWave cannot guarantee, and does not represent or imply, that FirstWave Shares will be listed on ASX following their issue.

### 8.3. Offer Period

Unless extended or withdrawn, this Offer will remain open for acceptance during the period commencing on the date of this Offer and ending at 5.00pm (Sydney time) on 4 January 2021.

FirstWave reserves the right to extend the Offer Period in accordance with the Corporations Act. The Offer Period may be automatically extended in accordance with section 624(2) of the Corporations Act if, within the last 7 days of the Offer Period, either of the following events occur:

- (a) the Offer is varied to improve the consideration offered; or
- (b) FirstWave's voting power in Opmantek increases to more than 50%,

in which case the Offer Period will be automatically extended so that it ends 14 days after the relevant event described in paragraphs (a) or (b) above.

### 8.4. Who may accept the Offer

- (a) This Offer is being made to each person registered as the holder of Opmantek Shares in the register of FirstWave Shareholders as at the Record Date. It also extends to:
  - (i) holders of any Opmantek Shares that are issued during the period from the Record Date to the end of the Offer Period due to the conversion of, or exercise of rights conferred by Opmantek Options; and
  - (ii) any person who becomes registered, or entitled to be registered, as the holder of Opmantek Shares to which this Offer relates during the Offer Period.
- (b) If, at the time the Offer is made to you, or at any time during the Offer Period, another person is, or is entitled to be, registered as the holder of some or all of the Opmantek Shares to which this Offer relates:
  - (i) a corresponding offer on the same terms as this Offer will be deemed to have

- been made to that other person in respect of those Opmantek Shares;
- (ii) a corresponding offer on the same terms as this Offer will be deemed to have been made to you in respect of any other Opmantek Shares you hold to which the Offer relates; and
  - (iii) this Offer will be deemed to have been withdrawn immediately at that time in respect of those Opmantek Shares.
- (c) If, at any time during the Offer Period and before this Offer is accepted, any person holds one or more distinct parcels of Opmantek Shares (for example, as trustee, nominee or otherwise on account of another person) within the meaning of section 653B of the Corporations Act then:
- (i) this Offer is deemed to consist of a separate corresponding Offer to that person in relation to each distinct parcel of Opmantek Shares; and
  - (ii) acceptance by that person of the Offer for any distinct parcel of Opmantek Shares is ineffective unless the person gives written notice to FirstWave in accordance with section 653B(3) of the Corporations Act stating that the FirstWave Shares consist of distinct portions and the acceptance specifies the number of the Opmantek Shares in each separate parcel to which the acceptance relates.
- (d) This Offer is not registered in any jurisdiction outside Australia. It is your sole responsibility to satisfy yourself that you are permitted by any law of a country other than Australia applicable to you to accept this Offer and to comply with any other necessary formality and to obtain any necessary governmental or other consents.

#### 8.5. Fractional entitlements

If the number of Opmantek Shares you hold is such that your entitlement to FirstWave Shares under this Offer is not a whole number, your entitlement to FirstWave Shares will be rounded up to the nearest whole number.

#### 8.6. How to accept this Offer

##### *General*

- (a) Subject to **sections 8.4(b) and (c)**, you may only accept this Offer in respect of all of your Opmantek Shares (and not a lesser number). For example, if you have 10,000 Opmantek Shares and you wish to accept the Offer, you may only accept this Offer in respect of 10,000 Opmantek Shares.
- (b) You may only accept this Offer during the Offer Period.

##### *Opmantek Shares of which you are entitled to be registered as holder*

- (c) To accept the Offer for Opmantek Shares which are not held in your name, but of which you are entitled to be registered as holder, you must:
  - (i) complete and sign the accompanying Acceptance Form in accordance with the terms of this Offer and the instructions on the Acceptance Form; and
  - (ii) ensure that the Acceptance Form together with all other documents required by the terms of this Offer and the instructions on the Acceptance Form are received at the address shown on the Acceptance Form before the end of the Offer Period.

##### *Acceptance Form and other documents*

- (d) The Acceptance Form forms part of the Offer.
- (e) If your Acceptance Form (including any documents required by the terms of this Offer and the instructions on the Acceptance Form) is returned by post, for your

acceptance to be valid you must ensure that they are posted or delivered in sufficient time for them to be received by FirstWave at one of the addresses shown on the Acceptance Form before the end of the Offer Period.

- (f) The postage and transmission of the Acceptance Form and other documents is at your own risk.

#### 8.7. Validity of acceptances

- (a) Subject to this **section 8.7**, your acceptance of the Offer is not valid unless it is made in accordance with the procedures set out in **section 8.6**.
- (b) FirstWave will determine, in its sole discretion, all questions as to the form of documents, eligibility to accept the Offer and time of receipt of an acceptance of the Offer. FirstWave is not required to communicate with you prior to making this determination. The determination of FirstWave will be final and binding on all parties.
- (c) Notwithstanding **section 8.6**, FirstWave may, in its sole discretion, at any time and without further communication to you, deem any Acceptance Form it receives to be a valid acceptance in respect of your Opmantek Shares, even if a requirement for acceptance has not been complied with but the payment of the consideration in accordance with the Offer may be delayed until any irregularity has been resolved or waived and any other documents required to procure registration have been received by FirstWave.
- (d) Where you have satisfied the requirements for acceptance in respect of only some of your Opmantek Shares, FirstWave may, in its sole discretion, regard the Offer to be accepted in respect of those of your Opmantek Shares but not the remainder.
- (e) FirstWave will provide the consideration to you in accordance with **section 8.10**, in respect of any part of an acceptance determined by FirstWave to be valid.

#### 8.8. The effect of acceptance

- (a) Once you have accepted this Offer, you will be unable to revoke your acceptance and the contract resulting from your acceptance will be binding on you and you will be unable to withdraw that acceptance or otherwise dispose of your Opmantek Shares to which the Offer relates, except as follows:
  - (i) if the conditions in contained in **section 8.12** have not been fulfilled or waived by 24 December 2021, the Offer will automatically terminate and your Opmantek Shares the subject of your acceptance will be returned to you; or
  - (ii) if the Offer Period is extended for more than one month and the obligations of FirstWave to deliver the consideration are postponed for more than one month and, at the time, the Offer remains subject to one or more of the conditions contained in **section 8.12**, you may be able to withdraw your acceptance in relation to your Opmantek Shares in accordance with section 650E of the Corporations Act. Should such rights arise, a notice will be sent to you at the relevant time explaining your rights in this regard.
- (b) By following the procedure described in **section 8.6**, you will be taken to have:
  - (i) accepted this Offer (and any variation to it subject to section 650E of the Corporations Act) in respect of the Opmantek Shares registered in your name to which this Offer relates, regardless of the number of Opmantek Shares specified in the Acceptance Form, subject to **sections 8.4(b)** and **8.4(c)**;
  - (ii) agreed to the terms of voluntary escrow set out in **section 8.9**;
  - (iii) agreed to the terms of the Offer and, subject to the conditions contained in **section 8.12** being fulfilled or waived, agreed to transfer to FirstWave all of your Opmantek Shares;

- (iv) agreed to accept the consideration being offered by FirstWave and agreed to be bound by the FirstWave Constitution;
- (v) authorised FirstWave (and any director, secretary or nominee of FirstWave) to alter the Acceptance Form on your behalf by inserting correct details of your Opmantek Shares, filling in any blanks and correcting any errors in or omissions from the Acceptance Form as may be considered necessary by FirstWave:
  - (A) to make the Acceptance Form an effective acceptance of this Offer; and/or
  - (B) to enable registration of the transfer to FirstWave of your Opmantek Shares;
- (vi) irrevocably authorised and directed Opmantek to pay to FirstWave or to account to FirstWave for all Rights which are declared, paid or which arise or accrue after the Announcement Date in respect of your Opmantek Shares (subject to FirstWave accounting to you for any Rights received by it if your acceptance of this Offer is validly withdrawn pursuant to section 650E of the Corporations Act or the contract resulting from that acceptance becomes void);
- (vii) irrevocably authorised FirstWave to notify Opmantek on your behalf that your place of address for the purpose of serving notices upon you in respect of your Opmantek Shares is the address specified by FirstWave in the notification;
- (viii) warranted to FirstWave that, unless you have notified FirstWave in accordance with **section 8.4(c)**, your Opmantek Shares do not consist of separate parcels of Opmantek Shares;
- (ix) warranted to FirstWave as a fundamental condition going to the root of the contract resulting from your acceptance that:
  - (A) FirstWave will acquire good title to and beneficial ownership of all of your Opmantek Shares free from all mortgages, charges, liens, encumbrances (whether legal or equitable) and other third party interests of any kind;
  - (B) you have paid Opmantek all amounts which are due in respect of your Opmantek Shares;
  - (C) all of your Opmantek Shares are fully paid; and
  - (D) you have full power and capacity to accept the Offer and to sell and transfer the legal and beneficial ownership of your Opmantek Shares (together with all Rights attached to them) to FirstWave;
- (x) unless you are a Foreign Shareholder, agreed to accept the FirstWave Shares to which you become entitled by accepting this Offer, subject to FirstWave's Constitution and the terms of issue of the FirstWave Shares and to have authorised FirstWave to place your name on its register of shareholders as the holder of the FirstWave Shares issued to you under the Offer;
- (xi) acknowledged that if you are a Foreign Shareholder, FirstWave will arrange for any FirstWave Shares otherwise issuable to you to be issued and sold, and the net proceeds to be remitted to you, as described in **section 8.11**;
- (xii) if you reside outside of Australia and are not a Foreign Shareholder for the purposes of the Offer, warranted to FirstWave that the making by FirstWave to you, and your acceptance of this Offer is lawful under any law of a country other than Australia which apply to you to the making of this Offer and to your acceptance of this Offer;

(xiii) with effect from the later of acceptance of the Offer and the date that any contract resulting from that acceptance becomes, or is declared unconditional, appointed (and agreed not to revoke that appointment) FirstWave and each of FirstWave's Directors, secretaries and other officers from time to time severally as your agent and true and lawful attorney, with power to do all things which you could lawfully do concerning your Opmantek Shares or in exercise of any right or power derived from the holding of your Opmantek Shares including, without limitation:

- (A) attend and vote in respect of your Opmantek Shares at any and all meetings of Opmantek;
- (B) requisition or join with other holders of Opmantek Shares in requisitioning and/or convening a meeting of the members of Opmantek;
- (C) demand a poll for any vote to be taken at any meeting of Opmantek Shareholders;
- (D) propose or second any resolutions to be considered at any and all meetings of Opmantek Shareholders;
- (E) execute all forms, transfers, assignments, notices, instruments (including instruments appointing a FirstWave Director as a proxy in respect of all or any of your Opmantek Shares and a transfer form for your Opmantek Shares), proxies, consents, agreements, and resolutions relating to your Opmantek Shares;
- (F) request Opmantek to register in the name of FirstWave or its nominee your Opmantek Shares which you hold on any register of Opmantek; and
- (G) do all things incidental or ancillary to the foregoing,

and to have agreed that in exercising the powers conferred by the power of attorney, the attorney is entitled to act in the interests of FirstWave as the beneficial owner and intended registered holder of your Opmantek Shares in respect of which you must do all such acts, matters and things that FirstWave may require to give effect to the matters the subject of this paragraph (including the execution of a written form of proxy to the same effect as this paragraph which complies in all respects with the requirements of the constitution of Opmantek) if required by FirstWave. This appointment is irrevocable and terminates upon registration of a transfer to FirstWave of your Opmantek Shares; and

(xiv) for as long as **section 8.8(b)** applies, agreed not to vote in person, by proxy or otherwise at any general meeting of Opmantek or to exercise (or purport to exercise) in person, by proxy or otherwise, any of the powers conferred on FirstWave and the FirstWave Directors, secretaries and other officers of FirstWave by **section 8.8(b)**.

(c) The representations, warranties, undertakings and authorities referred to in this **section 8.8** (unless otherwise stated) remain in force after you receive the consideration for your Opmantek Shares and after FirstWave becomes registered as the holder of them.

### 8.9. Voluntary Escrow

- (a) Other than in accordance with **section 8.9 (d) and (e)**, during the Escrow Period, you may not do any of the following:
  - (i) dispose of, or agree or offer to dispose of, the Consideration Shares;
  - (ii) create, or agree or offer to create, any security interest in the Consideration Shares in favour of a financial institution for a loan or other financial

accommodation unless the financial institution agrees in writing to take or acquire the security interest subject to the terms of this section 8.9; and

- (iii) do, or omit to do, any act if the act or omission would have the effect of transferring effective ownership or control of the Consideration Shares.
- (b) If the Consideration Shares are kept on the:
- (i) certificated sub-register, you must deposit the certificates for the Consideration Shares with a bank or recognised trustee for the Escrow Period.
  - (ii) issuer sponsored sub-register, you agree to the application of a holding lock to the Consideration Shares for the Escrow Period.
- (c) During the Escrow Period, the power to exercise, or control the exercise of, a right to vote attached to a Consideration Shares is not affected.
- (d) During the Escrow Period you may:
- (i) indicate that you will accept an offer to buy or transfer;
  - (ii) agree to transfer or sell; and
  - (iii) transfer or sell,

any Consideration Shares to a bidder pursuant to a takeover offer (including a proportional takeover offer) under Chapter 6 of the Corporations Act where holders of at least 50% of the bid class securities in the capital of the entity (excluding the Consideration Shares and any other Shares subject to escrow) have accepted the takeover offer, provided that the voluntary escrow provisions continue to apply to the Consideration Shares if such takeover offer does not become unconditional.

- (e) The Consideration Shares may be transferred or cancelled during the Escrow Period as part of a scheme of arrangement under Part 5.1 of the Corporations Act.
- (f) The Consideration Shares may be transferred or cancelled as part of an equal access share buy-back or an equal reduction of share capital under Part 2J.1 of the Corporations Act.
- (g) The Consideration Shares may be:
  - (i) disposed of, or a security interest may be granted over them, pursuant to an order of a court of competent jurisdiction;
  - (ii) transferred by your personal representatives to a person to whom the Consideration Shares have been bequeathed or to your spouse, provided that the transferee has previously undertaken to FirstWave, by deed in a form acceptable to FirstWave, to be bound by **section 8.9** in respect of the Consideration Shares; and
  - (iii) transferred off-market by you to any company or other entity under the full and effective control of you (**Controlled Entity**), provided that the transferee has previously undertaken to you, by deed in a form acceptable to FirstWave, to be bound by **section 8.9** in respect of the Consideration Shares (including an undertaking that, if the transferee ceases to be a Controlled Entity during the Escrow Period, at FirstWave's request it will promptly transfer the Consideration Shares back to FirstWave or another Controlled Entity nominated by you);
- (h) If you breach the provisions of this **section 8.9**, each of the following applies:
  - (i) FirstWave may take the steps necessary to enforce the provisions of this **section 8.9**, or to rectify the breach;

- (ii) FirstWave may refuse to acknowledge, deal with, accept or register any sale, assignment, transfer or conversion of any of the Consideration Shares (in addition to other rights and remedies of FirstWave); and
- (iii) you will cease to be entitled to any dividends, distributions or voting rights while the breach continues.

The Consideration Shares are to be subject to the voluntary escrow requirements discussed above, subject to receipt of an ASIC modification of Chapter 6 of the Act so that FirstWave does not obtain a relevant interest in its own securities (**Modification**). If ASIC does not grant the Modification, FirstWave will vary the terms of the Takeover Offer so as to remove the voluntary escrow requirement.

#### 8.10. Provision of consideration

- (a) Subject to the terms of this Offer and the Corporations Act, FirstWave must provide the Consideration Shares not later than one month after this Offer is accepted or this Offer (or the contract resulting from its acceptance) becomes unconditional, whichever is the later, but in any event (assuming the Offer becomes or is declared unconditional) not later than 21 days after the end of the Offer Period.
- (b) Under no circumstances will interest be paid on the consideration to which you are entitled to under the Offer, regardless of any delay in providing the consideration or any extension of the Offer.
- (c) If you are a Foreign Shareholder and you have accepted the Offer, you will receive your share of the proceeds from the sale of Consideration Shares in accordance with **section 7.12**.
- (d) Subject to **sections 7.12** and **8.12**, the obligations of FirstWave to allot and issue any Consideration Shares to which you are entitled under the Offer is to be satisfied:
  - (i) by entering your name on the register of members of FirstWave;
  - (ii) dispatching or procuring the dispatch to you by prepaid post to your address recorded in Opmantek's register of members at the Record Date, an uncertificated holding statement in your name. If your Opmantek Shares to which the Offer relates are held in a joint name, an uncertificated holding statement must be issued in the name of, and forwarded to, the holder whose name appears first in Opmantek's register of members on the Record Date.
- (e) Where the Acceptance Form requires an additional document to be given with your acceptance (such as a power of attorney):
  - (i) if that document is given with your Acceptance Form, FirstWave must provide the consideration in accordance with **section 8.10(a)**;
  - (ii) if that document is given after your Acceptance Form and before the end of the Offer Period while this Offer is subject to a defeating condition, FirstWave must provide the Consideration Shares by the end of whichever of the following periods ends earlier:
    - (A) within one month after this Offer becomes unconditional; or
    - (B) 21 days after the end of the Offer Period;
  - (iii) if that document is given after your Acceptance Form and before the end of the Offer Period while this Offer is not subject to a defeating condition, FirstWave must provide the Consideration Shares by the end of whichever of the following periods ends earlier:
    - (A) within one month after that document is given; or
    - (B) 21 days after the end of the Offer Period; and

- (iv) if that document is given after the end of the Offer Period and the Offer is not subject to a defeating condition, FirstWave must provide the Consideration Shares within 21 days after that document is given.
- (f) If you accept this Offer, FirstWave is entitled to all Rights in respect of your Opmantek Shares. FirstWave may require you to provide all documents necessary to vest title to those Rights in FirstWave, or otherwise to give it the benefit or value of those Rights. If you do not give those documents to FirstWave, or if you have received the benefit of those Rights, FirstWave may deduct from the consideration otherwise due to you the amount (or value, as reasonably assessed by FirstWave) of those Rights, together with the value (as reasonably assessed by FirstWave) of the franking credits, if any, attached to the Rights. Any such deduction will be made from any FirstWave Shares on the basis that one FirstWave Share is worth \$0.07.
- (g) If, at the time you accept the Offer, any of the following:
- (i) *Banking (Foreign Exchange) Regulations 1959* (Cth);
  - (ii) Part 4 of the *Charter of the United Nations Act 1945* (Cth);
  - (iii) *Charter of the United Nations (Dealing with Assets) Regulations 2008* (Cth);
  - (iv) any other regulations made under Part 4 of the *Charter of the United Nations Act 1945* (Cth);
  - (v) *Autonomous Sanctions Regulations 2011* (Cth); or
  - (vi) any other law of Australia,

require that an authority, clearance or approval of the Reserve Bank of Australia, the Australian Taxation Office or any other Public Authority be obtained before you receive any consideration for your Opmantek Shares, or would make it unlawful for FirstWave to provide any Consideration Shares to you for your Opmantek Shares, you are not entitled to receive any consideration for your Opmantek Shares until all requisite authorities, clearances or approvals have been received by FirstWave.

#### 8.11. Foreign Shareholders

- (a) If you have accepted the Offer and you are a Foreign Shareholder, you are not entitled to receive FirstWave Shares as consideration for your Opmantek Shares. Instead FirstWave must:
- (i) arrange for the issue to a nominee approved by ASIC (**Sale Nominee**) of the number of FirstWave Shares to which you and all other Foreign Shareholder would have been entitled but for this section of the Offer;
  - (ii) cause those FirstWave Shares to be offered for sale on ASX as soon as practicable after the end of the Offer Period, in such manner, at such price and on such other terms as are determined by the Sale Nominee; and
  - (iii) promptly pay, or procure that the Sale Nominee pays, to you the amount ascertained in accordance with the following formula (calculated on an average basis so that all Foreign Shareholders who accept the Offer receive the same value per Opmantek Share, subject to rounding):

$$\text{Net Proceeds of Sale} \times \frac{A}{B}$$

Where:

**Net Proceeds of Sale** is the amount remaining after deducting the expenses of the sale and of appointing the Sale Nominee (including brokerage, stamp duty (applied at standard market rates) and other selling costs, taxes and charges) from the proceeds of sale;

**A** is the number of FirstWave Shares which would, but for **section 8.11**, have been allotted and issued to you; and

**B** is the total number of FirstWave Shares allotted and issued to the Sale Nominee under this section in respect of the Opmantek Shares held by all Foreign Shareholders.

- (b) You are to be paid your share of the net proceeds of the sale of the FirstWave Shares by the Sale Nominee in Australian currency.
- (c) Payment is to be made by cheque posted to you at your risk by pre-paid mail as soon as practicable and in any event within the period required by the Corporations Act to your address in the most up to date copy of the Opmantek register provided to FirstWave before your consideration cheque is produced.
- (d) Under no circumstances will interest be paid on your share of the net proceeds of the sale of FirstWave Shares by the Sale Nominee, regardless of any delay in remitting these proceeds to you or your receipt of those proceeds.

#### 8.12. Conditions of this Offer

Subject to **section 8.13**, the completion of the Offer and any contract that results from an acceptance of the Offer, are subject to the fulfilment or waiver by FirstWave of the conditions set out below before the end of the Offer Period:

##### (a) Minimum acceptance

At the end of the Offer Period, FirstWave has a Relevant Interest in at least 90% of Opmantek Shares then on issue.

##### (b) No material adverse change to annualised recurring revenue

Between the Announcement Date and the end of the Offer Period (each inclusive) none of the following occurs:

- (i) an event, change, condition, matter or thing occurs or will or is reasonably likely to occur;
- (ii) information is disclosed or announced by Opmantek concerning any event, change, condition, matter or thing that has occurred or is reasonably likely to occur; or
- (iii) information concerning any event, change, condition, matter or thing that has occurred or is reasonably likely to occur becomes known to FirstWave (whether or not becoming public),

(each of paragraphs (i), (ii) and (iii) being a **Specified Event**) which, whether individually or when aggregated with all such events, changes, conditions, matters or things of a like kind that have occurred or are reasonably likely to occur, has had or would be considered reasonably likely to have:

- (iv) the effect of a diminution in the annualised recurring revenue (being yearly value of revenue generated from subscriptions, contracts, and other recurring billing cycles) of the Opmantek Group, taken as a whole, by at least 20% against what it would reasonably have been expected to have been but for such Specified Event, other than:
  - (v) an event, matter, change or circumstance caused, or materially contributed to, by FirstWave;
  - (vi) anything required or permitted to be done or not done under the offer between FirstWave and Opmantek or otherwise required to be done in connection with the legal obligations for the implementation of the Takeover Bid;
  - (vii) any event, matter, change or circumstance:
    - (A) fairly disclosed by Opmantek to FirstWave or any Related Person of FirstWave;

(B) disclosed in public filings by Opmantek to ASIC; or

(C) otherwise known by FirstWave or any Related Person of FirstWave ,

at any time prior to the date of the offer between FirstWave and Opmantek provided that the event, matter, change or circumstances (as the case may be) continues to be, in all material respects, as disclosed or otherwise known to FirstWave at that time;

(viii) an event, matter, change or circumstance in or relating to:

(A) economic, business, regulatory or political conditions in general;

(B) credit, financial or currency markets in general, or the state of securities markets in general (including any reduction in market indices);

(C) any change affecting the industry in which Opmantek operates generally;

(ix) the portion of any event, matter, change or circumstances which is as a consequence of losses, expenses, damages or other costs covered by insurance which Opmantek's insurers have agreed to pay; or

(x) anything done with the prior written consent of FirstWave.

(c) **No prescribed occurrences**

Between the Announcement Date and the date three business days after the end of the Offer Period (each inclusive), none of the following prescribed occurrences (being the occurrences listed in section 652C of the Corporations Act) happen:

(i) Opmantek converting all or any of Opmantek Shares into a larger or smaller number of shares under section 254H of the Corporations Act;

(ii) Opmantek or a Subsidiary of Opmantek resolving to reduce its share capital in any way;

(iii) Opmantek or a Subsidiary of Opmantek entering into a buyback agreement or resolving to approve the terms of a buyback agreement under section 257C(1) or 257D(1) of the Corporations Act;

(iv) Opmantek or a Subsidiary of Opmantek making an issue of Opmantek Shares (other than an issue of Opmantek Shares as a result of the exercise of rights conferred by, or the conversion of Opmantek Options) or granting an option over the Opmantek Shares or agreeing to make such an issue or grant such an option;

(v) Opmantek or a Subsidiary of Opmantek issuing, or agreeing to issue, convertible notes;

(vi) Opmantek or a Subsidiary of Opmantek disposing or agreeing to dispose, of the whole, or a substantial part, of its business or property;

(vii) Opmantek or a Subsidiary of Opmantek granting, or agreeing to grant, a Security Interest in the whole, or a substantial part, of its business or property;

(viii) Opmantek or a Subsidiary of Opmantek resolving that it be wound up;

(ix) the appointment of a liquidator or provisional liquidator of Opmantek or of a Subsidiary of Opmantek;

(x) the making of an order by a court for the winding up of Opmantek or of a Subsidiary of Opmantek;

(xi) an administrator of Opmantek or of a Subsidiary of Opmantek being appointed under section 436A, 436B or 436C of the Corporations Act;

(xii) Opmantek or a Subsidiary of Opmantek executing a deed of company arrangement; or

- (xiii) the appointment of a receiver, receiver and manager, other controller (as defined in the Corporations Act) or similar official in relation to the whole, or a substantial part, of the property of Opmantek or of a Subsidiary of Opmantek.

#### 8.13. Nature and benefit of conditions

- (a) The conditions in **section 8.12** are conditions subsequent. The non-fulfilment of any condition subsequent does not, until the end of the Offer Period (or in the case of the conditions in **section 8.12(c)**, until the end of the third business day after the end of the Offer Period), prevent a contract to sell your Opmantek Shares from arising, but non-fulfilment of any of those conditions will have the consequences set out in **section 8.12(b)**.
- (a) Subject to the Corporations Act, FirstWave alone is entitled to the benefit of the conditions in **section 8.12**, or to rely on any non-fulfilment of any of them.
- (b) Each condition in **section 8.12** is a separate, several and distinct condition. No condition will be taken to limit the meaning or effect of any other condition.

#### 8.14. ASX quotation of new FirstWave Shares

The Offer, and any contract that results from your acceptance of it, is subject to the condition that permission for admission to Official Quotation by ASX of the FirstWave Shares to be issued pursuant to the Offer is sought no later than 7 days after the start of the Offer Period and is granted no later than 7 days after the end of the Offer Period. This condition is not a defeating condition for the purposes of the Corporations Act, and is not of the same nature as the conditions set out in **section 8.12**. The Offer cannot be freed of this condition and consequently no statements made by FirstWave can be taken to waive this condition.

#### 8.15. Freeing the Offer of conditions

FirstWave may free this Takeover Offer, and any contract resulting from its acceptance, from all or any of the conditions by giving notice to Opmantek declaring the Takeover Offer to be free from the relevant conditions specified in accordance with section 650F of the Corporations Act. This notice may be given not less than 7 days before the end of the Offer Period.

#### 8.16. Notice on status of conditions

The date for giving the notice required by section 630(1) of the Corporations Act is 24 December 2021, subject to extension in accordance with 630(2) if the Offer Period is extended.

#### 8.17. Lapsing of the Offer

If, at the end of the Offer Period, the conditions in **section 8.12** have not been fulfilled and FirstWave has not declared the Takeover Offer (or it has not become) free from those conditions, all contracts resulting from the acceptance of the Takeover Offer are automatically void.

#### 8.18. Withdrawal of Offer

- (a) FirstWave may withdraw this Offer but only with the consent in writing of ASIC (which consent may be given subject to such conditions, if any, as are imposed by ASIC). If ASIC gives such consent, FirstWave must give notice of the withdrawal to ASX and to Opmantek and will comply with any other conditions imposed by ASIC.
- (b) If, at the time this Offer is withdrawn, the Offer has been freed of all the conditions contained in **section 8.12**, all contracts arising from acceptance of the Offer before it was withdrawn will remain enforceable.
- (c) If the Offer remains subject to one or more of the conditions in **section 8.12** at the time the Offer is withdrawn, all contracts arising from its acceptance will become void (whether or not the events referred to in the relevant conditions have occurred).

- (d) A withdrawal under **section 8.18(a)** will be taken to take effect:
  - (i) if the withdrawal is not subject to conditions imposed by ASIC, on the date after the date on which that consent in writing is given by ASIC; or
  - (ii) if the withdrawal is subject to conditions imposed by ASIC, on the date after the date on which those conditions are satisfied.

**8.19. Variation**

FirstWave may vary this Offer in accordance with the Corporations Act.

**8.20. Stamp duty or other costs**

- (a) All costs and expenses of the preparation, dispatch and circulation of this Offer and any stamp or other duty payable in respect of the transfers is to be paid by FirstWave.
- (b) No brokerage is payable by you if you accept this Offer.

**8.21. Governing law**

This Offer and any contract that results from your acceptance of this Offer are governed by the laws in force in New South Wales.

**8.22. Date of Offer**

This Offer is dated 3 December 2021.

## 9. Definitions and interpretation

### 9.1. Definitions

In this Bidder's Statement, unless the context otherwise requires:

<b>A\$</b>	Australian dollars
<b>Acceptance Form</b>	The form of acceptance form for the Offer enclosed with this Bidder's Statement or alternatively an acceptance form sent to an Opmantek Shareholder by FirstWave's share registry in relation to the Offer
<b>Accepted Shares</b>	The Opmantek Shares in respect of which the Offer has been accepted.
<b>Announcement Date</b>	The date the Takeover Bid was announced, being 29 November 2021.
<b>ASIC</b>	The Australian Securities and Investments Commission
<b>ASX</b>	ASX Limited ACN 008 624 691 or the financial market known as the Australian Securities Exchange operated by it, as the context requires
<b>ASX Settlement</b>	ASX Settlement Pty Limited ACN 008 504 532
<b>ASX Settlement Operating Rules</b>	The operating rules of the settlement facility provided by ASX Settlement
<b>Bidder's Statement</b>	This document
<b>Business Day</b>	A day on which trading takes place on the stock market of ASX
<b>CGT</b>	Capital gains tax
<b>Combined Group</b>	The FirstWave Group (including the Opmantek Group) that will exist following the Offer, should the Offer be successful and Opmantek become a Subsidiary of FirstWave.
<b>Control</b>	The meaning given to that term in the Corporations Act
<b>Consideration Shares</b>	<p>The 11.5159 FirstWave Shares to be issued to the Opmantek Shareholders under the Takeover Offer:</p> <ul style="list-style-type: none"> <li>(a) in consideration for FirstWave's acquisition of 100% of the share capital of Opmantek; and</li> <li>(b) the FirstWave Shares issued as a consequence of the exercise of the Opmantek Options</li> </ul> <p>all of which are subject to voluntary escrow applicable during the Escrow Period.</p>
<b>Corporations Act</b>	The <i>Corporations Act 2001 (Cth)</i>
<b>Encumbrance</b>	<p>Any of:</p> <ul style="list-style-type: none"> <li>(a) a mortgage, charge, pledge, lien, hypothecation or a title retention arrangement;</li> <li>(b) a notice under section 255 of the <i>Income Tax Assessment Act 1936 (Cth)</i>, subdivision 260-A in schedule 1 to the <i>Taxation Administration Act 1953 (Cth)</i> or any similar legislation;</li> </ul>

	(c) any other interest in or right over property (including a right to set off or withhold payment of a deposit or other money);
	(d) any other thing that prevents, restricts or delays the exercise of a right over property, the use of property or the registration of an interest in or dealing with property; or
	(e) an agreement to create anything referred to above or to allow any of them to exist.
<b>Entitlement Offer</b>	The 3 for 23 non-renounceable entitlement offer for newly issued ordinary shares in FirstWave at an issue price of \$0.07 (7 cents) per new FirstWave Share.
<b>Escrow Period</b>	A period of starting on the date of issue of the Consideration Shares and until the date of release by FirstWave of the: <ul style="list-style-type: none"> <li>(a) Appendix 4E for the period ended 30 June 2022 in respect of 50% of the Consideration Shares; and</li> <li>(b) Appendix 4D for the period ended 31 December 2022 in respect of the balance of the Consideration Shares,</li> </ul> but which cannot exceed the second anniversary of the date of issue of the Consideration Shares.
<b>FirstWave</b>	FirstWave Cloud Technology Ltd (ASX: FCT) ABN 35 144 733 595
<b>FirstWave Board</b>	The board of directors of FirstWave
<b>FirstWave Constitution</b>	The constitution of FirstWave as amended or varied from time to time
<b>FirstWave Director</b>	A director of FirstWave
<b>FirstWave Group</b>	FirstWave and its Subsidiaries
<b>FirstWave Share</b>	A fully paid ordinary share in the capital of FirstWave
<b>FirstWave Shareholder</b>	A holder of a FirstWave Share
<b>FirstWave Unlisted Option</b>	An unlisted option to subscribe for a FirstWave Share
<b>Foreign Shareholder</b>	The meaning given to that term in <b>section 7.12</b>
<b>Holder Identification Number</b>	The same meaning as "HIN" in the ASX Settlement Operating Rules
<b>Listing Rules</b>	The official listing rules of ASX, as amended from time to time
<b>Offer</b>	The offer for Opmantek Shares by FirstWave under Chapter 6 of the Corporations Act contained in this Bidder's Statement (or, if the context so requires, this Bidder's Statement itself)
<b>Offer Period</b>	The period referred to in <b>section 8.3</b> , during which the Offer remains open for acceptance
<b>Official Quotation</b>	Official quotation on ASX
<b>Opmantek</b>	Opmantek Limited ACN 147 099 063
<b>Opmantek Board</b>	The board of directors of Opmantek

<b>Opmantek Director</b>	A director of Opmantek
<b>Opmantek Group</b>	Opmantek and its Subsidiaries
<b>Opmantek Share</b>	A fully paid ordinary share in the capital of Opmantek
<b>Opmantek Shareholder</b>	A registered holder of Opmantek Shares
<b>Opmantek Options</b>	The options issued by Opmantek as set out in <b>section 3.5</b>
<b>Public Authority</b>	Any government or any governmental, semi-governmental, administrative, statutory or judicial entity (including a court), commission, tribunal, agency or authority, or any minister, department, office or delegate of any government, whether in Australia or elsewhere, including any self-regulating organisation established under statute or otherwise discharging substantially public or regulatory functions, and ASX or any other stock exchange and the Takeovers Panel, the Foreign Investment Review Board, ASIC and any other securities regulator
<b>Record Date</b>	The date set by FirstWave under section 633(2) of the Corporations Act, being 5.00pm (Sydney time) on 29 November 2021
<b>Related Body Corporate</b>	The meaning given to that term in the Corporations Act
<b>Related Person</b>	The meaning given to that term in the Corporations Act
<b>Relevant Interest</b>	The meaning given to that term in sections 608 and 609 of the Corporations Act
<b>Rights</b>	All accretions, rights or benefits attaching to or arising from Opmantek Shares on or after the Announcement Date (including dividends and all rights to receive dividends, bonuses or other shares of its profits or assets as well as rights to receive or subscribe for shares, stock units, notes, options or other securities and all other distributions or entitlements declared, paid, made or issued by Opmantek or any of its Subsidiaries)
<b>Share Sale Facility</b>	The facility to be established by FirstWave and managed by the Sale Nominee under which the FirstWave Shares to which otherwise would be received by Ineligible Foreign Shareholders and Selling Shareholders will be and the agreement to be entered into between FirstWave and the Sale Nominee in relation to the Share Sale Facility.
<b>Share Sale Facility Proceeds</b>	The net cash proceeds from the sale of FirstWave Shares sold through the Share Sale Facility, after deducting brokerage and other costs of sale.
<b>Sale Nominee</b>	The person to be appointed by FirstWave to sell the FirstWave Shares that are attributable to Foreign Shareholders and Selling Shareholders – expected to be Morgans Financial Limited.
<b>Opmantek Share Register</b>	The share register of Opmantek.
<b>Security Holder Reference Number</b>	Has the same meaning as in the ASX Settlement Operating Rules

<b>Subsidiary</b>	A subsidiary within the meaning given to that term in section 9 of the Corporations Act
<b>Takeover Bid</b>	The off-market takeover bid constituted by the dispatch of the Offer
<b>Takeover Transferee Holding</b>	The same meaning as in the ASX Settlement Operating Rules
<b>Target's Statement</b>	The target's statement required to be sent to Opmantek Shareholders by Opmantek
<b>VWAP</b>	The daily volume weighted average price of all shares sold on ASX's trading platform

## 9.2. Interpretation

The following rules of interpretation apply unless the intention appears or the context requires otherwise:

- (a) a reference to a time is a reference to Sydney time;
- (b) headings are for convenience only and do not affect interpretation;
- (c) the singular includes the plural and conversely;
- (d) a reference to a section is to a section of this Bidder's Statement or a section of the annexure to this Bidder's Statement, as applicable;
- (e) a gender includes all genders;
- (f) where a word or phrase is defined, the other grammatical forms have a corresponding meaning;
- (g) a reference to a person includes a body corporate, an unincorporated body or other entity and conversely;
- (h) a reference to a person includes a reference to the person's executors, administrators, successors, substitutes (including persons taking by novation) and assigns;
- (i) a reference to any legislation or to any provision of any legislation includes any modification or re-enactment of it, any legislative provision substituted for it and all regulations and statutory instruments issued under it;
- (j) a reference to any instrument or document includes any variation or replacement of it;
- (k) a term not specifically defined in this Bidder's Statement has the meaning given to it (if any) in the Corporations Act or the ASX Settlement Operating Rules, as the case may be;
- (l) a reference to a right or obligation of any two or more persons confers that right, or imposes that obligation, as the case may be, jointly and individually;
- (m) a reference to you is to a person to whom an Offer is made; and
- (n) the words 'include', 'including', 'for example' or 'such as' are not used as, nor are they to be interpreted as, words of limitation, and, when introducing an example, do not limit the meaning of the words to which the example relates to that example or examples of a similar kind.

**10. Approval of Bidder's Statement**

This Bidder's Statement has been approved by a unanimous resolution passed by all the FirstWave Directors.

Signed for and on behalf of  
**FirstWave Cloud Technology Limited**



**John Grant**

**Director**



**Paul MacRae**

**Director**



**Euh (David) Hwang**

**Director**

**Annexure 1**  
**ASX announcements since 29 September 2020**

The following announcements have been made to ASX concerning FirstWave since the release of its 2021 Annual Report on 1 November 2021.

Date released	Description of document
1/11/2021	<a href="#">Annual Report to shareholders</a>
1/11/2021	Appendix 4G and Corporate Governance Statement
05/11/2021	Notice of Annual General Meeting/Proxy Form
11/11/2021	FY22-FY24 LTI scheme under Plan
11/11/2021	Notification regarding unquoted securities - FCT
22/11/2021	Details of Company Address

## **FirstWave Corporate Directory**

### **Directors**

John Grant  
Paul MacRae  
Euh (David) Hwang

### **Company Secretary**

Iain Bartram

### **Registered Office Address**

C/O Automic Pty Ltd  
Level 5  
126 – 130 Phillip Street  
Sydney, NSW 2000  
Australia

### **Principal Place of business**

Level 14, 132 Arthur Street  
North Sydney, NSW 2060  
Australia  
Tel: +61 (02) 9409 7000

### **Financial Advisers to the Offer**

Latimer Partners

### **Legal Advisers to the Offer**

Corrs Chambers Westgarth

### **Share Registry**

Computershare Investor Services Pty Limited  
Level 5, 115 Grenfell Street  
Adelaide, SA 5000  
Australia  
Tel: 1300 787 272