

ASX Announcement

Field Solutions Holdings Limited (ASX: FSG)
ASX Limited
Company Announcements Office
29 October 2021

FSG acquires TasmaNet Pty Ltd – Key Transaction Terms

TasmaNet is a provider of premium digital solutions, specialising in business & Government. It has been operating since 2004 and has grown to become a leader in digital innovation.

TasmaNet built and operates a wireless data network covering most of the Tasmanian population and some of the most remote parts of the state. Along with its own premium network, it also offers enterprise-grade nbn™ broadband throughout Australia and were the first RSP in the country to deliver Enterprise Ethernet services on the day it went live and quickly demonstrated that Enterprise Ethernet is a product that can appeal to SME and mid-market customers. TasmaNet has three secure private cloud nodes spread across the country, which allows customers to procure and manage virtual compute and storage infrastructure and resources via its self-service customer portals.

TasmaNet trades as Vastnet and Netmode in QLD and NSW and is an approved supplier to the Tasmanian, New South Wales and Federal Government technology procurement panels.

TasmaNet has a strong track record in creating and maintaining solutions for customers, and the 100% Australian based service and solutions desk gives customers the support they need to enable their business to grow through reliable, secure and scalable technology.

TasmaNet has continually demonstrated strong organic growth and has been built to scale as a truly national service provider. It's people, systems and processes will be used to facilitate the delivery of the exponential amount of growth that Field Solutions Group is excited to deliver upon in the coming months and years.

The following are the key terms of the payment of the consideration under the Share Sale Agreement (**SSA**):

- a) Upfront consideration of \$12M net payable in either FSG shares or cash (**Upfront Consideration**) subject to shareholder approval;
- b) Deferred consideration of \$3M comprising (**Deferred Consideration**):
 - i. Up to \$2m by way of an earn out tied to Revenue of for the financial year ended 30 June 2022; and
 - ii. \$1M retention amount in respect of any warranty claims, each payable in either FSG Shares issued from FSG's placement capacity or cash;
- c) FSG Shares to be issued in satisfaction of Upfront Consideration and Deferred Consideration will be at \$0.19 per share being the 30 day volume weighted average price of FSG as at the close of trade on 27 October 2021;
- d) Vendors are to elect to receive the Upfront Consideration and Deferred Consideration in either FSG shares or cash prior to completion;
- e) Vendors comprising \$10,308,526.03 of the Upfront and Deferred Completion have elected (**Existing Elections**) to receive the following:

Consideration	Shares	Value of Shares	Cash
Upfront Consideration	37,253,558	\$7,078,176.02	\$1,168,644.81
Deferred Consideration	9,304,946	\$1,767,939.82	\$292,161.20
Total	46,566,947	\$8,847,720.02	\$1,460,806.01

- f) The balance of Vendors comprising retail investors will be offered by way of transaction specific Prospectus to elect either to receive FSG Shares or cash (**Vendor Offers**);
- g) If all Vendors elected under the Vendor Offers elected to receive FSG shares then a further 24,619,968 FSG shares would be issued; and
- h) Including Existing Elections, the maximum number of FSG shares issued in connection with the Transaction would be 71,258,916 comprising \$13,539,194 of the Upfront and Deferred Consideration.

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Other material terms of the SSA are as follows:

- a) Conditions precedent to the transaction include:
 - i. Consent to change of control of material contracts;
 - ii. Shareholder approval to be obtained at then upcoming FSG annual general meeting to issue the Upfront Consideration Shares pursuant to ASX Listing Rule 7.1;
 - iii. FSG issuing a transaction specific Prospectus to the Vendors to receive the Upfront Consideration and Deferred Consideration in FSG shares pursuant to the Existing Elections and Vendor Offers;
 - iv. Vendor shareholders representing 75% of the share capital of the Company who have executed the SSA providing a drag along notice to all other Vendor shareholders; and
 - v. Each other Shareholder who has not executed the SSA acceding to the terms of the SSA;
- b) Conditions precedent anticipated to be satisfied by 17 December 2021 but by no later than 31 January 2022;
- c) No material adverse effect to TasmaNet prior to completion;
- d) A net asset adjustment to reflect the Upfront and Deferred Consideration is on the basis of a cash free debt transaction; and
- e) Customary warranties and indemnities which to the extent a claim arises FSG is entitled to set off against the Deferred Consideration.

Effects on Share Capital

Following the issue of Completion Consideration Shares and Deferred Completion shares based on the Existing Elections and on the basis all Vendors under the Vendor Offers accept shares the share capital of FSG will be as follows:

Shares currently on Issue	681,031,266
Maximum number of Completion Consideration shares	57,007,133
Maximum number of Deferred Consideration shares	14,251,783
Shares on issue following Transaction	752,290,182

Key Dates

Event	Date
Announcement of Transaction	29 October 2021
Lodgement of Notice of Meeting	16 November 2021
Lodgement of Prospectus for Vendor Share Offers	
Lodgement of Appendix 3B	
Vendor Share Offer Open	18 November 2021
Vendor Share Offer Close	16 December 2021
Annual General Meeting	17 December 2021
Anticipated date of satisfaction of Conditions Precedent	
Completion of Transaction	20 December 2021
Issue of Vendor Shares	
Determination of Deferred Consideration Shares	20 December 2022
Anticipated date for Issue of Deferred Consideration Shares	23 December 2022

(The timetable may be varied at the directors discretion)

This announcement is authorised for release to the market by the Board of Directors of Field Solutions Holdings Limited.

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About FSG

FSG provides, builds, and operates “true broadband networks” specifically for rural, regional, and remote Australia. FSG is a licensed Australian telecommunications carrier and a retail service provider (trading under the brands ‘JustISP,’ TasmaNet and Ant Communications), and a NBN Co Retail and Business Service Provider.

FSG Contact Details

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