

ASX Limited
Market Announcements Office
Exchange Centre
20 Bridge Street
Sydney NSW 2000

23 November 2017

ASX ANNOUNCEMENT

Bidder's Statement – Off-market bid for Bulletproof Group Limited (ABN 84 148 162 092) (ASX: BPF) by Macquarie Cloud Services Pty Limited (ABN 57 093 640 450)

I enclose, in accordance with section 633(1) item 5 of the *Corporations Act 2001* (Cth), a copy of the bidder's statement (**Bidder's Statement**) issued by Macquarie Cloud Services Pty Limited (**Bidder**), a wholly owned subsidiary of Macquarie Telecom Group Limited (ABN 72 056 712 228) (ASX: MAQ), in relation to the issued share capital in Bulletproof Group Limited (**Bulletproof**), being an off-market takeover offer to the Bulletproof shareholders to acquire all of the ordinary shares in Bulletproof.

The Bidder's Statement has been lodged with the Australian Securities and Investments Commission and sent to Bulletproof earlier today.

Yours faithfully



Nathan Shepherd
Company Secretary

About Macquarie Telecom Group

We're Australia's data centre, cloud, cyber security and telecom company for mid to large business and government customers. The way we do this is completely different from our competitors... we provide the best customer service in Australia.

Level 15
2 Market Street
Sydney NSW 2000

macquarietelecomgroup.com

Bidder's Statement

Macquarie Cloud Services Pty Limited (ABN 57 093 640 450) (a wholly owned subsidiary of Macquarie Telecom Group Limited) (**Bidder**) is offering to acquire all of your shares in Bulletproof Group Limited (ABN 84 148 162 092) (**Bulletproof**) for **A\$0.11** in cash for each Share you hold.

The Offer is dated [●] and will close at 7.00pm (Sydney time) on [●], unless extended.

If you have any questions in relation to the Offer or this Bidder's Statement, please call the Offer Information Line on 1300 737 760 (from within Australia) or 02 9290 9600 (from outside Australia) between 8.30am and 5.30pm (Sydney time), Monday to Friday.

Corporate Advisor

NORTH

Legal Advisor



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THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION.

IF YOU ARE IN ANY DOUBT ABOUT HOW TO DEAL WITH THIS DOCUMENT YOU SHOULD CONSULT YOUR FINANCIAL OR OTHER PROFESSIONAL ADVISOR.

Important Dates

Announcement Date for the Offer:	21 November 2017
Bidder's Statement lodged with ASIC:	23 November 2017
Offer Date:	[•]
Date of Offer conditions notice	[•]
Offer scheduled to close (unless extended in accordance with the Corporations Act):	7:00pm (Sydney time) on [•]

How to Accept

To accept the Offer you must follow the instructions set out in section 4 of this Bidder's Statement. Acceptances for the Offer must be received in sufficient time to be acted upon before the close of the Offer Period.

Important Notices

This Bidder's Statement is given under Part 6.5 of the *Corporations Act 2001 (Cth)* (**Corporations Act**) and relates to the Offer. It is given by Bidder to Bulletproof.

The Offer will close at 7:00pm (Sydney time) on [●] 2018 unless extended in accordance with the Corporations Act.

1. Bidder's Statement

YOU SHOULD READ THIS BIDDER'S STATEMENT IN ITS ENTIRETY

This Bidder's Statement is dated 23 November 2017. A copy of this Bidder's Statement was lodged with ASIC on that date. Neither ASIC nor ASX nor any of their respective officers take any responsibility for the contents of this Bidder's Statement.

The Offer contained in this Bidder's Statement is to acquire all of Bulletproof's issued Shares. The full terms of the Offer are as set out in section 11 of this Bidder's Statement. The Bidder's Statement has been prepared by and is given by the Bidder.

This Bidder's Statement does not, however, take into account your individual investment objectives, financial situation or particular needs. You should seek independent financial and taxation advice in relation to this Bidder's Statement and the Offer before deciding whether or not to accept the Offer.

1.1 Definitions

Terms used in this Bidder's Statement have the meaning given to them in the Glossary at section 17 of this Bidder's Statement. The Glossary also includes certain rules of interpretation which apply to this Bidder's Statement.

1.2 Foreign Shareholders

It is your sole responsibility to satisfy yourself that you are permitted by any Foreign Law applicable to you to accept the Offer. You should note that the Offer is being conducted in accordance with the laws in force in Australia and the ASX Listing Rules. This Bidder's Statement complies with Australian disclosure requirements and accounting standards. These requirements and standards may be different to those in jurisdictions outside Australia. Foreign Shareholders may have difficulties in enforcing their rights and any claims they may have arising under the laws of their jurisdiction. It may also be difficult to compel the Bidder to subject itself to a foreign court's judgment.

Shareholders who are not Australian resident taxpayers or who are liable for tax outside of Australia should seek specific tax advice in relation to the Australian and overseas tax consequences of the transactions contemplated by this Bidder's Statement.

Neither this Bidder's Statement, nor the Offer, constitutes an offer to Shareholders, or a solicitation, in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or solicitation.

1.3 **Forward statements**

This Bidder's Statement contains various forward-looking statements. All statements other than statements of historical fact are forward-looking statements.

Shareholders should note that forward-looking statements are inherently subject to uncertainties in that they may be affected by a variety of known and unknown risks, variables and other factors which could cause actual values or results, performance or achievements to differ materially from implied values or anticipated results, performance or achievements expressed or implied in those forward-looking statements.

Neither Bidder Group nor any of its officers, nor any persons named in this Bidder's Statement with their consent, nor any person involved in the preparation of this Bidder's Statement, makes any representation or warranty (either express or implied) as to the accuracy or likelihood of fulfilment of any forward-looking statement, or any events or results expressed or implied in any forward-looking statement, and you are cautioned not to place undue reliance on those statements.

1.4 **Effect of rounding**

A number of figures, amounts, percentages, prices, estimates, calculations of value and fractions in this Bidder's Statement, including those in respect of the Offer Price, are subject to the effect of rounding. Accordingly, their actual calculation may differ from the calculations in this Bidder's Statement.

1.5 **Information on Bulletproof**

The information concerning Bulletproof in this Bidder's Statement has been obtained from publicly available sources as well as the Bidder's limited due diligence. Neither Bidder Group nor any of its directors, officers or advisers assumes any responsibility for the accuracy or completeness of this information.

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

Bidder Group maintains an internet site at macquarietelecomgroup.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.

1.7 **Privacy statement**

Bidder has collected certain information about you from the Bulletproof register of shareholders for the purposes of making the Offer. Without this information, Bidder would be hindered in its ability to make the Offer to you. The type of information collected about you includes your name, address, contact details and information on your shareholding in Bulletproof.

Under the Corporations Act, the name and address of securityholders are required to be held in a public register. In connection with the Offer, your information may be shared on a confidential basis with members of Bidder Group and certain external service providers (such as advisers and providers of print services), and may be required to be disclosed to certain regulators, including ASIC. If you would like details of information about you held by Bidder Group or Bulletproof, please call the Offer Information Line or contact Bulletproof on +61 2 9663 9000.

1.8 Questions

If you have any questions in relation to the Offer or this Bidder's Statement, please call the Offer Information Line on 1300 737 760 (from within Australia) or 02 9290 9600 (from outside Australia) between 8.30am and 5.30pm (Sydney time), Monday to Friday.

2. *Chairman's Letter*



Dear Shareholder

Offer to acquire your shares in Bulletproof

On behalf of the Bidder, a wholly owned subsidiary of Macquarie Telecom Group Limited, I am pleased to provide you with this conditional all-cash off-market takeover bid to acquire your shares in Bulletproof.

The Offer Price is \$0.11 cash for each Bulletproof Share you hold. Your payment will be dispatched no later than 21 days after the Offer closes provided the conditions have been fulfilled (or waived).

I believe that our offer provides you with a compelling opportunity to realise certain value for your Bulletproof Shares at a significant premium of:

- **64.2%** to the closing price of Bulletproof Shares on 17 November 2017 (being the last day of trading prior to the announcement of the Offer); and
- **57.1%** to the 1 month VWAP at 17 November 2017 of Bulletproof Shares of A\$0.07.

The Offer will remain open until [●] 2018, unless extended or withdrawn.

An entity associated with Anthony Woodward (CEO and co-founder of Bulletproof) has granted a call option to Bidder in respect of 26,188,349 Bulletproof Shares (representing 16.11% of Bulletproof's issued capital). Under that option, Bidder can require those shares to be accepted into the Offer.

Details of the Offer, including its terms, are set out in this Bidder's Statement. I encourage you to read this Bidder's Statement in its entirety, and then to accept the Offer as soon as possible. In order to be valid, your acceptance must be received before 7.00pm on [●] 2018, which is the closing date of the Offer (unless it is extended or withdrawn).

To accept the Offer, please follow the instructions on the accompanying Acceptance Form.

If you require additional assistance, please call 1300 737 760 or email corporateactions@boardroomlimited.com.au.

I appreciate your consideration of this Offer.

Yours sincerely,

Peter James
Chairman

3. Offer summary and key information

Question	Answer
What is the Offer?	<p>The Bidder is offering to acquire all of your Shares for \$0.11 in cash per Share you hold, on the terms set out in section 11.</p> <p>The Offer does not extend to BPF Options. Any Shares issued arising from the exercise of existing BPF Options prior to the end of the Offer Period may be sold to the Bidder under the Offer. Details of the BPF Options are set out at section 9.1.</p>
Who is the Bidder?	<p>The Bidder is a wholly owned subsidiary of Macquarie Telecom Group Limited, an Australian company which has been listed on the ASX (ASX: MAQ) since 1999.</p> <p>The principal activities of the Bidder Group are the provision of telecommunication and hosting services to corporate and government customers within Australia.</p>
What is the Offer Price?	<p>The Bidder is offering to buy all of your Shares (together with all attaching Rights), for \$0.11 in cash per Share.</p> <p>Further details of the consideration being offered are set out in section 11.4.</p>
What choices do I have as a Shareholder?	<p>As a Shareholder, you have the following choices in respect of your Shares:</p> <ul style="list-style-type: none"> • accept the Offer in respect of all of your Shares; • sell some or all of your Shares on ASX (which may be at a higher or lower price than the Offer Price); • sell some of your Shares on ASX and accept the Offer in respect of all your remaining Shares; or • do nothing. <p>There are implications for each of these choices, including that your Shares may be compulsorily acquired even if you do not accept the Offer.</p>
What conditions are attached to the Offer?	<p>The Offer is subject to the following conditions:</p> <ul style="list-style-type: none"> • minimum acceptance of 90%; • no prescribed occurrences; • no material transactions; and • no material adverse change. <p>This is only a summary of the conditions. Full details of the conditions attached to the Offer are set out in section 12.1.</p>
When does the Offer close?	<p>The Offer is currently scheduled to close at 7:00pm (Sydney time) on [●] 2018, unless extended in accordance with the Corporations Act.</p>
Can the Bidder extend the Offer Period?	<p>Yes, the Offer Period can be extended at the Bidder's election or otherwise in accordance with the Corporations Act. If the Offer Period is extended, the Bidder will give a notice to Bulletproof, ASX and Shareholders setting out the terms of the extension.</p>
What are the Bidder's intentions in relation to Bulletproof?	<p>The Bidder has set out its intentions in section 8.</p>
What are the tax implications if I accept the Offer?	<p>Please consult your financial, tax or other professional adviser on the tax implications of accepting the Offer. However, a general summary of some of the potential Australian tax consequences is set out in section 10. That section is a general outline only and does not provide advice on your own</p>

Question	Answer
	individual circumstances.
Can I accept the Offer for part of my holding?	No, the Offer is only in respect of ALL of your Shares.
Can I sell my Shares on market?	Yes, you can sell some or all of your Shares on market.
Will I pay brokerage or stamp duty if I accept the Offer?	<p>You will not pay stamp duty on the disposal of your Shares if you accept the Offer.</p> <p>If your Shares are registered in an Issuer Sponsored Holding in your name and you deliver them directly to the Bidder in accordance with section 12, you will not incur any brokerage in connection with your acceptance of the Offer.</p> <p>If your Shares are registered in a CHESS Holding, or if you are a beneficial owner whose Shares are registered in the name of a broker, bank, custodian or other nominee, you should ask your Controlling Participant (usually your broker) or that nominee whether it will charge any transaction fees or service charges in connection with acceptance of the Offer.</p>
What happens if I accept the Offer?	As the Offer is conditional, the Offer will only succeed if all conditions are met or waived. If the Offer does succeed your payment will be dispatched no later than 21 days of completion of the Offer.
What are the consequences of accepting the Offer now?	Once you accept the Offer you will not be able to sell your Shares on market or accept any other offer or otherwise deal with your Shares.
Can I withdraw my acceptance?	You may only withdraw your acceptance during the Offer Period if the Offer Period is extended by more than one month and the Offer has not been declared unconditional.
What happens if I do not accept the Offer?	<p>If you do not accept the Offer by the Closing Date, and the Bidder becomes entitled to compulsorily acquire all remaining Shares as a consequence of the Bidder and its Associates having a relevant interest in at least 90% of the Shares, the Bidder intends to exercise its compulsory acquisition rights to acquire your Shares.</p> <p>In these circumstances, you will receive the same payment that you would have received under the Offer, but you will face a delay in receiving the consideration compared with Shareholders who accepted the Offer.</p> <p>If you do not accept the Offer by the Closing Date, and the Bidder is not entitled to compulsorily acquire all remaining Shares on issue, you will remain a Shareholder.</p>
How do I reject the Offer?	To reject the Offer, you do not need to do anything. Simply take no action in response to this Bidder's Statement.
What happens if the Bidder gains control but acquires less than 90% of the Shares on issue?	<p>If the Bidder gains control of Bulletproof, but acquires relevant interests in less than 90% of Shares on issue, Shareholders who do not accept the Offer may have less influence over the future direction and control of Bulletproof.</p> <p>See section 8.4 for further information on the Bidder's intentions in this scenario.</p>
Will I be forced to sell my Shares?	You cannot be forced to sell your Shares unless the Bidder and its Associates obtain a relevant interest in at least 90% of the Shares. Then, the Bidder will be entitled to proceed to compulsorily acquire the Shares held by Shareholders who did not accept the Offer, in which case you will receive the same payment for your Shares that you would have received under the Offer.
Where do I get an Acceptance	A personalised Acceptance Form has been enclosed with this Bidder's

Question	Answer
Form?	Statement or you can email corporateactions@boardroomlimited.com.au or call 1300 737 760 to request one.
What if I require further information?	You can call the Offer Information Line on 1300 737 760 (within Australia) or 02 9290 9600 (from outside Australia) between 8.30am and 5.30pm (Sydney time), Monday to Friday.

4. How to accept

Complete and sign the Acceptance Form enclosed with this Bidder's Statement and deliver it to:

By Post, in the enclosed or **By Hand** or **By Fax** or **By Email**
reply paid envelope (not
able to be used by
Foreign Shareholders,

GPO Box 3993, Sydney NSW
2001

Level 12, 225
George
Street,
Sydney NSW
2000

02 9279
0664

corporateactions
@boardroomlimited.com.au

so that it is received before 7.00pm (Sydney time) on [●] 2018, unless the Offer is extended in accordance with the Corporations Act.

A reply paid envelope has been enclosed for Shareholders with Australian addresses to return their completed Acceptance Form. Foreign Shareholders should return their Acceptance Form by pre-paid airmail.

Alternatively, if your Shares are in a CHESS Holding you may instruct your Controlling Participant (usually your broker) to accept on your behalf (or if you are a Controlling Participant you may yourself initiate acceptance), in accordance with the ASX Settlement Operating Rules, before 7.00pm (Sydney time) on [●] 2018 unless the Offer is extended in accordance with the Corporations Act.

If you are a Controlling Participant, you must initiate acceptance yourself under rule 14.14 of the ASX Settlement Operating Rules in sufficient time for this Offer to be accepted before the end of the Offer Period.

For further details as to how to accept the Offer, please read section 13 of this Bidder's Statement.

5. Reasons Why You Should Accept the Offer

5.1 The Offer has a number of benefits for Shareholders:

- (a) **Outstanding value for Shareholders:** the Offer Price represents a significant premium to Bulletproof's recent share price as set out below.

Period (up to 17 November 2017)	Bulletproof Share Price	Premium
Last Close	\$0.067	64.2%
1 month VWAP	\$0.07	57.1%

- (b) **Certain value:** The Offer provides certain cash value for Shareholders rather than remaining exposed to the listed share price, which has been adversely impacted by the recent operating performance of the Bulletproof business.

- (c) **Only cash Offer to Shareholders:** The Offer is the only cash offer available to Shareholders at the present time.
- (d) **No need to contribute further capital:** Acceptance of the Offer will avoid the need for you to participate in any future capital raisings, or risk having your shareholding diluted.
- (e) **Avoid future exposure to Bulletproof:** Acceptance of the Offer will avoid you being exposed to future risks associated with Bulletproof including its current financial predicament.
- (f) **Price may fall:** The trading price of the Shares may fall if the Offer is withdrawn or after the Offer closes.
- (g) **Non marketable parcels:** The Offer may provide Shareholders who do not have Marketable Parcels with an opportunity to efficiently sell their Shares.
- (h) **Reduced liquidity:** If Bidder does not reach the compulsory acquisition threshold but nevertheless decides to declare the Offer unconditional, there may be reduced liquidity in Shares following the completion of the Offer. Furthermore, if this happens and Bidder acquires more than 50% of all Shares, Bulletproof may be delisted and you could become a minority shareholder in a private company.

6. Information About Bidder

6.1 Overview of Bidder Group

The Bidder is a wholly owned subsidiary of MAQ, an Australian company which has been listed on the ASX (ASX: MAQ) since 1999.

The Bidder is an investment company and has no other activity other than the making of the Offer and the holding of the Shares.

The principal activities of the Bidder Group are the provision of telecommunication and hosting services to corporate and government customers within Australia.

6.2 Directors

The directors of MAQ as at the date of this Bidder's Statement are as follows:

- (a) **Peter James – Chairman**

Peter has extensive experience as Chair, Non-Executive Director and Chief Executive Officer across a range of publicly listed and private companies particularly in emerging technologies, digital disruption, e-commerce and media. He is an experienced business leader with significant strategic and operational expertise. Peter travels extensively reviewing innovation and consumer trends primarily in the US and Asia and he is a successful investor in several Digital Media and Technology businesses in Australia and the US. Peter has a particular interest in building high performance customer-focused teams and is one of the judges for the annual Aon Hewitt Best Employers program. Peter holds a BA degree with Majors in Business and Computer Science and is a Fellow of the AICD and a Member of the Computer Society of Australia. Peter joined the board in 2012 and was appointed Chairman of Macquarie Telecom Group in July 2014. Peter is Chairman of the Corporate Governance, Nomination and Remuneration Committee and a

member of the Audit and Risk Management Committee. Peter is also a non-executive director and Chairman of Nearmap, Dreamscape Networks, Droneshield and Aquabotix.

(b) David Tudehope – Chief Executive

David is Chief Executive and co-founder of Macquarie Telecom Group and has been a director since 1992. He is responsible for overseeing the general management and strategic direction of the Company, and is actively involved in the Company's participation in regulatory issues. He is a member of the Australian School of Business Advisory Council at the University of NSW and was a member of the Australian Government's B20 Leadership Group. David holds a Bachelor of Commerce degree at the University of NSW. David received the ATUG's highest award in 2011 'the Charles Todd Medal'.

(c) Aidan Tudehope – Managing Director, Hosting Group

Aidan is co-founder of Macquarie Telecom Group and has been a director since 1992. He is the Managing Director of Macquarie Government and Hosting Group with a focus on business growth, operational efficiency, cyber security and customer satisfaction. He has been responsible for the Company's data centre strategy and execution of the investment in Intellicentre 2, and more recently, Intellicentre 4 Bunker (Canberra). He leads the Government Business, encompassing Macquarie's Secure Government Cloud and Secure Internet Gateway offerings. As the former Chief Operating Officer for Macquarie, Aidan played an integral part in the strategy and direction of the Hosting business since its first state-of-the-art data centre, Intellicentre 1 opened in 2001, as well as being instrumental in the development of Macquarie's data networking strategy. He holds a Bachelor of Commerce degree.

(d) Anouk Darling – Non-Executive Director

Anouk has over 20 years' experience in marketing and brand strategy, she has been central to some of Australia's largest re-branding projects across a broad range of sectors including energy, finance, retail and airlines. She works as an 'Operating Partner' to private equity firm Allegro Funds Pty Ltd across their portfolio of companies as required. After the recent successful exit of Great Southern Rail of which she was a Non-Executive Director, Allegro have appointed Anouk as Non-Executive Director to their Healthy Life Board (a retail brand in the wellness sector). She is a non-executive director of Discovery Parks, majority owned by superannuation fund Sunsuper, which has more than one million members and \$40 billion in funds under management. Anouk also holds a Non-Executive role with ASX listed Eneo Group and is a member of their Audit and Risk Management and Nomination & Remuneration Committees. She has a BA, MBA (major in Marketing), and an AICD membership. Anouk is on the advisory panel as marketing and digital advisor to a Hong Kong based e-commerce start-up; Idecorateshop. Anouk joined the Board in March 2012 and is a member of the Audit and Risk Management Committee and the Corporate Governance, Nomination and Remuneration Committee.

(e) Bart Vogel – Non-Executive Director

Bart's business career included 20 years' experience in the management consulting industry and 13 years as a leader in the IT and telecommunications industries. He was the CEO of Asurion Australia, a partner of Bain & Co and, for a period of 7 years, was the CEO of Lucent Technologies in Australia and Asia Pacific. He holds a Bachelor of Commerce (Hons) Degree and qualified as a Chartered Accountant in 1982. He is also a graduate member of the Australian

Institute of Company Directors. Bart joined the board in July 2014 and is Chairman of the Audit and Risk Management Committee and a member of the Corporate Governance, Nomination and Remuneration Committee. Bart is also the Chairman of Infomedia Ltd and a non-executive director of Salmat Ltd, BAI Communications, InvoCare and Children's Cancer Institute Australia.

As at the date of this Bidder's Statement, David Tudehope and Aidan Tudehope are also the only directors of the Bidder.

7. Information about Bulletproof

7.1 Important information

The following information about Bulletproof is based on public information as well as the Bidder's limited due diligence and has not been independently verified. Accordingly, Bidder does not make any representation or warranty, express or implied, as to the accuracy or completeness of this information.

Shareholders should refer to the target's statement to be issued by Bulletproof for further information about Bulletproof.

7.2 Overview of Bulletproof

Bulletproof is a company listed on the ASX (ASX: BPF). The principal activities of Bulletproof and its Subsidiaries during the financial year ended 30 June 2017 were to provide end-to-end cloud services.

7.3 Directors

The directors of Bulletproof as at the date of this Bidder's Statement are as follows:

- (a) David Paterson – Non-Executive Director and Chairman;
- (b) Anthony Woodward – Co-Founder, Executive Director and Chief Executive Officer;
- (c) Craig Farrow – Non-Executive Director; and
- (d) Ken Carr – Non-Executive Director.

7.4 Bulletproof's issued securities

According to Bulletproof's Appendix 3B released to the ASX on 7 September 2017, as at the date of this Bidder's Statement, Bulletproof had issued securities consisting of:

- (a) 162,600,769 Shares, including 406,249 Shares that are restricted securities under the Employee Share Ownership Plan and 577,474 Shares in General Employee Share Plan;
- (b) 250,000 unlisted options to acquire one Share with a vesting date of 11 May 2018 and exercisable at 35 cents each before 11 November 2021 to Craig Farrow, which have not vested; and
- (c) 250,000 unlisted options to acquire one Share with a vesting date of 11 November 2018 and exercisable at 35 cents each before 11 November 2021 to Craig Farrow, which have not vested.

7.5 Major Shareholders

As at the date of this Bidder's Statement, and so far as is known to Bidder based on publicly available information lodged with ASX, the following persons have a substantial holding of 5% or more of total Shares:

Name	Number of Shares	Percentage of issued capital
Woodward Family Company Pty Ltd (in its capacity as trustee for the Woodward Family Trust), an entity that is affiliated with Mr Anthony Woodward*	26,188,349	16.11%
Domains and Web Pty Ltd	20,064,249	12.34%
MicroEquities Asset Management Pty Ltd	8,437,443	5.52%
Ferlito And Pfeiffer Family Company Pty Ltd	8,210,765	5.05%

Note:

* The Bidder presently holds a relevant interest in 16.11% of the Shares following the execution of the Call Option Deed on 19 November 2017 with the Woodward Family Company Pty Ltd (in its capacity as trustee for the Woodward Family Trust), an entity that is affiliated with Mr Anthony Woodward. See section 9.3 for more information.

7.6 Other material information about Bulletproof

Bulletproof will have the opportunity to disclose in its target's statement any information about the Bulletproof group it considers Shareholders would reasonably require to make an informed assessment as to whether to accept the Offer.

Bulletproof has experienced a deterioration of earnings over the last 18 months as evidenced in its annual report for the year ended 30 June 2017. Based on Bulletproof's unaudited management accounts for Q1 FY18 there is a continuation of this trajectory. See Attachment 1.

It has also experienced high levels of staff turnover.

Bulletproof also currently has limited cash reserves and current liabilities exceed current assets. Bulletproof has:

- (a) for a period of time, factored its debts for cloud customers with a financing organisation on a monthly basis; and
- (b) more recently, sought to extend that facility to include professional services on a milestone basis.

7.7 Publicly available information about Bulletproof

Bulletproof is a listed disclosing entity for the purposes of the Corporations Act and as such is subject to regular reporting and disclosure obligations. Specifically, as a listed company, Bulletproof is subject to the listing rules of ASX which require continuous disclosure of any information Bulletproof has

concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.

ASX maintains files containing publicly disclosed information about all listed companies. Bulletproof's file is available for inspection at ASX during normal business hours.

In addition, Bulletproof is required to lodge various documents with ASIC. Copies of documents lodged with ASIC by Bulletproof may be obtained from, or inspected at, an ASIC office.

A substantial amount of information about Bulletproof (including copies of its financial statements) is available in electronic form from www.bulletproof.net.au.

8. Intentions

8.1 Introduction

This part sets out the Bidder's intentions, on the basis of the facts and information concerning Bulletproof and the general business environment which are known to the Bidder and the existing circumstances affecting the business of Bulletproof, at the time of preparing this Bidder's Statement in relation to the following:

- (a) the continued operation of Bulletproof;
- (b) any major changes to be made to the operation of Bulletproof, including any redeployment of the property of Bulletproof; and
- (c) the future employment of the present employees of Bulletproof.

Bidder and its advisers have reviewed information that has been publicly released on Bulletproof as well as conducting some limited due diligence. However, Bidder does not currently have knowledge of all material information, facts and circumstances that are necessary to assess the operational, commercial, taxation and financial implications of its current intentions. Consequently, final decisions on these matters have not been made.

Following the close of the Offer, Bidder will, to the extent that information is available to it, conduct a review of the operations, assets, structure and employees of Bulletproof in light of that information. Final decisions will only be reached after that review and in light of all material facts and circumstances. As such, statements set out in this section are statements of current intention only which may change as new information becomes available or circumstances change. The statements in this section 8 should be read in this context.

8.2 Specific intentions

Based on all information known to it, the Bidder has no intention to make changes to the existing operations of Bulletproof or the future employment of present employees of Bulletproof.

Final decisions relating to Bulletproof will, however, only be reached in light of material facts and circumstances at the relevant time, having regard to (among other matters) opportunities available in the market, strategic relevance, performance, profitability, prospects and any other relevant matters.

8.3 Intentions upon acquisition of 90% or more of Bulletproof

If the Bidder becomes entitled to compulsorily acquire the outstanding Shares under Part 6A.1 Division 1 of the Corporations Act, it intends to exercise such rights and then procure the removal of Bulletproof from the official list of ASX and do all other things necessary to achieve those results.

If the Bidder does not become entitled to compulsorily acquire Shares under Part 6A.1 Division 1 of the Corporations Act, it may nevertheless become entitled to exercise general compulsory acquisition rights under Part 6A.2 Division 1 of the Corporations Act. In that event, it intends to exercise those rights if they become available and then procure the removal of Bulletproof from the official list of ASX.

8.4 Other intentions upon gaining control of, but less than 90% of Bulletproof

If the Bidder acquires control of Bulletproof but does not acquire a relevant interest in 90% or more of Shares (and is therefore not entitled to proceed to compulsorily acquire the outstanding Shares):

(a) ASX listing

The Bidder will review the ongoing suitability of Bulletproof for listing on ASX. Shareholders should be aware that the Bidder presently considers that, if it was to acquire control of Bulletproof but a relevant interest in less than 90% of Shares, Bulletproof may not be suited to being listed following the end of the Offer. In these circumstances, the Bidder may seek to have Bulletproof removed from the official list of ASX and do all other things necessary to achieve that result as soon as practicable. Ultimately however, the continued listing of Bulletproof will be at the discretion of ASX. ASX has stated that it is generally acceptable for an entity to be removed from the official list of ASX if, as a result of a takeover, the entity only has a small number of remaining security holders so its continued listing can no longer be justified. ASX does not prescribe a minimum security holding or spread before it will allow delisting to occur.

Shareholders should be aware that, if the removal of Bulletproof is permitted by ASX, this would result in any remaining Shareholders either having to dispose of their Shares or remaining in a potentially illiquid, unlisted vehicle. Shareholders should also be aware that in circumstances where they do not accept the Offer and the Shares continue to be quoted on ASX, the liquidity of their Shares may decrease materially.

(b) Further acquisition of Shares

The Bidder may acquire additional Shares under the “creep” provisions of the Corporations Act. In summary, those provisions would relevantly permit the Bidder and its Associates to acquire up to 3% of Shares every six months.

The Bidder has not yet decided whether it will acquire Shares under the “creep” provisions, as that will be dependent upon (among other things) the extent of voting power of the Bidder and its Associates in Bulletproof and market conditions at the time.

(c) Board representation

Subject to the Corporations Act and the review described in section 8.1 above, the Bidder proposes to seek the appointment of a majority of Bidder nominees to the Bulletproof board, although the Bidder has not made any decision as to who would be nominated for appointment.

The Bidder may also seek to add to, replace or reorganise the roles of a proportion of the members of the Bulletproof board to reflect the proportionate ownership interest of the Bidder and other Bulletproof shareholders.

(d) **Review of capital requirements**

The Bidder will review Bulletproof's current capital structure and credit facilities to determine whether they are adequate for continued operations or whether further capital is required.

8.5 **BPF Options**

The Offer does not extend to BPF Options on issue other than to the extent that those options are exercised (noting that this is unlikely as their first vesting date is 11 May 2018) and Shares issued on exercise prior to the expiry of the Offer Period. Information regarding the BPF Options is set out at section 9.1 below.

9. **Capital Structure of Bulletproof**

9.1 **Capital structure**

According to documents lodged by Bulletproof with ASX and ASIC, the total number of Shares on issue as at the date of this Bidder's Statement is 162,600,769.

As set out in section 7.4, Bulletproof has issued the following unlisted options (**BPF Options**) to Craig Farrow, which have not vested:

- (a) 250,000 unlisted options to acquire one Share with a vesting date of 11 May 2018 and exercisable at 35 cents each before 11 November 2021; and
- (b) 250,000 unlisted options to acquire one Share with a vesting date of 11 November 2018 and exercisable at 35 cents each before 11 November 2021.

9.2 **Details of relevant interests of Bidder and its Associates in Shares**

At the date of this Bidder's Statement, the Bidder and its Associates had a relevant interest in 26,188,349 Shares under the Call Option Deed.

As at [●], being within 3 trading days before the first Offer was sent to Shareholders, the Bidder and its Associates had a relevant interest in [●] Shares. Following that date, the Bidder may purchase additional Shares on market (in accordance with the Corporations Act), increasing its relevant interest in Shares.

9.3 **Call Option Deed**

An entity associated with Mr Anthony Woodward (**Woodward Company**) holds approximately 16.11% of Bulletproof's total issued Shares. Under a call option deed (**Call Option Deed**) executed with the Bidder, Woodward Company agreed not to dispose of those Shares unless under certain conditions. The call option, on exercise, requires the Woodward Company to accept into the Offer if the Buyer delivers an executed notice of exercise. In the event that no offer is made and the call option is not exercised within four months of 19 November 2017, the Bidder must pay the Woodward Company an option expiry fee of \$100,000.

9.4 **Details of voting power of the Bidder and its Associates in Bulletproof**

The Bidder and its Associates' voting power (as that term is defined in the Corporations Act) in Bulletproof as at the date of this Bidder's Statement was 16.11% of the total votes that may be cast at a meeting of Shareholders.

As at [●], the last practicable date before the first Offer was sent to Shareholders, the Bidder and its Associates' voting power (as that term is defined in the Corporations Act) in Bulletproof was [●]% of the total votes that may be cast at a meeting of Shareholders.

9.5 **Details of relevant interests of board of the Bidder in Shares**

At the date of this Bidder's Statement, David Tudehope and Aidan Tudehope have relevant interests in all Shares in which the Bidder has a relevant interest, as they control Claiward Pty Limited, which holds 59.62% of the ordinary shares in MAQ.

9.6 **Dealings in Shares**

Neither the Bidder nor any Associate of the Bidder, provided, or agreed to provide, consideration for a Share under a purchase or agreement during the period of four months ending on [●], being within 3 trading days before the first Offer was sent to Shareholders, other than the Call Option Deed.

The Bidder may also acquire Shares prior to the date of the Offer. Details of any acquisitions which result in a movement of at least 1% in the Bidder's holding of Shares will be provided to ASX in accordance with the requirements of the Corporations Act.

The Bidder and its Associates have not disposed of any Shares during the period of four months ending on the day immediately before the date of the Offer.

9.7 **Inducing benefits given during previous four months**

Other than as disclosed in section 9.6, neither the Bidder nor any Associate of the Bidder has, during the period of four months before the date of this Bidder's Statement, or in the period between the date of this Bidder's Statement and the date of the Offer, given, offered or agreed to give a benefit to another person which was likely to induce the other person, or an Associate, to:

- (a) accept an Offer; or
- (b) dispose of Shares,

and which benefit was not offered to all holders of Shares under the Offer.

9.8 **No escalation agreements**

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

10. **Taxation Considerations**

10.1 **Australian Tax Considerations**

The taxation information below has been prepared to provide a broad summary of the Australian income tax considerations for Shareholders that dispose of their Shares as a result of accepting the Offer (or as a consequence of the compulsory acquisition of their Shares). References to Australian tax mean Australian income tax and GST.

The taxation information provided below is intended only as a brief guide. The information applies only to individuals who hold their shares in Bulletproof on capital account. This letter does not cover the taxation implications for Shareholders who hold their investments on revenue account, as trading stock or where the Shares are subject to the taxation of financial arrangement provisions in the *Income Tax Assessment Act 1997* (Cth).

No aspect of this transaction has been ruled upon by the Australian Taxation Office (**ATO**) and therefore there is a risk that the ATO may not agree with the comments below or aspects of it. Further, the Australian taxation consequences for Shareholders will ultimately depend upon their individual circumstances. Accordingly, it is recommended that Shareholders seek professional taxation advice in relation to their own position.

The information below is based on existing tax law and established interpretations as at the date of this Bidder Statement.

10.2 **CGT consequences for resident Shareholders**

Capital gain or capital loss upon disposal of the Shares

Where a Shareholder holds their Shares on capital account, the disposal of the Shares pursuant to the Offer (or as a consequence of the compulsory acquisition of their Shares) will have CGT implications for the Shareholder. Broadly, the Shareholder must include any realised capital gain or loss on the disposal of their Shares in the calculation of their net capital gain or loss for the year.

The date of disposal for a Shareholder who accepts the Offer to dispose of their Shares should be the date on which they accept the Offer. If a Shareholder does not accept the Offer but has their Shares compulsorily acquired by the Bidder, the date of disposal of their Shares will be the date that the Bidder becomes the owner of those Shares.

A Shareholder will derive a capital gain on the disposal of their Shares to the extent that the capital proceeds on disposal exceed the CGT cost base of the Shares. A Shareholder will incur a capital loss on the disposal of the Shares to the extent that the capital proceeds on disposal are less than the CGT reduced cost base of the Shares.

The capital proceeds in respect of the disposal of the Shares will be equal to the consideration of the Offer.

The CGT cost base of each Share will include the amount paid by each Shareholder to acquire their Shares, together with any capital costs of acquisition or disposal.

All capital gains and capital losses arising in a year (including capital gains and losses arising from the disposal of Shares), including distributions of capital gains, are added together to determine whether a

Shareholder has derived a net capital gain or incurred a net capital loss in a particular year. If a Shareholder derives an overall net capital gain in a year, this amount is, subject to the comments below, included in the Shareholder's assessable income. If a Shareholder incurs a net capital loss in a year, this amount is carried forward and is available to offset capital gains derived in subsequent years.

If the Shareholder (being an individual) has held the Shares for 12 months or more at the time of disposal and there is a net capital gain, a discount factor of 50% may be available to that individual. If the Shareholder is a complying superannuation entity the discount factor that may be available is 33¹/₃%. The CGT discount is not available to companies. Note that any available capital losses will be deducted from the gross capital gain before the CGT discount is applied.

10.3 CGT consequences for non-resident Shareholders

Capital gain or capital loss upon disposal of Shares

Shareholders who are not Australian tax residents will need to consider both the Australian income tax implications and tax implications in their own jurisdiction in respect of the disposal of their Shares pursuant to the Offer (or as a consequence of the compulsory acquisition of their Shares). The comments below do not address any taxation implications which might arise in countries other than Australia. Non-Australian tax resident Shareholders should seek their own advice on the consequences of the disposal of their Shares under any relevant foreign tax laws.

Where a Shareholder holds their Shares on capital account, the disposal of the Shares pursuant to the Offer (or as a consequence of the compulsory acquisition of their Shares) will have CGT implications for the Shareholder only where the Shares are taxable Australian property (**TAP**). Shares should be TAP where:

- (a) the Shareholder has held more than 10% of the issued capital of Bulletproof at the date of disposal of the Shares or throughout a 12 month period that began no earlier than 24 months before the date of disposal and ended no later than the date of disposal; and
- (b) more than 50% of the market value of Bulletproof consists of taxable Australian real property (direct and indirect interests in Australian real property, including leases of Australian land).

A capital gain may also arise for non resident Shareholders if they have used their Shares at any time in carrying on a business through an Australian Permanent Establishment.

If the non-Australian tax resident Shareholder is a tax resident of a country in which a tax treaty exists with Australia, relief may be available under the relevant treaty. Non-Australian tax resident Shareholders should seek their own advice in relation to the availability of treaty relief.

No discount on a capital gain is available for non-Australian tax resident Shareholders.

10.4 Goods and Services Tax

No GST should be payable by Shareholders in respect of the transactions outlined above. The acquisition and disposal of Shares is not subject to GST.

10.5 Stamp Duty

No Australian stamp duty will be payable by Shareholders in respect of the disposal of their Shares pursuant to the Offer.

11. Formal Terms of the Offer

11.1 Identity of the Bidder

The Bidder is a wholly owned subsidiary of MAQ, an Australian company which has been listed on the ASX (ASX: MAQ) since 1999.

The Bidder is an investment company and has no other activity other than the making of the Offer and the holding of the Shares.

The principal activities of the Bidder Group are the provision of telecommunication and hosting services to corporate and government customers within Australia.

11.2 Date of the Offer

The Offer is dated [●] 2017.

11.3 Offer

The Bidder offers to acquire all of your Shares together with all Rights attaching to them on the terms in this section 11 and sections 12, 13, 14, 15, 16 and 17.

You may accept the Offer only in respect of all of your Shares and not some only.

An Offer in this form is being made to:

- (a) each Shareholder registered in the Shareholder register as at the Register Date; and
- (b) any person who becomes registered or entitled to be registered as the holder of Shares during the period from the Register Date to the end of the Offer Period as a result of conversion or exercise of rights attached to securities held by that person provided that such other securities are issued to the person prior to the Announcement Date.

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 Shares to which the Offer relates:

- (a) a corresponding offer on the same terms as the Offer will be deemed to have been made to that other person in respect of those Shares;
- (b) a corresponding offer on the same terms as the Offer will be deemed to have been made to you in respect of any remaining Shares you hold; and
- (c) this Offer will be deemed to have been withdrawn immediately at that time.

11.4 Consideration

The consideration under the Offer is \$0.11 per Share.

The Bidder will be entitled to all Rights declared, paid, made or which arise or accrue on or after the Announcement Date. If any rights are declared, paid, made or arise or accrue after the Announcement Date to the holders of Shares, and the Bidder does not receive the benefit of those Rights, the Bidder

will be entitled to deduct the amount (or value, as reasonably assessed by the Bidder) of such Rights by reducing the consideration otherwise due to you under the Offer.

11.5 Offer Period

The Offer will, unless withdrawn, remain open for acceptance during the period commencing on the date of the Offer, being [●], and ending at 7:00pm (Sydney time) on the later of:

- (a) [●] 2018; or
- (b) any date to which the period of the Offer is extended in accordance with the Corporations Act.

The Bidder reserves the right, exercisable in its sole discretion, to extend the Offer Period in accordance with the Corporations Act.

If, within the last seven days of the Offer Period:

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

the Offer Period will be automatically extended so that it ends 14 days after the event referred to in paragraph (a) or (b) above.

12. Conditions of this Offer

12.1 Conditions

The Offer and the contract that results from acceptance of this Offer are subject to the following conditions:

- (a) **Minimum acceptance:** by the end of the Offer Period, the Bidder and its Associates having a relevant interest in at least 90% of the Shares on issue;
- (b) **No prescribed occurrences:** between 19 November 2017 and the date 3 business days after the end of the Offer Period (each inclusive) none of the events listed in section 652C of the Corporations Act occur;
- (c) **No material transactions:** between 19 November 2017 and the end of the Offer Period (each inclusive), neither Bulletproof or any of its subsidiaries undertake or announce any material asset sales or acquisitions or material borrowings or commitments or grants any security interest over any of their assets and undertaking; and
- (d) **No material adverse change:** between 19 November 2017 and the end of the Offer Period (each inclusive), no change occurs, is discovered or becomes public which has or could reasonably be expected to have a materially adverse effect on the assets, liabilities, financial position, performance, profitability or prospects of Bulletproof or any of its subsidiaries taken as a whole or of any of them.

12.2 Nature of conditions

Each of the conditions set out in section 12.1:

- (a) constitutes and will be construed as a separate, several and distinct condition;
- (b) is a condition subsequent; and
- (c) until the expiration of the Offer Period (or in the case of the conditions referred to in section 12.1(b), until 3 business days after the end of the Offer Period) will be for the benefit of Bidder alone and may be relied upon only by Bidder.

12.3 **Effect of breach or non-fulfilment**

The breach or non-fulfilment of any of the conditions set out in section 12.1 does not, until the end of the Offer Period, prevent a contract arising to acquire your Shares resulting from your acceptance of this Offer but, if at the end of the Offer Period (or, in the case of the conditions in section 12.1(b) at the end of three business days after the end of the Offer Period), in respect of any condition in section 12.1:

- (a) Bidder has not declared this Offer (and it has not become) free from that condition; and
- (b) that condition has not been fulfilled,

all contracts resulting from the acceptance of the Offer and all acceptances that have not resulted in binding contracts are void. In such a case, Bidder will notify ASX Settlement of the lapse of the Offer in accordance with Rule 14.19 of the ASX Settlement Operating Rules.

12.4 **Bidder may decide Offer is free from all or any of the conditions**

Bidder may at any time at its sole discretion, but in compliance with the Corporations Act, declare the Offer free from all (or any) of the conditions set out in section 12.1 by notice in writing to Bulletproof:

- (a) in the case of the conditions referred to in section 12.1(b) - not later than three business days after the end of the Offer Period; or
- (b) in any other case - not later than 7 days before the end of the Offer Period.

12.5 **Date for giving notice on status of conditions**

The date for giving a notice on the status of the conditions as required by section 630(1) of the Corporations Act is [•], subject to variation in accordance with section 630(2) of the Corporations Act in the event that the Offer Period is extended.

13. Accepting the Offer

13.1 **Who may accept**

During the Offer Period:

- (a) any person who is able to give good title to a parcel of your Shares may accept (if they have not already accepted an offer in the form of the Offer) as if an offer on terms identical with the Offer has been made to them;
- (b) any person who holds one or more parcels of Shares as trustee or nominee, or otherwise on account of another person, may accept as if a separate offer on terms identical with the Offer had been made in relation to:

- (i) each of those parcels; and
- (ii) any parcel they hold in their own right;
- (c) a person is taken to hold Shares if the person is, or is entitled to be, registered as the holder of those Shares;
- (d) a person is taken to hold Shares on trust for, as nominee for, or on account of, another person if they:
 - (i) are, or are entitled to be, registered as the holder of particular Shares; and
 - (ii) hold their interest in the Shares on trust for, as nominee for, or on account of, that other person;
- (e) in the case of a person who may accept under section 13.1(b) of this Bidder's Statement as if a separate offer, on the same terms as the Offer, has been made to that person for a parcel of Shares within a holding, an acceptance of that offer is ineffective unless:
 - (i) the person gives the Bidder a notice stating that the Shares consist of a separate parcel; and
 - (ii) the acceptance specifies the number of Shares in the parcel;
- (f) a notice under paragraph 13.1(e) of this Bidder's Statement must be made:
 - (i) if it relates to Shares in a CHESS Holding - in an electronic form approved under the ASX Settlement Operating Rules for the purposes of Part 6.8 of the Corporations Act; or
 - (ii) otherwise - in writing; and
- (g) a person may, at the one time, accept for two or more parcels of Shares as if there had been a single offer for a separate parcel consisting of those parcels.

13.2 Offer is for all your Shares

The Offer is for all of your Shares. You may accept the Offer at any time during the Offer Period. If you accept the Offer, you will be taken to have accepted the Offer for all of your Shares including any Shares which are issued to you during the Offer Period.

13.3 Acceptance procedure for Shareholders

How you accept this Offer depends on whether your Shares are held by a CHESS Holding or an Issuer Sponsored Holding. The Acceptance Form outlines which type of holding you have.

- (a) **If you hold your Shares in an Issuer Sponsored Holding (ie, your SRN starts with an "I"):** to validly accept the Offer, you must:
 - (i) complete and sign the accompanying Acceptance Form in accordance with the instructions on the form; and

- (ii) return it (together with all other documents required by those instructions) so that they are received at one of the addresses specified below before the end of the Offer Period.

If you hold your Shares in a CHESS Holding (ie, your SRN starts with an "X"), you must comply with the ASX Settlements Operating Rules.

- (b) **To accept this Offer in accordance with the ASX Settlement Operating Rules:** you have one of the following three choices:
 - (i) you can instruct your Controlling Participant (usually your broker) to initiate acceptance of the Offer in accordance with Rule 14.14 of the ASX Settlement Operating Rules in sufficient time for this Offer to be accepted before the end of the Offer Period;
 - (ii) you can complete and sign your Acceptance Form and return it (together with any other required documents described on the form) directly to your Controlling Participant (usually your broker) in sufficient time for this Offer to be accepted before the end of the Offer Period, with instructions to initiate acceptance of this Offer on your behalf in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period; or
 - (iii) you can complete and sign your Acceptance Form and return it to the Bidder at an address indicated in section 13.4 so that your Acceptance Form is received before 7.00pm (Sydney time) on the second last Business Day of the Offer Period. This will authorise the Bidder to instruct your Controlling Participant (usually your broker) to initiate acceptance of the Offer on your behalf. Neither the Bidder, nor its registry Boardroom, will be responsible for any delays incurred by this process.
- (c) **If you are a broker or another Participant:** to accept the Offer, you must initiate acceptance of the Offer in accordance with the requirements of the ASX Settlement Operating Rules before the end of the Offer Period.
- (d) **If your Share are held in separate holdings:** if your Shares are in separate holdings, you will need to take action under section 13.3(a) or 13.3(b) in relation to each holding if you wish to accept the Offer for all of your Shares across those holdings.

13.4 Mailing, hand delivery, fax and email details

The mailing, hand delivery, fax and email addresses for completed Acceptance Forms and any associated documents are as follows:

By mail: GPO Box 3993, Sydney NSW 2001

or

By hand: Level 12, 225 George Street, Sydney NSW 2000

or

By fax: 02 9279 0664

or

By Email: corporateactions@boardroomlimited.com.au

A reply paid envelope has been enclosed for Shareholders with Australian addresses to return their completed Acceptance Form. Foreign Shareholders should return their Acceptance Form by pre-paid airmail.

You bear the risk in choosing the delivery method for the Acceptance Form and other documents.

13.5 **Acceptance Form and instructions on it**

The Acceptance Form which accompanies the Offer forms part of the Offer.

Subject to section 13.7, the requirements on the Acceptance Form must be observed in accepting the Offer in respect of your Shares.

13.6 **Power of attorney, deceased estate**

When accepting the Offer, you must also provide for inspection:

- (a) if the Acceptance Form is executed by an attorney, a certified copy of the power of attorney; and
- (b) if the Acceptance Form is executed by the executor of a will or the administrator of the estate of a deceased Shareholder, a certified copy of probate, letters of administration or certificate of grant accompanied (where required by law for the purpose of transfer) by a certificate of payment of death or succession duties and (if necessary) a statement in terms of section 1071B(9)(b)(iii) of the Corporations Act.

13.7 **When acceptance is complete**

Acceptance of the Offer will not be complete until the requirements of this section 13 have been met, including (where required) your completed Acceptance Form (and all other documents required by the instructions on it) has been received at one of the addresses set out in section 13.4 above. However:

- (a) the Bidder may in its sole discretion waive any or all of those requirements at any time (including requirements in relation to the manner or method of acceptance, or the deadline for receipt of acceptances under 13.3(b)(iii));
- (b) where the requirements have been complied with in respect of some but not all of your Shares, the Bidder may, in its sole discretion, deem your acceptance of the Offer complete in respect of those of your Shares for which the requirements have been complied with, but not in respect of the remainder;
- (c) the Bidder is not required to communicate with you prior to making its determination as to the above matters and the determination of the Bidder will be final and binding; and
- (d) in relation to a CHESS Holding, acceptance has been carried out in accordance with Rule 14.14 of the ASX Settlement Operating Rules.

Where the Bidder elects to waive any requirements of section 13, your acceptance of the Offer will be complete regardless of any failure by you to comply with the waived requirements.

13.8 The effect of acceptance

By signing and returning the Acceptance Form in accordance with this section 13:

- (a) you authorise Bidder and each of its officers and agents to correct any errors in, or omissions from, the Acceptance Form necessary to:
 - (i) make it an effective acceptance of the Offer in relation to your Shares which are not in a CHESS Holding; and
 - (ii) enable the transfer of your Shares to Bidder; and
- (b) if any of your Shares are in a CHESS Holding, you authorise Bidder and each of its officers and agents to:
 - (i) instruct your Controlling Participant to give effect to your acceptance of the Offer for those Shares under Rule 14.14 of the ASX Settlement Operating Rules; and
 - (ii) give to your Controlling Participant on your behalf any other instructions in relation to those Shares which are contemplated by the sponsorship agreement between you and your Controlling Participant and are necessary or appropriate to facilitate your acceptance of the Offer.

13.9 Your agreement

By signing and returning the Acceptance Form or otherwise accepting the Offer in accordance with this section 13:

- (a) you irrevocably accept the Offer (and any variation of it) and agree to transfer to Bidder all your Shares;
- (b) you represent and warrant to Bidder as a fundamental condition going to the root of the contract resulting from your acceptance that all of your Shares will at the time of your acceptance of the Offer and of transfer to Bidder be fully paid up and that Bidder will acquire good title to and beneficial ownership of them free from Encumbrances;
- (c) you represent and warrant to Bidder that you have full power and capacity to accept the Offer and to sell and transfer the legal and beneficial ownership in your Shares (including the Rights) to Bidder;
- (d) Bidder will be entitled to all Rights declared, paid, made or which arise or accrue on or after the Announcement Date;
- (e) you irrevocably authorise Bidder and each director of, and any nominee of, Bidder to alter the Acceptance form on your behalf by inserting correct details relating to your Shares, filling in blanks remaining on the form and rectifying any errors or omissions as may be considered necessary by Bidder to make it an effective acceptance of the Offer or to enable registration of your Shares in the name of Bidder;
- (f) you irrevocably authorise Bidder to notify Bulletproof on your behalf that your address for the purpose of serving notices upon you in respect of your Shares is the address specified by Bidder in the notification;

- (g) you acknowledge and agree that if you are a Foreign Shareholder or Bidder believes you are a Foreign Shareholder, section 14.6 applies to you;
- (h) you transfer, or consent to the transfer in accordance with the ASX Settlement Operating Rules of, all of your Shares to Bidder subject to the terms of the constitution of Bulletproof on which they were held immediately before your acceptance of the Offer (and Bidder agrees to take those Shares subject to those terms);
- (i) on this Offer or any takeover contract becoming unconditional, you irrevocably appoint Bidder and each director of, and any nominee of, Bidder as your attorney (even though Bidder has not yet provided the consideration due to you) to:
 - (i) exercise all your powers and rights in relation to your Shares, including powers and rights to requisition, convene, attend and vote in respect of your Shares at all general and class meetings of Bulletproof or appoint a proxy or proxies to attend and vote in the manner directed by Bidder on your behalf in respect of your Shares at any such meeting and to request Bulletproof to register, in the name of Bidder or its nominee, your Shares, as appropriate, with full power of substitution;
 - (ii) execute all forms, notices, documents (including a document appointing a director of the Bidder as a proxy for any of your Shares) and resolutions relating to your Shares and generally to exercise all powers and rights which you have as the registered holder of your Shares;
 - (iii) receive from Bulletproof or any other party, and retain, any security certificates which were held by Bulletproof or any other party; and
 - (iv) direct Bulletproof to pay to Bidder, or to account to Bidder for, all Rights attaching to your Shares, subject however to any such Rights received by Bidder being accounted for by Bidder to you, if the Offer is withdrawn or avoided;
- (j) you agree that in exercising the powers conferred by the power of attorney in sub-paragraph 13.9(i), Bidder and each of its directors and its nominees is entitled to act in the interest of Bidder;
- (k) you agree to do all such acts, matters and things that Bidder may require to give effect to the matters the subject of sub-paragraph 13.9(i) (including the execution of a written form of proxy to the same effect as this section 13.9 which complies in all respects with the requirements of the constitution of Bulletproof) if requested by Bidder;
- (l) you represent and warrant to Bidder that unless you have notified it in accordance with section 13.113.1(e) your Shares do not consist of separate parcels of Shares;
- (m) you agree not to attend or vote in person at any general or class meeting of Bulletproof or to exercise or to purport to exercise, in person, by proxy or otherwise, any of the powers conferred on Bidder and the directors of Bidder by sub-section 13.9(i) (even though Bidder has not yet provided the consideration due to you);
- (n) you authorise Bidder to transmit a message to ASX Settlement in accordance with Rule 14.17.1 of the ASX Settlement Operating Rules so as to enter those of your Shares which are in CHESS

Holding into the Takeover Transferee Holding (even though Bidder has not yet provided the consideration due to you);

- (o) you agree to indemnify Bidder and its agents (and each of them) in respect of any claim or action against it or any loss, damage or liability whatsoever incurred by it as a result of you not producing your Holder Identification Number or Shareholder Reference Number or in consequence of the transfer of your Shares being registered by Bulletproof without production of your Holder Identification Number or your Shareholder Reference Number;
- (p) you irrevocably accept the Offer in respect of all your Shares despite any difference between that number and the number of Shares shown in our Acceptance Form; and
- (q) where, at that time, you have a right to be registered as a holder of the Shares the subject of your acceptance as the result of an on market purchase (but you are not a Shareholder) you:
 - (i) agree to use reasonable endeavours to procure the delivery of the Shares the subject of your acceptance to Bidder in accordance with your acceptance (including giving Bidder all documents necessary to vest those Shares in Bidder or otherwise to give Bidder the benefit or value of those Shares);
 - (ii) agree not to do or omit to do anything which may frustrate your acceptance of this Offer, or otherwise obstruct registration of the transfer of the Shares the subject of your acceptance to Bidder;
 - (iii) irrevocably assign to Bidder all contractual rights and recourse against the vendor in respect of your on market purchase which contractual rights and recourse may arise by reason of that person's failure to complete that trade;
 - (iv) agree to assign to Bidder (without any further action being required) all rights in respect of your on market purchase immediately on any failure by you to complete that trade, including irrevocably assigning to the Bidder the right to (at the Bidder's ultimate discretion) complete that trade on your behalf, and agree that the Bidder may deduct from the consideration otherwise payable to you any amount paid by the Bidder in order to settle that on market purchase on your behalf. If Bidder does not, or cannot, make such a deduction, you must pay such amount to Bidder; and
 - (v) agree that if you are unable to assign to Bidder any of the rights and recourse specified under sections 13.9(q)(iii) and 13.9(q)(iv), you will assign such right and recourse as soon as you are legally able to do so.

By accepting this Offer you will be deemed to have agreed to the matters set out in this section 13.9, even where this Offer has been caused to be accepted in accordance with the ASX Settlement Operating Rules.

The undertakings and authorities referred to in this section 13.9 will remain in force after you receive the consideration for your Shares and after Bidder becomes registered as the holder of your Shares.

13.10 Powers of attorney

If the Acceptance Form is signed under power of attorney, the attorney declares that the attorney has no notice of revocation of the power and is empowered to delegate powers under the power of attorney under section 13.9(i).

13.11 Validation of otherwise ineffective acceptances

Except in relation to Shares in a CHESS Holding, Bidder may treat the receipt by it of a signed Acceptance Form as a valid acceptance of the Offer even though it does not receive the other documents required by the instructions on the Acceptance Form or there is not compliance with any one or more of the other requirements for acceptance. If Bidder does treat an Acceptance Form as valid, Bidder will not be obliged to give the consideration to you until Bidder receives all those documents and until all of the requirements for acceptance referred to in this section 13.12 and in the Acceptance Form have been met.

14. Consideration

14.1 When consideration is paid

Subject to this section 14 and the Corporations Act, if you accept the Offer and the contract resulting from your acceptance of this Offer becomes unconditional, the Bidder will provide the consideration for your Shares to which you are entitled by the later of:

- (a) the date 1 month after the date you validly accept this Offer; and
- (b) 1 month after the date the Offer becomes or is declared unconditional,

but in any event (assuming the Offer becomes or is declared unconditional) no later than the date 21 days after the end of the Offer Period.

14.2 Manner of payment

The consideration payable to you by Bidder in respect of your Shares will be paid by cheque in Australian currency. Cheques will be posted to you at your risk by pre-paid ordinary post to the address set out in your Acceptance Form or, if you have an overseas address, by pre-paid airmail post.

14.3 Where additional documents are required

Where the Acceptance Form requires additional documents to be given to Bidder with your acceptance of the Offer to enable Bidder to become the registered holder of your Shares (such as a power of attorney):

- (a) if the documents are given with your acceptance, the Bidder will provide the consideration in accordance with section 14.1 of this Bidder's Statement;
- (b) if the documents are given after acceptance and before the end of the Offer Period and this Offer is subject to a defeating condition at the time that the Bidder is given the documents, the Bidder will provide the consideration by the end of whichever of the following periods ends earlier:

- (i) one month after the contract resulting from your acceptance of this Offer becomes unconditional; and
- (ii) 21 days after the end of the Offer Period, or
- (c) if the documents are given after acceptance and before the end of the Offer Period and this Offer is unconditional at the time that the Bidder is given the documents, the Bidder will provide the consideration by the end of whichever of the following periods ends earlier:
 - (i) one month after the Bidder is given the documents; and
 - (ii) 21 days after the end of the Offer Period
- (d) if the documents are given after acceptance, the Bidder will provide the consideration by the end of whichever of the following periods ends earlier:
 - (i) one month after the Bidder is given the documents; and
 - (ii) 21 days after the end of the Offer Period

If you do not provide the Bidder with the required additional documents within 1 month after the end of the Offer Period, the Bidder may, in its sole discretion, rescind the Offer Contract.

14.4 **Return of documents**

If any contract arising from the Offer is rescinded by the Bidder, the Bidder will, at its election, return by post to you at the address shown on the Acceptance Form any Acceptance Form and any other documents sent with it by you or destroy those documents and notify ASX.

14.5 **Where the Bidder is entitled to any Rights**

If the Bidder becomes entitled to any Rights on acceptance of the Offer, you must give the Bidder all documents that the Bidder needs to give the Bidder title to those Rights. If you do not give those documents to the Bidder (or if you have received or are entitled to receive the benefit of those Rights) before the Bidder provides the consideration to you, the Bidder will deduct from the consideration otherwise due to you the amount (or value, as reasonably assessed by the Bidder) of those Rights (see also section 11.4).

14.6 **Restrictions on provision of consideration**

It is your sole responsibility to satisfy yourself that you are permitted by any applicable Foreign Law to accept the Offer.

If, at the time of acceptance of the Offer, you are resident in or a resident of a place to which, or you are a person to whom, the following regulations apply:

- (a) the *Banking (Foreign Exchange) Regulations 1959* (Cth);
- (b) Part 4 of the *Charter of the United Nations Act 1945* (Cth);
- (c) the *Charter of the United Nations (Dealing with Assets) Regulations 2008*;

- (d) the *Charter of the United Nations (Sanctions – Afghanistan) Regulations 2001*;
- (e) the *Charter of the United Nations (Sanctions – Iraq) Regulations 2008*; or
- (f) any other law of Australia or regulation under the *Charter of the United Nations Act 1945* (Cth) that requires that an authority, clearance or approval of the Reserve Bank of Australia, the Australia Tax Office or any government authority be obtained before you receive any consideration for your Shares,

which would make it unlawful for the Bidder to provide consideration for your Shares, you will not be entitled to receive any consideration for your Shares until all requisite authorities or clearances have been received by the Bidder.

14.7 **Funding**

The consideration for the acquisition of Shares under the Offer is to be satisfied by payment of cash.

The maximum amount of the cash consideration which would be payable under the Offer for Shares (other than those Shares already owned by entities associated with the Bidder) is approximately \$17,886,084.59.

The Bidder will fund this consideration using the Bidder Group's existing cash reserves.

15. General

15.1 **Variation or withdrawal of the offer**

- (a) The Bidder may vary the Offer in accordance with the Corporations Act.
- (b) The Bidder may withdraw unaccepted Offers at any time with the written consent of ASIC and subject to any conditions specified in ASIC's consent.
- (c) Subject to ASIC's consent (and any conditions imposed by ASIC), withdrawal of this Offer may be effected by written notice from Bidder given to Bulletproof.
- (d) Subject to any conditions imposed by ASIC on its consent, where Bidder withdraws this Offer:
 - (i) this Offer, if not previously accepted, automatically becomes incapable of acceptance; and
 - (ii) any contract resulting from an acceptance of this Offer before the withdrawal (and for this purpose this Offer is treated as having continued in existence notwithstanding that acceptance) is automatically void.

15.2 **Notices**

Any notice, nomination, or other communication to be given by the Bidder to you under the Offer will be deemed to be duly given if it is given in writing and is signed or purports to be signed (whether in manuscript, printed or reproduced form) on behalf of the Bidder by any of its directors or its company secretary and is delivered to or sent by post in a pre-paid envelope or by courier to your address as recorded on the register of Shareholders of Bulletproof or, if you have an overseas address, by pre-paid airmail post.

Other than in respect of the delivery of Acceptance Forms by Shareholders (which must be delivered in accordance with section 4), any notice or other communication given by you to the Bidder in connection with the Offer will be deemed to be duly given if it is in writing and is sent to any of the following addresses:

By mail:	or	By hand delivery:	or	By fax:	or	By email:
GPO Box 3993, Sydney NSW 2001		Level 12, 225 George Street, Sydney NSW 2000		02 9279 0664		corporateactions @boardroomlimited.com.au

If:

- (a) the Offer is withdrawn after your Acceptance Form has been sent to the Bidder, but before it has been received, or
- (b) for any other reason, the Bidder does not acquire the Shares to which your Acceptance Form relates,

the Bidder will despatch at your risk your Acceptance Form together with all other documents forwarded by you, to your address as shown on the Acceptance Form or any other address you notify in writing to the Bidder by, where such address is inside Australia, pre-paid ordinary post, or where such address is outside Australia, pre-paid airmail.

All costs and expenses of the preparation, despatch and circulation of the Offers and all stamp duty payable in respect of a transfer of your Shares in respect of which the Offer is accepted, will be paid by the Bidder.

15.3 Brokerage and stamp duty

You will not pay stamp duty on the disposal of your Shares should you accept the Offer.

If your Shares are registered in an Issuer Sponsored Holding in your name and you post them directly to the Bidder, you will not incur any brokerage in connection with your acceptance of the Offer.

If your Shares are registered in a CHESS Holding, or if you are a beneficial owner whose Shares are registered in the name of a broker, bank, custodian or other nominee, you should ask your Controlling Participant (usually your broker) or that nominee whether it will charge any transaction fees or service charges in connection with acceptance of the Offer.

15.4 Foreign laws

The Offer is not registered in any jurisdiction outside Australia (unless an applicable foreign law treats it as registered as a result of the Bidder's Statement being lodged with ASIC). It is your sole responsibility to satisfy yourself that you are permitted by any foreign law applicable to you to accept the Offer and to receive the consideration of the Offer.

15.5 **Governing law**

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

16. Additional Information

16.1 **ASIC relief**

ASIC has published various "Class Order" and other legislative instruments providing for modifications and exemptions that generally apply to all persons, including the Bidder Group, in relation to the operations of Chapter 6 of the Corporations Act.

Among others, the Bidder Group has relied on modifications to the Corporations Act set out in Class Order 13/521 "Takeover Bids". As required, the Bidder Group will make available a copy of any such documents (or relevant extracts of any such documents), free of charge, to you and other Shareholders who request it during the Offer Period. To obtain this information please call the Offer Information Line on 1300 737 760 (within Australia) or 02 9290 9600 (from outside Australia) between 8.30am and 5.30pm (Sydney time), Monday to Friday.

16.2 **Broker commission**

The Bidder may offer to pay a commission to brokers who solicit acceptances of the Offer from their clients, but it has made no final decision in relation to the matter as at the date of this Bidder's Statement.

Any commission payments will be paid only in respect of parcels of Shares held by retail Shareholders who accept the Offer.

If a commission is offered, commission payments will not exceed 0.75% of the value of the consideration payable to a retail Shareholder who accepts the Offer, and will be subject to minimum payments (not exceeding \$50) and maximum payments (not exceeding \$300) for each acceptance.

If a commission is offered, it will be payable only to brokers and will be subject to the condition that no part of the fee will be able to be passed on or paid to Shareholders.

It is the Bidder's intention that, if and when an offer of commission has been made to any broker by the Bidder, the commission arrangement will remain in place for the balance of the Offer Period and the amount of the commission offered will not be increased during the Offer Period.

16.3 **Date for determining holders of Shares**

For the purposes of section 633 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) for the Offer is the Register Date.

16.4 **Other material information**

Except as set out elsewhere in this Bidder's Statement, there is no other information that is:

- (a) material to the making of a decision by a Shareholder whether or not to accept the Offer; and

(b) known to the Bidder,

and that has not previously been disclosed to Shareholders.

16.5 Information contained in this Bidder's Statement

The directors of Bidder are of the opinion that the information that Shareholders and their professional advisers would reasonably require to make an informed assessment whether to accept the Offer, which has not previously been disclosed to the holders of Shares or disclosed to ASX under the regular reporting and disclosure obligations of Bulletproof under the Corporations Act and the Listing Rules, is:

- (a) the information contained in the target's statement to be issued by Bulletproof; and
- (b) this Bidder's Statement.

16.6 Consents

J.B. North & Co Pty Ltd has given and before lodgement of this Bidder's Statement, has not withdrawn its written consent to be named as legal adviser to the Offer in the form and context in which it is named.

PricewaterhouseCoopers has given and before lodgement of this Bidder's Statement, has not withdrawn its written consent to be named as legal adviser to the Offer in the form and context in which it is named.

Boardroom Pty Limited has given and before lodgement of this Bidder's Statement has not withdrawn its written consent to be named as registrar for the Offer in the form and context in which it is named.

Each of J.B. North & Co Pty Ltd, PricewaterhouseCoopers and Boardroom:

- (a) has not authorised or caused the issue of the Bidder's Statement;
- (b) does not make, or purport to make, any statement in this Bidder's Statement other than as specified in this section; and
- (c) 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 of this Bidder's Statement other than the reference to its name and the statements (if any) included in this Bidder's Statement with the consent of that party as specified in this section.

17. Glossary

17.1 Definitions

In this Bidder's Statement, the following terms have the following meanings, unless the context otherwise requires:

Acceptance Form means the form of acceptance and transfer enclosed with this Bidder's Statement or a replacement of that form.

Announcement Date means 21 November 2017.

ASIC means the Australian Securities and Investments Commission.

Associate has the meaning given to that term in the Corporations Act.

ASX means the ASX Limited (ACN 008 624 691) or, as the context requires, the financial market operated by it.

ASX Listing Rules means the official listing rules of ASX as amended, varied or waived from time to time.

ASX Settlement means ASX Settlement Pty Limited (ACN 008 504 532).

ASX Settlement Operating Rules means the operating rules of the settlement facility provided by ASX Settlement.

Bidder means Macquarie Cloud Services Pty Limited (ABN 57 093 640 450), a wholly owned subsidiary of MAQ.

Bidder Group means MAQ and its Subsidiaries.

Bidder's Statement means this document being the statement of the Bidder under Part 6.5 of the Corporations Act relating to the Offer.

Boardroom or **Registry** means Boardroom Pty Limited ABN 14 003 209 836

BPF Options has the meaning given in section 9.1

Business Day means a day on which banks are open for general banking business in Sydney, excluding Saturdays, Sundays or public holidays.

Call Option Deed has the meaning given in section 9.3.

CGT means capital gains tax.

CHESS means the Clearing House Electronic Subregister System, which provides for electronic transfer of listed securities in Australia.

CHESS Holding means a holding of Shares on the CHESS Subregister of Bulletproof.

CHESS Subregister has the meaning given by the ASX Settlement Operating Rules.

Closing Date means [●] as extended in accordance with the Corporations Act.

Controlling Participant has the meaning given in the ASX Settlement Operating Rules. Usually your Controlling Participant is a person, such as a broker, with whom you have a sponsorship agreement (within the meaning of the ASX Settlement Operating Rules).

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

CPI means Consumer Price Index, a measure of a country's retail prices inflation.

Encumbrance means:

- (a) a mortgage, charge, pledge, lien, hypothecation or title retention arrangement;
- (b) a notice under section 255 of the *Income Tax Assessment Act 1936* (Cth), subdivision 260A in Schedule 1 of the *Taxation Administration Act 1953* (Cth) or any similar legislation;
- (c) any third party interest (for example, a trust or an equity) or right;
- (d) a right of any person to purchase, occupy or use an asset (including under an option, agreement to purchase, licence, lease or hire purchase);
- (e) any other thing that prevents, restricts or delays the exercise of a right over property, the use of property or the registration of any interest in dealing with property; or
- (f) an agreement to create anything referred to above or to allow any of them to exist.

Foreign Law means a law, however arising, or requirement of a regulatory body of a jurisdiction other than an Australian jurisdiction.

Foreign Shareholder means a Shareholder whose address is shown in Bulletproof's register of securityholders as a place outside Australia.

GST has the meaning given to it in *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

Holder Identification Number or **HIN** means the number used to identify a Shareholder on the CHES Subregister of Bulletproof.

Issuer Sponsored Holding has the meaning given in the ASX Settlement Operating Rules.

Issuer Sponsored Subregister has the meaning given in the ASX Settlement Operating Rules.

MAQ means Macquarie Telecom Group Limited (ABN 72 056 712 228).

Offer means the offer by the Bidder under Chapter 6 of the Corporations Act contained in this Bidder's Statement (or, if the context so requires, this Bidder's Statement itself) and **Offers** means the offers dispatched or to be dispatched to Shareholders.

Offer Contract means a contract that results from the acceptance of the Offer.

Offer Period means the period commencing on [●] and ending at 7.00pm (Sydney time) on [●] 2018, or such later date to which the Offer has been extended during which the Offers will remain open for acceptance.

Offer Price means \$0.11 cents per Share offered by the Bidder at the date of the Bidder's Statement.

Register Date means the date set by the Bidder under section 633(2) of the Corporations Act, being 7.00pm (Sydney time) on [●].

Rights means all accretions, rights or benefits of whatever kind attaching, arising or accruing from Shares directly or indirectly after the Announcement Date including all distributions or dividends and all rights to receive them, or to receive or subscribe for shares, units, notes, options or other securities or entitlements declared, paid or issued by Bulletproof or any subsidiary of Bulletproof.

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

Shareholder means a registered holder of Shares.

Shareholder Reference Number or **SRN** means the number allocated by Bulletproof to identify a Shareholder on the Issuer Sponsored Subregister of Bulletproof.

Subsidiary has the meaning given in the Corporations Act.

Takeover Transferee Holding has the meaning given in the ASX Settlement Operating Rules, being the CHESS Holding to which Shares are to be transferred pursuant to acceptances of the Offer.

Bulletproof means Bulletproof Group Limited (ABN 84 148 162 092).

VWAP means volume weighted average price, calculated by dividing the value of trades by the volume of trades over a given period.

your Shares means:

- (g) the Shares in respect of which you are registered or entitled to be registered as a holder in the register of members of Bulletproof as at the Register Date, and in respect of which no other person becomes registered or entitled to be registered as a holder before you accept the Offer; and
- (h) any other Shares to which you are able to give good title at the time you accept the Offer.

17.2 Interpretation

In this Bidder's Statement, the following principles of interpretation apply unless the context otherwise requires:


- (a) words and phrases not specifically defined in this Bidder's Statement have the same meaning that is given to them in the Corporations Act (if any) and a reference to a statutory provision is to the Corporations Act unless otherwise specified;
- (b) without limiting paragraph (a), a term that relates to CHESS and is not specifically defined in this Bidder's Statement or the Corporations Act, has the same meaning that is given to that term in the ASX Settlement Operating Rules;
- (c) a reference to any legislation or legislative provision includes any statutory modification or re-enactment of, or any legislative provision substituted for, and any subordinate legislation issued under, that legislation or legislative provision;
- (d) the singular includes the plural and vice versa;
- (e) a reference to an individual or person includes a corporation, partnership, joint venture, association, authority, trust, state or government, and vice versa;
- (f) a reference to gender includes any gender;
- (g) a reference to a section or paragraph is to a section or paragraph of this Bidder's Statement;

- (h) where a word or phrase is given a particular meaning, other parts of speech and grammatical forms of a word or phrase defined in this Bidder's Statement have a corresponding meaning;
- (i) a reference to "dollars", "\$" or "cents" is to Australian currency unless otherwise stated;
- (j) a reference to a time is a reference to Sydney time;
- (k) a reference to a period of time (including a year, a quarter, a month or a day) is to a calendar period;
- (l) a statement made in this Bidder's Statement is made as at the date of this Bidder's Statement;
- (m) headings are for ease of reference only and do not affect its interpretation;
- (n) "including", "for example" or "such as" when introducing an example, does not limit the meaning of the words to which the example relates to that example or examples of a similar kind;
- (o) a reference to writing includes facsimile or e-mail transmissions;
- (p) a reference to you is to a person to whom the Offer is made under this Bidder's Statement;
- (q) a reference to a document includes all amendments or supplements to, or replacements or novations of, that document; and
- (r) a right or obligation of two or more persons benefits them jointly and binds them jointly and severally.

18. Approval of Bidder's Statement

The copy of this Bidder's Statement that is to be lodged with ASIC has been approved by a resolution passed by the directors of the Bidder on 23 November 2017.

Signed by David Tudehope for and on behalf of the Bidder in accordance with section 351 of the Corporations Act.



Title: Director
 Macquarie Cloud Services Pty Limited
 Date: 23 November 2017

Attachment 1

Consolidated Executive Summary (management accounts) Qtr 1 2018

1. Income Statement Consolidated Qtr 1 Actual vs Budget

	YTD FY18				Qtr 2	FY18 Baseline Budget		
	Actual	Budget	Var	Var %		Qtr 3	Qtr 4	Total
Income								
Public Cloud Revenue	5,026,433	5,023,525	2,908	0.1%	5,539,212	5,644,507	6,421,276	22,628,520
Private Cloud Revenue	4,359,962	4,488,372	(128,410)	(2.9%)	4,644,613	4,895,216	5,215,134	19,243,335
Professional Services Revenue	1,453,290	1,688,780	(235,490)	(13.9%)	1,920,688	2,210,225	2,519,403	8,339,096
Other Once Off Income	448,072	414,390	33,682	8.1%	262,949	634,691	737,707	2,049,737
Total Income	11,287,757	11,615,067	(327,310)	(2.8%)	12,367,462	13,384,639	14,893,520	52,260,688
Cost of Sales								
Infrastructure Expense	3,294,745	3,343,916	49,171	1.5%	3,686,644	3,756,045	4,272,571	15,059,176
Labour COS Expense	1,743,873	967,622	(776,251)	(80.2%)	1,188,716	1,239,685	1,258,754	4,654,777
Other Sales Related Expense	1,828,917	2,057,094	228,177	11.1%	2,071,929	2,089,484	2,146,466	8,364,973
Total Cost of Sales	6,867,535	6,368,632	(498,903)	(7.8%)	6,947,289	7,085,214	7,677,791	28,078,926
Gross Margin	4,420,223	5,246,435	(826,213)	(15.7%)	5,420,173	6,299,425	7,215,729	24,181,762
	39.2%	45.2%	-6.0%		43.8%	47.1%	48.4%	46.3%
Expenses								
Employee Expense	2,530,610	3,353,352	822,742	24.5%	3,383,658	3,276,851	3,330,909	13,344,770
Other Expenses	1,190,835	1,255,440	64,605	5.1%	1,443,816	1,308,196	1,338,481	5,345,933
Other Expenses / (Income)	92,312	17,188	(75,124)	(437.1%)	-20,702	-29,201	-23,752	-56,467
Total Expenses	3,813,757	4,625,980	812,223	17.6%	4,806,772	4,555,846	4,645,638	18,634,236
Normalised EBITDA	606,466	620,456	(13,990)	(2.3%)	613,401	1,743,579	2,570,091	5,547,527
	5.4%	5.3%			5.0%	13.0%	17.3%	10.6%

Notes:

- Utilisation average Qtr 1 of 65% compared to 75% in baseline budget
- Employment savings of \$46k Qtr with 5 extra FTE – var in timing to budget
- Other expenses tracking at 95% budget, tracking to save further \$500k across remaining FY18

Consolidated Executive Summary (management accounts) Qtr 1 2018 vs Qtr 1 2017

Income Statement Consolidated - Qtr 1 FY18 vs FY17

	Q1 FY18	Q1 FY17	Var	Var %
Income				
Public Cloud Revenue	5,026,433	5,256,308	(229,875)	(4.4%)
Private Cloud Revenue	4,359,962	4,578,480	(218,518)	(4.8%)
Professional Services Revenue	1,453,290	1,366,472	86,818	6.4%
Other Once Off Income	448,072	923,150	(475,079)	(51.5%)
Total Income	11,287,757	12,124,411	(836,654)	(6.9%)
Cost of Sales				
Infrastructure Expense	3,294,745	3,600,177	305,432	8.5%
Labour COS Expense	1,743,873	1,157,400	(586,473)	(50.7%)
Other Sales Related Expense	1,828,917	2,159,611	330,694	15.3%
Total Cost of Sales	6,867,535	6,917,188	49,653	0.7%
Gross Margin	4,420,223	5,207,223	(787,001)	(15.1%)
<i>Excluding ops salary recharge \$1m</i>	<i>48.6%</i>	<i>42.9%</i>	<i>5.6%</i>	
Expenses				
Employee Expense	2,530,610	4,766,864	2,236,254	46.9%
Other Expenses	1,190,835	1,683,318	492,484	29.3%
Other Expenses / (Income)	92,312	(15,512)	(107,824)	(695.1%)
Total Expenses	3,813,757	6,434,671	2,620,914	40.7%
Normalised EBITDA	606,466	(1,227,448)	1,833,913	149.4%
	<i>5.4%</i>	<i>-10.1%</i>		

Notes:

- Public/Private Cloud revenue 17 impacted by Jan 2017 churn (annualised \$3m revenue)
- Strong growth in PS pipeline in FY18 year on year
- Improved GM 5.6% across Public/Private and professional services
- Employment cost savings year on year of \$1.65m being approx. 50 FTE

Balance Sheet – Net Debt/Cash position Qtr 1 2018

	Prior 3 Month Trend			September FY18			
	Jun	Jul	Aug	Actual	Budget	Var	Var %
Current Assets							
Cash and Cash Equivalents	1,500,006	1,453,442	1,797,813	1,345,557	1,721,352	(375,795)	(21.8%)
Trade and Other Receivables	4,547,430	4,069,684	3,782,739	3,925,472	4,585,752	(660,280)	(14.4%)
Other Current Assets	4,301,605	4,451,356	4,787,940	4,828,654	4,656,593	172,061	3.7%
Total Current Assets	10,349,042	9,974,481	10,368,492	10,099,683	10,963,697	(864,014)	(7.9%)
Non-Current Assets							
Total Non-Current Assets	16,971,193	17,045,281	16,999,891	16,488,423	18,562,559	(2,074,136)	(11.2%)
Total Assets	27,320,235	27,019,762	27,368,383	26,588,106	29,526,256	(2,938,150)	(10.0%)
Current Liabilities							
Trade and Other Payables	4,020,083	4,817,206	4,481,671	4,006,000	5,213,008	1,207,008	23.2%
Income Recieved In Advance	-	31,100	78,623	166,464	-	(166,464)	
Current Provisions	3,304,748	2,988,271	3,050,919	3,223,648	3,166,656	(56,992)	(1.8%)
MoneyTech	1,268,623	819,141	1,333,299	1,354,933		(1,354,933)	
Finance Lease Borrowings	1,737,947	1,678,758	1,859,465	1,782,290	3,147,599	1,365,309	43.4%
Deferred Consideration (Earn Out Payable)	-	-	-	-		-	
Total Current Liabilities	10,331,400	10,334,476	10,803,976	10,533,335	11,527,263	993,928	8.6%
Non-Current Liabilities							
Total Non-Current Liabilities	1,873,448	1,770,870	1,754,555	1,774,981	2,415,971	640,990	26.5%
Total Liabilities	12,204,848	12,105,346	12,558,531	12,308,316	13,943,234	1,634,918	12.0%
Net Assets	15,115,386	14,914,416	14,809,852	14,279,791	15,583,023	(1,303,232)	0.3%
Equity							
Issued Capital	25,949,374	25,949,374	25,831,374	25,831,374	25,945,372	(113,998)	(0.4%)
Other Reserves	(8,059,629)	(8,052,615)	(262,505)	(264,718)	290,655	(555,373)	(191.1%)
Retained Earnings	(2,774,359)	(2,982,343)	(10,759,017)	(11,286,865)	(10,653,005)	(633,859)	(6.0%)
Total Equity	15,115,386	14,914,416	14,809,852	14,279,791	15,583,023	(1,303,230)	(8.4%)

Notes:

- Cash minus MoneyTech bal.Qtr 1 (\$10k)
- Restructure payment made Qtr 1 \$240k
- Debtor Days avg 28
- Creditor Days avg 36