

17 October 2023



Level 28
108 St Georges Terrace
PERTH WA 6000

ABN 98 103 348 947
ASX CNW

Court approves convening of Scheme Meeting & distribution of Scheme Booklet and Scheme Booklet registered with ASIC

Cirrus Networks Holdings Limited (ASX: CNW) (Cirrus) is pleased to provide the following update in relation to the proposed acquisition of Cirrus by Atturra Holdings Pty Ltd, a wholly owned subsidiary of Atturra Limited (ASX:ATA) by way of scheme of arrangement (Scheme), as announced to ASX on 11 and 15 September 2023.

Court approval to convene Scheme Meeting

The Supreme Court of New South Wales (Court) has today made orders approving:

- The convening of a meeting of Cirrus shareholders for the purposes of considering and voting on the proposed Scheme (Scheme Meeting); and
- The dispatch of an explanatory statement providing information about the Scheme and the Notice of Scheme Meeting (Scheme Booklet) to Cirrus shareholders.

Following today's Court hearing, the Scheme Booklet has been registered by the Australian Securities and Investments Commission (ASIC). A copy of the Scheme Booklet is attached to this announcement.

Scheme Meeting

The Scheme Meeting is scheduled to be held at 11.00am (Perth time) on Wednesday, 22 November 2023 in person at Palace Meeting Room, Ground Floor, 108 St Georges Terrace, Perth, Western Australia. Details of how to access and participate in the Scheme Meeting are contained in the Scheme Booklet.

Scheme Booklet

The Scheme Booklet includes a Notice of Meeting and an Independent Expert's Report from Lonergan Edwards & Associates Limited (Independent Expert). The Independent Expert has concluded that the Scheme is fair and reasonable and in the best interests of Cirrus shareholders in the absence of a Superior Proposal.

The Scheme Booklet will be dispatched to Cirrus Networks Shareholders on or around 20 October 2023. Cirrus shareholders who have elected to receive electronic communications will be sent an email containing instructions about how to view or download a copy of the Scheme Booklet, as well as instructions on how to lodge their proxies for the Scheme Meeting and lodge an election in relation to the Scheme consideration. Cirrus shareholders who have elected to receive communications via post will be sent a printed copy of the Scheme Booklet together with a personalised proxy form and Scheme consideration election form. All other Cirrus shareholders will be sent a letter with instructions about how to view or download a copy of the Scheme Booklet, together with a personalised proxy form and Scheme consideration election form. If a shareholder is an Unmarketable Parcel Shareholder (as defined in the Scheme Booklet), they will also be provided with information about how to opt in to receive scrip consideration.

Cirrus shareholders should read the Scheme Booklet in its entirety, before deciding whether to vote in favour of the Scheme.

ASX ANNOUNCEMENT

17 October 2023



Level 28
108 St Georges Terrace
PERTH WA 6000

ABN 98 103 348 947
ASX CNW

Cirrus Board of Directors Unanimously Recommend the Scheme

The Cirrus Board of Directors (who collectively hold approximately 8.95% of ordinary Cirrus shares on issue as at the date of this announcement, as set out in sections 1.5, 10.1 and 10.2 of the Scheme Booklet), unanimously recommend that Cirrus Networks Shareholders vote in favour of the Scheme in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude the Scheme is in the best interests of Cirrus Networks Shareholders.¹ Subject to those same qualifications, each Cirrus Networks Director, intends to vote in favour of the Scheme, for all Cirrus Networks Shares held or controlled by them.

Further information

If you have any questions in relation to the Scheme or the Scheme Booklet, please call the Shareholder Information Line on 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia) between 8.30am and 5.30pm (AEDT) Monday to Friday.

The Board of Directors at Cirrus has authorized the release of this announcement.

<i>Contact for further information</i>		
Chris McLaughlin Managing Director	Matt Green Chief Financial Officer	08 6180 4222 investor@cirrusnetworks.com.au cirrusnetworks.com.au

¹ You should note that when considering this recommendation that the directors hold the interests set out in Sections 1.5, 10.1 and 10.2 of the Scheme Booklet. In particular, if the Scheme is implemented, all Equity Incentives (including the Options and Performance Rights issued by Cirrus Networks) will be cancelled for a cancellation price of \$0.063 per Equity Incentive. As a result of such cancellation, Cirrus Networks Directors, would receive the following payments: \$39,000 to Adam Waterworth and \$130,000 to Christopher McLaughlin on account the Options that those directors hold, and \$221,700.91 to Christopher McLaughlin on account of the Performance Rights that he holds.

Cirrus Networks Holdings Limited

ACN 103 348 947



Scheme Booklet

For the recommended scheme of arrangement between Cirrus Networks Holdings Limited ACN 103 348 947 (**Cirrus Networks**) and its shareholders in relation to the proposed acquisition of all Cirrus Networks Shares by Atturra Holdings Pty Ltd ACN 132 368 104 (**BidCo**), a wholly owned subsidiary of Atturra Limited ACN 654 662 638 (ASX: ATA) (**Atturra**)

VOTE IN FAVOUR

Your Directors unanimously recommend that you vote in favour of the Scheme in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Cirrus Networks Shareholders

The Independent Expert has concluded that the Scheme is in the best interests of Cirrus Networks Shareholders, in the absence of a Superior Proposal

This is an important document and requires your immediate attention.

You should read it carefully and in full before deciding whether or not to vote in favour of the Scheme.

If you are in any doubt about how to deal with this document, you should contact your broker or financial, taxation, legal or other professional adviser immediately.

Cirrus Networks Financial Adviser

LatimerPartners

Cirrus Networks Legal Adviser

**CORRS
CHAMBERS
WESTGARTH**

Important notices

General

This Scheme Booklet is important and requires your immediate attention. You should read this Scheme Booklet carefully and in full before making a decision about how to vote at the Scheme Meeting.

Defined terms

A number of defined terms are used in this Scheme Booklet. These terms are explained in Section 11.

Nature of this document

The purpose of this Scheme Booklet is to explain the terms of the Transaction and the manner in which the Scheme will be considered and implemented (if approved) and to provide such information as is prescribed or otherwise material to the decision of Cirrus Networks Shareholders whether or not to approve the Scheme. This Scheme Booklet includes the Explanatory Statement required to be sent to Cirrus Networks Shareholders under Part 5.1 of the Corporations Act.

No investment advice

The information contained in this Scheme Booklet does not constitute financial product advice and has been prepared without reference to your own investment objectives, financial situation, taxation position and particular needs. It is important that you read this Scheme Booklet carefully and in its entirety before making any investment decision and any decision as to whether or not to vote in favour of the Scheme. If you are in any doubt in relation to these matters, you should consult your financial, legal, stockbroking, taxation or other professional adviser.

Not an offer

This Scheme Booklet does not constitute or contain an offer to Cirrus Networks Shareholders, or a solicitation of an offer from Cirrus Networks Shareholders, in any jurisdiction.

Foreign jurisdictions

The release, publication or distribution of this Scheme Booklet in jurisdictions other than Australia may be restricted by law or regulation in such other jurisdictions and persons outside of Australia who come into possession of this Scheme Booklet should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable laws or regulations.

This Scheme Booklet has been prepared in accordance with Australian law and the information contained in this Scheme Booklet may not be the same as that which would have been disclosed if this Scheme Booklet had been prepared in accordance with the laws and regulations outside Australia.

This Scheme Booklet is not a New Zealand disclosure document, and has not been registered, filed with or approved by any New Zealand Regulatory Authority with the Financial Markets Conduct Act 2013 or any other New Zealand law. The offer of New Atturra Shares under the Scheme is being made to existing Cirrus Networks Shareholders in reliance upon the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021 and, accordingly, this Scheme Booklet may not contain all the information that a disclosure document is required to contain under New Zealand law.

Scheme Shareholders that are Ineligible Foreign Shareholders will not be able to receive New Atturra Shares as part of their Scheme Consideration and will instead receive cash under the Sale Facility in respect of those New Atturra Shares that would otherwise have been issued to them.

Role of ASIC and ASX

This document is the explanatory statement for the scheme of arrangement between Cirrus Networks and the holders of its fully paid ordinary shares as at the Record Date for the purposes of section 412(1) of the Corporations Act. A copy of the proposed Scheme is included in this Scheme Booklet as Annexure C.

A copy of this Scheme Booklet has been registered with ASIC for the purposes of section 412(6) of the Corporations Act. ASIC has been given the opportunity to comment on this Scheme Booklet in accordance with section 411(2)(b) of the Corporations Act. Neither ASIC nor any of its officers takes any responsibility for the contents of this Scheme Booklet.

ASIC has been requested to provide a statement, in accordance with section 411(17)(b) of the Corporations Act, that ASIC has no objection to the Scheme. If ASIC provides that statement, it will be produced to the Court at the time of the Court hearing to approve the Scheme.

A copy of this Scheme Booklet has been provided to ASX. Neither ASX nor any of its officers takes any responsibility for the contents of this Scheme Booklet.

Notice of Scheme Meeting

The Notice of Meeting is set out in Annexure E.

Notice of Second Court Hearing

At the Second Court Hearing, the Court will consider whether to approve the Scheme following the vote at the Scheme Meeting.

Any Cirrus Networks Shareholder may appear at the Second Court Hearing, expected to be held at 11.00am (Sydney time) on Friday 24 November 2023 at the Supreme Court of New South Wales, 184 Phillip Street, Queens Square, Sydney NSW 2000.

Any Cirrus Networks Shareholder who wishes to oppose approval of the Scheme at the Second Court Hearing may do so by filing with the Court and serving on Cirrus Networks a notice of appearance in the prescribed form together with any affidavit that the Cirrus Networks Shareholder proposes to rely on.

Important notice associated with the Court order under section 411(1) of the Corporations Act

The fact that the Court has ordered under section 411(1) of the Corporations Act that the Scheme Meeting be convened and has directed that the Scheme Booklet accompany the Notice of Meeting does not mean that the Court:

- has formed any view as to the merits of the proposed Scheme nor as to how Cirrus Networks Shareholders should vote (on this matter Cirrus Networks Shareholders must reach their own decision);
- has prepared, or is responsible for, the content of the Scheme Booklet; or
- has approved or will approve the terms of the Scheme.

The order of the Court that the Scheme Meeting be convened is not, and should not be treated as, an endorsement by the Court of, or any other expression of opinion by the Court on, the Scheme.

Disclaimer as to forward-looking statements

This Scheme Booklet contains both historical and forward-looking statements. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements.

All forward-looking statements in this Scheme Booklet reflect views only as at the Last Practicable Date, and generally may be identified by the use of forward-looking words such as "believe", "aim", "expect", "anticipate", "intending", "foreseeing", "likely", "should", "planned", "may", "estimate", "potential", or other similar words. Similarly, statements that describe Cirrus Networks', BidCo's, or Atturra's objectives, plans, goals or expectations are or may be forward-looking statements.

The statements contained in this Scheme Booklet about the impact that the Scheme may have on the results of Cirrus Networks' or the Enlarged Group's operations and the

advantages and disadvantages anticipated to result from the Scheme, are also forward-looking statements.

These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to differ materially from the anticipated results, performance or achievements, expressed, projected or implied by these forward-looking statements.

The operations and financial performance of Cirrus Networks, Atturra and BidCo are subject to various risks, including those summarised in this Scheme Booklet, which may be beyond the control of Cirrus Networks, Atturra and BidCo. Cirrus Networks Shareholders should note that the historical financial performance of Cirrus Networks or the Atturra Group is no assurance of future financial performance of Cirrus Networks or the Enlarged Group (whether the Scheme is implemented or not). Those risks and uncertainties include factors and risks specific to the industry in which Cirrus Networks, BidCo and Atturra operate as well as general economic conditions, prevailing exchange rates and interest rates and conditions in the financial markets. As a result, the actual results of operations and earnings of Cirrus Networks following implementation of the Scheme, as well as the actual advantages of the Scheme, may differ significantly from those that are anticipated in respect of timing, amount or nature and may never be achieved.

The forward-looking statements included in this Scheme Booklet are made only as of the Last Practicable Date.

Any forward-looking statements included in the Cirrus Networks Information have been made on reasonable grounds. Although Cirrus Networks believes that the views reflected in any forward-looking statements included in the Cirrus Networks Information have been made on a reasonable basis, no assurance can be given that such views will prove to have been correct.

Any forward-looking statements included in the Atturra Information have been made on reasonable grounds. Although BidCo and Atturra believe that the views reflected in any forward-looking statements included in the Atturra Information have been made on a reasonable basis, no assurance can be given that such views will prove to have been correct.

None of Cirrus Networks, Atturra or BidCo or their respective officers or any persons named in this Scheme Booklet with their consent or any person involved in the preparation of this Scheme Booklet makes any representation or warranty (express or implied) as to the likelihood of fulfilment of any forward-looking statement, or any events or results expressed or implied in any forward-looking statement, except to the extent required by law. You are cautioned not to place undue reliance on any forward-looking statement.

All subsequent written and oral forward-looking statements attributable to Cirrus Networks, BidCo, Atturra or any person acting on their behalf are qualified by this cautionary statement.

Subject to any continuing obligations under relevant laws or the listing rules of a relevant exchange, Cirrus Networks, Atturra and BidCo do not give any undertaking to update or revise any such statements after the Last Practicable Date, to reflect any change in expectations in relation thereto or any change in events, conditions or circumstances on which any such statement is based.

You should review all of the information in this Scheme Booklet carefully. Section 1.2 sets out the reasons why you should vote in favour of the Scheme and Section 1.3 sets out the reasons why you may not wish to vote in favour of the Scheme.

Timetable and dates

All times and dates referred to in this Scheme Booklet are times and dates in Perth, Western Australia or Sydney, New South Wales as the context requires. In particular where a reference is to a time in respect of the Court, such reference will be in respect of Sydney, NSW time and where a reference to time is in respect of the Scheme Meeting, such reference will be in respect of Perth, Western Australia. All times and dates relating to the implementation of the Scheme referred to in this Scheme Booklet may change and, among

other things, are subject to any necessary approvals from Government Agencies.

Implied Value

As Cirrus Network Shareholders have the option to elect that all or a portion of their Scheme Consideration comprises New Atturra Shares, the value of that portion of the Scheme Consideration is not fixed and will vary with the market price of New Atturra Shares. This also applies to Ineligible Foreign Shareholders, whose Scheme Consideration, in part, may comprise New Atturra Shares, which will be remitted to the Sales Agent to sell on the Ineligible Foreign Shareholder's behalf. Any cash remitted to Ineligible Foreign Shareholders under the Sale Facility will depend on the market price of the Atturra Shares at the time of sale by the Sale Agent and will be less any applicable taxes, brokerage and other charges incurred by Atturra or the Sale Agent in connection with the sale.

Effect of rounding

A number of figures, amounts, percentages, prices, estimates, calculations of value and fractions in this Scheme Booklet, including in respect of the Scheme Consideration, are subject to the effect of rounding (unless otherwise stated).

Accordingly, the actual calculation of these figures may differ from the figures set out in this Scheme Booklet.

No website is part of this Scheme Booklet

Atturra and Cirrus Networks each maintain websites at <https://atturra.com/au-en/> and <https://cirrusnetworks.com.au/> respectively. Any references in this Scheme Booklet to those or other internet sites are for information purposes only and do not form part of this Scheme Booklet.

Responsibility statement

Cirrus Networks has been solely responsible for preparing the Cirrus Networks Information. BidCo and Atturra and their directors and officers do not assume any responsibility for the accuracy or completeness of any such Cirrus Networks Information.

BidCo and Atturra have been solely responsible for preparing the Atturra Information. The information concerning BidCo, Atturra and the intentions, views and opinions of BidCo and Atturra contained in this Scheme Booklet have been prepared by BidCo and Atturra and are the responsibility of BidCo and Atturra. Cirrus Networks and the Cirrus Networks Directors and officers do not assume any responsibility for the accuracy or completeness of any such Atturra Information.

Lonergan Edwards & Associates Limited has prepared the Independent Expert's Report in relation to the Scheme and takes responsibility for that report. The Independent Expert's Report is set out in Annexure B.

Automatic Pty Limited was not involved in the preparation of any part of this Scheme Booklet other than being named as the Share Registry. Automatic Pty Limited has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of this Scheme Booklet.

No consenting party has withdrawn their consent to be named before the date of this Scheme Booklet.

Privacy

Cirrus Networks, Atturra and BidCo may collect personal information in the process of implementing the Scheme. Such information may include the name, contact details and shareholdings of Cirrus Networks Shareholders and the name of persons appointed by those persons to act as a proxy, attorney or corporate representative at the Scheme Meeting. The primary purpose of the collection of personal information is to assist Cirrus Networks, Atturra and BidCo to conduct the Scheme Meeting, implement the Scheme, account to you for the Scheme Consideration and make payment of net sale proceeds to Ineligible Foreign Shareholders. Personal information of the type described above may be disclosed to the Share Registry and Atturra Registry, print and mail service providers, authorised securities brokers, Related Bodies Corporate of Cirrus Networks, Atturra and BidCo, and Cirrus Networks, Atturra and BidCo's advisers and service providers. Cirrus Networks Shareholders have certain rights to access personal information that has been collected. Cirrus Networks Shareholders should contact the Share Registry in

the first instance if they wish to access their personal information. Cirrus Networks Shareholders who appoint a named person to act as their proxy, attorney or corporate representative should ensure that they inform that person of these matters.

Date of this Scheme Booklet

This Scheme Booklet is dated 17 October 2023.

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Important dates for the Scheme

Execution of Scheme Implementation Deed	Sunday 10 September 2023
ASX Announcement of Scheme Implementation Deed	Monday 11 September 2023
ASX Announcement of increased consideration	Friday 15 September 2023
Date of this Scheme Booklet	Tuesday 17 October 2023
Latest time and date for receipt of Proxy Forms and powers of attorney for the Scheme Meeting	11.00am (Perth time), Monday 20 November 2023
Time and date for determining eligibility to vote at the Scheme Meeting	7.00pm (Sydney time), Monday 20 November 2023
Scheme Meeting to be held at Palace Meeting Room, Ground Floor, 108 St Georges Terrace, Perth, Western Australia	11.00am (Perth time), Wednesday 22 November 2023
If the Scheme is approved by the Requisite Majorities of Cirrus Networks Shareholders	
Second Court Date for approval of the Scheme	Friday 24 November 2023
Effective Date Court order lodged with ASIC and announcement to ASX Last day of trading in Cirrus Networks Shares (with Cirrus Networks Shares suspended from trading on ASX from close of trading)	Monday 27 November 2023
Record Date for determining entitlements to Scheme Consideration	7:00pm Sydney Time, Monday 4 December 2023
Implementation Date and provision of Scheme Consideration	Monday 11 December 2023

All dates following the date of the Scheme Meeting are indicative only and, among other things, are subject to all necessary approvals from the Court. Any changes to the above timetable (which may include an earlier or later date for the Second Court Hearing) will be announced through ASX and notified on Cirrus Networks Holdings' website at <https://cirrusnetworks.com.au/investor-information/>.

Cirrus Networks may vary the timetable detailed above subject to the approval of such variation by BidCo, the Court and ASIC where required.

All references to time in this Scheme Booklet are references to Perth, Western Australia time or Sydney, New South Wales time as the context requires. In particular where a reference is to a time in respect of the Court, such reference will be in respect of Sydney NSW time and where a reference to time is in respect of the Scheme Meeting, such reference will be in respect of Perth, Western

Australia time. Any obligation to do an act by a specified time in an Australian time zone must be done at the corresponding time in any other jurisdiction.

Cirrus Networks Shareholders who have elected to receive communications electronically will be sent an email which contains instructions about how to download a copy of this Scheme Booklet, and to lodge their proxy vote online. The Scheme Booklet will also be available for viewing and downloading on the Cirrus Networks website at <https://cirrusnetworks.com.au/investor-information/>.

Letter from the Chairman of Cirrus Networks

Dear fellow Cirrus Networks Shareholder

On behalf of the Cirrus Networks Board, I am pleased to present you with this Scheme Booklet for your consideration.

Background

On 11 September 2023, Cirrus Networks Holdings Limited announced that it had entered into a Scheme Implementation Deed with Atturra Holdings Pty Ltd ACN 132 368 104 (**BidCo**), a wholly owned subsidiary of Atturra Limited ACN 654 045 557 (**Atturra**), under which it is proposed that BidCo will acquire 100% of Cirrus Networks by way of a Scheme of Arrangement. On 15 September the parties entered into a deed of amendment and restatement in respect of the Scheme Implementation Deed due to BidCo increasing the Scheme Consideration it wished to pay to Cirrus Network Shareholders. The Scheme Implementation Deed was further amended and restated on 3 October 2023 to include a Sale Agent concept for Ineligible Foreign Shareholders (discussed at section 4.9).

This Scheme Booklet has been sent to you because you are being asked to vote on the Scheme.

Scheme Consideration

If the Scheme is approved and implemented, Cirrus Networks Shareholders will be given the opportunity to elect to receive:

- the **Default Consideration** – whereby the Cirrus Networks Shareholder elects to receive for each Cirrus Networks Share they hold:
 - a. \$0.0473 in cash; and
 - b. 0.0179 New Atturra Shares,
- the **Maximum Cash Consideration** – whereby the Cirrus Networks Shareholder elects to receive 100% cash for each Cirrus Networks Share (which equals (per Cirrus Networks Share) \$0.0473 plus the cash value of the 0.0179 New Atturra Shares (calculated by reference to the Atturra VWAP) and subject to customary scale back provisions, discussed at sections 4.4 and 4.5); or
- the **Maximum Share Consideration** – whereby the Cirrus Networks Shareholder elects to receive 100% of its consideration in New Atturra Shares (the number of New Atturra Shares to be issued per Cirrus Networks Share calculated as 0.0179 New Atturra Shares plus the number of New Atturra Shares that equals \$0.0473 divided by the Atturra VWAP (being 0.0536 New Atturra Shares)) and subject to customary scale back provisions, discussed at sections 4.4 and 4.5); or
- the **Split Consideration** – whereby the Cirrus Networks Shareholder elects to receive for each Cirrus Networks Share they hold:
 - a. \$0.0315 cash; and
 - b. 0.0357 New Atturra Shares,and subject to customary scale back provisions, discussed at sections 4.4 and 4.5.

The implied value of the Scheme Consideration, and the associated premium received by Cirrus Networks Shareholders who will receive Atturra Shares as part of their Scheme Consideration will shift with movements in the price of Atturra Shares up until the implementation of the Scheme, which will impact the actual value of the Scheme Consideration received. The table in Section 1.3(d) illustrates the Independent Expert's assessment of the range of implied value of the Scheme Consideration per Cirrus Networks Share under various election scenarios (assuming there is no scaleback under the scaleback mechanisms).

If a valid election is not made by a Cirrus Networks Shareholder (who is not a Relevant Unmarketable Parcel Shareholder) before 5.00pm (Perth time) on the Business Day prior to the Record Date or no election is made by a Cirrus Networks Shareholder (who is not a Relevant Unmarketable Parcel Shareholder), then that Cirrus Networks Shareholder will receive the Default Consideration.

If a Cirrus Network Shareholder is an Ineligible Foreign Shareholder it will not be entitled to receive New Atturra Shares. If an Ineligible Foreign Shareholder elects Scheme Consideration other than Maximum Cash Consideration or fails to make an election before 5.00pm (Perth time) on the Business Day prior to the Record Date, any New Atturra Shares it would otherwise be entitled to be issued will be issued to an ASIC approved nominee who will sell them on behalf of the Ineligible Foreign Shareholder and provide the Ineligible Foreign Shareholder with the net proceeds of the sale in accordance with subsection 619(3) of the Corporations Act. Please see Section 4.9 for further details.

If a Cirrus Networks Shareholder is an Unmarketable Parcel Shareholder as at the Record Date who does not give an Opt-in Notice before 5.00pm (Perth time) on the Business Day prior to the Record Date, such shareholder will receive the Maximum Cash Consideration for their Shares. Those Unmarketable Parcel Shareholders who duly complete an Opt-in Notice can elect to receive New Atturra Shares as part of their Scheme Consideration.

Your Directors believe that the Scheme provides an opportunity for Cirrus Networks Shareholders to realise immediate and certain value for their Cirrus Networks Shares. Cirrus Networks Shareholders holding Cirrus Networks Shares on the Record Date (**Scheme Shareholders**) will receive the Scheme Consideration, which represents a 53.7% premium to the last closing price of Cirrus Networks Shares on 8 September 2023 (being the last trading day prior to the announcement of the Scheme) and a 49.2% premium to the 30-day VWAP of Cirrus Networks Shares to 8 September 2023.

The Scheme Consideration values Cirrus Networks' equity at \$58.6 million¹ and an FY23 Adjusted EBITDA multiple of 11.1x on a pre-AASB 16 basis (9.3x on a post-AASB 16 basis) based on the revised offer price of 6.3 cents and implied enterprise value of \$44.7m.²

The inclusion of Share Consideration allows Scheme Shareholders (other than Ineligible Shareholders and those that elect the Maximum Cash Consideration) to benefit from any increase in the value of Atturra over time. The combination of Cirrus Networks and Atturra is expected to create value through synergies and through Atturra becoming a larger and more competitive business.

The Scheme can only proceed if, among other conditions, it receives approval by the Requisite Majorities of Cirrus Networks Shareholders, as well as Court approvals. Details regarding the Conditions Precedent to the Scheme are set out in Section 10.4(a).

Cirrus Networks Directors' Recommendation

Your Directors unanimously recommend that Cirrus Networks Shareholders vote in favour of the Scheme in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude the Scheme is in the best interests of Cirrus Networks Shareholders.³

Subject to those same qualifications, **each Cirrus Networks Director, intends to vote in favour of the Scheme, for all Cirrus Networks Shares held or controlled by them.** Cirrus Networks Directors collectively hold or control approximately 8.95% of Cirrus Networks Shares as at the date of this Scheme Booklet.

In reaching their recommendation, the Cirrus Networks Board, together with Cirrus Networks' advisers conducted a comprehensive evaluation of the proposal from the Atturra Group as well as the

¹ Equity offer value assuming total ordinary shares on issue of 930.0m at the Scheme Consideration price of up to \$0.063 per share. Cirrus performance rights and options will be cancelled for consideration prior to the Scheme being implemented leveraging existing Cirrus cash.

² Assuming Equity Value of \$58.6m (at 930.0m current shares on issue) and Net Cash of \$13.9m as at 30 June 2023 divided by FY23 Pre-AASB 16 adjusted EBITDA of \$4.0m and \$4.8m on a post-AASB 16 basis (excluding the impact of share based payments, one-off corporate transaction fees and restructure and redundancy costs). Adjusted EBITDA is a financial measure which is not prescribed by the Australian Accounting Standards (AASBs).

³ You should note that when considering this recommendation that the directors hold the interests set out in Sections 1.5, 10.1 and 10.2. In particular, if the Scheme is implemented, all Equity Incentives (including the Options and Performance Rights issued by Cirrus Networks) will be cancelled for a cancellation price of \$0.063 per Equity Incentive. As a result of such cancellation, Cirrus Networks Directors, would receive the following payments: \$39,000 to Adam Waterworth and \$130,000 to Christopher McLaughlin on account the Options that those directors hold, and \$221,700.91 to Christopher McLaughlin on account of the Performance Rights that he holds.

alternative options available to Cirrus Networks, including maintaining the status quo and pursuing other potential transactions.

Your Directors believe that the Scheme represents the most attractive and certain option for Cirrus Networks Shareholders to realise value for their Cirrus Networks Shares.

Your Directors have formed the view that the Scheme is in the best interests of Cirrus Networks Shareholders for the following reasons:

- the Scheme Consideration represents a significant premium to Cirrus Networks' recent historical trading prices on ASX and an attractive multiple of EBITDA and liquidity option for Cirrus Networks Shareholders;
- the Scheme Consideration provides you with both the certainty of value for your investment in Cirrus Networks and a chance to share in the upside of the Enlarged Group post completion. If the Scheme proceeds, you will receive the Scheme Consideration on the Implementation Date and will have a reduced exposure to risks associated with Cirrus Networks' business;
- the Scheme removes a number of risks and uncertainties of remaining a Cirrus Networks Shareholder, including but not limited to the need for Cirrus Networks to call on additional capital to fund its growth, corporate overheads and general working capital requirements;
- no Superior Proposal has emerged as at the date of this Scheme Booklet. Additionally, as at the date of this booklet, Cirrus Networks' Directors are not aware of any Superior Proposal that is likely to emerge; and
- the Independent Expert has concluded that the Scheme is in the best interests of Cirrus Networks Shareholders, in the absence of a Superior Proposal.

In forming their view that the Scheme is in the best interests of Cirrus Networks Shareholders, Your Directors carefully assessed the general risks of the markets in which Cirrus Networks operates as well as the risks specific to Cirrus Networks if it were to continue as an independent entity. If the Scheme becomes Effective, Cirrus Networks Shareholders will receive value for their Cirrus Networks Shares and it reduces the uncertainties and risks that will arise if Cirrus Networks is to continue as an independent entity.

The interests of Cirrus Networks Directors are disclosed in Sections 1.5, 10.1 and 10.2. Cirrus Networks Shareholders should have regard to these interests when considering how to vote on the Scheme.

Independent Expert

Cirrus Networks appointed Lonergan Edwards & Associates Limited (ABN 53 095 445 560) as the Independent Expert to assess the merits of the Scheme.

The Independent Expert has concluded that the Scheme is in the best interests of Cirrus Networks Shareholders, in the absence of a Superior Proposal.

The Independent Expert has concluded that the Scheme Consideration exceeds its assessed valuation range of \$0.054 and \$0.059 per Cirrus Networks Share on a controlling interest basis.

A copy of the Independent Expert's Report is included in Annexure B.

If you wish the Scheme to proceed, it is important that you vote in favour of the Scheme.

If the Scheme is not implemented and no Superior Proposal emerges, Cirrus Networks will continue as an independent entity listed on ASX and Cirrus Networks Shareholders will not receive the Scheme Consideration.

If a Competing Transaction is received by Cirrus Networks, the Cirrus Networks Board will follow the procedures set out in Section 10.4(c) in considering and responding to the Competing Transaction, which includes a matching right process in favour of BidCo.

How to vote

The Scheme can only be implemented if approved by Cirrus Networks Shareholders at the Scheme Meeting which is scheduled for 11:00am (Perth time) on 22 November 2023 at Palace Meeting Room, Ground Floor, 108 St Georges Terrace, Perth, Western Australia. This requires more than 50% of shareholders present and voting (whether in person, by proxy, by attorney or by a corporate

representative), and at least 75% of votes cast at the Scheme Meeting, to be in favour of the Scheme. The Scheme also requires Court approval.

This Scheme Booklet sets out important information regarding the Scheme, including the reasons for Your Directors' recommendation and the Independent Expert's Report.

The reasons to vote in favour of the Scheme Resolution required to implement the Scheme are set out in detail in Section 1.2. There are also reasons why you may choose to vote against the Scheme Resolution required to implement the Scheme, which are set out in Section 1.3.

Your vote is important, and I encourage you to vote by attending the Scheme Meeting in person or alternatively by completing and ensuring the Proxy Form accompanying this Scheme Booklet is received by 11:00am (Perth time) on Monday, 20 November 2023.

The Scheme Booklet will be dispatched to Cirrus Networks Shareholders shortly after its release to ASX. Cirrus Networks shareholders who have elected to receive electronic communications will be sent an email containing instructions about how to view or download a copy of the Scheme Booklet, as well as instructions on how to lodge their proxies for the Scheme Meeting. Cirrus Networks Shareholders who have elected to receive communications via post will be sent a printed copy of the Scheme Booklet together with a personalised proxy form. All other Cirrus Networks shareholders will be sent a letter, together with a personalised proxy form, with instructions about how to view or download a copy of the Scheme Booklet.

Please refer to Section 3 for information setting out how to participate in and vote at the Scheme Meeting.

Further information

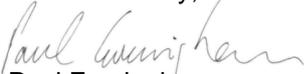
Please read this document carefully and in its entirety as it will assist you in making an informed decision on how to vote. I would also encourage you to seek independent financial, legal, stockbroking and taxation advice before making any investment decision in relation to your Cirrus Networks Shares.

If you require any further information about the Scheme or your Cirrus Networks shareholding, please call the Shareholder Information Line on 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia) between 8.30am and 5.30pm (AEDT) Monday to Friday.

If you are in any doubt as to what you should do, please consult your legal, financial, tax or other professional adviser without delay.

On behalf of the Cirrus Networks Board, I would like to take this opportunity to thank you for your continued support of Cirrus Networks and I look forward to your participation at the Scheme Meeting.

Yours sincerely,



Paul Everingham

Chairman

Cirrus Networks Limited

1 Key considerations relevant to your vote

1.1 General

The Scheme has a number of advantages and potential disadvantages that may affect Cirrus Networks Shareholders in different ways depending on their individual circumstances. Cirrus Networks Shareholders should seek professional advice on their particular circumstances.

Section 1.2 sets out the key reasons why the Cirrus Networks Board unanimously recommends⁴ Cirrus Networks Shareholders vote in favour of the Scheme. There are also reasons why Cirrus Networks Shareholders may not support the Scheme and may consider voting against the Scheme. These reasons are set out in Section 1.3. Other important considerations are set out in Sections 1.4 and 1.5.

You should read this Scheme Booklet carefully and in full, including the Independent Expert's Report, before deciding how to vote at the Scheme Meeting.

While the Cirrus Networks Directors acknowledge the reasons to vote against the Scheme, they believe the advantages of the Scheme outweigh the disadvantages.

In considering the potential reasons why you may consider voting against the Scheme, you should be aware that even if you vote against the Scheme, the Scheme may still be implemented if it is approved by the Requisite Majorities of Cirrus Networks Shareholders and by the Court. If this occurs, your Cirrus Networks Shares will be transferred to BidCo and you will receive the Scheme Consideration even though you voted against the Scheme.

1.2 Why Your Directors recommend that you vote in favour of the Scheme

Your Directors consider that the key reasons to vote in favour of the Scheme are as follows:

- (a) **The Cirrus Networks Directors unanimously recommend⁵ that you vote in FAVOUR of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Cirrus Networks Shareholders**

In reaching their recommendation, Your Directors have assessed the Scheme having regard to the reasons to vote in favour of, or against the Scheme, as set out in this Scheme Booklet. Your Directors believe the Scheme Consideration is compelling and provides Shareholders with certainty of value at an attractive price which may not be achieved if the Scheme does not proceed. The Cirrus Networks Board also considered a number of factors impacting Cirrus Networks' near and medium term outlook, including:

- general market conditions in the sectors in which Cirrus Networks operates;
- the current volatility of the technology sector stocks on the ASX, many of whom have suffered fluctuating share price pressure in recent times; and
- capital demands for the growth of Cirrus Networks' business and the fact that much of that capital demand would need to be sought through equity raisings which would be dilutive, particularly given Cirrus Networks' current share price.

By way of further background, earlier this year, Cirrus Networks was approached by a larger Australian IT company interested in potentially acquiring the company. After several weeks of confidential discussions, that company decided not to make an offer, and there was no further contact in the period up to 11 September 2023,

⁴ You should note that when considering this recommendation that the directors hold the interests set out in Sections 1.5, 10.1 and 10.2.

⁵ You should note that when considering this recommendation that the directors hold the interests set out in Sections 1.5, 10.1 and 10.2.

when Cirrus Networks announced entry into the Scheme Implementation Agreement with Atturra.

Concurrently with these confidential discussions Cirrus Networks' board engaged Latimer Partners to informally test interest in Cirrus Networks from a group of buyers perceived to be a good strategic fit and with the capacity to acquire Cirrus Networks at a material premium to the current share price. The board's reasons for taking this action included:

- To maximise a potential premium for shareholders by having multiple interested parties and not a single bidder, ahead of any potential bidder exclusivity period.
- Cirrus Networks' share price remained subdued over a long period despite significant company performance improvements. In the board's view, the share price did not reflect the company's fair value.
- Cirrus Networks' low share price potentially made it vulnerable to an opportunistic takeover offer.
- Cirrus Networks is sub-scale relative to many of its larger competitors, which often negatively impacts its ability to win new business and recruit and retain staff.

Several parties that were approached initially showed interest, but only Atturra submitted a non-binding indicative offer. The reasons provided by some of the other parties for their lack of interest in Cirrus Networks included:

- The proportion of Cirrus Networks' revenue from product sales (69.6%) was too high relative to the revenues generated from its services revenues (30.4%).
- Cirrus Networks' Gross Margin (14.2%) and EBITDA margin (4.3%) were too low.
- Acquiring a listed public company is too time-consuming and expensive and carries higher execution risk.

The Scheme Implementation Deed with Atturra followed approximately four weeks of negotiation and due diligence. During that period, the Cirrus Networks Board, in consultation with its advisers, carefully assessed the Atturra Group's proposal and concluded that it was in the best interests of Cirrus Networks to engage with the Atturra Group on its proposal and to provide the Atturra Group with access to due diligence on an exclusive basis. The key reasons for reaching this conclusion were (a) the compelling premium offered by Atturra, and (b) the fact that (assuming the Scheme proceeds) Cirrus Networks Shareholders will receive a certain value for their investment in Cirrus Networks.

Following the completion of due diligence and negotiation of detailed transaction terms, Cirrus Networks announced on 11 September 2023 that it had entered into a Scheme Implementation Deed with BidCo and Atturra under which Cirrus Networks agreed to put the Transaction to a vote of Cirrus Networks Shareholders at the Scheme Meeting.

After 11 September 2023 the Cirrus Networks Board received a non-binding confidential offer from the offeror described above and has granted it limited further due diligence. However, that process has not resulted in an offer that is considered by the Cirrus Networks Board and its advisers to be a Superior Proposal.

On 15 September 2023 the parties entered into a deed of amendment and restatement to increase the offer price under the Scheme and make minor non material changes to the Scheme Implementation Deed.

In the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Cirrus Networks

Shareholders, each Cirrus Networks Director intends to vote, or procure the voting of, all Cirrus Networks Shares held or controlled by them in favour of the Scheme.

Cirrus Networks Directors collectively hold or control approximately 8.95% of Cirrus Networks Shares as at the date of this Scheme Booklet as set out in Section 10.1. Cirrus Networks Shareholders should have regard to these interests when considering how to vote on the Scheme.

The Scheme is also supported by the major shareholders of Cirrus Networks, specifically Microequities Assets Management Pty Limited, who has advised Cirrus Networks it intends⁶ to vote all Cirrus Networks shares currently held or controlled by that entity (in aggregate approximately 16.43% of Cirrus Networks Shares) in support of the Scheme and has signed a voting intention statement with Cirrus Networks.

(b) **The Independent Expert has concluded that the Scheme is in the best interests of Cirrus Networks Shareholders, in the absence of a Superior Proposal**

The Independent Expert has analysed Cirrus Networks' business and, in light of this analysis, the Independent Expert has concluded that the Scheme is in the best interests of Cirrus Networks Shareholders, in the absence of a Superior Proposal.

The Independent Expert has assessed the full underlying value of Cirrus Networks at between \$0.054 and \$0.059 per Cirrus Networks Share on a controlling interest basis. The Scheme Consideration is greater than the valuation range assessed by the Independent Expert.

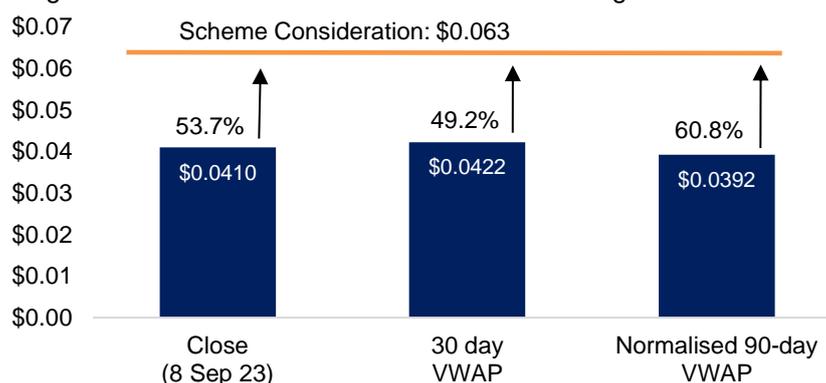
The reasons why the Independent Expert reached these conclusions are set out in the Independent Expert's Report, a copy of which is included in Annexure B. The Cirrus Networks Directors encourage you to read the Independent Expert's Report in its entirety.

⁶ in the absence of a superior proposal and subject to the Independent Expert concluding and continuing to conclude that the Scheme is in the best interests of Cirrus Networks Shareholders.

(c) **The Scheme Consideration represents a compelling premium to historical trading prices of Cirrus Networks Shares**

The Scheme Consideration of up to \$0.063⁷ per Cirrus Networks Share represents:

- A premium of 53.7% to the last closing price of Cirrus Networks shares of 4.1 cents on 8 September 2023 (being the last trading day prior to the announcement of the Scheme);
- A premium of 49.2% to the 30-day VWAP of Cirrus Networks Shares to 8 September 2023;
- A premium of 60.8% over the normalised 90-day VWAP of Cirrus Networks Shares to 8 September 2023 of 3.9 cents, excluding trading on 13 July 2023 being the date that Cirrus Networks announced its agreement with Nvidia.⁸



Source: S&P Capital IQ data for 12-months ending 8 September 2023.

The Scheme Consideration values Cirrus Networks' equity at \$58.6 million⁹ and an FY23 Adjusted EBITDA multiple of 11.1x on a pre-AASB 16 basis (9.3x on a post-AASB 16 basis) based on the offer price of 6.3 cents and implied enterprise value of \$44.7m.¹⁰

The inclusion of Share Consideration allows Cirrus Networks shareholders to benefit from any increase in the value of Atturra over time. The combination of Cirrus Networks and Atturra should create value through synergies and through Atturra becoming a larger and more competitive business.

(d) **Scheme Shareholders can choose from a selection of combinations of Cash Consideration and Share Consideration in order to best meet the needs of their individual circumstances**

Cirrus Networks Shareholders will be given the opportunity to elect to receive:

- the **Default Consideration** – whereby the Cirrus Networks Shareholder elects to receive for each Cirrus Networks Share they hold:
 - a. \$0.0473 in cash; and

⁷ The table in Section 1.3(d) illustrates the Independent Expert's assessment of the range of implied value of the Scheme Consideration per Cirrus Networks Share under various election scenarios (assuming there is no scaleback under the scaleback mechanisms).

⁸ Based on the normalised volume weighted average price (VWAP), which excludes the 45m shares that traded at up to 5.9 cents on 13 July 2023 (the date its collaboration agreement with Nvidia was announced). On the next trading day, and following the release of a Clarification Announcement, the share price closed at 4.1 cents.

⁹ Equity offer value assuming total ordinary shares on issue of 930.0m at the Scheme Consideration price of up to \$0.063 per share. Cirrus Networks performance rights and options will be cancelled for consideration prior to the Scheme being implemented leveraging existing Cirrus Networks cash.

¹⁰ Assuming Equity Value of \$ 58.6m (at 930.0m current shares on issue) and Net Cast of \$13.9m as at 30 June 2023 divided by FY23 Pre-AASB 16 adjusted EBITDA of \$4.0m and \$4.8m on a post-AASB 16 basis (excluding the impact of share based payments, one-off corporate transaction fees and restructure and redundancy costs). Adjusted EBITDA is a financial measure which is not prescribed by the Australian Accounting Standards (AASBs).

- b. 0.0179 New Atturra Shares,
- the **Maximum Cash Consideration** – whereby the Cirrus Networks Shareholder elects to receive 100% cash for each Cirrus Networks Share (which equals (per Cirrus Networks Share) \$0.0473 plus the cash value of the 0.0179 New Atturra Shares (calculated by reference to the Atturra VWAP) and subject to customary scale back provisions, discussed at sections 4.4 and 4.5); or
- the **Maximum Share Consideration** – whereby the Cirrus Networks Shareholder elects to receive 100% of its consideration in New Atturra Shares (the number of New Atturra Shares to be issued per Cirrus Networks Share calculated as 0.0179 New Atturra Shares plus the number of New Atturra Shares that equals \$0.0473 divided by the Atturra VWAP (being 0.0536 New Atturra Shares) and subject to customary scale back provisions, discussed at sections 4.4 and 4.5); or
- the **Split Consideration** – whereby the Cirrus Networks Shareholder elects to receive for each Cirrus Networks Share they hold:
 - a. \$0.0315 cash; and
 - b. 0.0357 New Atturra Shares,
 and subject to customary scale back provisions, discussed at sections 4.4 and 4.5,
 (as applicable, **Scheme Consideration**).

The table in Section 1.3(d) illustrates the Independent Expert's assessment of the range of implied value of the Scheme Consideration per Cirrus Networks Share under various election scenarios (assuming there is no scaleback under the scaleback mechanisms).

If a valid election is not made by a Cirrus Networks Shareholder before 5.00pm (Perth time) on the Business Day prior to the Record Date (who is not a Relevant Unmarketable Parcel Shareholder) or no election is made by a Cirrus Networks Shareholder (who is not a Relevant Unmarketable Parcel Shareholder), then that Cirrus Networks Shareholder will receive the Default Consideration without scale back.

If a Cirrus Network Shareholder is an Ineligible Foreign Shareholder it will not be entitled to receive New Atturra Shares. If an Ineligible Foreign Shareholder elects Scheme Consideration other than Maximum Cash Consideration or fails to make an election before 5.00pm (Perth time) on the Business Day prior to the Record Date, any New Atturra Shares it would otherwise be entitled to be issued will be issued to an ASIC approved nominee who will sell them on behalf of the Ineligible Foreign Shareholder and provide the Ineligible Foreign Shareholder with the net proceeds of the sale in accordance with subsection 619(3) of the Corporations Act. Please see Section 4.9 for further details.

If a Cirrus Networks Shareholder is an Unmarketable Parcel Shareholder as at the Record Date who does not give an Opt-in Notice before 5.00pm (Perth time) on the Business Day prior to the Record Date, such shareholder will receive the Maximum Cash Consideration for their Shares. Those Unmarketable Parcel Shareholders who duly complete an Opt-in Notice can elect to receive New Atturra Shares as part of their Scheme Consideration.

Scheme Shareholders have the choice to exit all or part of their investment in Cirrus Networks and may choose the level of exposure to the Enlarged Group that best suits their individual circumstances. See the sections below in respect of the advantages to receiving the Cash Consideration and Share Consideration.

Both the value of the Cash Consideration and the Share Consideration are expected to deliver a significant premium to Cirrus Networks historic share price.

(e) **Scheme Shareholders who elect to receive the Cash Consideration can realise up to 100% of their investment in Cirrus Networks as cash at a price which is a significant premium to Cirrus Networks historic share price**

Scheme Shareholders can elect to receive 100% cash for each Scheme Share, which equals (per Scheme Share) \$0.0473 plus the cash value of the 0.0179 New Atturra Shares (calculated by reference to the Atturra VWAP, being 88.15 cents per New Atturra Share) and subject to customary scale back provisions, discussed at sections 4.4 and 4.5.

The Cash Consideration provides certainty of value and liquidity for Cirrus Networks Shareholders.

In contrast, if the Scheme does not proceed, the amount which Cirrus Networks Shareholders will be able to realise for their Cirrus Networks Shares in terms of price will be uncertain and subject to a number of risks, including those outlined in Section 8.

(f) **The value of Share Consideration is expected to deliver a significant premium to Cirrus Networks historical share price**

The number of New Atturra Shares to be issued to Scheme Shareholders who elect to receive Share Consideration are valued at the Atturra VWAP of 88.15 cents per New Atturra Share (being based on Atturra's 30-day VWAP to 8 September 2023).

The structure of the Scheme Consideration provides an opportunity for Scheme Shareholders (other than Ineligible Shareholders) to share in any future upside and combination benefits with Atturra. Receiving New Atturra Shares will provide Scheme Shareholders with ongoing exposure to Cirrus Networks business as well as to the business of the Enlarged Group, which will provide diversification of revenue.

The benefits of the Scheme include:

- an opportunity to enhance the value proposition for customers of both businesses, by delivering a greater range of product offerings for existing and new customers and delivering future revenue opportunities;
- exposure to a larger and diversified company which has approximately \$290m in pro-forma FY23 revenue and \$21.5m in pro-forma FY23 EBITDA, with a strong growth profile and additional synergy opportunities;
- additional scale in managed services with increased recurring revenue;
- potential for complementary and scale-enhancing geographic presence in key sovereign locations;
- a broadened and deepened customer base with strategic partnerships and major vendor relationships to unlock incremental growth opportunities; and
- increased market capitalisation which may lead to increased liquidity in the shares of the Enlarged Group.

(g) **No Superior Proposal has emerged as at the date of this Scheme Booklet**

Since the proposed Scheme was announced and up until the date of this Scheme Booklet, no Superior Proposal has emerged. The Cirrus Networks Board is not aware, as at the date of this Scheme Booklet, of any Superior Proposal that is likely to emerge.

Given the time elapsed since the Transaction was announced, Cirrus Networks Shareholders should consider whether a Superior Proposal is likely to arise in the circumstances.

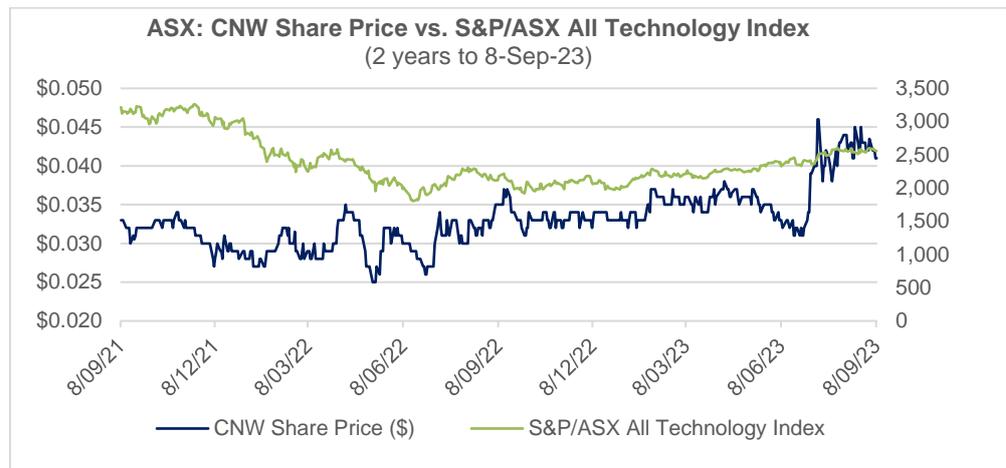
If a Superior Proposal is received, this will be announced to ASX, and the Cirrus Networks Directors will carefully consider the proposal and advise Cirrus Networks Shareholders of their recommendation. The Scheme Implementation Deed

contains customary provisions that regulate the way in which Cirrus Networks can respond to or announce Competing Transactions, details of which are summarised in Section 10.4(c).

(h) **The Cirrus Networks Share price will continue to be subject to market volatility and may fall if the Scheme is not implemented and in the absence of a Superior Proposal**

The Cirrus Networks Share price will continue to be subject to market volatility and may fall in the short term if the Scheme is not implemented and in the absence of a Superior Proposal.

The Scheme Consideration of up to \$0.063 per Cirrus Networks Share is higher than the Cirrus Networks closing share price at any time in the 12-month period ending 8 September 2023 (the highest price being \$0.046 on 13 July 2023 being the date that Cirrus Networks announced its agreement with Nvidia).



Source: S&P Capital IQ data for 2 years ending 8 September 2023.

(i) **Brokerage charges will not apply to the transfer of your Cirrus Networks Shares**

You will not incur any brokerage charges on the transfer of your Cirrus Networks Shares to BidCo under the Scheme.

It is possible that brokerage charges (and, potentially GST on those charges) would be incurred if you dispose of your Cirrus Networks Shares other than under the Scheme.

1.3 Why you may not wish to vote in favour of the Scheme

Although the Scheme is recommended by Your Directors (in the absence of a Superior Proposal) and the Independent Expert has concluded that the Scheme is in the best interests of Cirrus Networks Shareholders (in the absence of a Superior Proposal), factors that may lead you to consider voting against the Scheme include the following:

(a) **You may disagree with the Cirrus Networks Directors' recommendation and the Independent Expert's conclusion and believe that the Scheme is not in your best interests**

Despite the unanimous recommendation¹¹ of the Cirrus Networks Directors to vote in favour of the Scheme and the conclusion of the Independent Expert that the Scheme is in the best interests of Cirrus Networks Shareholders, you may believe that the Scheme is not in your best interests.

¹¹ You should note that when considering this recommendation that the directors hold the interests set out in Sections 1.5, 10.1 and 10.2.

(b) **Scheme Shareholders who elect or receive 100% Cash Consideration will be subject to the following potential disadvantages**

Scheme Shareholders who elect or receive 100% Cash Consideration will not participate in any future potential capital growth and dividends from the Enlarged Group. Future participation in the Enlarged Group will require the purchase of shares which is likely to result in the incurrence of brokerage costs.

(c) **Scheme Shareholders who elect Share Consideration will be subject to the following potential disadvantages**

Scheme Shareholders who elect Share Consideration (other than Ineligible Shareholders) will hold a smaller share of a larger company.

The Scheme, if implemented, will result in Scheme Shareholders who elect to receive Share Consideration (other than Ineligible Shareholders) having smaller voting interests in Atturra than their current voting interests in Cirrus Networks.

Assuming 100% of the Maximum Share Consideration Pool is taken up, Scheme Shareholders would have a collective voting interest of 6.6% in Atturra.

In addition, if the Scheme is implemented, it would result in Scheme Shareholders having a reduced exposure to Cirrus Network's investments and an increased exposure to Atturra's investments. Further information about Atturra is set out in Section 6.

Scheme Shareholders may be exposed to potential liquidity issues and price fluctuations within Atturra's stock with such a significant controlling shareholder.

Further risks associated with Atturra's business and stock are set out in Section 7.7.

(d) **For Cirrus Networks Shareholders receiving the Scheme Consideration in the form of New Atturra Shares, the value of the New Atturra Shares may rise or fall before the Implementation Date**

Cirrus Networks Shareholders are being offered the choice of receiving all or part of their Scheme Consideration in the form of Share Consideration. The value of Atturra Shares may fluctuate before the New Atturra Shares are issued on the Implementation Date.

The table below illustrates the Independent Expert's assessment of the range of the implied value of the Scheme Consideration per Cirrus Networks Share under various Election scenarios (assuming there is no scaleback under the scaleback mechanisms):

Value of Scheme Consideration per Cirrus Networks share	Low Cents per Cirrus Networks Share	High Cents per Cirrus Networks Share
Default Consideration (75% cash / 25% Atturra shares) ⁽¹⁾	6.20	6.31
Cash Consideration (100% cash)	6.30	6.30
Share Consideration (100% Atturra Shares) ⁽²⁾	5.86	6.29
Split Consideration (50% cash, 50% Atturra Shares) ⁽³⁾	6.08	6.29

Note:

- 1 Being cash consideration of 4.73 cents per Cirrus Networks Share plus 82 cents to 88 cents times the Default Consideration exchange ratio of 0.0179 Atturra Shares for each Cirrus Networks Share.
- 2 Being 82 cents to 88 cents times the Share Consideration exchange ratio of 0.0715 Atturra Shares for each Cirrus Networks Share.
- 3 Being Cash Consideration of 3.15 cents per Cirrus Networks Share plus 82 cents to 88 cents times the Split Consideration exchange ratio of 0.0357 Atturra Shares for each Cirrus Networks Share.

Atturra is not obliged to make any adjustment to the Scheme Consideration if the value of the Atturra Shares change before the implementation of the Scheme. Accordingly, market fluctuations could favourably or adversely affect the implied value of the Scheme Consideration at any particular time.

In comparison, Scheme Shareholders who elect to receive the Maximum Cash Consideration will receive a fixed amount of \$0.063 per Cirrus Networks Share that will not be subject to change (subject to scaleback mechanisms).

Therefore, in deciding whether to vote in favour of the Scheme and also in deciding which Scheme Consideration option to elect, Cirrus Networks shareholders should carefully consider the market price of Atturra Shares and the potential for that price to rise or fall before the New Atturra Shares are issued under the Scheme.

(e) **You may believe that it is in your interests to maintain your current investment and risk profile by retaining your investment in Cirrus Networks**

You may prefer to keep your Cirrus Networks Shares to preserve your investment in a listed company with the specific characteristics of Cirrus Networks.

You may consider that, despite the risk factors relevant to Cirrus Networks' potential future operations (including those set out in Section 5.6 and 8), Cirrus Networks may be able to return greater value from its assets by remaining a standalone entity or by seeking alternative corporate transactions in the future.

You may also consider that it would be difficult to identify or invest in alternative investments that have a similar investment profile to that of Cirrus Networks or incur transaction costs in undertaking any new investment.

(f) **You may believe that there is potential for a Superior Proposal to emerge**

It is possible that a more attractive proposal for Cirrus Networks Shareholders could materialise in the future, such as a takeover bid with a higher offer price than the Scheme Consideration. However, as at the Last Practicable Date, Your Directors have not received or become aware of any alternative proposal and have no basis for believing that an alternative proposal will be received.

The Scheme Implementation Deed prohibits Cirrus Networks from soliciting a Competing Transaction. However, Cirrus Networks is permitted to respond to any Competing Transaction should the Cirrus Networks Directors determine that failing to do so would likely constitute a breach of their fiduciary or statutory duties, and provided that BidCo's matching rights (discussed at Section 10.4(c)) are observed. Further details of the key terms of the Scheme Implementation Deed (including a summary of Cirrus Networks' obligations in relation to responding to a Competing Transaction) are provided in Section 10.4(c).

If a Competing Transaction (which may be a Superior Proposal) is received by Cirrus Networks, the Cirrus Networks Board will follow the procedures set out in Section 10.4(c) in considering (if required to discharge Your Directors' fiduciary obligations) and responding to the Competing Transaction.

(g) **The tax consequences of transferring your Cirrus Networks Shares pursuant to the Scheme may not be attractive to you**

If the Scheme is implemented, you may incur tax on the transfer of your Cirrus Networks Shares.

The tax consequences of the Scheme will depend on your personal situation. You may consider that the tax consequences of transferring your Cirrus Networks Shares to BidCo pursuant to the Scheme are not attractive to you.

Cirrus Networks Shareholders should read the tax implications of the Scheme outlined in Section 9. However, Section 9 is general in nature, and Cirrus

Networks Shareholders should consult with their own independent taxation advisers regarding the tax implications of the Scheme.

1.4 Other considerations relevant to your vote on the Scheme

You should also consider the following additional considerations in deciding whether to vote in favour of, or against, the Scheme.

(a) **The Scheme may proceed and apply to you even if you vote against it**

If the Scheme Resolution is passed by the Requisite Majorities and is approved by the Court and the Conditions Precedent are either satisfied or (if permitted) waived, the Scheme will be implemented irrespective of whether you do not vote or you vote against the Scheme Resolution at the Scheme Meeting.

If this occurs, any Cirrus Networks Shares you hold as at the Record Date will be transferred to BidCo and you will receive the Scheme Consideration.

(b) **If the Scheme does not proceed, Cirrus Networks Shareholders will not receive the Scheme Consideration**

If the Scheme is not approved or all outstanding Conditions Precedent are not satisfied or (if permitted) waived, the Scheme will not proceed. In that case, Cirrus Networks Shareholders will retain their Cirrus Networks Shares and not receive the Scheme Consideration. Cirrus Networks will then continue to operate as it does currently and Cirrus Networks Shares will remain listed on ASX.

If the Scheme is not implemented, the advantages of the Scheme described in Section 1.2 will not be realised.

(c) **Exclusivity and the effect on likelihood of Competing Transaction**

The Scheme Implementation Deed provides that Cirrus Networks is subject to certain exclusivity obligations and restrictions, including no shop, no talk and no due diligence restrictions, and notification obligations to BidCo in respect of Competing Transactions. It also provides that BidCo has a matching right in respect of Competing Transactions.

Cirrus Networks must not, directly or indirectly, solicit or encourage any Competing Transaction or any enquiries or discussions in relation to, or which may reasonably be expected to lead to, a Competing Transaction.

However, if the Cirrus Networks Board determines that complying with no talk and no due diligence restrictions would be likely to constitute a breach of the fiduciary or statutory duties owed by the Cirrus Networks Board, it need not do so, and in those circumstances Cirrus Networks would be permitted to respond to any Competing Transaction subject to compliance with BidCo's matching rights.

A Competing Transaction may also arise without the assistance or engagement of the Cirrus Networks Board.

Refer to Section 10.4(c) for further information on these arrangements.

(d) **Costs and Break Fee**

Cirrus Networks has already incurred, and will incur, significant costs in respect of the proposal to implement the Scheme. These costs include negotiation with Atturra Group, retention of advisers, provision of information to Atturra Group, facilitating Atturra Group's access to due diligence, engagement of the Independent Expert and the preparation of this Scheme Booklet.

If the Scheme is implemented, these costs will effectively be met by Atturra as the ultimate controller of Cirrus Networks following implementation of the Scheme. If the Scheme is implemented and if no Superior Proposal emerges, Cirrus Networks expects to incur total costs of approximately \$1,733,000 (including GST).

Under the Scheme Implementation Deed, the Cirrus Networks Break Fee of \$500,000 may become payable by Cirrus Networks to BidCo, in certain circumstances.

Failure by Cirrus Networks Shareholders to approve the Scheme at the Scheme Meeting will not trigger an obligation to pay the Cirrus Networks Break Fee. Further details of the circumstances in which the Cirrus Networks Break Fee may become payable to BidCo are in Section 10.4(e).

Under the Scheme Implementation Deed, the BidCo Break Fee of \$500,000 may become payable by BidCo to Cirrus Networks, in certain circumstances. Refer to Section 10.4(f) for a summary of when the BidCo Break Fee may become payable.

(e) **Warranties by Scheme Shareholders**

If the Scheme becomes Effective, each Scheme Shareholder is taken to have given certain warranties to BidCo, including that:

- all their Scheme Shares (including any rights and entitlements attaching to those Scheme Shares) are, at the time of transfer of them to BidCo in accordance with the Scheme, fully paid and free from various encumbrances and interests of third parties; and
- they have full power and capacity to transfer their Scheme Shares (including any rights and entitlements attaching to those Scheme Shares) to BidCo under the Scheme.

See Sections 4.14 and 10.4 for more details.

1.5 Important Information concerning Director Recommendations

Your Directors believe that the Scheme is in the best interests of Cirrus Networks Shareholders, and they unanimously recommend¹² that Cirrus Networks Shareholders vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Cirrus Networks Shareholders.

Your Directors have formed their conclusion and made their recommendation on the Scheme based on the reasons outlined in Section 1.2.

In relation to the recommendations of Your Directors, Cirrus Networks Shareholders should have regard to the following information:

Interests of Cirrus Networks Directors in Cirrus Networks Shares

As at the date of this Scheme Booklet, the number of Cirrus Networks Shares held by or on behalf of each of the Cirrus Network Directors is as follows:

Director	No. of Cirrus Networks Shares held
Paul Everingham	22,175,000
Adam Waterworth	51,897,452
Daniel Rohr	7,678,863
Christopher McLaughlin	1,449,426
TOTAL	83,200,741

Cirrus Networks Directors who hold Cirrus Networks Shares will be entitled to vote at the

¹² In relation to the unanimous recommendation of the Cirrus Networks Group Directors, refer to Section 1.5 for further details.

Scheme Meeting and, if the Transaction is implemented, will receive the Scheme Consideration for their Cirrus Networks Shares along with the other Scheme Shareholders.

Options

As at the date of this Scheme Booklet, the number of Options held by or on behalf of each of the Cirrus Network Directors is as follows:

Name	Number held	Issue Date	Expiry Date	Exercise Price (each)	Total cancellation fee (\$)
Paul Everingham	2,500,000	8/11/19	11/11/23	0.07/0.09	0
Adam Waterworth	3,000,000	29/11/22	30/9/26	0.045/0.050/0.055	39,000
Christopher McLaughlin	10,000,000	29/11/22	30/9/26	0.045/0.050/0.055	130,000

**Options do not attract dividends, voting rights or any capital distributions until exercised*

Performance Rights

As at the date of this Scheme Booklet, the number of Performance Rights held by or on behalf of each of the Cirrus Networks Directors is as follows:

Name	Number held	Grant date of Performance Rights	Expiry date of Performance Rights	Total cancellation fee (\$)
Christopher McLaughlin	3,519,062	29/11/22	30/9/25	221,700.91

If the Scheme is implemented, all Equity Incentives (including the Options and Performance Rights described in the above tables) will be cancelled for a cancellation price of \$0.063 per Equity Incentive, including those that have not yet vested on the basis that the Directors have determined in accordance with the terms of the Scheme Implementation Deed that such unvested Equity Incentives should be accelerated and cancelled prior to the Scheme being Implemented. The cancellation of the Equity Incentives is a Condition Precedent to the Scheme.

This means the Directors will receive the cash payments set out above as a result of the accelerated vesting and cancellation of their respective Equity Incentives.

Cirrus Networks Shareholders should be aware that the accelerated vesting and cancellation of the Equity Incentives, and the corresponding payments to the Directors, has no impact on the Scheme Consideration payable to Scheme Shareholders. The cancellation payment (which will be paid in cash) will be made on the Business Day immediately prior to the Record Date and is subject to the Scheme being approved and implemented.

The Cirrus Networks Board has determined that each Director holding Equity Interests can, and should, if they wish to do so, make a recommendation on the Scheme notwithstanding the nature of the additional benefit described above, which will be received by them if the Scheme is implemented.

Shareholders should have regard to the interests held by the Directors as set out above when considering their recommendation on the Scheme in respect of the Scheme Consideration, which appears throughout this Scheme Booklet.

The Directors consider that it is appropriate for them, notwithstanding the nature of the benefits described above which they will receive, to make a recommendation on the

Scheme in light of the importance of the Scheme and in assisting with the facilitation of the Transaction.

Further details of these Equity Incentives and their treatment if the Scheme becomes effective can be found in Section 10.2.

1.6 What are your options and what should you do?

You have the following four options in relation to your Cirrus Networks Shares. Cirrus Networks encourages you to consider your personal risk profile, portfolio strategy, tax position and financial circumstances and seek professional advice before making any decision in relation to your Cirrus Networks Shares.

(a) **Vote in favour of the Scheme at the Scheme Meeting**

Your Directors unanimously recommend¹³ that you vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Cirrus Networks Shareholders. The reasons for Your Directors' unanimous recommendation are set out in Section 1.2.

If you wish to support the Scheme, you can do so by voting in favour of the Scheme Resolution at the Scheme Meeting.

For directions on how to vote at the Scheme Meeting, and important voting information generally, please refer to Section 3. The Notice of Scheme Meeting is contained in Annexure E.

(b) **Vote against the Scheme at the Scheme Meeting**

If, despite Your Directors' unanimous recommendation and the conclusion of the Independent Expert, you do not support the Scheme, you may vote against the Scheme Resolution at the Scheme Meeting.

However, you should be aware that if:

- all of the Conditions Precedent to the Scheme are satisfied or (if permitted) waived;
- the Scheme is approved by the Requisite Majorities of Cirrus Networks Shareholders; and
- the Court approves the Scheme,

the Scheme will bind all Cirrus Networks Shareholders, including those who vote against the Scheme Resolution at the Scheme Meeting or those who do not vote at all.

For directions on how to vote at the Scheme Meeting, and important voting information generally, please refer to Section 3. The Notice of Scheme Meeting is contained in Annexure E.

(c) **Sell your Cirrus Networks Shares on ASX**

The Scheme does not preclude you from selling your Cirrus Networks Shares on market for cash, if you wish to do so, provided you do so before close of trading in Cirrus Networks Shares on ASX on the Effective Date when trading in Cirrus Networks Shares on ASX will end.

If you are considering selling your Cirrus Networks Shares on ASX you should have regard to the prevailing trading prices of Cirrus Networks Shares at that time.

If you sell your Cirrus Networks Shares on market for cash, you:

- will not be entitled to receive the Scheme Consideration;

¹³ In relation to the unanimous recommendation of the Cirrus Networks Group Directors, refer to Section 1.5 for further details.

- may incur a brokerage charge;
- may incur CGT; and
- will not be able to participate in a Superior Proposal, if one emerges, noting that, at the date of this Scheme Booklet, Cirrus Networks has not received any Competing Transactions.

(d) **Do nothing**

If, despite Your Directors' unanimous recommendation¹⁴ and the conclusion of the Independent Expert, you decide to do nothing, you should be aware that if:

- all of the Conditions Precedent to the Scheme are satisfied or (if permitted) waived;
- the Scheme is approved by the Requisite Majorities of Cirrus Networks Shareholders; and
- the Court approves the Scheme,

the Scheme will bind all Cirrus Networks Shareholders, including those who vote against the Scheme Resolution at the Scheme Meeting or those who do not vote at all.

Remember, if you want to receive the Scheme Consideration, your vote is important. If the Scheme is not approved by the Requisite Majority of Cirrus Networks Shareholders, you will not be entitled to receive any Scheme Consideration.

¹⁴ You should note that when considering this recommendation that the directors hold the interests set out in Sections 1.5, 10.1 and 10.2.

2 Frequently asked questions

Question	Answer	More information
Details of the Scheme		
What is the Scheme?	<p>The Scheme is a scheme of arrangement between Cirrus Networks and Cirrus Networks Shareholders at the Record Date. The Scheme will effect the acquisition of Cirrus Networks by BidCo.</p> <p>A scheme of arrangement is a statutory procedure that is commonly used to enable one company to acquire another company.</p> <p>If the Scheme is approved by the Requisite Majorities and implemented, Scheme Shareholders will receive the Scheme Consideration on the Implementation Date.</p>	Section 4 contains an overview of the Scheme and a copy of the Scheme is contained in Annexure C.
Why have I received this Scheme Booklet?	<p>This Scheme Booklet has been sent to you because you are a Cirrus Networks Shareholder and you are being asked to vote on the Scheme.</p> <p>This Scheme Booklet is intended to help you to consider and decide on how to vote on the Scheme at the Scheme Meeting.</p> <p>You should read this Scheme Booklet carefully and, if necessary, consult your legal, tax, financial or other independent professional adviser before voting on the Scheme Resolution.</p>	See Cover Page and Important Notices.
What will be the effect of the Scheme?	<p>If the Scheme is approved by the Requisite Majority of Cirrus Networks Shareholders and by the Court:</p> <ul style="list-style-type: none"> • all your Cirrus Networks Shares will be transferred to BidCo; • in exchange, you will receive the Scheme Consideration (as applicable based on your election or status as an Ineligible Shareholder) for each Cirrus Networks Share you hold as at the Record Date; and • Cirrus Networks will become a wholly owned Subsidiary of BidCo and will be removed from the official list of ASX. 	Section 4.2
Questions about BidCo and Atturra		
Who are BidCo and Atturra?	BidCo is an Australian proprietary company registered in New South Wales and is a wholly owned subsidiary of Atturra. Atturra is a provider of advisory and IT solutions,	Section 6.2.

Question	Answer	More information
	engaging over 800 consultants, information technology and support personnel in Adelaide, Sydney, Melbourne, Brisbane, Canberra, Perth, New Zealand, Hong Kong and Singapore.	
How is BidCo funding the Scheme Consideration?	BidCo will fund the Cash Consideration through a mixture of existing cash reserves and an existing available credit facility provided by Westpac Banking Corporation Limited (ACN 007 457 141).	Section 6.9.
What are BidCo's intentions regarding Cirrus Networks	<p>Following implementation of the Scheme, the current intention of BidCo is to continue to operate the day-to-day operations of Cirrus Networks' business largely in its current form with no material changes anticipated. Atturra will undertake a review of Cirrus Networks' existing operations, assets and structure to identify any areas where Cirrus Networks' business can be enhanced or improved with the support and resources of Atturra software or resources.</p> <p>The acquisition of Cirrus Networks reflects Atturra's continued commitment to generate value for its clients is highly attractive to existing Cirrus Networks Shareholders and employees and will cement the market leadership position of the combined entity in the industry in which Cirrus Networks operates</p> <p>Atturra believes that integrating Cirrus Networks is strategically compelling and will enable the Enlarged Group to benefit.</p>	Section 6.9.
Voting recommendations and considerations		
What do the Cirrus Networks Directors recommend and how do they intend to vote?	<p>Your Directors have carefully considered the advantages and disadvantages of the Scheme and unanimously recommend¹⁵ that you vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Cirrus Networks Shareholders.</p> <p>Your Directors intend to vote, or procure the voting, in favour of the Scheme with respect to any Cirrus Networks Shares controlled or held by, or on behalf of, them, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Cirrus Networks</p>	Section 1.2 provides a summary of some of the reasons why the Cirrus Networks Board considers that Cirrus Networks Shareholders should vote in favour of the Scheme.

¹⁵ You should note that when considering this recommendation that the directors hold the interests set out in Sections 1.5, 10.1 and 10.2.

Question	Answer	More information
	<p>Shareholders.</p> <p>Cirrus Networks Directors collectively hold or control approximately 8.95% of Cirrus Networks Shares as at the date of this Scheme Booklet. Cirrus Networks Shareholders should have regard to these interests when considering how to vote on the Scheme.</p>	<p>Section 10.1 sets out the interests of Cirrus Networks Directors in Cirrus Networks.</p>
<p>What benefits will the Directors receive if the Scheme is Implemented?</p>	<p>In relation to the recommendation of the Directors, Cirrus Networks Shareholders should have regard to the interests held by the Directors in Cirrus Networks Holdings. Such interests include, holding Cirrus Networks Shares and Equity Interests some of which will be subject to accelerated vesting resulting in the Directors receiving a benefit under the Scheme which they would not otherwise have been entitled to at this point in time. Please see Sections 1.5, 10.1, 10.2 and 10.2 for more information.</p> <p>For the reasons set out in Section 1.5, each Director holding an interest in Cirrus Networks, considers that, despite these arrangements, it is appropriate for them to make a recommendation in relation to the Scheme.</p> <p>Cirrus Networks Shareholders should have regard to these arrangements when considering the recommendation of the Directors in relation to the Scheme.</p>	<p>Sections 1.5 and 10.2.</p>
<p>What is the opinion of the Independent Expert?</p>	<p>The Independent Expert has concluded that the Scheme is in the best interests of Cirrus Networks Shareholders, in the absence of a Superior Proposal.</p> <p>The Independent Expert estimated the fair value of a Cirrus Networks Share to be between \$0.054 and \$0.059 per Cirrus Networks Share on a controlling interest basis.</p>	<p>A copy of the Independent Expert's Report is contained in Annexure B.</p>
<p>What if the Independent Expert changes its opinion?</p>	<p>If the Independent Expert changes its opinion, this will be announced to ASX. In such circumstances, the Cirrus Networks Board will consider the Independent Expert's revised opinion and advise Cirrus Networks Shareholders of its recommendation.</p> <p>The Cirrus Networks Board may change, qualify or withdraw their recommendation that Cirrus Networks Shareholders vote in favour of the Scheme without paying the Cirrus Networks Break Fee to BidCo if the Independent Expert concludes that the Scheme is no longer in the best interests of Cirrus Networks Shareholders (other than where the Independent Expert's conclusion is due to the existence of a Competing Transaction).</p>	<p>See Section 10.4.</p>

Question	Answer	More information
What choices do I have as a Cirrus Networks Shareholder?	<p>As a Cirrus Networks Shareholder who is eligible to vote at the Scheme Meeting, you have the following choices in relation to your Cirrus Networks Shares:</p> <ul style="list-style-type: none"> • vote in favour of the Scheme at the Scheme Meeting; • vote against the Scheme at the Scheme Meeting; • sell your Cirrus Networks Shares on ASX; or • do nothing. 	Section 1.6 sets out your options.
Is a Superior Proposal likely to emerge?	<p>Since the announcement of the execution of the Scheme Implementation Deed on 11 September 2023, and up to the Last Practicable Date, no Superior Proposal has emerged.</p> <p>Your Directors have no reasonable basis for believing that a Competing Transaction will be received which will be a Superior Proposal.</p>	Section 1.2.
Conditions Precedent		
Are there any conditions to be satisfied or waived?	<p>Yes. There are a number of Conditions Precedent that will need to be satisfied or (if permitted) waived before the Scheme can become Effective.</p> <p>In summary, as at the Last Practicable Date, the outstanding Conditions Precedent include:</p> <ul style="list-style-type: none"> • Cirrus Networks Shareholders approve the Scheme; • the Court approves the Scheme; • no Cirrus Material Adverse Effect or BidCo Material Adverse Effect occurs; • Net Cash at the end of the calendar month prior to the Second Court Date is not less than \$10 million; • no Cirrus Networks Prescribed Event or Bidder Prescribed Event occurs; • as at 8.00am on the Second Court Date, not less than 75% of the Cirrus Key Managers remain employed by the Cirrus Group; • prior to 8.00am on the Second Court Date, Cirrus Networks has obtained consents required from counterparties to Material Contracts to the Transaction (where such consent is required) or a written waiver of any termination or variation right that counterparty would have as a result of the Transaction; 	Sections 4.7 and 10.4(a) contain further information on the Conditions Precedent to the Scheme.

Question	Answer	More information
	<ul style="list-style-type: none"> • between the date of the Scheme Implementation Deed and 8.00am on the Second Court Date, Cirrus Networks has complied with its Continuous Disclosure Obligations and none of Cirrus Networks or its directors are aware of any fact, matter or circumstance which constitutes (or might reasonably constitute) Excluded Information; • no breach, in any material respect, by either BidCo or Cirrus Networks, of either of its obligations under the Scheme Implementation Deed (as applicable) as at 8.00am on the Second Court Date; and • arrangements have been put in place so that all Cirrus Networks Equity Incentives have been cancelled in accordance with the Scheme Implementation Deed, such that none are on issue as at the Record Date. <p>As at the date of this Scheme Booklet, none of the Cirrus Networks Directors are aware of any circumstances which would cause any Conditions Precedent not to be satisfied or (if permitted) waived.</p>	
<p>When must the Conditions Precedent be satisfied or (if permitted) waived by?</p>	<p>Apart from the Conditions Precedent relating to Cirrus Networks Shareholder approval and Court approval, the Conditions Precedent must be satisfied or (if permitted) waived as at 8.00am on the Second Court Date.</p> <p>While any Conditions Precedent (other than Court approval) remain unsatisfied and have not been (if permitted) waived, there is a risk that the Second Court Hearing will be delayed until after those Conditions Precedent have been satisfied or (if permitted) waived. If the Second Court Hearing is delayed, this may in turn delay the Implementation Date.</p> <p>In addition, the Scheme will not proceed if any of the Conditions Precedent are not satisfied or (if permitted) waived by the Sunset Date, and either Cirrus Networks or BidCo terminates the Scheme Implementation Deed.</p> <p>The Sunset Date is 23 December 2023 and may be extended by agreement between Cirrus Networks and BidCo.</p>	<p>Section 10.4(a)</p>
<p>When does the Scheme become Effective?</p>	<p>In order to become Effective, the Scheme must be approved by the Court at the Second Court Hearing.</p> <p>Cirrus Networks will apply to the Court for an order approving the Scheme if the Scheme is approved by the Requisite Majorities of Cirrus Networks Shareholders voting at the Scheme Meeting and all other Conditions Precedent (other than Court approval) have been</p>	<p>Section 4.1</p>

Question	Answer	More information
	<p>satisfied or (if permitted) waived.</p> <p>If the Court makes orders approving the Scheme, Cirrus Networks will lodge a copy of those orders with ASIC under section 411(10) of the Corporations Act. As soon as the copies of the Court orders approving the Scheme are lodged with ASIC, the Scheme will become Effective. This is expected to occur on or shortly after the date on which the Court issues orders approving the Scheme (currently scheduled to be on 24 November 2023).</p>	
What will I receive?		
What will I receive if the Scheme is implemented?	If the Scheme is approved and implemented, on the Implementation Date you will receive the Scheme Consideration (based on your election or your status as an Ineligible Shareholder) per Scheme Share you hold.	Section 4.3 sets out details of the Scheme Consideration.
When will I receive the Scheme Consideration?	<p>If the Scheme is approved and implemented, you will receive your Scheme Consideration on the Implementation Date, which is currently scheduled to be 11 December 2023.</p> <p>Cash payments will be made by direct deposit into your Australian dollar denominated bank account, as advised to the Share Registry as at the Record Date. If you have not nominated an Australian dollar denominated bank account, payment will be made by Australian dollar cheque sent by post to your registered address as shown on the Register.</p> <p>In the case of Share Consideration on the Implementation Date, your name and address will be entered on the Atturra Register in respect of the New Atturra Shares to which you are entitled and a holding statement will be sent to your registered address.</p>	Section 4.3 and 4.13(e) set out details related to the expected payment of the Scheme Consideration
Will I have to pay brokerage	You will not have to pay brokerage on the transfer of your Cirrus Networks Shares to BidCo under the Scheme.	See Section 1.2.
What are the tax implications of the Scheme for me?	<p>A general summary of the main Australian tax implications of the Scheme for certain Cirrus Networks Shareholders is set out in Section 9.</p> <p>You should seek your own independent tax advice in respect of your individual circumstances, particularly if you are not covered by the general summary in Section 9.</p>	Section 9 contains further details.

Question	Answer	More information
Who is entitled to participate in the Scheme?	Cirrus Networks Shareholders are entitled to participate in the Scheme.	See Section 3.2 and the Notice of Meeting in Annexure E
What if I am an Ineligible Foreign Shareholder?	Ineligible Foreign Shareholders will not be entitled to receive New Atturra Shares in connection with the Scheme. If you are an Ineligible Foreign Shareholder and you elect to receive any Scheme Consideration other than the Maximum Cash Consideration or if you fail to make an election before 5.00pm (Perth time) on the Business Day prior to the Record Date, any New Atturra Shares to which you would otherwise be entitled will be issued to a nominee who will sell them on your behalf and provide you with the net proceeds of the sale.	See Section 4.9
What if I am a Small Shareholder?	If you are an Unmarketable Parcel Shareholders as at the Record Date who does not give an Opt-in Notice before 5.00pm (Perth time) on the Business Day prior to the Record Date, you will receive the Maximum Cash Consideration for your Shares. Those Unmarketable Parcel Shareholders who duly complete an Opt-in Notice can elect to receive New Atturra Shares as part of their Scheme Consideration.	
Voting on the Scheme		
Where and when is the Scheme Meeting?	The Scheme Meeting is scheduled to be held at Palace Meeting Room, Ground Floor, 108 St Georges Terrace, Perth, Western Australia at 11.00am (Perth time) on 22 November 2023.	Annexure E
Who can vote at the Scheme Meeting?	If you are a Cirrus Networks Shareholder at 7.00pm (Sydney time) on the Voting Record Date, you may vote at the Scheme Meeting. If you are eligible to vote and have appointed a proxy, attorney or corporate representative, that individual may vote at the Scheme Meeting on your behalf.	See Section 3.2 and the Notice of Meeting in Annexure E
Is voting compulsory?	Voting is not compulsory. However, the Scheme will only be successful if it is approved by the Cirrus Networks Shareholders by the Requisite Majorities, so voting is important and the Cirrus Networks Board encourages you to vote.	Section 1.6 and 4.13.

Question	Answer	More information
	<p>The Cirrus Networks Board unanimously recommends¹⁶ that Cirrus Networks Shareholders vote in favour of the Scheme in the absence of a Superior Proposal, and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Cirrus Networks Shareholders.</p>	
<p>What are the approval thresholds for the Scheme?</p>	<p>For the Scheme to be approved, the Scheme Resolution must be passed by the Requisite Majorities, being:</p> <ul style="list-style-type: none"> • unless the Court orders otherwise, more than 50% in number of Cirrus Networks Shareholders who are present and voting, either in person or by proxy, by attorney or, in the case of a corporation, by its duly appointed corporate representative, at the Scheme Meeting; and • at least 75% of the total number of votes cast on the Scheme Resolution. <p>Even if the Scheme is approved by the Requisite Majorities of Cirrus Networks Shareholders at the Scheme Meeting, the Scheme is still subject to the approval of the Court.</p>	<p>Section 4.13(a).</p>
<p>How can I vote if I can't, or do not wish to, attend the Scheme Meeting?</p>	<p>If you would like to vote but cannot, or do not wish to, attend the Scheme Meeting, you can vote by appointing a proxy (including by lodging your proxy form online at https://investor.automic.com.au/#/loginsah) or by appointing an attorney to attend and vote on your behalf.</p> <p>You may also vote by corporate representative if that option is applicable to you.</p>	<p>Section 3.2 and the Notice of Meeting in Annexure E</p>
<p>What if I do not vote at the Scheme Meeting or if I vote against the Scheme?</p>	<p>If the Scheme is approved by the Requisite Majorities of Cirrus Networks Shareholders, then, subject to the other Conditions Precedent being satisfied or (if permitted) waived and the Scheme becoming Effective, the Scheme will be implemented and will be binding on all Cirrus Networks Shareholders, including those who voted against the Scheme, or did not vote.</p>	<p>Sections 1.1, 1.6 and 4.13(a).</p>
<p>When will the result of the Scheme Meeting be known?</p>	<p>The result of the Scheme Meeting will be available shortly after the conclusion of the meeting and will be announced to ASX once available. Even if the Scheme Resolution is passed by the Scheme Meeting, the Scheme is still subject to approval of the Court.</p>	<p>See Important Dates page.</p>

¹⁶ You should note that when considering this recommendation that the directors hold the interests set out in Sections 1.5, 10.1 and 10.2.

Question	Answer	More information
Trading		
Can I sell my Cirrus Networks Shares before the Scheme is implemented?	<p>Yes, a market for Cirrus Networks Shares will be quoted on ASX in the usual manner on or before the Effective Date (which is currently scheduled to be 27 November 2023) if you do not wish to hold them and participate in the Scheme.</p> <p>However, you should note that if you choose to sell your Cirrus Networks Shares, you may not receive consideration equivalent to the Scheme Consideration, and brokerage expenses on the sale may be incurred.</p> <p>If you are in any doubt as to what you should do, you should seek advice from independent and appropriately licensed financial, legal, stockbroking and taxation advisers before making any decision regarding the Scheme.</p>	Section 1.6(c).
Other questions		
What happens if a Competing Transaction is received?	<p>If a Competing Transaction is received, the Cirrus Networks Directors will (if appropriate and permitted) carefully consider it. Cirrus Networks must notify BidCo of that Competing Transaction in accordance with the Scheme Implementation Deed, and first comply with BidCo's matching rights.</p> <p>You should note that Cirrus Networks has agreed to certain exclusivity provisions in favour of BidCo under the Scheme Implementation Deed that restrict Cirrus Networks' ability to participate in negotiations and discussions in relation to a Competing Transaction (subject to certain fiduciary exceptions).</p>	Section 10.4.
Will I have to give any warranties in connection with the Scheme?	<p>Yes. The Scheme provides that each Scheme Shareholder is taken to have warranted to Cirrus Networks, Atturra and BidCo on the Implementation Date, and appointed and authorised Cirrus Networks as its attorney and agent to warrant to Atturra and BidCo on the Implementation Date, that:</p> <ul style="list-style-type: none"> all of its Scheme Shares (including any Rights attaching to them) transferred to Atturra under the Scheme will, as at the date of the transfer, be fully paid and free from all Encumbrances and other interests of third parties of any kind whether legal or otherwise, and restrictions on transfer of any kind; and 	Section 4.14.

Question	Answer	More information
	<ul style="list-style-type: none"> they have full power and capacity to sell and to transfer their Scheme Shares (including any Rights attaching to them) to Atturra under the Scheme. 	
What happens if the Scheme does not proceed?	<p>If:</p> <ul style="list-style-type: none"> the Scheme is not approved at the Scheme Meeting; a condition to the Scheme is not satisfied or (if permitted) waived; or the Court does not approve the Scheme, <p>the Scheme will not be implemented.</p> <p>If the Scheme is not implemented, Cirrus Networks Shareholders will not receive the Scheme Consideration but will retain their Cirrus Networks Shares. In these circumstances, Cirrus Networks will, in the absence of any alternative or Competing Transaction, continue to operate as a stand-alone company listed on ASX.</p>	<p>Section 1.4(b) sets out further details on what happens if the Scheme does not proceed</p>
Who can I contact if I have further questions in relation to the Scheme?	<p>If you have any further questions, you should seek advice from independent and appropriately qualified financial, legal, stockbroking and taxation advisers.</p> <p>You may also call the Shareholder Information Line and enquire about the Scheme and about your Cirrus Networks shareholding on 1300 288 664 (within Australia), or + 61 2 9698 5414 (outside Australia), between 8.30am and 5.30pm (AEDT), Monday to Friday.</p>	<p>N/A</p>

3 Next steps

3.1 Carefully read this Scheme Booklet in full and seek advice if you have any questions

You should carefully read this Scheme Booklet in its entirety to assist you in making an informed decision on how to vote on the Scheme.

This Scheme Booklet contains important information, including:

- the reasons for the Cirrus Networks Directors' recommendation;
- the reasons why you may choose to vote for or against the Scheme;
- information about the Scheme Consideration;
- information about Cirrus Networks, BidCo and the Atturra Group; and
- the Independent Expert's Report.

If you have further questions, you can call the Shareholder Information Line and enquire about the Scheme and about your Cirrus Network shareholding on 1300 288 664 (within Australia), or +61 2 9698 5414 (outside Australia), between 8.30am and 5.30pm (AEDT), Monday to Friday.

If you are in any doubt as to what you should do, you should seek advice from independent and appropriately qualified financial, legal, stockbroking or taxation advisers before making any decision regarding the Scheme.

3.2 Vote on the Scheme

(a) Your vote is important

For the Scheme to proceed, it is necessary that sufficient Cirrus Networks Shareholders vote in favour of the Scheme.

If you are registered as a Cirrus Networks Shareholder at 7.00pm (Sydney time) on the Voting Record Date, you will be entitled to vote on the Scheme.

(b) Notice of Meeting

The Scheme Meeting will be held as a physical meeting in the Palace Meeting Room, Ground Floor, 108 St Georges Terrace, Perth, Western Australia.

Cirrus Networks Shareholders who are unable to, or do not wish to, participate in the Scheme Meeting are encouraged to submit a directed proxy vote as early as possible and in any event by 11.00am (Perth time) on 20 November 2023 by completing and submitting a proxy form.

The Notice of Meeting is contained in Annexure E to this Scheme Booklet.

(c) Procedure

You may vote on the Scheme:

- by attending the Scheme Meeting in person;
- by proxy, by completing, signing and lodging the original Proxy Form in accordance with the instructions set out on the form. You should arrange to have your proxy or proxies attend the Scheme Meeting in person if you are appointing a person other than the Chairman of the Scheme Meeting as your proxy;
- by attorney, by appointing an attorney to attend and vote at the Scheme Meeting in person on your behalf and providing a duly executed power of attorney to the Share Registry or the registered office of Cirrus Networks by 11.00am (Perth time) on 20 November 2023; or

- by corporate representative, in the case of a corporation which is a Cirrus Networks Shareholder, by appointing a corporate representative to attend in person and vote at the Scheme Meeting on your behalf and providing a duly executed certificate of appointment (in accordance with sections 250D and 253B of the Corporations Act) prior to admission to the Scheme Meeting.

Further, information on how to vote using each of these methods is contained in the Notice of Meeting attached as Annexure E to this Scheme Booklet.

If you are in favour of the Scheme, you should vote in favour of the Scheme.

The Scheme will not proceed unless the Scheme is approved by Cirrus Networks Shareholders.

(d) **Voting entitlement**

Each Cirrus Networks Shareholder who is registered on the Register at 7.00pm (Sydney time) on the Voting Record Date is entitled to attend and vote at the Scheme Meeting, in person, by proxy, by attorney or, in the case of a corporation which is a Cirrus Networks Shareholder, by its representative appointed in accordance with the Corporations Act.

Information on entitlements to vote, including if you are a joint holder of Scheme Shares, is contained in the Notice of Meeting which is attached as Annexure E to this Scheme Booklet.

4 Overview and key steps

4.1 Background

On 11 September 2023, Cirrus Networks announced that it had entered into a Scheme Implementation Deed with BidCo and Atturra under which it is proposed that BidCo will acquire all Cirrus Networks Shares by way of a scheme of arrangement under Part 5.1 of the Corporations Act.

The Scheme Implementation Deed sets out a framework for Cirrus Networks to propose a scheme of arrangement between itself and Cirrus Networks Shareholders under which BidCo will acquire all of the Cirrus Networks Shares on issue as at the Record Date.

Having carefully considered the Atturra Group's proposal, the Cirrus Networks Directors unanimously recommend¹⁷ that Cirrus Networks Shareholders vote in favour of the Scheme in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of the Cirrus Networks Shareholders. Subject to those same qualifications, each of the Cirrus Networks Directors intend to vote all the Cirrus Networks Shares held or controlled by them in favour of the Scheme at the Scheme Meeting.¹⁸

4.2 What will happen under the Scheme?

If the Scheme is approved by Cirrus Networks Shareholders and the Court, and is implemented:

- all Cirrus Networks Shares held by Scheme Shareholders on the Record Date will be transferred to BidCo;
- in return, Scheme Shareholders will be entitled to receive the Scheme Consideration for each Cirrus Networks Share they hold on the Record Date; and
- Cirrus Networks will become a wholly owned Subsidiary of BidCo and, after implementation, will be delisted from ASX.

A copy of the Scheme is set out in full in Annexure C. Section 4.13 explains the steps involved in implementing the Scheme in more detail.

4.3 Scheme Consideration

If the Scheme is approved and implemented, Cirrus Networks Shareholders will be given the opportunity to elect to receive:

- the **Default Consideration** – whereby the Cirrus Networks Shareholder elects to receive for each Cirrus Networks Share they hold:
 - \$0.0473 in cash; and
 - 0.0179 New Atturra Shares,
- the **Maximum Cash Consideration** – whereby the Cirrus Networks Shareholder elects to receive 100% cash for each Cirrus Networks Share (which equals per Cirrus Networks Share) \$0.0473 plus the cash value of the 0.0179 New Atturra Shares (calculated by reference to the Atturra VWAP) and subject to customary scale back provisions, discussed below at Sections 4.4 and 4.5; or
- the **Maximum Share Consideration** – whereby the Cirrus Networks Shareholder elects to receive 100% of its consideration in New Atturra Shares (the number of New

¹⁷ You should note that when considering this recommendation that the directors hold the interests set out in Sections 1.5, 10.1 and 10.2.

¹⁸ Please see Sections 1.5, 10.1 and 10.2. for more information on the interests Directors hold in Cirrus Networks Holdings and the benefits they will receive as a result of the Transaction.

Atturra Shares to be issued per Cirrus networks Share calculated as 0.0179 New Atturra Shares plus the number of New Atturra Shares that equals \$0.0473 divided by the Atturra VWAP (being 0.0536 New Atturra Shares) and subject to customary scale back provisions, discussed below at Sections 4.4 and 4.5; or

- the **Split Consideration** – whereby the Cirrus Networks Shareholder elects to receive for each Cirrus Networks Share they hold:
 - \$0.0315 cash; and
 - 0.0357 New Atturra Shares,and subject to customary scale back provisions, discussed below at Sections 4.4 and 4.5.

If a valid election is not made by a Cirrus Networks Shareholder before 5.00pm (Perth time) on the Business Day prior to the Record Date (who is not a Relevant Unmarketable Parcel Shareholder) or no election is made by a Cirrus Networks Shareholder (who is not a Relevant Unmarketable Parcel Shareholder), then that Cirrus Networks Shareholder will receive the Default Consideration without scaleback.

If a Cirrus Network Shareholder is an Ineligible Foreign Shareholder it will not be entitled to receive New Atturra Shares. If an Ineligible Foreign Shareholder elects Scheme Consideration other than Maximum Cash Consideration or fails to make an election before 5.00pm (Perth time) on the Business Day prior to the Record Date, any New Atturra Shares it would otherwise be entitled to be issued will be issued to a nominee who will sell them on behalf of the Ineligible Foreign Shareholder and provide the Ineligible Foreign Shareholder with the net proceeds of the sale. Please see Section 4.9 for further details.

If a Cirrus Networks Shareholder is an Unmarketable Parcel Shareholder as at the Record Date who does not give an Opt-in Notice before 5.00pm (Perth time) on the Business Day prior to the Record Date, such shareholder will receive the Maximum Cash Consideration for their Shares. Those Unmarketable Parcel Shareholders who duly complete an Opt-in Notice can elect to receive New Atturra Shares as part of their Scheme Consideration.

4.4 **Scaleback arrangements where Maximum Cash Consideration Pool is exceeded**

Scheme Shareholders who elect to take the Maximum Cash Consideration may be subject to scale-back so that the total amount of cash paid by BidCo does not exceed the Maximum Cash Consideration Pool (subject only to the effects of rounding).

If elections made by the Scheme Shareholders are such that the aggregate amount of cash under the Scheme Consideration that would be required to be paid by BidCo to satisfy the entitlements determined in the manner outlined at Section 4.3 above exceeds the Maximum Cash Consideration Pool, each Scheme Shareholder who elects to receive Maximum Cash Consideration or Split Consideration (**Relevant Cash Consideration**):

- (a) will only be entitled to receive Relevant Cash Consideration calculated in accordance with the following formula:

$$E = A \times \frac{\text{Maximum Cash Consideration Pool} - C - D}{B}$$

where:

“**A**” is the aggregate amount of cash the relevant Scheme Shareholder would have received as part of the Relevant Cash Consideration for all Scheme Shares held by that Scheme Shareholder as at the Record Date pursuant to its valid election;

“**B**” is the aggregate amount of cash that would have been required to be paid by BidCo in payment of the Relevant Cash Consideration to satisfy the entitlement determined under valid elections for all Scheme Shareholders who elect to receive Relevant Cash Consideration (but for any scale back);

- “C” is the aggregate amount of cash payable by BidCo in payment of the cash component of the Default Consideration to satisfy the entitlement for all Scheme Shareholders who validly elect or are deemed to elect to receive Default Consideration;
- “D” is the aggregate amount of cash payable by Atturra in payment of the cash component of the Maximum Cash Consideration determined under Section 4.3 of the Scheme which is set out as Annexure C to this Scheme Booklet for all Scheme Shareholders that are Relevant Unmarketable Parcel Shareholders; and
- “E” is the cash component that the relevant Scheme Shareholder is entitled to receive; and
- (b) will be entitled to receive New Atturra Shares calculated in accordance with the following formula:

$$E = \frac{A - D}{VWAP}$$

- “A” is the aggregate amount of cash the relevant Scheme Shareholder would have received as part of the Relevant Cash Consideration for all Scheme Shares held by that Scheme Shareholder as at the Record Date pursuant to its valid election;
- “D” is the amount of cash the relevant Scheme Shareholder is entitled to receive as determined under Section 4.4(a);
- “E” is the number of New Atturra Shares that the relevant Scheme Shareholder is entitled to receive; and
- “VWAP” means the Atturra VWAP.

4.5 Scale-back if the Maximum Share Consideration Pool is exceeded

Scheme Shareholders who elect to take the Maximum Share Consideration may be subject to scale back so that the total number of New Atturra Shares issued by Atturra does not exceed the Maximum Share Consideration Pool (subject only to the effects of rounding).

If the election made by the Scheme Shareholders are such that the aggregate number of New Atturra Shares under the Scheme Consideration that would be required to be issued by Atturra to satisfy the entitlements determined in the manner outlined at Section 4.3 above exceeds the Maximum Share Consideration Pool, each Scheme Shareholder who elects to receive Maximum Share Consideration or Split Consideration (**Relevant Share Consideration**):

- (a) will only be entitled to receive Relevant Share Consideration in respect of the number of Scheme Shares calculated in accordance with the following formula:

$$D = A \times \frac{\text{Maximum Share Consideration Pool} - C}{B}$$

where:

- “A” is the aggregate number of New Atturra Shares the relevant Scheme Shareholder would have received as part of the Relevant Share Consideration for all Scheme Shares held by that Scheme Shareholder as at the Record Date pursuant to its valid Election;
- “B” is the aggregate number of New Atturra Shares that would have been required to be issued by Atturra in payment of the Relevant Share Consideration to satisfy the entitlement determined under the valid elections for all Scheme Shareholders who elect to receive Relevant Share Consideration (but for any scale-back);
- “C” is the aggregate number of New Atturra Shares to be issued by Atturra in payment of the share component of the Default

Consideration to satisfy the entitlement for all Scheme Shareholders who elect or who are deemed to receive Default Consideration; and

“D” is the share component that the relevant Scheme Shareholder is entitled to receive; and

(b) will be entitled to receive cash calculated in accordance with the following formula:

$$E = (A - D) \times VWAP$$

“A” is the aggregate number of New Atturra Shares the relevant Scheme Shareholder would have received as part of the Relevant Share Consideration for all Scheme Shares held by that Scheme Shareholder as at the Record Date pursuant to valid elections;

“D” is the number of New Atturra Shares in respect of which the relevant Scheme Shareholder is entitled to receive as determined under Section 4.5(a) above;

“E” is the amount of cash that the relevant Scheme Shareholder is entitled to receive; and

“VWAP” means the Atturra VWAP.

4.6 Receipt of Scheme Consideration

If the Scheme becomes Effective and you remain a Cirrus Networks Shareholder as at the Record Date, all of your Cirrus Networks Shares will be transferred to BidCo under the Scheme, and you will be provided the Scheme Consideration in accordance with your valid or deemed election in respect of the relevant composition of Share Consideration and Cash Consideration (other than Relevant Unmarketable Parcel Shareholders) which will be satisfied by:

- direct deposit into your nominated Australian bank account, as advised to the Share Registry as at the Record Date. If you have not nominated an Australian bank account, payment will be made by an Australian dollar cheque sent by post to your registered address as shown on the Register unless Cirrus Networks believes that you are not known at your registered address, in which case your Scheme Consideration will be paid to a Cirrus Networks bank account, to be held until you nominate an Australian bank account into which a payment may be made, subject to relevant laws dealing with unclaimed money; and
- BidCo procuring the issue of, and Atturra issuing the Share Consideration to each Scheme Shareholder and updating the Atturra Share Register to record the issuance.

Ineligible Foreign Shareholders will not be entitled to receive New Atturra Shares. If an Ineligible Foreign Shareholder elects Scheme Consideration other than Maximum Cash Consideration or fails to make an election before 5.00pm (Perth time) on the Business Day prior to the Record Date, any New Atturra Shares it would otherwise be entitled to be issued will be issued to a nominee who will sell them on behalf of the Ineligible Foreign Shareholder and provide the Ineligible Foreign Shareholder with the net proceeds of the sale. Please see Section 4.9 for further details.

Unmarketable Parcel Shareholders who do not give an Opt-in Notice before 5.00pm (Perth time) on the Business Day prior to the Record Date, will receive the Maximum Cash Consideration for their Shares. Those Unmarketable Parcel Shareholders who duly complete an Opt-in Notice can elect to receive New Atturra Shares as part of their Scheme Consideration.

It is important to note that you will only receive the Scheme Consideration if you are a Scheme Shareholder. You will be a Scheme Shareholder if you hold Cirrus Networks Shares at the Record Date (currently expected to be 7:00pm (Perth time) on Monday 4 December 2023).

4.7 Conditions to the Scheme

The Scheme will not become Effective and you will not receive the Scheme Consideration unless all of the Conditions Precedent to the Scheme are satisfied or (if permitted) waived in accordance with the Scheme Implementation Deed.

The Conditions Precedent to the Scheme are summarised in Section 10.4(a) and are set out in full in the Scheme Implementation Deed. These include approval by the Court and Cirrus Networks Shareholders by the Requisite Majorities.

4.8 Nominee and custodian Cirrus Networks Shareholders

A Scheme Shareholder who manages one or more parcels of Scheme Shares as trustee or nominee, for, or otherwise on account of, another person, is required to manage the underlying owner's Cirrus Networks shareholding in the following manner.

A Nominee, may make separate elections in relation to each of those parcels of Scheme Shares and the underlying beneficiaries of those parcels. If it does so, the Nominee will be treated as a separate Scheme Shareholder in respect of each such parcel in respect of which a separate election is made (and in respect of any balance of its holdings). To make multiple elections on behalf of beneficial holdings, the Nominee should establish up to four separate holdings on the Register (each with a Holder Identification Number (**HIN**)) and lodge one election notice before 5.00pm (Perth time) on the Business Day prior to the Record Date in relation to each of these holdings as follows:

- (a) one election notice electing the Maximum Share Consideration election for one HIN;
- (b) one election notice electing the Maximum Cash Consideration election for another HIN;
- (c) one election notice electing the Split Consideration for another HIN; and
- (d) one election notice electing the Default Consideration for the remaining HIN.

The Nominee must provide a separate election in respect of each underlying holding.

Atturra Shares issued as Scheme Consideration to any Nominee will be issued to that Nominee to hold as bare trustee for the relevant Scheme Shareholder (such that the Scheme Shareholder will be the beneficial holder but not the legal holder of the relevant Scheme Consideration).

4.9 Ineligible Foreign Shareholders

Atturra will not issue and allot New Atturra Shares as Share Consideration to any Ineligible Foreign Shareholder. Instead Atturra will issue and allot the New Atturra Shares to which the Ineligible Overseas Shareholder would otherwise be entitled to a nominee appointed by Atturra. The nominee will sell those New Atturra Shares as soon as reasonably practicable (at the risk of the Ineligible Foreign Shareholder) and pay the proceeds received, after deducting any applicable brokerage, and other selling costs, taxes and charges, to that Ineligible Foreign Shareholder in full satisfaction of that Ineligible Foreign Shareholder's rights under the Scheme to the Share Consideration.

None of Atturra, BidCo, Cirrus or the nominee gives any assurance as to the price that will be achieved for the sale of the New Atturra Shares as described above. The proceeds received by an Ineligible Foreign Shareholder may be more or less than the current market value of the New Atturra Shares as at the date of this Scheme Booklet.

Further details of this process are contained in clause 6.4 of the Scheme which is set out as Annexure C to this Scheme Booklet.

4.10 Small Shareholders who provide an Opt-in Notice

A Cirrus Networks Shareholder who is an Unmarketable Parcel Shareholder as at the Record Date can provide Cirrus Networks with an Opt-in Notice before 5.00pm (Perth time) on the Record Date. Those Unmarketable Parcel Shareholders who duly complete an Opt-in Notice can elect to receive New Atturra Shares as part of their Scheme Consideration, provided they are not also an Ineligible Foreign Shareholder.

4.11 Fractional entitlements

If the number of Target Shares held by a Scheme Shareholder at the Record Date is such that the aggregate entitlement of the Scheme Shareholder to Scheme Consideration:

- (a) comprising New Atturra Shares is such that a fractional entitlement to New Atturra Shares arises; or
- (b) comprising cash is such that a fractional entitlement to a cent arises,

then the entitlement of that Scheme Shareholder must be rounded up or down with any such fractional entitlement of less than 0.5, being rounded down to the nearest whole number of New Atturra Shares (or cents, as applicable), and any such fractional entitlement of 0.5 or more is to be rounded up to the nearest whole number of New Atturra Shares (or cents, as applicable).

4.12 If the Scheme does not become effective

If the Scheme does not proceed:

- Cirrus Networks Shareholders will not receive the Scheme Consideration;
- Cirrus Networks Shareholders will continue to hold their Cirrus Networks Shares;
- in the absence of any alternative or Competing Transaction to the Scheme, Cirrus Networks will continue as a stand-alone entity with management continuing to implement its current business plan and financial and operating strategies. Cirrus Networks Shareholders will be exposed to general risks and risks relating to Cirrus Networks' business, including those set out in Section 8; and
- in the absence of a Superior Proposal, the price at which Cirrus Networks Shares trade may fall.

Depending on the reasons why the Scheme does not proceed, Cirrus Networks may be liable to pay the Cirrus Networks Break Fee and BidCo may be liable to pay the BidCo Break Fee. Information on the Cirrus Networks Break Fee and the BidCo Break Fee are set out in Sections 10.4(e) and 10.4(f) respectively.

Prior to the Scheme Meeting, transaction costs will have been incurred, or will be committed, by Cirrus Networks in relation to the Scheme. Those transaction costs have either already been paid or will be payable by Cirrus Networks regardless of whether or not the Scheme is implemented. If the Scheme does proceed, additional costs will be incurred. See Section 10.6 for more details.

4.13 Key steps in the Scheme

(a) Scheme approval requirements

The Scheme will only become Effective and be implemented if it is:

- agreed to by the Requisite Majorities of Cirrus Networks Shareholders at the Scheme Meeting, expected to be held at 11.00am (Perth time) on Wednesday 22 November 2023 at the Palace Meeting Room, Ground Floor, 108 St Georges Terrace, Perth, Western Australia; and
- approved by the Court at the Second Court Hearing.

The **Requisite Majorities** are:

- a majority in number (more than 50%) of Cirrus Networks Shareholders present and voting at the Scheme Meeting (whether in person, by proxy, by attorney or by a corporate representative); and
- at least 75% of the total number of votes cast on the Scheme Resolution.

The Court has the discretion to waive the first of these two requirements if it considers it appropriate to do so.

The Notice of Scheme Meeting, which includes the Scheme Resolution, is set out in Annexure E.

The vote at the Scheme Meeting will be conducted by poll.

Voting is not compulsory. However, the Cirrus Networks Board unanimously recommends that Cirrus Networks Shareholders vote in favour of the Scheme in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Cirrus Networks Shareholders. You are encouraged to attend and vote at the Scheme Meeting.

You should be aware that even if you do not vote, or vote against the Scheme, the Scheme may still be implemented if it is approved by the Requisite Majorities of Cirrus Networks Shareholders and the Court. If this occurs, your Cirrus Networks Shares will be transferred to BidCo and you will receive the Scheme Consideration.

For further details on how to vote, please refer to Section 3.

(b) **Court approval**

If:

- the Scheme is agreed to by the Requisite Majorities of Cirrus Networks Shareholders at the Scheme Meeting; and
- all other Conditions Precedent (except Court approval of the Scheme) have been satisfied or (if permitted) waived,

then Cirrus Networks must apply to the Court for orders approving the Scheme.

Each Cirrus Networks Shareholder has the right to appear at the Second Court Hearing.

The Court may refuse to approve the Scheme or may approve the Scheme subject to conditions or variations, even if the Scheme is approved by the Requisite Majorities of Cirrus Networks Shareholders voting at the Scheme Meeting.

(c) **Record Date**

Scheme Shareholders, being those Cirrus Networks Shareholders on the Register at 7.00pm (Sydney time) on the Record Date (currently expected to be 4 December 2023) will be entitled to receive the Scheme Consideration in respect of the Scheme Shares they hold as at the Record Date.

(1) **Dealings on or prior to the Record Date**

For the purpose of determining which Cirrus Networks Shareholders are eligible to participate in the Scheme, dealings in Cirrus Networks Shares will be recognised only if:

- in the case of dealings of the type to be effected using CHESS, the transferee is registered on the Register as the holder of the relevant Cirrus Networks Shares at 7.00pm (Sydney time) on the Record Date; and
- in all other cases, registrable transmission applications or transfers in registrable form in respect of those dealings are received on or before the Record Date at the place where the Register is kept,

and with the exception of the transfer to BidCo, Cirrus Networks will not accept for registration, nor recognise for any purpose any transfer or transmission application or other request received after such times, or received prior to such times but not in registrable or actional form as appropriate.

(2) **Dealings after the Record Date**

For the purpose of determining entitlements to the Scheme Consideration, Cirrus Networks must maintain the Register in its form as at the Record Date until the Scheme Consideration has been provided. The Register in this form will solely determine entitlements to the Scheme Consideration.

After the Record Date:

- all statements of holding for Cirrus Networks Shares will cease to have effect as documents relating to title in respect of such Cirrus Networks Shares; and
- each entry on the Register will cease to have effect except as evidence of entitlement to the Scheme Consideration in respect of the Cirrus Networks Shares relating to that entry.

(d) **Effective Date**

If:

- the Cirrus Networks Shareholders approve the Scheme with the Requisite Majorities;
- the Court approves the Scheme; and
- all other Conditions Precedent have been satisfied or (if permitted) waived;

the Scheme will become Effective on the date when a copy of the Court order approving the Scheme is lodged with ASIC. Cirrus Networks will, on the Scheme becoming Effective, give notice of that event to ASX.

Cirrus Networks intends to apply to ASX for Cirrus Networks Shares to be suspended from official quotation on ASX from close of trading on the date the Scheme becomes Effective.

(e) **Implementation Date**

The Implementation Date is the fifth Business Day after the Record Date, currently expected to be 11 December 2023.

No later than two Business Days before the Implementation Date, BidCo must pay into a trust account nominated by Cirrus Networks the Maximum Cash Consideration Pool.

The Cash Consideration will be paid on the Implementation Date by direct deposit into your Australian dollar denominated bank account, as advised to the Share Registry as at the Record Date. If you have not nominated an Australian dollar denominated bank account, payment will be made by Australian dollar cheque sent by post to your registered address as shown on the Register.

The Share Consideration will be satisfied by Atturra issuing the Share Consideration to each Scheme Shareholder who validly elected or is otherwise deemed to have elected to receive Share Consideration and updating the Atturra Share Register to record the issuance.

Immediately after the Scheme Consideration is paid, the Scheme Shares will be transferred to BidCo without Scheme Shareholders needing to take any further action.

(f) **Deed Poll**

On 11 October 2023, BidCo and Atturra executed the Deed Poll pursuant to which BidCo has undertaken in favour of each Scheme Shareholder to provide each Scheme Shareholder with the Scheme Consideration to which they are entitled under the Scheme, subject to the Scheme becoming Effective.

A copy of the Deed Poll is contained in Annexure D.

4.14 Warranties by Cirrus Networks Shareholders and shareholder instructions

The Scheme provides that each Scheme Shareholder is taken to have warranted to Cirrus Networks, Atturra and BidCo on the Implementation Date, and appointed and authorised Cirrus Networks as its attorney and agent to warrant to Atturra and BidCo on the Implementation Date, that:

- all of its Scheme Shares (including any Rights attaching to them) transferred to Atturra under the Scheme will, as at the date of the transfer, be fully paid and free from all Encumbrances and other interests of third parties of any kind whether legal or otherwise, and restrictions on transfer of any kind; and
- they have full power and capacity to sell and to transfer their Scheme Shares (including any Rights attaching to them) to Atturra under the Scheme.

To the extent permitted by law, any instructions or notifications (except for tax file numbers) between a Scheme Shareholder and Cirrus Networks relevant to Cirrus Networks Shares or a Cirrus Networks Shareholder's status as a Scheme Shareholder (including any instructions in relation to payment of dividends or communications from Cirrus Networks) shall be deemed binding in respect of any New Atturra Shares provided to the Scheme Shareholder.

Atturra will accept all such deemed instructions and notifications, until and unless it is revoked or amended by the Scheme Shareholder giving written notice to the Atturra Share Registry.

4.15 Delisting of Cirrus Networks

On a date after the Implementation Date, Cirrus Networks will apply:

- for termination of the official quotation of Cirrus Networks Shares on ASX; and
- to have itself removed from the official list of ASX.

5 Information about Cirrus Networks

5.1 Introduction and business overview

(a) **Introduction**

Cirrus Networks is an Australian Managed Services and information technology (IT) Solutions provider focused on designing, building and managing IT infrastructure for enterprises, large corporations and government agencies. Cirrus Networks provides bespoke technology solutions that are flexible, cost effective and provide tangible operational benefits. It provides a wide range of professional and managed service solutions along with enterprise level IT products from third party software vendors and hardware suppliers.

Cirrus Networks was founded in 2012 and is headquartered in Perth. The company has expanded into Canberra and Melbourne via a number of strategic acquisitions. The business currently employs a team of approximately 160 staff across Australia.

Australian sovereignty, excellent service and an innovative, holistic approach have seen Cirrus Networks quickly grow an extensive base of blue-chip clients across industry, government and not-for-profit sectors. It currently has approximately 350 customers, with approximately 75% of its revenue derived from Government (Federal, State and Local) and tier-1 major Australian resources companies.

(b) **Company History**

Date	Company
2012	Cirrus Networks was established in Perth, Western Australia in 2012, initially focused on enterprise product and associated services.
	Cirrus Networks listed on the ASX under the ASX code 'CNW' in July 2015.
	Cirrus Networks announces its successful launch of its new Managed Services Division in June 2015, and begins to focus on higher margin professional and managed services supported by acquisitions.
2015	Cirrus Networks acquires L7 Solutions, an IT services company specialising in the provision of IT integration solutions and managed services, for \$0.5m. Matthew Green appointed as Chief Financial Officer (CFO). Daniel Rohr joins Board of Directors as a Non-Executive Director.
2016	Cirrus Networks executes on its new strategic focus pushing into IT Services. Cirrus Networks acquires NGage Technology Group, a Melbourne-based end-to-end IT solutions provider, delivering IT hardware and software, managed services and professional services, for \$2.5m, enabling Cirrus Networks to establish a presence on the east coast of Australia.
2017	Cirrus Networks acquires Correct Communications, a Canberra-based IT solutions provider specialising in networking, storage, security and unified communications infrastructure, for consideration of \$5m to further increase its presence on the east coast of Australia.
2018	Cirrus Networks wins key contracts including Peter MacCallum Cancer Centre, Crown and UWA Managed Services. Paul Everingham joins Board of Directors as a Non-Executive Director.
2021	Cirrus Networks wins Geoscience Australia Managed Services contract.

Webcentral makes on-market takeover bid for Cirrus Networks at 3.2 cents. This takeover bid fails as the bid was deemed not fair and not reasonable by the Independent Expert.

Christopher McLaughlin appointed as Managing Director and Chief Executive Officer (CEO).

Adam Waterworth joins Board of Directors as a Non-Executive Director.

Paul Everingham appointed Non-Executive Chairman.

2022 Cirrus Networks wins Icon Water and ENI Managed Services contracts.
Cirrus Networks achieves Star-level status within the NetApp Partner Program.

2023 Cirrus Networks wins significant Managed Service contract in Federal Government.
Cirrus Networks announced collaboration with leading accelerated computing and AI company NVIDIA.
Cirrus Networks delivers record 1H-23 results with revenue of \$56.7m, up 27% on 1HY-22 and business completes its turnaround, reducing overhead and simplifying the organisational structure.
Cirrus Networks delivers record full year FY23 revenue of \$112m (up 8% from prior year) and underlying EBITDA of \$4.8m (being EBITDA on a post-AASB 16 basis but excluding the impacts of share based payments, one-off corporate transaction fees and restructure and redundancy costs).

(c) **Cirrus Networks IT service offering**

Cirrus Networks groups its IT products and services under four main business units: advisory, integration, managed services and security services. Within these business units there are three income types being enterprise product, professional services and managed outsource services. These are summarised below:

- (1) **Advisory Services:** Business and technology consulting to provide fit for purpose solutions and strategies. This is the smallest part of the business and all income is professional services. These services include:
- **Strategy:** Development of Information and Communication technology (ICT) strategic plans aligned to business requirements, specific strategic initiatives such as cloud adoption and enterprise application strategic implementation plans.
 - **Architecture:** Technical and Enterprise architecture services including the development of roadmaps, platform & product assessments and implementation planning.
 - **Governance:** Design & implementation of governance frameworks to drive successful contract measurement and outcomes.
 - **Procurement:** Procurement strategy development services including end-to-end tender packs, pricing requirements, scope of work definition and response reviews and assessments.
 - **Cloud:** Development of cloud assessment and suitability strategies, workload placement, hybrid environment design and planning, readiness assessments, cloud vendor selection and cost optimisation.
 - **Internet of things:** Development of automation through capture, measurement, data analysis, rule development and action.

- **Program management:** Design and Implementation of program management services including Prince2, Agile and client methodologies and frameworks as required.
 - **Asset management:** Monitor, capture, rationalise and maintain assets through discovery, storage, management and support co-termining.
- (2) **Integration Services:** Design, product, procurement and integration of projects across on-premise, hybrid, public and private cloud environments. This is the largest part of the business with significant product and/or professional services revenue across a wide range of solutions, including:
- data centre and cloud
 - data management and storage
 - network design and optimisation
 - end user compute
 - unified communications
 - project management services
- (3) **Managed Services:** Bespoke solutions for end-to-end management and optimisation of an organisations IT environment from Platform as a Service and niche managed outcomes to a full outsourced solution. This business unit generates all the managed services annuity revenue while also generating product and professional services revenue through asset refreshes in the environments and pull through project work. The managed services offering includes:
- **24x7 call centre:** Single point of contact for all clients with a focus on the capture of incidents and speed escalation to a range of resolver groups.
 - **Service Desk:** Single point of contact for all clients with a focus on the capture of incidents and speed escalation to a range of resolver groups.
 - **National Operations Centre (NOC):** Proactive and repeatable operational activities including backup management, tool-set administration, event and alert management, reporting and patching.
 - **Monitoring and Alerting:** Advanced monitoring toolsets and robust processes identify and resolve issues early maximising availability for your business.
 - **Service Management:** Reporting, analysis, problem management and robust communications through excellent service delivery managers to ensure any service is delivered to its potential while driving continuous improvement in your business.
 - **Level 3 Support:** National Technical Practices (NTPs) provide specialist Level 3 support across all service lines. This is an escalation point for the Service Desk and NOC to respond, to and resolve incidents and requests following Service Level Agreements (SLAs).
 - **Capability and Availability Management:** Capacity management to define and measure threshold levels, and application of industry leading practices to manage growth is critical to continued availability and stability.

- **Patching and Concurrency:** Environments are patched to levels in accordance with vendor guidelines. This is crucial to maintaining performance and avoiding vulnerability.
- (4) **Security Services:** Cirrus Networks Cybersecurity is based on Australian and international best practice frameworks with a proven track record of assisting organisation improve their security posture and reduce company risk. While a standalone offering, it acts as an overlay on the other three business units and generates revenue across all three income types. The services across the other three business units include:
- **Advisory:** Understanding the current risk profile and developing a suitable threat defence profile, covering security assessments, compliance, application security, data loss prevention, policies, penetration testing, and vulnerability.
 - **Integration:** Detection, prevention, and restoration solutions delivery by experienced technology professionals.
 - **Managed:** Management of each client's security environment through both reactive and proactive measures covering their: Security Operations Centre (SOC), Security Information & Event Management (SIEM), incident response, Vulnerability As-a-Service (VAAS), server, endpoint & application patching, access control, and backup control & protection.

(d) **Strategy and Business Model**

Cirrus Networks has four key strategic priorities, which are summarised below:

- **Growing Managed Service recurring revenue:** Focusing on mid-market organisations with 200–2000 staff and promoting operational excellence and referencability.
- **Expanding transformation offerings for digital, data, AI and cloud:** Providing an advisory agile approach and using Microsoft, NVIDIA and other technology partners as a platform for growth.
- **Broadening its offerings for cyber security:** Through expanding its cyber security and consulting practices and leveraging the company's Defence Industry Security Program (DISP) certified Canberra secure NOC.
- **Accelerating growth through mergers and acquisitions:** Build out geographic diversity and Managed Service, cloud and security capabilities through complementary acquisitions.

(e) **Financial and Business Highlights**

Continue to drive a balanced, growing and profitable business

For FY23, Cirrus Networks reported a record \$112 million in total revenue and an underlying EBITDA of \$4.8 million (being EBITDA on a post-AASB 16 basis but excluding the impacts of share based payments, one-off corporate transaction fees and restructure and redundancy costs). This 8% growth in revenue also delivered a 14% increase in gross margin across all income types while the focused cost stewardship and efficient business processes delivered the 4th straight year of reduced overheads.

The strong customer engagement in all markets contributed to ongoing high demand for Cirrus Networks product and services, including a solid pipeline of managed service opportunities.

FY23 also saw the business develop skillsets and potential new revenue lines in security, automation and cloud, while commencing an exciting new AI collaboration with NVIDIA.

Strong Debt-Free Balance Sheet maintained

FY23 also delivered record Net Cash of \$13.9m and a record cash from operating activity of \$5.4m. These results underpin the strong Balance Sheet the business maintains with no borrowings.

Efficient working capital management delivered solid day sales, outstanding outcomes and improvements in net working capital in line with trading results.

5.2 Cirrus Networks Board and senior management

(a) Board

As at the Last Practicable Date, Cirrus Networks Board comprises the following Directors:

Name	Position
Mr Paul Everingham	Non-Executive Director, Chairman
Mr Chris McLaughlin	Managing Director
Mr Daniel Rohr	Non-Executive Director
Mr Adam Waterworth	Non-Executive Director

(b) Senior executive team

As at the Last Practicable Date, Cirrus Networks' senior management comprises the following members:

Name	Position
Chris McLaughlin	Chief Executive Officer
Matt Green	Chief Financial Officer
Darren Grocott	Chief Solutions Officer
Helen Weightman	Executive – Client Engagement & Delivery (Mid-Market)
Michael Swift	Executive – Client Engagement & Delivery (Federal)
Shane Hart	Technical Services Manager
Paul Crockford	Executive – Managed Service Solutions
Rod Dunstan	National Sales Lead

5.3 Capital Structure

As at the Last Practicable Date, the capital structure of Cirrus Networks was:

Type of Security	Number On Issue
Ordinary shares	930,006,385
Options (5,700,000 of which are vested)	45,199,999
Performance Rights (nil vested)	13,782,990

The Cirrus Networks Shares to be issued to employees in respect of the Performance Rights relate to performance for the period ending 30 June 2023 which had been approved by the Cirrus Networks Board but not issued.

See Section 10.2 for further information on the intended cancellation of Equity Incentives (which include Options and Performance Rights) in connection with the Scheme.

Other than as described in this Section 5.3, there are no other securities on issue, and there are no offers or agreements to issue any securities, in Cirrus Networks.

5.4 Substantial shareholders

As at the Last Practicable Date, the following persons have notified Cirrus Networks of the fact that they hold substantial holdings (within the meaning of the Corporations Act) in Cirrus Networks Shares.

Shareholder	Ordinary shares held	% of issued ordinary shares
Microequities Asset Management Pty Ltd (ACN 134 984 768)	141,882,559	16.43%
Adam Waterworth	51,897,452	5.58%
Harvest Lane Asset Management Pty Ltd (ACN 158 314 697)	46,584,624	5.01%

The shareholdings listed in this Section 5.4 are disclosed to Cirrus Networks by the shareholders by substantial holding notices and change in director interest notices received by the Last Practicable Date. Information in regard to substantial holdings arising, changing or ceasing after the Last Practicable Date or in respect of which Cirrus Networks has not been advised or has not otherwise been disclosed, is not included above.

5.5 Recent Cirrus Networks Share price performance

As at 8 September 2023, being the last trading day prior to the announcement of the entry into the Scheme Implementation Deed on 11 September 2023:

- the closing price of Cirrus Networks Shares on ASX was \$0.041;
- the highest recorded daily closing price for Cirrus Networks Shares on ASX in the previous 3 months was \$0.046 on 13 and 14 July 2023; and
- the lowest recorded daily closing price for Cirrus Networks Shares on ASX in the previous 3 months was \$0.031 on 29 June 2023.

The graph below shows Cirrus Networks' share price performance over the last 12-month period ending 8 September (the last trading day prior to the announcement of the entry into the Scheme Implementation Deed):



Source: S&P Capital IQ data for 12-months ending 8 September 2023.

The current price of Cirrus Networks Shares on ASX can be obtained from ASX's website (www.asx.com.au).

5.6 Risks Relating to Cirrus Networks' business

There are existing risks relating to Cirrus Networks' business and an investment in Cirrus Networks. These risks will not be relevant to Cirrus Networks Shareholders if the Scheme becomes Effective (other than risks to which the Enlarged Group may be exposed).

If the Scheme does not become Effective, those risks continue to be relevant to Cirrus Networks Shareholders. A summary of the key risks relating to Cirrus Networks' business and an investment in Cirrus Networks is set out in Section 8.

5.7 Group Structure

The following entities are Subsidiaries of Cirrus Networks:

Controlled Subsidiaries	Principal Place of Business	Ownership interest on or after 30 June 2023 %
Urea Corp of Australia Ltd ACN 131 402 072	WA	100%
Liberty Technologies Pty Ltd ACN 131 402 045	WA	100%
L7 Solutions Pty Ltd ACN 108 279 778	WA	100%
Cirrus Networks (Canberra) Pty Ltd ACN 168 829 641	ACT	100%
Cirrus Networks (Victoria) Pty Ltd ACN 151 940 215	VIC	100%
BOAB Energy Pty Ltd ACN 131 402 054	WA	100%
Cirrus Networks (WA) Pty Ltd ACN 161 277 121	WA	100%
Cirrus Networks (ACT) Pty Ltd ACN 143 561 291	ACT	100%

5.8 Historical financial information

This Section 5.8 contains the Cirrus Networks Financial Information, which comprises:

- historical consolidated income statements of Cirrus Networks for the years ended 30 June 2022 and 30 June 2023;
- historical consolidated statement of financial position of Cirrus Networks as at 30 June 2022 and 30 June 2023; and
- historical consolidated statement of cash flows of Cirrus Networks for the years ended 30 June 2022 and 30 June 2023.

The financial information in this Scheme Booklet is in an abbreviated form and does not contain all of the presentations and disclosures that are usually provided in an annual report and should therefore be read in conjunction with the financial statements of Cirrus Networks for the respective periods, including the description of the significant accounting policies contained in those financial statements and the notes to those financial statements.

The information has been extracted from the audited financial reports of Cirrus Networks for the years ended 30 June 2023 and 30 June 2022 which are available on the Cirrus Networks' website at <https://cirrusnetworks.com.au> or by visiting ASX's website at www.asx.com.au.

See Section 5.11 for details of where Cirrus Networks' full financial reports, including all notes to those financial reports, can be found.

(a) Cirrus Networks historical consolidated income statements

The historical consolidated income statements of Cirrus Networks for the years ended 30 June 2023 and 30 June 2022 are summarised in the table below.

		YEAR ENDED	
		2023 (\$)	2022 (\$)
REVENUE			
Revenue		112,185,921	104,097,372
Other Income		142,396	15,020
		112,328,317	104,112,392
EXPENSES			
Purchase of goods		73,306,220	70,723,748
Employee and labour related costs		32,202,256	29,354,131
Depreciation & amortisation		1,189,424	1,370,752
Corporate transaction costs		24,506	625,400
Other expenses		1,847,378	1,871,779
Foreign exchange losses		31,243	42,253
Share based compensation		375,431	(45,414)
Redundancy and business restructure		97,692	513,775
Finance costs		189,022	110,741
		109,263,172	104,567,165
PROFIT/(LOSS) BEFORE INCOME TAX		3,065,145	(454,772)
Income tax expense / (benefit)		1,339,603	(926,141)
PROFIT AFTER INCOME TAX FOR THE YEAR ATTRIBUTABLE TO THE OWNERS OF CIRRUS NETWORKS HOLDINGS LIMITED		1,725,542	471,369
Other comprehensive income:			
Other comprehensive income for the year, net of tax		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO THE OWNERS OF CIRRUS NETWORKS HOLDINGS LIMITED		1,725,542	471,369

(b) **Cirrus Networks historical consolidated statement of financial position**

The historical consolidated statement of financial position of Cirrus Networks as at 30 June 2022 and 30 June 2023 is set out below.

		YEAR ENDED	
		2023 (\$)	2022 (\$)
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		13,883,009	9,580,888
Trade and other receivables		15,036,401	16,338,560
TOTAL CURRENT ASSETS		28,919,410	25,919,448
NON-CURRENT ASSETS			
Property, plant and equipment		620,270	629,853
Right-of-use assets		1,262,858	1,860,670
Intangible assets		7,593,955	7,775,509
Deferred tax asset		3,632,392	4,971,995
TOTAL NON-CURRENT ASSETS		13,109,475	15,238,027
TOTAL ASSETS		42,028,885	41,157,475

		YEAR ENDED	
		2023 (\$)	2022 (\$)
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		20,595,440	21,357,948
Provisions		1,116,559	914,360
Lease liabilities		601,939	642,311
TOTAL CURRENT LIABILITIES		22,313,938	22,914,619
NON-CURRENT LIABILITIES			
Provisions		149,399	176,340
Lease liabilities		756,734	1,358,675
TOTAL NON-CURRENT LIABILITIES		906,133	1,535,015
TOTAL LIABILITIES		23,220,071	24,449,634
NET ASSETS		18,808,814	16,707,841
EQUITY			
Issued capital		15,019,054	15,019,054
Reserves		596,291	220,860
Retained earnings		3,193,469	1,467,927
TOTAL EQUITY		18,808,814	16,707,841

(c) **Cirrus Networks historical consolidated statement of cash flows**

This historical consolidated statement of cash flows of Cirrus Networks for the years ended 30 June 2022 and 30 June 2023 are summarised in the table below.

		YEAR ENDED	
		2023 (\$)	2022 (\$)
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers (inclusive of GST)		124,675,620	122,532,868
Payments to suppliers and employees (inclusive of GST)		(119,228,849)	(119,399,516)
Net interest (paid) / received		(48,252)	(119,803)
NET CASH FLOWS FROM OPERATING ACTIVITIES		5,398,519	3,013,549
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(294,295)	(283,922)
Payments for intellectual property		(40,373)	(84,043)
NET CASH FLOWS USED IN INVESTING ACTIVITIES		(334,668)	(367,965)
CASH FLOWS FROM FINANCING ACTIVITIES			
Principal elements of lease payments		(761,730)	(854,194)
Proceeds from exercise of options		-	45,187
NET CASH FLOWS USED IN FINANCING ACTIVITIES		(761,730)	(809,007)
Net movement in cash and cash equivalents		4,302,121	1,836,577
Cash and cash equivalents at the beginning of the financial year		9,580,888	7,744,311

	YEAR ENDED	
	2023 (\$)	2022 (\$)
CASH AND CASH EQUIVALENTS AT THE END OF FINANCIAL YEAR	13,883,009	9,580,888

5.9 Material changes in financial position since 30 June 2023

Within the knowledge of the Cirrus Networks Board, the financial position of Cirrus Networks has not materially changed since 30 June 2023, being the date of Cirrus Networks' financial statements for the full year ended 30 June 2023 (released to ASX on 4 August 2023).

A copy of Cirrus Networks' financial statements for the year ended 30 June 2023 are available free of charge on Cirrus Networks' website (<https://cirrusnetworks.com.au>) or on ASX's website (www.asx.com.au) or by contacting the Shareholder Information Line on 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia) between 8.30am and 5.30pm (AEDT), Monday to Friday.

Cirrus Networks has not provided any financial outlook to the market.

Further information about Cirrus Networks' financial performance is set out in the Independent Expert's Report which forms Annexure B.

5.10 Cirrus Networks Directors' intentions

The Corporations Regulations require a statement by the Cirrus Networks Directors of their intentions regarding Cirrus Networks' business. If the Scheme is implemented, the current Cirrus Networks Directors, with the exception of Chris McLaughlin intend to resign, and an alternative board will be determined by BidCo. It is for the new Cirrus Networks Board to determine its intentions as to:

- the continuation of the business of Cirrus Networks;
- any major changes, if any, to be made to the business of Cirrus Networks; and
- the future employment of the present employees of Cirrus Networks.

If the Scheme is implemented, BidCo will have 100 percent ownership and control of Cirrus Networks. The current intentions of BidCo with respect to these matters are set out in Section 6.7.

If the Scheme is not implemented, the Cirrus Networks Directors intend to continue to operate the business in the ordinary course of the business of Cirrus Networks.

5.11 Public information available for inspection

As a company listed on ASX and a disclosing entity under the Corporations Act, Cirrus Networks is subject to regular reporting and disclosure obligations. Broadly, these require Cirrus Networks to announce price sensitive information as soon as it becomes aware of the information, subject to exceptions for certain confidential information. Cirrus Networks' recent announcements are available from www.asx.com.au. Further announcements concerning developments at Cirrus Networks will continue to be made available on this website after the date of this Scheme Booklet.

Cirrus Networks is required to prepare and lodge with ASIC and ASX both annual and half-yearly financial statements accompanied by a statement and report from the Cirrus Networks Directors and an audit or review report. Copies of these and other documents lodged with ASIC may be obtained from or inspected at an ASIC office and on the Cirrus Networks website <https://cirrusnetworks.com.au/>.

ASX maintains files containing publicly disclosed information about all companies listed on ASX. Information disclosed to ASX by Cirrus Networks is available on ASX's website at www.asx.com.au.

Cirrus Networks Shareholders may obtain a copy of:

- the annual financial report of Cirrus Networks for the year ended 30 June 2023 (being the annual financial report most recently lodged with ASX and ASIC before lodgement of this Scheme Booklet with ASIC); and
- any continuous disclosure notice given to ASX by Cirrus Networks since the lodgement with ASX and ASIC of the 30 June 2023 annual report for Cirrus Networks referred to above and before lodgement of this Scheme Booklet with ASIC.

A list of announcements made by Cirrus Networks to ASX from the date of the Scheme Implementation Deed on 11 September 2023 to the Last Practicable Date, is included below:

Date	Description of Announcement
13-Oct-23	Acquisition of Cirrus Networks – Updated Presentation
11-Oct-23	Change in substantial holding
22-Sep-23	Becoming a substantial holder
20-Sep-23	Change in substantial holding
15-Sep-23	ATA: Updated offer for Cirrus Networks Holdings
15-Sep-23	Revised Scheme Offer from Atturra
14-Sep-23	Trading Halt
14-Sep-23	Pause in Trading
11-Sep-23	Change in substantial holding
11-Sep-23	Cirrus enters binding scheme with Atturra
11-Sep-23	Acquisition of Cirrus Networks Holdings – Presentation
11-Sep-23	Atturra to acquire Cirrus Networks via Scheme of Arrangement

5.12 Litigation

As at the Last Practicable Date, Cirrus Networks is not currently subject to any legal disputes and is not party to any litigation proceedings.

5.13 Further information

For a summary of the risks associated with Cirrus Networks, please refer to Section 8.

6 Information about Atturra and BidCo

6.1 Introduction

This Section 6.1 contains information concerning BidCo and outlines how it is funding the Scheme Consideration and its intentions in relation to the Enlarged Group. This Section 6 forms part of the Atturra Information. It has been prepared by BidCo and is the responsibility of BidCo. Cirrus and its respective officers and advisers do not assume any responsibility for the accuracy or completeness of this information.

6.2 Brief history of Atturra and business overview

The Atturra Group is a leading technology services business with core operations in Australia, and is a market leader in designing, implementing, and maintaining IT solutions for many of Australia's largest private and public organisations. Atturra floated on the ASX on Wednesday 22 December 2021. BidCo is a wholly owned subsidiary of Atturra and part of the Atturra Group.

The Atturra Group provides a broad range and flexible suite of integrated services and solutions across the following main business lines:

- advisory and consulting;
- business applications;
- data and integration;
- cloud business solutions;
- managed services; and
- industry engagement.

These business lines are distinct, but interrelated, allowing the Atturra Group to provide end-to-end, whole-of-organisation solutions for clients.

The Atturra Group was created by bringing together five specialist IT services brands that were specialists in their respective fields – ANATAS, Cubic Consulting, Kobold, SME Gateway and Veritec. The Atturra Group has continued to grow both organically and through strategic acquisitions, having recently completed the acquisition of The Somerville Group Pty Ltd (which specialises in managed services) in April 2023, the business of Silverdrop Education Pty Ltd ACN 139 433 775 (which specialises in HR and payroll services) in August 2023, and recently announced (on 6 September 2023) the pending acquisition of Sabervox Pty Ltd ACN 128 843 630 (a managed IT services provider in regional NSW).

Atturra's acquisition strategy is focused on industries in which there are high barriers to entry (such as defence) or where there is no clear market leader, as well as businesses with expertise in specialised, high-growth technologies.

Atturra has also developed practices organically as a key partner to Microsoft, Software AG, Boomi and Smartsheet.

Atturra currently engages over 800 consultants, IT and support personnel across Sydney, Melbourne, Brisbane, Canberra, Adelaide, Perth, New Zealand, Hong Kong and Singapore. The Atturra Group is based in New South Wales, Australia and has satellite offices in Hong Kong, Singapore and New Zealand.

Since 2015, the Atturra Group has worked with over 700 clients which includes public and private entities in various industries including local and federal Government, education, defence, superannuation and financial planning, and utilities, amongst others.

6.3 Overview of BidCo

BidCo is a proprietary company registered in New South Wales, Australia and was incorporated on 23 July 2008. It was formerly known as Foundation Technology Holdings Pty Ltd. BidCo is a wholly-owned subsidiary of Atturra.

6.4 Group and organisational structure

The Atturra Group is comprised of 35 separate entities. Atturra (the listed vehicle) is the sole shareholder of BidCo, which in turn has 13 wholly-owned Australian subsidiaries aligned with its different business divisions. There are a further 20 wholly-owned subsidiaries sitting below this, including two registered in New Zealand, one registered in Hong Kong and one registered in Singapore.

See Annexure A for a detailed corporate structure diagram.

If the Scheme is implemented, BidCo will also acquire 100% of the Cirrus Networks Shares, and Cirrus Networks will become an additional wholly owned subsidiary of BidCo.

6.5 Board and senior management

(a) Board of Atturra

As at the Last Practicable Date, the board of Atturra comprised the following members:

Name	Position	Experience
Mr Shan Shamsher Kanji	Non-Executive Director and Chairman	Shan Kanji is the Non-Executive Chair and an associate of the major shareholders of Atturra. Shan has spent more than 15 years as a senior business leader with a proven track record of running scale diversified and complex industrial and technology businesses in Australia and New Zealand. He has extensive experience with start-ups in technology, property development, manufacturing and other sectors. Shan was instrumental in the formation of, and growth in, Atturra and its predecessor organisations. Shan is on the board of the Australian Steel Institute, the nation's peak body representing the Australian manufactured steel supply chain. Shan holds a Bachelor of Laws and a Bachelor of Commerce from the University of NSW and is a practising lawyer and the Principal of Kanji & Co.
Mr Stephen Walter Kowal	Chief Executive Officer and Executive Director	Stephen Kowal is the CEO and Executive Director of Atturra. Stephen has been the CEO since early 2019 and, prior to his appointment, has held senior executive and non-executive positions in the IT and consultancy sectors since 2001. Prior to joining Atturra, Stephen led sales for the Australian and New Zealand division for DXC Technology, a US multinational business to business IT services provider. Stephen was also previously the President for the Computer Sciences Corporation's (CSC) Australian and New Zealand Insurance and Banking business. Stephen is highly experienced across the insurance, banking, government, and natural resources sectors, holding several Chief Information Officer roles within the US, Chile, and Australia. Stephen holds a Bachelor of Science from the University of NSW, a Graduate Diploma in Applied Finance and Investment from the Securities Institute of Australia, and Diploma of Insurance and Finance (ANZIF). ANZIF awarded Stephen the PC Wickens award in 2015. Stephen is a Fellow of the

		Governance Institute of Australia, Fellow of the Financial Services Institute of Australia, Senior Associate of ANZIF and a member of the Australian Institute of Company Directors (AICD).
Mr Jonathan Yitzchak Rubinsztein	Non-Executive Director	Jonathan has recently taken the position of CEO of Nuix. ¹⁹ Nuix is an ASX-listed company and a leading provider of investigative analytics and intelligence software with a vision of “finding truth in the digital age”. Prior to this, he was the Managing Director & CEO of Infomedia Ltd, an ASX300 company providing SaaS solutions to the parts and service sector of the global automotive industry. Jonathan and the team grew the market capitalisation over 300% during the five and a half years that he led the business. Prior to that, Jonathan was the CEO and one of the founding shareholders at Red Rock Consulting, the largest Oracle Consulting business in ANZ with eight offices and 600 staff. This was sold to UXC and then eventually acquired by DXC and is currently the Oracle practice within DXC called DXC Red Rock. Jonathan was also a Founder and Director of RockSolid SQL, a company that built monitoring and automated data management software. Jonathan has been on the board of a number of philanthropic ventures including Humanitix, the first not-for-profit ticketing platform that redistributes profits from booking fees to various charities. He has also been on the board of Missionvale, a not-for-profit organisation that provides love and care for the destitute and those with HIV/AIDS in the extremely poor township of Missionvale, Port Elizabeth, South Africa.
Ms Nicole Bowman	Non-Executive Director	Nicole is an experienced leader, non-executive director and former lawyer whose leadership career has spanned over 21 years across industries as diverse as mining, finance, sport and manufacturing, both in Australia and internationally. In addition to her executive and legal experience, Nicole spent a combined total of seven years as a non-executive director of ASX-listed mining and exploration companies Blackthorn Resources Limited, and Intrepid Mines Limited. During this period Nicole chaired each of the Audit and Risk Committee and the Nomination and Remuneration Committee in turn. Nicole was also a founding director of Football South Coast Limited and a member of the former FFA Women’s Advisory Group. She was a board member of the charity Dress for Success Sydney Inc. from 2017 to 2022. In 2019 she was appointed the Australia Day Ambassador for Wollongong in recognition of her philanthropic work. Nicole holds a Bachelor of Economics and Bachelor of Laws (Hons) from the University of Sydney and is a member of the Australian Institute of Company Directors.

It is not expected that there will be any changes to the board of Atturra if the Scheme is implemented and Cirrus Networks is acquired by BidCo.

(b) **Board of BidCo**

¹⁹ It is noted that Nuix has been informed that ASIC is conducting an investigation into the acquisition of Nuix Shares by its CEO in early September 2022 and Nuix’s response to an ASX enquiry relating to those circumstances. Nuix has noted that the CEO’s acquisition of Nuix shares took place with prior approval and during an approved trading window and that Nuix will fully co-operate with ASIC’s investigation.

As at the Last Practicable Date, the board of BidCo comprised the following members:

Name	Position
Mr Shan Shamsheer Kanji	Non-Executive Director and Chairman
Mr Stephen Walter Kowal	Director
Ms Nicole Bowman	Non-Executive Director
Mr Jonathan Yitzchak Rubinsztein	Non-Executive Director

It is not expected that there will be any changes to the board of BidCo if the Scheme is implemented and Cirrus Networks is acquired by BidCo. All members of the board of BidCo are also members of the board of Atturra. Refer to the information provided in the Board of Atturra at section 6.5 for information on the board's experience.

(c) **Senior management**

As at the Last Practicable Date, the Atturra Group senior management team comprised the following members:

Name	Position	Experience
Mr Herbert To	Chief Financial Officer	Herbert has held CFO roles in the IT, telecoms, professional services and media industries over 25 years across Australia, North America, and the South Pacific. Over his career, Herbert has been the CFO of ASX-listed companies and held divisional executive positions with global multinational corporations. As CFO at Kantar ANZ, Herbert oversaw the successful merger of Kantar with the WPP AUNZ Data Investment Management Group. Herbert is a Chartered Accountant, a Chartered Professional Accountant and a Chartered Business Valuator. He holds a Bachelor of Accounting and Finance (Hons) from the University of Waterloo and a Graduate Diploma in Applied Finance and Investment from the Securities Institute of Australia (FINSIA).

6.6 Connection to the Scheme

The Scheme contemplates the acquisition of all Cirrus Networks Shares such that from the Implementation Date, BidCo will hold 100% of the shares in Cirrus Networks. Under the Scheme, Scheme Shareholders may elect to receive Maximum Cash Consideration, Maximum Share Consideration, the Default Consideration or the Split Consideration, subject to the scaleback arrangements and the treatment of Ineligible Foreign Shareholders. The Scheme Consideration options available and scale back arrangements are described in detail at section 4.3, 4.4 and 4.5. The treatment of Ineligible Foreign Shareholders is described at Section 4.9.

If a Scheme Shareholder (other than a Relevant Unmarketable Parcel Shareholder) makes a valid election (or is deemed to elect) to receive Scheme Consideration that includes Atturra Shares, then Atturra will have an obligation to issue the Atturra Shares due to that Scheme Shareholder on the Implementation Date, who will in turn become a shareholder of Atturra. This will result in that Scheme Shareholder continuing to have an interest (through Atturra and its subsidiaries, including BidCo) in Cirrus Networks that is proportional to their holding in Atturra. This proportional entitlement will depend on the entitlements and elections made in respect of the available Scheme Consideration options, and the impact of scaleback arrangements on that Scheme Shareholder.

6.7 Corporate governance

The board of Atturra is responsible for the corporate governance of the Atturra Group.

Details of the policies and principles and the charters for the board of Atturra and each of its committees are available on its website: <https://investors.atturra.com/governance/>

The main policies and principles adopted by Atturra are summarised below.

(a) **Atturra Board and senior executive evaluation**

The board of Atturra is comprised of directors that possess the requisite skills to competently oversee the business of a technology company. The board's skills span the full spectrum of technical, financial, commercial and operational knowledge and experience necessary to guide a company of Atturra's size and stage of growth. The composition of the board will be reviewed on an annual basis with reference to Atturra's board skills matrix, which is used as a tool to assess the appropriate balance of skills, experience, independence and diversity necessary for the board to discharge its duties and responsibilities effectively. The board matrix notes that Atturra seeks to achieve or exceed the targets set for each skill through the board's collective professional experience and expertise across all of the categories identified in its matrix. Where there are gaps in the skills of the board, these are filled through the employment of suitably experienced senior executives and/or the engagement of professional advisers.

(b) **Selection of external auditor**

Atturra follows its audit and risk committee charter in relation to the appointment of an external audit firm. An external audit partner is to be permanently engaged by Atturra to provide shareholder and investor confidence in the integrity of Atturra's financial reports, and audit compliance. Atturra requires the external audit partner to maintain independence from Atturra in accordance with the Corporations Act and the Audit and Risk Committee Charter.

(c) **Selection and appointment of new directors**

Atturra's constitution notes that the company must have at least three directors (two of whom must ordinarily reside in Australia). A new director may be appointed by the Atturra Board at any time subject to the constitution and section 201E of the Corporations Act, except during a general meeting. A director may also be appointed subject to the Atturra constitution and section 201E by election at a general meeting. The Atturra Board is structured so that directors who are appointed at a general meeting must retire each year and may be eligible for re-election after 3 years. Directors who have been appointed by the Atturra Board must retire at the next general meeting and can be re-elected at that point in time.

(d) **Audit and risk charter**

Atturra has established an audit and risk committee. The primary role of the committee is to monitor and review the effectiveness of the control environment of Atturra in the areas of operational and balance sheet risk, legal and regulatory compliance and financial reporting. The overriding objective of the audit function of the committee is to provide an independent and objective review of financial and other information prepared by Atturra, in particular information that is to be provided to members and/or filed with regulators.

(e) **Board charter**

The Atturra Board charter sets the principles for the operation of the Atturra Board and the functions and responsibilities of the Atturra Board and management of Atturra. The Atturra Board is responsible for the overall operation and stewardship of Atturra. The Atturra Board's objectives are to advance Atturra's strategic direction in all of its day to day activities in a way that: provides clear accountability; protects the rights and interests of shareholders and other stakeholders; provides for proper management of Atturra's assets; supports the achievement of Atturra's fiduciary, environmental, health, safety, social and other

obligations; preserves and enhances Atturra's reputation and standing in the community; and supports the achievement of shareholder value within a framework of appropriate risk assessment and management.

The Atturra Board is primarily responsible for ensuring that the company has an appropriate corporate governance structure for the creation and protection of shareholder value. The Atturra Board's role is to govern the company rather than to manage it. In governing the company, the directors must act in the best interests of the company as a whole. It is the role of senior management to manage the company in accordance with the direction and delegations of the board and the responsibility of the Atturra Board to oversee the activities of management in carrying out these delegated duties.

(f) **Nomination and remuneration charter**

Atturra has established a nomination and remuneration committee as a sub-committee of the Atturra Board. The role and responsibilities of the committee are to review and make recommendations to the board in relation to Atturra Board candidates and their remuneration unless otherwise expressly delegated by the decision-making power of the Atturra Board.

(g) **Continuous disclosure and shareholder communication policy**

As a publicly listed company, Atturra has obligations under the Corporations Act and the Listing Rules to keep the market fully informed of all information which may have, or could reasonably be expected to have, a material effect on the price or value of its securities. The Listing Rules contain provisions requiring the continuous disclosure of information to keep the market informed of events and developments as they occur. Listing Rule 3.1 provides that once Atturra becomes aware of any information concerning it that a reasonable person would expect to have a material effect on the price or value of Atturra's securities, Atturra must immediately disclose that information to the ASX.

Further, Listing Rule 15.7 requires that an entity not release information that is intended for release to the market to any person until it has given the information to the ASX, and has received an acknowledgement that ASX has released the information to the market. Atturra is committed to complying with the continuous disclosure obligations contained in the Listing Rules and the Corporations Act. Atturra acknowledges the importance of effective communication with its shareholders and market participants. The board recognises its duty to ensure that its shareholders are informed of all material developments affecting Atturra's operations and affairs.

The policy provides that information will be communicated to shareholders and the market through the Annual General Meeting and other general meetings called to seek the approval of shareholders to a particular matter(s) as appropriate; the annual report which is available to shareholders; the half-yearly directors' and financial reports; and other announcements released to the ASX as required under the continuous disclosure requirements of the Listing Rules and other information that may be distributed to shareholders.

(h) **Share Trading Policy**

The Atturra Group is committed to complying with the Corporations Act and the Listing Rules to create a transparent market in the trading of its securities on the ASX. Listing Rule 12.9 requires Atturra, as a listed entity, to have a trading policy that restricts its directors and other key management personnel from trading in its securities during certain closed periods. Atturra has determined that such restrictions will apply to its directors, the secretary, any employee reporting directly to the Atturra CEO or any employee in a finance role (whether full-time, part-time or casual), or any other members as nominated by the board (**Restricted Persons**). Directors and employees are encouraged to hold shares in Atturra. It is important, however, that care is taken in the timing of any dealing in the company's securities to avoid "insider trading". The policy ensures that Restricted

Persons and all other employees of Atturra (together, **Employees**), are aware of the legal restrictions on trading securities, while such an Employee is in possession of unpublished price sensitive information concerning Atturra. If an Employee is uncertain of the status of unpublished information, they should discuss it with the Chair before engaging in any trade in Atturra securities. Additionally, the objectives of the policy are to: minimise the risk of Employees contravening the laws against insider trading; minimise the risk of the appearance of insider trading and the significant reputational damage that may cause; ensure Atturra is able to meet its reporting obligations under the Listing Rules; and increase transparency with respect to trading in Atturra securities by Employees.

To achieve the objectives outlined above, this policy is binding on Restricted Persons and Employees unless a specific exemption has been granted by the board. It encourages Employees to obtain legal advice prior to any of their family members trading in Shares when this policy would prevent that Employee from undertaking the trade themselves.

(i) **Code of conduct policy**

The Atturra Group is committed to making positive economic, social and environmental contributions to each of the communities in which it operates, while complying with all applicable laws and regulations and acting in a manner that is consistent with its foundational principles of honesty, integrity, fairness and respect. The code of conduct policy provides a framework for decisions and actions in relation to conduct in respect of employment. It underpins the company's commitment to provide professional services and its duty of care to all employees, stakeholders and clients receiving those services. It should be read in conjunction with Atturra's diversity policy. Staff members are expected to act consistently with the fundamental principles as set out in the code of conduct at all times. Similarly, consultants, contractors and partners working with or for Atturra should be informed of these principles, Atturra's expectations and their obligation to act in accordance with them. The code of conduct has been prepared in accordance with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4th edition, 2019).

(j) **Antibribery and corruption policy**

As set out in Atturra's statement of values and code of conduct, Atturra is committed to conducting its business with honesty and integrity at all times, and takes a zero-tolerance approach to bribery and corruption. Atturra acknowledges that bribery and corruption expose the Atturra Group to the risk of criminal and civil proceedings, and that individuals engaged in that conduct may also be subject to such proceedings. The penalties for such conduct are severe. The policy also acknowledges that bribery and corruption can expose Atturra to the risk of reputational damage. The purpose of the policy is to: provide clear policies and procedures for employees and other workers in relation to bribery and corruption issues that may arise in the course of their employment; provide guidelines for the offering or acceptance of gifts or hospitality; assist in the protection of the company's reputation, business and interests; provide a reporting mechanism for allegations of bribery and corruption; and assist in compliance with legal obligations.

(k) **Diversity and inclusion policy**

Atturra is committed to creating an inclusive culture at all levels of the company in which diversity is recognised and valued. Atturra recognises the strategic and personal advantages that arise from such a workplace and acknowledges that diversity relates not only to gender, but also to age, ethnicity, disability, marital or family status, religious beliefs, cultural background, sexual orientation, socio-economic background, perspective, experience and gender identity. The purpose of the policy is to enable the board to set a clear intention and framework to deliver the diversity and inclusiveness it desires to see throughout the Atturra Group; set measurable objectives for achieving gender diversity in the board and across Atturra's workforce generally; annually review and assess those measurable

objectives and Atturra's progress in achieving them; and disclose the company's progress in achieving them at the board level. The size of Atturra and the scale of its operations is to be taken into account when setting measurable objectives. The policy applies to the board and all employees of Atturra and the Atturra Group and complements existing employment related policies and documentation. It does not form part of an employee's contract of employment with Atturra or any of its Related Bodies Corporate, nor does it give rise to contractual obligations. However, to the extent that the policy requires an employee to do or refrain from doing something, and at all times subject to legal obligations, this policy forms a direction of Atturra with which an employee is expected to comply.

(l) **Whistleblower policy**

The Atturra Group is committed to facilitating a culture of ethical and honest behaviour. The objective of the whistleblower policy is to provide information about the protections available to whistleblowers and the processes for dealing with reports of misconduct or illegal activity. The policy aims to encourage a confidential and safe environment to ensure that whistleblowers are not subjected to harassment, victimisation or discrimination as a result of speaking up. The policy is made available on the Atturra Group's intranet and can be accessed by all officers and employees of the Atturra Group at any time. The policy has been developed in accordance with the provisions relating to the protection of whistleblowers in the Corporations Act and any other relevant rules or regulations under that Act.

(m) **Supplier code of conduct**

The supplier code of conduct (**Code**) sets out the minimum standards that Atturra expect their suppliers (**Suppliers**) to meet at all times. The Code notes that Suppliers must: ensure that their employees, contractors and supply chain comply with the Code at all times when dealing with Atturra; must continually monitor their compliance with the Code and; notify Atturra if it becomes aware of any breaches of the Code. In addition to the Code, Suppliers must comply with all applicable laws, regulations and Australian standards.

6.8 Rationale for proposed acquisition of Cirrus Networks

The proposed Scheme is a strong strategic fit for Atturra, with the Enlarged Group creating one of the largest Australian-sovereign advisory and technology solutions providers, with incremental operational and geographic scale.

Cirrus Networks provides Atturra with a broadened and complementary range of offerings, an enlarged customer base with a focus on government, energy and resources and other corporate clients, and a strengthened geographic presence in the Australian Capital Territory, Western Australia and Victoria. Cirrus Networks' existing strategic partnerships and customer relationships are expected to facilitate Atturra's expansion of major vendor relationships to unlock growth in key segments.

Atturra and Cirrus Networks represent two of the few remaining independent, Australian-owned²⁰ information and communication technology services companies given the broader sector consolidation, which presents a key competitive advantage. Atturra has a demonstrated history of successfully integrating and leveraging the capabilities of its acquisitions. The combined entity is well positioned to become the go-to provider for key government agencies whilst continuing to pursue other customer industries.

Given its historical acquisitiveness and focus on strategic and cultural alignment, Atturra believes Cirrus Networks meets its strategic objectives and accelerates growth opportunities.

²⁰ As at the Last Practicable Date, Atturra is more than 95% Australian owned.

6.9 Funding of the Scheme Consideration

(a) Overview of Scheme Consideration

Under the terms of the Scheme, Scheme Shareholders will have the option to elect to receive consideration with a total implied value of up to \$0.063 per Cirrus Networks Share in one of four ways:

- 75% cash consideration and 25% scrip consideration, equating to \$0.0473 cash and 0.0179 Atturra shares for each 1 Scheme Share held (**Default Consideration**)²¹;
- 100% cash consideration, equating to \$0.063 cash per Scheme Share held (**Cash Consideration**)²⁵;
- 100% scrip consideration, equating to 0.0715 Atturra shares for each 1 Scheme Share held (**Share Consideration**)²⁵; or
- 50% cash consideration and 50% scrip consideration, equating to \$0.0315 cash and 0.0357 Atturra shares for each 1 Scheme Share held (**Split Consideration**)²⁵.

The value of Atturra shares for the purpose of determining the number of Atturra shares to be used under the Default Consideration, Share Consideration and Split Consideration options has been agreed at \$0.8815 per Atturra share being the volume weighted average price for the 30 days up to and including 8 September 2023. The table in Section 1.3(d) illustrates the Independent Expert's assessment of the range of implied values of the Scheme Consideration per Cirrus Networks Share under various election scenarios (assuming there is no scaleback under the scaleback mechanisms).

Scheme Shareholders (other than Relevant Unmarketable Parcel Shareholders) who do not make an election before 5.00pm (Perth time) on the Business Day prior to the Record Date or who make an invalid election will receive the Default Consideration.

Ineligible Foreign Shareholders will not be entitled to receive New Atturra Shares. If an Ineligible Foreign Shareholder elects Scheme Consideration other than Maximum Cash Consideration or fails to make an election, any New Atturra Shares it would otherwise be entitled to be issued will be issued to a nominee who will sell them on behalf of the Ineligible Foreign Shareholder and provide the Ineligible Foreign Shareholder with the net proceeds of the sale. Please see Section 4.9 for further details.

Unmarketable Parcel Shareholders who do not give an Opt-in Notice before 5.00pm (Perth time) on the Business Day prior to the Record Date, will receive the Maximum Cash Consideration for their Shares. Those Unmarketable Parcel Shareholders who duly complete an Opt-in Notice can elect to receive New Atturra Shares as part of their Scheme Consideration.

Those Scheme Shareholders who are entitled to receive Default Consideration, and Relevant Unmarketable Parcel Shareholders receiving cash only, will not be subject to any scaleback arrangements.

The Scheme Consideration is however subject to the maximum total cash consideration payable by Atturra not exceeding \$44,568,422.54 (**Maximum Cash Consideration Pool**) and the maximum total Atturra share consideration not exceeding 16,616,677 Atturra shares (**Maximum Scrip Consideration Pool**).

If eligible Scheme Shareholders' elect (or are deemed to have elected) to receive Scheme Consideration comprising aggregate total cash consideration that exceeds the Maximum Cash Consideration Pool, then each Scheme Shareholder (other than those who elected Default Consideration or Relevant Unmarketable

²¹ Cash per share and share conversion ratios rounded to 4 decimal places.

Parcel Shareholders) that has elected to receive cash (or is deemed to have elected to receive cash) will have their cash consideration scaled back. Conversely, if eligible Scheme Shareholders' (which excludes Relevant Unmarketable Parcel Shareholders) elect (or are deemed to have elected) to receive Scheme Consideration comprising aggregate total scrip consideration that exceeds the Maximum Scrip Consideration Pool, then each Scheme Shareholder (other than those who elected to receive Default Consideration) that has elected to receive shares (or is deemed to have elected to receive shares) will have their share consideration scaled back.

It is expected that eligibility to apply rollover relief to the Scheme (in respect of any portion of Scheme Consideration that comprises Share Consideration) will be confirmed via application of a Class Ruling to the Commissioner of Taxation by Cirrus Networks, on behalf of Scheme Shareholders. The Atturra Group will continue to support this application after implementation of the Scheme.

(b) **Overview of funding arrangements**

BidCo intends to fund part of the Scheme Consideration with debt.

(c) **Debt**

At implementation of the Scheme, Atturra intends to refinance its existing acquisition financing facility and establish a new \$30.0 million secured acquisition facility (**New Facility**) with Westpac Banking Corporation (**Westpac**). The cash component of the Scheme funding of approximately \$44.56 million will be majority funded by the New Facility. As at 30 June 2023, Atturra had over \$44 million cash and cash equivalents on its balance sheet, reported revenue of approximately \$178 million and net profit after tax of approximately \$10.6 million.

Atturra's existing term loan facilities will commence a new 3-year term from implementation of the Scheme. There will be no material changes to Atturra's other Westpac facilities.

Atturra's financing facilities are on terms that Atturra considers to be market standard, including standard conditions precedent to draw down.

(d) **Reasonable Basis**

On the basis of the arrangements described in this section 6.9, BidCo is of the opinion that it has a reasonable basis for forming the view, and it holds the view, that it will have sufficient funds available to fund the payment of the Scheme Consideration and related transaction costs

6.10 BidCo's intentions

This Section 6.10 sets out certain elements of BidCo's current intentions in relation to Cirrus Networks if the Scheme is implemented, including BidCo's intentions regarding:

- the continuation of the business of Cirrus Networks or how Cirrus Networks' existing business will be conducted;
- changes to the Cirrus Networks Board and management team;
- any major changes to be made to the business of Cirrus Networks, including any redeployment of any assets of Cirrus Networks;
- the future employment of the present employees of Cirrus Networks; and
- delisting of Cirrus Networks from ASX,

in each case, after the Scheme is implemented.

The intentions set out in this Section 6.10 have been formed on the basis of facts and information concerning Cirrus Networks and the general business environment which are known to BidCo as at the Last Practicable Date.

Final decisions regarding the matters set out below will be made by BidCo in light of all material information, facts and circumstances at the relevant time. Accordingly, it is important to recognise that the statements set out in this section 6.10 are statements of current intentions only, which may change as new information becomes available or as circumstances change.

(a) **Head Office**

BidCo intends for Cirrus Networks to maintain its head office in Perth, Western Australia but notes that management of Cirrus will report to Atturra's head office in Sydney, New South Wales.

(b) **Changes to corporate structure and constitution**

BidCo will be the direct holding company of Cirrus Networks upon implementation of the Scheme, with Atturra the ultimate holding company. Atturra intends to replace the Cirrus Networks constitution with a constitution appropriate for a proprietary company.

(c) **Business, Operations and Assets**

After implementation of the Scheme, Cirrus Networks and Atturra will continue servicing all Cirrus Networks customers and no impact to operations are anticipated for customers. If the Scheme is implemented, the current intention of Atturra is to continue the day-to-day operations of the business largely in its current form. Atturra will undertake a review of Cirrus Networks' existing operations, assets and structure to identify any areas where Cirrus Networks' business can be enhanced or improved with the support and resources of Atturra. As part of the review, this will also include identifying synergies across the businesses which can be realised and exploring any potential efficiencies.

(d) **Cirrus Networks Board**

Following implementation of the Scheme, the Cirrus Networks Board will be reconstituted with directors to be nominated by Atturra prior to the Implementation Date. Atturra intends to appoint Mr Shan Kanji and Mr Stephen Kowal (being current members of the Atturra Board), whose details are provided above at Section 6.5, and to retain Chris McLaughlin (being a current member of the Cirrus Networks Board).

(e) **Present management and employees of Cirrus Networks**

Atturra will review Cirrus Networks' operations and organisational structure in consultation with Cirrus Networks' senior management to ensure an appropriate mix in experience and skills of employees for the Enlarged Group going forward. Atturra is not currently in a position to know what the findings of the review will be or any actions it will take based on the findings of the review. However, the Scheme represents not just an opportunity for Atturra to expand its offering to Cirrus Networks' customers but importantly an opportunity to expand Atturra's team with the many talented leaders and employees at Cirrus Networks. To this end, the Scheme is subject to retention of at least three quarters of Cirrus Networks' key senior management team.

(f) **Delisting**

The Scheme Implementation Deed provides for Cirrus Networks to make applications to the ASX for de-listing, subject to the Scheme becoming Effective. In that case, Cirrus Networks Shares will cease trading on the Business Day following the Implementation Date and Cirrus Networks will subsequently be de-listed and removed from ASX's official list. Atturra then intends to take steps to convert Cirrus Networks to a private company.

6.11 Atturra interests in Cirrus Networks

(a) **Interests in Cirrus Networks Shares and contracts**

The table below sets out the interests of the Atturra directors in Cirrus Networks Shares as at the date of this Scheme Booklet:

Director	Cirrus Networks Securities	Cirrus Contracts/ Other
Shan Kanji	Nil	Nil
Stephen Kowal	1,250,000 Cirrus Networks Shares purchased on market as follows: <ul style="list-style-type: none"> 250,000 at \$0.036 on 2 February 2023 1,000,000 at \$0.037 on 2 February 2023 Purchased in last 4 months: Nil	Nil
Jonathan Rubinsztein	Nil	Nil
Nicole Bowman	Nil	Nil

Other than as stated in the table above, as at the Last Practicable Date none of BidCo or any of its Associates has any:

- (1) Relevant Interest or voting power in any Cirrus Networks Shares;
- (2) any interest of any kind in any contract entered into by any member of the Cirrus Group (other than the Scheme Implementation Deed).

(b) **Dealings in Cirrus Networks Shares in previous four months**

None of BidCo, Atturra or any of their respective Associates has provided or agreed to provide consideration for any Cirrus Networks Shares under any other transaction during the period of four months before the Last Practicable Date, except for the Scheme Consideration which BidCo has agreed to provide under the Scheme.

(c) **Inducing benefits to holders of Cirrus Networks Shares during previous four months**

During the four months before the Last Practicable Date, none of BidCo, Atturra or any of their respective Associates has given or offered to give or agreed to give a benefit to another person where the benefit was likely to induce the other person or an associate to:

- vote in favour of the Scheme; or
- dispose of Cirrus Networks Shares,

where the benefit was not offered to all current Cirrus Networks Shareholders.

(d) **Benefits to Cirrus Networks' officers**

None of Atturra, BidCo, its Related Bodies Corporate and their respective Associates will be making any payment or giving any benefit to any current directors, secretaries or officers of any member of the Cirrus Group as compensation or consideration for, or otherwise in connection with, their resignation from their respective offices if the Scheme is implemented.

(e) **No interests of Atturra or BidCo directors in Cirrus Networks Shares**

As at the date of this Scheme Booklet, and other than as stated at Section 6.11 above, none of the directors of Atturra or BidCo have a Relevant Interest in any Cirrus Networks Shares.

6.12 Atturra Directors' interests in BidCo shares

BidCo is a wholly-owned subsidiary of Atturra. The table below sets out the interests of the Atturra Directors in Atturra securities as at the date of this Scheme Booklet:

Director	Atturra Securities	Voting Power % (prior to Scheme)
Shan Kanji	Atturra Shares: 130,525,973 ATA Performance Rights: Nil	56.13%
Stephen Kowal	Atturra Shares: 7,072,943 ATA Performance Rights: 1,817,058	3.04%
Jonathan Rubinsztein	Atturra Shares: 6,075,055 ATA Performance Rights: Nil	2.61%
Nicole Bowman	Atturra Shares: 113,333 ATA Performance Rights: Nil	0.05%

6.13 Issued securities in Atturra

(a) **Issued securities in Atturra**

As at the date of this Scheme Booklet, Atturra has the following securities on issue:

Type of Security	Number on issue
Shares	232,524,941
Performance rights	5,897,570

On the assumptions that:

- (1) the Scheme becomes Effective;
- (2) Atturra issues a maximum of 16,616,677 million Atturra Shares as part of the Scheme Consideration; and
- (3) no other Cirrus Networks Shares or Atturra Shares are issued,

Atturra will have approximately 250,895,456 Atturra Shares on issue following the Scheme being implemented. On implementation of the Scheme, the Scheme Shareholders will hold 6.62% of the Enlarged Group and current Atturra Shareholders will hold 92.68% of the Enlarged Group on a fully diluted basis.

(b) **Rights and Liabilities attaching to Shares**

The following is a summary of the more significant rights and liabilities attaching to the Shares being offered pursuant to this Scheme. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of New Atturra Shareholders. Independent legal advice should be sought to obtain such a statement. Full details of the rights and liabilities attaching to Atturra Shares are set out in the Constitution, a copy of which is available for inspection at the Atturra's registered office during normal business hours and online at <https://www.asx.com.au/markets/trade-our-cash-market/announcements.ata>.

(1) **General Meetings**

A meeting of members can be convened at any time by the board or a director. Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of Atturra.

(2) **Voting Rights**

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- (A) each shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (B) on a show of hands, every person present who is a shareholder or a proxy, attorney or representative of a shareholder has one vote and if a member has appointed two proxies, neither of these proxies may vote; and
- (C) on a poll, every person present who is a shareholder or a proxy, attorney or representative of a shareholder shall, in respect of each fully paid share held by them, or for which they are appointed a proxy, attorney or representative, have one vote for each share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid.

(3) **Dividend Rights**

Atturra may pay a dividend as permitted by the Corporations Act from time to time. Before paying a dividend to members, the board may set aside out of profits of the company reserves for any purpose it decides and use any sum set aside in the business of the company or investments selected by the board or carry forward any amount of profits which the board decides not to distribute without transferring that amount to a reserve.

(4) **Winding Up**

On a winding up, the surplus assets of the company remaining after payment of its debts are divisible among shareholders in proportion to the number of fully paid shares held by them, and for this purpose, a partially paid share is counted as fraction of a fully paid share equal to the proportion which the amount paid on it bears to the total issue price of the share.

(5) **Transfer of Shares**

Subject to the Atturra constitution, a member may transfer a share by any means permitted by the Corporations Act or by law. Atturra must not charge any fee on transfer of a share.

(6) **Variation of Rights**

If the company issues different classes of shares, or divides issued shares into different classes, the rights attached to the shares in any class may (subject to section 246C and 246D of the Corporations Act) be varied or cancelled only:

- (A) with the written consent of the holders of 75% of the issued shares of the affected class; or
- (B) by special resolution passed at a separate meeting of the holders of the issued shares of the affected class.

Subject to the terms and issue of shares, the rights attached to a class of shares are not treated as varied by the issue of further shares of that class.

(7) **Alteration of constitution**

Atturra's constitution and any of its provisions may be modified, repealed or replaced by a special resolution of its members.

(c) **Atturra Exempt Employee Incentive Plan**

The Atturra Exempt Employee Incentive Plan provides eligible employees to acquire shares, which will align their interests more closely with those of Atturra's shareholders and provide greater incentive for them to focus on Atturra's longer term goals. Atturra's board from time to time in its absolute discretion invite an eligible employee to participate in the plan and make an offer. Following receipt, the eligible employee may make an offer by delivering to Atturra a duly completed executed application form. The board may decide to accept or reject an offer made by an eligible employee. If the offer is accepted by Atturra, the allocation of shares referred to in the offer must be allocated to the eligible employee. A copy of the Exempt Employee Incentive Plan is available at <https://www.asx.com.au/markets/trade-our-cash-market/announcements.ata>.

(d) **Atturra Long Term Incentive Plan**

The Atturra Long Term Incentive Plan provides eligible employees or their nominee with an opportunity to acquire a financial interest in Atturra, which will align their interests more closely with the company's shareholders and provide greater incentive for them to focus on Atturra's longer term goals. Atturra's board from time to time may in its absolute discretion invite an eligible employee to participate in the plan. The invitation to participate in the plan may prescribe performance criteria that must be satisfied as a condition for a share to be allocated in respect of a performance right and the performance period over which the performance criteria must be satisfied. A participant in the plan has no legal or beneficial interest in a share by virtue of acquiring or holding a performance right. An entitlement to a share only arises on satisfaction of the performance criteria applicable to that performance right over the performance period. A copy of the Long Term Incentive Plan is available at <https://www.asx.com.au/markets/trade-our-cash-market/announcements.ata>.

(e) **Substantial Atturra Limited shareholders**

The substantial holders (5% or more) of Atturra Shares as at the Last Practicable Date are as follows:

Substantial Atturra Shareholder	Number of Atturra Shares held	Voting Power %
Shan Kanji and his associates (Driftwood IT Pty Limited and 263 Finance Pty Limited) (Kanji)	130,525,973 as at 13 October 2023	56.13%
Richmond Hill Capital Pty Ltd and its associates (Ovens Valley Pty Ltd and E & M Odza Pty Ltd) (RHC)	14,187,344 as at 22 August 2023	6.10%

Substantial holding notices have been lodged by Kanji and RHC. Information regarding substantial holdings that arise, change or cease after the date of the substantial holding notices disclosed to Atturra, or in respect of which the relevant announcement is not available on ASX's website (www.asx.com.au) is not included above.

(f) **Recent price history of Atturra Shares**

The last recorded closing price for Atturra Shares on ASX on the Last Practicable Date is \$0.875.

During the three months ended 8 September 2023, being the last trading day prior to the announcement of the entry into the Scheme Implementation Deed on 11 September 2023:

- the highest recorded sale price for Atturra Shares on ASX was \$0.99 on 1 August 2023; and
- the lowest recorded sale price for Atturra Shares on ASX was \$0.75 on 5 September 2023.

The closing price for Atturra Shares on ASX before the first public announcement of the proposed Scheme was \$0.895 on 8 September 2023.

None of the above share prices should be taken as a forecast that Atturra Shares will trade at any particular price.

(g) **Dividend history**

Since listing of the ASX on 22 December 2021, Atturra has not declared any dividends, on the basis that Atturra's strategy has been to re-invest in its business, including by continuing to make acquisitions.

6.14 Regulatory Approvals

Except for the Conditions Precedent summarised at Section 10.4(a), BidCo does not require any Regulatory Approvals to fulfil its obligations under the Scheme Implementation Deed or implement the Scheme.

6.15 Continuous disclosure

As an ASX listed company and a “disclosing entity” under the Corporations Act, Atturra is subject to regular reporting and disclosure obligations. These obligations require Atturra to:

- announce price sensitive information to the ASX as soon as Atturra becomes aware of that information, subject to certain exceptions including information that is confidential; and
- prepare and lodge with ASIC and the ASX both annual and half-yearly financial statements.

The Atturra Shares offered as part of the Scheme Consideration are in the same class of Atturra Shares that have been quoted on the Official List during the 12 months prior to the issue of this Scheme Booklet. Accordingly, the disclosures in this Scheme Booklet in respect of Atturra have been prepared in accordance with section 713 of the Corporations Act and includes summary information only. It does not include detailed information in relation to the assets and liabilities, financial position, profits and losses or prospects of Atturra, and is intended to be read in conjunction with the publicly available information in relation to Atturra which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Cirrus Networks Shareholders should therefore have regard to the other publicly available information in relation to Atturra before making a decision whether or not to vote in favour of the Scheme, or to make an election to receive Scheme Consideration that includes Atturra Shares.

Having taken such precautions and having made such enquires as are reasonable, Atturra believes that it has complied with the general and specific continuous disclosure requirements of ASX as applicable from time to time throughout the period from lodgement of its annual financial statements for the financial year ended 30 June 2023 to the Last Practicable Date, and further confirms that ASIC has not exercised its powers under section 713(6) of the Corporations Act.

Atturra confirms that, to the extent to which it is reasonable for investors and their professional advisers to expect to find the information about it in this Scheme Booklet, there is no information:

- that has been excluded from a continuous disclosure notice in accordance with Listing Rules;
- that is information that investors and their professional advisers would reasonably require for the purpose of making an informed assessment of the: (a) assets and liabilities, financial position and performance, profits and losses and prospects of Atturra; and (b) the rights and liabilities attaching to Atturra Shares.

Information that is already in the public domain has not been included in this Scheme Booklet other than that which is considered necessary to make it complete.

Copies of the documents filed with the ASX can be obtained free of charge on the ASX website (www.asx.com.au). Copies of the documents lodged with ASIC in relation to Atturra may be obtained from, or inspected at, an ASIC office. Please note ASIC may charge a fee in respect of such services.

Atturra has lodged the following announcements with ASX since its 2023 annual report was lodged with ASX on 31 August 2023:

Date	Description of Announcement
16 October 2023	Change of Director's Interest Notice
16 October 2023	Notification regarding Unquoted securities - ATA
16 October 2023	Change of Director's Interest Notice
13 October 2023	Update - Proposed issue of securities - ATA
13 October 2023	Acquisition of Cirrus Networks - Updated Presentation
10 October 2023	Change of Director's Interest Notice
6 October 2023	Results of the 2023 Annual General Meeting
5 October 2023	2023 AGM Chair and CEO Address
3 October 2023	Notification of cessation of securities
29 September 2023	Completion of Sabervox acquisition
21 September 2023	Release of Securities from Voluntary Escrow
18 September 2023	Change of Director's Interest Notice
15 September 2023	Updated Offer for Cirrus Network Holdings
15 September 2023	CNW: Revised Scheme Offer from Atturra
14 September 2023	Trading Halt
14 September 2023	Pause in Trading
11 September 2023	CNW ATA: Cirrus enters binding scheme with Atturra
11 September 2023	ATA CNW: Acquisition of Cirrus Network Holdings-- Presentation
11 September 2023	ATA CNW: Atturra to acquire Cirrus Networks via Scheme of Arrangement
6 September 2023	Proposed issue of securities-- ATA

6 September 2023	Atturra to acquire Sabervox
6 September 2023	2023 Notice of Meeting, Letter of Access and Proxy
1 September 2023	Change in substantial holding
31 August 2023	FY23 Annual Results Presentation
31 August 2023	Appendix 4G and Corporate Governance Statement
31 August 2023	Appendix 4G and Corporate Governance Statement

6.16 No other material information

Other than as disclosed in this Section 6 and Section 10 there is no information regarding BidCo, Atturra Group or BidCo's intentions regarding Cirrus Networks or the business, assets or operations of Cirrus Networks and funding of amounts payable in connection with the Scheme, that is material to the decision of a Cirrus Networks Shareholder in relation to the Scheme, being information that is within the knowledge of any director of BidCo at the time of lodgement of this Scheme Booklet with ASIC, which is not disclosed in this Section 6 or elsewhere in this Scheme Booklet.

7 Overview of the Enlarged Group

7.1 Introduction

The information contained in this Section 7 has been prepared by Atturra. The information concerning the Enlarged Group and the intentions, views and opinions contained in this Section 7 are the responsibility of Atturra (except to the extent that the Enlarged Group information is based on information provided by Cirrus Networks, for which Cirrus Networks takes responsibility).

Cirrus Networks and its officers and advisers do not assume any responsibility for the accuracy or completeness of this information (except to the extent that the Enlarged Group information is based on information provided by Cirrus Networks).

7.2 The Enlarged Group

If the Scheme is implemented, Scheme Shareholders will hold New Atturra Shares, and Cirrus Networks will become a wholly owned subsidiary of Atturra. Post implementation of the Scheme, Atturra (the ultimate holding company of the Enlarged Group) will remain a listed company, with a larger capital and shareholder base. It is expected that the Enlarged Group will have increased net assets of approximately \$90.5 million and more than 1,700 shareholders, expected to deliver shareholders access to greater on-market liquidity.

In addition, the majority of costs currently incurred by Cirrus Networks and duplicated by Atturra are expected to be eliminated or reduced. The current conservative estimate (to be subject to review post Scheme implementation) is for approximately \$1.0 million in anticipated annualised cost synergies. Atturra expects further upside via additional cost synergies and cross-selling benefits over time.

Duplicated costs which the boards of Cirrus Networks and Atturra expect to be reduced once the Scheme is implemented include, but are not limited to:

- directors' and company secretarial fees;
- audit and tax fees;
- share registry fees;
- securities exchange listing fees; and
- general and operating expenses.

The cost savings relate principally to the cessation of Cirrus Networks operating as a separate listed entity and, therefore, a reduction in the costs of compliance and ongoing operating costs.

7.3 Prospects for the Enlarged Group

If the Scheme is implemented, Atturra intends to conduct a general review of Cirrus Networks' operations and organisation covering strategic, financial and operational matters. This may lead to opportunities to improve the performance of the Cirrus Networks business and identify future opportunities for the Enlarged Group.

Based on its current understanding and evaluation of the Cirrus Networks business, Atturra expects Cirrus Networks to add expertise in the government and resources sectors, together with bringing additional security cleared staff to the Enlarged Group. Atturra envisages working with the Cirrus Networks team to determine how to further develop the business of Cirrus Networks to maximise its operating performance and growth opportunities.

Atturra's growth strategy involves organic growth and seeking value accretive acquisition opportunities. Atturra's board believes that the acquisition of Cirrus Networks will be transformative to Atturra's managed services offering and will facilitate the delivery of

greater, recurring, multi-year services across Atturra's and Cirrus Networks' combined client bases with complementary geographic reach.

Based on the financial due diligence undertaken²², including an assessment of the expected cost savings of \$1.0m per annum, Atturra believes the Cirrus Networks acquisition to be high single digit EPS accretive²³ for Atturra Shareholders in FY24 on a pro forma and normalised basis (excluding any one-off transaction or integration costs and including the expected cost savings noted above). Atturra's FY24 outlook is based on Atturra's FY24 targets of approximately 20%+ revenue growth p.a. and approximately 10.5% underlying EBITDA margin that were previously announced to ASX by Atturra on 31 August 2023 and 5 October 2023. Cirrus Networks' FY24 management budget for gross revenue is in line with its FY23 gross revenue and assumes a normalised EBITDA margin of approximately 5%. The estimated high single digit EPS accretion in FY24 is on a pro-forma and normalised basis for the Merged Business, assumes an anticipated conservative \$1.0m of pro forma run-rate synergies, with transaction funding comprised of 75% cash and 25% equity with incremental cost of debt funding assumed at approximately 6.25% interest rates. Atturra expects further upside via additional cost synergies and cross-selling benefits over time.

7.4 Share capital and other securities of the Enlarged Group

(a) Share Capital and other Securities

As stated at section 6.13 above, it is expected that, Atturra will have approximately 250,895,456 Atturra Shares on issue following the Scheme being implemented. On implementation of the Scheme, the Scheme Shareholders will hold 6.62% of the Enlarged Group and current Atturra Shareholders will hold 92.68% of the Enlarged Group on a fully diluted basis.

(b) Substantial Shareholders in the Enlarged Group

As at the date of this Scheme Booklet, and on the assumption that the Scheme becomes Effective and is implemented, it is expected that the substantial holders (5% or more) of Atturra Shares will be as follows:

Substantial Atturra Shareholder	Number of Atturra Shares held	Voting Power %
Shan Kanji and its associates (Driftwood IT Pty Limited and 263 Finance Pty Limited) (Kanji)	130,525,973 as at 16 October 2023	52.02%
Richmond Hill Capital Pty Ltd and its associates (Ovens Valley Pty Ltd and E & M Odza Pty Ltd) (RHC)	14,187,344 as at 22 August 2023	5.65%

On the assumptions that:

- (1) the Scheme becomes Effective;

²² As part of Atturra's due diligence process in relation to the acquisition of Cirrus Networks, Atturra undertook financial due diligence including a review of Cirrus Networks FY24 management budget. In undertaking this due diligence process, there was sufficient supporting evidence to substantiate the achievability of Cirrus Networks FY24 management budget. The FY24 pro forma earnings per share accretion was primarily driven by Cirrus Networks Management's FY24 budget, plus \$1.0m of synergies, less the impact of the increased interest expenditure from the enlarged debt facility and taking into account up to 16.6m shares to be issued to Cirrus Shareholders under the Scheme.

²³ On a pro forma and normalised basis, excluding any one-off transaction or integration costs, including an assessment of anticipated annualised synergies at \$1.0 million per annum, and assuming the Atturas default consideration mix and Atturra's new credit approved facilities.

- (2) Atturra issues 16,616,677 million Atturra Shares as part of the Scheme Consideration; and
- (3) no other Cirrus Networks Shares or Atturra Shares are issued.

7.5 Enlarged Group Unaudited Pro Forma Historical Financial Information

(a) Overview

This Section 7.5 contains the following pro forma historical financial information in respect of the Enlarged Group:

- (1) pro forma historical income statement of the Enlarged Group (**Enlarged Group Unaudited Pro Forma Historical Income Statement**);
- (2) pro forma historical statement of cash flows of the Enlarged Group (**Enlarged Group Unaudited Pro Forma Historical Statement of Financial Position**); and
- (3) pro forma historical statement of financial position of the Enlarged Group (**Enlarged Group Unaudited Pro Forma Historical Statement of Cash Flows**),

(together, the **Enlarged Group Unaudited Pro Forma Historical Financial Information**).

The Enlarged Group Unaudited Pro Forma Historical Financial Information should be read together with the:

- (1) basis of preparation as set out in Section 7.5(b);
- (2) risk factors set out in Sections 7.6, 7.7 and 8; and
- (3) other information contained in this Scheme Booklet.

A number of figures, amounts, percentages, prices, estimates, calculations of value and fractions are subject to the effect of rounding. Accordingly, totals in tables may not add due to rounding.

(b) Basis of preparation

The Enlarged Group Unaudited Pro Forma Historical Financial Information has been derived from the Cirrus Networks and Atturra Historical Financial Information and prepared in accordance with the recognition and measurement principles prescribed in Australian Accounting Standards, other than it is presented on a pro forma basis as if implementation of the Scheme had already occurred and taking into account certain pro forma adjustments as set out in Sections 7.5(d) and 7.5(e). The Enlarged Group Unaudited Pro Forma Historical Financial Information is presented in abbreviated form and consequently does not contain all the presentation and disclosures that are usually provided in an annual report prepared in accordance with the Corporations Act.

The Enlarged Group Unaudited Pro Forma Historical Financial Information set out in Section 7.5 has been prepared for illustrative purposes to provide Cirrus Networks Shareholders with an indication of the financial performance, financial position and cash flows of the Enlarged Group as if the Scheme had been implemented prior to the commencement of the relevant financial year.

The Enlarged Group Unaudited Pro Forma Historical Financial Information does not reflect the actual performance, financial position or cash flows of the Enlarged Group at the time of implementation. It has been prepared for illustrative purposes only for this Scheme Booklet.

The Enlarged Group Unaudited Pro Forma Historical Financial Information presented in this Section 7.5 contains:

- (1) the Enlarged Group Unaudited Pro Forma Historical Income Statement (Section 7.5(c)) and Enlarged Group Unaudited Pro Forma Historical Statement of Cash Flows (Section 7.5(e)) for the year ended 30 June 2023 which are derived from Cirrus Networks' and Atturra's statutory historical financial information and adjusted for the pro forma adjustments set out in Section 7.5(e);
- (2) the Enlarged Group Unaudited Pro Forma Historical Statement of Financial Position as at 30 June 2023 as set out in Section 7.5(c) which is derived from Cirrus Networks' and Atturra's Statutory Financial Information and adjusted for the pro forma adjustments set out in Section 7.5(c); and
- (3) the pro forma adjustments set out in Section 7.5(d) and 7.5(e).

From an accounting perspective Atturra will gain control over Cirrus Networks and therefore, under AASB 3 Business Combinations (AASB 3), the Enlarged Group will be required to recognise the identifiable net assets of Cirrus Networks at fair value within the Enlarged Group's financial statements. Any excess between the fair value of the consideration paid and the fair value of the identifiable net assets of Cirrus Networks will be recognised as goodwill.

The value of the consideration for the acquisition of the Cirrus Networks Shares under the Scheme will be measured based upon the value of the Atturra Shares at close of trading on the Implementation Date. A combination of Cash Consideration and Share Consideration will form the total Scheme Consideration. Consequently, the value of the purchase consideration for accounting purposes may differ from the amount assumed in the Enlarged Group Unaudited Pro Forma Historical Financial Information due to future changes in the market price of Atturra Shares.

Under AASB 3, the Enlarged Group will have 12 months from the date of Atturra gaining control over Cirrus Networks to undertake a purchase price allocation exercise to determine the fair value of goodwill and identifiable assets (including intangible assets) and liabilities related to the acquisition of Cirrus Networks. As at the date of this Scheme Booklet, it is not possible to reliably determine the fair values of the acquired assets and liabilities of Cirrus Networks. For the purposes of preparing the Enlarged Group Unaudited Pro Forma Historical Statement of Financial Position, the Scheme Consideration (assumed as \$58.6 million total consideration) less Cirrus Networks' adjusted net assets at 30 June 2023 has been reflected as a single Pro Forma Adjustment to the "intangible assets" line. Subsequent to Implementation, the actual determination of the fair values of goodwill, and identifiable assets and liabilities acquired, may materially differ to those values presented in the Enlarged Group Unaudited Pro Forma Historical Statement of Financial Position.

As the purchase price allocation exercise has not been finalised, additional amortisation or depreciation in relation to identified finite life intangible assets or property, plant & equipment may arise, which has not been reflected in the Enlarged Group Unaudited Pro Forma Historical Income Statement. The quantum of any additional amortisation or depreciation will depend on the incremental fair value allocated and the useful lives ascribed to the identifiable intangible assets or property, plant & equipment as part of the final purchase price allocation exercise.

Items not reflected in the Enlarged Group Unaudited Pro Forma Historical Financial Information

As detailed above, the Enlarged Group Unaudited Pro Forma Historical Financial Information is provided for illustrative purposes only.

The Enlarged Group Unaudited Pro Forma Historical Financial Information presented in this Section 7.5 does not purport to reflect the likely actual or prospective reported financial performance, financial position or cash flows of the Enlarged Group.

It is likely that the actual financial performance, financial position and cash flows of the Enlarged Group in future periods will differ from the Enlarged Group Pro Forma Unaudited Historical Financial Information presented in this Section 7.5. The factors which may impact the actual financial performance, financial position or cash flows of the Enlarged Group include but are not limited to:

- (4) trading of Cirrus Networks and Atturra after 30 June 2023, which is not reflected in the Enlarged Group Unaudited Pro Forma Historical Financial Information;
- (5) the risk factors set out in Sections 7.6, 7.7 and 8;
- (6) the ultimate timing of implementation of the Scheme;
- (7) finalisation of the acquisition accounting, including determining appropriate purchase price allocation, including the fair value of all assets and liabilities acquired in accordance with the relevant accounting standards;
- (8) finalisation of the resetting of the tax cost bases of Cirrus Networks following Implementation, including the recognition of the associated deferred tax assets and liabilities, in accordance with the relevant accounting standards;
- (9) the ultimate timing and realisation of synergies and business improvements (and associated costs) arising from the combination of Atturra and Cirrus Networks; and
- (10) current and future changes to accounting standards (if any).

(c) **Enlarged Group Unaudited Pro Forma Historical Income Statement**

The Enlarged Group Unaudited Pro Forma Historical Income Statement for the year ended 30 June 2023 is presented the table below.

YEAR ENDED 30 JUNE 2023	Atturra	Cirrus Networks	Pro forma	Enlarged Group
"000	Audited	Audited	Adjustments	Unaudited Pro forma
Revenue	178,331	112,186	-	290,517
Cost of services provided	(124,223)	(96,242)	-	(220,465)
General and administrative expenses	(35,688)	(11,607)	-	(47,295)
Sales and marketing expenses	(1,190)	(36)	-	(1,226)
EBITDA	17,230	4,301	-	21,531
Depreciation and amortisation expenses	(2,054)	(1,189)	-	(3,243)
Other income	1,373	2	-	1,375
EBIT	16,549	3,113	-	19,662
Interest received	490	141	-	631
Finance costs	(1,088)	(189)	-	(1,277)
Profit before tax	15,951	3,065	-	19,016
Income tax benefit / (expense)	(5,308)	(1,340)	-	(6,648)
Profit for the period after tax	10,643	1,726	-	12,369

Pro Forma Adjustments — Enlarged Group Unaudited Pro Forma Historical Income Statement

No pro forma adjustments have been made to the year ended 30 June 2023.

Items not reflected in the Enlarged Group Unaudited Pro Forma Historical Income Statement

The Enlarged Group Unaudited Pro Forma Historical Income Statement has not been adjusted to reflect:

- the trading of Cirrus Networks and Atturra after 30 June 2023;
- the ultimate timing and realisation of any potential synergies or business improvements (and associated costs) arising from the combination of Cirrus Networks and Atturra;
- transaction costs incurred by Cirrus Networks and Atturra in relation to the Scheme incurred after 30 June 2023;
- additional depreciation and amortisation relating to identified tangible and intangible assets which may arise as a result of Implementation of the Scheme and the finalisation of the purchase price allocation exercise; and
- any potential tax impact which may arise as a result of Implementation of the Scheme including finalisation of resetting of tax cost bases of assets, and the finalisation of the accounting for the acquisition.

(d) **Enlarged Group Unaudited Pro Forma Historical Statement of Financial Position**

The Enlarged Group Unaudited Pro Forma Historical Statement of Financial Position as at 30 June 2023 is presented the table below.

As at 30 June 2023	ATA	CNW	Pro forma adjustments					Combined Group
"000	Audited	Audited	A: options exercised (CNW)	B: settlement of all options and performance rights (CNW)	C: new facility (ATA)	D: transaction costs (ATA and CNW)	E: acquisition of CNW	Pro forma
Current assets								
Cash and cash equivalents	44,250	13,883	2,049	(3,558)	36,800	(3,195)	(43,943)	46,286
Trade and other receivables	42,738	13,254	-	-	-	-	-	55,992
Contract assets	422	1,782	-	-	-	-	-	2,204
Total current assets	87,410	28,919	2,049	(3,558)	36,800	(3,195)	(43,943)	104,482
Non current assets								
Investments accounted for using the equity method	1,191	-	-	-	-	-	-	1,191
Property, plant and equipment	1,410	620	-	-	-	-	-	2,030
Right-of-use assets	9,951	1,263	-	-	-	-	-	11,214
Intangible assets	56,539	7,594	-	-	-	-	41,291	105,424
Deferred tax asset	5,869	3,632	-	-	-	-	-	9,501
Total non current assets	74,960	13,109	-	-	-	-	41,291	129,360
Total assets	162,370	42,029	2,049	(3,558)	36,800	(3,195)	(2,652)	233,843
Current liabilities								
Trade and other payables	42,245	19,500	-	-	-	-	-	61,745
Contract liabilities	7,616	1,096	-	-	-	-	-	8,712
Employee benefits	7,670	1,117	-	-	-	-	-	8,787
Lease liabilities	2,797	602	-	-	-	-	-	3,399
Other liabilities	3,592	-	-	-	-	-	-	3,592
Total current liabilities	63,920	22,314	-	-	-	-	-	86,234

Non current liabilities								
Borrowings	5,352	-	-	-	36,800	-	-	42,152
Lease liabilities	7,399	757	-	-	-	-	-	8,156
Employee benefits	1,446	149	-	-	-	-	-	1,595
Other liabilities	5,192	-	-	-	-	-	-	5,192
Total non current liabilities	19,389	906	-	-	36,800	-	-	57,095
Total liabilities	83,309	23,220	-	-	36,800	-	-	143,329
Net assets	79,061	18,809	2,049	(3,558)	-	(3,195)	(2,652)	90,514
Equity								
Issued capital	77,958	15,019	-	-	-	-	(371)	92,606
Reserves	(10,983)	596	2,049	(3,558)	-	-	913	(10,983)
Retained earnings	11,463	3,193	-	-	-	(3,195)	(3,193)	8,268
Non-controlling interest	623	-	-	-	-	-	-	623
Total equity	79,061	18,809	2,049	(3,558)	-	(3,195)	(2,652)	90,514

Pro Forma Adjustments— Enlarged Group Unaudited Pro Forma Historical Statement of Financial Position

- (1) Estimated receipt of cash proceeds of \$2 million from the options exercised by the employees after 30 June 2023;
- (2) Estimated cash settlement of the options exercised and performance rights by CNW, amounting to \$3.6 million;
- (3) Establishment and drawdown of funds from the new Westpac debt facility, amounting to \$36.8 million;
- (4) Estimated transaction costs of \$3.2 million to be incurred by the Enlarged Group in respect to this Scheme transaction; and
- (5) Acquisition of Cirrus Networks with an implied value of \$58.6 million, which will be funded \$7.1 million by existing cash, \$36.8 million by the above Westpac debt facility and the remaining will be settled via shares in Atturra (\$14.7 million). The balances represented in the tables above show the cash (\$43.9 million) and equity (\$14.7 million) consideration of \$58.6 million, resulting in a goodwill of c.\$41.3 million.

Items not reflected in the Enlarged Group Unaudited Pro Forma Historical Statement of Financial Position

The Enlarged Group Unaudited Pro Forma Historical Consolidated Statement of Financial Position has not been adjusted to reflect:

- the trading of Cirrus Networks and Atturra after 30 June 2023;
- finalisation of the acquisition accounting, including determining the appropriate purchase price allocation, including the fair value of all assets and liabilities acquired in accordance with the relevant accounting standards; and
- resetting of tax cost bases of Cirrus Networks following implementation, including recognition of the associated deferred tax assets and liabilities, in accordance with relevant accounting standards.

(e) Enlarged Group Unaudited Pro Forma Historical Statement of Cash Flows

The Enlarged Group Unaudited Pro Forma Historical Statement of Cash Flows for the year ended 30 June 2023 is presented the table below.

As at 30 June 2023	ATA	CNW	Pro forma adjustments					Combined Group
"000	Audited	Audited	A: options exercised (CNW)	B: settlement of all options and performance rights (CNW)	C: new facility (ATA)	D: transaction costs (ATA and CNW)	E: acquisition of CNW	Pro forma
Cash flows from operating activities								
Receipts from customers (inclusive of GST)	192,426	124,676	-	-	-	-	-	317,102
Payments to suppliers and employees (inclusive of GST)	(175,611)	(119,229)	-	-	-	-	-	(294,840)
Cash generated from operations	16,815	5,447	-	-	-	-	-	22,262
Net interest (paid) / received	(132)	(48)	-	-	-	-	-	(180)
Income taxes paid	(6,214)	-	-	-	-	-	-	(6,214)
Net cash from operating activities	10,469	5,399	-	-	-	-	-	15,868
Cash flows from investing activities								
Payments for purchase of subsidiaries, net of cash acquired	(18,365)	-	-	-	-	(3,195)	(43,943)	(65,503)
Payments for deferred consideration for purchase of subsidiaries	(3,800)	-	-	-	-	-	-	(3,800)
Payments for property, plant and equipment	-	(294)	-	-	-	-	-	(294)
Payments for intangibles	(281)	(40)	-	-	-	-	-	(321)
Proceeds from disposal of property, plant and equipment	97	-	-	-	-	-	-	97
Proceeds/(payments) for investments	664	-	-	-	-	-	-	664
Net cash from investing activities	(21,685)	(335)	-	-	-	(3,195)	(43,943)	(69,157)
Cash flows from financing activities								
Proceeds from issue of shares, net of costs	24,254	-	-	-	-	-	-	24,254
Proceeds from exercise of options	-	-	2,049	-	-	-	-	2,049
Settlement of options and performance rights	-	-	-	(3,558)	-	-	-	(3,558)
(Repayment)/proceeds of loans from related parties	(4,750)	-	-	-	-	-	-	(4,750)
Proceeds from borrowings from third parties	4,600	-	-	-	36,800	-	-	41,400
Repayments of lease liabilities	(2,129)	(762)	-	-	-	-	-	(2,891)
Payments for share buy-backs	(1,126)	-	-	-	-	-	-	(1,126)
Dividends paid	(513)	-	-	-	-	-	-	(513)
Net cash from financing activities	20,336	(762)	2,049	(3,558)	36,800	-	-	54,865

Net increase in cash and cash equivalents	9,120	4,302	2,049	(3,558)	36,800	(3,195)	(43,943)	1,575
Cash and cash equivalents opening	35,130	9,581	-	-	-	-	-	44,711
Cash and cash equivalents at the end of the financial year	44,250	13,883	2,049	(3,558)	36,800	(3,195)	(43,943)	46,286

Pro Forma Adjustments— Enlarged Group Unaudited Pro Forma Historical Statement of Cash Flows

- (1) Estimated receipt of cash proceeds of \$2 million from the options exercised by the employees after 30 June 2023;
- (2) Estimated cash settlement of the options exercised and performance rights by Cirrus Networks, amounting to \$3.6 million;
- (3) Establishment and drawdown of funds from the new Westpac debt facility, amounting to \$36.8 million;
- (4) Estimated transaction costs of \$3.2 million to be incurred by the Enlarged Group in respect to this Scheme transaction; and
- (5) Acquisition of Cirrus Networks with an implied value of \$58.6 million, which will be funded \$7.1 million by existing cash, \$36.8 million by the above Westpac debt facility and the remaining will be settled via shares in Atturra (\$14.7 million). The balances represented in the tables above show the cash (\$43.9 million) and equity (\$14.7 million) consideration of \$58.6 million, resulting in a goodwill of c.\$41.3 million.

Items not reflected in the Enlarged Group Unaudited Pro Forma Historical Statement of Cash Flows

The Enlarged Group Unaudited Pro Forma Historical Statement of Cash Flows has not been adjusted to reflect:

- the operating cash flows of Cirrus Networks and Atturra after 30 June 2023;
- the potential cash outflows relating to the payment of future dividends following Implementation of the Scheme; and
- any potential tax impact which may arise as a result of Implementation of the Scheme and the finalisation of the accounting for the acquisition.

(f) **No Other Material Information**

Except as disclosed elsewhere in this Scheme Booklet, there is no other material information regarding Atturra, or its intentions regarding Cirrus Networks and the Enlarged Group, that would be material to a Cirrus Networks Shareholder in deciding whether to vote in favour of the Scheme.

7.6 Scheme Implementation specific risks

(a) **Integration risk**

Integrating Cirrus Networks into the Atturra Group from an operational and employee perspective can represent a material and challenging risk. There is a risk that the parties have not identified all matters relevant to integration, or that unforeseen matters, delays or costs may arise. There are risks that any integration of the businesses of Cirrus Networks into the Atturra Group may take longer than expected and that anticipated efficiencies and benefits of that integration may be less than estimated. These risks include possible differences in the management culture of the two groups, inability to achieve synergy benefits and cost savings, and the potential loss of key personnel. Any failure by the Enlarged Group to ensure implementation costs remain below those anticipated

may have a material adverse effect on the financial performance and position, and prospects, of the Enlarged Group and the Atturra share price.

(b) **Change in risk profile and risks of an investment in the Enlarged Group**

There will be a change in risk profile for Cirrus Networks Shareholders, as if the Scheme does become effective, Cirrus Networks Shareholders may be issued with New Atturra Shares. As a consequence, Cirrus Networks Shareholders will be exposed to risk factors relating to Atturra, and the integration of Cirrus Networks into the Atturra Group. In many cases, those risks are different from, and may be additional to, those currently faced by Cirrus Networks Shareholders. It is noted that Atturra is subject to general market risk that is inherent in all securities listed on a stock exchange. This may result in fluctuations in Atturra's share price that are not explained by Atturra's fundamental operations and activities.

(c) **Satisfaction or waiver of conditions precedent**

Completion of the Scheme is subject to a number of conditions precedent. There can be no certainty, nor can BidCo provide any assurance, that these conditions will be satisfied or waived (where applicable), or when that will occur. In addition, there are a number of conditions precedent to the Scheme which are outside the control of BidCo, including, but not limited to, approval of the Scheme by the Requisite Majority of Cirrus Networks Shareholders and required regulatory and third party approvals and consents (refer to section 10.4(a) of this Scheme Booklet).

If for any reason the conditions to completion of the Scheme are not satisfied or waived (where applicable) and the Scheme is not completed, Cirrus Networks will continue, in the absence of a Superior Proposal, to operate as a standalone entity and remain listed on ASX and Cirrus Networks Shareholders will retain their Cirrus Networks Shares and will not receive the Scheme Consideration.

(d) **Termination Rights**

Cirrus Networks and BidCo each have the right to terminate the Scheme Implementation Deed in the circumstances described in section 10.4(g) of this Scheme Booklet. As such, there is no certainty that the Scheme Implementation Deed will not be terminated before the Scheme is implemented.

If it is terminated, Atturra can provide no assurances that another party would be willing to offer the same or greater consideration price for Cirrus Networks Shares than that which is offered under the Scheme Implementation Deed and the Scheme.

(e) **Movements in Atturra's Share Price**

It is noted that Atturra is subject to general market risk that is inherent in all securities listed on a stock exchange. This may result in fluctuations in Atturra's share price that are not explained by Atturra's fundamental operations and activities. Share market conditions are affected by many factors such as general economic outlook; interest rates and inflation rates; currency fluctuations; changes in investor sentiment toward particular market sectors; the demand for, and supply of, capital; political developments and global sanctions; terrorism, war or other hostilities; and pandemics or other events which have profound impacts on a local or global scale.

(f) **Transactions and other costs**

If the Scheme is implemented, Cirrus Networks expects to pay an aggregate of approximately \$1.733 million in transaction costs in connection with the Scheme. These transaction costs are primarily payable to Cirrus Networks' financial, legal, tax and accounting advisors, the Independent Expert and the Share Registry.

If the Scheme is implemented, Atturra expects to pay an aggregate of approximately \$1.5 million in transaction costs in connection with the Scheme.

These transaction costs are primarily payable to Atturra's financial, legal, tax and accounting advisors and the Atturra Share Registry.

(g) **Contract Risks**

There is a risk that existing Cirrus Networks customer contracts and existing supplier contracts will contain change of control provisions, and that change of control consents will not be provided.

(h) **Accounting Risks**

Changes to any applicable accounting standards or to any assumptions, estimates or judgements applied by management in connection with complex accounting matters may adversely impact Cirrus Networks' financial statements, results or condition.

(i) **A Superior Proposal for Cirrus Networks may yet emerge**

It is possible that a Superior Proposal for Cirrus Networks, which is more attractive for Cirrus Networks Shareholders than the Scheme, may materialise in the future. The implementation of the Scheme would mean that Cirrus Networks Shareholders would not obtain the benefit of any such proposal.

(j) **Rights, obligations and break fee under the Scheme Implementation Deed**

In addition, under the Scheme Implementation Deed:

- Cirrus Networks is required to pay a break fee of \$500,000 (excluding GST) to BidCo if the Scheme does not proceed in certain circumstances; and
- BidCo is required to pay a break fee of \$500,000 (excluding GST) to Cirrus Networks if the Scheme does not proceed in certain circumstances.

(k) **Substantial Shareholders in the Enlarged Group**

If the Scheme is implemented, as noted in section 7.4(b), Kanji's indirect interest in Atturra will be 52.02%, which is high for a listed company. Kanji's voting power in the Enlarged Group may impact the liquidity of Atturra Shares as Kanji will also be able to unilaterally vote down ordinary resolutions and significantly influence the outcome of special resolutions. A disposal of shares by Kanji may result in fluctuations in Atturra's share price that are not explained by Atturra's fundamental operations and activities. Kanji may further exercise influence over the Enlarged Group by requisitioning shareholder meetings, voting in favour of resolutions to appoint or remove directors of the Atturra Board, or deferring, blocking or otherwise significantly influencing the outcome of a proposed takeover or scheme of arrangement. It is noted that Atturra is subject to general market risk that is inherent in all securities listed on a stock exchange.

(l) **Other Risks**

The above risks should not be taken as a complete list of the risks associated with the implementation of the Scheme. The risks outlined above and other risks specifically referred to may in the future materially adversely affect the value of Atturra Shares and the financial performance of Atturra. No assurance or guarantee or future performance or profitability of Atturra or the value of Atturra Shares is given.

If the Scheme does not become effective and is not implemented, Cirrus Networks will continue, in the absence of a Superior Proposal, to operate as a standalone entity and remain listed on ASX and Cirrus Networks Shareholders will retain their Cirrus Networks Shares and will not receive the Scheme Consideration. Unless Cirrus Networks Shareholders choose to sell their Cirrus Networks Shares on ASX, Cirrus Shareholders will continue to hold Cirrus Networks Shares and be exposed to both the risks (including those set out in this Section 7) and potential future benefits in retaining exposure to Cirrus Networks' business. The Cirrus Networks share price will also remain subject to market volatility.

7.7 General Risks common to an investment in Atturra and the Enlarged Group

The information set out in this Section is a summary only and does not purport to be, nor should it be construed as representing, an exhaustive list of the risks affecting Atturra and the Enlarged Group. Additional risks and uncertainties not currently known to Atturra, or the Enlarged Group, may also have a material adverse effect on Atturra or the Enlarged Group's operational and financial performance. While measures can be taken to mitigate some risk, the occurrence and consequences of some of the risks described in this Section 7.7 are partially or completely outside the control of Atturra, the Enlarged Group or the Atturra board.

If the Scheme is implemented, you will receive the Scheme Consideration you are entitled to under the Scheme and you will cease to be a Cirrus Networks Shareholder from the Implementation Date. From that point in time, you will no longer be exposed to the risks set out in Section 8.3.

You should carefully consider the risk factors discussed in this Section 7.7, as well as the other information contained in this Scheme Booklet before voting on the Scheme.

If you do not understand any part of this Scheme Booklet or are in any doubt as to how to vote in relation to the Scheme, you should seek independent financial, legal and taxation advice before making any decision regarding the Scheme.

(a) **Exposure to Acquisition Risk**

If any future acquisitions are completed, there is a risk that the underlying assets do not ultimately produce the financial returns that Atturra anticipated or that it may not be able to integrate effectively the operations, products, technologies and personnel of any acquired businesses. There is a risk that Atturra may suffer loss or damage flowing from unforeseen events in relation to the underlying assets and liabilities of any future or potential acquisitions which may have an adverse effect on Atturra's financial and operational performance.

(b) **Ability to attract and retain clients**

The Enlarged Group will be dependent on its ability to attract new clients and retain existing clients in order to generate and increase revenue. There is a risk that the Enlarged Group will not be able to attract new clients at the rate it currently expects, or has experienced historically, or that it will not be able to retain existing clients when contract terms expire, which may have a material adverse impact on the financial performance of Atturra.

(c) **Operating in a competitive industry**

The Enlarged Group will compete with a number of other companies that provide similar IT services and its operating performance is influenced by a number of factors. In particular, it operates in an industry that sees disruptors entering the market with new technologies which may threaten an existing offering or make some of the Enlarged Group's service offerings redundant. This may impact the Enlarged Group's ability to retain existing clients and attract new clients.

(d) **Third party Technology reliance**

The Enlarged Group will rely on the success of third-party software to deliver its service offerings. Its operations would be materially impacted if existing third-party suppliers no longer made their software and technologies available to the Enlarged Group or materially increased the price of the use of their software or technologies. There is a risk that third-party vendors will commence their own services arm. Clients may elect to engage such vendors over the Enlarged Group which may have an adverse impact on financial performance.

(e) **Service offerings may fail to meet requirements**

The Atturra Group relies on continued investment in its service offerings. There is a risk that upgrading service offerings or transitioning clients onto newly developed

service offerings may result in unforeseen costs, may fail to achieve anticipated revenue or may not achieve the intended outcomes. A failure by the Enlarged Group to provide its service offerings with functionality that meets client requirements would have an adverse impact on its ability to develop new client relationships and maintain existing client relationships.

(f) **Diminishing reputation or brand**

There is a risk that the Enlarged Group's reputation could be affected by the actions of third parties, such as business partners, technology providers and its client base. There is also a risk that unforeseen issues or events may arise that adversely impact its reputation. If the Enlarged Group's reputation is diminished, it may result in existing clients ceasing to do business with the Enlarged Group, the failure to attract potential new clients, or impede the Enlarged Group's ability to compete successfully which may adversely affect future financial performance.

(g) **Failure to attract and retain key personnel**

The Enlarged Group's success will depend upon the continued service of key management, technical and sales personnel. There is a risk that the Enlarged Group's growth, and in particular the continued development of its service offerings, will be limited by an inability to attract and/or retain key staff. This risk is particularly acute in relation to the retention of key personnel engaged by companies that are the subject of future acquisitions. If the Enlarged Group fails to attract and retain key personnel, the pace of its future growth may be restricted, and the quality of its service offerings may be reduced.

(h) **Exposure to potential breaches of data security**

Data security and associated procedures are of significant importance to the retention of existing clients of the Enlarged Group. There is a risk that the Enlarged Group will be exposed to cyber-attacks, unauthorised access to data, theft and disruption and that security and technical precaution measures taken by the Enlarged Group and its third-party operators will not be sufficient to prevent this. There is also a risk that the Enlarged Group's service offerings are adversely affected by misuse by staff or contractors, disruption, failure, service outages or data corruption that could occur as a result of computer viruses, bugs, worms, malware, internal or external misuse by website, hacking or cyber-attacks. Such circumstances could negatively impact the Enlarged Group's reputation, business and future financial performance.

(i) **Failure to effectively manage growth**

The Enlarged Group's future success depends on its ability to effectively manage growth in revenue, employee number and its customer base. Failure to do so could result in failure to attract and retain customers which could adversely affect operating and financial performance.

(j) **Ability to access future capital**

The Enlarged Group may require financing in the future to fund its future growth and acquisition strategy. Any additional equity financing may be dilutive to shareholders, may be undertaken at lower prices than the current market price or may involve restrictive covenants which limit the group's operations and business strategy. Debt financing, if available, may involve restrictions on financing and operating activities.

If the Enlarged Group is unable to obtain additional financing as needed, it may be required to limit or cease its growth and acquisition plans and this could have a material adverse effect on the group's share value.

(k) **Lack of registrable intellectual property**

The Atturra Group does not have any registrable intellectual property in relation to its software codes nor does it hold any patents in relation to its service offerings. It does however have other forms of intellectual property such as business "know

how", trade secrets and other copyright materials such as reference materials developed through previous projects. In the event that senior employees leave, there is a risk that business "know how" or trade secrets in relation to a service offering provided by the group may be lost and unable to be regained by the Enlarged Group. This may affect the Enlarged Group's ability to continue to offer a particular service offering or existing capabilities, which may in turn have an adverse effect on financial and operational performance.

(l) **Price of Shares**

The Enlarged Group will be subject to general market risk that is inherent in all securities listed on a stock exchange. This may result in fluctuations in Atturra's share price that are not explained by fundamental operations and activities of the Enlarged Group.

Share market conditions are affected by many factors such as general economic outlook; interest rates and inflation rates; currency fluctuations; changes in investor sentiment toward particular market sectors; the demand for, and supply of, capital; political developments and global sanctions; terrorism, war or other hostilities; and pandemics or other events which have profound impacts on a local or global scale.

(m) **Dividends may fluctuate**

Dividends are discretionary and do not accrue. The rate of dividends may fluctuate or Atturra may not pay dividends at all. There is a risk that dividends may become less attractive compared to returns on comparable securities or investments. None of Atturra, Atturra's directors or any other person guarantees any particular rate of return on ordinary shares.

(n) **Taxation changes**

An investment in securities involves tax considerations which differ for each securityholder depending on their individual financial affairs. Changes in tax law or changes in the way taxation laws are interpreted may impact Atturra's tax liabilities or the tax treatment of a securityholder's investment.

(o) **Litigation Risk**

In the ordinary course of business, Atturra may be involved in litigation disputes from time to time. Litigation disputes with third parties may adversely impact the financial performance and industry standing of the business.

(p) **Force majeure**

Significant catastrophic events (such as war, acts of terrorism, pandemics, loss of power, cyber security breaches or global threats) or natural disasters (such as earthquakes, fire or floods or the outbreak of epidemic disease) could disrupt Atturra's operations and those of its clients. Such impacts may affect Atturra's ability to deliver services to its clients by interrupting critical functions, reducing demand for Atturra's services, preventing clients from honouring their contractual obligations to Atturra, or otherwise harming Atturra's business.

(q) **Other risks**

The above risks should not be taken as a complete list of the risks associated with an investment in Atturra Shares. The risks outlined above and other risks specifically referred to may in the future materially adversely affect the value of Atturra Shares and the financial performance of Atturra. No assurance or guarantee of future performance or profitability of Atturra or the value of Atturra Shares is given.

8 Risks

8.1 Introduction

The Cirrus Networks Board in its ordinary course of business assesses material risks associated with the operations of the Cirrus Networks and takes steps to manage and mitigate them. The Cirrus Networks Board considers that it is appropriate for Cirrus Networks Shareholders, in considering the Transaction, to be aware that there are a number of risk factors which could materially adversely affect the future operating and financial performance of Cirrus Networks, as well as the value of Cirrus Networks.

This Section 8 describes a number of key risks associated with:

- Cirrus Networks and its business; and
- share ownership in general.

These risks will only be relevant if the Scheme does not proceed as Cirrus Networks Shareholders will continue to hold Cirrus Networks Shares and continue to be exposed to risks associated with investment in the Cirrus Networks.

If the Scheme proceeds, Cirrus Networks Shareholders will receive the Scheme Consideration, will cease to hold Cirrus Networks Shares and will no longer be exposed to the risks set out in this Section 8 (other than risks to which the Enlarged Group may be exposed).

The information set out in this Section should be considered in conjunction with other information contained in this Scheme Booklet and is not, and should not be relied on as, an exhaustive list of the risks that Cirrus Networks Shareholders may face or to which they may be exposed.

These risks are general in nature and have been prepared without reference to the investment objectives, financial and taxation situation or particular needs of any particular Cirrus Networks Shareholder or any other person. Cirrus Networks Shareholders should consult with their relevant professional advisers as to what risks may be relevant to their personal circumstances.

8.2 General Investment risks

The market price of Cirrus Networks Shares on ASX is influenced by a number of factors, including the following:

- (a) change in investor sentiment and overall performance of the Australian and international stock markets;
- (b) changes in sentiment in credit markets;
- (c) changes in general business, industry cycles and economic conditions including inflation and interest rates;
- (d) variations in Cirrus Networks' operating results;
- (e) exchange rates, commodity prices, employment levels and consumer demand;
- (f) the ongoing global impact of the COVID-19 pandemic, and the continuously developing advice and responses from health and regulatory authorities;
- (g) changes in government fiscal, monetary and regulatory policies, including foreign investment;
- (h) pandemics, natural disasters and catastrophes, whether on a global, regional or local scale; and
- (i) accounting standards which affect the financial performance and position reported by Cirrus Networks.

These factors may vary across the markets in which Cirrus Networks and its Subsidiaries operate and have differing effects on different parts of Cirrus Networks' business and therefore the price of Cirrus Networks Shares. Some of these factors could affect the Cirrus Networks Share price regardless of Cirrus Networks' underlying operating performance.

8.3 Cirrus Networks specific risks

(a) **Competition and new technologies**

Cirrus Networks operates in a competitive environment in which systems and practices are subject to continual development and improvement, and new or rival offerings. Cirrus Networks provides services to enterprise and government clients that compete in part or in whole with services offered by other IT service companies. There is a risk that new entrants or existing competitors may deliver a superior solution and customer experience offering to that currently offered by Cirrus Networks, or, subject to competition law constraints, consolidate with other providers to deliver enhanced scale benefits with which Cirrus Networks is unable to compete with effectively.

If this materialised, Cirrus Networks may compete less effectively against its competitors and its business, financial performance and operations could be adversely affected.

(b) **Performance and reliability of website, databases, systems and risk of data security**

Cirrus Networks' websites, databases, information technology and management systems are fundamental to its ability to conduct its business. There is a risk that if one or more of Cirrus Networks' critical operating systems do not function properly, there could be system disruptions, corruption of databases or other electronic information, website slowdown or unavailability, and loss of data. Such disruption could materially adversely affect Cirrus Networks' financial and operational performance.

Cirrus Networks' financial and operational performance could be adversely affected by a system failure that causes prolonged disruption to its websites or other cloud connected services. This could damage the reputation and brand of the platform and lead to a decrease in revenues.

Cirrus Networks' websites, databases, data analytics and systems are all hosted on platforms provided by third party providers. Cirrus Networks is subject to the disaster planning contingencies of those third-party providers to deal with events that are beyond the control of those parties such as earthquakes, floods, power grid issues, network failures, terrorist attacks, computer viruses and other similar events. A failure in the systems of a third-party provider is likely to have a material impact on Cirrus Networks' systems and operations. This may lead to claims from customers, customer disenchantment or reputational damage which in turn may adversely affect financial performance.

Customer and third-party supplier databases, data analytics and IT infrastructure are critical to Cirrus Networks' continued success. There is a risk that computer viruses, cyber-theft, programming errors, operating system failures, third party provider failures and similar disruptions could lead to a loss of data. Cirrus Networks would incur a financial cost to remedy the loss of data which may adversely affect its financial and/or operating performance and/or lead to reputational damage.

(c) **Diminishing reputation or brand**

There is a risk that Cirrus Networks' reputation could be affected by the actions of third parties, such as business partners, technology providers and its client base. There is also a risk that unforeseen issues or events may arise that adversely impact its reputation. If Cirrus Networks' reputation is diminished, it may result in existing clients ceasing to do business with Cirrus Networks, the failure to attract

potential new clients, or impede Cirrus Networks' ability to compete successfully which may adversely affect future financial performance.

(d) **Pricing competition**

In order to stay competitive, Cirrus Networks may need to lower its prices or invest significantly more in product innovation and development. Further, increases in costs (such as information technology costs) may decrease the margin Cirrus Networks can earn under its pricing models if it is unable to pass on those increases to its customers. If fee changes are passed on, there is a risk that customer churn may increase. Any of these factors may lead to lower profitability.

(e) **Success of sales and marketing strategy**

Cirrus Networks expects that sales and marketing investment will continue to increase as the business grows. Cirrus Networks may not however receive benefits from these investments for several years or may not receive benefits from these investments at all. Failure to realise benefits from sales and marketing investment could negatively impact Cirrus Networks' ability to attract new customers and adversely impact Cirrus Networks' operational and financial performance.

(f) **Failure to retain existing customers and attract new customers**

Cirrus Networks' financial performance is dependent on its ability to retain existing customers and to attract new customers, along with its ability to cross-sell other products to these customers. This depends in part on: the functionality, reliability, pricing, client support and value that Cirrus Networks' products deliver; its ability to deliver products as promised when compared to competing products; and its ability to adapt and respond to changes in the needs of customers.

Customers may cease their relationship with Cirrus Networks for reasons within or outside of its control. If Cirrus Networks is unable to retain existing customers or attract new customers at the pricing, size, frequency, and with the costs it currently expects, its business, financial performance and operations may be adversely impacted.

(g) **It may not be possible to retain key personnel**

A key driver of Cirrus Networks' performance is the recruitment and retention of effective and qualified employees. Cirrus Networks faces the following risks in relation to personnel:

- loss of key management personnel;
- loss of other key employees;
- delay in finding suitable replacements for lost personnel; and
- inability to find suitably qualified personnel to meet Cirrus Networks' business needs as it grows.

Oversight of day-to-day operations and the strategic management of Cirrus Networks are substantially dependent upon Cirrus Networks' key management personnel. Whilst these key personnel have entered into service agreements with Cirrus Networks, there can be no assurance given that there will not be a detrimental impact on Cirrus Networks if one or a number of these key personnel cease their employment or involvement.

(h) **Breach of information security and data privacy**

Cirrus Networks uses technology platforms to host a number of its key systems, processes and confidential information, including customer data. Cirrus Networks has people and processes in place to maintain the confidentiality and security of the personal and confidential data that it collects, and to ensure the integrity of its systems (including through third party service providers). The measures taken include firewalls, cyber security and anti-virus software programs, network separation, penetration testing, vulnerability scanning, restricted access to

confidential personal data, and physical security and separation where appropriate.

Despite these efforts, there is a risk that Cirrus Networks is exposed to an external or internal cyber security breach or failure, a successful cyber-attack, data theft or misplaced data, computer viruses, acts of vandalism and programming errors and similar events.

Such events may result in a significant disruption to its systems and operations, reputational damage, significant legal and financial exposure and a loss of intellectual property and confidential information. In addition, such events may give rise to breaches of obligations under applicable laws, supervisory liability and an obligation under privacy laws to notify individuals and the Office of the Australian Information Commissioner of such a breach.

Further, there is a risk that Cirrus Networks may be unable to provide critical business processes due to a potential distributed denial-of-service attack, resulting in disruption of services, loss of merchants, financial loss or reputational damage

Any of these individual events could result in a loss of confidence in the security of its systems, reduce its ability to retain existing customers and attract new customers, and may have an adverse impact on its business, financial performance and operations.

(i) **Service offerings may fail to meet requirements**

Cirrus Networks relies on continued investment in its service offerings. There is a risk that upgrading service offerings or transitioning clients onto newly developed service offerings may result in unforeseen costs, may fail to achieve anticipated revenue or may not achieve the intended outcomes. A failure by Cirrus Networks to provide its service offerings with functionality that meets client requirements would have an adverse impact on its ability to develop new client relationships and maintain existing client relationships.

(j) **Growth strategies**

Cirrus Networks has a number of strategies in place to generate future growth and earnings. There is a risk that the implementation of these strategies will be subject to delays or cost overruns and there is no guarantee that these strategies will generate the customer demand, full financial benefits anticipated or result in future sales and earnings growth and may not deliver a return on investment.

(k) **Ability to access future capital**

Cirrus Networks may require financing in the future to fund its future growth and acquisition strategy. Any additional equity financing may be dilutive to shareholders, may be undertaken at lower prices than the current market price or may involve restrictive covenants which limit the group's operations and business strategy. Debt financing, if available, may involve restrictions on financing and operating activities.

(l) **Failure to effectively manage growth**

Cirrus Networks' future success depends on its ability to effectively manage growth in revenue, employee number and its customer base. Failure to do so could result in failure to attract and retain customers which could adversely affect operating and financial performance.

(m) **Breach of third-party intellectual property rights**

A risk exists that third parties may allege that Cirrus Networks' products and services use their intellectual property without their consent or permission. In such circumstances, Cirrus Networks may be subject to claims, disputes or litigation, which could result in the payment of damages, or cause delays and increase costs. This could have an adverse impact on its business, financial performance and operations.

(n) **Services agreements with many customers may be terminated at will and do not provide minimum revenue amounts**

Cirrus Networks' business depends on its contracts and relationships with key existing customers and attracting new customers. There can be no guarantee that these contracts and relationships will continue or, if they do continue, that they will remain successful. Cirrus Networks contracts with customers under a variety of arrangements from relatively short-term contracts to managed service arrangements over multi years. The arrangements are generally on a non-exclusive basis, and customers are usually able to reduce or cancel their use of Cirrus Networks' services without penalty at relatively short notice.

Any adverse changes to, or loss of, arrangements or relationships with Cirrus Networks' customers may reduce the volume or consistency of customers seeking to use Cirrus Networks' services. Factors that could potentially adversely impact Cirrus Networks' relationships with customers include commercial disputes on the terms of its existing arrangements, actions of competitors (for example, improving their offering to customers), or under-performance of Cirrus Networks' products against the customer's required key performance indicators over a period of time.

(o) **Loss of a key customer or a reduction in the work that Cirrus Networks Receives**

Cirrus Networks is exposed to the loss of a key customer or if a customer reduces the amount of work that Cirrus Networks receives. In FY23 Cirrus Networks' top 20 customers accounted for approximately 62.5% of consolidated revenues. This may adversely affect Cirrus Networks' financial performance.

(p) **Reliance on the effective performance of IT infrastructure**

While Cirrus Networks' existing platforms are designed to appropriately and effectively service Cirrus Networks' customers, changes and developments in technology, including by its competitors, or the commercial and/or regulatory environment may require Cirrus Networks to develop and maintain new and/or enhanced technology platforms. There is a risk that Cirrus Networks may fail to successfully achieve the required development of its technology and systems, which may, in turn, adversely affect its operations, relationship with customers, financial performance and financial condition. Further, Cirrus Networks relies on the success of third-party software to deliver its service offerings. Its operations would be materially impacted if existing third-party suppliers no longer made their software and technologies available to Cirrus Networks or materially increased the price of the use of their software or technologies.

8.4 Risk relating to the Scheme

In addition to the scheme implementation risks set out in section 7.6 and 7.7, additional risks specific to the scheme include:

(a) **The Scheme is subject to various conditions that must be satisfied or (if permitted) waived and there are termination rights in the Scheme Implementation Deed**

Completion of the Scheme is subject to a number of conditions. There can be no certainty, nor can Cirrus Networks provide any assurance, that these conditions will be satisfied or (if permitted) waived, or when that will occur. In addition, there are a number of other Conditions Precedent to the Scheme which are outside the control of Cirrus Networks and BidCo, including, but not limited to:

- approval of the Scheme by the Requisite Majority of Cirrus Networks Shareholders; and
- approval by the Court of the Scheme at the Court hearing to be held on the Second Court Date.

In addition, each of Cirrus Networks and BidCo has the right to terminate the Scheme Implementation Deed in certain circumstances. Accordingly, there is no certainty that the Scheme Implementation Deed will not be terminated by either Cirrus Networks or BidCo before the implementation of the Scheme.

If for any reason the conditions to the Scheme are not satisfied or (if permitted) waived or the Scheme Implementation Deed is terminated and the Scheme is not completed, the market price of Cirrus Networks Shares may be adversely impacted and Cirrus Networks Shareholders will not receive the Scheme Consideration.

(b) **Execution risk**

If BidCo and Atturra do not pay the Scheme Consideration in accordance with their obligations under the Scheme Implementation Deed and the Deed Poll, the Scheme will not be implemented. In that scenario:

- Cirrus Networks Shareholders will retain their Cirrus Networks Shares and will not receive the Scheme Consideration;
- Cirrus Networks will remain listed on ASX and will continue to operate its business and Cirrus Networks Shareholders will continue to be exposed to the risks and benefits of owning Cirrus Networks Shares; and
- Cirrus Networks' transactions costs will be borne by Cirrus Networks alone, subject to any BidCo Break Fee that is able to be recovered from BidCo or Atturra.

(c) **Implied value of Scheme Consideration**

Under the terms of the Scheme, Cirrus Networks Shareholders (other than Relevant Unmarketable Parcel Shareholders) may elect to receive the Scheme Consideration, as either the Maximum Cash Consideration, Maximum Share Consideration, Split Consideration or the Default Consideration. If a Cirrus Networks Shareholder receives Share Consideration, the value that such Cirrus Networks Shareholder may realise on the sale of the New Atturra Shares issued will depend on the price at which Atturra Shares trade on the ASX after the Implementation Date. Some Cirrus Networks Shareholders may not wish to continue to hold the New Atturra Shares received under the Scheme and may sell them on the ASX soon after the Implementation Date. There is a risk that such sales may drive down the price of Atturra Shares in the short term. In any event, there is no guarantee regarding the market price of Atturra Shares before the Scheme Meeting or after the Implementation Date. The value of Atturra Shares may fluctuate before the New Atturra Shares are issued on the Implementation Date. The table in Section 1.3(d) illustrates the Independent Expert's assessment of the range of implied values of the Scheme Consideration per Cirrus Networks Share under various election scenarios (assuming there is no scaleback under the scaleback mechanisms). Future market prices may be either above or below current or historical market prices. Information about the current trading prices of Atturra Shares may be obtained from asx.com.au.

9 Tax implications of the Scheme

9.1 Introduction

This Section summarises the general taxation position of Scheme Shareholders in relation to the Scheme if it is implemented. This Section 9 does not provide a complete analysis of the potential tax implications of the Scheme. Rather, it is only a general guide on the likely tax implications in Australia.

This Section 9 does not constitute tax advice. It should not be relied upon as a substitute for advice from an appropriate professional adviser having regard to your individual circumstances. Scheme Shareholders are strongly advised to seek their own independent professional advice on the tax implications of the Scheme based on their own specific circumstances.

This is a summary for Scheme Shareholders who are residents of Australia for Australian income tax purposes and hold their Scheme Shares on capital account for Australian income tax purposes. This summary does not consider the consequences for Scheme Shareholders who:

- hold their Scheme Shares as a revenue asset (i.e., trading entities or entities who acquired their Scheme Shares for the purposes of resale at a profit) or as trading stock for Australian income tax purposes;
- acquired their Scheme Shares through, or in connection with, an employee share scheme;
- are temporary residents for the purposes of Australian income tax law;
- may be subject to special tax rules, such as insurance companies, partnerships, tax exempt entities and entities subject to the Investment Manager Regime under Subdivision 842-I of the *Income Tax Assessment Act 1997* (Cth) in respect of their Scheme Shares; or
- are subject to the taxation of financial arrangements rules in Division 230 of the *Income Tax Assessment Act 1997* (Cth) in relation to gains and losses on their Scheme Shares.

This summary is general in nature and is based on Australian income tax legislation and administrative practice in force as at the date of this Scheme Booklet. It does not take into account any financial objectives, tax positions or investments needs of any Scheme Shareholders and should not be construed as being investment, legal or tax advice to any particular Scheme Shareholder.

As the taxation implications of the Scheme will depend upon a Scheme Shareholder's particular circumstances, Scheme Shareholders should seek and rely upon their own independent tax advice before concluding on the particular taxation treatment that will apply to them.

Scheme Shareholders that are subject to tax in a jurisdiction outside Australia may be subject to tax consequences in that jurisdiction in respect of the Scheme that are not covered by this summary. Such shareholders should seek and rely upon their own independent tax advice in relation to the taxation implications of the Scheme in any jurisdictions that are relevant to them.

Neither Cirrus Networks nor any of its officers or employees, nor its taxation or other advisers accepts any liability or responsibility in respect of any statement concerning taxation consequences of the Scheme.

9.2 Australian resident Scheme Shareholders

(a) Capital Gains Tax (CGT) event

Under the Scheme, Scheme Shareholders will dispose of their Scheme Shares to BidCo in exchange for the Scheme Consideration.

The disposal of Scheme Shares to BidCo under the Scheme will give rise to a CGT event as a result of the transfer by the Scheme Shareholders of their Scheme Shares to BidCo under the Scheme (ie, no later than on the Implementation Date).

(b) Calculation of capital gain or loss

Subject to the availability of rollover relief for Share Consideration, Scheme Shareholders will make a capital gain on the disposal of each of their Scheme Shares to the extent that the capital proceeds received in respect of the Scheme Shares is more than their cost base. Conversely, Scheme Shareholders will make a capital loss to the extent that the capital proceeds in respect of each of their Scheme Shares is less than their reduced cost base for those Scheme Shares.

Scheme Shareholders who have a net capital gain for the income year are required to include this amount in their assessable income. In this regard, capital gains and capital losses of a taxpayer in a year of income from the disposal of Scheme Shares and any other relevant CGT events affecting CGT assets of a taxpayer are aggregated to determine whether there is a net capital gain or loss.

(c) Capital proceeds

The capital proceeds from the disposal of the Scheme Shares should include the Scheme Consideration per Scheme Share received by Scheme Shareholders, comprising the Cash Consideration and the Share Consideration.

(d) Cost base and reduced cost base

The cost base of each Scheme Share held by a Scheme Shareholder will broadly be:

- the amount of money paid, or the value of property given, in order to acquire the Scheme Share; plus
- any 'incidental costs' as defined in the CGT rules; plus
- any non-capital costs not claimed as an income tax deduction; plus
- any capital expenditure incurred to either increase or preserve the asset's value to establish, preserve or defend title over the asset; less
- any previous capital returns made by Cirrus Networks.

The cost base of a Scheme Share held by a Scheme Shareholder may differ where they have previously applied roll-over relief on receipt of the Scheme Share. The cost base of the Scheme Share may then be referenced to the cost base of their original interest.

The reduced cost base of a Scheme Share held by a Scheme Shareholder will be the same as the cost base of a Scheme Share, excluding incidental costs of ownership which are not included. The reduced cost base of a Scheme Share also does not include indexation of the elements of cost base.

(e) CGT discount

The CGT discount should be available to those Scheme Shareholders who are individuals, trusts or complying superannuation funds and who have held their Scheme Shares for at least 12 months before the Implementation Date, provided that the Scheme Shareholder does not elect to apply indexation to the cost base of their Scheme Share.

Broadly, the CGT discount rules enable Scheme Shareholders to reduce their capital gain (after the application of any current year or prior year capital losses) by 50% for individuals and trusts and approximately 33.33% for complying superannuation funds.

The CGT discount is not available to Scheme Shareholders that are companies or were non-residents throughout their entire ownership period.

Scheme Shareholders who have been foreign residents for tax purposes for part of their ownership will generally have their discount percentage reduced to take into account the period of foreign residency.

(f) **Capital losses**

Capital losses may not be deducted against other income for income tax purposes but a capital loss on the disposal of Scheme Shares may be used to offset any other capital gains derived by a Scheme Shareholder for the relevant year of income (including any capital gain derived by a Scheme Shareholder on other Scheme Shares) or may be carried forward to offset capital gains in future income years.

Specific capital loss recoupment rules apply to companies to restrict their ability to utilise capital losses in future years in some circumstances. Scheme Shareholders should obtain their own tax advice in relation to the operation of these rules.

(g) **Availability of roll-over for Share Consideration**

Scheme Shareholders who dispose of their Scheme Shares in exchange for Atturra Shares under the Scheme may choose to apply scrip for scrip roll-over relief where:

- the Scheme Shareholder acquired their share on or after 20 September 1985; and
- the Scheme Shareholder would otherwise make a capital gain in relation to their Scheme Share; and
- the Scheme Shareholder elects to obtain the roll-over.

It is expected eligibility to apply rollover relief to the Scheme will be confirmed via application of a Class Ruling to the Commissioner of Taxation as described in Section 6.9(a).

If scrip for scrip roll-over relief is available and chosen by a Scheme Shareholder, the capital gain that is referable to the receipt of the Atturra Shares is disregarded. Further, Atturra will not make a choice under subsection 124-795(4) of the ITAA1997 to deny scrip for scrip roll-over relief.

Where the Scheme Consideration includes both Cash Consideration and Share Consideration, partial scrip for scrip roll-over will apply to the proportion of the Share Consideration as compared to the Scheme Consideration received by the Scheme Shareholder. This proportion would represent the value of the Scheme Consideration that is eligible for partial scrip for scrip roll-over relief.

(h) **Implications of Choosing Scrip for Scrip Roll-Over Relief**

Where a Scheme Shareholder has chosen scrip for scrip roll-over relief:

- the relevant portion of a capital gain that the Scheme Shareholder makes from the disposal of their Scheme Shares should be disregarded;
- the first element of the cost base of the Atturra Shares received as Share Consideration by the Scheme Shareholder should be equal to the cost base of their original Scheme Shares and reduced by so much that is attributable to ineligible proceeds (i.e Cash Consideration); and

- the Atturra Shares will be taken to be acquired at the time their Scheme Shares were originally acquired, for the purpose of determining the Scheme Shareholder's entitlement to the CGT discount on the subsequent sale of Atturra Shares.

A Scheme Shareholder will evidence their choice of having chosen scrip for scrip roll-over relief by the way they prepare their income tax return (i.e. by excluding the disregarded capital gain from assessable income) for the income year in which the Implementation Date occurs. There is no need to lodge a separate notice with the ATO.

A Scheme Shareholder who receives Scheme Consideration that includes Cash Consideration will not be eligible for scrip for scrip roll-over relief on that proportion of Cash Consideration. A capital gain or loss will arise in accordance with the discussion at section 9.2(b).

The cost base of the Scheme Shareholder's Scheme Shares will need to be apportioned on a reasonable basis in calculating the capital gain or loss made in respect of the Cash Consideration. It is likely that the proportion of Cash Consideration over Scheme Consideration will be considered to be a reasonable basis.

(i) **Implications of Not Choosing Scrip for Scrip Roll-Over Relief**

Where scrip for scrip roll-over relief is not available or not chosen in relation to a Scheme Shareholder's disposal of Scheme Shares under the Scheme:

- the capital gain or capital loss from the disposal of the Scheme Shareholder's Scheme Shares will be calculated in accordance with the discussion at section 9.2(b);
- the first element of the cost base of each Atturra Share (i.e. the Share Consideration) received should be an amount equal to market value of the Atturra shares, determined on the Implementation Date, divided by the number of Atturra Shares received; and
- the acquisition date of the Atturra Shares will be the Implementation Date. This date will be relevant for any future application of the CGT discount with respect to CGT events occurring in respect of the Atturra Shares.

Where a Scheme Shareholder receives only Cash Consideration, they will not be eligible to choose scrip for scrip roll-over and will therefore calculate CGT in accordance with the above and as detailed in section 9.2(b).

9.3 Non-resident shareholders

For a Scheme Shareholder who:

- is not a resident of Australia for Australian tax purposes and was not previously an Australian resident who made an election to disregard a capital gain or capital loss in respect of their Scheme Shares when they ceased to be an Australian tax resident; and
- does not hold their Scheme Shares in carrying on a business through a permanent establishment in Australia,

the disposal of Scheme Shares will generally only result in Australian CGT implications if:

- that Scheme Shareholder together with its associates held 10% or more of the Scheme Shares at the time of the CGT event or for any continuous 12 month period within 2 years preceding the CGT event (referred to as a 'non-portfolio interest'); and
- more than 50% of Cirrus Networks' value is due to direct or indirect interests in taxable Australian real property (as defined in the income tax legislation, referred to as the 'principal assets test').

If you are a non-resident who holds a 'non-portfolio interest' in Cirrus Networks or holds Scheme Shares in carrying on a business through a permanent establishment in Australia, you should obtain independent advice as to the tax implications of sale, and whether any protection will be available under a relevant double tax treaty.

If you are a non-resident individual Scheme Shareholder who has previously been a resident of Australia for tax purposes and chose to disregard a capital gain or loss in respect of your Scheme Shares on ceasing to be a resident, you will be subject to Australian CGT consequences on disposal of the Scheme Shares as set out in Section 9.2.

It is expected that non-resident Scheme Shareholders will not be entitled to roll-over relief as the Atturra Shares will not be Taxable Australian Property. Non-resident Scheme Shareholders should seek specialist advice to confirm their tax position in respect of the Scheme.

9.4 Foreign Resident Capital Gains Withholding (FRCGW)

The foreign resident capital gains withholding regime may impose a non-final 12.5% 'withholding' obligation (calculated by reference to the Scheme Consideration) on BidCo if:

- BidCo considers, or reasonably believes that a Scheme Shareholder is a foreign resident; and
- the Scheme Shareholder satisfies the 'non-portfolio interest' test referred to above; and
- Cirrus Networks satisfies the 'principal asset test'.

Scheme Shareholders with an address outside Australia (or which BidCo, as purchaser, reasonably believes is a 'relevant foreign resident') and who BidCo also reasonably believes may have, together with their associates, a 10% or greater interest in Cirrus Networks, will be provided with a foreign resident capital gains withholding – vendor declaration form (**Declaration Form**) for the purposes of determining if BidCo has an obligation to withhold and remit a FRCGW amount to the Commissioner of Taxation for these Scheme Shareholders.

9.5 Goods and services tax (GST)

Scheme Shareholders should not be liable to GST in respect of a disposal of those Scheme Shares.

Scheme Shareholders may be charged GST on costs (such as adviser fees they incur relating to their participation in the Scheme) that relate to the Scheme. Scheme Shareholders may be entitled to input tax credits or reduced input tax credits for such costs but should seek independent advice in relation to their individual circumstances.

9.6 Stamp Duty

The sale of Scheme Shares should not have any stamp duty implications for Scheme Shareholders.

10 Additional information

10.1 Interests of Cirrus Networks Directors in Cirrus Networks

As at the Last Practicable Date, the number of Cirrus Networks Shares held by or on behalf of each of the Cirrus Networks Directors is as follows:

Director	No. of Cirrus Networks Shares held
Paul Everingham	22,175,000
Adam Waterworth	51,897,452
Christopher McLaughlin	1,449,426
Daniel Rohr	7,678,863
TOTAL	83,200,741

Cirrus Networks Directors who hold Cirrus Networks Shares will be entitled to vote at the Scheme Meeting and, if the Transaction is implemented, will receive the Scheme Consideration for their Cirrus Networks Shares along with the other Scheme Shareholders.

Each Cirrus Networks Director intends to vote or procure the voting of their Cirrus Networks Shares in favour of the Scheme at the Scheme Meeting in the absence of a Superior Proposal and the Independent Expert continuing to conclude that the Scheme is in the best interests of Cirrus Networks Shareholders.

No Cirrus Networks Director acquired or disposed of a Relevant Interest in any Cirrus Networks Shares during the four months before the date of this Scheme Booklet.

10.2 Cirrus Networks employee incentive arrangements

(a) Overview of arrangements

As detailed in Cirrus Networks' annual report for the year ended 30 June 2023, Cirrus Networks operates a Directors' and Employees' Share Option and Performance Rights Plan that was adopted on 26 November 2020 (**Equity Incentive Plan**), under which performance rights or options are offered to executive directors, non-executive directors and employees as an incentive and reward for performance.

(b) Options on issue

As at the Last Practicable Date, Cirrus Networks had a total of 45,199,999 (with 5,700,000 of those being vested) Options on issue. Of the total options of issue, 15,500,000 options are held by Cirrus Networks Directors. Details of the key terms of those Options are as follows:

Name	Number held	Issue Date	Expiry Date	Exercise Price (each)
Paul Everingham	2,500,000	8/11/19	11/11/23	0.07/0.09
Adam Waterworth	3,000,000	29/11/22	30/9/26	0.045/0.050/0.055
Christopher McLaughlin	10,000,000	29/11/22	30/9/26	0.045/0.050/0.055

**Options do not attract dividends, voting rights or any capital distributions until exercised*

(c) Performance Rights

As at the Last Practicable Date, there were 13,782,990 Performance Rights on issue. Details of the key terms of the Performance Rights held by Cirrus Networks Directors are as follows:

Name	Number held	Grant date of Performance Rights	Expiry date of Performance Rights
Christopher McLaughlin	3,519,062	29/11/22	30/9/25

(d) **Intended treatment of Options and Performance Rights in connection with the Scheme**

In accordance with clause 5 of the Scheme Implementation Deed, Cirrus Networks must take all actions necessary to ensure that there will be no outstanding Equity Incentives on issue as at the Implementation Date, scheduled to be 11 December 2023.

Accordingly, Cirrus Networks proposes to enter into an arrangement with all holders of Equity Incentives, pursuant to which the holders agree to the acceleration of all unvested Equity Incentives and cancellation of their Equity Incentives in consideration for being paid a price of 0.063 per Equity Incentive (**Cancellation Price**).

Cirrus Networks has applied to ASX for a waiver of Listing Rule 6.23.2 to the extent necessary to permit the treatment of the Options in this manner.

The payment of the Cancellation Price has no impact on the Scheme Consideration payable to Scheme Shareholders.

10.3 Benefits and agreements

(a) **Interests of Cirrus Networks Directors in Atturra or BidCo**

No Cirrus Networks Director has a Relevant Interest in any securities in Atturra, BidCo or any member of the Atturra Group.

No Cirrus Networks Director has acquired or disposed of a Relevant Interest in any securities in Atturra or BidCo during the four months before the date of this Scheme Booklet.

(b) **Interests of Cirrus Networks Directors in contracts with Atturra Group**

No Cirrus Networks Director has any interest in any contract entered into by an Atturra Group Member or any Related Bodies Corporate of an Atturra Group Member.

(c) **Benefits in connection with retirement from office**

There is no payment or other benefit that is proposed to be made or given to any director, secretary or executive officer of Cirrus Networks (or any of its Related Bodies Corporate) as compensation for the loss of, or consideration for or in connection with his or her retirement from, office in Cirrus Networks (or any of its Related Bodies Corporate) in connection with the Scheme.

(d) **Agreements connected with or conditional on the Scheme**

There are no agreements or arrangements made between any Cirrus Networks Director and any other person in connection with, or conditional on, the outcome of the Scheme.

(e) **Benefits under the Scheme or from BidCo**

None of the Cirrus Networks Directors have agreed to receive, or is entitled to receive, any benefit from BidCo, or any Atturra Group Member or any Related Bodies Corporate of an Atturra Group Member, which is conditional on, or is related to, the Scheme.

(f) **Deeds of indemnity, insurance and access**

Cirrus Networks has entered into deeds of indemnity, insurance and access with the directors of Cirrus Networks, on customary terms. These deeds include terms that provide for Cirrus Networks to indemnify each of its directors against any liability incurred by such persons in their capacity as a director, subject to certain exclusions.

Cirrus Networks also pays a premium in respect of a directors and officers insurance policy for the benefit of the directors and executive officers of Cirrus Networks. If the Scheme is Implemented, Cirrus Networks may enter into an arrangement to provide insurance coverage for all current Cirrus Networks Directors and officers for seven years from the Implementation Date. As at the Last Practicable Date, Cirrus Networks expects that the premium for entry into such run-off arrangement will be approximately \$412,966. The entry into such arrangements by Cirrus Networks is permitted by clause 8.2 of the Scheme Implementation Deed (with BidCo's consent). In addition, under clause 8.2(a)(ii) of the Scheme Implementation Deed, BidCo must ensure that directors' and officers' run-off insurance cover for such directors and executive officers is maintained for a period of seven years from the Implementation Date (subject to availability on commercially reasonable terms).

10.4 Summary of Scheme Implementation Deed

On 10 September 2023, Cirrus Networks, Atturra and BidCo entered into a Scheme Implementation Deed under which Cirrus Networks agreed to propose the Scheme. On 15 September 2023 the parties entered into a deed of amendment and restatement to increase the offer price under the Scheme and make minor non material changes to the Scheme Implementation Deed.

The Scheme Implementation Deed contains terms that are standard for these types of agreements, including in relation to the parties' obligations to implement the Scheme and Cirrus Networks' obligation to conduct its business in a certain way during the Scheme process.

A summary of the key elements of the Scheme Implementation Deed is set out below. A full copy of the Scheme Implementation Deed was lodged with ASX on 11 September 2023 and can be obtained from www.asx.com.au or from <https://cirrusnetworks.com.au>.

(a) **Conditions Precedent**

Implementation of the Scheme is subject to the following Conditions Precedent which must be satisfied or (if permitted) waived before the Scheme can be implemented:

- **Cirrus Networks Shareholder approval:** Cirrus Networks Shareholders approve the Scheme at the Scheme Meeting by the Requisite Majorities in accordance with the Corporations Act and the Listing Rules (as applicable).;
- **Independent Expert:** the Independent Expert issues an Independent Expert's Report which concludes that the Scheme is in the best interests of Cirrus Networks Shareholders before the date on which the Scheme Booklet is lodged with ASIC and does not publicly withdraw, qualify or change that opinion at any time prior to 8:00am on the Second Court Date;
- **Regulatory Approvals:** all Regulatory Approvals which Cirrus Networks and BidCo (each acting reasonably) agree are necessary or desirable to implement the Transaction are obtained and those approvals have not been withdrawn or revoked by 8.00am on the Second Court Date. No such Regulatory Approvals have been identified;
- **No Government intervention:** no Governmental Agency (including any court) has issued an order, temporary restraining order, preliminary or permanent injunction, decree or ruling enjoining, restraining or otherwise

imposing a legal restraint or prohibition preventing the Transaction and none of those things is in effect as at 8.00am on the Second Court Date;

- **Court approval:** the Court approves the Scheme in accordance with section 411(4)(b) of the Corporations Act, either unconditionally or on conditions that do not impose unduly onerous obligations on either party (acting reasonably);
- **No Cirrus Networks Prescribed Event:** no Cirrus Networks Prescribed Event occurs between the date of the Scheme Implementation Deed and 8.00am on the Second Court Date;
- **No Bidder Prescribed Event:** no Bidder Prescribed Event occurs between the date of the Scheme Implementation Deed and 8.00am on the Second Court Date;
- **Cirrus Networks Security Interests:** prior to 8.00am on the Second Court Date, Cirrus Networks has complied with its obligations under clause 5 of the Scheme Implementation Deed and binding agreements are in place with each holder of Equity Incentives so that there will be no Equity Incentives on issue as at the Record Date;
- **Cirrus Networks Material Adverse Effect:** no Cirrus Networks Material Adverse Effect has occurred between the date of the Scheme Implementation Deed and 8.00am on the Second Court Date;
- **Atturra Material Adverse Effect:** no Atturra Material Adverse Effect has occurred between the date of the Scheme Implementation Deed and 8.00am on the Second Court Date;
- **Retention of Key Personnel:** as at 8.00am on the Second Court Date, not less than 75% of the Cirrus Key Managers remain employed by the Cirrus Group;
- **Counterparty consents:** prior to 8.00am on the Second Court Date, Cirrus Networks has obtained the consents required from each counterparty to a Material Contract to the Transaction (where such consent is required under the Material Contract) or written waiver of any right that the counterparty to a Material Contract has to terminate or vary the Material Contract arising as a result of the Transaction;
- **Continuous Disclosure Obligations:** between (and including) the date of the Scheme Implementation Deed and 8.00am on the Second Court Date, Cirrus Networks has complied with its Continuous Disclosure Obligations and none of Cirrus Networks or its directors is aware of any fact, matter or circumstance which constitutes (or may reasonably be determined to constitute) Excluded Information;
- **No BidCo breach:** BidCo is not in breach, in any material respect, of its obligations under the Scheme Implementation Deed at 8.00am on the Second Court Date;
- **No Cirrus Networks breach:** Cirrus Networks is not in breach, in any material respect, of its obligations under the Scheme Implementation Deed at 8.00am on the Second Court Date; and
- **Net Cash:** on the last day of the month preceding the Second Court Date, Net Cash is not less than \$10 million.

Full details of the Conditions Precedent and the ability of each of Cirrus Networks and BidCo to rely on the various Conditions Precedent and the provisions relating to satisfaction or waiver of these Conditions Precedent are set out in clause 3 of the Scheme Implementation Deed.

As at the Last Practicable Date, Cirrus Networks is not aware of any reason why the Conditions Precedent will not be satisfied.

(b) **Business restrictions**

The Scheme Implementation Deed requires that Cirrus Networks and each of its Subsidiaries must conduct its business in the ordinary and usual course and consistent with past practice. In addition, subject to some exceptions, Cirrus Networks and its Subsidiaries must not undertake or agree to undertake certain activities without BidCo's consent.

Examples of these business restrictive clauses include that Cirrus Networks and each of its Subsidiaries:

- must continue to conduct its business in the ordinary and usual course of business and consistent with past practice;
- must not enter into any line of business or other material activities which Cirrus Group is not currently engaged;
- must not acquire, lease, license or dispose of any business, assets, property, entity or undertaking (whether by way of a single transaction or series of related transactions), the value of which exceeds \$500,000 (individually or in aggregate), and in respect of a property lease, where the annual gross rent payable is \$300,000 or more and 12 months in duration or more;
- must not acquire or dispose of any Material Contract;
- must continue to manage its working capital, collection of receivables and payments of creditors in the ordinary course of business and in substantially the same manner as it was prior to the date of the Scheme Implementation Deed;
- must not change any accounting method, practice or principle used by it, other than as a result of changes in generally accepted accounting standards or generally accepted accounting principles;
- must notify BidCo in writing of the occurrence, after the date of the Scheme Implementation Deed, of a Cirrus Networks Material Adverse Effect or Cirrus Networks Prescribed Event;
- must promptly notify BidCo of any legal proceedings, claims or investigations threatened, asserted or commenced against Cirrus Networks or any member of the Cirrus Group which is material in the context of the Cirrus Group as a whole;
- must, using reasonable endeavours, preserve their business and assets and relationships with customers, contractors, suppliers and others having material business dealings with them and retain the services of all officers and key employees;
- must comply in all material respects with all Material Contracts to which a member of the Cirrus Group is a party, and with all laws, authorisations and licences applicable to each member of the Cirrus Group (including the Listing Rules);
- must maintain such policies of insurance as are appropriate to the Cirrus Group's operations, property and assets, in such amounts and against such risks as are customarily carried and insured against by owners of comparable businesses and assets;
- must keep BidCo informed of any material developments concerning Cirrus Group;
- must provide regular reports to BidCo on the financial affairs of the Cirrus Group in a timely manner (including provision of monthly management reports, accounts and cashflow statements within 2 Business Days of the monthly Board meeting at which such reports, accounts and cashflow

statements were approved, prepared between the date of the Scheme Implementation Deed and up to the Implementation Date;

- to the extent that it is able to do so, must keep available the services of their current officers (as at the date of the Scheme Implementation Deed);
- in respect of the employment agreements of senior officers or executives of the Cirrus Group must not:
 - except as required by law, increase the remuneration of (including with respect to superannuation benefits) or benefits provided to or pay any bonus issue of any securities or options to, any of its senior officers or executives;
 - vary the employment agreements with any of its senior officers or executives;
 - except as expressly provided for by the Scheme Implementation Deed, accelerate the rights to compensation or benefits or any rights under the Equity Incentive Plan; or
 - pay any senior officer or executive a termination payment, other than as provided for in an existing employment contract in place as at the date of the Scheme Implementation Deed, which has been Disclosed to Atturra or BidCo;
- must not enter into or resolve to enter into a transaction with any related party of Cirrus Networks as defined in section 228 of the Corporations Act;
- must not take any action in respect of the information technology systems used in Cirrus Networks' business (including systems under development) which would have a material impact on those systems or their ability for use in the Merged Business;
- must use reasonable endeavours to procure the cancellation of its Bankwest Facility with Bankwest (no later than within 3 Business Days prior to the Implementation Date but otherwise by the Implementation Date) and the full and final release of all Security Interests pertaining to that facility, on terms reasonably acceptable to BidCo;
- must not take any action that, or fail to take any action whose omission, would give rise to any Cirrus Networks Prescribed Event; and
- if requested by BidCo no more than once per calendar month, provide BidCo with the Net Cash position of Cirrus Networks as at the most recent month end, together with sufficient supporting detail for BidCo to calculate Net Cash, and for informational purposes only, reasonable detail on the receivables and payables position of the Cirrus Group as at the most recent month end.

However, Cirrus Networks is permitted to take any actions:

- which Cirrus Group reasonably determines in good faith as urgent or critical to the continued operations of its business, or anything required to reasonably or prudently respond to an emergency or a disaster (including a situation giving rise to a risk of personal injury or damage to property);
- which Cirrus Networks disclosed in an announcement to ASX, or a publicly available document lodged by it with ASIC, in each case in the 3 year period prior to the date of the Scheme Implementation Deed, or which would be disclosed in a search of publicly available ASIC records in relation to Cirrus Networks or a Subsidiary of Cirrus Networks (as relevant), in the 3 year period prior to the date of the Scheme Implementation Deed;
- anything required under a contract or commitment to which an entity in the Cirrus Group is bound and that has been Disclosed in the Cirrus Networks Disclosure Materials;

- anything required to be done pursuant to the Scheme Implementation Deed or the Scheme, including any actions to give effect to a Superior Proposal to the extent required or expressly permitted or contemplated by the Scheme Implementation Deed;
- anything required by law or by an order of a court or Government Agency; and
- agreed to in writing by BidCo or requested by BidCo in writing.

(c) **Exclusivity**

The Scheme Implementation Deed contains certain exclusivity arrangements in favour of BidCo, which are in line with market practice. Those arrangements include:

- **No talk:** Cirrus Networks must not participate in any negotiations or discussions with any person in relation to, or that may lead to, a Competing Transaction or provide information to facilitate due diligence enquiries for that purpose;
- **No shop:** Cirrus Networks must not solicit or invite any Competing Transaction or any enquiries, proposals, discussions or negotiations in relation to, or that may lead to, a Competing Transaction;
- **Notification:** if Cirrus Networks is approached in relation to a Competing Transaction, or a proposed or potential Competing Transaction, Cirrus Networks must notify BidCo within two Business Days. The notice must provide details of the identity of the relevant person making or proposing the Competing Transaction and the material terms of any such Competing Transaction (including price and key conditions to implementation). BidCo must also be promptly informed of any further details about the Competing Transaction that become known to Cirrus Networks; and
- **Matching right:** Cirrus Networks is prohibited from entering into an agreement, arrangement or understanding in respect of any actual, proposed or potential Competing Transaction unless Cirrus Networks has first:
 - determined (after taking advice) that the Competing Transaction does or is likely to constitute a Superior Transaction and failing to consider it would result in a breach of the fiduciary duties of Your Directors; and
 - given BidCo at least 5 Business Days following receipt of notification of a Competing Transaction to provide a matching or Superior Proposal to the terms of the Competing Transaction.

Cirrus Networks is not required to comply with the no talk, notification and no due diligence provisions in the Scheme Implementation Deed if the Cirrus Networks Board determines, after consultation with its advisers, that complying with those provisions would be likely to constitute a breach of the fiduciary or statutory duties owed by the Cirrus Networks Directors, provided it has first complied with the matching right process.

These exclusivity arrangements are set out in full in clause 10 of the Scheme Implementation Deed.

(d) **Warranties**

The Scheme Implementation Deed contains customary warranties given by each of Cirrus Networks, Atturra and BidCo to each other.

These warranties are set out in clause 13 (BidCo and Atturra warranties) and clause 14 (Cirrus Networks warranties) of the Scheme Implementation Deed.

(e) **Cirrus Networks Break Fee**

In accordance with Australian market practice, Cirrus Networks has agreed to pay BidCo a cash reimbursement fee of \$500,000 (**Cirrus Networks Break Fee**), being approximately 1 percent of the equity value of Cirrus Networks²⁴, in certain circumstances. Those circumstances are:

- **Change of recommendation or recommendation of Competing Transaction:** any member of the Cirrus Networks Board fails to recommend or changes, withdraws or adversely modifies his recommendation of the Scheme or makes any public statement, or takes any other action that is inconsistent with his recommendation of the Scheme (including where a Competing Transaction is announced and is recommended by any Cirrus Networks Director), other than:
 - as a result of the Independent Expert opining that the Scheme is not in the best interests of Scheme Shareholders (other than where the reason for that opinion is a Competing Transaction);
 - the failure to recommend occurs because of a requirement or request by a court or a Government Agency that one or more Cirrus Networks Directors abstain or withdraw from making a recommendation that Cirrus Networks Shareholders vote in favour of the Scheme; and
 - due to a material breach by BidCo under the Scheme Implementation Deed,

provided that, for the avoidance of doubt, a statement made by Cirrus Networks or the Cirrus Networks Board to the effect that no action should be taken by Cirrus Networks Shareholders pending the assessment of a Competing Transaction by the Cirrus Networks Board or the completion of the matching right process set out in the Scheme Implementation Deed will not require Cirrus Networks to pay the Cirrus Networks Break Fee.

- **Change of control of Cirrus Networks:** a Competing Transaction is announced, and within twelve months of the date of such announcement the Competing Transaction results in a person other than BidCo or a member of the Atturra Group obtains Control of Cirrus Networks, a Relevant Interest or an economic interest in more than 50% of the Cirrus Networks Shares, and the acquisition is unconditional, however, the Cirrus Networks Break Fee is only payable to BidCo if the relevant person who acquired the Relevant Interest in or became the holder of 50% or more of Cirrus Networks Shares voted against the Scheme at the Scheme Meeting;
- **Termination of the Scheme Implementation Deed:** BidCo validly terminates the Scheme Implementation Deed due to a material breach by Cirrus Networks of its obligations under that deed (excluding any representation or warranty given by Cirrus Networks proving to be incorrect) in accordance with clause 15.1(d) of the Scheme Implementation Deed;
- **Superior Proposal:** At any time prior to 8.00am on the Second Court Date if the Cirrus Networks Board determines that a Competing Transaction is a Superior Proposal provided that there has not been a material breach by Cirrus Networks of its notification obligations to BidCo under clause 10.6 of the Scheme Implementation Deed.

The Cirrus Networks Board considers that the Cirrus Networks Break Fee is reasonable and appropriate in amount, structure and effect. The fee is not payable if the Scheme does not proceed merely because Cirrus Networks Shareholders do not vote in favour of the Scheme in sufficient numbers to satisfy the legal requirements.

²⁴ Based on the total Scheme Consideration provided under the Scheme.

For full details of the Cirrus Networks Break Fee, see clause 11 of the Scheme Implementation Deed.

(f) **BidCo Break Fee**

BidCo has agreed to pay Cirrus Networks a cash reimbursement fee of \$500,000 (**BidCo Break Fee**) in certain circumstances. Those circumstances are:

- **Termination of the Scheme Implementation Deed:** Cirrus Networks validly terminates the Scheme Implementation Deed due to a material breach by BidCo of its obligations under that deed, in accordance with clause 15.1(d) of the Scheme Implementation Deed; or
- **Failure to pay Scheme Consideration:** BidCo does not pay or cause to be issued the Scheme Consideration in accordance with its obligations under the Scheme Implementation Deed and the Deed Poll

For full details of the BidCo Break Fee, and the circumstances in which BidCo will need to pay the cash reimbursement fee of \$500,000, see clause 12 of the Scheme Implementation Deed.

(g) **Termination**

Either party may terminate the Scheme Implementation Deed:

- if agreed to by both parties;
- in certain circumstances where an event occurs which would, or does, prevent certain Conditions Precedent being satisfied;
- where the other party is in material breach of the Scheme Implementation Deed (other than a material breach of a representation or warranty) and has given notice to the other setting out the relevant circumstances of such breach and the relevant circumstances continue to exist 5 Business Days (or any shorter period ending at 8.00am on the Second Court Date) after the time the notice is given;
- if Cirrus Networks Shareholders do not approve the Scheme at the Scheme Meeting by the Requisite Majorities; or
- if the Scheme is not Effective by the Sunset Date (currently 23 December 2023).

Cirrus Networks is entitled to terminate the Scheme Implementation Deed where:

- the Independent Expert has concluded in a final, dated and signed copy of the Independent Expert's Report (or any update or variation to that report) that the Scheme is not in the best interests of Cirrus Networks Shareholders, and the parties have exhausted their rights under the Scheme Implementation Deed in respect of that Condition Precedent;
- a majority of the Cirrus Networks Board recommends a Superior Proposal provided that there has been no material breach of Cirrus Networks' obligations under the Scheme Implementation Deed;

BidCo may also terminate the Scheme Implementation Deed at any time prior to 8.00am on the Second Court Date if the Cirrus Networks Board changes, withdraws or adversely modifies its recommendation to Cirrus Networks Shareholders that they vote in favour of the resolution to approve the Scheme or otherwise makes a public statement indicating that it no longer supports the Transaction (other than where a court or Government Agency has made a request that one or more Cirrus Networks Directors abstain or withdraw from making a recommendation that Cirrus Networks Shareholders vote in favour of the Scheme and the change, withdrawal or modification relates to the recommendation of one or more of those Cirrus Networks Directors pursuant to that request).

10.5 ASX Waivers

Cirrus Networks has applied for a waiver of Listing Rule 6.23.2 to the extent necessary to permit the treatment of the Equity Incentives as set out in Section 10.2.

10.6 Consents, disclosures and fees

(a) Consents

This Scheme Booklet contains statements made by, or statements said to be based on statements made by:

- BidCo and Atturra in respect of the Atturra Information only; and
- Lonergan Edwards & Associates Limited as the Independent Expert.

Each of those persons named above has consented to the inclusion of each statement it has made in the form and context in which the statements appear and has not withdrawn that consent at the date of this Scheme Booklet.

The following parties have given and have not, before the time of registration of this Scheme Booklet with ASIC, withdrawn their consent to be named in this Scheme Booklet in the form and context in which they are named:

- Latimer Partners as financial adviser to Cirrus Networks;
- Corrs Chambers Westgarth as legal adviser to Cirrus Networks;
- RSM Australia as tax adviser to Cirrus Networks;
- Automic Pty Limited as the Cirrus Share Registry; and
- Computershare as the Atturra Share Registry.

(b) Disclosures and responsibility

Further, each person named in Section 10.6(a):

- has not authorised or caused the issue of this Scheme Booklet;
- does not make, or purport to make, any statement in this Scheme Booklet or any statement on which a statement in this Scheme Booklet is based, other than:
 - BidCo and Atturra in respect of the Atturra Information only; and
 - Lonergan Edwards & Associates Limited, in relation to its Independent Expert's Report; and
- 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 Scheme Booklet other than a reference to its name and the statement (if any) included in this Scheme Booklet with the consent of that party as specified in this Section 10.6(b).

(c) Fees

The persons named in this Scheme Booklet as performing a function in a professional or advisory capacity in connection with the Scheme and the preparation of the Scheme Booklet on behalf of Cirrus Networks are Latimer Partners as financial adviser, Corrs Chambers Westgarth as legal adviser, Lonergan Edwards & Associates Limited as the Independent Expert and Automic Pty Limited as the Share Registry.

The fees set out in this Section only relate to fees payable by Cirrus Networks in connection with the Scheme. Such fees for professional services are estimated to be as follows (all including GST and out of pocket costs):

- Latimer Partners for acting as financial adviser to Cirrus Networks - \$1,128,000 (subject to completion of the Transaction);
- Corrs Chambers Westgarth for acting as Australian legal adviser to Cirrus Networks - \$440,000;
- Lonergan Edwards & Associates Limited for acting as the Independent Expert - \$110,000;
- RSM for acting as tax advisor - \$25,000; and
- BDO for acting as tax / R&D advisor - \$10,000.

In aggregate, if the Scheme is implemented, Cirrus Networks expects to pay approximately \$1.733 million (including GST) in transaction costs. In aggregate, if the Scheme is not implemented, Cirrus Networks expects to pay approximately \$0.605 million (including GST) in transaction costs.

10.7 No unacceptable circumstances

The Cirrus Networks Board believe that the Scheme does not involve any circumstances in relation to the affairs of Cirrus Networks that could reasonably be characterised as constituting 'unacceptable circumstances' for the purposes of Section 657A of the Corporations Act.

10.8 Other information material to the making of a decision in relation to the Scheme

Except as set out in this Scheme Booklet, there is no other information material to the making of a decision in relation to the Scheme, being information that is within the knowledge of any Cirrus Networks Director, at the time of lodging this Scheme Booklet with ASIC for registration, which has not previously been disclosed to Cirrus Networks Shareholders.

10.9 Supplementary information

If, between the date of lodgement of this Scheme Booklet for registration by ASIC and the Effective Date, Cirrus Networks becomes aware that:

- a material statement in this Scheme Booklet is false or misleading;
- there is a material omission from this Scheme Booklet;
- a significant change affecting a matter in this Scheme Booklet has occurred; or
- a significant new matter has arisen which would have been required to be included in this Scheme Booklet if it had arisen before the date of lodgement of this Scheme Booklet for registration by ASIC,

Cirrus Networks will prepare a supplementary document to this Scheme Booklet.

The form which the supplementary document may take, and whether a copy will be sent to each Cirrus Networks Shareholder, will depend on the nature and timing of the new or changed circumstances.

In all cases, the supplementary document will be available from Cirrus Networks' website at <https://cirrusnetworks.com.au> and from the ASX website at www.asx.com.au.

11 Glossary and interpretation

11.1 Glossary

The meanings of the terms used in this Scheme Booklet are set out below:

Term	Meaning
AASB	Australian Accounting Standards Board.
ASIC	Australian Securities and Investments Commission.
Associate	has the same meaning as in section 12 of the Corporations Act.
ASX	ASX Limited (ACN 008 624 691) and, where the context requires, the financial market that it operates.
ASX Listing Rules	the official listing rules of ASX.
ATO	Australian Taxation Office.
ATA Performance Rights	Performance rights issued under the Atturra Long Term Incentive Plan, available at https://www.asx.com.au/markets/trade-our-cash-market/announcements.ata , or Exempt Employee Incentive Plan, available at https://www.asx.com.au/markets/trade-our-cash-market/announcements.ata .
Atturra	Atturra Limited (ACN 654 662 638).
Atturra Board	The Atturra board of directors.
Atturra Group	Atturra, BidCo and Atturra's Subsidiaries as at the date immediately before the Implementation Date.
Atturra Information	any information contained in: (a) Section 6 (Information about Atturra and BidCo); and (b) Section 2 (Frequently asked questions), to the extent that the question expressly cross-refers to any of the Sections in paragraph (a) above.
Atturra Security Interest	any shares, options over shares, performance rights or similar interests issued by Atturra, or agreement to grant any of the foregoing, pursuant to either the Atturra Limited Long Term Incentive Plan and the Atturra Limited Exempt Employee Share Plan.
Atturra Share	a fully paid ordinary share in the capital of Atturra.
Atturra Share Registry	Computershare Investor Services Pty Ltd.
Atturra VWAP	\$0.8815 (rounded to four decimal places).

Term	Meaning
Bankwest Facility	the existing multi-option facility and any credit cards available to the Cirrus Group.
BidCo	Atturra Holdings Pty Ltd (ACN 132 368 104).
BidCo Adverse Regulatory Event	<p>any of the following occurs or is initiated by a Governmental Agency in respect of BidCo:</p> <ul style="list-style-type: none"> (a) the commencement of any investigation, prosecution or proceedings; (b) the issue of any notice, show cause notice, infringement notices, fines or penalties; (c) the suspension, cancellation or variation of any licences, permits or approvals; or (d) any other enforcement or disciplinary action or any other regulatory intervention, <p>which adversely materially impacts the businesses, operations and activities undertaken by, or on behalf of, BidCo at any time prior to the Implementation Date, or which itself may result in a BidCo Material Adverse Effect.</p>
BidCo Break Fee	has the meaning given in section 10.4(f).
BidCo Disclosure Materials	the responses provided by BidCo or its Representatives to the Project Cumulus – Bidder Due Diligence Questionnaire dated 8 September 2023.
BidCo Knowledge Parties	Shan Kanji, Nicole Bowman, Jonathan Rubinsztein, Stephen Kowal, Herbert To, David Dekker, Helen Ord and Kunal Shah.
BidCo Material Adverse Effect	<p>A BidCo Adverse Regulatory Event, or an event, matter or circumstance which has the effect of, or would be reasonably likely to have the effect of, either individually or when aggregated with any other events, matters or circumstances of a similar type or nature, a reduction by 15% or more of the consolidated EBIT of Atturra Group below the EBIT as disclosed in its “FY 23 Annual Results Presentation” announcement released to ASX on 31 August 2023 as compared to what the consolidated EBIT of Atturra Group would reasonably have been expected to be but for the event, matter or circumstance, save for any reduction caused or reasonably likely to have been caused by any events, matters or circumstances to the extent resulting from or arising out of:</p> <ul style="list-style-type: none"> (a) any matter Disclosed to Cirrus Networks prior to the date of the Scheme Implementation Deed, or is known to Cirrus Knowledge Parties, or to Cirrus Networks or any of its Representatives prior to the date of the Scheme Implementation Deed; (b) changes in general economic, industry, banking, accounting standards, regulatory or political conditions, the securities or other capital markets in general or law (including any interpretation or application of law or standards); (c) any epidemic or pandemic; (d) geopolitical conditions, hostilities, civil or political unrest, any acts of war, sabotage, cyberattack or terrorism (including any

Term	Meaning
	<p>outbreak, escalation or worsening of any of the foregoing);</p> <p>(e) arising from acts of God, natural disaster, lightning, storm, flood, bushfire, earthquake, explosion, cyclone, tidal wave, landslide, adverse weather conditions on or after the date of the Scheme Implementation Deed;</p> <p>(f) any change in taxation rates, interest rates or exchange rates</p> <p>(g) the taking of any action required under the Scheme Implementation Deed, the Scheme or the transactions contemplated by them;</p> <p>(h) the execution, delivery or performance of the Scheme Implementation Deed, the announcement or pendency of the Scheme or the other transactions contemplated by the Scheme Implementation Deed; and</p> <p>(i) any action (or the failure to take any action) with the written consent or at the written request of Cirrus Networks,</p> <p>except, in the case of each of the foregoing paragraphs (c), (d) and (f), if the effects of such events, matters or circumstances are disproportionately adverse to the Atturra Group as compared to the effects on other companies in the industry in which the Atturra Group operates, and then solely to the extent of such disproportionate effect.</p>

Bidder Prescribed Event	<p>except to the extent contemplated by the Scheme Implementation Deed or the Scheme, any of the following events:</p> <p>(a) (conversion) Atturra converts all or any of its shares into a larger or smaller number of shares;</p> <p>(b) (reduction of share capital) Atturra resolves to reduce its share capital in any way or resolves to reclassify, combine or split directly or indirectly any of its shares;</p> <p>(c) (buy-back) Atturra buys back, repurchases, redeems or otherwise acquires any shares of capital stock of Atturra, or agrees to do any of the foregoing, except transactions solely between Atturra and a wholly owned Subsidiary of Atturra or wholly owned Subsidiaries of Atturra;</p> <p>(d) (distribution) Atturra makes or declares, or announces an intention to make or declare, any distribution (whether by way of dividend, capital reduction or otherwise and whether in cash or in specie);</p> <p>(e) (issuing or granting shares or options) Atturra:</p> <p style="margin-left: 20px;">(i) issues shares;</p> <p style="margin-left: 20px;">(ii) grants an option over its shares;</p> <p style="margin-left: 20px;">(iii) agrees to make an issue of or grant an option over shares;</p> <p style="margin-left: 20px;">(iv) issues or agrees to issue securities or other instruments convertible into shares</p> <p>in each case to a person that is not BidCo or a wholly owned Subsidiary of BidCo, other than the issue of: any</p> <p style="margin-left: 20px;">(v) Atturra Acquisition Shares;</p> <p style="margin-left: 20px;">(vi) Atturra Security Interests; or</p> <p style="margin-left: 20px;">(vii) Atturra Shares in connection with the exercise, grant, issue or vesting of any Atturra Security Interests in the ordinary course;</p>
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Term	Meaning
	<p>(f) (constitution) Atturra adopts a new constitution or modifies or repeals its constitution or a provision of it; and</p> <p>(g) (Insolvency) BidCo, Atturra or any of their material Related Bodies Corporate becomes Insolvent;</p> <p>provided that a Bidder Prescribed Event does not include any matter:</p> <p>(i) Disclosed to Cirrus Networks;</p> <p>(ii) required by law, regulation, changes in generally accepted accounting principles or by an order of a court or Governmental Agency;</p> <p>(iii) made at the written request of Cirrus Networks; and</p> <p>(iv) the undertaking of which Cirrus Networks has approved in writing (which approval must not be unreasonably withheld, delayed or conditioned).</p>
Business Day	a business day as defined in the Listing Rules, provided that such day is not a day on which the banks in Perth, Western Australia or Sydney, New South Wales are authorised or required to close.
Cash and Cash Equivalents	cash on hand or credited to an account with a bank or other financial institution to which Cirrus Networks Group is entitled as sole beneficiary.
Cash Consideration	the amount of cash to be paid by Atturra in accordance with clauses 4.4, 4.5, 4.6 and 4.7 of the Scheme Implementation Deed.
CGT	Capital Gains Tax.
Cirrus Group	Cirrus Networks and any Subsidiary of Cirrus Networks from time to time.
Cirrus Key Managers	the key managers of the Cirrus Group as agreed between Cirrus Networks and BidCo prior to the date of the Scheme Implementation Deed and included in the Data Room under the folder "SID – Key Managers".
Cirrus Knowledge Parties	Paul Everingham, Daniel Rohr, Adam Waterworth, Matthew Green, Chris McLaughlin, Helen Weightman and Darren Grocott.
Cirrus Networks Board	the board of directors of Cirrus Networks.
Cirrus Networks Break Fee	has the meaning given in section 10.4(e).
Cirrus Networks Director or Your Director	(a) any director of Cirrus Networks comprising part of the Cirrus Networks Board.
Cirrus Networks Disclosure Materials	<p>(b) the documents and information contained in the Data Room and made available to BidCo and its Representatives; and</p> <p>(c) the written responses to requests for information made by</p>

Term	Meaning
	<p style="text-align: center;">BidCo and its Representatives, each as at midday on 10 September 2023.</p>
Cirrus Networks Financial Information	has the meaning given in Section 5.8.
Cirrus Networks	Cirrus Networks Holdings Limited (ACN 103 348 947).
Cirrus Networks Information	the information contained in this Scheme Booklet, other than the Atturra Information and the information contained in Annexure B.
Cirrus Networks Material Adverse Effect	<p>a Cirrus Networks Adverse Regulatory Event, or an event, matter or circumstance which has the effect of, or would be reasonably likely to have the effect of, either individually or when aggregated with any other events, matters or circumstances of a similar type or nature, a reduction by:</p> <p>(a) 15% or more of the consolidated EBIT of Cirrus Group below the EBIT as disclosed in its 'FY 23 Results' announcement released to ASX on 4 August 2023; or</p> <p>(b) 15% or more below NTA as shown in the consolidated balance sheet of Cirrus Group as at 30 June 2023,</p> <p>each compared to what the consolidated EBIT or NTA (as applicable) of Cirrus Group would reasonably have been expected to be but for the event, matter or circumstance, save for any reduction caused or reasonable likely to have been caused by any events, matters or circumstances to the extent resulting from or arising out of:</p> <p>(c) any matter Disclosed to BidCo prior to the date of the Scheme Implementation Deed, or is known to BidCo Knowledge Parties or to BidCo or any of its Representatives prior to the date of the Scheme Implementation Deed;</p> <p>(d) changes in general economic, industry, banking, accounting standards, regulatory or political conditions, the securities or other capital markets in general or law (including any interpretation or application of law or standards);</p> <p>(e) any epidemic or pandemic;</p> <p>(f) geopolitical conditions, hostilities, civil or political unrest, any acts of war, sabotage, cyberattack or terrorism (including any outbreak, escalation or worsening of any of the foregoing);</p> <p>(g) arising from any acts of God, natural disaster, lightning, storm, flood, bushfire, earthquake, explosion, cyclone, tidal wave, landslide, adverse weather conditions on or after the date of the Scheme Implementation Deed;</p> <p>(h) any change in taxation rates, interest rates or exchange rates;</p> <p>(i) the taking of any action required under the Scheme Implementation Deed, the Scheme or the transactions contemplated by them;</p> <p>(j) the execution, delivery or performance of the Scheme Implementation Deed, the announcement or pendency of the Scheme or the other transactions contemplated by the Scheme Implementation Deed; and</p> <p>(k) any action (or the failure to take any action) with the written consent or at the written request of BidCo including any</p>

Term	Meaning
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consequences reasonably foreseeable as a result of such action,

except, in the case of each of the foregoing paragraphs (e), (f), and (h), if the effects of such events, matters or circumstances are disproportionately adverse to the Cirrus Group as compared to the effects on other companies in the industry in which the Cirrus Group operates, and then solely to the extent of such disproportionate effect.

Cirrus Networks Prescribed Event

except to the extent contemplated by the Scheme Implementation Deed or the Scheme, any of the following events:

- (a) **(conversion)** Cirrus Networks converts all or any of its shares into a larger or smaller number of shares;
- (b) **(reduction of share capital)** Cirrus Networks or another member of the Cirrus Group resolves to reduce its share capital in any way or resolves to reclassify, combine, split or redeem or repurchase directly or indirectly any of its shares;
- (c) **(buy-back)** Cirrus Networks or another member of the Cirrus Group buys back, repurchases, redeems or otherwise acquires any shares of capital stock of Cirrus Networks, or agrees or resolves to do any of the foregoing, except transactions solely between Cirrus Networks and a wholly owned Subsidiary of Cirrus Networks or wholly owned Subsidiaries of Cirrus Networks;
- (d) **(distribution)** Cirrus Networks or another member of the Cirrus Group, makes or declares, or announces an intention to make or declare, any distribution (whether by way of dividend, capital reduction or otherwise and whether in cash or in specie);
- (e) **(issuing or granting shares or options)** any member of the Cirrus Group:
 - (i) issues shares;
 - (ii) grants an option over its shares; or
 - (iii) agrees to make an issue of or grant an option over shares,

in each case to a person that is not Cirrus Networks or a wholly owned Subsidiary of Cirrus Networks, other than the issue of fully paid ordinary shares in the capital of Cirrus Networks in connection with the exercise or vesting of any Option or Performance Right (on issue on the date of the Scheme Implementation Deed) in the ordinary course in accordance with their terms as of the date of the Scheme Implementation Deed;

- (f) **(securities or other instruments)** any member of the Cirrus Group issues or agrees to issue securities or other instruments convertible into shares in each case to a person that is not Cirrus Networks or a wholly owned Subsidiary of Cirrus Networks other than the issue of fully paid ordinary shares in the capital of Cirrus Networks in connection with the exercise or vesting of any Option or Performance Right (on issue on the date of the Scheme Implementation Deed) in the ordinary course in accordance with their terms as of the date of the Scheme Implementation Deed;
- (g) **(constitution)** Cirrus Networks or any non-wholly owned Subsidiary of Cirrus Networks adopts a new constitution or modifies or repeals its constitution or a provision of it;
- (h) **(acquisitions, disposals or tenders)** any member of the

Term	Meaning
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Cirrus Group:

- (i) acquires or disposes of;
- (ii) agrees to acquire or dispose of; or
- (iii) offers, proposes, announces a bid or tenders for, any business, entity or undertaking, or assets comprising a business;
- (i) **(commitments and settlements)** other than in the ordinary course of business and consistent with past practice, Cirrus Networks:
 - (i) enters into any contract or commitment involving revenue or expenditure of more than, or the acquisition or disposal of assets and good and services with a value greater than \$500,000 (individually or in aggregate) over the term of the contract or commitment;
 - (ii) waives any third party default (relating to an amount in excess of \$500,000);
 - (iii) accepts as a settlement or compromise of a material matter relating to an amount in excess of \$500,000 less than the full compensation due to Cirrus Networks;
- (j) **(Material Contract)** Cirrus Networks amends, varies or terminates any Material Contract or has cost over runs for a contract in excess of \$500,000 or enters into any New Material Contract;
- (k) **(Claim)** a Claim is brought, pending or threatened in writing against Cirrus Networks (or any officer of it), which is likely to result in an adverse effect on Cirrus Networks in excess of \$500,000 (net of any amount covered by insurance), or which may result in a criminal penalty being imposed, or which may result in the loss of or a condition being imposed on any licence or registration, or which is otherwise material to Cirrus Networks' business;
- (l) **(encumbrances)** any member of the Cirrus Group creates, or agrees to create any Encumbrance over or declares itself the trustee of all or a material part of the Cirrus Group's business or property;
- (m) **(merger):**
 - (i) Cirrus Networks; or
 - (ii) any material member of the Cirrus Group, merges or consolidates with any other person or restructures, reorganises or completely or partially liquidates or dissolves;
- (n) **(cessation)** Cirrus Networks ceases (or threatens to cease) to carry on business or is deregistered or otherwise dissolved, and otherwise disregarding the intention of any party with respect to the period after the Implementation Date; or
- (o) **(Insolvency)** Cirrus Networks or any of its material Subsidiaries becomes Insolvent,

provided that a Cirrus Networks Prescribed Event does not include any matter:

- (p) Disclosed to BidCo;
- (q) required by law, regulation, changes in generally accepted accounting principles or by an order of a court or Governmental

Term	Meaning
	<p>Agency;</p> <p>(r) made at the written request of BidCo; or</p> <p>(s) the undertaking of which BidCo has approved in writing (which approval is not to be unreasonably withheld, delayed or conditioned).</p>
Cirrus Networks Security Interests	An Option or Performance Right.
Cirrus Networks Share	a fully paid ordinary share in the capital of Cirrus Networks.
Cirrus Networks Shareholder	each person who is registered in the Register as a holder of Cirrus Networks Shares.
Claim	Any action, suit, claim, demand, cause of action, dispute, difference, cost or expense (including legal cost), legal, equitable, under statute or otherwise, and other liabilities of any nature, and whether arising at common law, in equity, under statute or otherwise.
Competing Transaction	<p>any proposal, agreement, arrangement or transaction (or expression of interest therefor) which, if entered into or completed, would result in a third party (whether alone or together with any Associate):</p> <p>(a) directly or indirectly acquiring a Relevant Interest in, or having a right to acquire, a legal, beneficial or economic interest in, or Control of, 50% or more of Cirrus Network's Shares or of the share capital of any Subsidiary of Cirrus Networks;</p> <p>(b) acquiring Control of Cirrus Networks or any Subsidiary of Cirrus Networks;</p> <p>(c) directly or indirectly acquiring or becoming the holder of or otherwise acquiring or having a right to acquire, a legal, beneficial or economic interest in, or Control of all or a substantial part of Cirrus Networks' business or assets or the business or assets of Cirrus Group;</p> <p>(d) otherwise directly or indirectly acquiring or merging, or being involved in an amalgamation or reconstruction (as those terms are defined in section 413(1) of the Corporations Act) with Cirrus Networks or any Subsidiary of Cirrus Networks; or</p> <p>(e) requiring Cirrus Networks to abandon, or otherwise fail to proceed with, the Scheme,</p> <p>whether by way of takeover bid, members' or creditors' scheme of arrangement, shareholder approved acquisition, capital reduction, buy-back, sale or purchase of shares, other securities or assets, assignment of assets and liabilities, incorporated or unincorporated joint venture, dual-listed company (or other synthetic merger) deed of company arrangement, any debt for equity arrangement or other transaction or arrangement.</p>
Condition Precedent	a condition precedent contained in clause 3 of the Scheme Implementation Deed, as summarised at Section 10.4(a).
Consolidated Group or Group	Cirrus Networks and each of its Subsidiaries and a reference to a Group Member , Cirrus Networks Member or a member of the

Term	Meaning
	Consolidated Group is to Cirrus Networks or any of its Subsidiaries.
Continuous Disclosure Obligations	the obligation to disclose any information required to be disclosed pursuant to Listing Rule 3.1 (and 3.1A) and sections 674 and 674A of the Corporations Act.
Control	has the meaning given under section 50AA of the Corporations Act.
Corporations Act	the <i>Corporations Act 2001</i> (Cth).
Corporations Regulations	the <i>Corporations Regulations 2001</i> (Cth).
Court	the Supreme Court of New South Wales.
Data Room	the virtual data room established by Cirrus Networks and hosted by Ansarada containing information relating to the Cirrus Group and to which each party and their Representatives had access prior to the date of the Scheme Implementation Deed, an index of which is in agreed form (and initialled for identification purposes by a director of each of Cirrus Networks and BidCo).
Deed Poll	the deed poll executed by BidCo and Atturra in favour of Scheme Shareholders, a copy of which is set out in Annexure D.
Default Consideration	the meaning given in Section 1.2(d).
Disclosed	<p>fairly disclosed, with sufficient detail and context as to enable a sophisticated investor entering into a transaction of the nature contemplated by the Scheme Implementation Deed to understand the nature, scope and financial significance of the relevant matter, event or circumstance:</p> <ul style="list-style-type: none"> (a) in the case of BidCo, in the BidCo Disclosure Materials; and (b) in the case of Cirrus Networks, in the Cirrus Networks Disclosure Materials.
Disclosure Materials	means the information, documents and responses disclosed or made available to BidCo or its authorised persons by Cirrus Networks or its authorised persons in the virtual data room (the index of which has been initialled by or on behalf of the parties for the purposes of identification) and the written answers to requests for further information made by Cirrus Networks to BidCo.
EBIT	in respect of a period is the consolidated net income net of interest and income tax expenses determined by reference to the relevant financial statements of the relevant party.
Effective	when used in relation to the Scheme, means the coming into effect, pursuant to section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to the Scheme, but in any event at no time before an office copy of the order of the Court is lodged with ASIC.

Term	Meaning
Effective Date	with respect to the Scheme, the date on which the Scheme becomes Effective.
Encumbrance	any security for the payment of money or performance of obligations, including a mortgage, charge, lien, pledge, trust, power or title retention or flawed deposit arrangement, "security interest" as defined in sections 12(1) or 12(2) of the PPSA, right of first refusal, pre-emptive right, any similar restriction, or any agreement to create any of them or allow them to exist.
Enlarged Group	Atturra and its Subsidiaries (including BidCo), following the Implementation Date (including the Cirrus Group).
EPS	Earnings per Atturra Share.
Equity Incentives	any rights to Cirrus Networks Shares issued under employee incentive arrangements of Cirrus Networks (including Options and Performance Rights).
Equity Incentive Plan	Cirrus Networks' incentive plan, known as the "Directors' and Employees' Share Option and Performance Rights Plan" adopted with effect from 26 November 2020.
Excluded Information	any information: <ul style="list-style-type: none"> (a) of the kind referred to in section 708A(7) of the Corporations Act; or (b) which has not been disclosed in reliance on Listing Rule 3.1A.
FY23	the financial year ended 30 June 2023.
Government Agency	ASIC, the Court, the Takeovers Panel and any other government or representative of a government or any governmental, semi-governmental, administrative, fiscal, regulatory or judicial body, department, commission, authority, tribunal, agency, competition authority or entity and includes any minister and any regulatory organisation established under statute or any stock exchange.
GST	Goods and Services Tax.
Implementation Date	with respect to the Scheme, the fifth Business Day, or such other Business Day as BidCo and Cirrus Networks agree, following the Record Date for the Scheme.
Independent Expert	Lonergan Edwards & Associates Limited.
Independent Expert's Report	the report prepared by the Independent Expert dated 25 September 2023 set out in Annexure B.
Ineligible Foreign Shareholder	a Cirrus Networks Shareholder whose address shown in the Cirrus Networks register of members is a place outside of Australia and its external territories or New Zealand unless BidCo determines that it is

Term	Meaning
	lawful and not unduly onerous or unduly impracticable to issue that Cirrus Networks Shareholder with the New Atturra Shares on implementation of the Scheme.
Ineligible Shareholder	an Ineligible Foreign Shareholder and a Relevant Unmarketable Parcel Shareholder.
Last Practicable Date	Friday, 13 October 2023.
Listing Rules	the Listing Rules of ASX and any other applicable rules of ASX modified to the extent of any express written waiver by ASX.
Material Contracts	Those contracts of Cirrus Networks material to the operation of Cirrus Networks' business and included in the 'SID – Material Contracts' folder in the Data Room.
Maximum Cash Consideration	the meaning given in Section 1.2(d).
Maximum Cash Consideration Pool	\$44,568,422.54 (rounded to 2 decimal places).
Maximum Share Consideration	the meaning given in Section 1.2(d).
Maximum Share Consideration Pool	16,616,677 New Atturra Shares (rounded up to whole number)
Merged Business	<p>(a) all of the businesses, operations and activities undertaken by, or on behalf of, the Enlarged Group anywhere in the world at any time prior to the Implementation Date; and</p> <p>(b) any other business, operations and activities that may be undertaken by, or on behalf of, the Enlarged Group anywhere in the world from time to time following the Implementation Date.</p>
Net Cash	<p>calculated as:</p> <p>(a) Cash and Cash Equivalents; <u>less</u></p> <p>(b) any interest-bearing debt,</p> <p>excluding any costs associated with the Transaction (whether paid or unpaid), provided such costs are not materially different from the estimates provided by Cirrus Networks to BidCo in respect of those costs prior to execution of the Scheme Implementation Deed.</p>
New Atturra Shares	a new Atturra Share issued as Scheme Consideration.
New Material Contract	any new agreement entered into by Cirrus Group after the date of the Scheme Implementation Deed that includes the provision of services by the Cirrus Group as a substantial component of the revenue generated from that agreement and where total revenue generated from that same agreement exceeds either of the following thresholds:

Term	Meaning
	<p>(a) \$50,000 per calendar month of recurring revenue (excluding product revenue) over the term of the agreement; or</p> <p>(b) \$1 million in aggregate revenue (excluding product revenue) over the term of the agreement.</p>
Nominee	a Scheme Shareholder who holds one or more parcels of Scheme Shares as trustee or nominee for, or otherwise on account of, another person.
Notice of Meeting	the notice of meeting relating to the Scheme Meeting which is contained in Annexure E.
NTA	means net tangible assets calculated as "Net Assets" less "Intangible Assets" less "Deferred Tax Assets" (each being calculated in a manner consistent with the manner adopted for preparation of the consolidated balance sheet for Cirrus Group as at 30 June 2023).
Official List	The official list of entities that ASX has admitted and not removed.
Opt-in Notice	a notice by an Unmarketable Parcel Shareholder requesting to receive the Scheme Consideration as New Atturra Shares.
Option	an option over an unissued Cirrus Networks Share.
Performance Right	a performance right issued under the Equity Incentive Plan.
PPSA	the <i>Personal Property Securities Act 2009</i> (Cth).
Proxy Form	the proxy form which accompanies this Scheme Booklet.
Record Date	7.00pm (Sydney time) on the 5 th Business Day following the Effective Date or any other date as agreed by Cirrus Networks and BidCo.
Register	the register of members of Cirrus Networks maintained by or on behalf of Cirrus Networks in accordance with section 168(1) of the Corporations Act.
Regulatory Approval	any approval of or notification to a Governmental Agency to the Transaction or any aspect of them, or the expiration of any waiting period required by any applicable law, which Cirrus Networks and Bidco agree, acting reasonably, is necessary or desirable to implement the Transaction.
Related Body Corporate	has the same meaning given to it in the Corporations Act.
Relevant Interest	has the meaning it has in sections 608 and 609 the Corporations Act.
Relevant Unmarketable Parcel Shareholder	an Unmarketable Parcel Shareholder who has not provided Cirrus Networks with an Opt-in Notice before 5.00pm prior to the Record Date.

Term	Meaning
Representatives	in relation to a party: <ul style="list-style-type: none"> (a) a Related Body Corporate; (b) a director, officer or employee of the party or any of the party's Related Bodies Corporate; or (c) an adviser or consultant to the party or any of the party's Related Bodies Corporate.
Requisite Majorities	has the meaning given in Section 4.13.
Rights	all accretions, rights and benefits attaching to, or arising from, the Scheme Shares directly or indirectly, including any capital returns, all dividends and all rights to receive them and rights to receive or subscribe for shares, notes, bonds, options or other securities or entitlements declared, paid or issued by Cirrus Networks.
Sale Agent	the person appointed by Atturra to sell the Sale Shares in accordance with the Scheme.
Sale Facility	the facility to be established for the sale of the Sale Shares by the Sale Agent on behalf of Ineligible Foreign Shareholders as described in Section 4.8.
Sale Shares	the New Atturra Shares to which Ineligible Foreign Shareholders would have been entitled under this Scheme but for the operation of section 6.4 of the Scheme relating to the treatment of Ineligible Foreign Shareholders.
Scheme or Scheme of Arrangement	means the proposed scheme of arrangement pursuant to Part 5.1 of the Corporations Act between Cirrus Networks and Scheme Shareholders in respect of all Scheme Shares, substantially in the form set out in Annexure C, subject to any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act.
Scheme Booklet	this document, including any annexures.
Scheme Consideration	the Cash Consideration and the Share Consideration to be issued to each Scheme Shareholder in accordance with their election and entitlements as outlined at Section 4.3.
Scheme Implementation Deed	the scheme implementation deed between BidCo, Cirrus Networks and Atturra dated 10 September 2023 as amended and restated on 15 September 2023. A summary is set out in Section 10.4 and a full copy can be obtained from the Cirrus Networks investor website at https://investor-hub.Cirrus Networks Holdingsgroup.io/ .
Scheme Meeting	the meeting of Cirrus Networks Shareholders ordered by the Court to be convened under section 411(1) of the Corporations Act to consider and vote on the Scheme and includes any meeting convened following any adjournment or postponement of that meeting.
Scheme Resolution	the resolution to approve the Scheme to be considered by Cirrus Networks Shareholders at the Scheme Meeting, as set out in the

Term	Meaning
	Notice of Meeting in Annexure E.
Scheme Share	a Cirrus Networks Share on issue as at the Record Date.
Scheme Shareholder	a person who holds one or more Cirrus Networks Shares recorded in the Register as at the Record Date.
Second Court Date	the first day on which an application made to the Court for an order pursuant to section 411(4)(b) of the Corporations Act approving the Scheme is heard, or if the application is adjourned for any reason, the date on which the adjourned application is heard or scheduled to be heard.
Second Court Hearing	the hearing of the application made to the Court for an order pursuant to section 411(4)(b) of the Corporations Act approving the Scheme.
Section	a section of the Scheme Booklet.
Split Consideration	the meaning given in Section 1.2(d).
Share Consideration	the number of Atturra Shares to be issued by Atturra in accordance with clauses 4.4, 4.5, 4.6 and 4.7 of the Scheme Implementation Deed.
Share Registry	Automic Pty Ltd ACN 152 260 814.
Shareholder Information Line	1300 288 664 from within Australia and +61 2 9698 5414 from outside Australia between 8.30am and 5.30pm (AEDT), Monday to Friday.
Subsidiary	has the same meaning as given in section 46 of the Corporations Act.
Sunset Date	23 December 2023, unless extended in accordance with the Scheme Implementation Deed.
Superior Proposal	<p>a bona fide Competing Transaction received by Cirrus Networks in writing from a third party (other than a Competing Transaction that has resulted from a material breach of obligations under clause 10 of the Scheme Implementation Deed), which the Cirrus Networks Board, acting in good faith, and after taking written advice from each of its legal and financial advisers, determines:</p> <p>(a) is reasonably capable of being valued and completed in a reasonable timeframe;</p> <p>(b) would, if completed substantially in accordance with its terms, be more favourable to Cirrus Networks' Shareholders (as a whole) than the Transaction;</p> <p>in each case, taking into account all terms and conditions and other aspects of the Competing Transaction (including any timing considerations, reputation and financial condition of the person making the proposal, funding certainty, execution certainty, any conditions precedent or other matters affecting the probability of the Competing Transaction being completed, and relevant legal, regulatory and financial matters).</p>

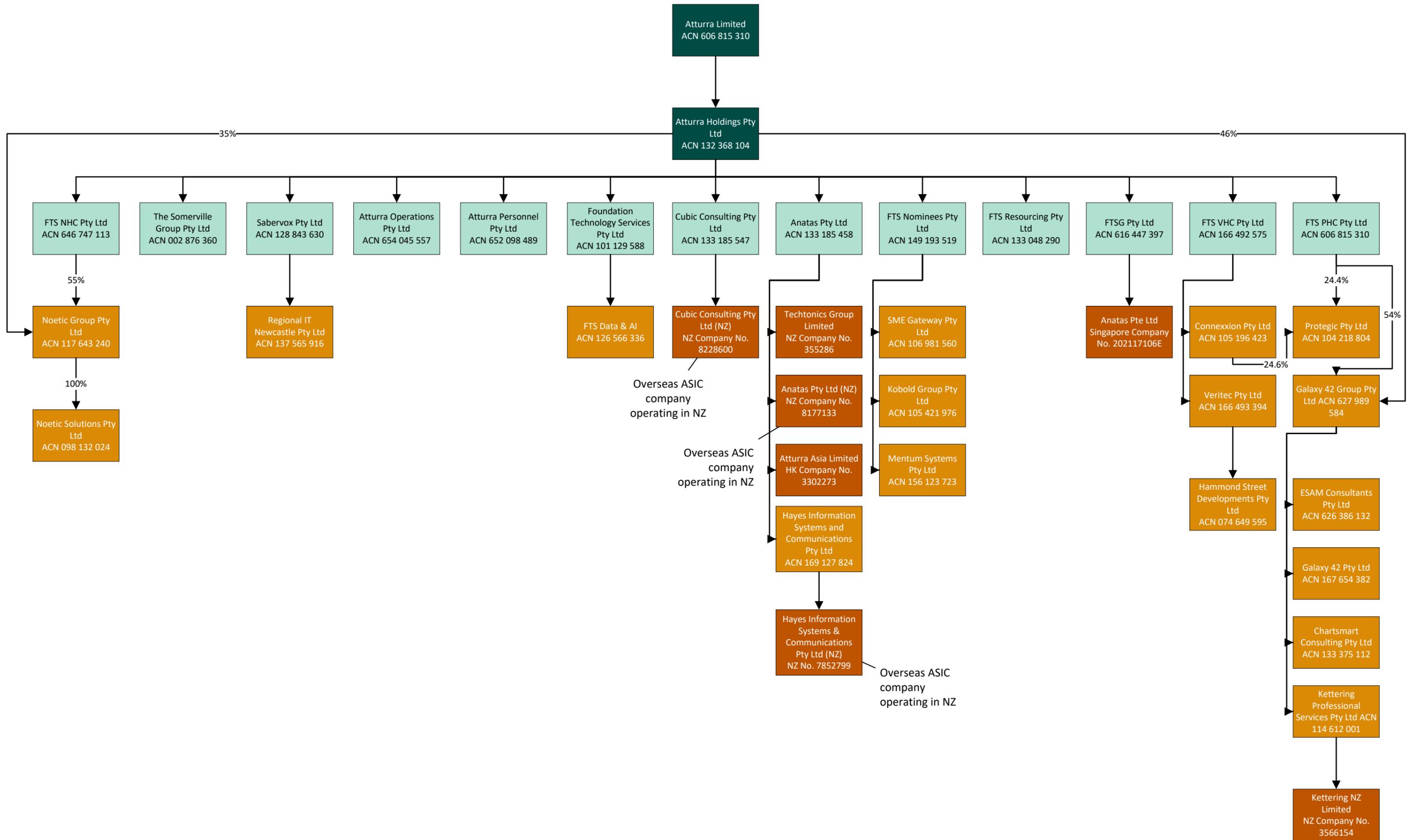
Term	Meaning
Taxable Australian Property	Has the meaning given by the <i>Income Tax Assessment Act 1997</i> (Cth).
Transaction	the proposed acquisition by BidCo, in accordance with the terms and conditions of the Scheme, of all of the Cirrus Networks Shares through the implementation of the Scheme.
Unmarketable Parcel Shareholder	a Cirrus Networks Shareholder (other than an Ineligible Foreign Shareholder) who, based on their holding of Cirrus Networks Shares on the Record Date, would, on implementation of the Scheme, be entitled to receive less than a marketable parcel (as that term is defined in the Listing Rules) of New Atturra Shares (assessed by reference to price of Atturra Shares on the ASX at the close of trading on the trading day prior to the Record Date), as Scheme Consideration.
Voting Record Date	7.00pm (Sydney time), Sunday 5 February 2023.
VWAP	volume weighted average price.

11.2 Interpretation

In this Scheme Booklet:

- (a) words of any gender include all genders;
- (b) words importing the singular include the plural and vice versa;
- (c) an expression importing a person includes any company, partnership, joint venture, association, corporation or other body corporate and vice versa;
- (d) a reference to a Section or annexure, is a reference to a Section of or annexure of, to this Scheme Booklet as relevant;
- (e) a reference to any legislation includes all delegated legislation made under it and amendments, consolidations, replacements or re-enactments of any of them;
- (f) headings and bold type are for convenience only and do not affect the interpretation of this Scheme Booklet;
- (g) a reference to time is a reference to Sydney, New South Wales time or Perth, West Australian time as the context requires. In particular where a reference is to a time in respect of the Court, such reference will be in respect of Sydney, NSW time and where a reference to time is in respect of the Scheme Meeting, such reference will be in respect of Perth, West Australia;
- (h) a reference to dollars, \$, A\$, AUD, cents, ¢ and currency is a reference to the lawful currency of the Commonwealth of Australia;
- (i) an accounting term is a reference to that term as it is used in accounting standards under the Corporations Act, or, if not inconsistent with those standards, in accounting principles and practices generally accepted in Australia; and
- (j) the words “include”, “including”, “for example” or “such as” when introducing an example, do not limit the meaning of the words to which the example relates to that example or examples of a similar kind.

Atturra Group Structure Diagram



Independent Expert's Report

LONERGAN EDWARDS & ASSOCIATES LIMITED

ABN 53 095 445 560
AFS Licence No 246532
Level 7, 64 Castlereagh Street
Sydney NSW 2000 Australia
GPO Box 1640, Sydney NSW 2001

Telephone: [61 2] 8235 7500
www.lonerganedwards.com.au

The Directors
Cirrus Networks Holdings Limited
Level 28
108 St Georges Terrace
Perth WA 6000

25 September 2023

Subject: Proposed acquisition of Cirrus network Holdings Limited by way of Scheme

Dear Directors

Introduction

- 1 On 11 September 2023, Cirrus Networks Holdings Limited (Cirrus or the Company) announced that it and Atturra Limited (Atturra) had signed a Scheme Implementation Deed under which Atturra would acquire 100% of the issued shares in Cirrus for a price of 5.3 cents per share (the Initial Scheme Offer).
- 2 On 15 September 2023, Cirrus announced that Atturra had increased the scheme consideration from 5.3 cents per Cirrus share to 6.3 cents per Cirrus share. As a result of this announcement Cirrus and Atturra signed the Amended and Restated Scheme Implementation Deed (SID)¹. The proposed acquisition of the shares is to be implemented via a scheme of arrangement between Cirrus and its shareholders (the Scheme²) and is subject to a number of conditions precedent (as summarised in Section I of our report).
- 3 If the Scheme is approved and implemented, Cirrus shareholders will have flexibility as regards the scheme consideration they will receive for each Cirrus share they hold on the Scheme Record Date³ (Scheme Consideration). Cirrus shareholders may elect to receive the Scheme Consideration as one of four ways⁴:
 - (a) 75% cash consideration and 25% share consideration, equating to 4.73 cents cash and 0.0179 Atturra shares for each 1 Cirrus share held (Default Consideration)

¹ All references to the SID hereafter in this report are to the Amended and Restated Scheme Implementation Deed dated 15 September 2023.

² Referred to in the 15 September 2023 announcement as the Revised Scheme.

³ The Scheme Record Date is presently expected to be 7:00pm on the seventh business day after the Scheme becomes effective.

⁴ Foreign shareholders (i.e. those residents outside of Australia and New Zealand) may elect to receive a Scheme Consideration option that includes Atturra shares, however, shares will be issued to a nominee sale agent, who will sell them on market and pay the proceeds (net of transaction costs) to the relevant foreign shareholder.

Authorised Representatives:

Hung Chu • Martin Hall • Grant Kepler* • Julie Planinic* • Jorge Resende • Nathan Toscan • Wayne Lonergan • Craig Edwards

* Members of Chartered Accountants Australia and New Zealand and holders of Certificate of Public Practice.
Liability limited by a scheme approved under Professional Standards Legislation

- (b) 100% cash consideration, equating to 6.3 cents cash per Cirrus share held (Cash Consideration)
 - (c) 100% share consideration, equating to 0.0715 Atturra shares for each 1 Cirrus share held (Share Consideration)
 - (d) 50% cash consideration and 50% share consideration, equating to 3.15 cents cash and 0.0357 Atturra shares for each 1 Cirrus share held (Split Consideration).
- 4 Eligible Cirrus shareholders who do not make an election or who make an invalid election will receive the Default Consideration. The ability for Cirrus shareholders to elect the other forms of Scheme Consideration is subject to the following scaleback arrangements in the event that Cirrus shareholders oversubscribe for the respective Cash Consideration, Share Consideration and Split Consideration options (Scaleback Arrangements):
- (a) the Maximum Cash Consideration is limited to \$44.568 million
 - (b) the Maximum Share Consideration is limited to 16.617 million Atturra shares.
- 5 Where eligible Cirrus shareholders elect aggregate total Cash Consideration that exceeds the Maximum Cash Consideration, then each eligible Cirrus shareholder that has elected to receive the Cash Consideration will have their cash consideration scaled back. Conversely, if Cirrus shareholders elect to receive Scheme Consideration comprising aggregate total share consideration that exceeds the Maximum Share Consideration, then each Cirrus shareholder that has elected to receive shares (or is deemed to have elected to receive shares) will have their share consideration scaled back.

Cirrus

- 6 Cirrus is an Australian information technology (IT) solutions provider focused on designing, building and managing IT infrastructure for small to medium enterprises, large corporations and government entities. The Company provides bespoke technology solutions that are both cost effective and provide long term benefits. Its range of IT solutions includes professional services and managed services, and its enterprise level IT offering includes products from third party software vendors and hardware suppliers.

Atturra

- 7 Atturra is an Australian Securities Exchange (ASX) listed IT services business that designs, implements, and maintains IT solutions for private and public organisations that operate primarily within Australia. Atturra provides a broad range of services that are categorised across six key business divisions including Advisory and Consulting, Business Applications, Data and Integration, Cloud Business Solutions, Managed Services, and Industry Engagement.

Purpose of report

- 8 There is no regulatory requirement for an independent expert's report (IER) to be prepared for Cirrus shareholders pursuant to the *Corporations Act 2001* (Cth) (Corporations Act) or the ASX Listing Rules. However, the Scheme is subject to a number of conditions precedent, including an independent expert concluding (and continuing to conclude) that the Scheme is in the best interests of Cirrus shareholders.

- 9 In addition, the Cirrus Directors’ recommendation of the Scheme is subject to an independent expert concluding that the Scheme is fair and reasonable and in the best interests of Cirrus shareholders.
- 10 Accordingly, the Directors of Cirrus have requested Lonergan Edwards & Associates Limited (LEA) to prepare an IER stating whether, in our opinion, the Scheme is fair and reasonable and in the best interests of Cirrus shareholders and the reasons for that opinion.
- 11 There is no legal definition of the expression “in the best interests”. However, Australian Securities & Investments Commission (ASIC) Regulatory Guide 111 – *Content of expert reports* (RG 111) notes that if an expert concludes that a scheme is “fair and reasonable”, or “not fair but reasonable”, then the expert will also be able to conclude that the scheme is “in the best interests” of members of the company.
- 12 LEA is independent of Cirrus and Atturra and has no other involvement or interest in the proposed Scheme.

Summary of opinion

- 13 In our opinion, the Scheme is fair and reasonable and in the best interests of Cirrus shareholders in the absence of a superior proposal. We have formed this opinion for the reasons set out below.

Value of Cirrus

- 14 We have assessed the value of Cirrus shares on a 100% controlling interest basis at 5.4 cents to 5.9 cents per share, as shown below:

Cirrus – valuation summary			
	Paragraph	Low \$m	High \$m
Enterprise value	174	43.2	47.6
Add net cash	178	5.4	5.4
Add value of tax assets	180	1.8	2.2
Equity value – controlling interest basis		50.4	55.2
Fully diluted shares on issue (million)	181	930.0	930.0
Cirrus value per share – controlling interest basis (\$)		0.054	0.059

Value of the Scheme Consideration

- 15 As noted above, three of the four Scheme Consideration alternatives available to Cirrus shareholders include an Atturra share component. We have assessed the value of the Atturra shares offered as all or part consideration pursuant to the Scheme at between \$0.82 and \$0.88 per share (refer paragraph 206). This range reflects the more recent trading range in Atturra shares following the announcement of the Initial Scheme Offer and the Scheme, with the VWAPs of Atturra shares over these periods being \$0.857 per share and \$0.836 per share respectively.
- 16 Accordingly, we have assessed the value of the Scheme Consideration to be received by Cirrus shareholders at the amounts set out below:

Value of Scheme Consideration per Cirrus share

	Low Cents per share	High Cents per share
Default Consideration (75% cash / 25% Atturra shares) ⁽¹⁾	6.20	6.31
Cash Consideration (100% cash)	6.30	6.30
Share Consideration (100% Atturra shares) ⁽²⁾	5.86	6.29
Split Consideration (50% cash, 50% Atturra shares) ⁽³⁾	6.08	6.29

Note:

- 1 Being cash consideration of 4.73 cents per Cirrus share plus 82 cents to 88 cents times the Default Consideration exchange ratio of 0.0179 Atturra shares for each Cirrus share.
- 2 Being 82 cents to 88 cents times the Share Consideration exchange ratio of 0.0715 Atturra shares for each Cirrus share.
- 3 Being cash consideration of 3.15 cents per Cirrus share plus 82 cents to 88 cents times the Split Consideration exchange ratio of 0.0357 Atturra shares for each Cirrus share.

-
- 17 Cirrus shareholders should note that the listed market price of Atturra shares is subject to daily fluctuation. The price at which Atturra shares may be sold may therefore be greater or less than our assessed realisable value of Atturra shares of \$0.82 to \$0.88 per share.
 - 18 Cirrus shareholders should also note that any decision to hold Atturra shares beyond the short term is a separate investment decision. As it is not possible to accurately predict future share price movements, any decision to hold Atturra shares should be made by shareholders having regard to their risk profile, liquidity preference, tax position and expectations as to value and future market conditions. Cirrus shareholders should therefore seek independent professional advice specific to their individual circumstances if required.

Assessment of “fairness”

- 19 Pursuant to RG 111 a scheme is “fair” if the value of the scheme consideration is equal to or greater than the value of the securities the subject of the scheme.
- 20 As the value of the Scheme Consideration to be received by Cirrus shareholders generally exceeds⁵ our assessed valuation range for Cirrus shares on a 100% controlling interest basis, in our opinion, the Scheme is “fair” to Cirrus shareholders when assessed in accordance with the guidelines set out in RG 111.

Assessment of “reasonableness” and “in the best interests”

- 21 Pursuant to RG 111, a transaction is reasonable if it is fair. Accordingly, in our opinion, the Scheme is also “reasonable”.
- 22 Generally, in our experience, if a transaction is “fair” and “reasonable” under RG 111 it will also be “in the best interests” of shareholders. This is because if the consideration payable pursuant to a scheme is fair, shareholders are implicitly receiving consideration for their shares which is consistent with the full underlying value of those shares.
- 23 We therefore consider that the Scheme is also “in the best interests” of Cirrus shareholders in the absence of a superior proposal.

⁵ Noting that the low end of the assessed value of the Share Consideration is marginally below the high end of our assessed value range.

Assessment of the Scheme

24 We summarise below the likely advantages and disadvantages of the Scheme for Cirrus shareholders.

Advantages

25 In our opinion, the Scheme has the following benefits for Cirrus shareholders:

- (a) the Scheme Consideration exceeds our assessed value range for Cirrus shares on a 100% controlling interest basis
- (b) the Scheme Consideration represents a significant premium to the recent market prices of Cirrus shares prior to the announcement of the Initial Scheme Offer on 11 September 2023
- (c) furthermore, the implied premium is above observed premiums generally paid to target company shareholders in comparable circumstances
- (d) if the Scheme does not proceed, and in the absence of an alternative offer or proposal, the price of Cirrus shares is likely to trade at a significant discount to our valuation and the Scheme Consideration due to the portfolio nature of individual shareholdings.

Disadvantages

26 If the Scheme is implemented Cirrus shareholders will no longer hold a direct interest in Cirrus. In the event that future value is created by Cirrus as a result of ongoing operations over and above that reflected in our assessed valuation of the Company:

- (a) those Cirrus shareholders who receive 100% Cash Consideration will therefore not participate in such future value
- (b) those Cirrus shareholders who receive shares in Atturra as all or part consideration will only retain some limited exposure to such future value (but will also acquire an interest in the Atturra business).

27 However, as the high end of our assessed value of Cirrus shares is generally below the Scheme Consideration⁶, in our opinion, the present value of Cirrus' future potential is reflected in the Scheme Consideration.

Conclusion

28 Given the above analysis, we consider the acquisition of Cirrus shares under the Scheme is fair and reasonable and in the best interests of Cirrus shareholders in the absence of a superior proposal.

General

29 This report is general financial product advice only and has been prepared without taking into account the personal objectives, financial situations or needs of individual Cirrus shareholders. Accordingly, before acting in relation to the Scheme, Cirrus shareholders

⁶ Noting that the low end of the assessed value of the Share Consideration is marginally below the high end of our assessed value range.

should have regard to their own objectives, financial situation and needs. Cirrus shareholders should also read the Scheme Booklet that has been issued by Cirrus in relation to the Scheme.

- 30 Furthermore, this report does not constitute advice or a recommendation (inferred or otherwise) as to whether Cirrus shareholders should vote for, or against the Scheme. This is a matter for individual Cirrus shareholders based upon their own views as to value, their expectations about future economic and market conditions and their particular personal circumstances including their risk profile, liquidity preference, investment strategy, portfolio structure and tax position. If Cirrus shareholders are in doubt about the action they should take in relation to the Scheme or matters dealt with in this report, shareholders should seek independent professional advice.
- 31 For our full opinion on the Scheme and the reasoning behind our opinion, we recommend that Cirrus shareholders read the remainder of our report.

Yours faithfully



Julie Planinic
Authorised Representative



Jorge Resende
Authorised Representative

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I Key terms of the Scheme

Terms

32 An overview and key terms of the Scheme is set out at paragraphs 1 to 5.

Conditions

- 33 The Scheme is subject to the satisfaction of a number of conditions precedent, including the following which are outlined in the SID between Cirrus and Atturra:
- (a) respective regulatory approvals which Cirrus and Atturra agree are necessary to implement the Scheme
 - (b) approval of the Scheme by the Court in accordance with s411(4)(b) of the Corporations Act
 - (c) Cirrus shareholder approval by the requisite majorities at the Scheme meetings under the Corporations Act
 - (d) no temporary restraining order, preliminary or permanent injunction, degree or ruling enjoining, restraining or other order issued by any “Governmental Authority” (as defined in clause 1 of the SID) (including any court) preventing the transaction is in effect at 8.00am on the Second Court Date
 - (e) no “Target Prescribed Event” (as defined in clause 1 of the SID) occurs in respect of Cirrus on or before 8.00am on the Second Court Date
 - (f) no “Bidder Prescribed Event” (as defined in clause 1 of the SID) occurs in respect of Atturra on or before 8.00am on the Second Court Date
 - (g) no “Target Material Adverse Effect” (as defined in clause 1 of the SID) occurs in respect of Cirrus on or before 8.00am on the Second Court Date
 - (h) the independent expert issues a report which concludes (and continues to conclude) that the Scheme is in the best interests of Cirrus shareholders.
- 34 In addition Cirrus has agreed that during the Exclusivity Period (as defined in clause 1 of the SID) it will not:
- (a) solicit, invite, encourage or initiate any competing transaction
 - (b) participate in any discussions or negotiations which may reasonably be expected to lead to a competing transaction
 - (c) enter into any agreement, arrangement or understanding in relation to a competing transaction or any agreement, arrangement or understanding which may reasonably be expected to lead to the completion of a competing transaction
 - (d) provide any information to a third party for the purposes of enabling that party to table a competing transaction.
- 35 The exclusivity obligations do not apply if Cirrus has complied with the various obligations set out in the SID and the Cirrus Board determines:

- (a) a proposed competing transaction is a superior proposal or the steps which the Cirrus Board proposes to take may reasonably be expected to lead to a competing transaction which is a superior proposal⁷; and
- (b) based on written advice from its legal advisers, that compliance with exclusivity obligations would involve a breach of fiduciary duties or would otherwise be unlawful.

36 A break fee of \$0.5 million is payable by either Cirrus to Atturra or Atturra to Cirrus in certain circumstances as specified in the SID.

Resolution

37 Cirrus shareholders will be asked to vote on the Scheme in accordance with the resolution contained in the notice of meeting accompanying the Scheme Booklet.

38 If the resolution is passed by the requisite majorities, Cirrus must apply to the Court for orders approving the Scheme, and if that approval is given, lodge the orders with ASIC and do all things necessary to give effect to the Scheme. Once the Court approves the Scheme it will become binding on all Cirrus shareholders who hold Cirrus shares as at the Scheme Record Date, whether or not they voted for the Scheme (and even if they voted against the Scheme).

⁷ Subject to any potential breach of fiduciary duties, Cirrus must notify Atturra if it receives a superior competing proposal and give Atturra five business days to match that competing proposal.

II Scope of our report

Purpose

- 39 The Scheme is to be effected pursuant to Part 5.1 of the Corporations Act, which governs schemes of arrangement. Part 3 of Schedule 8 of the *Corporations Regulations 2001* (Cth) (Corporations Regulations) prescribes information to be sent to shareholders in relation to a member's scheme of arrangement pursuant to s411 of the Corporations Act.
- 40 Paragraph 8303 of Schedule 8 of the Corporations Regulations provides that, where the other party to the transaction holds not less than 30% of the voting shares in the company the subject of the scheme, or where a director of the other party to the transaction is also a director of the company the subject of the scheme, the explanatory statement must be accompanied by an IER assessing whether the proposed scheme is in the best interests of shareholders and state reasons for that opinion.
- 41 Atturra has no current shareholding in Cirrus and has no representation on the Cirrus Board. However, both a condition precedent to the Scheme and the Cirrus Directors' recommendation of the Scheme are subject to an independent expert concluding that the Scheme is in the best interests of Cirrus shareholders. In addition, as the Scheme (if approved and implemented) will result in 100% of the securities in Cirrus being held by Atturra, RG 111 requires that we provide an opinion on whether the consideration payable under the Scheme is "fair" and "reasonable" to the shareholders of Cirrus.
- 42 The Directors of Cirrus have appointed LEA to prepare an IER stating whether the proposed acquisition of the shares in Cirrus by Atturra under the Scheme is fair and reasonable and in the best interests of Cirrus shareholders and the reasons for that opinion. Our report will accompany the Scheme Booklet to be sent to Cirrus shareholders.
- 43 It should be noted that this report is general financial product advice only and has been prepared without taking into account the personal objectives, financial situations or needs of individual Cirrus shareholders. Accordingly, before acting in relation to the Scheme, Cirrus shareholders should have regard to their own objectives, financial situation and needs. Cirrus shareholders should also read the Scheme Booklet that has been issued by Cirrus in relation to the Scheme.
- 44 Furthermore, this report does not constitute advice or a recommendation (inferred or otherwise) as to whether Cirrus shareholders should vote for, or against the Scheme. This is a matter for individual Cirrus shareholders based upon their own views as to value, their expectations about future economic and market conditions and their particular personal circumstances including their risk profile, liquidity preference, investment strategy, portfolio structure and tax position. If Cirrus shareholders are in doubt about the action they should take in relation to the Scheme or matters dealt with in this report, shareholders should seek independent professional advice.

Basis of assessment

- 45 In preparing our report we have given due consideration to the Regulatory Guides issued by ASIC including, in particular, RG 111.
- 46 When an IER is prepared for a scheme that involves a change of control (essentially, where one party acquires more than a 20% equity interest in another party), ASIC expects the form

of the analysis undertaken by the expert to be substantially the same as for a takeover bid. That is, the expert is required to assess and provide an opinion on whether the scheme is “fair” and “reasonable” to the shareholders of the company which is the subject of the scheme (in addition to the inclusion of a statement as to whether the scheme is “in the best interests” of shareholders, being the opinion required under Part 3 of Schedule 8 of the Corporations Regulations).

- 47 **Fairness** involves the application of a strict quantitative test that compares the value of the consideration offered against the value of the shares that are the subject of the scheme⁸. A scheme is “fair” if the value of the scheme consideration is equal to, or greater than, the value of the shares that are the subject of the scheme. Fairness effectively measures whether shareholders (in the company the subject of the scheme) are being adequately compensated for the actual (or deemed) change of “control” in ownership.
- 48 **Reasonableness** involves the consideration of other significant quantitative and qualitative factors that shareholders might consider prior to accepting a proposal. A scheme is considered “reasonable” if it is “fair”. A scheme may also be considered “reasonable” if, despite being “not fair”, the expert believes there are sufficient reasons for shareholders to vote in favour of the scheme, in the absence of a superior proposal.
- 49 There is no legal definition of the expression “in the best interests”. However, RG 111 notes that if an expert concludes that a scheme is “fair and reasonable”, or “not fair but reasonable”, then the expert will also be able to conclude that the scheme is “in the best interests” of members of the company. Similarly, RG 111 notes that if an expert concludes that a scheme is “not fair and not reasonable”, then the expert would need to conclude that the scheme is “not in the best interests” of members of the company.
- 50 In our opinion, if the Scheme is “fair” and “reasonable” under RG 111 it will also be “in the best interests” of Cirrus shareholders. This is because, if the consideration payable pursuant to a transaction is fair, shareholders are implicitly receiving consideration for their shares which is consistent with the full underlying value of those shares.
- 51 Having regard to the above, our report has therefore considered:

Fairness

- (a) the market value of 100% of the shares in Cirrus
- (b) the value of the consideration offered by Atturra
- (c) the extent to which (a) and (b) differ (in order to assess whether the Scheme is fair under RG 111)

⁸ Assuming 100% ownership of the target company and a knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm’s length, noting that any special value that may be derived by a particular “bidder” should not be taken into account (e.g. synergies that are not available to other bidders).

Reasonableness

- (d) the extent to which a control premium is being paid to Cirrus shareholders
- (e) the extent to which Cirrus shareholders are being paid a share of any synergies likely to be generated pursuant to the potential transaction
- (f) the listed market price of Cirrus shares, both prior to and subsequent to the announcement of the proposed Scheme
- (g) the likely market price of Cirrus shares if the proposed Scheme is not approved
- (h) the value of Cirrus to an alternative offeror and the likelihood of a higher alternative offer being made for Cirrus prior to the date of the Scheme meeting
- (i) the advantages and disadvantages of the Scheme from the perspective of Cirrus shareholders
- (j) other qualitative and strategic issues associated with the Scheme.

Limitations and reliance on information

- 52 Our opinions are based on the economic, share market, financial and other conditions and expectations prevailing at the date of this report. Such conditions can change significantly over relatively short periods of time.
- 53 Our report is also based upon financial and other information provided by Cirrus and its advisers. We understand the accounting and other financial information that was provided to us has been prepared in accordance with the Australian equivalents to International Financial Reporting Standards. We have considered and relied upon this information and believe that the information provided is reliable, complete and not misleading and we have no reason to believe that material facts have been withheld.
- 54 The information provided was evaluated through analysis, enquiry and review to the extent considered appropriate for the purpose of forming an opinion on the Scheme from the perspective of Cirrus securityholders. However, we do not warrant that our enquiries have identified or verified all of the matters which an audit, extensive examination or “due diligence” investigation might disclose. Whilst LEA has made what it considers to be appropriate enquiries for the purpose of forming its opinion, “due diligence” of the type undertaken by companies and their advisers in relation to (for example) prospectuses or profit forecasts is beyond the scope of an IER.
- 55 Accordingly, this report and the opinions expressed therein should be considered more in the nature of an overall review of the anticipated commercial and financial implications of the proposed transaction, rather than a comprehensive audit or investigation of detailed matters. Further, this report and the opinions therein, must be considered as a whole. Selecting specific sections or opinions without context or considering all factors together, could create a misleading or incorrect view or opinion. This report is a result of a complex valuation process that does not lend itself to a partial analysis or summary.
- 56 An important part of the information base used in forming an opinion of the kind expressed in this report is comprised of the opinions and judgement of management of the relevant companies. This type of information has also been evaluated through analysis, enquiry and review to the extent practical. However, it must be recognised that such information is not always capable of external verification or validation.

- 57 We in no way guarantee the achievability of budgets or forecasts of future profits. Budgets and forecasts are inherently uncertain. They are predictions by management of future events which cannot be assured and are necessarily based on assumptions of future events, many of which are beyond the control of management. Actual results may vary significantly from forecasts and budgets with consequential valuation impacts.
- 58 In forming our opinion, we have also assumed that:
- (a) the information set out in the Scheme Booklet is complete, accurate and fairly presented in all material respects
 - (b) if the Scheme becomes legally effective, it will be implemented in accordance with the terms set out in the SID and the terms of the Scheme itself.

III Profile of Cirrus

Overview

59 Cirrus is an Australian IT solutions provider focused on designing, building and managing IT infrastructure for small to medium enterprises, large corporations and government entities. The Company provides bespoke technology solutions that are both cost effective and provide long term benefits. Its range of IT solutions includes professional services and managed services, and its enterprise level IT offering includes products from third party software vendors and hardware suppliers.

History

60 Cirrus was established in Perth, Western Australia in 2012 and listed on the ASX in July 2015. The Company initially focused on building and managing IT infrastructure, before pivoting to focus on higher margin professional and managed services following a number of acquisitions. A summary of these acquisitions is as follows:

Cirrus – acquisitions			
Date ⁽¹⁾	Company	Consideration \$m	Operations
Dec 15	L7 Solutions	0.5	An IT services company specialising in the provision of IT integration solutions and managed services
Mar 17	NGage Technology Group	2.5	A Melbourne-based end-to-end IT solutions provider, delivering IT hardware and software, managed services and professional services. The company had revenue exceeding \$25 million in 2016
Nov 17	Correct Communications	5.0	A Canberra-based IT solutions provider specialising in networking, storage, security and unified communications infrastructure. Revenue for the year to 30 June 2017 (FY17) was approximately \$11.5 million

Note:

1 Date of transaction announcement.

61 The Cirrus offering was strengthened in 2015 with the acquisition of Perth-based L7 Solutions. The acquisitions of Melbourne based IT provider NGage Technology Group, and Canberra IT services company Correct Communications, enabled Cirrus to establish a presence on the east coast of Australia. The businesses acquired were combined with the Company's existing operations at the time, which added greater scale, services and expertise and created a full service IT solutions and managed services provider.

62 In around October 2021, Cirrus management conducted a strategic review of the Company, which resulted in the decision to undertake a restructure of operations. The restructure included (inter alia) the implementation of a leaner and more simplified organisational structure, improved systems and increased operational insight, and a shift in sales strategy to be more focused on services revenue (and less dependent on product sales). The restructure was completed in late 2021 and resulted in improved revenue, margins and a significant reduction in overhead costs.

63 Cirrus provides a range of professional services as well as managed services contracts (the latter of which are often delivered over a number of years). A summary of the key contracts won by the Company since 1 January 2019 is set out below:

Cirrus – key contracts

Date	Description
Jan 19	<ul style="list-style-type: none"> Entered into a three year contract worth \$5 million to design, implement and support data storage for a Federal Government agency
Aug 19	<ul style="list-style-type: none"> Secured a three year contract with the Australian Capital Territory (ACT) Government worth \$5 million for the maintenance and support of Cisco infrastructure Secured two significant Western Australian Government contracts worth \$5.5 million
Nov 19	<ul style="list-style-type: none"> The Melbourne office secured three separate contracts worth in excess of \$2.5 million, two with the Metropolitan Fire and Emergency Services Board to provide networking equipment, flash storage and associated migration professional services, with the other a contract with a client in the education sector providing network, voice and other services Won a three year IT infrastructure contract with Rio Tinto that provided Cirrus with the opportunity to bid for IT infrastructure services against a limited number of other pre-qualified providers
Jul 20	<ul style="list-style-type: none"> Announced it had won six contracts worth in excess of \$10 million, four with Federal Government agencies as well as two with leading Western Australian resources companies
Nov 20	<ul style="list-style-type: none"> Won a 12 month contract with the Department of Defence worth \$1 million to provide the architecture, testing and implementation of an integrated continuous assurance system Successfully tendered a 12 month, \$3.5 million contract with Services Australia for the supply, licensing and maintenance of security software
Mar 21	<ul style="list-style-type: none"> Won its largest managed services contract at the time (worth \$13 million), with Geoscience Australia, with a three year term covering a range of IT and information and communications technology services
Apr 22	<ul style="list-style-type: none"> Announced that it had been awarded a significant multi-year managed services contract (total contract worth \$15.5 million including a substantial managed service portion) with Icon Water, an ACT government owned corporation. The initial term of the contract is over three years (with two one year extension options) and covers the implementation and operation of Icon Water's IT network environment and infrastructure
Aug 22	<ul style="list-style-type: none"> Secured a multi-year managed services contract with energy company ENI Australia Limited (ENI). The contract is for an initial term of three years and covers the implementation, migration and management of services related to (inter alia) server operations, storage and database management, network management and service desk
Nov 22	<ul style="list-style-type: none"> Won a significant number of product and services based contracts with Federal Government and Canberra based businesses. The contracts were estimated to be worth over \$11.5 million and cover services related to network and connectivity, collaboration, digital transformation and hybrid cloud, and modern workplace and mobility. This also included a key strategic professional services contract (as a subcontractor) in the design and implementation of solutions that deliver enhanced service capabilities to the Australian Department of Defence. The two year contract also covers the potential for additional services, including a managed service offering for ongoing environment and program support

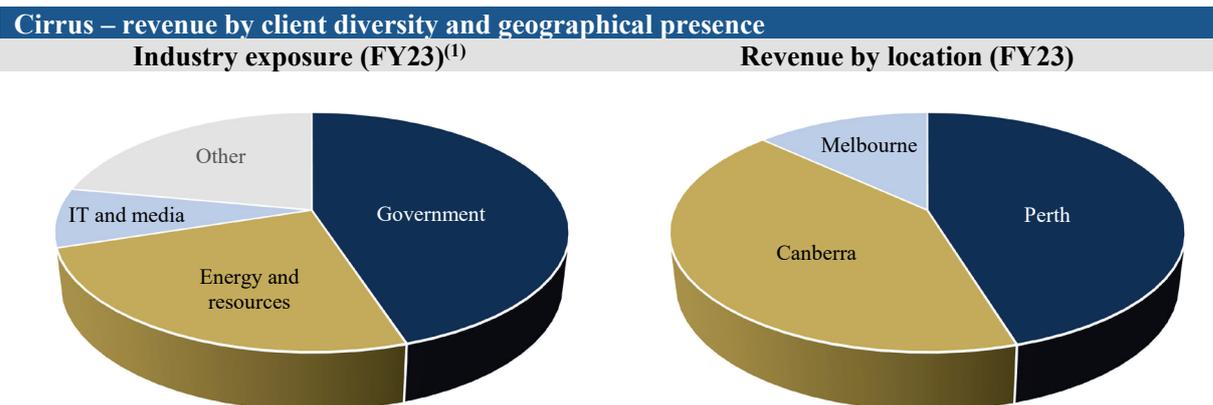
- 64 The Geoscience Australia contract was the Company's first significant managed services contract following the completion of Cirrus' state of the art Defence Industry Security Program certified Secure Network Operations Centre within its Canberra office. The Network Operations Centre is the cornerstone of Cirrus' managed services offering and the facility provides a platform for future growth. In addition, the Geoscience Australia contract win provided Cirrus with a strong base to expand its managed services segment, with significant multi-year managed services contract wins with Icon Water and ENI occurring in FY22 and FY23.

NVIDIA collaboration

- 65 In July 2023 Cirrus announced a collaboration with global computing and artificial intelligence (AI) company NVIDIA Corporation (NVIDIA) to provide AI-driven solutions to the Australian resources sector. The collaboration will leverage NVIDIA’s AI technology and Cirrus’ industry expertise and platform solutions to deliver key benefits to clients including (inter-alia):
- (a) **enhanced operational efficiency** – AI-powered solutions that will streamline processes, improve automation, and optimise resource allocation, enabling more efficient and cost effective operations
 - (b) **data-driven insights** – advanced AI algorithms that will unlock valuable insights from complex datasets, allowing businesses and government organisations to make informed decisions and drive innovation
 - (c) **safety and sustainability** – a focus on developing AI-driven solutions that will enhance safety and monitor environmental impacts of the resources sector.
- 66 Whilst the expected financial benefits of the collaboration to Cirrus are currently unable to be measured, the two companies have planned a number of launch events in Perth in September 2023 showcasing the benefits of AI-driven IT solutions to existing and potential clients.

Current operations

- 67 Cirrus operates from a Perth head office and employs approximately 150 staff and contractors across its offices in Perth, Melbourne and Canberra. The Company derives the majority of its revenue from the Canberra and Perth offices and provides services to a range of clients, a large proportion of which are government entities, as shown below:



Note:

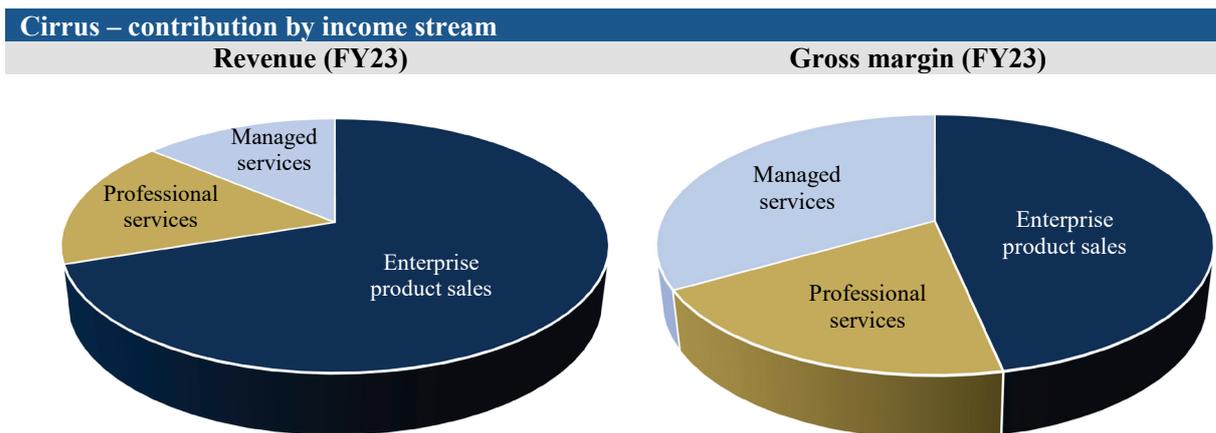
1 Revenue from clients with revenue in excess of \$1 million.

- 68 Cirrus is a member of a number of Federal and State Government “preferred vendor” panels for the provision of IT services. Service providers are given preferred vendor status based upon, inter alia, the ability to provide high quality services that are fit for purpose at a reasonable cost (i.e. value for money).

69 Cirrus groups its revenue by three income streams, being enterprise product sales, professional services and managed services. A description of each of these income streams is as follows:

- (a) **enterprise product sales** – revenue is generated from the sale of enterprise level IT products from tier-one vendors such as Cisco Systems. Gross margins for these sales are generally in the order of 8% to 10%
- (b) **professional services** – including IT consulting, integration and support services. Revenue is billed based on either fixed prices, hourly charge-out rates or bundled professional services. Gross margins for professional services are typically around 16% to 22%
- (c) **managed services** – covering the supply of cloud, niche managed services, outsourcing and a range of other IT services. This is the Company’s highest margin business, with average gross margins of around 35%. Contracted managed services are provided over periods of up to three years and can include options to extend.

70 A summary of the FY23 revenue and gross profit contribution by income stream is as follows:



71 As shown in the charts above, enterprise product sales represented approximately 70% of revenue in FY23, with professional services and managed services accounting for some 16.5% and 13.5% of sales respectively. Enterprise product sales are lower margin, which resulted in a lower contribution to gross margin than its sales contribution. Cirrus’ professional services and managed services are both significantly higher margin than enterprise product sales.

72 Cirrus groups its IT services under the advisory, integration and managed services business units, which are summarised below:

- (a) **advisory services** – business and technology consulting to provide fit for purpose solutions and strategies, including:
 - (i) strategy – development of information and communications technology strategic plans aligned to business requirements
 - (ii) architecture – technical and enterprise architecture services including platform and product assessments and implementation planning

- (iii) governance – design and implementation of governance frameworks to drive successful contract measurement and outcomes
 - (iv) procurement – includes end-to-end tender packs, pricing requirements, scope of work definitions and response reviews and assessments
 - (v) cloud – development of cloud assessment and suitability strategies, workload placement, hybrid environment design and planning, cloud vendor selection and cost optimisation
 - (vi) internet of things – increasing automation through capture, measurement, data analysis, rule development and implementation
 - (vii) program management – design and implementation of program management services including Prince2, Agile and client methodologies and frameworks
 - (viii) asset management – monitoring, capturing and maintaining assets through discovery, storage, management and support co-terming
- (b) **integration services** – design and integration of projects across on-premise, hybrid, public and private cloud environments, including:
- (i) connectivity – solutions for end-to-end network design and implementation services encompassing wide area networks, local area networks, security, wireless and optimisation
 - (ii) data centre – fit for purpose compute, storage and backup solutions, which support the complete data management lifecycle
 - (iii) collaboration – design and implementation of end-to-end collaboration solutions to support meetings, data sharing, education and contact centres
 - (iv) security – infrastructure security solutions including authentication, network security, end-point security, internet content filtering and data management
 - (v) project management and people services – understanding underlying business drivers and operational impacts to deliver successful project outcomes
- (c) **managed services** – incorporates all the operational activities required to proactively ensure availability and performance across client platforms, including the Company’s National Operations Centre:
- (i) managed services – including 24 hours a day, seven days a week call centre access, service desk access, monitoring and alerting, capability and availability management, patching and concurrency, information and communication technology services, networking, and other support services
 - (ii) infrastructure services – offering a range of “as-a-service” outcomes from niche to complete platform services spanning across financed infrastructure, hybrid cloud infrastructure solutions or combinations thereof.

Financial performance

73 We set out below a summary of the historical financial performance for Cirrus for the four years ended FY23:

Cirrus – financial performance⁽¹⁾				
	FY20	FY21	FY22	FY23
	\$000	\$000	\$000	\$000
Enterprise product sales revenue	66,094	79,984	73,356	78,284
Professional services revenue	17,266	15,483	16,645	18,500
Managed services revenue	11,776	10,874	14,096	15,402
Total revenue	95,136	106,341	104,097	112,186
Purchase of goods and other cost of sales	(78,195)	(91,536)	(89,985)	(96,098)
Enterprise product sales gross margin	8,499	7,748	6,127	7,517
Professional services gross margin	3,880	3,195	2,785	3,206
Managed services gross margin	4,562	3,862	5,200	5,365
Total gross margin	16,941	14,805	14,112	16,088
Operating expenses	(13,980)	(13,469)	(12,855)	(12,050)
JobKeeper subsidy income	-	1,650	-	-
Underlying EBITDA⁽²⁾	2,961	2,970	1,257	4,039
Depreciation and amortisation	(741)	(711)	(733)	(526)
Underlying EBIT⁽²⁾	2,220	2,259	524	3,513
Net interest income / (expense)	(528)	(576)	(70)	5
Significant items ⁽³⁾	(73)	(276)	(1,139)	(122)
Share based payments ⁽⁴⁾	(398)	(464)	45	(375)
Net profit before tax⁽¹⁾	1,221	943	(639)	3,021
<i>Enterprise product sales gross margin</i>	<i>12.9%</i>	<i>9.7%</i>	<i>8.4%</i>	<i>9.6%</i>
<i>Professional services gross margin</i>	<i>22.5%</i>	<i>20.6%</i>	<i>16.7%</i>	<i>17.3%</i>
<i>Managed services gross margin</i>	<i>38.7%</i>	<i>35.5%</i>	<i>36.9%</i>	<i>34.8%</i>
<i>Total gross margin</i>	<i>17.8%</i>	<i>13.9%</i>	<i>13.6%</i>	<i>14.3%</i>

Note:

- 1 The results have been adjusted to exclude the impact of changes required under the lease accounting standard Australian Accounting Standards Board standard AASB 16 – *Leases* (AASB 16). AASB 16 increases reported EBITDA, as rent expenses are replaced by amortisation charges (of the right of use asset) and notional interest expenses (on operating lease liabilities). However, in our view this EBITDA uplift should be excluded as it is simply an accounting treatment which has no cash flow impact or impact on the underlying profitability of Cirrus.
- 2 Earnings before interest, tax, depreciation and amortisation (EBITDA) and earnings before interest and tax (EBIT) before significant items and share based payments.
- 3 Predominantly restructuring and redundancy costs, which relate to distinct one off items notwithstanding having been incurred in each of the above years.
- 4 Share options expense is negative (i.e. a credit) in FY22 due to the cancellation of employee options during the year.

74 Over the above period Cirrus has increased sales and underlying EBITDA, which is largely attributable to the restructure undertaken from late 2021, which has resulted in a leaner and more simplified organisational structure, improved margins and a significant reduction in overhead costs (noting that corporate costs have reduced in each year shown above). In addition, below is a summary of the factors impacting the annual financial performance of Cirrus in the four years to FY23.

FY20 results

75 Revenue in FY20 increased by approximately 8%, with the Company’s focus on its higher margin professional services and managed services businesses resulting in revenue growth for these segments of 12% and 20% respectively. Revenue for enterprise product sales increased by 5% in FY20. The impact of the COVID-19 pandemic on operations was minimal in

FY20⁹ and as a result, Cirrus did not qualify for any government subsidies (such as JobKeeper) in this year.

FY21 results

76 Cirrus reported revenue of \$106.3 million in FY21, representing an increase of 12% on FY20. However, the Company's financial performance varied materially by region, as summarised below:

- (a) the Canberra operations achieved revenue of \$55 million in FY21, which was 94% higher than FY20. This reflected, inter-alia, continued contract wins with Federal Government departments and agencies
- (b) revenue generated by the Victorian operations fell approximately 21% year on year, as the operations were adversely impacted by lockdowns associated with COVID-19
- (c) revenue generated by the Western Australian operations fell approximately 24% year on year, which Cirrus management attributed to (inter-alia) project deferrals and revenue reductions associated with COVID-19, increased staff turnover and a relatively tight labour market.

77 Whilst FY21 enterprise product revenue increased 21% year on year (primarily due to the significant growth in revenue for the Canberra operations), revenue for both professional services and managed services declined due to the negative impact of uncertainty associated with the COVID-19 pandemic. In particular, we note that:

- (a) revenue for two large managed services contracts temporarily reduced during FY21 as a direct result of COVID-19 related lockdowns. These revenue reductions reduced the FY21 managed services gross margin by some \$0.6 million
- (b) professional services revenue reduced by 10% in FY21, which Cirrus management attribute to project delays due to COVID-19, tight labour markets and limited onsite work due to lockdowns. As a result, the gross margin for professional services declined by approximately \$0.7 million in FY21. However, absent COVID-19 impacts, Cirrus management believes that professional services revenue (and related gross margin) would have increased at levels consistent with the experience in FY19 and FY20. Whilst it is difficult to reliably quantify the impact of COVID-19 on professional services revenue (and this income stream generally), the potential impact of COVID-19 on the professional service gross margin was at least \$0.7 million
- (c) Cirrus management consider that the total impact of COVID-19 in FY21 was at least equal to the level of JobKeeper subsidies received in the year (of \$1.635 million). Given the above, we have not excluded the JobKeeper subsidies received in FY21 when determining underlying EBITDA (as set out in the table above).

FY22 results

78 Cirrus reported revenue of \$104.1 million in FY22, representing a decrease of 2% relative to FY21. Notwithstanding this, revenue for the six months ended 30 June 2022 (2H22) was some \$60 million, an increase of approximately 13.5% relative to the 2H21. In particular, we note that:

⁹ Source: Cirrus FY20 investor presentation dated August 2020, page 11.

- (a) managed services generated revenue of \$14.1 million (a 30% increase relative to FY21), and strong gross margins as a percentage of sales of approximately 37%, which was driven by the successful transition and operation of Geoscience Australia managed services during the year
- (b) professional services revenue increased by 7.5% to \$16.6 million and the gross margin as a percentage of sales was 16.7%, which was materially lower relative to prior periods. This was primarily driven by COVID-19 related global supply chain issues (which led to project delays) and a tightening labour market
- (c) enterprise product sales generated revenue of \$73.4 million and a gross margin of \$6.1 million. Enterprise product sales were also impacted by global supply chain issues, which resulted in a customer backlog¹⁰ of \$12.1 million as at 30 June 2022, a 147% increase relative to the prior year.

79 As noted above, professional services and enterprise product sales continued to be impacted by COVID-19 related global supply chain issues, as well as tight labour market conditions during FY22. In addition, the FY22 results were impacted by the failed hostile take-over attempt by Webcentral Group Limited (Webcentral), which resulted in significant takeover defence costs and disruption to operations.

FY23 results

80 Cirrus generated revenue of \$112.2 million, an 8% increase on FY22 revenue, and a gross margin of some \$16.1 million, a 14% increase relative to FY22. The Company increased revenue and gross margins across all product and service categories, noting that:

- (a) managed services achieved revenue of \$15.4 million and a gross margin of \$5.4 million and generated a strong pipeline of qualified opportunities during the year that management expects will deliver continued revenue growth in FY24
- (b) professional services revenue increased by 11% to \$18.5 million, whilst the gross margin improved to \$3.2 million. The increase in gross margin reflected an improved project environment as supply chain and labour market conditions began to normalise to pre-COVID-19 levels. Management expects further improvement in the professional services gross margin from 17% to around 20% in FY24
- (c) the enterprise product segment generated revenue of \$78.3 million, an increase of 7% relative to FY22, driven by improved sales execution. Global supply chain issues eased over the period, with the customer order backlog decreasing from \$12.1 million as at 30 June 2022 to approximately \$7.0 million as at 30 June 2023, a decline of some 42%.

FY24 outlook

81 On 4 August 2023, Cirrus management provided the following FY24 outlook for the Company:

“Following the strongest financial year in the Company’s history and with significant ongoing momentum Cirrus is well placed to deliver a robust FY24. This is underpinned by the commencement of the significant Icon Water managed services contract, strong backlog, positive pipeline of opportunities and strategic focus on higher margin services revenue.

¹⁰ Being customer orders contracted but not delivered.

Consistent with its objectives and supported by a debt free Balance Sheet with a year-end \$13.9m cash balance, the Company continues its active pursuit of business opportunities to drive strategic growth.”

- 82 As stated in paragraph 63, Cirrus has won a number of significant contracts over the FY22 to FY23 period, including a multi-year managed service contract with Icon Water. Whilst this contract did not materially contribute to FY23 results, it is expected to generate total revenues in excess of \$15 million over the initial three-year contract term. Future earnings performance is also expected to benefit from the delivery of the managed services contract with ENI (a three-year contract that commenced in late FY23), as well as additional managed service opportunities associated with the Company’s current contract with the Australian Department of Defence.

Financial position

- 83 The financial position of Cirrus as at 30 June 2022 and 30 June 2023 is set out below:

Cirrus – statement of financial position ⁽¹⁾		
	30 Jun 22	30 Jun 23
	\$000	\$000
Cash and cash equivalents	9,581	13,883
Debtors and prepayments	16,339	15,036
Creditors, accruals and provisions	(22,272)	(21,712)
Net working capital (including cash)	3,647	7,207
Property, plant and equipment	630	620
Intangible assets (including goodwill)	7,776	7,594
Deferred tax assets	4,972	3,632
Right of use assets / net of associated lease liabilities	(140)	(96)
Non-current provisions	(176)	(149)
Net assets attributable to Cirrus shareholders	16,708	18,809

Note:

1 Rounding differences exist.

Net working capital

- 84 Consistent with the Company’s operations, Cirrus’ working capital position can vary materially during the financial year due to the timing of product sales, the receipt of cash for these sales and payments to suppliers.

Cash position

- 85 As at 30 June 2023, Cirrus had cash of \$13.9 million, with no outstanding interest bearing debt. However, Cirrus incurs interest costs associated with an arrangement with an external funding partner which allows the Company to offer customers of its enterprise product sales business the ability to pay for IT products and software licenses over time (e.g. over 12 to 24 months). This “buy now pay later” (BNPL) option is attractive to a small proportion of the Company’s customers and therefore assists with securing a proportion of sales.

Tax assets

- 86 As at 30 June 2023, Cirrus had deferred tax assets of \$4.2 million, of which some \$2.6 million relates to carried forward tax losses and research and development (R&D) tax credits under

the Company's R&D program. The R&D tax credits are able to be utilised as non-refundable tax offsets against the Company's future taxable income.

Share capital and performance

87 As at 22 September 2023, Cirrus had 930.0 million fully paid ordinary shares on issue. In addition, the Company had 45.2 million options on issue at varying exercise prices and expiry dates, and 13.8 performance rights on issue with various vesting conditions and expiry dates. The employee options and rights plan rules state that all options and performance rights will immediately vest in the event of a change in control of the Company¹¹.

Significant shareholders

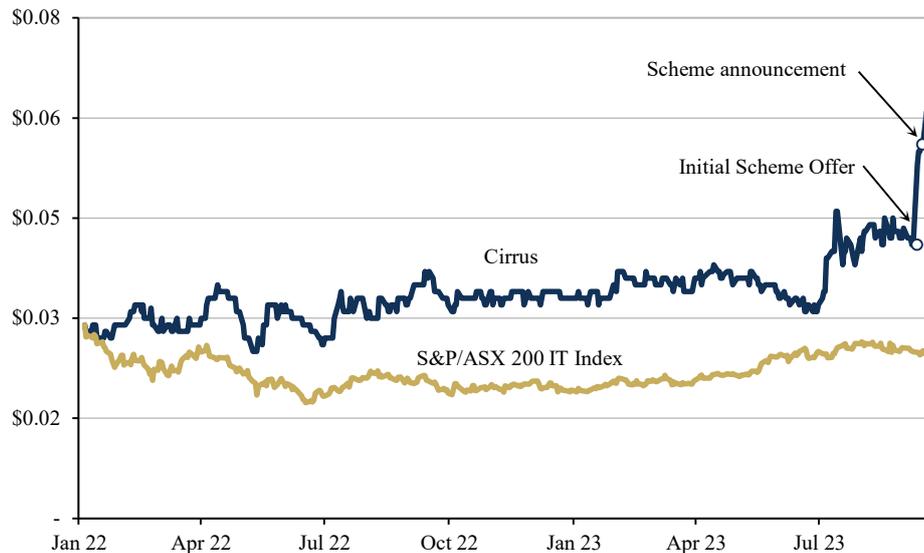
88 As at 22 September 2023, there were three significant shareholders in Cirrus being Microequities Asset Management Pty Limited, with 15.3% of the shares on issue, Mr Adam Waterworth, with 5.6% of the shares on issue, and Harvest Lane Asset Management Pty Limited, with 5.0% of the shares on issue.

Share price performance

89 The following chart illustrates the movement in the share price of Cirrus from 1 January 2022 to 22 September 2023:

Cirrus – share price history⁽¹⁾

1 January 2022 to 22 September 2023



Note:

1 Based on closing prices. The S&P/ASX 200 IT Index has been rebased to Cirrus' last traded price on 1 January 2019.

Source: FactSet and LEA analysis.

90 The Cirrus share price generally tracked the S&P/ASX 200 IT Index over the six months ended January 2022, however, it has outperformed relative to the index over the period from January 2022 to 8 September 2023¹², albeit with a higher level of volatility. The share price experienced a significant increase following the Company's release of a trading update for its

¹¹ The plan rules were approved by Cirrus shareholders at Cirrus' annual general meeting on 26 November 2020.

¹² Being the last trading day prior to the announcement of the Initial Scheme Offer.

FY23 financial performance on 6 July 2023, which showed expected revenue and EBITDA growth of approximately 8% and 126% respectively.

Liquidity in Cirrus shares

91 The liquidity in Cirrus shares based on trading on the ASX over the 12 month period prior to 8 September 2023¹³ is set out below:

Cirrus – liquidity in shares ⁽¹⁾						
Period	Start date	End date	No of shares Traded 000	WANOS ⁽¹⁾ outstanding 000	Implied level of liquidity Period ⁽²⁾ %	Annual ⁽³⁾ %
1 month	9 Aug 23	8 Sep 23	28,366	930,006	3.1	36.6
3 months	9 Jun 23	8 Sep 23	169,968	930,006	18.3	73.1
6 months	9 Mar 23	8 Sep 23	220,484	930,006	23.7	47.4
1 year	9 Sep 22	8 Sep 23	290,557	930,006	31.2	31.2

Note:

- 1 Number of shares traded during the period divided by the weighted average number of shares outstanding (WANOS).
- 2 Number of shares traded during the period divided by WANOS.
- 3 Implied annualised figure based upon implied level of liquidity for the period.

Source: FactSet and LEA analysis.

92 As indicated in the table above, total share turnover (on an annualised basis) in Cirrus shares has been in excess of 30% (and at times well above this) of the total number of shares issued, indicating a reasonable level of market liquidity for a company of its size.

¹³ Being the last trading day prior to the announcement of the Initial Scheme Offer.

IV Profile of Atturra

Overview

93 Atturra is an ASX-listed IT services business that designs, implements, and maintains IT solutions for private and public organisations that operate primarily within Australia. Atturra provides a broad range of services that are categorised across six key business divisions including Advisory and Consulting, Business Applications, Cloud Business Solutions, Data and Integration, Managed Services, and Industry Engagement.

History

94 Atturra was established in 2015 through the consolidation of five specialist IT services brands (ANATAS, Cubic Consulting, Kobold, SME Gateway and Veritec), and was listed on the ASX on 22 December 2021. Since formation in 2015, the company has grown both organically and through a number of acquisitions, a summary of which is set out below:

Atturra – acquisitions		
Date ⁽¹⁾	Target	Description
Jan 15 to Dec 21	Galaxy 42 and Chartsmart	Galaxy 42 and Chartsmart increased Atturra’s capability in delivering TechnologyOne services, which has since become a core focus of Atturra’s government sector services
	Noetic Group	Acquired the majority of the shares in Noetic Group, which expanded Atturra’s capability in providing IT consulting to the defence industry
Jan 22	Ketterring Professional Services	A Brisbane-based enterprise resource planning solutions specialist that operates within the manufacturing sector and is the sole Australian operating partner of QAD, a cloud-based manufacturing and supply chain software provider
May 22	Hayes Information Systems and Communications	A Perth-based information management consultancy, digital transformation, and enterprise content management services provider. The acquisition complemented Atturra’s data and integration practice by strengthening its enterprise content management capability
Jan 23	Hammond Street Developments	A Melbourne-based specialist Microsoft services provider to the government sector (including the Victorian public sector)
Mar 23	The Somerville Group	A managed services specialist that provides enterprise-grade services including cloud, connectivity, security, and hardware and software lifecycle management. This provided Atturra with a broad based managed services capability to facilitate large end-to-end projects
Jul 23	Silverdrop Education	A specialist human resources and payroll consulting firm that focuses on assisting clients with the chris21 and ichris applications
Sep 23	SaberVox	Announced the proposed acquisition of SaberVox, a managed IT services provider based in regional New South Wales (NSW), which is expected to expand Atturra’s managed services capabilities

Note:

1 Date of acquisition announcement.

Current operations

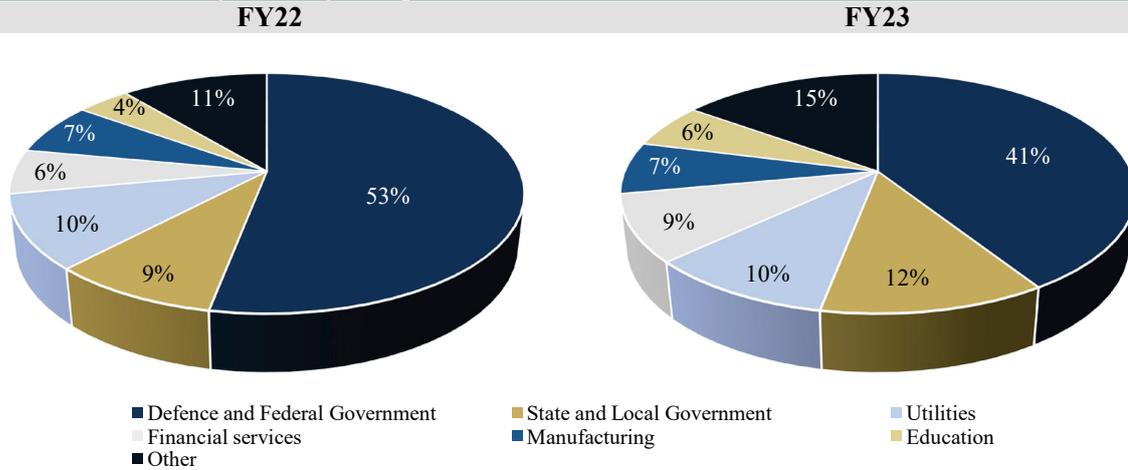
95 Atturra is headquartered in Sydney, Australia, and employs over 800 staff across Australia, New Zealand, Singapore and Hong Kong. In addition, the company employs over 250 security cleared staff members and has a significant presence within the defence industry.

The company delivers a range of advisory services and IT solutions that are categorised across Atturra's six key business divisions, including:

- (a) **Advisory and Consulting** – a suite of consulting services that include the concept, design, and implementation stages of IT and digital transformation projects, as well as ongoing operational support and expert review services
- (b) **Business Applications** – sourcing and integrating business applications to support the design and delivery of key client process and system objectives. This includes assisting clients in their transition from legacy applications to more modern integrated platforms that utilise a mix of legacy systems, digital and software-as-a-service platforms
- (c) **Cloud Business Solutions** – services related to the transition of IT infrastructure to cloud-hosted systems, including end-to-end IT project delivery to modernise IT infrastructure and business applications to maximise the benefits of operating in the cloud
- (d) **Data and Integration** – assisting clients to remove data silos and improve business processes by enabling a data connected IT landscape (i.e. data integration). Complementary to its data integration services, Atturra partners with third party providers to implement database management and analytics platforms
- (e) **Managed Services** – services related to the outsourcing of day to day IT operations including system and network management, IT resourcing, software and hardware solutions, and infrastructure as a service
- (f) **Industry Engagement** – through its SME Gateway business, Atturra connects Federal and State Government agencies and defence and industry clients with direct access to over 400 Australian small to medium enterprise businesses.

- 96 Atturra has a number of strategic partnerships with specialist software and technology vendors, whereby the company is recognised as a certified and recommended implementation partner for the vendors' products. This not only strengthens Atturra's service capabilities and product offering, but also extends the company's marketing footprint and delivers inbound sales leads through its partner network. In addition, Atturra's services can be combined with a technology partner's hardware, infrastructure or software products to propose a single solution to potential clients. Atturra's major software and technology partners include, inter alia, Microsoft, OpenText, Software AG, Boomi, and Smartsheet.
- 97 Atturra services the Australian Defence Force, Federal, Local and State Government agencies, as well as a range of industries, as indicated below:

Atturra – revenue by industry and government sector



Financial performance

98 The financial performance of Atturra for the four years ended FY23 is set out below:

Atturra – statement of financial performance⁽¹⁾⁽²⁾

	FY20	FY21	FY22	FY23
	\$000	\$000	\$000	\$000
Revenue	76,043	98,340	134,579	178,331
Cost of sales	(57,956)	(68,773)	(88,210)	(123,963)
Gross profit	18,087	29,567	46,369	54,368
Operating expenses	(15,100)	(22,675)	(32,528)	(37,349)
Share of profits from associates	167	71	106	72
Other income	678	22	6	1,301
Underlying EBITDA	3,832	6,985	13,953	18,392
Depreciation and amortisation	(371)	(514)	(188)	(515)
Underlying EBIT	3,461	6,471	13,765	17,877
Net interest income / (expense)	62	4	(353)	(132)
Significant items ⁽³⁾	-	2,631	(1,456)	(2,124)
Net profit before tax	3,523	9,106	11,956	15,621
<i>Revenue growth</i>	17.4%	29.3%	36.9%	32.5%
<i>Underlying EBITDA growth</i>	nm	82.3%	99.8%	31.8%
<i>Gross profit margin</i>	23.8%	30.1%	34.5%	30.5%
<i>Underlying EBITDA margin</i>	4.9%	7.0%	10.3%	10.1%

Note:

- 1 Rounding differences may exist.
- 2 The results have been adjusted to exclude the impact of changes required under AASB 16.
- 3 Includes transaction costs (FY23), share based payments (FY22 and FY23), ASX listing costs (FY22), contingent consideration revaluation (FY22), and government grant income (FY21).
nm – not meaningful.

99 Atturra's IT services are typically delivered on a contract basis (and may include one or multiple services lines). Revenue is generated as a fee-for-service for a specific project, an hourly rate, or a combination of both. The company also receives commission revenue for

selling software licenses on behalf of its technology partners, as well as management fees associated with services delivered through its SME Gateway business¹⁴.

- 100 As noted above, over the period since listing Atturra has executed an accelerated growth strategy to expand its service offering and industry position through both organic growth and a number of strategic acquisitions. Atturra exceeded its forecast revenue and EBITDA of \$126.7 million and \$13.1 million respectively for FY22 provided in its prospectus at the time of listing on the ASX, and has continued to grow its revenue and earnings (both organically and through acquisition) in FY23.

Financial position

- 101 The financial position of Atturra as at 30 June 2022 and 30 June 2023 is set out below:

Atturra – statement of financial position		
	30 Jun 22	30 Jun 23
	\$000	\$000
Debtors and prepayments	35,979	42,405
Inventories	-	755
Creditors, accruals and provisions	(51,528)	(57,531)
Net working capital	(15,549)	(14,371)
Property, plant and equipment	141	1,410
Intangible assets (including goodwill) ⁽¹⁾	30,746	56,539
Deferred tax assets (net)	6,635	5,869
Investment in associate	1,365	1,191
Right of use assets (net of associated lease liabilities)	(259)	(245)
Other provisions (non-current)	(766)	(1,446)
Total funds employed	22,313	48,947
Cash and cash equivalents	35,130	44,250
Interest bearing liabilities	(4,750)	(5,352)
Contingent consideration provisions	(10,289)	(8,784)
Net cash	20,091	30,114
Net assets attributable to Atturra shareholders	42,404	79,061

Note:

- 1 The majority of intangible assets relates to goodwill from acquisitions.

- 102 Atturra announced a capital raising on 28 November 2022 in order to fund a number of strategic acquisitions. The capital raising completed on 19 December 2022 and included the issue of approximately 29.4 million ordinary shares at a price of \$0.85, which raised \$25.0 million.

Net working capital

- 103 Atturra generally operates with a negative working capital position (excluding cash), due to the nature of the company's operations, whereby the payment for certain services are received in advance of delivery.

¹⁴ Atturra acts as an agent arranging member companies to provide services to end customers through its SME Gateway business, and collects a commission for this service.

Net cash

104 As at 30 June 2023, Atturra had net cash of \$30.1 million after allowing for:

- (a) cash held of \$44.3 million
- (b) interest bearing debt of \$5.4 million
- (c) contingent consideration payable of \$8.8 million, which reflects management's estimate of the additional amounts payable to businesses acquired by Atturra. The amounts payable are subject to the achievement of certain performance hurdles by the acquired businesses within a specified timeframe post acquisition.

Share capital and performance

105 As at 22 September 2023, Atturra had 232.5 million fully paid ordinary shares on issue¹⁵. In addition, the company had 4.6 million performance rights on issue. Performance rights are issued to key management personnel under Atturra's long term incentive plan and are subject to satisfaction of performance milestones, as well as service and other conditions, at the relevant vesting date. There were no vested performance rights as at 22 September 2023.

Significant shareholders

106 As at 22 September 2023 there were two significant shareholders in Atturra, being Mr Shan Kanji, with 130.1 million shares¹⁶ (representing 56.0% of the total shares on issue), and Richmond Hill Capital Pty Ltd (and associates), with 14.2 million shares (representing 6.1% of the total shares on issue).

Escrow arrangements

107 At the time of listing on the ASX, existing shareholders of Atturra were subject to voluntary escrow arrangements, which had periods extending to 1 October 2022, 2023 and 2024. A summary of the escrow position of Atturra over recent periods since listing is as follows:

Atturra – escrow shares⁽¹⁾			
As at	ASX listing million	30 Jun 22 million	30 Jun 23 million
Escrow shares – Mr Kanji	114.9	114.9	98.2
Escrow shares – Other	34.5	30.7	22.9
Escrow shares – Total	149.5	145.6	121.1
Total Atturra shares on issue	200.6	200.6	232.5
Proportion of shares subject to escrow			
Escrow shares – Mr Kanji	57.3%	57.3%	42.2%
Escrow shares – Other	17.2%	15.3%	9.8%
Escrow shares – Total	74.5%	72.6%	52.1%

Note:

1 Excluding shares to be issued associated with the acquisitions of Silverdrop Education and SaberVox.

¹⁵ Excluding shares to be issued associated with acquisitions of Silverdrop Education and SaberVox.

¹⁶ Of Mr Kanji's shares, 98.2 million are subject to voluntary escrow arrangements (refer to paragraph 107 for further information).

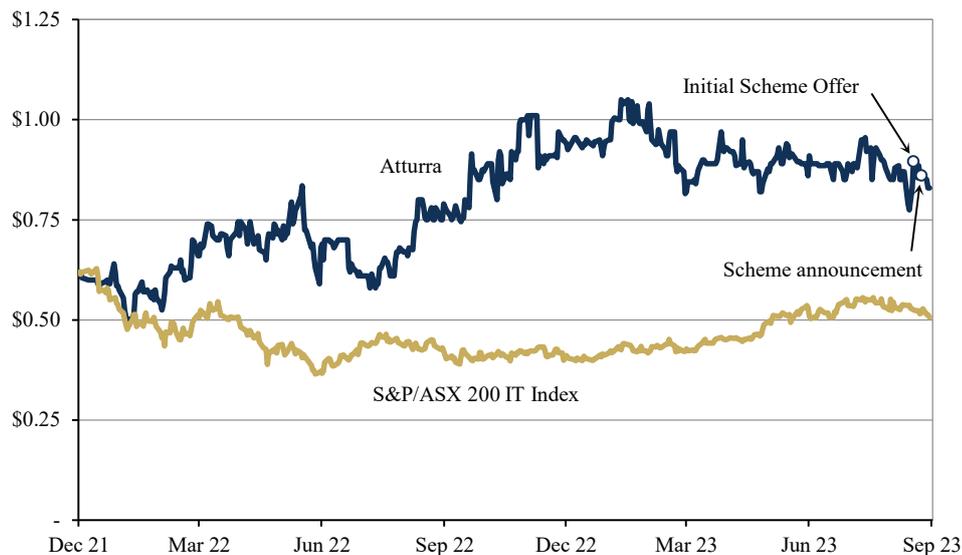
108 The number of Atturra shares subject to escrow was some 74.5% upon listing on the ASX, which has decreased to 52.1% as of 30 June 2023. In addition, 86.1 million of the shares under escrow as at 30 June 2023 will be released on 1 October 2023, leaving 35.1 million shares in escrow until 1 October 2024.

Share price performance

109 The following chart illustrates the movement in the share price of Atturra since listing on the ASX on 22 December 2021 to 22 September 2023:

Atturra – share price history⁽¹⁾

22 December 2021 to 22 September 2023



Note:

1 Based on closing prices. The S&P/ASX 200 IT Index has been rebased to Atturra's listing price on 22 December 2021.

Source: FactSet and LEA analysis.

110 The Atturra share price has significantly outperformed the S&P/ASX 200 IT Index over the period from 22 December 2021 to 8 September 2023¹⁷, albeit with a higher level of volatility. As noted in paragraph 100 above, the company has successfully grown revenue and earnings since listing on the ASX.

Liquidity in Atturra shares

111 The liquidity in Atturra shares based on trading on the ASX over the 12 month period prior to 8 September 2023¹⁷ is set out below:

Atturra – liquidity in shares

Period	Start date	End date	No of shares traded 000	WANOS ⁽¹⁾ outstanding 000	Implied level of liquidity	
					Period ⁽²⁾ %	Annual ⁽³⁾ %
1 month	9 Aug 23	8 Sep 23	5,914	232,525	2.5	30.5
3 months	9 Jun 23	8 Sep 23	10,404	232,525	4.5	17.9
6 months	9 Mar 23	8 Sep 23	18,095	232,306	7.8	15.6
1 year	9 Sep 22	8 Sep 23	28,090	224,333	12.5	12.5

¹⁷ Being the last trading day prior to the announcement of the Initial Scheme Offer.

Note:

- 1 WANOS during relevant period.
- 2 Number of shares traded during the period divided by WANOS.
- 3 Implied annualised figure based upon implied level of liquidity for the period.

Source: FactSet and LEA analysis.

- 112 Trading in Atturra shares has exhibited relatively low liquidity (when calculated as a percentage of the total shares on issue) over the 3, 6 and 12 month periods above (noting that the liquidity for the one month period was higher). This is primarily due to the large proportion of shares under escrow (refer paragraph 107), with 72.6% of the Atturra shares under escrow as at 30 June 2022 and 52.5% under escrow as at 30 June 2023. We have therefore also considered the liquidity of Atturra based on the “free float” (i.e. excluding the Atturra shares subject to escrow) over the 12-month period up to and including 8 September 2023, which is set out as follows:

Atturra – liquidity in shares (excluding shares subject to escrow)						
Period	Start date	End date	No of shares	WANOS⁽¹⁾	Implied level of liquidity	
			traded	outstanding	Period⁽²⁾	Annual⁽³⁾
			000	000	%	%
1 month	9 Aug 23	8 Sep 23	5,914	111,423	5.3	63.7
3 months	9 Jun 23	8 Sep 23	10,404	111,423	9.3	37.3
6 months	9 Mar 23	8 Sep 23	18,095	111,204	16.3	32.5
1 year	9 Sep 22	8 Sep 23	28,090	101,675	27.6	27.6

Note:

- 1 WANOS during relevant period.
- 2 Number of shares traded during the period divided by WANOS.
- 3 Implied annualised figure based upon implied level of liquidity for the period.

Source: FactSet and LEA analysis.

- 113 Excluding the shares subject to escrow, the liquidity in Atturra shares is materially higher, and at a level we consider reasonable for a company of its size.

V Industry overview

Overview

114 Cirrus is an Australian IT solutions provider focused on designing, building and managing IT infrastructure for small to medium enterprises, large corporations and government entities. Cirrus's primary operations fall within the IT services segment of the broader IT industry, however the Company also resells a range of enterprise level IT products from third party software vendors and hardware suppliers. Additionally, Atturra provides a broad range of IT services. The following industry section provides an overview of the IT industry, in addition to a more detailed outline of the IT services subsector.

IT industry

115 IT is the use of computers to store, retrieve, transmit and manipulate data or information, often in the context of a business or other enterprise. IT, and the hardware and software associated with the IT industry, is an integral part of nearly every major global industry, and plays a key role in driving economic growth by increasing productivity. The IT industry can be broadly divided into:

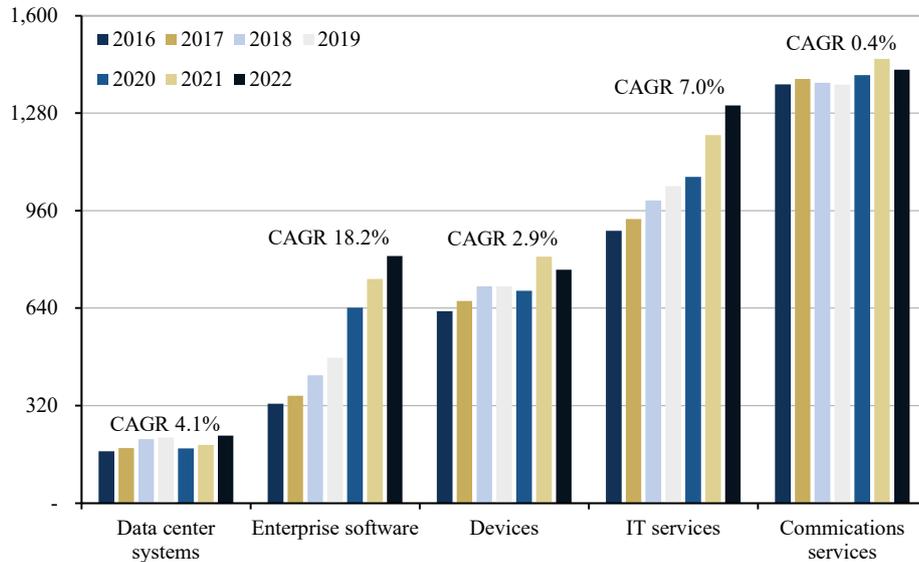
- (a) **infrastructure** – hardware networks, data centres, facilities and related equipment used to develop, test, operate, monitor, manage and/or support IT services
- (b) **software** – system software such as operating systems and application software that performs specific functions separate from the computer itself
- (c) **services** – including consulting, implementation of hardware and software, IT outsourcing, user experience, infrastructure support, cybersecurity and managed services.

Global IT industry

116 Over the five years to 2022, global IT spend grew at a compound annual growth rate (CAGR) of 5.2% to US\$4.5 trillion. Certain sectors outperformed others, with enterprise software the standout with a CAGR of 18.2% over the five years to 2022, whilst IT services growth was relatively strong, with a CAGR of 7.0% over the same period, as shown in the graphic below:

Global IT spending

US\$ billion



Source: Gartner (2017 to 2023): *IT spending forecast press releases*. The above CAGRs represent the five years to 2022.

- 117 Global IT spending is projected to increase by 4.3% to US\$4.7 trillion in 2023, driven by strong growth in the software segment, as enterprises prioritise spending to capture competitive advantages through increased productivity, automation, and other software-driven transformation initiatives. Spending on IT related devices, which has been recently impacted by global supply chain disruptions, decreased by 5.2% in 2022, and is expected to decrease a further 8.6% in 2023, due to continued supply chain disruptions as well as consumers deferring purchases due to a decline in purchasing power.
- 118 Notwithstanding the decline in device expenditure, the global IT industry is expected to benefit from increased expenditure from the software and service segments in 2023 due to, inter alia:
- increased expenditure on IT services from enterprises, as organisations faced with a tight labour market struggle to hire skilled IT staff, and instead engage external service providers for the implementation and ongoing support of critical IT systems¹⁸
 - government organisations continuing to invest in modernising critical IT infrastructure and application systems, and more generally, initiatives that improve digital solutions across their critical services. The IT services and software segments are expected to benefit most from future government expenditure, with 2023 government spending on these services expected to increase by 8.9% and 13.5% respectively relative to 2022¹⁹

¹⁸ Source: <https://www.gartner.com/en/newsroom/press-releases/2023-01-18-gartner-forecasts-worldwide-it-spending-to-grow-2-percent-in-2023>.

¹⁹ Source: <https://www.gartner.com/en/newsroom/press-releases/2023-05-24-gartner-forecasts-worldwide-government-it-spending-to-grow-8-percent-in-2023#>.

- (c) higher expenditure from the banking and investment services sectors, which is expected to increase by 8.1% to US\$625.1 billion in 2023, primarily directed towards cybersecurity, data and analytics, integration technologies and cloud services²⁰.

119 More broadly, future growth is expected to be driven by the continued investment in AI and related services, digital business, blockchain, the internet of things, cloud applications and the progression from big data and algorithms to machine learning.

IT services

120 IT services companies offer a range of service lines and specialisations, from installation and implementation of IT systems, to providing fully outsourced IT operations for businesses. Some of the key service lines are described below:

- (a) **infrastructure-as-a-service** – a standardised, highly-automated product in which computing hardware, complemented by storage and networking capabilities, is owned by a service provider and offered to customers on-demand, usually via the internet
- (b) **business process outsourcing services** – classified as either traditional (the delegation of one or more IT-intensive business processes to an external provider) or the delivery of business process outsourcing services via the internet to multiple customers
- (c) **consulting services** – analysing and improving the efficacy of business and technology strategies and operations. The main sub-segments are business consulting services and technology consulting services
- (d) **user experience services** – services related to the design and development of software products, websites and applications that focus on optimising the end-user experience, such as user interface design, usability testing and design thinking
- (e) **implementation services** – usually project-based services, to install, develop and customise IT solutions, assets and processes, and to integrate them with established applications, infrastructure and processes
- (f) **application managed services** – include annual or longer term contracts that provide services, processes and methodologies for maintaining, improving and managing enterprise application environments. Services may be provided onsite or offsite and cover customised and off-the-shelf software, software-as-a-service applications and platform-as-a-service applications
- (g) **infrastructure managed services** – the provision of outsourced asset-based IT infrastructure services
- (h) **hardware support services** – these services are typically contract based (usually for one or three years) and may cover hardware replacement, onsite field engineering, technical support and proactive monitoring.

IT services market growth drivers

121 Key factors that are driving demand for IT services include:

²⁰ Source: <https://www.gartner.com/en/newsroom/press-releases/2023-06-21-gartner-forecasts-worldwide-banking-and-investment-services-it-spending-to-reach-652-billion-in-2023>.

- (a) **increasing connectivity** – broadband and mobile internet connections have been widely adopted over the past 15 years, reflecting a range of factors including improved broadband access and performance, increasing adoption and use of smartphones and the increasing proportion of business transactions conducted online
- (b) **the rise of big data** – rising business and consumer internet usage has created an abundance of data available for businesses to analyse, which enables the study of consumer spending, behaviours and patterns. This has contributed to a greater number of businesses outsourcing data processing activities to IT service providers
- (c) **capital expenditure** – IT expenditure is influenced by cyclical and structural factors. Businesses tend to implement new IT systems during periods of high levels of business confidence and strong economic performance, and defer or cancel technology upgrades during downturns. Likewise, in periods of structural change such as technological advancement (e.g. cloud computing or AI), IT expenditure requirements tend to be greater
- (d) **increased demand from key sectors** – for instance, clients in the government sector have considerable data and transaction requirements, and have increasingly outsourced their data processing needs, particularly in areas such as healthcare. Other key sectors that are increasing their IT outsourcing include finance, insurance, information media and telecommunications
- (e) **digital transformation** – enterprises are increasingly focused on integrating technology to improve productivity and remain competitive in a rapidly growing digital economy. In most cases, this involves a fundamental change in one or more business processes that require specialist IT services for the design, implementation and support of new systems.

Cybersecurity

- 122 In addition to the above, cybersecurity is a growing area of concern and quickly becoming a key priority for most medium and large organisations. In an increasingly digitised world, cybersecurity is one of the most important defensive measures, comprising everything that pertains to protecting sensitive data, including personally identifiable information, intellectual property, government data, and industry information systems from theft and damage attempted by criminals and adversaries.
- 123 Cybersecurity is a subset of both the IT services and IT software segments, encompassing the practice of protecting computer information systems, operational technology, hardware, networks, and data from cyber-attacks. IT services companies (including specialised cybersecurity companies) help organisations protect their systems through the provision of security related services (e.g. IT security consulting and implementation, incident response) in addition to firewalls.
- 124 According to Statista, global cybersecurity revenue has grown at a CAGR of 8.1% in the five years to 2022, and is forecast to increase at a CAGR of 5.4% over the five years ending 31 December 2028²¹. Forecast growth in industry revenue is expected to be underpinned by, inter alia, the increasing number of cyber-attacks on business and government enterprises, higher levels of retail and financial transactions processed online, and the continued

²¹ Source: Statista (2023): *Cybersecurity – Worldwide*, market data published August 2023.

integration and interconnection of business and government controlled systems and infrastructure.

Australian IT industry

- 125 The Australian IT industry has expanded rapidly over the past five years due to regular upgrades and enhancements and increased online connectivity and cloud based applications. There are also a number of key trends, including²²:
- (a) **increased demand for IT services (such as) –**
 - (i) data and integration – increases in the volume of operational data being generated, as well as investments in cloud computing and AI are driving demand for data visualisation, integration and analytics services
 - (ii) consulting / advisory – as more companies undertake digital transformation processes, IT consulting and advisory services such as system design, reviews and risk assessments, security consulting, testing, and implementation / transformation support are increasing in demand
 - (iii) enterprise resource planning solutions – cloud-based enterprise resource planning solutions, which are supported by operational priorities around enhanced visibility, real-time decision making and greater efficiency are growing at a faster pace than traditional on-premises enterprise resource planning
 - (b) **increased reliance on outsourcing IT** – growing IT complexity compels businesses to outsource solutions management to expert third parties to improve business agility and more effectively manage digital transformation. Enterprise customers increasingly need support in dealing with cybersecurity threats, ensuring network reliability, automating business processes, managing enterprise mobility, managing multi-vendor solutions and legacy systems integration
 - (c) **increased demand for services to enable remote working** – the shift to hybrid work environments catalysed by COVID-19 has driven demand for enterprise videoconferencing infrastructure, unified communications software as well as digital collaboration tools and workflows.
- 126 IT services is the largest sector of the Australian IT market, whilst software is the fastest growing sector. According to Gartner, Australian IT spending was expected to have increased by 6.4% to \$111.2 billion in 2022 and is forecast to grow by 5.8% to \$117.7 billion in 2023. Australian IT spend is expected to continue to grow across the board in 2023, primarily driven by strong growth in software (growth of 10.9%) and IT services (growth of 6.1%).

Australian cybersecurity market

- 127 Similar to the global industry, cybersecurity is expected to be a key source of growth in IT software and services spend over the near term. Australia's widespread internet connectivity, high per-capita wealth, and relatively high delivery of services through online channels (e.g. online banking / investment services) make it an attractive target for cyber threat actors.
- 128 Australia has reported a number of high profile cybersecurity breaches in recent times and in the quarter ended 31 December 2022, Australia was reported as the most frequently hacked

²² Parts of this paragraph are sourced from the Atturra Limited prospectus, dated 17 November 2021.

nation in the world, with data breaches having surged by 1,550% in this quarter²³. Australia also currently ranks sixth in the world as a target of “significant” cyber-attacks, having reported 16 major incidents since 2010²⁴.

- 129 The government sector is expected to be a primary source of cybersecurity related IT services spend over the near term, as local and federal governments aim to increase Australia’s cybersecurity position by improving service delivery and modernising legacy platforms and IT systems. For instance, the Federal Government recently announced a significant cybersecurity package in the Federal Budget 2022-23, entitled the Resilience, Effects, Defence, Space, Intelligence, Cyber and Enables (REDSPICE) package. The REDSPICE package includes \$9.9 billion of government investment in the Australian Signals Directorate (ASD)²⁵ over the 10 years ended 2030-31²⁶.
- 130 Whilst specific details of REDSPICE projects are classified, the package aims to expand ASD’s agency by doubling its staff count, tripling its cyber offensive capabilities, and doubling its cyber hunt and response activities. The ASD will rely on Australian expertise and technology to deliver cybersecurity, telecommunication and cloud computing components, and for strategic partnerships to deliver workforce and facility solutions²⁷. As a result, it is expected that REDSPICE will provide approximately \$5 billion in opportunities for businesses operating in the Australian IT services industry in the period to 2030-31²⁸.

23 Source: <https://www.cybersecurityconnect.com.au/industry/8530-australia-crowned-most-hacked-nation-in-the-world#>.

24 Source: <https://ia.acs.org.au/article/2020/australia-one-of-the-most--hacked-countries.html>.

25 The ASD is a federal statutory agency within the Department of Defence that is responsible for foreign signals intelligence, support to military operations, cyber warfare, and information security.

26 Source: https://www.aph.gov.au/About_Parliament/Parliamentary_departments/Parliamentary_Library/pubs/rp/BudgetReview202223/CybersecurityPackage.

27 The contract awarded to Cirrus by the Australian Department of Defence in November 2022 includes (inter alia) the provision of IT project related services to ASD.

28 Source: https://www.aph.gov.au/About_Parliament/Parliamentary_departments/Parliamentary_Library/pubs/rp/BudgetReview202223/CybersecurityPackage.

VI Valuation methodology

Valuation approaches

- 131 RG 111 outlines the appropriate methodologies that a valuer should consider when valuing assets or securities for the purposes of, amongst other things, share buy-backs, selective capital reductions, schemes of arrangement, takeovers and prospectuses. These include:
- (a) the discounted cash flow (DCF) methodology
 - (b) the application of earnings multiples appropriate to the businesses or industries in which the company or its profit centres are engaged, to the estimated future maintainable earnings or cash flows of the company, added to the estimated realisable value of any surplus assets
 - (c) the amount that would be available for distribution to shareholders in an orderly realisation of assets
 - (d) the quoted price of listed securities, when there is a liquid and active market and allowing for the fact that the quoted market price may not reflect their value on a 100% controlling interest basis
 - (e) any recent genuine offers received by the target for any business units or assets as a basis for valuation of those business units or assets.
- 132 Under the DCF methodology the value of the business is equal to the net present value of the estimated future cash flows including a terminal value. In order to arrive at the net present value the future cash flows are discounted using a discount rate which reflects the risks associated with the cash flow stream.
- 133 Methodologies using capitalisation multiples of earnings or cash flows are commonly applied when valuing businesses where a future “maintainable” earnings stream can be established with a degree of confidence. Generally, this applies in circumstances where the business is relatively mature, has a proven track record and expectations of future profitability and has relatively steady growth prospects. Such a methodology is generally not applicable where a business is in start-up phase, has a finite life, or is likely to experience a significant change in growth prospects and risks in the future.
- 134 Capitalisation multiples can be applied to either estimates of future maintainable operating cash flow, EBITDA, earnings before interest, tax and amortisation of acquired intangibles, EBIT or net profit after tax. The appropriate multiple to be applied to such earnings is usually derived from stock market trading in shares in comparable companies which provide some guidance as to value and from precedent transactions within the industry. The multiples derived from these sources need to be reviewed in the context of the differing profiles and growth prospects between the company being valued and those considered comparable. When valuing controlling interests in a business an adjustment is also required to incorporate a premium for control. The earnings from any non-trading or surplus assets are excluded from the estimate of the maintainable earnings and the value of such assets is separately added to the value of the business in order to derive the total value of the company.
- 135 An asset based methodology is applicable in circumstances where neither a capitalisation of earnings nor a DCF methodology is appropriate. It can also be applied where a business is no longer a going concern or where an orderly realisation of assets and distribution of the

proceeds is proposed. Using this methodology, the value of the net assets of the company are adjusted for the time, cost and taxation consequences of realising the company's assets.

Methodology selected

- 136 The market value of the shares in Cirrus has been assessed by aggregating the market value of its business operations (on a "control" basis), together with the realisable value of any surplus assets / (liabilities) and adding net cash. The valuation of Cirrus' business operations has been undertaken on the basis of market value as a going concern, defined as the price that would be negotiated in an open and unrestricted market between a knowledgeable, willing but not anxious buyer and a knowledgeable, willing but not anxious seller acting at arm's length within a reasonable timeframe.
- 137 The capitalisation of EBITDA methodology has been adopted as our primary valuation method for Cirrus' business operations. Under this method the underlying EBITDA (before significant / non-recurring items) of the business is capitalised at an EBITDA multiple that reflects the risk and growth prospects of that business. The value of the shares in Cirrus is then derived by adding the net realisable value of surplus assets / (liabilities) and adding net cash.
- 138 In our opinion, the capitalisation of EBITDA method is the most appropriate methodology for Cirrus' business, given:
- (a) Cirrus' business has well established market positions and a demonstrated history of profitability, which is expected to continue
 - (b) there are no long term cash flows available to enable a DCF methodology to be undertaken
 - (c) the EBITDA multiples for listed companies exposed to similar industry sectors as Cirrus' business can be derived from publicly available information
 - (d) transaction evidence in the sector is generally expressed in terms of EBITDA multiples
 - (e) no significant capital expenditure is required for the business operations.
- 139 The resulting equity values have been cross-checked by reference to the share market trading in Cirrus shares prior to the announcement of the Initial Scheme Offer, adjusted for a premium for control.

Method used to value Scheme Consideration

- 140 As noted in paragraph 3, three of the four Scheme Consideration alternatives available to Cirrus shareholders include an Atturra share component. For the purpose of assessing the value of the Atturra shares offered as consideration we have had primary regard to the recent listed market prices of Atturra shares. This is principally because the listed market prices of Atturra shares are likely to represent a reasonable proxy for the amount that Cirrus shareholders could expect to realise if they sold any Atturra shares received as consideration either immediately or in the short term.
- 141 In addition, we have also cross-checked the reasonableness of our assessed value of Atturra shares being offered as consideration by reference to implied EBITDA multiples.

VII Valuation of Cirrus

Valuation methodologies

142 As stated in Section VI, we have adopted the capitalisation of EBITDA methodology as our primary valuation method for the Cirrus business. Under this method the underlying EBITDA (before significant / non-recurring items) of the business is capitalised at an EBITDA multiple that reflects the risk and growth prospects of that business. The value of the shares in Cirrus is then derived by adding the net realisable value of surplus assets / (liabilities) and adding net cash.

143 The resulting equity values have been cross-checked by reference to the share market trading in Cirrus shares prior to the announcement of the Initial Scheme Offer, adjusted for a premium for control.

Underlying EBITDA

144 In order to assess the appropriate level of EBITDA for valuation purposes we have had regard to the historical and budgeted results²⁹ for the business, and have discussed the recent financial performance, operating environment and prospects with Cirrus management.

Historical results

145 We set out below a summary of the historical financial performance and Underlying EBITDA for Cirrus for the four years to FY23:

Cirrus – financial performance / Underlying EBITDA⁽¹⁾				
	FY20	FY21	FY22	FY23
	\$000	\$000	\$000	\$000
Enterprise product sales revenue	66,094	79,984	73,356	78,284
Professional services revenue	17,266	15,483	16,645	18,500
Managed services revenue	11,776	10,874	14,096	15,402
Total revenue	95,136	106,341	104,097	112,186
Purchase of goods and other cost of sales	(78,195)	(91,536)	(89,997)	(96,186)
Enterprise product sales gross margin	8,499	7,748	6,100	7,409
Professional services gross margin	3,880	3,195	2,925	3,200
Managed services gross margin	4,562	3,862	5,075	5,391
Gross margin	16,941	14,805	14,100	16,000
Operating expenses	(13,980)	(13,469)	(12,843)	(11,961)
JobKeeper subsidy income	-	1,635	-	-
Underlying EBITDA⁽²⁾	2,961	2,970	1,257	4,039
Gross margins:				
<i>Enterprise product sales gross margin</i>	<i>12.9%</i>	<i>9.7%</i>	<i>8.4%</i>	<i>9.6%</i>
<i>Professional services gross margin</i>	<i>22.5%</i>	<i>20.6%</i>	<i>16.7%</i>	<i>17.3%</i>
<i>Managed services gross margin</i>	<i>38.7%</i>	<i>35.5%</i>	<i>36.9%</i>	<i>34.8%</i>
<i>Total gross margin</i>	<i>17.8%</i>	<i>13.9%</i>	<i>13.6%</i>	<i>14.3%</i>
Underlying EBITDA margin	3.1%	2.8%	1.2%	3.6%

²⁹ We have been provided with Cirrus' FY24 budget, however, the budget is commercially sensitive and has not been disclosed.

Note:

- 1 The results have been adjusted to exclude the impact of changes required under AASB 16.
 - 2 EBITDA before significant items and share based payments (refer paragraph 73 for additional details regarding Underlying EBITDA).
-

146 In relation to the above historical results³⁰ we note that:

- (a) the large majority of revenue is derived from enterprise product sales, which have relatively low margins. As a result, total EBITDA margins for the Company are relatively low
- (b) the proportion of revenue from professional services and managed services contracts (which typically have contract terms of up to three years, with options to extend) has increased over the period. This reflects management's focus on these significantly higher gross margin revenue streams
- (c) the financial performance for FY22 was materially impacted by the failed hostile take-over attempt by Webcentral, which resulted in significant takeover defence costs and disruption to operations
- (d) Cirrus management have reduced the Company's operating cost base over the period above, and in FY22, undertook a strategic review that resulted in a significant restructure of operations to further improve the Company's operating margins (refer paragraph 62)
- (e) COVID-19 first materially impacted Cirrus in FY21, and continued to impact the Company's financial performance in FY22 and FY23. For instance:
 - (i) professional services margins were lower in FY22 due to global supply chain issues (which led to project delays) and a tightening labour market associated with COVID-19. FY22 enterprise product sales were also impacted by supply chain disruptions, which resulted in customer order backlogs at year end
 - (ii) global supply chain issues and tight labour market conditions persisted during FY23, however these began to normalise to pre-COVID-19 levels during the year, with the Company reporting an improvement in professional services margins and the enterprise product sales order backlog. Notwithstanding this, professional services margins remained lower relative to the pre-COVID-19 impacted period and Cirrus management have stated that FY24 professional services margins of 20% are being targeted.

147 Given the above, we do not consider the Underlying EBITDA prior to FY23 to be relevant for the assessment of EBITDA for valuation purposes. In addition to the Underlying EBITDA for FY23, we have also considered a number of further adjustments to earnings as discussed in detail below.

Normalisation of professional services margin

148 Due to COVID-19 related global supply chain disruptions and labour market constraints, Cirrus' professional services gross margin as a percentage of sales averaged 17% in FY22 to FY23, which was materially lower than the preceding four year average (i.e. FY18 to FY21)

³⁰ Further commentary on the historical results by year is set out in Section III.

of 21.8%. As stated above, Cirrus management have indicated that they expect professional services gross margins to return to around 20% in FY24.

- 149 Accordingly, the margins generated in FY23 do not appear to be representative of the maintainable professional services margin achievable by Cirrus. As a result, we have included an allowance for a 20% gross margin as a percentage of sales in our assessment of EBITDA for valuation purposes (noting that this margin is lower than the margins achieved in FY18 to FY21).

Share based remuneration

- 150 Share option expenses associated with the issue of options to employees and senior executives over recent years are set out below:

Cirrus – share option expenses				
	FY20	FY21	FY22	FY23
	\$000	\$000	\$000	\$000
Share option expenses	(398)	(464)	45	(375)

- 151 The above share option expenses have not been taken into account in the Underlying EBITDA set out in the table in paragraph 145. However, in the absence of the issue of these options the Company would be required to increase its remuneration to these employees in order to retain these staff. Accordingly, when assessing the level of EBITDA for valuation purposes we have made an allowance for equivalent cash costs that would be representative of the ongoing expenses likely to be incurred. This amount has been estimated by Cirrus management at \$0.15 million to \$0.20 million per annum.

BNPL funding costs

- 152 Cirrus has a BNPL arrangement with an external funding partner which allows it to offer customers of its enterprise product sales business the ability to pay for IT products and software licenses over time. This arrangement assists with securing sales for a small proportion of the Company’s customers. Cirrus incurs funding costs under this arrangement which are reported as interest expenses. A summary of these costs is as follows:

Cirrus – BNPL funding costs				
	FY20	FY21	FY22	FY23
	\$000	\$000	\$000	\$000
BNPL funding costs	(238)	(532)	(36)	(127)

- 153 As these costs are reported within interest costs (i.e. below the EBITDA line), they have not been included in Underlying EBITDA. However, given that these funding costs³¹ effectively represent a discount to the selling price achieved and have been incurred to secure the respective sales, in our opinion, they should be regarded as part of the cost of sales. Accordingly, we believe that it is appropriate to deduct these funding costs when assessing the level of EBITDA to be adopted for valuation purposes.

³¹ The underlying liabilities associated with this arrangement are not included in the Cirrus balance sheet.

Major services contracts

154 As noted in Section III, Cirrus has won a number of significant service contracts over the past two years, including multi-year managed service contracts that are expected to generate a material level of earnings for the Company over the near term. Given the significance of these contracts, we have incorporated our assessment of the expected pro forma annual earnings from each contract into our assessment of EBITDA for valuation purposes. These contracts include:

- (a) the Icon Water contract – in April 2022, Cirrus won a significant managed services contract with Icon Water. The contract was due to commence in mid FY23, however, has been delayed until early FY24 (due to factors outside of Cirrus management’s control), and is expected to generate revenues of approximately \$15.5 million over the initial three-year term³²
- (b) the Australian Department of Defence contract – in November 2022, Cirrus announced a number of contract wins (expected to contribute a combined \$11.5 million in revenue), which included a two year strategic professional services contract³³ with the Australian Department of Defence to assist in the initial stages of a major IT project. The contract is expected to contribute professional services revenue immediately in the first half of FY24 (1H24), and may materially increase in 2H24 if Cirrus is retained to provide services related to the rollout of the next project phase. In addition, the contract covers the provision of managed services for the next phase of the project related to ongoing system and program support
- (c) other contracts – there were a number of other material managed service contracts, such as the ENI contract, that commenced during FY23 and did not contribute a full year of earnings to Cirrus’ FY23 results.

155 The terms of the above contracts are confidential, and accordingly, we are restricted from disclosing the specific revenues and profitability expected to be generated from each contract. However, as noted in the table at paragraph 145, managed services contracts on average generate relatively high gross margins (of around 35% to 37% of revenue). In addition, whilst professional services margins were lower in FY22 and FY23, as noted above, Cirrus management expects margins to improve to around 20% of revenue in FY24.

156 Notwithstanding the above, the Underlying EBITDA margin for Cirrus is relatively low, indicating that the incremental EBITDA margins for the above contracts are likely to be lower than their incremental gross margin contribution. Whilst this may be the case, as the level of operating expenses (excluding depreciation and amortisation) is also relatively low³⁴, a significant proportion of the gross margin from the above contracts could be expected to flow through to EBITDA.

FY24 outlook

157 On 4 August 2023, Cirrus management provided the following FY24 outlook for the Company:

³² Whilst the initial term is three years, Icon Water has two one-year options to extend the contract.

³³ With an additional one-year option for the Australian Department of Defence to extend the contract.

³⁴ Noting that operating expenses have also been decreasing on an annual basis, and have declined from 14.7% of revenue in FY20 to 10.7% of revenue in FY23.

“Following the strongest financial year in the Company’s history and with significant ongoing momentum Cirrus is well placed to deliver a robust FY24. This is underpinned by the commencement of the significant Icon Water managed services contract, strong backlog, positive pipeline of opportunities and strategic focus on higher margin services revenue.

Consistent with its objectives and supported by a debt free Balance Sheet with a year-end \$13.9m cash balance, the Company continues its active pursuit of business opportunities to drive strategic growth.”

EBITDA adopted for valuation purposes

158 Having regard to the Underlying EBITDA generated by Cirrus in FY23, the FY24 outlook provided by Cirrus management, and the additional adjustments and pro-forma earnings contribution from key contracts set out above, we have adopted an EBITDA range of \$5.4 million to \$5.6 million for Cirrus for valuation purposes, determined as follows:

Cirrus – EBITDA adopted for valuation purposes			
	Paragraph	Low \$000	High \$000
FY23 Underlying EBITDA	145	4,039	4,039
Additional professional services margin	148-149	475	525
Cash cost equivalent of share based payments	151	(200)	(150)
BNPL funding costs	152	(127)	(127)
Incremental contribution from major services contracts	154-156	1,200	1,300
Adjusted EBITDA		5,387	5,587
Adopted EBITDA range		5,400	5,600

EBITDA multiple

159 The selection of the appropriate EBITDA multiple to apply is a matter of judgement but normally involves consideration of a number of factors including, but not limited to:

- The stability and quality of earnings
- The quality of the management and the likely continuity of management
- The nature and size of the business
- The spread and financial standing of customers
- The financial structure of the company and gearing level
- The multiples attributed by share market investors to listed companies involved in similar activities or exposed to the same broad industry sectors
- The multiples that have been paid in recent acquisitions of businesses involved in similar activities or exposed to the same broad industry sectors
- The future prospects of the business including the growth potential of the industry in which it is engaged, strength of competitors, barriers to entry, etc.
- The cyclical nature of the industry
- Expected changes in interest rates
- The asset backing of the underlying business of the company and the quality of the assets
- The extent to which a premium for control is appropriate
- Whether the assessment is consistent with historical and prospective earnings

160 We discuss below specific factors taken into consideration when assessing the appropriate EBITDA multiple range for Cirrus.

Listed company multiples

161 As there have been a number of acquisitions of Australian listed IT services companies, there are only a limited number of relevant Australian IT services companies currently listed on the ASX (i.e. with a value less than \$200 million). As a result, we have also considered the EBITDA multiples for international IT services companies with a market capitalisation of less than \$200 million. The EBITDA multiples for these companies are as follows (refer to Appendix C for company descriptions):

Listed company trading multiples ⁽¹⁾					
	Enterprise value ⁽²⁾ A\$m	EBITDA multiples ⁽³⁾			Forecast growth ⁽⁶⁾ %
		FY23 ⁽⁴⁾⁽⁵⁾ x	FY24 ⁽⁵⁾ x	FY25 ⁽⁵⁾ x	
Cirrus	31	7.7	6.3	5.0	19.7
Australian IT services companies					
Atturra	193	10.5	8.9	8.1	12.1
COSOL	140	12.3	8.7	7.3	24.7
SOCO Corporation	32	9.2	-	-	na
Median		10.5	8.8	7.7	
International IT services companies					
Mastech Digital	139	8.8	10.2	na	(14.0)
B3 Consulting Group	110	6.1	7.0	5.5	5.3
TPXimpact Holdings	101	21.4	11.3	6.8	nm
Q.Beyond	82	nm	10.6	5.1	nm
Median		8.8	10.4	5.5	

Note:

- 1 Enterprise value and earnings multiples calculated as at 22 September 2023, excluding Cirrus and Atturra, which are calculated on 8 September 2023 (being the last trading date before the announcement of the Initial Scheme Offer).
 - 2 Enterprise value includes net debt (interest bearing liabilities less non-restricted cash), net derivative liabilities and excludes surplus assets. Net debt excludes AASB 16 / US GAAP / IFRS lease liabilities. Foreign currencies have been converted to Australian dollars at the exchange rate prevailing as at 22 September 2023. A deduction from cash has been made for those companies with working capital deficiencies (i.e. current liabilities exceeding current assets, excluding cash).
 - 3 The EBITDA multiples for the Australian companies have been adjusted to remove the estimated impact of AASB 16, whilst the EBITDA multiples for the international companies have been adjusted to remove the estimated impact of the relevant equivalents to AASB 16 (i.e. IFRS 16).
 - 4 Historic EBITDA is based on latest statutory full year accounts and excludes non-recurring items, significant write downs, realised investment gains or losses and restructuring charges.
 - 5 Forecast earnings are based on FactSet average analyst forecasts (excluding outliers and outdated forecasts). Results for companies with a 31 December or 31 March financial year end have been "calendarised" to reflect financial year ends to be consistent with the Cirrus financial year end.
 - 6 Forecast growth is the CAGR for the FY23 to FY25 years, with the exception of Mastech Digital, which is for the FY23 to FY24 years.
- na – not available, nm – not meaningful.

Source: FactSet, company announcements and LEA analysis.

162 In relation to the above, we note that:

- (a) the listed company multiples are based on the listed market price of each company's shares (and therefore exclude a premium for control). Empirical research undertaken by LEA indicates that the average premium paid above the listed market price in successful

takeovers in Australia ranges between 30% and 35% (assuming the pre-bid market price does not reflect any speculation of the takeover)³⁵. This broadly translates to a premium of 20% to 25% at the EBITDA multiple or enterprise value level, although this varies depending on the level of debt funding employed in each company

- (b) regarding the listed Australian IT services companies (i.e. COSOL, Atturra and SOCO Corporation) all of these companies offer IT services that are similar to the IT consulting services provided by Cirrus. In our opinion, the higher EBITDA multiples for these companies in comparison to Cirrus is due to:
 - (i) higher growth in recent years, with all of these companies growing revenue and profits significantly in the last three years
 - (ii) for Atturra and COSOL, greater size and more diverse operations relative to Cirrus. Smaller listed companies often trade on lower multiples than larger listed companies provided other variables such as expected earnings growth are similar
- (c) regarding the listed international companies:
 - (i) due to macroeconomic headwinds, Q.Beyond and TPXimpact Holdings both reported materially lower earnings in the most recent financial year and as a result, the multiples for FY23 are not meaningful
 - (ii) similar to the Australian listed companies, all of the international listed companies are significantly larger and have more diverse operations than Cirrus and as stated above, smaller listed companies often trade on lower multiples than larger listed companies provided other variables such as expected earnings growth are similar.

163 Given the substantial differences in size and business operations of the above listed companies (aside from SOCO Corporation), as well as the limited sample, we have had primary regard to the EBITDA multiples implied by recent transaction evidence (which is set out below).

Transaction evidence

164 As mentioned above, there have been a number of transactions in the IT services sector involving Australian listed companies over recent years, the acquisition terms and related EBITDA multiples for which are readily available. A summary of these transactions (with a value greater than or around \$20 million) is set out below, with a description of the target companies provided in Appendix D:

³⁵ LEA has analysed the control premiums paid in successful takeovers and other change in control transactions involving cash consideration in Australia over the period 2000 to 2022. LEA's study covered around 500 transactions in all sectors excluding real estate investment trusts, based on data sourced from Bloomberg, Connect4 and public company transaction documents and ASX announcements. Scrip transactions were excluded from the analysis because the value of the scrip consideration can vary materially depending on the date of measurement.

Transaction multiples

Date ⁽¹⁾	Target	Acquirer	Interest %	Enterprise value ⁽²⁾⁽³⁾	EBITDA multiples ⁽⁴⁾
				\$m	x
Jun 23	Tesseract ⁽⁵⁾	Thales	100	233	12.3 H
Aug 22	MOQ	Brennan IT	100	23	9.2 H
Dec 21	Pearson Corporation	Tesseract	100	22	4.6 F
Jul 21	Empired	Capgemini	100	230	9.6 F
Dec 20	Intalock	Spirit Technology Solutions	100	19	8.2 H
Nov 20	RXP Services	Capgemini	100	115	8.2 F
Oct 20	Digital Sense	Over the Wire	100	33	6.1 H
Sep 20	DWS	HCL Technologies	100	200	7.7 H
Sep 20	Citadel Services ⁽⁶⁾	Pacific Equity Partners	100	-(6)	7.0 F ⁽⁶⁾
Jul 20	Seer Security	Tesseract	100	20	8.9 H
Oct 18	Comlinx	Over the Wire	100	21	6.4 H
Jun 18	Project Assured	DWS	100	37	5.5 H
Jan 18	Bulletproof	AC3	100	28	6.2 H
Aug 17	The Works	RXP Services	100	29	7.4 F
May 17	SMS Management & Technology	Nomura Research Institute	100	132	14.2 H
May 17	WME Group	Melbourne IT	100	39	5.6 F
Sep 16	ASG Group	Nomura Research Institute	100	348	10.6 F
Oct 15	UXC	CSC	100	470	10.2 F
Aug 15	Phoenix IT&T Consulting	DWS	75	26	5.2 F
Jun 15	Outware Mobile	Melbourne IT	100	67	8.6 F
Aug 14	Oakton	Dimension Data Holdings	100	171	10.6 F
				Average	8.2
				Median	8.2

Note:

- 1 Date of announcement.
- 2 Enterprise value on a 100% basis.
- 3 Where deferred consideration is payable contingent on financial performance targets, a consistent assumption of 50% of the contingent amount payable has been included in the enterprise value and EBITDA multiple calculations.
- 4 H – multiple based on historical EBITDA. F – multiple based on forecast EBITDA.
- 5 As at the date of this report, the transaction had not completed.
- 6 The Citadel Group comprised a Software division and a (smaller) Services division (which provided technology and professional consulting services and is referred to as Citadel Services). The EBITDA multiple for Citadel Services of 7.0 is based on our best estimate of the relative value of both divisions implied by the offer consideration for The Citadel Group.

Source: LEA analysis using data from ASX announcements, analyst reports and company annual reports.

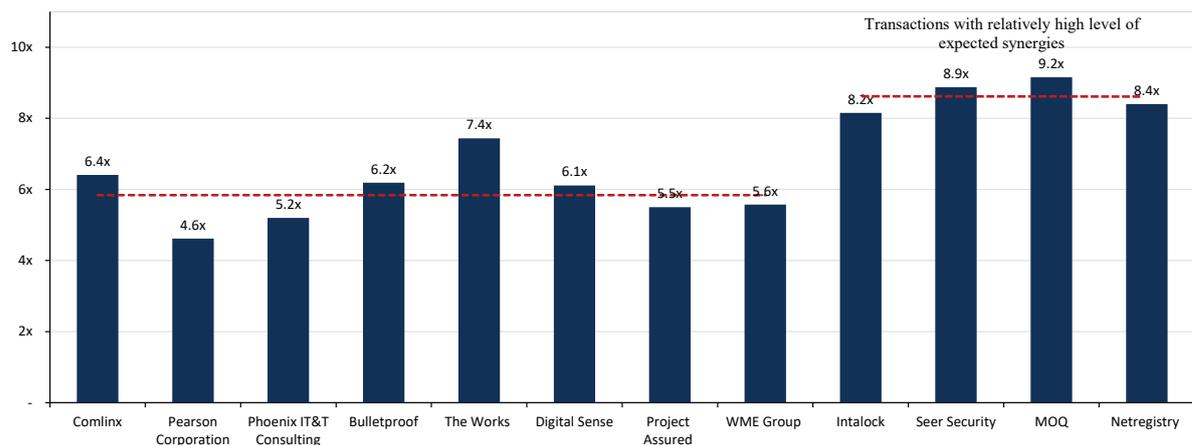
165 In relation to the transaction evidence, we note that:

- (a) the transactions generally relate to the acquisition of 100% of the businesses and therefore implicitly incorporate a premium for control
- (b) none of the above companies are directly comparable to the Cirrus business, however a number of the companies that are the subject of recent transactions provided similar services or targeted similar clients to the Company
- (c) the implied EBITDA multiples appear to have increased in recent years
- (d) the most recent transactions involving an ASX listed IT services companies are:

- (i) the acquisition of Tesserent by Thales announced in June 2022. Tesserent was a cybersecurity services company that provided some IT services that are similar operations to Cirrus’ operations. However, this business was significantly larger than Cirrus and cybersecurity companies have typically commanded a premium (i.e. higher EBITDA multiples) to other IT services companies in recent years
- (ii) the acquisition of MOQ by Brennan IT, announced in August 2022. MOQ provided a range of IT services that are similar to Cirrus, including consulting, integration, managed services and solutions around data, applications and infrastructure. The implied EBITDA multiple for this transaction was 9.2 times historical EBITDA, noting that there was contested bidding from Atturra and Brennan IT that increased the final level of consideration paid (and hence the implied EBITDA multiple)
- (e) the companies acquired differ in terms of their size and nature of operations. Accordingly, in our view, the median or average multiples implied by these transactions are not necessarily representative of the multiple which should be applied to Cirrus
- (f) the transaction multiples are calculated based on the most recent actual earnings (historical multiples) or expected future earnings for the current year at the date of the transaction (forecast multiples). The multiples are therefore not necessarily reflective of the multiple which would be derived from an assessment of each target company’s “maintainable” earnings
- (g) some transactions may reflect a strategic premium.

166 A summary of the implied EBITDA multiples for the Australian transactions with business values of around \$20 million to \$50 million (i.e. of a more comparable size to Cirrus) is set out below:

Transaction summary – implied EBITDA multiples
Business values of around \$20 million to \$50 million



167 Regarding the above transactions we note that:

- (a) the EBITDA multiples ranged between 4.6 times and 9.2 times
- (b) the median EBITDA multiple (the red lines in the chart) for the:

- (i) eight transactions excluding those transaction with material synergies, was 5.8 times EBITDA
- (ii) four transactions where a relatively high level of expected synergies were available to the acquiring entity, was 8.6 times EBITDA
- (c) from a revenue perspective, the above companies were all significantly smaller than Cirrus, however, they typically derived higher EBITDA margins.

Atturra acquisitions

168 Atturra has made a number of acquisitions since 2022. The EBITDA and EBIT multiples for these transactions are summarised in the table below³⁶:

Transaction (EBITDA and EBIT) multiples				
Date ⁽¹⁾	Target	Enterprise value ⁽²⁾ \$m	EBIT multiples ⁽³⁾ x	EBITDA multiples ⁽³⁾ x
Sep 23	SaberVox	7.5	na	5.5 F
Jul 23	Silverdrop Education	3.3	5.5 F	na
Mar 23	The Somerville Group	19.1	na	7.5 F
Jan 23	Hammond Street Developments	8.5	5.0 F	na
May 22	Hayes Information Systems & Communications	16.4	7.0 F	na
Jan 22	Kettering Professional Services	5.3	4.1 F	na

Note:

- 1 Date of announcement.
- 2 Enterprise value on a 100% basis and assumes 100% earn out is achieved as per Atturra acquisition announcements.
- 3 H – multiple based on historical EBITDA / EBIT. F – multiple based on forecast EBITDA / EBIT. na – not applicable.

Source: Atturra company announcements.

169 The EBIT / EBITDA multiples implied by the Atturra transactions range from 4.1 times to 7.5 times, with an average and median of 5.8 times and 5.5 times respectively. In addition, the EBIT / EBITDA multiples for the two larger transactions (i.e. The Somerville Group and Hayes Information Systems & Communications) are materially higher at 7.5 times EBITDA and 7.0 times EBIT respectively. Given (inter alia) the difference in size and diversification, between these entities and Cirrus, in our opinion, the appropriate EBITDA multiple for Cirrus should be higher than these two transactions.

Potential synergies

170 Atturra has indicated that it expects approximately \$1.0 million in cost saving synergies, with the potential for further cost saving and cross-selling benefits over time. If the Scheme is approved and implemented, Cirrus will be delisted from the ASX, resulting in the elimination of listed public company costs (e.g. director fees, listing fees, share registry fees, shareholder communication costs etc.).

171 The existence of public company cost savings as well as other cost (and revenue) synergies that arise from acquisitions / privatisations are one of the key reasons why bidders pay a

³⁶ Atturra has disclosed either EBITDA or EBIT in its respective transaction announcements. Given IT services companies typically have relatively immaterial depreciation expenses, these multiples can be viewed as broadly comparable.

premium to acquire a company. As the expected synergies relative to the earnings of Cirrus is relatively high (consistent with other acquisitions made by Atturra), in our opinion, the benefit associated with these cost savings / synergies should be factored into the EBITDA multiple adopted for valuation purposes.

Other factors

172 In assessing the EBITDA multiple for Cirrus for valuation purposes we have also had regard to (inter alia):

- (a) **customer base** – Cirrus services a high-quality client base that spans across the government and major Australian resource sectors
- (b) **market position** – Cirrus has demonstrated a strong competency in the provision of managed services to the mid-market enterprise segment. In addition, Cirrus is a preferred professional services vendor for a number of Federal and State Government agencies
- (c) **revenue composition** – whilst a large proportion of Cirrus’ historical revenue is derived from relatively low margin enterprise product sales, the Company has recently revised its sales strategy to be less dependent on product revenue and more focused on higher margin services revenue
- (d) **IT services industry** – Cirrus is an IT solutions provider that is exposed to the megatrends of AI and digitisation. The Company has positioned itself well to benefit from these trends, in particular with regards to AI (through its strategic partnership with NVIDIA).

EBITDA multiple adopted for valuation purposes

173 Having regard to the analysis above, we have adopted an EBITDA multiple of 8.0 to 8.5 times for Cirrus. This range is:

- (a) broadly consistent with / lower than the implied EBITDA multiples for those transactions in a broadly similar size cohort (around \$20 million to \$50 million) that had a relatively high level of synergies (i.e. the Intalock, Seer Security, MOQ and Netregistry transactions)
- (b) higher than the average and median implied EBITDA multiples for the transaction evidence shown for all the companies of a similar transaction size (around \$20 million to \$50 million), noting that Cirrus derives significantly higher revenues and is more diversified than the majority of the target companies set out in the chart in paragraph 166
- (c) lower than the implied EBITDA multiples for the trading multiple evidence (after the application of a theoretical control premium) for the Australian and international listed companies, noting that all but one of these companies are larger than Cirrus and as stated above, all else being equal, smaller listed companies often trade on lower multiples than larger listed companies
- (d) higher than the implied EBITDA multiples for the larger acquisitions undertaken by Atturra (i.e. The Somerville Group and Hayes Information Systems & Communications), which we consider appropriate.

Enterprise value

174 On this basis, the value of Cirrus' business (on a cash and debt free basis) is as follows:

Cirrus – enterprise value			
	Paragraph	Low \$m	High \$m
EBITDA	158	5.4	5.6
EBITDA multiple (x)	173	8.0	8.5
Enterprise value		43.2	47.6

Net cash

175 As at 30 June 2023, Cirrus had net cash (excluding AASB 16 operating lease liabilities) of \$13.9 million and no borrowings³⁷. Cirrus' net cash position can vary materially within the month and during the financial year due to the timing of product sales.

176 Given the above, we have considered (inter-alia) the Company's average net cash together with its working capital position over a 12 month period, as well as Cirrus management's view of the minimum and working capital position required for the Company. Based on this review, we have determined a net cash position of \$6.9 million as at 30 June 2023³⁸.

Cancellation of options and performance rights

177 Section 5 of the SID requires Cirrus to cancel all outstanding performance rights and options prior to the implementation date, for cash consideration of 6.3 cents per security. As a result, a reduction in the Company's net cash position is required in order to reflect the net payment associated with the cancellation of options³⁹ and performance rights under the SID. A breakdown of the options and performance rights on issue is provided below:

Cirrus – cancellation of options and performance rights ⁽¹⁾					
Security	Number on issue	Exercise price cents	Cash consideration payable		
			Exercise ⁽²⁾ \$000	Cancellation ⁽³⁾ \$000	Net ⁽⁴⁾ \$000
Performance rights	13,782,990	-	-	868	868
Options	1,600,000	3.5	56	101	45
Options	18,350,001	4.5	826	1,156	330
Options	16,749,999	5.0	838	1,055	218
Options	5,999,999	5.5	330	378	48
Options	1,250,000	7.0	88	79	-(⁵)
Options	1,250,000	9.0	113	79	-(⁵)
Subtotal options			2,249	2,848	641
Total cash payment					1,509

³⁷ As noted in paragraph 85, Cirrus has an arrangement with an external funding partner which allows it to offer customers of its enterprise product segment the ability to pay for IT products / software licenses over time (e.g. over 12 to 24 months).

³⁸ Before allowance for the cancellation of the options and performance rights.

³⁹ Noting that payment is only required for options that are "in the money" based upon the offer price of 6.3 cents per share.

Note:

- 1 Rounding differences exist.
- 2 Being the amount payable by the option holder upon exercise, calculated as the number of options multiplied by the exercise price.
- 3 Being the amount receivable by the option / performance right holder upon cancellation, calculated as the number of options / performance rights multiplied by the offer price of 6.3 cents.
- 4 Being the difference between the cancellation consideration and the exercise price above.
- 5 These options are out of the money based on the Cash Consideration, and therefore no payment is required to the option holder upon cancellation.

178 Based on the above, we have deducted \$1.5 million from the Company's net cash position to reflect the cash required to cancel the outstanding options and performance rights under the SID. Accordingly, we have adopted a net cash position for valuation purposes of \$5.4 million.

Tax assets

- 179 As set out in Section III, Cirrus has significant tax losses and R&D tax credits, the tax benefit of which is some \$2.6 million as at 30 June 2023⁴⁰. The R&D tax credits are expected to be utilised as a non-refundable offset against the Company's taxable income in FY24 and FY25.
- 180 For valuation purposes we have valued the tax losses and R&D tax credits at \$1.8 million to \$2.2 million based on utilisation in FY24 and FY25.

Shares on issue

- 181 Cirrus has 930.0 million fully paid ordinary shares on issue. Given the requirement to cancel the options and performance rights in accordance with the SID, for the purpose of our valuation we have adopted 930.0 million shares on issue.

Valuation summary

- 182 Based on the above, the value of 100% of Cirrus on a controlling interest basis is as follows:

Cirrus – valuation of Cirrus			
	Paragraph	Low \$m	High \$m
Enterprise value	174	43.2	47.6
Add net cash	178	5.4	5.4
Add value of tax assets	180	1.8	2.2
Equity value		50.4	55.2
Fully diluted shares on issue (million)	181	930.0	930.0
Value per share (\$)		0.054	0.059

Comparison with listed market price

- 183 We have also considered the listed market prices of Cirrus shares up to and including 8 September 2023 (being the last trading day prior to the Initial Scheme Offer). These market prices are shown below:

⁴⁰ It should be noted that deferred tax assets and liabilities (including tax benefits) are not recognised at their present value in financial statements.

Cirrus share prices prior to the Initial Scheme Offer

	\$
Closing price on 8 September 2023	0.041
VWAP for 1 month up to and including 8 September 2023	0.042
VWAP for 3 months up to and including 8 September 2023	0.044

- 184 For the purpose of our share price comparison we have had more regard to the VWAPs rather than the share price on the last trading day prior to the announcement of the Initial Scheme Offer. Accordingly, for comparison purposes we have adopted a Cirrus share price in the range of 4.2 to 4.4 cents per Cirrus share (based on the one to three month VWAPs).
- 185 Empirical research undertaken by LEA indicates that the average premium paid above the listed market price in successful takeovers in Australia ranges between 30% and 35% (assuming the pre-bid market price does not reflect any speculation of the takeover)⁴¹.
- 186 Adjusting this VWAP for a 30% to 35% control premium would therefore result in a “theoretical” control value of 5.5 to 5.9 cents per Cirrus share, which is broadly consistent with our valuation range. We therefore consider that our valuation range is reasonable and appropriate.

⁴¹ Refer footnote 35.

VIII Valuation of the Scheme Consideration

Approach

- 187 If Cirrus shareholders approve the Scheme and all conditions are satisfied, then Cirrus shareholders who elect to receive the Cash Consideration will receive 6.3 cents cash for each Cirrus share held (subject to the Scaleback Arrangements). Cirrus shareholders who elect to receive the Scheme Consideration based on one of the other three alternatives (being the Default Consideration, Share Consideration and Split Consideration) will receive shares in Atturra as part or total consideration, dependent on the alternative selected (again, subject to the Scaleback Arrangements).
- 188 As stated in Section VI, we have had primary regard to the listed market prices of Atturra shares as the reference point for estimating the realisable value of the consideration offered under the three Scheme Consideration alternatives available to Cirrus shareholders which include an Atturra share component, as:
- (a) the listed market prices of Atturra shares are likely to represent a reasonable proxy for the amount that Cirrus shareholders could expect to realise if they sold any Atturra shares received as consideration either immediately or in the short term
 - (b) any decision to continue to hold Atturra shares beyond the immediate to short term is a separate investment decision which should be made by Cirrus shareholders having regard to their risk profile, liquidity preference, tax position and expectations as to value and future market conditions. It is also not possible to accurately predict future share price movements
 - (c) whilst there may be a future opportunity for Cirrus shareholders to share in a control premium in the event Atturra was acquired, this is not a scenario that we consider likely in the short term.
- 189 Accordingly, in our opinion, the recent market prices of Atturra shares are the appropriate reference point for estimating the value of the Scheme Consideration alternatives that comprise shares in Atturra as all or part of the consideration offered. We have also considered the depth and the volatility of the Atturra share price.
- 190 In addition, we have also cross-checked the reasonableness of our assessed value of Atturra shares being offered as consideration by reference to implied EBITDA multiples.

Recent share prices

Recent share trading history (pre and post announcement)

- 191 The historical share prices, plus a range of VWAPs, for Atturra prior to the announcement of the Initial Scheme Offer are shown below:

Atturra – share price history (pre announcement)					
Time periods up to and including	Low	High	VWAP	Number traded	Value traded
8 September 2023	\$	\$	\$	000	\$000
1 month	0.750	0.935	0.873	5,914	5,161
3 months	0.750	0.990	0.882	10,404	9,172
6 months	0.750	0.990	0.879	18,095	15,902
12 months	0.680	1.050	0.883	28,090	24,806

Source: FactSet and LEA analysis.

192 For the purpose of assessing the value of the Atturra shares offered as consideration we consider that more regard should be given to the price of Atturra shares since the Initial Scheme Offer and the related Scheme were announced on 11 September 2023 and 15 September 2023 respectively. This is because we consider the Atturra share price subsequent to 11 September 2023 (and 15 September 2023) to be more representative of the Atturra share price assuming the Scheme is approved than the prices prior to 11 September 2023.

193 The following table sets out the prices at which Atturra shares have traded in the period subsequent to the announcement of the Initial Scheme Offer up to 22 September 2023:

Atturra – share price history (post announcement of Scheme)					
Time periods	Low	High	VWAP	Number traded	Value traded
	\$	\$	\$	(000)	\$000
11 September 2023 ⁽¹⁾ to 15 September 2023 ⁽²⁾⁽³⁾	0.855	0.910	0.878	405	356
11 September 2023 ⁽¹⁾ to 22 September 2023	0.805	0.910	0.857	805	690
18 September 2023 ⁽⁴⁾ to 22 September 2023	0.805	0.880	0.836	400	334

Note:

- 1 Being the first day of trading subsequent to the announcement of the Initial Scheme Offer.
- 2 Being the announcement date of the Scheme.
- 3 Noting that the Atturra share price was in a trading halt from 11.26 am on 14 September 2023 to 15 September 2023.
- 4 Being the first day of trading subsequent to the announcement of the Scheme.

Source: FactSet and LEA analysis.

194 Notwithstanding the relatively short period of trading post announcement of the Initial Scheme Offer, which results in a significantly lower volume of share traded than the pre announcement trading, the VWAPs at which shares in Atturra have traded in the period subsequent to the announcement of both the Initial Scheme Offer and the Scheme are lower than the VWAP at which shares in Atturra traded in the three months prior to that date. Further, the VWAP post the announcement of the Scheme is lower than the VWAP post the announcement of the Initial Scheme Offer and up to the announcement of the Scheme. This would appear to reflect the higher consideration payable to Cirrus shareholders under the Scheme relative to the Initial Scheme Offer.

Share trading restrictions and liquidity

195 As noted in paragraph 107, a significant proportion of the Atturra shares have been subject to voluntary escrow arrangements, with 121.1 million Atturra shares (or 52.1% of the total shares on issue) under escrow as at 30 June 2023. However, as set out in paragraph 191, the

volume and value of shares traded in Atturra generally indicates a reasonable level of share market liquidity.

- 196 We are not aware of any other significant shareholding restrictions on trading in Atturra which would prevent sufficient trading (on a day-to-day basis) to produce an unbiased share price.

Information disclosures

- 197 Atturra has a market capitalisation of approximately \$196.5 million⁴² and is researched and analysed by three investment analyst firms. Significant information in relation to the operations of Atturra has been disclosed in its financial reports and ASX announcements. Further, Atturra has an obligation under the ASX Listing Rules (subject to certain exemptions) to notify the ASX immediately of any information that it becomes aware of concerning Atturra which a reasonable person would expect to have a material effect on the price or value of Atturra shares.

Number of Atturra shares to be issued as consideration

- 198 The number of shares to be issued by Atturra as all or part consideration under the Scheme will be dependent on the Scheme Consideration elections of Cirrus shareholders, subject to the Scaleback Arrangements under the SID. When considering the enlarged capital base of Atturra in the table below we have assumed the Maximum Share Consideration under the Scaleback Arrangements, as follows:

Scheme Consideration as a % of enlarged capital base		
		million
Number of Atturra shares on issue ⁽¹⁾		232.525
Maximum Share Consideration (subject to Scaleback Arrangements)	(A)	16.617
Total shares outstanding in Atturra post Scheme⁽¹⁾	(B)	249.142
Cirrus shareholders' interest⁽²⁾ in Atturra post transaction	(A) / (B)	6.67%

Note:

- 1 As at 22 September 2023. Excluding performance rights and new shares to be issued for the acquisitions of Silverdrop Education and SaberVox.
- 2 Representing the collective interest of Cirrus shareholders.

- 199 As noted above, based on the assumed Maximum Share Consideration and allowing for the Scaleback Arrangements, the number of shares to be issued by Atturra as all or part consideration under the Scheme will therefore represent approximately 6.67% of the enlarged capital base of Atturra.
- 200 Whilst there is the potential for an oversupply of Atturra shares in the short term if a large number of Cirrus shareholders elect not to retain the shares in Atturra received as consideration, this risk is arguably mitigated, given:
- (a) the ability of Cirrus shareholders to elect the Cash Consideration under the Scheme (subject to the Scaleback Arrangements), as Cirrus shareholders seeking to realise their

⁴² As at 22 September 2023.

investment pursuant to the Scheme could do so (at least in part) by acceptance of the Cash Consideration (or one of the other Scheme Consideration alternatives); and

- (b) the relatively low percentage of the total shares in Atturra that Cirrus shareholders may hold post the Scheme.

Dilution and synergies

201 As the Scheme Consideration implicitly includes a control premium (i.e. a premium above the undisturbed Cirrus listed market price), there may be a dilutionary effect on the value of Atturra shares subsequent to a successful conclusion of the Scheme. This is because the listed market price of Atturra shares will reflect a portfolio rather than a controlling interest in the enlarged group. In the absence of synergies this dilution has the potential to result in a reduction in the share price of Atturra.

202 In the current circumstances however the identified synergies from a combination of the business operations of Atturra and Cirrus are expected to be value accretive, noting that in the Scheme announcement dated 15 September 2023, Atturra stated the following in regard to the transaction:

“The acquisition of Cirrus under the Revised Scheme is still expected to be high single digit EPS accretive for Atturra shareholders in FY24 on a pro forma and normalised basis (excluding any one-off transaction or integration costs and including a conservative assessment of approximately \$1.0 million in anticipated annualised cost synergies). Atturra expects further upside via additional cost synergies and cross-selling benefits over time.”

203 Additionally, Section 7.2 of the Scheme Booklet states the following in regard to the synergies expected to be generated by Atturra from the acquisition of Cirrus:

“In addition, the majority of costs currently incurred by Cirrus Networks and duplicated by Atturra are expected to be eliminated or reduced. The current conservative estimate (to be subject to review post Scheme implementation) is for approximately \$1.0 million in anticipated annualised cost synergies. Atturra expects further upside via additional cost synergies and cross-selling benefits over time.

Duplicated costs which the boards of Cirrus Networks and Atturra expect to be reduced once the Scheme is implemented include, but are not limited to:

- *directors’ and company secretarial fees;*
- *audit and tax fees;*
- *share registry fees;*
- *securities exchange listing fees; and*
- *general and operating expenses.*

The cost savings relate principally to the cessation of Cirrus Networks operating as a separately listed entity and, therefore, a reduction in the costs of compliance and ongoing operating costs.”

204 Given the above, as well as the size of expected synergies relative to the standalone earnings of Cirrus, in our opinion it is reasonable to conclude that the value of expected synergies would exceed the dilutionary effect discussed above.

Conclusion

205 In summary, in assessing the value of the Atturra shares offered as all or part consideration under the Scheme we have had regard to:

- (a) the recent trading range of Atturra shares
- (b) the number of shares to be issued by Atturra under the Scheme compared to the enlarged number of Atturra shares on issue post completion of the Scheme
- (c) the likely level of on-market trading in Atturra shares subsequent to implementation of the Scheme, having regard to factors including:
 - (i) any potential oversupply of Atturra shares from those shareholders in Cirrus not wishing to retain the Atturra shares received as part consideration
 - (ii) the dilution effect implicit in any control premium effectively being paid by Atturra
 - (iii) the identified synergies from a combination of the business operations of Atturra and Cirrus, which are expected to be significantly value accretive.

206 Based on the above we have assessed the value of the Atturra shares offered as all or part consideration pursuant to the Scheme at between \$0.82 and \$0.88 per share. This range reflects the more recent trading range in Atturra shares following the announcement of the Initial Scheme Offer and the Scheme, with the VWAPs of Atturra shares over these periods being \$0.857 per share and \$0.836 per share respectively.

Implied EBITDA multiple

207 As stated above, we have cross-checked our assessment of the realisable value of Atturra shares by considering the EBITDA multiple implied based on the standalone earnings of Atturra in the absence of the Scheme.

Market capitalisation

208 The market capitalisation of Atturra based on our assessed value of Atturra shares of \$0.82 to \$0.88 per share is shown below:

Atturra – estimated market capitalisation based on assessed share value		
	Low	High
Existing shares on issue (million) ⁽¹⁾	232.5	232.5
Adopted share price (trading range)(\$)	0.82	0.88
Market capitalisation (\$m)	190.7	204.6

Note:

- 1 As at 22 September 2023. Excluding performance rights and new shares to be issued for the acquisitions of Silverdrop Education and SaberVox.

Net cash

209 As noted in paragraph 104, as at 30 June 2023, Atturra had:

- (a) cash of \$44.3 million
- (b) interest bearing debt of \$5.4 million
- (c) contingent consideration payable of \$8.8 million.

210 However, given that Atturra had a net working capital deficiency as at 30 June 2023 (refer paragraph 103), in our opinion, allowance should also be made for the cash that would be required to cover this net working capital shortfall. This amount was some \$14.4 million as at 30 June 2023 (and was \$15.5 million as at 30 June 2022).

Enterprise value

211 Based on the above the implied enterprise value of Atturra is as follows:

Atturra – implied enterprise value			
	Paragraph	Low \$m	High \$m
Market capitalisation	208	190.7	204.6
Less cash	209	(44.3)	(44.3)
Add debt	209	5.4	5.4
Add contingent consideration	209	8.8	8.8
Allowance for working capital shortfall	210	14.4	14.4
Implied enterprise value		174.9	188.9

Implied EBITDA multiple

212 For the purpose of calculating the EBITDA multiple implied by the above enterprise value we have adopted FY24 EBITDA (on an estimated pre AASB 16 basis⁴³) of \$21.7 million for Atturra, based on analyst estimates. On this basis, the implied EBITDA multiple for Atturra is as follows:

Atturra – implied EBITDA multiple		
	Low \$m	High \$m
Enterprise value	174.9	188.9
Normalised EBITDA	21.7	21.7
Implied EBITDA multiple (x)	8.1	8.7

213 The implied EBITDA multiples for Atturra are slightly higher than the EBITDA multiples adopted in our assessed valuation of Cirrus. Notwithstanding that the implied Atturra EBITDA multiples reflect the value of a portfolio interest in the company, whereas the EBITDA multiples adopted in our assessed valuation of Cirrus reflect the value of a controlling interest in the company⁴⁴. We consider this appropriate given that:

⁴³ The analyst forecasts have been adjusted for the estimated cash lease expense associated with AASB 16.

⁴⁴ Other things being equal, implied portfolio interest multiples are generally lower (by definition) than controlling interest multiples.

- (a) Atturra is significantly larger than Cirrus, noting that all else equal, larger companies trade on higher multiples relative to smaller companies, provided other variables such as expected earnings growth are similar
- (b) Atturra has consistently grown revenue and profits in the last three years and therefore has a superior growth profile relative to Cirrus
- (c) Atturra has a higher quality of earnings (as reflected in its higher EBITDA margin) than Cirrus.

214 The implied EBITDA multiples calculated above are broadly consistent with the forward EBITDA multiples (on a pre-AASB 16 basis) implied by recent trading in Atturra shares, prior to the announcement of the Initial Scheme Offer, as shown below:

Atturra – one year forward EBITDA multiple⁽¹⁾

30 June 2022 to 8 September 2023



Note:

1 Enterprise value includes net debt, excludes AASB 16 lease liabilities and adjusts for any working capital shortfall. The EBITDA multiples are based upon an adjusted consensus forward EBITDA, after deducting estimated cash lease costs (i.e. EBITDA is pre AASB 16).

Source: FactSet and LEA analysis.

215 Based on the above, we consider our assessed range of realisable values for Atturra shares to be reasonable and appropriate.

Assessed value of Scheme Consideration

216 We have therefore assessed the value of the Scheme Consideration to be received by Cirrus shareholders pursuant to the Scheme at the respective amounts below:

Value of Scheme Consideration per Cirrus share

	Low cents per share	High cents per share
Default Consideration (75% cash / 25% Atturra shares) ⁽¹⁾	6.20	6.31
Cash Consideration (100% cash)	6.30	6.30
Share Consideration (100% Atturra shares) ⁽²⁾	5.86	6.29
Split Consideration (50% cash, 50% Atturra shares) ⁽³⁾	6.08	6.29

Note:

- 1 Being cash consideration of 4.73 cents per Cirrus share plus 82 cents to 88 cents times the Default Consideration exchange ratio of 0.0179 Atturra shares for each Cirrus share.
- 2 Being 82 cents to 88 cents times the Share Consideration exchange ratio of 0.0715 Atturra shares for each Cirrus share.
- 3 Being cash consideration of 3.15 cents per Cirrus share plus 82 cents to 88 cents times the Split Consideration exchange ratio of 0.0357 Atturra shares for each Cirrus share.

Other considerations

- 217 Cirrus shareholders should note that the listed market price of Atturra shares is subject to daily fluctuation. The price at which Atturra shares may be sold may therefore be greater or less than our assessed realisable value of Atturra shares of \$0.82 to \$0.88 per share.
- 218 Cirrus shareholders should also note that any decision to hold Atturra shares beyond the short term is a separate investment decision. As it is not possible to accurately predict future share price movements, any decision to hold Atturra shares should be made by shareholders having regard to their risk profile, liquidity preference, tax position and expectations as to value and future market conditions.

IX Evaluation of the Scheme

219 In our opinion, the Scheme is fair and reasonable to and in the best interests of Cirrus shareholders, in the absence of a superior proposal. We have formed this opinion for the following reasons.

Assessment of fairness

220 As set out in Section VII, we have assessed the value of Cirrus on a 100% controlling interest basis at between 5.4 to 5.9 cents per share.

Value of the Scheme Consideration

221 Under the terms of the Scheme, Cirrus shareholders will have flexibility as regards the Scheme Consideration they will receive for each Cirrus share they hold on the Scheme Record Date. Cirrus shareholders may elect to receive the Scheme Consideration as one of four alternatives. We have assessed the value of each of these alternatives in Section VIII, which is summarised below:

Value of Scheme Consideration per Cirrus share		
	Low cents per share	High cents per share
Default Consideration (75% cash / 25% Atturra shares) ⁽¹⁾	6.20	6.31
Cash Consideration (100% cash)	6.30	6.30
Share Consideration (100% Atturra shares) ⁽²⁾	5.86	6.29
Split Consideration (50% cash, 50% Atturra shares) ⁽³⁾	6.08	6.29

Note:

- 1 Being cash consideration of 4.73 cents per Cirrus share plus 82 cents to 88 cents times the Default Consideration exchange ratio of 0.0179 Atturra shares for each Cirrus share.
- 2 Being 82 cents to 88 cents times the Share Consideration exchange ratio of 0.0715 Atturra shares for each Cirrus share.
- 3 Being cash consideration of 3.15 cents per Cirrus share plus 82 cents to 88 cents times the Split Consideration exchange ratio of 0.0357 Atturra shares for each Cirrus share.

222 Pursuant to RG 111, a scheme is “fair” if the value of the scheme consideration is equal to, or greater than the value of the securities the subject of the scheme.

223 As the value of the Scheme Consideration to be received by Cirrus shareholders generally exceeds⁴⁵ our assessed valuation range for Cirrus shares on a 100% controlling interest basis, in our opinion, the Scheme Consideration is “fair” to Cirrus shareholders when assessed in accordance with the guidelines set out in RG 111.

Assessment of “reasonableness” and “in the best interests”

224 Pursuant to RG 111, a transaction is reasonable if it is fair. Accordingly, in our opinion, the Scheme is also “reasonable”.

⁴⁵ Noting that the low end of the assessed value of the Share Consideration is marginally below the high end of our assessed value range.

- 225 There is no legal definition of the expression “in the best interests”. However, RG 111 notes that if an expert concludes that a scheme is “fair and reasonable”, or “not fair but reasonable”, then the expert will also be able to conclude that the scheme is “in the best interests” of members of the company.
- 226 Generally, in our experience, if a transaction is “fair” and “reasonable” under RG 111 it will also be “in the best interests” of shareholders. This is because if the consideration payable pursuant to a scheme is fair, shareholders are implicitly receiving consideration for their shares which is consistent with the full underlying value of those shares.
- 227 We therefore consider that the Scheme is also “in the best interests” of Cirrus shareholders in the absence of a superior proposal.

Other considerations

- 228 In assessing whether the Scheme is reasonable and in the best interests of Cirrus shareholders LEA has also considered, in particular:
- (a) the extent to which a control premium is being paid to Cirrus shareholders
 - (b) the extent to which Cirrus shareholders are being paid a share of any synergies likely to be generated pursuant to the potential transaction
 - (c) the listed market price of the shares in Cirrus, both prior to and subsequent to the announcement of the proposed Scheme
 - (d) the likely market price of Cirrus shares if the proposed Scheme is not approved
 - (e) the value of Cirrus to an alternative offeror and the likelihood of a higher alternative offer being made for Cirrus prior to the date of the Scheme meeting
 - (f) the advantages and disadvantages of the Scheme from the perspective of Cirrus shareholders; and
 - (g) other qualitative and strategic issues associated with the Scheme.

Extent to which a control premium is being paid

- 229 It is customary when assessing the merits of a proposed change of control transaction to assess the extent of the premium offered under the proposal by comparing the offer to the pre-bid market prices of the target company’s shares. Research undertaken by LEA indicates that average premiums paid in successful takeovers in Australia generally range between 30% and 35% above the listed market price of the target company’s shares three months prior to the announcement of the bid (assuming no speculation of the takeover is reflected in the pre-bid price)⁴⁶. This premium range reflects the fact that:
- (a) the owner of 100% of the shares in a company obtains access to all the free cash flows of the company being acquired, which it would otherwise be unable to do as a minority shareholder
 - (b) the controlling shareholder can direct the disposal of surplus assets and the redeployment of the proceeds

⁴⁶ Refer footnote 35.

- (c) a controlling shareholder can control the appointment of directors, management policy and the strategic direction of the company
- (d) a controlling shareholder is often able to increase the value of the entity being acquired through synergies and/or rationalisation savings.

230 In considering the control premium implied by the Scheme we have had regard to the Scheme Consideration alternatives. For implied premium calculation purposes we have adopted the mid-point of 6.2 cents per share⁴⁷ for our assessed valuation range for the Scheme Consideration.

231 We have calculated the premium implied by the Scheme Consideration by reference to the market prices of Cirrus shares for periods up to and including 8 September 2023 (being the last trading day prior to the announcement of the Initial Scheme Offer).

Implied offer premium relative to recent Cirrus share prices		
	Cirrus share price \$	Implied control premium %
Closing share price on 8 September 2023 ⁽¹⁾	0.041	51.2
1 month VWAP to 8 September 2023 ⁽¹⁾	0.042	47.6
3 month VWAP to 8 September 2023 ⁽¹⁾	0.044	40.9

Note:

1 Being the last trading day prior to the announcement of Initial Scheme Offer.

232 Based on the above share prices we note that the Scheme Consideration provides Cirrus shareholders with an implied premium that exceeds observed premiums generally paid in comparable circumstances.

233 As noted above, the Scheme Consideration exceeds the high end of the range of our valuation of Cirrus shares, and accordingly, in our view, Cirrus shareholders are being fully compensated for the fact that 100% of control of Cirrus will pass to Atturra if the Scheme is approved.

Extent to which Cirrus shareholders are being paid a share of synergies

234 If the Scheme is approved by Cirrus shareholders, Atturra will acquire a 100% interest in Cirrus. As Cirrus will be privatised, listed company costs will be eliminated with associated cost savings to the merged group. Such cost savings are inherent when listed companies are acquired and privatised and are typically one of the reasons why acquirers pay a control premium to target company shareholders.

235 In terms of potential operational synergies, Atturra is also a participant in the IT services sector in Australia and provides a range of services which are similar and/or complementary to those of Cirrus. The potential therefore exists for operational synergies between the two business operations (which may be significant), noting that in the Scheme announcement dated 15 September 2023, Atturra stated that:

⁴⁷ This represents the average of the midpoint of the four Scheme Consideration alternatives set out in paragraph 221.

“The acquisition of Cirrus under the Revised Scheme is still expected to be high single digit EPS accretive for Atturra shareholders in FY24 on a pro forma and normalised basis (excluding any one-off transaction or integration costs and including a conservative assessment of approximately \$1.0 million in anticipated annualised cost synergies). Atturra expects further upside via additional cost synergies and cross-selling benefits over time.”

- 236 However, as noted above, the Scheme Consideration exceeds the high end of our assessed value range of Cirrus (on a 100% controlling interest basis). We are therefore of the view that Cirrus shareholders are being paid an appropriate share of the value of any synergy benefits which may potentially arise from the acquisition.

Recent share prices subsequent to the announcement of the Scheme

- 237 Cirrus shareholders should note that Cirrus shares have traded on the ASX in the range of 6.0 cents to 6.5 cents per share in the period since the Scheme was announced up to 22 September 2023 (and closed at 6.0 cents). The VWAP over the period was 6.3 cents per share.
- 238 The VWAP of these share prices is consistent with the Scheme Cash Consideration. In our view, the share trading suggests that the market’s view is there is potential for an alternative offer to emerge.

Likely price of Cirrus shares if the Scheme is not implemented

- 239 If the Scheme is not implemented and no alternative proposal emerges (the potential for which is discussed below), we expect that, at least in the short term, Cirrus shares will trade at a significant discount to our valuation and the Scheme Consideration due to the difference between the value of Cirrus shares on a portfolio basis and their value on a 100% takeover (or control) basis. In this regard we note that Cirrus shares last traded at 4.1 cents per share on 8 September 2023 (being the trading day prior to the announcement of the Initial Scheme Offer).
- 240 Notwithstanding, if the Scheme is not implemented, those Cirrus shareholders who wish to sell their Cirrus shares are therefore likely, at least in the short term, to realise a significantly lower price for their shares than will be payable under the Scheme.

Likelihood of an alternative offer / superior proposal

- 241 We have been advised by the Directors of Cirrus that no superior alternative proposal for Cirrus has been received since the announcement of the Scheme on 15 September 2023. In this regard, Section 1.2 to the Scheme Booklet stated the following:

“...earlier this year, Cirrus Networks was approached by a larger Australian IT company interested in potentially acquiring the company. After several weeks of confidential discussions, that company decided not to make an offer, and there was no further contact in the period up to 11 September 2023, when Cirrus Networks entered announced entry into the Scheme Implementation Agreement with Atturra.

Concurrently with these confidential discussions Cirrus Networks’ board engaged Latimer Partners to informally test interest in Cirrus from a group of buyers perceived to be a good strategic fit and with the capacity to acquire Cirrus at a material premium to the current share price. The board’s reasons for taking this action included:

- *To maximise a potential premium for shareholders by having multiple interested parties and not a single bidder, ahead of any potential bidder exclusivity period.*
- *Cirrus' share price remained subdued over a long period despite significant company performance improvements. In the board's view, the share price did not reflect the company's fair value.*
- *Cirrus' low share price potentially made it vulnerable to an opportunistic takeover offer.*
- *Cirrus is sub-scale relative to many of its larger competitors, which often negatively impacts its ability to win new business and recruit and retain staff.*

Several parties that were approached initially showed interest, but only Atturra submitted a non-binding indicative offer ...

... The Scheme Implementation Deed with Atturra followed approximately four weeks of negotiation and due diligence. During that period, the Cirrus Networks Board, in consultation with its advisers, carefully assessed the Atturra Group's proposal and concluded that it was in the best interests of Cirrus Networks to engage with the Atturra Group on its proposal and to provide the Atturra Group with access to due diligence on an exclusive basis. The key reasons for reaching this conclusion were (a) the compelling premium offered by Atturra, and (b) the fact that (assuming the Scheme proceeds) Cirrus Networks Shareholders will receive a certain value for their investment in Cirrus Networks.

Following the completion of due diligence and negotiation of detailed transaction terms, Cirrus Networks announced on 11 September 2023 that it had entered into a Scheme Implementation Deed with BidCo and Atturra under which Cirrus Networks agreed to put the Transaction to a vote of Cirrus Networks Shareholders at the Scheme Meeting.

After 11 September 2023 the Cirrus Networks Board received a non-binding confidential offer from the offeror described above and has granted it limited further due diligence. However, that process has not resulted in an offer that is considered by the Cirrus Networks Board and its advisers to be a Superior Proposal.

On 15 September 2023 the parties entered into a deed of amendment and restatement to increase the offer price under the Scheme and make minor non material changes to the Scheme Implementation Deed."

242 Whilst there effectively remains an opportunity for other third parties contemplating an acquisition of Cirrus (or an alternative transaction) to table a proposal, Cirrus shareholders should also note that:

- (a) as discussed above, the Scheme represents the outcome of a process undertaken by Cirrus in response to its receipt of an indicative non-binding offer from Atturra. Whilst the process resulted in the receipt of another offer from another party, this was ultimately considered by the Cirrus Board to be less favourable than the Scheme Consideration

- (b) the exclusivity (and break fee of \$0.5 million) obligations on Cirrus pursuant to the SID, which are summarised in Section I of this report and discussed in further detail in the Scheme Booklet
- (c) the Cirrus Board who collectively own some 8.95% of Cirrus shares unanimously recommend the Scheme. Further, Microequities Asset Management Pty Ltd, which owns 15.3% of Cirrus shares on issue has advised that it intends to vote in support of the Scheme⁴⁸
- (d) the Cirrus business is similar and complementary to Atturra operations and the potential exists for operational synergies between the two businesses.

243 In our opinion, given the above, it is uncertain as to whether any alternative offer is likely to be received for Cirrus shares prior to the implementation of the Scheme.

Summary of opinion on the Scheme

244 We summarise below the likely advantages and disadvantages for Cirrus shareholders if the Scheme proceeds.

Advantages

245 In our opinion, the Scheme has the following benefits for Cirrus shareholders:

- (a) the Scheme Consideration exceeds our assessed value range for Cirrus shares on a 100% controlling interest basis
- (b) the Scheme Consideration represents a significant premium to the recent market prices of Cirrus shares prior to the announcement of the Initial Scheme Offer on 11 September 2023
- (c) furthermore, the implied premium is above observed premiums generally paid to target company shareholders in comparable circumstances
- (d) if the Scheme does not proceed, and in the absence of an alternative offer or proposal, the price of Cirrus shares is likely to trade at a significant discount to our valuation and the Scheme Consideration due to the portfolio nature of individual shareholdings.

Disadvantages

246 If the Scheme is implemented Cirrus shareholders will no longer hold a direct interest in Cirrus. In the event that future value is created by Cirrus as a result of ongoing operations over and above that reflected in our assessed valuation of the Company:

- (a) those Cirrus shareholders who receive 100% Cash Consideration will therefore not participate in such future value
- (b) those Cirrus shareholders who receive shares in Atturra as all or part consideration will only retain some limited exposure to such future value (but will also acquire an interest in the Atturra business).

⁴⁸ The Cirrus Board and the major shareholders' recommendation and voting intentions are provided in the absence of a superior proposal and provided that the independent expert concludes (and continues to conclude) that the Scheme is in the best interests of Cirrus shareholders.

247 However, as the high end of our assessed value of Cirrus shares is generally below the Scheme Consideration⁴⁹, in our opinion, the present value of Cirrus' future potential is reflected in the Scheme Consideration.

Conclusion

248 Given the above analysis, we consider the advantages of the Scheme to outweigh the disadvantages. Accordingly, in our view, the acquisition of Cirrus shares under the Scheme is fair and reasonable to and therefore in the best interests of Cirrus shareholders in the absence of a superior proposal.

⁴⁹ Noting that the low end of the assessed value of the Share Consideration is marginally below the high end of our assessed value range.

A Financial Services Guide

Lonergan Edwards & Associates Limited

- 1 Lonergan Edwards & Associates Limited (ABN 53 095 445 560) (LEA) is a specialist valuation firm which provides valuation advice, valuation reports and independent expert's reports (IER) in relation to takeovers and mergers, commercial litigation, tax and stamp duty matters, assessments of economic loss, commercial and regulatory disputes.
- 2 LEA holds Australian Financial Services Licence No. 246532, which authorises it to provide a broad range of financial services to retail and wholesale clients, including providing financial product advice in relation to various financial products such as securities, derivatives, interests in managed investment schemes, superannuation products, debentures, stocks and bonds.

Financial Services Guide

- 3 LEA has been engaged by Cirrus to provide general financial product advice in the form of an IER in relation to the Scheme. The *Corporations Act 2001 (Cth)* (Corporations Act) requires that LEA include this Financial Services Guide (FSG) with our IER.
- 4 This FSG is designed to assist retail clients in their use of the general financial product advice contained in the IER. This FSG contains information about LEA generally, the financial services we are licensed to provide, the remuneration we may receive in connection with the preparation of the IER, and if complaints against us ever arise how they will be dealt with.

General financial product advice

- 5 The IER contains general financial product advice only and has been prepared without taking into account your personal objectives, financial situation or needs. You should consider your own objectives, financial situation and needs when assessing the suitability of the IER to your situation. You may wish to obtain personal financial product advice from the holder of an Australian Financial Services Licence to assist you in this assessment.

Fees, commissions and other benefits we may receive

- 6 LEA charges fees to produce reports, including this IER. These fees are negotiated and agreed with the entity who engages LEA to provide a report. Fees are charged on an hourly basis or as a fixed amount depending on the terms of the agreement with the entity who engages us. In the preparation of this IER, LEA is entitled to receive a fee estimated at \$100,000 plus GST.
- 7 Neither LEA nor its directors and officers receives any commissions or other benefits, except for the fees for services referred to above.
- 8 All of our employees receive a salary. Our employees are eligible for bonuses based on overall performance and the firm's profitability, and do not receive any commissions or other benefits arising directly from services provided to our clients. The remuneration paid to our directors reflects their individual contribution to the company and covers all aspects of performance. Our directors do not receive any commissions or other benefits arising directly from services provided to our clients.

Appendix A

- 9 We do not pay commissions or provide other benefits to other parties for referring prospective clients to us.

Complaints

- 10 If you have a complaint, please raise it with us first. LEA can be contacted by sending a letter to the following address:

Level 7
64 Castlereagh Street
Sydney NSW 2000
(or GPO Box 1640, Sydney NSW 2001)

- 11 We will endeavour to satisfactorily resolve your complaint in a timely manner. Please note that LEA is only responsible for the preparation of this IER. Complaints or questions about the Scheme Booklet should not be directed toward LEA as it is not responsible for the preparation of this document.
- 12 If we are not able to resolve your complaint to your satisfaction within 30 days of your written notification, you are entitled to have your matter referred to the Australian Financial Complaints Authority (AFCA), an external complaints resolution service. You will not be charged for using the AFCA service.

Compensation arrangements

- 13 LEA has professional indemnity insurance cover under its professional indemnity insurance policy. This policy meets the compensation arrangement requirements of the Corporations Act.

Appendix B

B Qualifications, declarations and consents

Qualifications

- 1 LEA is a licensed investment adviser under the Corporations Act. LEA's authorised representatives have extensive experience in the field of corporate finance, particularly in relation to the valuation of shares and businesses and have prepared hundreds of IERs.
- 2 This report was prepared by Ms Julie Planinic and Mr Jorge Resende, who are each authorised representatives of LEA. Ms Planinic and Mr Resende have over 24 years and 21 years experience respectively in the provision of valuation advice (and related advisory services).

Declarations

- 3 This report has been prepared at the request of the Directors of Cirrus to accompany the Scheme Booklet to be sent to Cirrus shareholders. It is not intended that this report serve any purpose other than as an expression of our opinion as to whether or not the Scheme is fair and reasonable and in the best interests of Cirrus shareholders.
- 4 LEA expressly disclaims any liability to any Cirrus shareholder who relies or purports to rely on our report for any other purpose and to any other party who relies or purports to rely on our report for any purpose whatsoever.

Interests

- 5 At the date of this report, neither LEA, Ms Planinic nor Mr Resende have any interest in the outcome of the Scheme. With the exception of the fee shown in Appendix A, LEA will not receive any other benefits, either directly or indirectly, for or in connection with the preparation of this report.
- 6 We have considered the matters described in ASIC RG 112 – *Independence of experts*, and consider that there are no circumstances that, in our view, would constitute a conflict of interest or would impair our ability to provide objective independent assistance in this engagement.
- 7 Cirrus shareholders should be aware that LEA prepared an IER in September 2021 with respect to takeover offer from Webcentral Ltd, which was not successful.
- 8 LEA has had no part in the formulation of the Scheme. Its only role has been the preparation of this report.

Indemnification

- 9 As a condition of LEA's agreement to prepare this report, Cirrus agrees to indemnify LEA in relation to any claim arising from or in connection with its reliance on information or documentation provided by or on behalf of Cirrus which is false or misleading or omits material particulars or arising from any failure to supply relevant documents or information.

Consents

- 10 LEA consents to the inclusion of this report in the form and context in which it is included in the Scheme Booklet.

C Listed company descriptions

Australian listed IT companies

Atturra Limited

- 1 Atturra is an ASX-listed IT services business that designs, implements, and maintains IT solutions for private and public organisations that operate primarily within Australia. Atturra provides a broad range of services that are categorised across six key business divisions including Advisory and Consulting, Business Applications, Data and Integration, Cloud, Business Solutions, Managed Services, and Industry Engagement.

COSOL Limited

- 2 COSOL is a global provider of digital and IT solutions, partnering with asset intensive businesses in the mining, utility, defence and public infrastructure industries to drive business improvements through the enhanced use of data and data analysis. The company's proprietary digital solutions include enterprise asset management and enterprise resource planning systems, data management platforms and subscription based solutions designed to keep enterprise systems current.

SOCO Corporation Limited

- 3 SOCO Corporation engages in the provision of IT consultancy services. The company delivers and supports enterprise-grade software solutions built on Microsoft cloud technology such as SharePoint, Dynamics, Office 365, Azure, Business Central, and the Power Platform. Headquartered in Brisbane, SOCO Corporation employs approximately 80 staff in five offices across Australia.

International listed IT companies

Mastech Digital Inc.

- 4 Based in the US, Mastech Digital is global IT firm that provides digital transformation services, including data and analytics solutions, digital learning and IT staffing services for both digital and mainstream technologies. The company employs approximately 1,700 staff across a broad spectrum of industry verticals and has recruitment centres located in the US and India that deliver a full range of recruiting and sourcing services.

B3 Consulting Group AB

- 5 Based in Sweden, B3 Consulting Group engages in the provision of consultancy services within IT and management to clients in both the public and private sectors. The company operates through three distinct segments, being Digital Management (digitalisation of systems), Digital Innovation (application development) and Cloud & Technology. B3 Consulting Group has over 800 employees who serve over 200 clients throughout Sweden and Poland.

TPXimpact Holdings Plc

- 6 TPXimpact Holdings offers IT services through four distinct operating segments being Consultancy, Digital Experiences, Data & Insight, and International. The company has a

Appendix C

workforce of over 1,100 permanent employees, with the majority based in the United Kingdom and a smaller contingent from the Nordics and Bulgaria. TPXimpact Holdings services clients such as UNICEF, the National Health Service, and the Department of Education.

Q.Beyond AG

- 7 Headquartered in Cologne, Germany, Q.Beyond, provides IT and telecommunications services for small and medium enterprises and specialises in cloud, SAP, Microsoft, data intelligence, security, and software development. The company employs over 1,100 employees across offices in Germany, Latvia, and Spain, and also has accredited data security centres located in Germany.

D Australian IT services transaction company descriptions

Tesserent

- 1 Tesserent was a full-service cybersecurity and networking solutions provider to government, midmarket and enterprise clients across Australia and New Zealand. Tesserent delivered tailored solutions that prevent, detect and mitigate potential cyber-attacks, including security advisory and consulting, technical assurance and testing, cloud services, incident response and 24-hours a day managed services and monitoring. In addition, Tesserent utilised and resold a range of products from software vendors and hardware suppliers.

MOQ

- 2 MOQ was an Australian IT solutions company focused on providing consulting, integration, managed services and solutions around data, applications and infrastructure. The company provided both traditional infrastructure integration services and cloud based digital services. MOQ primarily serviced clients in Australia, with critical support services provided from its office in Sri Lanka.

Pearson Corporation

- 3 Based in Canberra, Pearson Corporation offered IT consulting, cybersecurity and testing services, primarily to Federal Government clients with the ultimate aim of helping them reach security compliance under various jurisdictions. Pearson Corporation employed over 70 people who have specific expertise in cyber security, Microsoft, Carbon Black and Ivanti software products.

Empired

- 4 Empired was an IT services provider focused on delivering enterprise digital solutions for medium to large corporate and government organisations within key industries, including public sector, energy and natural resources, financial services and insurance, utilities and transport. The company offered end-to-end business solutions, including managed services and digital transformation, consulting services, system integration, digital customer relationship management and engagement strategies, and IT security.

Intalock

- 5 Founded in 2010, Intalock was a managed cyber security services firm which offered a full range of advisory, technical services, software licensing and managed services. It operated a market leading security operations centre, providing 24 hours a day, seven days a week monitoring, technical services and support.

RXP Services

- 6 RXP Services was an Australian digital services consultancy business specialising in providing digital expertise and support across current and emerging channels. The company offered end-to-end solutions from the initial design phase through to the final build and implementation stage. RXP Services also provided digital marketing services and assisted organisations with innovation by fusing brand, insight, design and technology.

Appendix D

Digital Sense

- 7 Digital Sense was headquartered in Brisbane and employed approximately 40 staff. The company was a cloud business that provided a customisable and scalable cloud offering to enterprise and government customers. Digital Sense also owned and operated a data centre facility in Brisbane.

DWS

- 8 DWS was a professional services company which provided IT consulting services to large corporate entities and Australian Government agencies. Services provided included consulting, digital advisory, program and project management, and managed application services. At the time of the acquisition, DWS employed over 750 staff and contractors and had offices in Melbourne, Sydney, Brisbane, Adelaide and Canberra.

Citadel Services

- 9 Citadel Services was a division of The Citadel Group. The division had two key verticals, being Technology and Professional Services. The Technology vertical designed, supplied and implemented technology systems to meet business and government requirements. The Professional Services vertical was an advisory business that offered strategic advice, improved practice methodology, technologies and managed services to large enterprises and government departments.

Seer Security

- 10 Seer Security provided specialist high security services and delivery capabilities to Australian Federal Government departments and agencies including Defence and Law Enforcement. Seer Security strengthened a company's cyber security capabilities, with a focus on Government-certified delivery of assurance and governance, risk and compliance services alongside software development capabilities.

Comlinx

- 11 Comlinx was a provider of IT managed solutions to corporate, enterprise and government customers. The company was established in 2006 and was headquartered in Brisbane, with approximately 20 staff. At the time of acquisition, Comlinx had approximately 100 clients with high levels of customer retention and long tenure of relationships with major customers.

Project Assured

- 12 Project Assured was a Canberra based strategic management and IT consulting business servicing the Federal Government and other Canberra based clients. At the time of the acquisition the company had been operating in the ACT market for four years.

Bulletproof

- 13 Bulletproof provided managed cloud, hosting and professional services primarily for corporate and enterprise customers in Australia and New Zealand. The company had three business units at the time of acquisition, including Public Cloud (Amazon Web Services and Microsoft Azure Cloud Services), Private Cloud and Professional Services (including cloud software engineering and migration, cloud security services, consulting services, digital strategy and application migration services).

Appendix D

The Works

- 14 Established in 2002, The Works was a digital and creative agency that provided digital and technical services (user experience, user interface, online and mobile devices) as well as strategy and consulting. At the time of acquisition, The Works employed 61 staff and was based in Sydney.

SMS Management & Technology

- 15 SMS Management & Technology was an IT services company, providing business and IT advisory, technology solutions, managed services and recruitment to a range of large corporations and government bodies. Around the time of the acquisition, the company employed over 1,300 professional staff (including contractors) predominantly in Australia, with a presence in Hong Kong, Singapore and the Philippines. It consisted of two businesses, SMS Consulting and M&T Resources.

WME Group

- 16 WME Group was a leading provider of end-to-end digital marketing solutions including search engine optimisation, search engine advertising and web design. The company's market-facing brands included WME, Nothing But Web and Results First. The company had offices in Melbourne and Auckland, New Zealand.

ASG Group

- 17 ASG Group specialised in the provision of professional IT business solutions to medium to large-scale enterprises and had expertise and experience in IT outsourcing, computer infrastructure, application development, systems integration and the provision of specialist technical services and support. The company was founded in 1996 and was also an accredited partner of Oracle and SAP.

UXC

- 18 UXC provided integrated services across the IT value chain from design to implementation and enhancement, and operation and management of IT systems. It operated three divisions, being Advisory and Consulting, Enterprise Applications (by far the largest business unit) and IT Infrastructure. It employed 2,300 staff in offices in Brisbane, Sydney, Canberra, Melbourne, Hobart, Adelaide and Perth, and supported around 2,500 clients in Australia and internationally.

Phoenix IT&T Consulting

- 19 Phoenix IT&T Consulting provided managed IT infrastructure support services, including systems management, communications, remote telephone support, high-touch field services, project and consultancy services, and business continuity and disaster recovery services. The company employed 200 staff at the time of acquisition and its clients included a number of government agencies and blue chip companies.

Outware Mobile

- 20 Outware Mobile was a leading mobile application developer for the enterprise and government markets. The company had key competencies in the rapidly emerging mobile

Appendix D

application development market and was a national leader for mobile strategy, user experience and design, and mobile application development.

Oakton

- 21 Oakton was a consulting and technology firm, which worked with its clients to develop a broad range of solutions leveraging business and industry insight, intellectual property, the latest technologies and partnerships with cloud-based infrastructure and software providers. Oakton generated revenue through rate per hour roles and project based engagements, which focused on the delivery of particular aspects of an in-house IT department's IT capital expenditure requirements.

E Glossary

Term	Meaning
2H21	Six months ended 30 June 2021
2H22	Six months ended 30 June 2022
AASB 16	Australian Accounting Standard AASB 16 – <i>Leases</i>
ACT	Australian Capital Territory
AFCA	Australian Financial Complaints Authority
AI	Artificial intelligence
ASD	Australian Signals Directorate
ASIC	Australian Securities & Investments Commission
ASX	Australian Securities Exchange
Atturra	Atturra Limited
BNPL	Buy now pay later
CAGR	Compound annual growth rate
Cash Consideration	100% cash consideration, equating to 6.3 cents cash per Cirrus share held
Cirrus / the Company	Cirrus Networks Holdings Limited
Corporations Act	<i>Corporations Act 2001 (Cth)</i>
Corporations Regulations	<i>Corporations Regulations 2001</i>
DCF	Discounted cash flow
Default Consideration	75% cash consideration and 25% share consideration, equating to 4.73 cents cash and 0.0179 Atturra shares for each 1 Cirrus share held
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax depreciation and amortisation
ENI	ENI Australia Limited
FSG	Financial Services Guide
FY	Financial year
IER	Independent expert's report
Initial Scheme Offer	Scheme Implementation Deed dated 11 September 2023 under which Atturra would acquire 100% of the issued shares in Cirrus for a price of 5.3 cents per share
IT	Information technology
LEA	LonerGAN Edwards & Associates Limited
Maximum Cash Consideration	\$44.568 million
Maximum Share Consideration	16.617 million Atturra shares
NSW	New South Wales
NVIDIA	NVIDIA Corporation
R&D	Research and development
REDSPICE	Federal Government's cybersecurity Resilience, Effects, Defence, Space, Intelligence, Cyber and Enables package
RG 111	ASIC Regulatory Guide 111 – <i>Content of expert reports</i>
Scaleback Arrangements	Scaleback arrangements under the SID if the Maximum Cash Consideration and/or the Maximum Share Consideration limits are exceeded
Scheme	Scheme of arrangement between Cirrus and its shareholders
Scheme Consideration	Collectively, the Default Consideration, Cash Consideration, Share Consideration and Split Consideration
Share Consideration	100% share consideration, equating to 0.0715 Atturra shares for each 1 Cirrus share held
SID	Amended and Restated Scheme Implementation Deed between Cirrus and Atturra dated 15 September 2023

Appendix E

Term	Meaning
Split Consideration	50% cash consideration and 50% share consideration, equating to 3.15 cents cash and 0.0357 Atturra shares for each 1 Cirrus share held
VWAP	Volume weighted average price
WANOS	Weighted average number of shares outstanding
Webcentral	Webcentral Group Limited

Scheme

Scheme of Arrangement

Cirrus Networks Holdings Limited

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Parties

Cirrus Networks Holdings Limited ACN 103 348 947 of Level 28, 108 St Georges Terrace, Perth, Western Australia, 6000 (**Cirrus**)

Scheme Participants Each registered holder of Cirrus Shares as at the Record Date (other than Excluded Shareholders) (**Scheme Participants**)

Agreed terms

1 Definitions

In this document these terms have the following meanings:

ASIC	The Australian Securities & Investments Commission.
ASX	ASX Limited (ACN 008 624 691) or the market operated by it, as the context requires.
ATA	Atturra Limited ACN 654 662 638.
ATA Register	The register of shareholders maintained by ATA or its agent.
ATA Registry	ATA's share registry provider, Computershare Limited ACN 005 485 825.
ATA VWAP	\$0.8815 (rounded to 4 decimal places).
Atturra	Atturra Holdings Pty Ltd ACN 132 368 104.
Business Day	A business day as defined in the Listing Rules, provided that such day is not a day on which the banks in Perth, Western Australia or Sydney, New South Wales are authorised or required to close.
Cash Consideration	The amount of cash to be paid by Cirrus in accordance with clause 6.4 , subject to the Scaleback Arrangements.
CGT Withholding Law	The foreign resident capital gains tax withholding law in Subdivision 14-D of Schedule 1 of the TAA.
CHESS	The clearing house electronic sub-register system of share transfers operated by ASX Settlement and Transfer Corporation Pty Ltd.
Cirrus Register	The register of shareholders maintained by Cirrus or its agent.
Cirrus Share	A fully paid ordinary share in the capital of Cirrus.

Cirrus Shareholder	Each person who is registered in the Cirrus Register as a holder of Cirrus Shares.
Commissioner	The Commissioner of Taxation of Australia.
Corporations Act	The <i>Corporations Act 2001</i> (Cth).
Court	The Supreme Court of New South Wales, or another court of competent jurisdiction under the Corporations Act agreed in writing by Atturra and Cirrus.
Deed Poll	The deed poll executed by Atturra and ATA substantially in the form of annexure B of the Scheme Implementation Deed or as otherwise agreed by Cirrus and Atturra under which Atturra and ATA covenants in favour of each Scheme Participant to perform their respective obligations under this Scheme.
Default Consideration	Where a Scheme Participant either elects or is deemed to elect to receive for each Scheme Share they hold: <ol style="list-style-type: none"> 1. \$0.0473; and 2. 0.0179 ATA Shares, subject to the terms of this Scheme.
Effective	The coming into effect, pursuant to section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to this Scheme, but in any event at no time before an office copy of the order of the Court is lodged with ASIC.
Effective Date	The date on which this Scheme becomes Effective.
Election	Has the meaning given in clause 6.4 .
Election Form	The form issued by Cirrus under which each Cirrus Shareholder (other than any Relevant Unmarketable Parcel Shareholder) is requested to elect to receive either the Default Consideration, the Split Consideration, the Maximum Share Consideration or the Maximum Cash Consideration in respect of all of their Scheme Shares.
Election Time	7.00 pm on the date which is five Business Days before the date of the Scheme Meeting or such other date as agreed in writing by Cirrus and Atturra.
Encumbrance	Any security for the payment of money or performance of obligations, including a mortgage, charge, lien, pledge, trust, power or title retention or flawed deposit arrangement, “security interest” as defined in sections 12(1) or 12(2) of the PPSA, right of first refusal, pre-emptive right, any similar restriction, or any agreement to create any of them or allow them to exist.

End Date	23 December 2023 or such other date as is agreed in writing by Cirrus and Atturra.
Excluded Shareholder	Atturra.
Governmental Authority	ASIC, the Court, the Takeovers Panel and any other government or representative of a government or any governmental, semi-governmental, administrative, fiscal, regulatory, or judicial body, department, commission, authority, tribunal, agency, competition authority or entity and includes any minister and any regulatory organisation established under statute or any stock exchange.
Implementation Date	The 5th Business Day following the Record Date or such other date after the Record Date as is agreed in writing by Cirrus and Atturra.
Ineligible Foreign Shareholder	A Cirrus Shareholder whose address shown in the Cirrus Register is a place outside Australia and its external territories or New Zealand unless Atturra determines that it is lawful and not unduly onerous or unduly impracticable to issue that Cirrus Shareholder with the New ATA Shares on implementation of the Scheme.
Listing Rules	The Listing Rules of ASX and any other applicable rules of ASX modified to the extent of any express written waiver by ASX.
Maximum Cash Consideration	Where the Scheme Participant elects to receive 100% cash for each Scheme Share (which equals (per Scheme Share) \$0.0473 plus the cash value of the 0.0179 ATA Shares (calculated by reference to the ATA VWAP) and subject to the Scaleback Arrangements.
Maximum Cash Consideration Pool	\$44,568,422.54 (rounded to 2 decimal places).
Maximum Share Consideration	Where the Scheme Participant elects to receive 100% of its consideration in ATA Shares (the number of ATA Shares to be issued per Scheme Share calculated as 0.0179 ATA Shares plus the number of ATA Shares that equal \$0.0473 divided by the ATA VWAP (being 0.0536 ATA Shares) and subject to the Scaleback Arrangements.
Maximum Share Consideration Pool	16,616,677 ATA Shares (rounded up to whole number).
New ATA Share	A fully paid ATA Share to be issued by ATA.

Nominee	A Scheme Participant who holds one or more parcels of Scheme Shares as trustee or nominee for, or otherwise on account of, another person.
Opt-in Notice	A notice by an Unmarketable Parcel Shareholder requesting to receive the Scheme Consideration as New Cirrus Shares.
PPSA	The <i>Personal Property Securities Act 2009</i> (Cth).
Record Date	5.00 pm on the 5th Business Day following the Effective Date or any other date as agreed by Atturra and Cirrus.
Registered Address	In relation to a Cirrus Shareholder, the address of that Cirrus Shareholder shown in the Cirrus Register.
Registry	Cirrus' share registry provider, Automic Pty Limited ACN 152 260 814.
Relevant Unmarketable Parcel Shareholder	An Unmarketable Parcel Shareholder who has not provided Cirrus with an Opt-in Notice before 5.00pm on the Business Day prior to the Record Date.
Rights	All accretions, rights and benefits attaching to, or arising from, the Scheme Shares directly or indirectly, including any capital returns, all dividends and all rights to receive them and rights to receive or subscribe for shares, notes, bonds, options or other securities or entitlements declared, paid or issued by Cirrus.
Sale Agent	A person appointed by Atturra to sell the Sale Shares under clause 6.4 .
Sale Proceeds	The gross proceeds of sale of the Sale Shares under clause 6.4(b) less any applicable taxes, fees and charges incurred by Atturra or the Sale Agent in connection with the sale.
Sale Shares	The New Atturra Shares to which Ineligible Foreign Shareholders would have been entitled under this Scheme but for the operation of clause 6.4 .
Scaleback Arrangements	The Cash Scaleback Arrangements set out in clause 6.9 and the Share Scaleback Arrangements set out in clause 6.10 .
Scheme	This scheme of arrangement between Cirrus and Scheme Participants under which all of the Scheme Shares will be transferred to Atturra under Part 5.1 of the Corporations Act as described in clause 6 of this Scheme, in consideration for the Scheme Consideration, subject to any amendments or conditions made or required by the Court pursuant to section 411(6) of the Corporations Act to the extent they are

	approved in writing by Atturra and Cirrus in accordance with clause 11 of this Scheme.
Scheme Consideration	The consideration payable by Atturra and ATA for the transfer to Atturra of Cirrus Shares held by a Scheme Participant, being the Cash Consideration and the Share Consideration.
Scheme Implementation Deed	The Scheme Implementation Deed dated 10 September 2023 between Atturra, ATA and Cirrus and amended and restated on 15 September 2023 and on 3 October 2023, under which, amongst other things, Cirrus has agreed to propose this Scheme to Cirrus Shareholders, and each of Cirrus, ATA and Atturra have agreed to take certain steps to give effect to this Scheme, a copy of which was released in full to ASX on 11 September 2023, with a further announcement on 15 September 2023 to incorporate an increase in Scheme Consideration.
Scheme Meeting	The meeting of Cirrus Shareholders ordered by the Court to be convened pursuant to section 411(1) of the Corporations Act at which Cirrus Shareholders will vote on this Scheme.
Scheme Participant	Each person who is registered in the Cirrus Register as a holder of Scheme Shares as at the Record Date (other than Excluded Shareholders).
Scheme Share	A Cirrus Share held by a Scheme Participant as at the Record Date and, for the avoidance of doubt, includes any Cirrus Shares issued on or before the Record Date.
Second Court Date	The first day on which an application made to the Court under section 411(4)(b) of the Corporations Act approving the Scheme is heard or scheduled to be heard or, if the application is adjourned for any reason, the date on which the adjourned application is heard or scheduled to be heard.
Share Consideration	The amount of Shares to be issued by ATA under clause 6.4 , subject to the Scaleback Arrangements.
Share Scheme Transfer	For each Scheme Participant, a duly completed and executed proper instrument of transfer of the Scheme Shares held by that Scheme Participant for the purposes of section 1071B of the Corporations Act, which may be a master transfer of all Scheme Shares.
Split Consideration	Where a Scheme Participant elects to receive for each Scheme Share they hold: <ol style="list-style-type: none"> 1. \$0.0315; and 2. 0.0357 ATA Shares,

	and subject to the Scaleback Arrangements.
TAA	The <i>Taxation Administration Act 1953</i> (Cth).
Unmarketable Parcel Shareholder	A Scheme Participant who, based on their holding of Cirrus Shares on the Record Date, would, on implementation of the Scheme, be entitled to receive less than a marketable parcel (as that term is defined in the Listing Rules) of New ATA Shares (assessed by reference to the price of ATA Shares on the ASX at the close of trading on the trading day prior to the Record Date) as Scheme Consideration.
Valid Variation Notice	A Variation Notice, which contains: <ul style="list-style-type: none"> (a) the name of each Cirrus Shareholder, referred to in clause 6.14(a), which matches the name of the same Cirrus Shareholder on the Cirrus Register; and (b) an expiry date which is on or after the date Atturra becomes the owner of the shares referred to in clause 6.14(a).
Withholding Amount	The amount that Atturra is required to pay to the Commissioner under Subdivision 14-D of Schedule 1 of the TAA in respect of the acquisition of any Scheme Shares from a Scheme Participant.
Withholding Declaration	A declaration under section 14-225 of Schedule 1 to the TAA in respect of the acquisition of any Scheme Shares by Atturra.

2 Preliminary

2.1 Cirrus

Cirrus is:

- (a) a public company limited by shares;
- (b) incorporated in Australia and registered in Western Australia; and
- (c) admitted to the official list of ASX and Cirrus Shares are officially quoted on the stock market conducted by ASX.

2.2 Atturra

Atturra is:

- (a) a proprietary company limited by shares;
- (b) incorporated in Australia and registered in New South Wales; and
- (c) a wholly owned subsidiary of ATA.

2.3 ATA

ATA is:

- (a) a public company limited by shares;
- (b) incorporated in Australia and registered in New South Wales; and
- (c) admitted to the official list of ASX and ATA Shares are officially quoted on the stock market conducted by ASX.

2.4 If Scheme becomes Effective

If this Scheme becomes Effective:

- (a) in consideration of the transfer of each Scheme Share to Atturra:
 - (i) ATA must provide the Share Consideration to each Scheme Participant receiving Share Consideration; and
 - (ii) Cirrus must provide the Cash Consideration to each Scheme Participant receiving Cash Consideration,in accordance with the terms of this Scheme;
- (b) all Scheme Shares will be transferred to Atturra on the Implementation Date; and
- (c) Cirrus will enter the name of Atturra in the Cirrus Register in respect of all Scheme Shares transferred to Atturra in accordance with the terms of this Scheme.

2.5 Scheme Implementation Deed

Atturra, ATA and Cirrus have agreed to the Scheme by executing the Scheme Implementation Deed to implement the terms of this Scheme.

2.6 Deed Poll

This Scheme attributes actions to Atturra and ATA but does not itself impose an obligation on them to perform those actions. Atturra and ATA have executed the Deed Poll for the purpose of covenanting in favour of the Scheme Participants to perform (or procure the performance of) the obligations attributable to Atturra and ATA as contemplated by this Scheme, including to provide the Scheme Consideration to the Scheme Participants.

3 Conditions precedent

3.1 Conditions precedent to Scheme

This Scheme is conditional on, and has no force or effect until, the satisfaction of each of the following conditions precedent:

- (a) as at 8.00am on the Second Court Date, the Scheme Implementation Deed and Deed Poll not having been terminated;
- (b) all of the conditions precedent in **clause 3.1** of the Scheme Implementation Deed having been satisfied or waived (other than the

conditions precedent relating to Court approval set out in **item 3.1(b)** of the Scheme Implementation Deed) in accordance with the terms of the Scheme Implementation Deed;

- (c) the Court having approved this Scheme, with or without any modification or condition, pursuant to section 411(4)(b) of the Corporations Act, and if applicable, Atturra and Cirrus having accepted in writing any modification or condition made or required by the Court under section 411(6) of the Corporations Act; and
- (d) the coming into effect, pursuant to section 411(10) of the Corporations Act, of the orders of the Court made under section 411(4)(b) of the Corporations Act (and, if applicable, section 411(6) of the Corporations Act) in relation to this Scheme.

3.2 Conditions precedent and operation of clause 5 of this Scheme

The satisfaction of each condition of **clause 3.1** of this Scheme is a condition precedent to the operation of **clause 5** of this Scheme.

3.3 Certificate in relation to conditions precedent

Atturra and Cirrus must provide to the Court on the Second Court Date a certificate, or such other evidence as the Court requests, confirming (in respect of matters within their knowledge) whether or not all of the conditions precedent set out in **clause 3.1** of this Scheme (other than the conditions precedent in **clauses 3.1(c)** and **3.1(d)** of this Scheme) have been satisfied or waived as at 8.00 am on the Second Court Date.

The certificate referred to in this **clause 3.3** is to constitute conclusive evidence of whether the conditions precedent referred to in **clause 3.1** of this Scheme (other than the condition precedent in **clauses 3.1(c)** and **3.1(d)** of this Scheme) have been satisfied or waived as at 8.00 am on the Second Court Date.

4 Scheme

4.1 Effective Date

Subject to **clause 4.2** of this Scheme, this Scheme comes into effect pursuant to section 411(10) of the Corporations Act on and from the Effective Date.

4.2 End Date

Without limiting any rights under the Scheme Implementation Deed, this Scheme lapses and is of no further force or effect if:

- (a) the Effective Date does not occur on or before the End Date or any later date the Court, with the consent of Cirrus and Atturra, may order; or
- (b) the Scheme Implementation Deed or the Deed Poll is terminated in accordance with their respective terms,

unless Cirrus and Atturra otherwise agree in writing.

5 Implementation of Scheme

5.1 Lodgement of Court orders with ASIC

If the conditions precedent set out in **clause 3.1** of this Scheme (other than the condition precedent in **clause 3.1(d)** of this Scheme) are satisfied, Cirrus must lodge with ASIC, in accordance with section 411(10) of the Corporations Act, an office copy of the Court order approving this Scheme as soon as possible, and in any event by no later than 12.00 pm on the first Business Day after the day on which the Court approves this Scheme or such later time as Cirrus and Atturra agree in writing.

5.2 Transfer and registration of Scheme Shares

On the Implementation Date, but subject to the provision of the Scheme Consideration for the Scheme Shares in accordance with **clause 6** of this Scheme and Atturra and ATA having provided Cirrus with written confirmation of the provision of the Scheme Consideration:

- (a) the Scheme Shares, together with all rights and entitlements attaching to the Scheme Shares as at the Implementation Date, will be transferred to Atturra, without the need for any further act by any Scheme Participant (other than acts performed by Cirrus as attorney and agent for Scheme Participants under **clause 9** of this Scheme), by:
 - (i) Cirrus delivering to Atturra a duly completed and executed Share Scheme Transfer executed on behalf of the Scheme Participants by Cirrus, for registration; and
 - (ii) Atturra duly executing the Share Scheme Transfer and delivering it to Cirrus for registration; and
- (b) as soon as practicable after receipt of the duly executed Share Scheme Transfer, Cirrus must enter, or procure the entry of, the name of Atturra in the Cirrus Register in respect of all Scheme Shares transferred to Atturra in accordance with the terms of this Scheme.

5.3 Entitlement to Scheme Consideration

On the Implementation Date, in consideration for the transfer to Atturra of the Scheme Shares, each Scheme Participant is entitled to receive the Scheme Consideration in respect of each of their Scheme Shares in accordance with **clause 6** of this Scheme.

5.4 Title and rights in Scheme Shares

Subject to the provision of the Scheme Consideration for the Scheme Shares as contemplated by **clause 6** of this Scheme, on and from the Implementation Date, Atturra will be beneficially entitled to the Scheme Shares transferred to it under the Scheme, pending registration by Cirrus of Atturra in the Cirrus Register as the holder of the Scheme Shares.

5.5 Warranty by Scheme Participants

Each Scheme Participant warrants to and is taken to have authorised Cirrus to warrant to Atturra as agent and attorney for the Scheme Participant by virtue of this **clause 5.5**, that:

- (a) all of its Scheme Shares (including any Rights attaching to them) transferred to Atturra under the Scheme will, as at the date of the transfer, be fully paid and free from all Encumbrances and other interests of third parties of any kind whether legal or otherwise, and restrictions on transfer of any kind; and
- (b) they have full power and capacity to sell and to transfer their Scheme Shares (including any Rights attaching to them) to Atturra under this Scheme.

5.6 Transfer free of Encumbrances

To the extent permitted by law, all Scheme Shares (including any Rights attaching to them) which are transferred to Atturra under this Scheme will, at the date of the transfer of them to Atturra, vest in Atturra free from all Encumbrances and interests of third parties of any kind, whether legal or otherwise, and free from any restrictions on transfer of any kind not referred to in this Scheme.

5.7 Appointment of Cirrus as sole proxy

Subject to the provision of the Scheme Consideration for the Scheme Shares as contemplated by **clauses 5.2** and **6** of this Scheme, on and from the Implementation Date until Cirrus registers Atturra as the holder of all of the Scheme Shares in the Register, each Scheme Participant:

- (a) irrevocably appoints Cirrus as attorney and agent (and directs Cirrus in such capacity) to appoint Atturra and each of its directors from time to time (jointly and each of them individually) as its sole proxy, and where applicable corporate representative, to attend shareholders' meetings, exercise the votes attaching to Scheme Shares registered in its name and sign any shareholders resolution, and no Scheme Participant may itself attend or vote at any of those meetings or sign any resolutions, whether in person, by proxy or by corporate representative (other than pursuant to this **clause 5.7(a)**);
- (b) must take all other actions in the capacity of the registered holder of Scheme Shares as Atturra directs; and
- (c) acknowledges and agrees that in exercising the powers referred to in **clause 5.7(a)**, Atturra and any director or corporate representative nominated by Atturra under **clause 5.7(a)** may act in the best interests of Atturra as the intended registered holder of the Scheme Shares.

Cirrus undertakes in favour of each Scheme Participant that it will appoint Atturra and each of its directors from time to time (jointly and each of them individually) as that Scheme Participant's proxy or, where applicable, corporate representative in accordance with **clause 5.7(a)** of this Scheme.

6 Scheme Consideration

6.1 Consideration under this Scheme

On the Implementation Date, Atturra and ATA must:

- (a) provide the Scheme Consideration to the Scheme Participants in accordance with this **clause 6**; and
- (b) in satisfaction of ATA and Atturra's obligation to provide such Scheme Consideration to the Scheme Participants under **clause 6.1** of this Scheme, issue the Share Consideration and pay the Cash Consideration in accordance with this **clause 6**.

6.2 Scheme Consideration

Subject to the terms of this Scheme (including **clause 6.4** of this Scheme in relation to Ineligible Foreign Shareholders and **clauses 6.5** and **6.13** in relation to Relevant Unmarketable Parcel Shareholders, and **clause 6.11** of this Scheme in relation to fractional elements), the Scheme Consideration to be provided to each Scheme Participant will be provided by:

- (a) the issue by ATA of the Share Consideration to the relevant Scheme Participants on the Implementation Date; and
- (b) the payment by Cirrus of the Cash Consideration to the relevant Scheme Participants on the Implementation Date.

6.3 Provision of Scheme Consideration

Subject to the other provisions of this **clause 6**, the obligations of Atturra and ATA to provide (or procure the provision of) the Scheme Consideration to the Scheme Participants will be satisfied by:

- (a) procuring that, in the case of the Share Consideration:
 - (i) the name and address of each such Scheme Participant is entered into the ATA Register on the Implementation Date in respect of the New ATA Shares to which it is entitled under this **clause 6**; and
 - (ii) a share certificate or holding statement is sent to the Registered Address of each such Scheme Participant representing the number of New ATA Shares issued to the Scheme Participant pursuant to this Scheme.
- (b) in the case of the Cash Consideration, paying the Cash Consideration to which each relevant Share Participant is entitled in accordance with **clause 6.7**.

6.4 Scheme Consideration for Ineligible Foreign Shareholders

Atturra is under no obligation under this Scheme to issue, and will not issue, any New Atturra Shares to any Ineligible Foreign Shareholders as part of the Scheme Consideration. Instead:

- (a) Atturra must issue the New Atturra Shares that would otherwise have been issued to the Ineligible Foreign Shareholder to the Sales Agent on

the Implementation Date (rounded up or down in the case of fractional entitlements to the nearest whole number, in accordance with clause 6.11);

- (b) Atturra must procure that as soon as reasonably practicable after the Implementation Date, the Sale Agent sells the New Atturra Shares issued to it on-market in such manner, at such price and on such other terms as the Sale Agent determines in good faith;
- (c) promptly after the last sale of those New Atturra Shares, Atturra will procure that the Sale Agent pays to each Ineligible Foreign Shareholder (in accordance with clause 6.4(f) the amount calculated in accordance with the following formula rounded down to the nearest cent:

$$A = (B/C) \times D$$

where:

- A** is the amount to be paid to the Ineligible Foreign Shareholder;
 - B** is the number of New Atturra Shares attributable to, and that would otherwise have been issued to, that Ineligible Foreign Shareholder had it not been an Ineligible Foreign Shareholder and which were instead issued to the Sale Agent;
 - C** is the total number of New Atturra Shares attributable to, and which would otherwise have been issued to, all Ineligible Foreign Shareholders collectively and which were instead issued to the Sale Agent; and
 - D** is the Sale Proceeds.
- (d) Each Ineligible Foreign Shareholder acknowledges that none of Atturra, ATA, Cirrus or the Sale Agent give any assurance as to the price that will be achieved for the sale of the Sale Shares by the Sale Agent. The sale of the Sale Shares by the Sale Agent will be at the risk of the Ineligible Foreign Shareholder.
 - (e) Each Ineligible Foreign Shareholder appoints Cirrus as its agent to receive on its behalf any financial services guide or other notices that the Sale Agent is required to provide to the Ineligible Foreign Shareholder under the Corporations Act.
 - (f) The Sale Proceeds may be paid by Atturra in the following manner:
 - (i) where the Ineligible Foreign Shareholder has, before the Record Date, made a valid election in accordance with the requirements of the Registry to receive dividend payment from Cirrus by electronic funds transfer to a bank account nominated by the Ineligible Foreign Shareholder, paying or procuring the payment of, the relevant amount in Australian currency by electronic means in accordance with that election; or

- (ii) otherwise, whether or not the Ineligible Foreign Shareholder has made an election referred to in **clause 6.4(f)(i)**, dispatching or procuring the dispatch of, a cheque for the relevant amount in Australian currency to the Ineligible Foreign Shareholder by prepaid post to their Registered Address (as at the Record Date), such cheque being drawn in the name of the Ineligible Foreign Shareholder (or in the case of joint holders, in accordance with the procedures set out in **clause 6.17**).

6.5 Scheme Consideration for Relevant Unmarketable Parcel Shareholders

A Scheme Participant that is a Relevant Unmarketable Parcel Holder is entitled to the Maximum Cash Consideration and will not be subject to the Scaleback Arrangements.

6.6 Election (all other Scheme Participants)

- (a) A Scheme Participant (other than Relevant Unmarketable Parcel Shareholders), may make an election (**Election**) to receive the Default Consideration, the Split Consideration, the Maximum Cash Consideration or the Maximum Share Consideration for all of their Scheme Shares by validly completing the Election Form, such Election being subject to the terms of this Scheme.
- (b) ATA must not issue any Share Consideration under this Scheme to or in respect of any Relevant Unmarketable Parcel Shareholder. Accordingly, no Relevant Unmarketable Parcel Shareholder may make a valid Election to receive the Default Consideration, the Split Consideration or the Maximum Share Consideration (and any such purported Election by or on behalf of a Relevant Unmarketable Parcel Shareholder is void) and neither Atturra nor ATA is under any obligation to issue or procure the issue of the Default Consideration, the Split Consideration or Maximum Scrip Consideration to any Relevant Unmarketable Parcel Shareholder.
- (c) Subject to **clause 6.4(j)** for an Election to be valid:
 - (i) the Scheme Participant must not be a Relevant Unmarketable Parcel Shareholder;
 - (ii) the Scheme Participant must complete and sign the Election Form in accordance with the instructions in the Scheme Booklet and the terms and conditions set out in the Election Form; and
 - (iii) the Election Form must be received by the ATA Registry by the Election Time at the address specified in the Scheme Booklet and on the Election Form.
- (d) A Scheme Participant that makes an Election may vary, withdraw or revoke that Election by lodging a replacement Election Form (such form to be requested from the ATA Registry), provided such replacement Election Form is received by the ATA Registry by the Election Time.

- (e) If a valid Election is not made by a Scheme Participant that is not a Relevant Unmarketable Parcel Shareholder or no Election is made by a Scheme Participant that is not an Relevant Unmarketable Parcel Shareholder, then that Scheme Participant is taken to have elected to receive the Default Consideration in respect of all of their Scheme Shares.
- (f) Subject to this **clause 6.4**, **clause 6.7** and **6.8** and the Scaleback Arrangements, if a Scheme Participant makes a valid Election, that Election is taken to apply in respect of that Scheme Participant's entire registered holding of Scheme Shares at the Scheme Record Date, regardless of whether the Scheme Participant's holding of Scheme Shares at the Scheme Record Date is greater or less than the Scheme Participant's holding at the time it made its Election.
- (g) In the manner considered appropriate by, and agreed between, Cirrus and Atturra (acting reasonably including after consultation with the ATA Registry), a Nominee, may make separate Elections in relation to each of those parcels of Scheme Shares, and if it does so will be treated as a separate Scheme Participant in respect of each such parcel in respect of which a separate Election is made (and in respect of any balance of its holdings), provided that if, at the Scheme Record Date, it holds fewer Cirrus Shares than it held at the time it made the Election, then, unless it has at the time of any sale of Cirrus Shares notified Atturra whether the Cirrus Shares sold relate to any such separate Election (and if so which separate Election the Cirrus Shares sold relate to), it will be treated as not having made a valid Election in respect of any of its Cirrus Shares (or will be treated in any other manner that Atturra and Cirrus agree is fair to the Cirrus Shareholder, in all the circumstances acting reasonably).
- (h) Subject to **clauses 6.4(i)** and **6.4(j)**, an Election Form will not be valid unless it is completed and received in accordance with the procedures set out in **clause 6.4(c)**.
- (i) ATA will determine, in its sole discretion (after consulting with Cirrus in good faith), all questions as to the correct completion of an Election Form, and time of receipt of an Election Form. The ATA Registry is not required to communicate with any Scheme Participant prior to making this determination. The determination of ATA will be final and binding on the Scheme Participant.
- (j) Notwithstanding **clause 6.4(c)**, with the prior written consent of Atturra (such consent not to be unreasonably withheld or delayed), ATA may at any time and without further communication to the relevant Scheme Participant, deem any Election Form it receives from a Scheme Participant to be a valid Election in respect of the relevant Scheme Shares, even if a requirement for a valid Election has not been complied with.

6.7 Provision of Maximum Cash Consideration Pool

- (a) Atturra must by no later than two Business Days before the Implementation Date, deposit, or procure the deposit, in cleared funds an amount equal to the Maximum Cash Consideration Pool in accordance with this Scheme into an Australian dollar denominated trust account with an Authorised Deposit-taking Institution (as defined by the *Banking Act 1959* (Cth)) operated by Cirrus as trustee for the Scheme Participants (**Trust Account**) (provided that any interest on the amounts deposited (less bank fees and other charges) will be credited to Atturra's account). The obligation of Atturra to provide, or procure the provision of, the Maximum Cash Consideration Pool to Scheme Participants under this Scheme will be satisfied by Atturra complying with its obligations under this **clause 6.7(a)**.
- (b) On the Implementation Date, subject to funds having been deposited in accordance with this **clause 6.7(a)**, Cirrus must pay or procure the payment of the Cash Consideration from the Trust Account, by paying or procuring the payment to each Scheme Participant such amount of cash as is due to that Scheme Participant in respect of all of that Scheme Participant's Scheme Shares (in accordance with entitlements determined pursuant to **clause 6.4** or **clause 6.5**, subject to any Scaleback Arrangements (if applicable). For the avoidance of doubt, the Scaleback Arrangements will not apply to Relevant Unmarketable Parcel Shareholder, or to any Scheme Participant who elects or is deemed to have elected the Default Consideration.
- (c) To the extent that, following satisfaction of Cirrus' obligations under **clause 6.7(b)**, there is a surplus in the amount held by Cirrus as trustee for the Scheme Participants in the Trust Account referred to in that clause, that surplus must be paid by Cirrus to Atturra.

6.8 Provision of Scrip Consideration

- (a) Subject to **clauses 6.4, 6.5** and **6.11 to 6.13** and the Scaleback Arrangements (if applicable), before 12.00pm (or such other time as Atturra and Cirrus may agree in writing) on the Implementation Date, ATA must:
 - (i) issue the Share Consideration to each Scheme Participant who is so entitled in accordance with entitlements determined pursuant to **clause 6.5** of the Scheme in respect of that Scheme Participant's Scheme Shares; and
 - (ii) procure that the name and address of each Scheme Participant to whom Share Consideration is issued in accordance with **clause 6.8(a)(i)** is entered into the ATA Register in respect of the Share Consideration to which it is entitled under the Scheme.
- (b) The Share Consideration in respect of which a Scheme Participant is entitled under **clause 6.8(a)** may, in ATA's absolute discretion, be issued directly to that Scheme Participant (such that the Scheme Participant will

be the legal holder of the relevant Share Consideration) or, issued to the Nominee to hold as bare trustee for that Scheme Participant (such that the Scheme Participant will be the beneficial holder but not the legal holder of the relevant Share Consideration).

- (c) On or before the date that is five Business Days after the Implementation Date, ATA must send, or procure the sending of, a certificate or other holding statement to each Scheme Participant or (if applicable) the Nominee entitled to receive Share Consideration under this Scheme, reflecting the issue of such Share Consideration, by prepaid post to their Registered Address or as otherwise validly directed by the relevant Scheme Participant or the Nominee (as applicable).

6.9 Scaleback arrangements where Maximum Cash Consideration Pool is exceeded

- (a) If valid Elections made by the Scheme Participants are such that the aggregate amount of cash under the Scheme Consideration that would be required to be paid by Atturra to satisfy the entitlements determined under such valid Elections exceeds the Maximum Cash Consideration Pool, each Scheme Participant who elects to receive Maximum Cash Consideration or Split Consideration (together **Relevant Cash Consideration**):

- (i) will only be entitled to receive Relevant Cash Consideration calculated in accordance with the following formula:

$$E = A \times \frac{\text{Maximum Cash Consideration Pool} - C - D}{B}$$

where:

“A” is the aggregate amount of cash the relevant Scheme Participant would have received as part of the Relevant Cash Consideration for all Scheme Shares held by that Scheme Participant as at the Record Date pursuant to its valid Election;

“B” is the aggregate amount of cash that would have been required to be paid by Atturra in payment of the Relevant Cash Consideration to satisfy the entitlement determined under the valid Elections for all Scheme Participants who elect to receive Relevant Cash Consideration (but for the Scaleback Arrangements);

“C” is the aggregate amount of cash payable by Atturra in payment of the cash component of the Default Consideration to satisfy the entitlement determined under the valid Elections for all Scheme Participants who elect to receive Default Consideration;

“D” is the aggregate amount of cash payable by Atturra in payment of the cash component of the Maximum Cash

Consideration under clause 6.4 for all Scheme Participants that are Relevant Unmarketable Parcel Shareholders; and

“E” is the cash component that the relevant Scheme Participant is entitled to receive; and

- (ii) will be entitled to receive ATA Shares calculated in accordance with the following formula:

$$E = \frac{A - D}{VWAP}$$

“A” is the aggregate amount of cash the relevant Scheme Participant would have received as part of the Relevant Cash Consideration for all Scheme Shares held by that Scheme Participant as at the Record Date pursuant to its valid Election;

“D” is the amount of cash the relevant Scheme Participant is entitled to receive as determined under clause 6.7(a)(i);

“E” is the number of ATA Shares that the relevant Scheme Participant is entitled to receive; and

“VWAP” means the ATA VWAP.

6.10 Scaleback Arrangements if the Maximum Share Consideration Pool is exceeded

- (a) If the election made by the Scheme Participants are such that the aggregate number of ATA Shares under the Scheme Consideration that would be required to be issued by ATA to satisfy the entitlements determined under the valid Elections exceeds the Maximum Share Consideration Pool, each Scheme Participant who elects to receive Maximum Share Consideration or Split Consideration (together **Relevant Share Consideration**):

- (i) will only be entitled to receive Relevant Share Consideration in respect of the number of Scheme Shares calculated in accordance with the following formula:

$$D = A \times \frac{\text{Maximum Share Consideration Pool} - C}{B}$$

where:

“A” is the aggregate number of ATA Shares the relevant Scheme Participant would have received as part of the Relevant Share Consideration for all Scheme Shares held by that Scheme Participant as at the Record Date pursuant to its valid Election;

“B” is the aggregate number of ATA Shares that would have been required to be issued by ATA in payment of

the Relevant Share Consideration to satisfy the entitlements determined under the valid Elections for all Scheme Participants who elect to receive Relevant Share Consideration (but for any Scaleback Arrangements);

“C” is the aggregate number of ATA Shares to be issued by ATA in payment of the share component of the Default Consideration to satisfy the entitlements determined under clause 6.5 for all Scheme Participants who receive Default Consideration; and

“D” is the share component that the relevant Scheme Participant is entitled to receive; and

- (b) will be entitled to receive cash calculated in accordance with the following formula:

$$E = (A - D) \times VWAP$$

“A” is the aggregate number of ATA Shares the relevant Scheme Participant would have received as part of the Relevant Share Consideration for all Scheme Shares held by that Scheme Participant as at the Record Date pursuant to a valid Elections;

“D” is the number of ATA Shares in respect of which the relevant Scheme Shareholder is entitled to receive as determined under clause 6.8(a)(i);

“E” is the amount of cash that the relevant Scheme Participant is entitled to receive; and

“VWAP” means the ATA VWAP.

6.11 Fractional entitlements

- (a) If the number of Cirrus Shares held by a Scheme Participant at the Record Date is such that the aggregate entitlement of the Scheme Participant to Scheme Consideration:
- (i) comprising New ATA Shares is such that a fractional entitlement to New ATA Shares arises; or
 - (ii) comprising cash is such that a fractional entitlement to a cent arises

then the entitlement of that Scheme Participant must be rounded up or down with any such fractional entitlement of less than 0.5, being rounded down to the nearest whole number of New ATA Shares (or cents, as applicable), and any such fractional entitlement of 0.5 or more is to be rounded up to the nearest whole number of New ATA Shares (or cents, as applicable).

- (b) If a Nominee holds more than one parcel of Scheme Shares as trustee or nominee for, or otherwise on account of, another person, then for the purposes of this **clause 6.5**, the Scheme Consideration for the Nominee will be calculated and rounded based on the aggregate number of Scheme Shares held by the Nominee in those parcels as trustee or nominee for, or otherwise on account of, other persons.

6.12 Scheme Participants' agreements

Under this Scheme, each Scheme Participant (and, to the extent relevant, the Sale Agent) irrevocably:

- (a) agrees to the transfer of their Scheme Shares together with all Rights attaching to them in accordance with this Scheme;
- (b) agrees to the variation, cancellation or modification of the Rights attached to their Scheme Shares constituted by or resulting from this Scheme;
- (c) agrees to, on the direction of Atturra, destroy any holding statements or share certificates relating to their Scheme Shares;
- (d) in respect of Scheme Participants receiving Share Consideration, agrees to become a shareholder of ATA, to have their name entered in the ATA Register and accepts the New ATA Shares issued to them;
- (e) agrees and acknowledges that the receipt of the Scheme Consideration in accordance with **clause 6.1** of this Scheme constitutes satisfaction of all that person's entitlements under this Scheme;
- (f) acknowledges that this Scheme binds Cirrus and all of the Scheme Participants from time to time (including those who do not attend the Scheme Meeting and those who do not vote, or vote against this Scheme, at the Scheme Meeting);
- (g) appoints Cirrus, and each director and officer of Cirrus, as its agent to receive on its behalf any financial services guide (or similar or equivalent document) and any other notices; and
- (h) consents to Atturra, ATA and Cirrus doing all things and executing all deeds, instruments, transfers or other documents as may be necessary or desirable to give full effect to this Scheme and the transactions contemplated by it.

6.13 Election by Unmarketable Parcel Shareholders

- (a) Cirrus must provide each Unmarketable Parcel Shareholder with, or procure the provision to each Unmarketable Parcel Shareholder of, an Opt-in Notice.
- (b) Unless an Unmarketable Parcel Shareholder provides Cirrus with a duly completed Opt-in Notice prior to 5.00pm on the Business Day prior to the Record Date, Atturra is under no obligation under this Scheme or the Deed Poll to issue, and will not issue, any New ATA Shares to any Unmarketable Parcel Shareholder, who will be deemed to be a Relevant

Unmarketable Parcel Shareholder and will be entitled to receive Scheme Consideration in accordance with **clause 6.5** of this Scheme.

6.14 Withholding

- (a) If Atturra determines (acting reasonably) that it must pay an amount to the Commissioner under Subdivision 14-D of Schedule 1 of the TAA in relation to the acquisition of any Cirrus Shares from a Cirrus Shareholder, Atturra must:
 - (i) determine the Withholding Amount to be paid to the Commissioner in respect of the acquisition of the Cirrus Shares from such Cirrus Shareholder;
 - (ii) instruct Cirrus to deduct, and Cirrus must deduct the Withholding Amount from the Cash Consideration payable to such Cirrus Shareholder, and return all such Withholding Amounts to Atturra;
 - (iii) in respect of Ineligible Foreign Shareholders only, instruct the Sale Agent to deduct, and the Sale Agent must deduct the Withholding Amount from any amount payable to such Ineligible Foreign Shareholder as is determined in accordance with clause 6.4(c), and return all such Withholding Amounts to Atturra;
 - (iv) pay the Withholding Amounts to the Commissioner within the timeframe required under the TAA; and
 - (v) if requested in writing by the relevant Cirrus Shareholder, provide a receipt or other appropriate evidence of payment of the Withholding Amount to the Commissioner (or procure the provision of such receipt or other evidence) to the relevant Cirrus Shareholder.
- (b) The aggregate sum payable to relevant Cirrus Shareholders is not to be increased to reflect deduction of Withholding Amounts and the net aggregate sum payable to those Cirrus Shareholders is to be taken to be full and final satisfaction of Atturra's obligation to pay the Scheme Consideration to those Cirrus Shareholders.
- (c) Atturra and Cirrus must:
 - (i) consult in good faith as to the application of the CGT Withholding Law to the Scheme; and
 - (ii) use reasonable endeavours to take all actions that are necessary or desirable in relation to the CGT Withholding Law, which may include, without limitation, promptly communicating with any Cirrus Shareholder to obtain a Valid Variation Notice or Withholding Declaration contemplated by the CGT Withholding Law so as to reduce or eliminate the Withholding Amount payable to the Commissioner in respect of any Cirrus Shareholder.

6.15 Orders of a Court or Governmental Authority

- (a) Cirrus may deduct and withhold from any consideration which would otherwise be provided to a Scheme Participant in accordance with this **clause 6**, any amount which Atturra and Cirrus determine is required to be deducted and withheld from that consideration under any applicable law, including any order, direction or notice made or given by a court of competent jurisdiction or by another Governmental Authority.
- (b) To the extent that amounts are so deducted or withheld, such deducted or withheld amounts will be treated for all purposes under this Scheme as having been paid to the person in respect of which such deduction and withholding was made, provided that such deducted or withheld amounts are actually remitted to the appropriate taxing agency.
- (c) If written notice is given to Cirrus of an order, direction or notice made or given by a court of competent jurisdiction or by another Governmental Authority that:
 - (i) requires consideration which would otherwise be provided to a Scheme Participant in accordance with this **clause 6** to instead be paid or provided to a Governmental Authority or other third party (either through payment of a sum or the issuance of a security), then Cirrus shall be entitled to procure that provision of that consideration is made in accordance with that order, direction or notice (and payment or provision of that consideration in accordance with that order, direction or notice will be treated for all purposes under this Scheme as having been paid or provided to that Scheme Participant); or
 - (ii) prevents consideration being provided to any particular Scheme Participant in accordance with this **clause 6**, or the payment or provision of such consideration is otherwise prohibited by applicable law, Cirrus shall be entitled to (as applicable) direct ATA not to issue (or procure the issue of), or to issue or provide to a trustee or nominee, such number of New ATA Shares as that Scheme Participant would otherwise be entitled to under this **clause 6**, until such time as payment or provision of the consideration in accordance with this **clause 6** is permitted by that order or direction or otherwise by law.

6.16 Shares to rank equally

ATA and Atturra covenants in favour of Cirrus (in its own right and on behalf of the Scheme Participants) that:

- (a) the New ATA Shares will, upon their issue, rank equally in all respects with all other ATA Shares then on issue;
- (b) it will do everything reasonably necessary to ensure that the New ATA Shares issued as Scheme Consideration will be listed for quotation on the official list of ASX and commence trading on a normal settlement basis no later than the first Business Day after the Implementation Date;

- (c) the New ATA Shares will be duly and validly issued in accordance with applicable laws; and
- (d) on issue, each New ATA Share will be fully paid and free from any Encumbrance.

6.17 Joint holders

In the case of Scheme Shares held in joint names:

- (a) any New ATA Shares to be issued under this Scheme must be issued and registered in the names of the joint holders and entry in the ATA Register must take place in the same order as the holders' names appear in the Cirrus Register;
- (b) any cheque required to be sent under this Scheme must be payable to the joint holders and sent to the holder whose name appears first in the Cirrus Register on the Record Date; and
- (c) any document required to be sent under this Scheme, will be forwarded to either, the holder whose name appears first in the Cirrus Register as at the Record Date or to the joint holders.

7 Dealings in Scheme Shares

7.1 Determination of Scheme Participants

To establish the identity of the Scheme Participants, dealings in Scheme Shares or other alterations to the Cirrus Register will only be recognised by Cirrus if:

- (a) in the case of dealings of the type to be effected using CHES, the transferee is registered in the Cirrus Register as the holder of the relevant Scheme Shares on or before the Record Date; and
- (b) in all other cases, registrable transmission applications or transfers in registrable form in respect of those dealings are received on or before the Record Date at the place where the Cirrus Register is kept,

and Cirrus will not accept for registration, nor recognise for any purpose any transfer or transmission application or other request received after such times, or received prior to such times but not in registrable or actionable form, as appropriate.

7.2 Register

Cirrus must register any registrable transmission applications or transfers of the Scheme Shares received in accordance with **clause 7.1(b)** of this Scheme on or before the Record Date.

7.3 No disposals after Record Date

- (a) If this Scheme becomes Effective, a holder of Scheme Shares (and any person claiming through that holder) must not dispose of or purport or agree to dispose of any Scheme Shares or any interest in them after the

Record Date in any way except as set out in this Scheme and any such disposal will be void and of no legal effect whatsoever.

- (b) Cirrus will not accept for registration or recognise for any purpose any transmission, application or transfer in respect of Scheme Shares received after the Record Date (except a transfer to Atturra pursuant to this Scheme and any subsequent transfer by Atturra or its successors in title).

7.4 Maintenance of Cirrus Register

For the purpose of determining entitlements to the Scheme Consideration, Cirrus will maintain the Cirrus Register in accordance with the provisions of this **clause 7.4** until the Scheme Consideration has been issued to the Scheme Participants and Atturra has been entered in the Register as the holder of all the Scheme Shares. The Cirrus Register in this form will solely determine entitlements to the Scheme Consideration.

7.5 Effect of certificates and holding statements

Subject to provision of the Scheme Consideration and registration of the transfer to Atturra contemplated in **clauses 5.2** and **7.4** of this Scheme, any statements of holding in respect of Scheme Shares will cease to have effect after the Record Date as documents of title in respect of those shares (other than statements of holding in favour of Atturra and its successors in title). After the Record Date, each entry current on the Cirrus Register as at the Record Date (other than entries in respect of Atturra or its successors in title) will cease to have effect except as evidence of entitlement to the Scheme Consideration in respect of the Cirrus Shares relating to that entry.

7.6 Details of Scheme Participants

Within 3 Business Days after the Record Date, Cirrus will ensure that details of the names, Registered Addresses and holdings of Scheme Shares for each Scheme Participant, as shown in the Cirrus Register at the Record Date, are available to Atturra and ATA in such form as Atturra reasonably requires.

7.7 Quotation of Cirrus Shares

Suspension of trading on ASX in Cirrus Shares will occur from the close of trading on ASX on the Effective Date.

7.8 Termination of quotation of Cirrus Shares

After this Scheme has been fully implemented (including after the Cirrus Register and the ATA Register have been updated in accordance with **clauses 5.2(b)** and **6.3(a)** of this Scheme), Cirrus will apply:

- (a) for termination of the official quotation of Cirrus Shares on ASX; and
- (b) to have itself removed from the official list of ASX.

8 Instructions and notification

If not prohibited by law (and including where permitted or facilitated by relief granted by a Governmental Authority), all instructions, notifications or elections by a Scheme Participant to Cirrus that are binding or deemed binding between the Scheme Participant and Cirrus relating to ATA Shares, including instructions, notifications or elections relating to:

- (a) whether dividends are to be paid by cheque or into a specific bank account;
- (b) payments of dividends on ATA Shares; and
- (c) notices or other communications from Cirrus (including by email),

will be deemed from the Implementation Date (except to the extent determined otherwise by Atturra in its sole discretion), by reason of this Scheme, to be made by the Scheme Participant to ATA and to be a binding instruction, notification or election to, and accepted by, ATA until that instruction, notification or election is revoked or amended in writing addressed to ATA at its registry.

9 Power of attorney

Each Scheme Participant, without the need for any further act by any Scheme Participant, irrevocably appoints Cirrus and each of its directors and secretaries (jointly and each of them individually) as its attorney and agent for the purpose of:

- (a) executing any document necessary or expedient to give effect to this Scheme including the Share Scheme Transfer;
- (b) enforcing the Deed Poll against Atturra and ATA, and Cirrus accepts such appointment.

10 Notices

10.1 No deemed receipt

If a notice, transfer, transmission application, direction or other communication referred to in this Scheme is sent by post to Cirrus, it will not be taken to be received in the ordinary course of post or on a date and time other than the date and time (if any) on which it is actually received at Cirrus's registered office or at the office of the registrar of Cirrus Shares.

10.2 Accidental omission

The accidental omission to give notice of the Scheme Meeting or the non-receipt of such a notice by any Cirrus Shareholder will not, unless so ordered by the Court, invalidate the Scheme Meeting or the proceedings of the Scheme Meeting.

11 General

11.1 Variations, alterations and conditions

- (a) Cirrus may, with the consent of Atturra, by its counsel or solicitor consent on behalf of all persons concerned to any variations, alterations or conditions to this Scheme which the Court thinks fit to impose.
- (b) Each Scheme Participant agrees to any such alterations or conditions which Cirrus has consented to pursuant to **clause 11.1(a)** of this Scheme.

11.2 Further action by Cirrus

Cirrus will execute all documents and do all things (on its own behalf and on behalf of each Scheme Participant) necessary or expedient to implement, and perform its obligations under, this Scheme.

11.3 Authority and acknowledgement

Each of the Scheme Participants:

- (a) irrevocably consents to Atturra and Cirrus doing all things necessary or expedient for or incidental to the implementation of this Scheme; and
- (b) acknowledges that this Scheme binds Cirrus and all Scheme Participants (including those who do not attend the Scheme Meeting or do not vote at that meeting or vote against the Scheme at that Scheme Meeting) and, to the extent of any inconsistency and to the extent permitted by law, overrides the constitution of Cirrus.

11.4 No liability when acting in good faith

Without prejudice to the parties' rights under the Scheme Implementation Deed, none of ATA, Atturra or Cirrus, nor any of their respective officers, will be liable for anything done or omitted to be done in the performance of this Scheme in good faith.

11.5 Enforcement of Deed Poll

Cirrus undertakes in favour of each Scheme Participant to enforce the Deed Poll against ATA and Atturra on behalf of and as agent and attorney for the Scheme Participants.

11.6 Stamp duty

Atturra must pay all stamp duty (including any fines, penalties and interest) payable in connection with this Scheme.

11.7 General interpretation

Headings and labels used for definitions are for convenience only and do not affect interpretation. Unless the contrary intention appears, in this document:

- (a) the singular includes the plural and vice versa;
- (b) the meaning of general words is not limited by specific examples introduced by "including", "for example", "such as" or similar expressions;

- (c) a reference to “**person**” includes an individual, a body corporate, a partnership, a joint venture, an unincorporated association and an authority or any other entity or organisation;
- (d) a reference to a particular person includes the person’s executors, administrators, successors, substitutes (including persons taking by novation) and assigns;
- (e) a reference to a time of day is a reference to the time in Perth, Western Australia or Sydney, New South Wales as the context requires, in particular where a reference is to a time in respect of the Court, such reference will be in respect of Sydney, NSW time and where a reference to time is in respect of the Record Date, such reference will be in respect of Perth, Western Australia;
- (f) a reference to dollars, \$ or A\$ is a reference to the currency of Australia;
- (g) a reference to “law” includes common law, principles of equity and legislation (including regulations);
- (h) a reference to any legislation includes regulations under it and any consolidations, amendments, re-enactments or replacements of any of them;
- (i) a reference to “**regulations**” includes instruments of a legislative character under legislation (such as regulations, rules, by-laws, ordinances and proclamations);
- (j) a reference to a group of persons is a reference to any 2 or more of them jointly and to each of them individually;
- (k) a period of time starting from a given day or the day of an act or event, is to be calculated exclusive of that day;
- (l) if a party must do something under this document on or by a given day and it is done after 5.00 pm on that day, it is taken to be done on the next day; and
- (m) if the day on which a party must do something under this document is not a Business Day, the party must do it on the next Business Day.

12 Governing law

12.1 Governing law and jurisdiction

The law in force in the place specified in New South Wales, Australia governs this document. The parties irrevocably and unconditionally submit to the non-exclusive jurisdiction of the courts of New South Wales, Australia.

12.2 Serving documents

Without preventing any other method of service, any document in an action in connection with this document may be served on a party by being delivered or left at that party’s address for service of notices or with its process agent.

Deed Poll

Scheme Deed Poll

Cirrus Networks Holdings Limited

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Date 11 October 2023 | 15:51 AEDT

Parties

Atturra Holdings Pty Ltd ACN 132 368 104 of c/- Kanji Group Pty Limited, 'Aurora Place', Level 33, 88 Phillip Street, Sydney NSW 2000 (**Bidder**)

Atturra Limited ACN 654 662 638 of c/- Kanji Group Pty Limited, 'Aurora Place', Level 33, 88 Phillip Street, Sydney NSW 2000 (**ATA**)

In favour of:

Each Scheme Participant

Background

- A On 10 September 2023, Bidder, Target and ATA entered into the Scheme Implementation Deed. On 15 September 2023, the Scheme Implementation Deed was amended and restated to incorporate an increase to the Scheme Consideration. On 3 October 2023 the Scheme Implementation Deed was amended and restated to incorporate a mechanism pursuant to which foreign Scheme Participants are able to elect to receive Share Consideration.
 - B Target has agreed in the Scheme Implementation Deed to propose the Scheme pursuant to which (among other things), subject to the Scheme becoming Effective, Bidder will acquire all of the Scheme Shares from Scheme Participants for the Scheme Consideration.
 - C In accordance with the Scheme Implementation Deed, Bidder enters into this document for the purposes of covenanting in favour of the Scheme Participants that it will perform all actions attributed to it under the Scheme.
 - D ATA enters into this document for the purposes of covenanting in favour of the Scheme Participants that it will perform all actions attributed to it under the Scheme, including that it will issue the ATA Shares.
-

Agreed terms

1 Definitions

Unless the context otherwise requires, terms defined in the Scheme have the same meaning when used in this document.

In this document these terms have the following meanings:

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Scheme Implementation Deed	The scheme implementation deed entered into between ATA, Bidder and Target on 10 September 2023 and amended and restated on 15 September 2023 and 3 October 2023 with respect to the Scheme and associated matters.
Scheme	The scheme of arrangement under Part 5.1 of the Corporations Act between Target and the Scheme Shareholders, substantially in the form set out in Annexure 1 , subject to any alterations or conditions made or required by the Court under subsection 411(6) of the Corporations Act and agreed to in writing by Bidder and the Target.
Target	Target means Cirrus Networks Holdings Limited ACN 103 348 947.

1.1 Interpretation

The provisions of clause 11.7 of the Scheme form part of this document as if set out in full in this document, on the basis that references to 'this Scheme' in that clause are references to 'this document', unless the context makes it clear that a rule is not intended to apply.

1.2 Nature of Deed Poll

The Bidder and ATA acknowledge that:

- (a) this document may be relied on and enforced by any Scheme Participant in accordance with its terms, even though the Scheme Participant is not party to it; and
- (b) under the Scheme, each Scheme Participant irrevocably appoints the Target and each of its directors and officers (jointly and severally) as its agent and attorney to enforce this document against the Bidder and ATA on behalf of that Scheme Participant.

2 Condition precedent and termination

2.1 Condition precedent

This document, and the obligations of the Bidder and ATA under this document, are subject to the Scheme becoming Effective on the Effective Date.

2.2 Termination

The obligations of the Bidder and ATA under this document will automatically terminate, and the terms of this document will be of no force or effect, if:

- (a) the Scheme Implementation Deed is terminated in accordance with its terms; or
- (b) the Scheme is not Effective by the End Date; or

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- (c) the Scheme lapses and becomes of no further force or effect under clause 4 of the Scheme,

unless the Target and the Bidder otherwise agree in writing.

2.3 Consequences of termination

If this document terminates under **clause 2.2**, then, in addition and without prejudice to any other rights, powers or remedies available to it:

- (a) Bidder and ATA are released from their obligations to further perform this document, except those obligations under **clause 7.8**; and
- (b) each Scheme Participant retains the rights it has against the Bidder and ATA in respect of any breach of the terms of this document which occurs before it is terminated.

3 Performance of obligations generally

Subject to **clause 2**, each of ATA and the Bidder must comply with its respective obligations under the Scheme Implementation Deed and must do all things necessary or desirable on its part to implement the Scheme, including executing the Scheme Transfer as contemplated by clause 5.2 of the Scheme to effect the transfer of the Scheme Shares from the Scheme Participants to the Bidder and delivering that executed Scheme Transfer to the Target for registration.

4 Scheme Obligations

4.1 Provision of Scheme Consideration

Subject to **clause 2**, ATA and Bidder undertake in favour of each Scheme Participant to provide, or procure the provision of, the Scheme Consideration to each Scheme Participant in accordance with the terms of the Scheme, and to undertake all other actions attributable to it under the Scheme.

4.2 Manner of payment

ATA and Bidder's obligation to provide the Scheme Consideration under **clause 4.1** is satisfied by:

- (a) in respect of the Cash Consideration, Bidder no later than two Business Days before the Implementation Date, depositing, or procuring the deposit of, in cleared funds an amount equal to the Maximum Cash Consideration Pool in accordance with the Scheme into an Australian dollar denominated trust account with an Authorised Deposit Taking Institution (as defined in the *Banking Act 1959* (Cth)) operated by the Target as trustee for those Scheme Participants (except that the amount of any interest on the amount deposited, less bank fees and other charges, will be credited to ATA's account); and

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- (b) in respect of the Share Consideration, ATA issuing, on or before the Implementation Date, the New ATA Shares required to be issued under the Scheme and procuring that the name and address of each such Scheme Participant is entered in ATA's register of members in respect of those New ATA Shares,

subject to and in accordance with the terms of the Scheme.

4.3 Shares to rank equally

ATA covenants in favour of each Scheme Participant that the New ATA Shares which are issued in accordance with the Scheme will:

- (a) rank equally in all respects with all other ATA Shares on issue as at the Effective Date; and
- (b) be issued fully paid and free from any Security Interest or encumbrance.

4.4 Joint holders

In the case of Scheme Shares held in joint names:

- (a) any bank cheque required to be paid to Scheme Participants by ATA must be payable to the joint holders and be forwarded to the holder whose name appears first in the Target's register of members at the Record Date; and
- (b) any New ATA Shares to be provided under the Scheme must be provided to, and registered in the names of, the joint holders.

5 Warranties

Each of the Bidder and ATA makes the following representations and warranties in favour of each Scheme Participant:

- (a) **(Status)** it is a corporation validly existing under the laws of the place of its incorporation;
- (b) **(Power)** it has the corporate power to enter into and perform its obligations under this document and to carry out the transactions contemplated by this document;
- (c) **(Corporate authorisations)** it has taken all necessary corporate action to authorise its entry into this document and has taken or will take all necessary corporate action to authorise the performance of this document and to carry out the transactions contemplated by this document;
- (d) **(Document binding)** this document is valid and binding on it and enforceable against it in accordance with its terms;
- (e) **(Transactions permitted)** the execution and performance by it of this document and each transaction contemplated by this document did not and will not violate a provision of:
 - (i) a law, judgment, ruling or order or decree binding on it; or

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- (ii) its constitution or other constituent documents;
- (f) **(Solvency)** it is solvent and no resolutions have been passed nor has any other step been taken or legal proceedings commenced or threatened against it for its winding up or dissolution or for the appointment of a liquidator, receiver, administrator or similar officer over any or all of its assets;
- (g) **(Regulatory action)** no regulatory action of any nature has been taken which would prevent, inhibit or otherwise have a material adverse effect on its ability to fulfil its obligations under this document; and
- (h) **(No breach)** this document does not conflict with, or result in the breach of or default under, any provision of the constitution of Bidder or any material term or provision of any agreement, or any writ, order or injunction, judgment, law, rule or regulation to which it is a party or by which it is bound.

6 Continuing Obligations

This document is irrevocable and, subject to **clause 2**, remains in full force and effect until the earlier of:

- (a) the Bidder and ATA having fully performed their obligations under this document; or
- (b) the termination of this document under **clause 2**.

7 General

7.1 Notices

- (a) A notice, consent, approval, waiver or other communication sent to Bidder or ATA under this document (**Notice**) must be:
 - (i) in writing;
 - (ii) sent by an authorised representative of the sender; and
 - (iii) marked for the attention of the person named below, and must be:
 - (iv) left at, or sent by commercial courier to, the address set out below; or
 - (v) sent by email to the address set out below.

Bidder

Attention: Stephen Kowal

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Address: c/- Kanji Group Pty Limited, 'Aurora Place', Level 33, 88 Phillip Street, Sydney NSW 2000

Email: stephen.kowal@atturra.com

With a copy to (which does not constitute notice)

Attention: Grant Hummel

Address: HWL Ebsworth Lawyers, Level 14, Australia Square, 264-278 George Street, Sydney NSW 2000

Email: ghummel@hwle.com.au

with a copy (for information purposes only) to: Corrs Chambers Westgarth

Attention: Gaynor Tracey / Andrew Lumsden

Address: Corrs Chambers Westgarth, Quay Quarter Tower, Level 37, 50 Bridge Street, Sydney NSW 2000

Email: Gaynor.Tracey@corrs.com.au / Andrew.Lumsden@corrs.com.au

ATA

Attention: Stephen Kowal

Address: c/- Kanji Group Pty Limited, 'Aurora Place', Level 33, 88 Phillip Street, Sydney NSW 2000

Email: stephen.kowal@atturra.com

With a copy to (which does not constitute notice)

Attention: Grant Hummel

Address: HWL Ebsworth Lawyers, Level 14, Australia Square, 264-278 George Street, Sydney NSW 2000

Email: ghummel@hwle.com.au

with a copy (for information purposes only) to: Corrs Chambers Westgarth

Attention: Gaynor Tracey / Andrew Lumsden

Corrs Chambers Westgarth

Address: Corrs Chambers Westgarth, Quay
Quarter Tower, Level 37, 50 Bridge
Street, Sydney NSW 2000

Email: Gaynor.Tracey@corrs.com.au /
Andrew.Lumsden@corrs.com.au

- (b) Subject to **clause 7.1(c)**, a Notice is taken to be received:
- (i) if sent by delivery, when it is delivered;
 - (ii) if sent by commercial courier, three days after dispatch; and
 - (iii) if sent by email:
 - (A) when the sender receives an automated message confirming delivery; or
 - (B) four hours after the time sent (as recorded on the device from which the email was sent), provided that the sender does not receive an automated message that the email has not been delivered,
- whichever happens first.
- (c) If a Notice is taken to be received under **clause 7.1(b)**:
- (i) before 9:00am on a Business Day, it will be taken to be received at 9:00am on that Business Day; or
 - (ii) after 5:00pm on a Business Day or on a non-Business Day, it will be taken to be received at 9:00am on the next Business Day.

7.2 Amendment and Variation

This document may not be amended or varied unless:

- (a) before the First Court Date, the amendment or variation is agreed to in writing by the Target; or
- (b) on or after the First Court Date, the amendment or variation is agreed to in writing by the Target and the Court indicates that the variation would not of itself preclude approval of the Scheme,

in which event the Bidder and ATA must enter into a further deed poll in favour of the Scheme Participants giving effect to that amendment or variation.

7.3 Assignment

The rights and obligations of the Bidder, ATA and each Scheme Participant created by this document are personal. They cannot be assigned, encumbered or otherwise dealt with and no person may attempt, or purport, to do so without the prior written consent of the Target or the Bidder or ATA (as appropriate).

7.4 Waiver

A party does not waive a right, power or remedy if it fails to exercise or delays in exercising the right, power or remedy. A single or partial exercise by a party

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of any right, power or remedy does not prevent any other or further exercise of that or another right, power or remedy. A waiver of a right, power or remedy is not valid or binding unless made in writing and signed by the party giving the waiver.

7.5 Cumulative rights

The rights, powers and remedies of the Bidder, ATA and each Scheme Participant under this document are cumulative and do not exclude or limit, any other rights, powers or remedies provided by law or equity or by any agreement independently of this document.

7.6 Further assurances

The Bidder and ATA will do all things necessary to give full effect to the provisions of this document.

7.7 No merge

The rights and obligations of the Bidder and ATA will not merge on the completion of any transaction contemplated by this document. They will survive the execution and delivery of any assignment or other document entered into for the purpose of implementing a transaction.

7.8 Costs and Stamp duty

- (a) The Bidder and ATA must bear their own costs arising out of the negotiation, preparation and execution of this document.
- (b) The Bidder must pay all stamp duties and any related fines and penalties payable on or in connection with this document and any instrument executed under any transaction evidenced by this document.

7.9 Governing law and jurisdiction

The law in force in the place specified in New South Wales, Australia governs this document. The parties irrevocably and unconditionally submit to the non-exclusive jurisdiction of the courts of New South Wales, Australia.

Corrs Chambers Westgarth

Execution

Executed as a deed poll.

**Executed by Atturra Holdings Pty Ltd)
ACN 132 368 104 in accordance with)
section 127 of the Corporations Act**

2001 (Cth):

Kunal Shah
.....
B6A7986BFB19402...

Company Secretary/Director

Kunal Shah

.....
Name of Company Secretary/Director
(print)

DocuSigned by:

Stephen Kowal
.....
07D1822FA5F443A...

Director

Stephen Kowal

.....
Name of Director (print)

**Executed by Atturra Limited ACN 654)
662 638 in accordance with section 127)
of the Corporations Act 2001 (Cth):**

Kunal Shah
.....
B6A7986BFB19402...

Company Secretary/Director

Kunal Shah

.....
Name of Company Secretary/Director
(print)

DocuSigned by:

Stephen Kowal
.....
07D1822FA5F443A...

Director

Stephen Kowal

.....
Name of Director (print)

Corrs Chambers Westgarth

Annexure 1

Scheme Terms

Annexure B

Scheme

Scheme of Arrangement

Cirrus Networks Holdings Limited

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Date

Parties

Cirrus Networks Holdings Limited ACN 103 348 947 of Level 28, 108 St Georges Terrace, Perth, Western Australia, 6000 (**Cirrus**)

Scheme Participants Each registered holder of Cirrus Shares as at the Record Date (other than Excluded Shareholders) (**Scheme Participants**)

Agreed terms

1 Definitions

In this document these terms have the following meanings:

ASIC	The Australian Securities & Investments Commission.
ASX	ASX Limited (ACN 008 624 691) or the market operated by it, as the context requires.
ATA	Atturra Limited ACN 654 662 638.
ATA Register	The register of shareholders maintained by ATA or its agent.
ATA Registry	ATA's share registry provider, Computershare Limited ACN 005 485 825.
ATA VWAP	\$0.8815 (rounded to 4 decimal places).
Atturra	Atturra Holdings Pty Ltd ACN 132 368 104.
Business Day	A business day as defined in the Listing Rules, provided that such day is not a day on which the banks in Perth, Western Australia or Sydney, New South Wales are authorised or required to close.
Cash Consideration	The amount of cash to be paid by Cirrus in accordance with clause 6.4 , subject to the Scaleback Arrangements.
CGT Withholding Law	The foreign resident capital gains tax withholding law in Subdivision 14-D of Schedule 1 of the TAA.
CHESS	The clearing house electronic sub-register system of share transfers operated by ASX Settlement and Transfer Corporation Pty Ltd.
Cirrus Register	The register of shareholders maintained by Cirrus or its agent.
Cirrus Share	A fully paid ordinary share in the capital of Cirrus.

Cirrus Shareholder	Each person who is registered in the Cirrus Register as a holder of Cirrus Shares.
Commissioner	The Commissioner of Taxation of Australia.
Corporations Act	The <i>Corporations Act 2001</i> (Cth).
Court	The Supreme Court of New South Wales, or another court of competent jurisdiction under the Corporations Act agreed in writing by Atturra and Cirrus.
Deed Poll	The deed poll executed by Atturra and ATA substantially in the form of annexure B of the Scheme Implementation Deed or as otherwise agreed by Cirrus and Atturra under which Atturra and ATA covenants in favour of each Scheme Participant to perform their respective obligations under this Scheme.
Default Consideration	Where a Scheme Participant either elects or is deemed to elect to receive for each Scheme Share they hold: <ol style="list-style-type: none"> 1. \$0.0473; and 2. 0.0179 ATA Shares, subject to the terms of this Scheme.
Effective	The coming into effect, pursuant to section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to this Scheme, but in any event at no time before an office copy of the order of the Court is lodged with ASIC.
Effective Date	The date on which this Scheme becomes Effective.
Election	Has the meaning given in clause 6.4 .
Election Form	The form issued by Cirrus under which each Cirrus Shareholder (other than any Relevant Unmarketable Parcel Shareholder) is requested to elect to receive either the Default Consideration, the Split Consideration, the Maximum Share Consideration or the Maximum Cash Consideration in respect of all of their Scheme Shares.
Election Time	7.00 pm on the date which is five Business Days before the date of the Scheme Meeting or such other date as agreed in writing by Cirrus and Atturra.
Encumbrance	Any security for the payment of money or performance of obligations, including a mortgage, charge, lien, pledge, trust, power or title retention or flawed deposit arrangement, "security interest" as defined in sections 12(1) or 12(2) of the PPSA, right of first refusal, pre-emptive right, any similar restriction, or any agreement to create any of them or allow them to exist.

End Date	23 December 2023 or such other date as is agreed in writing by Cirrus and Atturra.
Excluded Shareholder	Atturra.
Governmental Authority	ASIC, the Court, the Takeovers Panel and any other government or representative of a government or any governmental, semi-governmental, administrative, fiscal, regulatory, or judicial body, department, commission, authority, tribunal, agency, competition authority or entity and includes any minister and any regulatory organisation established under statute or any stock exchange.
Implementation Date	The 5th Business Day following the Record Date or such other date after the Record Date as is agreed in writing by Cirrus and Atturra.
Ineligible Foreign Shareholder	A Cirrus Shareholder whose address shown in the Cirrus Register is a place outside Australia and its external territories or New Zealand unless Atturra determines that it is lawful and not unduly onerous or unduly impracticable to issue that Cirrus Shareholder with the New ATA Shares on implementation of the Scheme.
Listing Rules	The Listing Rules of ASX and any other applicable rules of ASX modified to the extent of any express written waiver by ASX.
Maximum Cash Consideration	Where the Scheme Participant elects to receive 100% cash for each Scheme Share (which equals (per Scheme Share) \$0.0473 plus the cash value of the 0.0179 ATA Shares (calculated by reference to the ATA VWAP) and subject to the Scaleback Arrangements.
Maximum Cash Consideration Pool	\$44,568,422.54 (rounded to 2 decimal places).
Maximum Share Consideration	Where the Scheme Participant elects to receive 100% of its consideration in ATA Shares (the number of ATA Shares to be issued per Scheme Share calculated as 0.0179 ATA Shares plus the number of ATA Shares that equal \$0.0473 divided by the ATA VWAP (being 0.0536 ATA Shares) and subject to the Scaleback Arrangements.
Maximum Share Consideration Pool	16,616,677 ATA Shares (rounded up to whole number).
New ATA Share	A fully paid ATA Share to be issued by ATA.

Nominee	A Scheme Participant who holds one or more parcels of Scheme Shares as trustee or nominee for, or otherwise on account of, another person.
Opt-in Notice	A notice by an Unmarketable Parcel Shareholder requesting to receive the Scheme Consideration as New Cirrus Shares.
PPSA	The <i>Personal Property Securities Act 2009</i> (Cth).
Record Date	5.00 pm on the 5th Business Day following the Effective Date or any other date as agreed by Atturra and Cirrus.
Registered Address	In relation to a Cirrus Shareholder, the address of that Cirrus Shareholder shown in the Cirrus Register.
Registry	Cirrus' share registry provider, Automic Pty Limited ACN 152 260 814.
Relevant Unmarketable Parcel Shareholder	An Unmarketable Parcel Shareholder who has not provided Cirrus with an Opt-in Notice before 5.00pm on the Business Day prior to the Record Date.
Rights	All accretions, rights and benefits attaching to, or arising from, the Scheme Shares directly or indirectly, including any capital returns, all dividends and all rights to receive them and rights to receive or subscribe for shares, notes, bonds, options or other securities or entitlements declared, paid or issued by Cirrus.
Sale Agent	A person appointed by Atturra to sell the Sale Shares under clause 6.4 .
Sale Proceeds	The gross proceeds of sale of the Sale Shares under clause 6.4(b) less any applicable taxes, fees and charges incurred by Atturra or the Sale Agent in connection with the sale.
Sale Shares	The New Atturra Shares to which Ineligible Foreign Shareholders would have been entitled under this Scheme but for the operation of clause 6.4 .
Scaleback Arrangements	The Cash Scaleback Arrangements set out in clause 6.9 and the Share Scaleback Arrangements set out in clause 6.10 .
Scheme	This scheme of arrangement between Cirrus and Scheme Participants under which all of the Scheme Shares will be transferred to Atturra under Part 5.1 of the Corporations Act as described in clause 6 of this Scheme, in consideration for the Scheme Consideration, subject to any amendments or conditions made or required by the Court pursuant to section 411(6) of the Corporations Act to the extent they are

	approved in writing by Atturra and Cirrus in accordance with clause 11 of this Scheme.
Scheme Consideration	The consideration payable by Atturra and ATA for the transfer to Atturra of Cirrus Shares held by a Scheme Participant, being the Cash Consideration and the Share Consideration.
Scheme Implementation Deed	The Scheme Implementation Deed dated 10 September 2023 between Atturra, ATA and Cirrus and amended and restated on 15 September 2023 and on 3 October 2023, under which, amongst other things, Cirrus has agreed to propose this Scheme to Cirrus Shareholders, and each of Cirrus, ATA and Atturra have agreed to take certain steps to give effect to this Scheme, a copy of which was released in full to ASX on 11 September 2023, with a further announcement on 15 September 2023 to incorporate an increase in Scheme Consideration.
Scheme Meeting	The meeting of Cirrus Shareholders ordered by the Court to be convened pursuant to section 411(1) of the Corporations Act at which Cirrus Shareholders will vote on this Scheme.
Scheme Participant	Each person who is registered in the Cirrus Register as a holder of Scheme Shares as at the Record Date (other than Excluded Shareholders).
Scheme Share	A Cirrus Share held by a Scheme Participant as at the Record Date and, for the avoidance of doubt, includes any Cirrus Shares issued on or before the Record Date.
Second Court Date	The first day on which an application made to the Court under section 411(4)(b) of the Corporations Act approving the Scheme is heard or scheduled to be heard or, if the application is adjourned for any reason, the date on which the adjourned application is heard or scheduled to be heard.
Share Consideration	The amount of Shares to be issued by ATA under clause 6.4 , subject to the Scaleback Arrangements.
Share Scheme Transfer	For each Scheme Participant, a duly completed and executed proper instrument of transfer of the Scheme Shares held by that Scheme Participant for the purposes of section 1071B of the Corporations Act, which may be a master transfer of all Scheme Shares.
Split Consideration	Where a Scheme Participant elects to receive for each Scheme Share they hold: <ol style="list-style-type: none"> 1. \$0.0315; and 2. 0.0357 ATA Shares,

	and subject to the Scaleback Arrangements.
TAA	The <i>Taxation Administration Act 1953</i> (Cth).
Unmarketable Parcel Shareholder	A Scheme Participant who, based on their holding of Cirrus Shares on the Record Date, would, on implementation of the Scheme, be entitled to receive less than a marketable parcel (as that term is defined in the Listing Rules) of New ATA Shares (assessed by reference to the price of ATA Shares on the ASX at the close of trading on the trading day prior to the Record Date) as Scheme Consideration.
Valid Variation Notice	A Variation Notice, which contains: <ul style="list-style-type: none">(a) the name of each Cirrus Shareholder, referred to in clause 6.14(a), which matches the name of the same Cirrus Shareholder on the Cirrus Register; and(b) an expiry date which is on or after the date Atturra becomes the owner of the shares referred to in clause 6.14(a).
Withholding Amount	The amount that Atturra is required to pay to the Commissioner under Subdivision 14-D of Schedule 1 of the TAA in respect of the acquisition of any Scheme Shares from a Scheme Participant.
Withholding Declaration	A declaration under section 14-225 of Schedule 1 to the TAA in respect of the acquisition of any Scheme Shares by Atturra.

2 Preliminary

2.1 Cirrus

Cirrus is:

- (a) a public company limited by shares;
- (b) incorporated in Australia and registered in Western Australia; and
- (c) admitted to the official list of ASX and Cirrus Shares are officially quoted on the stock market conducted by ASX.

2.2 Atturra

Atturra is:

- (a) a proprietary company limited by shares;
- (b) incorporated in Australia and registered in New South Wales; and
- (c) a wholly owned subsidiary of ATA.

2.3 ATA

ATA is:

- (a) a public company limited by shares;
- (b) incorporated in Australia and registered in New South Wales; and
- (c) admitted to the official list of ASX and ATA Shares are officially quoted on the stock market conducted by ASX.

2.4 If Scheme becomes Effective

If this Scheme becomes Effective:

- (a) in consideration of the transfer of each Scheme Share to Atturra:
 - (i) ATA must provide the Share Consideration to each Scheme Participant receiving Share Consideration; and
 - (ii) Cirrus must provide the Cash Consideration to each Scheme Participant receiving Cash Consideration,in accordance with the terms of this Scheme;
- (b) all Scheme Shares will be transferred to Atturra on the Implementation Date; and
- (c) Cirrus will enter the name of Atturra in the Cirrus Register in respect of all Scheme Shares transferred to Atturra in accordance with the terms of this Scheme.

2.5 Scheme Implementation Deed

Atturra, ATA and Cirrus have agreed to the Scheme by executing the Scheme Implementation Deed to implement the terms of this Scheme.

2.6 Deed Poll

This Scheme attributes actions to Atturra and ATA but does not itself impose an obligation on them to perform those actions. Atturra and ATA have executed the Deed Poll for the purpose of covenanting in favour of the Scheme Participants to perform (or procure the performance of) the obligations attributable to Atturra and ATA as contemplated by this Scheme, including to provide the Scheme Consideration to the Scheme Participants.

3 Conditions precedent

3.1 Conditions precedent to Scheme

This Scheme is conditional on, and has no force or effect until, the satisfaction of each of the following conditions precedent:

- (a) as at 8.00am on the Second Court Date, the Scheme Implementation Deed and Deed Poll not having been terminated;
- (b) all of the conditions precedent in **clause 3.1** of the Scheme Implementation Deed having been satisfied or waived (other than the

conditions precedent relating to Court approval set out in **item 3.1(b)** of the Scheme Implementation Deed) in accordance with the terms of the Scheme Implementation Deed;

- (c) the Court having approved this Scheme, with or without any modification or condition, pursuant to section 411(4)(b) of the Corporations Act, and if applicable, Atturra and Cirrus having accepted in writing any modification or condition made or required by the Court under section 411(6) of the Corporations Act; and
- (d) the coming into effect, pursuant to section 411(10) of the Corporations Act, of the orders of the Court made under section 411(4)(b) of the Corporations Act (and, if applicable, section 411(6) of the Corporations Act) in relation to this Scheme.

3.2 Conditions precedent and operation of clause 5 of this Scheme

The satisfaction of each condition of **clause 3.1** of this Scheme is a condition precedent to the operation of **clause 5** of this Scheme.

3.3 Certificate in relation to conditions precedent

Atturra and Cirrus must provide to the Court on the Second Court Date a certificate, or such other evidence as the Court requests, confirming (in respect of matters within their knowledge) whether or not all of the conditions precedent set out in **clause 3.1** of this Scheme (other than the conditions precedent in **clauses 3.1(c)** and **3.1(d)** of this Scheme) have been satisfied or waived as at 8.00 am on the Second Court Date.

The certificate referred to in this **clause 3.3** is to constitute conclusive evidence of whether the conditions precedent referred to in **clause 3.1** of this Scheme (other than the condition precedent in **clauses 3.1(c)** and **3.1(d)** of this Scheme) have been satisfied or waived as at 8.00 am on the Second Court Date.

4 Scheme

4.1 Effective Date

Subject to **clause 4.2** of this Scheme, this Scheme comes into effect pursuant to section 411(10) of the Corporations Act on and from the Effective Date.

4.2 End Date

Without limiting any rights under the Scheme Implementation Deed, this Scheme lapses and is of no further force or effect if:

- (a) the Effective Date does not occur on or before the End Date or any later date the Court, with the consent of Cirrus and Atturra, may order; or
- (b) the Scheme Implementation Deed or the Deed Poll is terminated in accordance with their respective terms,

unless Cirrus and Atturra otherwise agree in writing.

5 Implementation of Scheme

5.1 Lodgement of Court orders with ASIC

If the conditions precedent set out in **clause 3.1** of this Scheme (other than the condition precedent in **clause 3.1(d)** of this Scheme) are satisfied, Cirrus must lodge with ASIC, in accordance with section 411(10) of the Corporations Act, an office copy of the Court order approving this Scheme as soon as possible, and in any event by no later than 12.00 pm on the first Business Day after the day on which the Court approves this Scheme or such later time as Cirrus and Atturra agree in writing.

5.2 Transfer and registration of Scheme Shares

On the Implementation Date, but subject to the provision of the Scheme Consideration for the Scheme Shares in accordance with **clause 6** of this Scheme and Atturra and ATA having provided Cirrus with written confirmation of the provision of the Scheme Consideration:

- (a) the Scheme Shares, together with all rights and entitlements attaching to the Scheme Shares as at the Implementation Date, will be transferred to Atturra, without the need for any further act by any Scheme Participant (other than acts performed by Cirrus as attorney and agent for Scheme Participants under **clause 9** of this Scheme), by:
 - (i) Cirrus delivering to Atturra a duly completed and executed Share Scheme Transfer executed on behalf of the Scheme Participants by Cirrus, for registration; and
 - (ii) Atturra duly executing the Share Scheme Transfer and delivering it to Cirrus for registration; and
- (b) as soon as practicable after receipt of the duly executed Share Scheme Transfer, Cirrus must enter, or procure the entry of, the name of Atturra in the Cirrus Register in respect of all Scheme Shares transferred to Atturra in accordance with the terms of this Scheme.

5.3 Entitlement to Scheme Consideration

On the Implementation Date, in consideration for the transfer to Atturra of the Scheme Shares, each Scheme Participant is entitled to receive the Scheme Consideration in respect of each of their Scheme Shares in accordance with **clause 6** of this Scheme.

5.4 Title and rights in Scheme Shares

Subject to the provision of the Scheme Consideration for the Scheme Shares as contemplated by **clause 6** of this Scheme, on and from the Implementation Date, Atturra will be beneficially entitled to the Scheme Shares transferred to it under the Scheme, pending registration by Cirrus of Atturra in the Cirrus Register as the holder of the Scheme Shares.

5.5 Warranty by Scheme Participants

Each Scheme Participant warrants to and is taken to have authorised Cirrus to warrant to Atturra as agent and attorney for the Scheme Participant by virtue of this **clause 5.5**, that:

- (a) all of its Scheme Shares (including any Rights attaching to them) transferred to Atturra under the Scheme will, as at the date of the transfer, be fully paid and free from all Encumbrances and other interests of third parties of any kind whether legal or otherwise, and restrictions on transfer of any kind; and
- (b) they have full power and capacity to sell and to transfer their Scheme Shares (including any Rights attaching to them) to Atturra under this Scheme.

5.6 Transfer free of Encumbrances

To the extent permitted by law, all Scheme Shares (including any Rights attaching to them) which are transferred to Atturra under this Scheme will, at the date of the transfer of them to Atturra, vest in Atturra free from all Encumbrances and interests of third parties of any kind, whether legal or otherwise, and free from any restrictions on transfer of any kind not referred to in this Scheme.

5.7 Appointment of Cirrus as sole proxy

Subject to the provision of the Scheme Consideration for the Scheme Shares as contemplated by **clauses 5.2** and **6** of this Scheme, on and from the Implementation Date until Cirrus registers Atturra as the holder of all of the Scheme Shares in the Register, each Scheme Participant:

- (a) irrevocably appoints Cirrus as attorney and agent (and directs Cirrus in such capacity) to appoint Atturra and each of its directors from time to time (jointly and each of them individually) as its sole proxy, and where applicable corporate representative, to attend shareholders' meetings, exercise the votes attaching to Scheme Shares registered in its name and sign any shareholders resolution, and no Scheme Participant may itself attend or vote at any of those meetings or sign any resolutions, whether in person, by proxy or by corporate representative (other than pursuant to this **clause 5.7(a)**);
- (b) must take all other actions in the capacity of the registered holder of Scheme Shares as Atturra directs; and
- (c) acknowledges and agrees that in exercising the powers referred to in **clause 5.7(a)**, Atturra and any director or corporate representative nominated by Atturra under **clause 5.7(a)** may act in the best interests of Atturra as the intended registered holder of the Scheme Shares.

Cirrus undertakes in favour of each Scheme Participant that it will appoint Atturra and each of its directors from time to time (jointly and each of them individually) as that Scheme Participant's proxy or, where applicable, corporate representative in accordance with **clause 5.7(a)** of this Scheme.

6 Scheme Consideration

6.1 Consideration under this Scheme

On the Implementation Date, Atturra and ATA must:

- (a) provide the Scheme Consideration to the Scheme Participants in accordance with this **clause 6**; and
- (b) in satisfaction of ATA and Atturra's obligation to provide such Scheme Consideration to the Scheme Participants under **clause 6.1** of this Scheme, issue the Share Consideration and pay the Cash Consideration in accordance with this **clause 6**.

6.2 Scheme Consideration

Subject to the terms of this Scheme (including **clause 6.4** of this Scheme in relation to Ineligible Foreign Shareholders and **clauses 6.5** and **6.13** in relation to Relevant Unmarketable Parcel Shareholders, and **clause 6.11** of this Scheme in relation to fractional elements), the Scheme Consideration to be provided to each Scheme Participant will be provided by:

- (a) the issue by ATA of the Share Consideration to the relevant Scheme Participants on the Implementation Date; and
- (b) the payment by Cirrus of the Cash Consideration to the relevant Scheme Participants on the Implementation Date.

6.3 Provision of Scheme Consideration

Subject to the other provisions of this **clause 6**, the obligations of Atturra and ATA to provide (or procure the provision of) the Scheme Consideration to the Scheme Participants will be satisfied by:

- (a) procuring that, in the case of the Share Consideration:
 - (i) the name and address of each such Scheme Participant is entered into the ATA Register on the Implementation Date in respect of the New ATA Shares to which it is entitled under this **clause 6**; and
 - (ii) a share certificate or holding statement is sent to the Registered Address of each such Scheme Participant representing the number of New ATA Shares issued to the Scheme Participant pursuant to this Scheme.
- (b) in the case of the Cash Consideration, paying the Cash Consideration to which each relevant Share Participant is entitled in accordance with **clause 6.7**.

6.4 Scheme Consideration for Ineligible Foreign Shareholders

Atturra is under no obligation under this Scheme to issue, and will not issue, any New Atturra Shares to any Ineligible Foreign Shareholders as part of the Scheme Consideration. Instead:

- (a) Atturra must issue the New Atturra Shares that would otherwise have been issued to the Ineligible Foreign Shareholder to the Sales Agent on

the Implementation Date (rounded up or down in the case of fractional entitlements to the nearest whole number, in accordance with clause 6.11);

- (b) Atturra must procure that as soon as reasonably practicable after the Implementation Date, the Sale Agent sells the New Atturra Shares issued to it on-market in such manner, at such price and on such other terms as the Sale Agent determines in good faith;
- (c) promptly after the last sale of those New Atturra Shares, Atturra will procure that the Sale Agent pays to each Ineligible Foreign Shareholder (in accordance with clause 6.4(f) the amount calculated in accordance with the following formula rounded down to the nearest cent:

$$A = (B/C) \times D$$

where:

- A** is the amount to be paid to the Ineligible Foreign Shareholder;
 - B** is the number of New Atturra Shares attributable to, and that would otherwise have been issued to, that Ineligible Foreign Shareholder had it not been an Ineligible Foreign Shareholder and which were instead issued to the Sale Agent;
 - C** is the total number of New Atturra Shares attributable to, and which would otherwise have been issued to, all Ineligible Foreign Shareholders collectively and which were instead issued to the Sale Agent; and
 - D** is the Sale Proceeds.
- (d) Each Ineligible Foreign Shareholder acknowledges that none of Atturra, ATA, Cirrus or the Sale Agent give any assurance as to the price that will be achieved for the sale of the Sale Shares by the Sale Agent. The sale of the Sale Shares by the Sale Agent will be at the risk of the Ineligible Foreign Shareholder.
 - (e) Each Ineligible Foreign Shareholder appoints Cirrus as its agent to receive on its behalf any financial services guide or other notices that the Sale Agent is required to provide to the Ineligible Foreign Shareholder under the Corporations Act.
 - (f) The Sale Proceeds may be paid by Atturra in the following manner:
 - (i) where the Ineligible Foreign Shareholder has, before the Record Date, made a valid election in accordance with the requirements of the Registry to receive dividend payment from Cirrus by electronic funds transfer to a bank account nominated by the Ineligible Foreign Shareholder, paying or procuring the payment of, the relevant amount in Australian currency by electronic means in accordance with that election; or

- (ii) otherwise, whether or not the Ineligible Foreign Shareholder has made an election referred to in **clause 6.4(f)(i)**, dispatching or procuring the dispatch of, a cheque for the relevant amount in Australian currency to the Ineligible Foreign Shareholder by prepaid post to their Registered Address (as at the Record Date), such cheque being drawn in the name of the Ineligible Foreign Shareholder (or in the case of joint holders, in accordance with the procedures set out in **clause 6.17**).

6.5 Scheme Consideration for Relevant Unmarketable Parcel Shareholders

A Scheme Participant that is a Relevant Unmarketable Parcel Holder is entitled to the Maximum Cash Consideration and will not be subject to the Scaleback Arrangements.

6.6 Election (all other Scheme Participants)

- (a) A Scheme Participant (other than Relevant Unmarketable Parcel Shareholders), may make an election (**Election**) to receive the Default Consideration, the Split Consideration, the Maximum Cash Consideration or the Maximum Share Consideration for all of their Scheme Shares by validly completing the Election Form, such Election being subject to the terms of this Scheme.
- (b) ATA must not issue any Share Consideration under this Scheme to or in respect of any Relevant Unmarketable Parcel Shareholder. Accordingly, no Relevant Unmarketable Parcel Shareholder may make a valid Election to receive the Default Consideration, the Split Consideration or the Maximum Share Consideration (and any such purported Election by or on behalf of a Relevant Unmarketable Parcel Shareholder is void) and neither Atturra nor ATA is under any obligation to issue or procure the issue of the Default Consideration, the Split Consideration or Maximum Scrip Consideration to any Relevant Unmarketable Parcel Shareholder.
- (c) Subject to **clause 6.4(j)** for an Election to be valid:
 - (i) the Scheme Participant must not be a Relevant Unmarketable Parcel Shareholder;
 - (ii) the Scheme Participant must complete and sign the Election Form in accordance with the instructions in the Scheme Booklet and the terms and conditions set out in the Election Form; and
 - (iii) the Election Form must be received by the ATA Registry by the Election Time at the address specified in the Scheme Booklet and on the Election Form.
- (d) A Scheme Participant that makes an Election may vary, withdraw or revoke that Election by lodging a replacement Election Form (such form to be requested from the ATA Registry), provided such replacement Election Form is received by the ATA Registry by the Election Time.

- (e) If a valid Election is not made by a Scheme Participant that is not a Relevant Unmarketable Parcel Shareholder or no Election is made by a Scheme Participant that is not an Relevant Unmarketable Parcel Shareholder, then that Scheme Participant is taken to have elected to receive the Default Consideration in respect of all of their Scheme Shares.
- (f) Subject to this **clause 6.4**, **clause 6.7** and **6.8** and the Scaleback Arrangements, if a Scheme Participant makes a valid Election, that Election is taken to apply in respect of that Scheme Participant's entire registered holding of Scheme Shares at the Scheme Record Date, regardless of whether the Scheme Participant's holding of Scheme Shares at the Scheme Record Date is greater or less than the Scheme Participant's holding at the time it made its Election.
- (g) In the manner considered appropriate by, and agreed between, Cirrus and Atturra (acting reasonably including after consultation with the ATA Registry), a Nominee, may make separate Elections in relation to each of those parcels of Scheme Shares, and if it does so will be treated as a separate Scheme Participant in respect of each such parcel in respect of which a separate Election is made (and in respect of any balance of its holdings), provided that if, at the Scheme Record Date, it holds fewer Cirrus Shares than it held at the time it made the Election, then, unless it has at the time of any sale of Cirrus Shares notified Atturra whether the Cirrus Shares sold relate to any such separate Election (and if so which separate Election the Cirrus Shares sold relate to), it will be treated as not having made a valid Election in respect of any of its Cirrus Shares (or will be treated in any other manner that Atturra and Cirrus agree is fair to the Cirrus Shareholder, in all the circumstances acting reasonably).
- (h) Subject to **clauses 6.4(i)** and **6.4(j)**, an Election Form will not be valid unless it is completed and received in accordance with the procedures set out in **clause 6.4(c)**.
- (i) ATA will determine, in its sole discretion (after consulting with Cirrus in good faith), all questions as to the correct completion of an Election Form, and time of receipt of an Election Form. The ATA Registry is not required to communicate with any Scheme Participant prior to making this determination. The determination of ATA will be final and binding on the Scheme Participant.
- (j) Notwithstanding **clause 6.4(c)**, with the prior written consent of Atturra (such consent not to be unreasonably withheld or delayed), ATA may at any time and without further communication to the relevant Scheme Participant, deem any Election Form it receives from a Scheme Participant to be a valid Election in respect of the relevant Scheme Shares, even if a requirement for a valid Election has not been complied with.

6.7 Provision of Maximum Cash Consideration Pool

- (a) Atturra must by no later than two Business Days before the Implementation Date, deposit, or procure the deposit, in cleared funds an amount equal to the Maximum Cash Consideration Pool in accordance with this Scheme into an Australian dollar denominated trust account with an Authorised Deposit-taking Institution (as defined by the *Banking Act 1959* (Cth)) operated by Cirrus as trustee for the Scheme Participants (**Trust Account**) (provided that any interest on the amounts deposited (less bank fees and other charges) will be credited to Atturra's account). The obligation of Atturra to provide, or procure the provision of, the Maximum Cash Consideration Pool to Scheme Participants under this Scheme will be satisfied by Atturra complying with its obligations under this **clause 6.7(a)**.
- (b) On the Implementation Date, subject to funds having been deposited in accordance with this **clause 6.7(a)**, Cirrus must pay or procure the payment of the Cash Consideration from the Trust Account, by paying or procuring the payment to each Scheme Participant such amount of cash as is due to that Scheme Participant in respect of all of that Scheme Participant's Scheme Shares (in accordance with entitlements determined pursuant to **clause 6.4** or **clause 6.5**, subject to any Scaleback Arrangements (if applicable). For the avoidance of doubt, the Scaleback Arrangements will not apply to Relevant Unmarketable Parcel Shareholder, or to any Scheme Participant who elects or is deemed to have elected the Default Consideration.
- (c) To the extent that, following satisfaction of Cirrus' obligations under **clause 6.7(b)**, there is a surplus in the amount held by Cirrus as trustee for the Scheme Participants in the Trust Account referred to in that clause, that surplus must be paid by Cirrus to Atturra.

6.8 Provision of Scrip Consideration

- (a) Subject to **clauses 6.4, 6.5** and **6.11 to 6.13** and the Scaleback Arrangements (if applicable), before 12.00pm (or such other time as Atturra and Cirrus may agree in writing) on the Implementation Date, ATA must:
 - (i) issue the Share Consideration to each Scheme Participant who is so entitled in accordance with entitlements determined pursuant to **clause 6.5** of the Scheme in respect of that Scheme Participant's Scheme Shares; and
 - (ii) procure that the name and address of each Scheme Participant to whom Share Consideration is issued in accordance with **clause 6.8(a)(i)** is entered into the ATA Register in respect of the Share Consideration to which it is entitled under the Scheme.
- (b) The Share Consideration in respect of which a Scheme Participant is entitled under **clause 6.8(a)** may, in ATA's absolute discretion, be issued directly to that Scheme Participant (such that the Scheme Participant will

be the legal holder of the relevant Share Consideration) or, issued to the Nominee to hold as bare trustee for that Scheme Participant (such that the Scheme Participant will be the beneficial holder but not the legal holder of the relevant Share Consideration).

- (c) On or before the date that is five Business Days after the Implementation Date, ATA must send, or procure the sending of, a certificate or other holding statement to each Scheme Participant or (if applicable) the Nominee entitled to receive Share Consideration under this Scheme, reflecting the issue of such Share Consideration, by prepaid post to their Registered Address or as otherwise validly directed by the relevant Scheme Participant or the Nominee (as applicable).

6.9 Scaleback arrangements where Maximum Cash Consideration Pool is exceeded

- (a) If valid Elections made by the Scheme Participants are such that the aggregate amount of cash under the Scheme Consideration that would be required to be paid by Atturra to satisfy the entitlements determined under such valid Elections exceeds the Maximum Cash Consideration Pool, each Scheme Participant who elects to receive Maximum Cash Consideration or Split Consideration (together **Relevant Cash Consideration**):

- (i) will only be entitled to receive Relevant Cash Consideration calculated in accordance with the following formula:

$$E = A \times \frac{\text{Maximum Cash Consideration Pool} - C - D}{B}$$

where:

“**A**” is the aggregate amount of cash the relevant Scheme Participant would have received as part of the Relevant Cash Consideration for all Scheme Shares held by that Scheme Participant as at the Record Date pursuant to its valid Election;

“**B**” is the aggregate amount of cash that would have been required to be paid by Atturra in payment of the Relevant Cash Consideration to satisfy the entitlement determined under the valid Elections for all Scheme Participants who elect to receive Relevant Cash Consideration (but for the Scaleback Arrangements);

“**C**” is the aggregate amount of cash payable by Atturra in payment of the cash component of the Default Consideration to satisfy the entitlement determined under the valid Elections for all Scheme Participants who elect to receive Default Consideration;

“**D**” is the aggregate amount of cash payable by Atturra in payment of the cash component of the Maximum Cash

Consideration under clause 6.4 for all Scheme Participants that are Relevant Unmarketable Parcel Shareholders; and

“E” is the cash component that the relevant Scheme Participant is entitled to receive; and

- (ii) will be entitled to receive ATA Shares calculated in accordance with the following formula:

$$E = \frac{A - D}{VWAP}$$

“A” is the aggregate amount of cash the relevant Scheme Participant would have received as part of the Relevant Cash Consideration for all Scheme Shares held by that Scheme Participant as at the Record Date pursuant to its valid Election;

“D” is the amount of cash the relevant Scheme Participant is entitled to receive as determined under clause 6.7(a)(i);

“E” is the number of ATA Shares that the relevant Scheme Participant is entitled to receive; and

“VWAP” means the ATA VWAP.

6.10 Scaleback Arrangements if the Maximum Share Consideration Pool is exceeded

- (a) If the election made by the Scheme Participants are such that the aggregate number of ATA Shares under the Scheme Consideration that would be required to be issued by ATA to satisfy the entitlements determined under the valid Elections exceeds the Maximum Share Consideration Pool, each Scheme Participant who elects to receive Maximum Share Consideration or Split Consideration (together **Relevant Share Consideration**):

- (i) will only be entitled to receive Relevant Share Consideration in respect of the number of Scheme Shares calculated in accordance with the following formula:

$$D = A \times \frac{\text{Maximum Share Consideration Pool} - C}{B}$$

where:

“A” is the aggregate number of ATA Shares the relevant Scheme Participant would have received as part of the Relevant Share Consideration for all Scheme Shares held by that Scheme Participant as at the Record Date pursuant to its valid Election;

“B” is the aggregate number of ATA Shares that would have been required to be issued by ATA in payment of

the Relevant Share Consideration to satisfy the entitlements determined under the valid Elections for all Scheme Participants who elect to receive Relevant Share Consideration (but for any Scaleback Arrangements);

“C” is the aggregate number of ATA Shares to be issued by ATA in payment of the share component of the Default Consideration to satisfy the entitlements determined under clause 6.5 for all Scheme Participants who receive Default Consideration; and

“D” is the share component that the relevant Scheme Participant is entitled to receive; and

- (b) will be entitled to receive cash calculated in accordance with the following formula:

$$E = (A - D) \times VWAP$$

“A” is the aggregate number of ATA Shares the relevant Scheme Participant would have received as part of the Relevant Share Consideration for all Scheme Shares held by that Scheme Participant as at the Record Date pursuant to a valid Elections;

“D” is the number of ATA Shares in respect of which the relevant Scheme Shareholder is entitled to receive as determined under clause 6.8(a)(i);

“E” is the amount of cash that the relevant Scheme Participant is entitled to receive; and

“VWAP” means the ATA VWAP.

6.11 Fractional entitlements

- (a) If the number of Cirrus Shares held by a Scheme Participant at the Record Date is such that the aggregate entitlement of the Scheme Participant to Scheme Consideration:
- (i) comprising New ATA Shares is such that a fractional entitlement to New ATA Shares arises; or
 - (ii) comprising cash is such that a fractional entitlement to a cent arises

then the entitlement of that Scheme Participant must be rounded up or down with any such fractional entitlement of less than 0.5, being rounded down to the nearest whole number of New ATA Shares (or cents, as applicable), and any such fractional entitlement of 0.5 or more is to be rounded up to the nearest whole number of New ATA Shares (or cents, as applicable).

- (b) If a Nominee holds more than one parcel of Scheme Shares as trustee or nominee for, or otherwise on account of, another person, then for the purposes of this **clause 6.5**, the Scheme Consideration for the Nominee will be calculated and rounded based on the aggregate number of Scheme Shares held by the Nominee in those parcels as trustee or nominee for, or otherwise on account of, other persons.

6.12 Scheme Participants' agreements

Under this Scheme, each Scheme Participant (and, to the extent relevant, the Sale Agent) irrevocably:

- (a) agrees to the transfer of their Scheme Shares together with all Rights attaching to them in accordance with this Scheme;
- (b) agrees to the variation, cancellation or modification of the Rights attached to their Scheme Shares constituted by or resulting from this Scheme;
- (c) agrees to, on the direction of Atturra, destroy any holding statements or share certificates relating to their Scheme Shares;
- (d) in respect of Scheme Participants receiving Share Consideration, agrees to become a shareholder of ATA, to have their name entered in the ATA Register and accepts the New ATA Shares issued to them;
- (e) agrees and acknowledges that the receipt of the Scheme Consideration in accordance with **clause 6.1** of this Scheme constitutes satisfaction of all that person's entitlements under this Scheme;
- (f) acknowledges that this Scheme binds Cirrus and all of the Scheme Participants from time to time (including those who do not attend the Scheme Meeting and those who do not vote, or vote against this Scheme, at the Scheme Meeting);
- (g) appoints Cirrus, and each director and officer of Cirrus, as its agent to receive on its behalf any financial services guide (or similar or equivalent document) and any other notices; and
- (h) consents to Atturra, ATA and Cirrus doing all things and executing all deeds, instruments, transfers or other documents as may be necessary or desirable to give full effect to this Scheme and the transactions contemplated by it.

6.13 Election by Unmarketable Parcel Shareholders

- (a) Cirrus must provide each Unmarketable Parcel Shareholder with, or procure the provision to each Unmarketable Parcel Shareholder of, an Opt-in Notice.
- (b) Unless an Unmarketable Parcel Shareholder provides Cirrus with a duly completed Opt-in Notice prior to 5.00pm on the Business Day prior to the Record Date, Atturra is under no obligation under this Scheme or the Deed Poll to issue, and will not issue, any New ATA Shares to any Unmarketable Parcel Shareholder, who will be deemed to be a Relevant

Unmarketable Parcel Shareholder and will be entitled to receive Scheme Consideration in accordance with **clause 6.5** of this Scheme.

6.14 Withholding

- (a) If Atturra determines (acting reasonably) that it must pay an amount to the Commissioner under Subdivision 14-D of Schedule 1 of the TAA in relation to the acquisition of any Cirrus Shares from a Cirrus Shareholder, Atturra must:
 - (i) determine the Withholding Amount to be paid to the Commissioner in respect of the acquisition of the Cirrus Shares from such Cirrus Shareholder;
 - (ii) instruct Cirrus to deduct, and Cirrus must deduct the Withholding Amount from the Cash Consideration payable to such Cirrus Shareholder, and return all such Withholding Amounts to Atturra;
 - (iii) in respect of Ineligible Foreign Shareholders only, instruct the Sale Agent to deduct, and the Sale Agent must deduct the Withholding Amount from any amount payable to such Ineligible Foreign Shareholder as is determined in accordance with clause 6.4(c), and return all such Withholding Amounts to Atturra;
 - (iv) pay the Withholding Amounts to the Commissioner within the timeframe required under the TAA; and
 - (v) if requested in writing by the relevant Cirrus Shareholder, provide a receipt or other appropriate evidence of payment of the Withholding Amount to the Commissioner (or procure the provision of such receipt or other evidence) to the relevant Cirrus Shareholder.
- (b) The aggregate sum payable to relevant Cirrus Shareholders is not to be increased to reflect deduction of Withholding Amounts and the net aggregate sum payable to those Cirrus Shareholders is to be taken to be full and final satisfaction of Atturra's obligation to pay the Scheme Consideration to those Cirrus Shareholders.
- (c) Atturra and Cirrus must:
 - (i) consult in good faith as to the application of the CGT Withholding Law to the Scheme; and
 - (ii) use reasonable endeavours to take all actions that are necessary or desirable in relation to the CGT Withholding Law, which may include, without limitation, promptly communicating with any Cirrus Shareholder to obtain a Valid Variation Notice or Withholding Declaration contemplated by the CGT Withholding Law so as to reduce or eliminate the Withholding Amount payable to the Commissioner in respect of any Cirrus Shareholder.

6.15 Orders of a Court or Governmental Authority

- (a) Cirrus may deduct and withhold from any consideration which would otherwise be provided to a Scheme Participant in accordance with this **clause 6**, any amount which Atturra and Cirrus determine is required to be deducted and withheld from that consideration under any applicable law, including any order, direction or notice made or given by a court of competent jurisdiction or by another Governmental Authority.
- (b) To the extent that amounts are so deducted or withheld, such deducted or withheld amounts will be treated for all purposes under this Scheme as having been paid to the person in respect of which such deduction and withholding was made, provided that such deducted or withheld amounts are actually remitted to the appropriate taxing agency.
- (c) If written notice is given to Cirrus of an order, direction or notice made or given by a court of competent jurisdiction or by another Governmental Authority that:
 - (i) requires consideration which would otherwise be provided to a Scheme Participant in accordance with this **clause 6** to instead be paid or provided to a Governmental Authority or other third party (either through payment of a sum or the issuance of a security), then Cirrus shall be entitled to procure that provision of that consideration is made in accordance with that order, direction or notice (and payment or provision of that consideration in accordance with that order, direction or notice will be treated for all purposes under this Scheme as having been paid or provided to that Scheme Participant); or
 - (ii) prevents consideration being provided to any particular Scheme Participant in accordance with this **clause 6**, or the payment or provision of such consideration is otherwise prohibited by applicable law, Cirrus shall be entitled to (as applicable) direct ATA not to issue (or procure the issue of), or to issue or provide to a trustee or nominee, such number of New ATA Shares as that Scheme Participant would otherwise be entitled to under this **clause 6**, until such time as payment or provision of the consideration in accordance with this **clause 6** is permitted by that order or direction or otherwise by law.

6.16 Shares to rank equally

ATA and Atturra covenants in favour of Cirrus (in its own right and on behalf of the Scheme Participants) that:

- (a) the New ATA Shares will, upon their issue, rank equally in all respects with all other ATA Shares then on issue;
- (b) it will do everything reasonably necessary to ensure that the New ATA Shares issued as Scheme Consideration will be listed for quotation on the official list of ASX and commence trading on a normal settlement basis no later than the first Business Day after the Implementation Date;

- (c) the New ATA Shares will be duly and validly issued in accordance with applicable laws; and
- (d) on issue, each New ATA Share will be fully paid and free from any Encumbrance.

6.17 Joint holders

In the case of Scheme Shares held in joint names:

- (a) any New ATA Shares to be issued under this Scheme must be issued and registered in the names of the joint holders and entry in the ATA Register must take place in the same order as the holders' names appear in the Cirrus Register;
- (b) any cheque required to be sent under this Scheme must be payable to the joint holders and sent to the holder whose name appears first in the Cirrus Register on the Record Date; and
- (c) any document required to be sent under this Scheme, will be forwarded to either, the holder whose name appears first in the Cirrus Register as at the Record Date or to the joint holders.

7 Dealings in Scheme Shares

7.1 Determination of Scheme Participants

To establish the identity of the Scheme Participants, dealings in Scheme Shares or other alterations to the Cirrus Register will only be recognised by Cirrus if:

- (a) in the case of dealings of the type to be effected using CHES, the transferee is registered in the Cirrus Register as the holder of the relevant Scheme Shares on or before the Record Date; and
- (b) in all other cases, registrable transmission applications or transfers in registrable form in respect of those dealings are received on or before the Record Date at the place where the Cirrus Register is kept,

and Cirrus will not accept for registration, nor recognise for any purpose any transfer or transmission application or other request received after such times, or received prior to such times but not in registrable or actionable form, as appropriate.

7.2 Register

Cirrus must register any registrable transmission applications or transfers of the Scheme Shares received in accordance with **clause 7.1(b)** of this Scheme on or before the Record Date.

7.3 No disposals after Record Date

- (a) If this Scheme becomes Effective, a holder of Scheme Shares (and any person claiming through that holder) must not dispose of or purport or agree to dispose of any Scheme Shares or any interest in them after the

Record Date in any way except as set out in this Scheme and any such disposal will be void and of no legal effect whatsoever.

- (b) Cirrus will not accept for registration or recognise for any purpose any transmission, application or transfer in respect of Scheme Shares received after the Record Date (except a transfer to Atturra pursuant to this Scheme and any subsequent transfer by Atturra or its successors in title).

7.4 Maintenance of Cirrus Register

For the purpose of determining entitlements to the Scheme Consideration, Cirrus will maintain the Cirrus Register in accordance with the provisions of this **clause 7.4** until the Scheme Consideration has been issued to the Scheme Participants and Atturra has been entered in the Register as the holder of all the Scheme Shares. The Cirrus Register in this form will solely determine entitlements to the Scheme Consideration.

7.5 Effect of certificates and holding statements

Subject to provision of the Scheme Consideration and registration of the transfer to Atturra contemplated in **clauses 5.2** and **7.4** of this Scheme, any statements of holding in respect of Scheme Shares will cease to have effect after the Record Date as documents of title in respect of those shares (other than statements of holding in favour of Atturra and its successors in title). After the Record Date, each entry current on the Cirrus Register as at the Record Date (other than entries in respect of Atturra or its successors in title) will cease to have effect except as evidence of entitlement to the Scheme Consideration in respect of the Cirrus Shares relating to that entry.

7.6 Details of Scheme Participants

Within 3 Business Days after the Record Date, Cirrus will ensure that details of the names, Registered Addresses and holdings of Scheme Shares for each Scheme Participant, as shown in the Cirrus Register at the Record Date, are available to Atturra and ATA in such form as Atturra reasonably requires.

7.7 Quotation of Cirrus Shares

Suspension of trading on ASX in Cirrus Shares will occur from the close of trading on ASX on the Effective Date.

7.8 Termination of quotation of Cirrus Shares

After this Scheme has been fully implemented (including after the Cirrus Register and the ATA Register have been updated in accordance with **clauses 5.2(b)** and **6.3(a)** of this Scheme), Cirrus will apply:

- (a) for termination of the official quotation of Cirrus Shares on ASX; and
- (b) to have itself removed from the official list of ASX.

8 Instructions and notification

If not prohibited by law (and including where permitted or facilitated by relief granted by a Governmental Authority), all instructions, notifications or elections by a Scheme Participant to Cirrus that are binding or deemed binding between the Scheme Participant and Cirrus relating to ATA Shares, including instructions, notifications or elections relating to:

- (a) whether dividends are to be paid by cheque or into a specific bank account;
- (b) payments of dividends on ATA Shares; and
- (c) notices or other communications from Cirrus (including by email),

will be deemed from the Implementation Date (except to the extent determined otherwise by Atturra in its sole discretion), by reason of this Scheme, to be made by the Scheme Participant to ATA and to be a binding instruction, notification or election to, and accepted by, ATA until that instruction, notification or election is revoked or amended in writing addressed to ATA at its registry.

9 Power of attorney

Each Scheme Participant, without the need for any further act by any Scheme Participant, irrevocably appoints Cirrus and each of its directors and secretaries (jointly and each of them individually) as its attorney and agent for the purpose of:

- (a) executing any document necessary or expedient to give effect to this Scheme including the Share Scheme Transfer;
- (b) enforcing the Deed Poll against Atturra and ATA, and Cirrus accepts such appointment.

10 Notices

10.1 No deemed receipt

If a notice, transfer, transmission application, direction or other communication referred to in this Scheme is sent by post to Cirrus, it will not be taken to be received in the ordinary course of post or on a date and time other than the date and time (if any) on which it is actually received at Cirrus's registered office or at the office of the registrar of Cirrus Shares.

10.2 Accidental omission

The accidental omission to give notice of the Scheme Meeting or the non-receipt of such a notice by any Cirrus Shareholder will not, unless so ordered by the Court, invalidate the Scheme Meeting or the proceedings of the Scheme Meeting.

11 General

11.1 Variations, alterations and conditions

- (a) Cirrus may, with the consent of Atturra, by its counsel or solicitor consent on behalf of all persons concerned to any variations, alterations or conditions to this Scheme which the Court thinks fit to impose.
- (b) Each Scheme Participant agrees to any such alterations or conditions which Cirrus has consented to pursuant to **clause 11.1(a)** of this Scheme.

11.2 Further action by Cirrus

Cirrus will execute all documents and do all things (on its own behalf and on behalf of each Scheme Participant) necessary or expedient to implement, and perform its obligations under, this Scheme.

11.3 Authority and acknowledgement

Each of the Scheme Participants:

- (a) irrevocably consents to Atturra and Cirrus doing all things necessary or expedient for or incidental to the implementation of this Scheme; and
- (b) acknowledges that this Scheme binds Cirrus and all Scheme Participants (including those who do not attend the Scheme Meeting or do not vote at that meeting or vote against the Scheme at that Scheme Meeting) and, to the extent of any inconsistency and to the extent permitted by law, overrides the constitution of Cirrus.

11.4 No liability when acting in good faith

Without prejudice to the parties' rights under the Scheme Implementation Deed, none of ATA, Atturra or Cirrus, nor any of their respective officers, will be liable for anything done or omitted to be done in the performance of this Scheme in good faith.

11.5 Enforcement of Deed Poll

Cirrus undertakes in favour of each Scheme Participant to enforce the Deed Poll against ATA and Atturra on behalf of and as agent and attorney for the Scheme Participants.

11.6 Stamp duty

Atturra must pay all stamp duty (including any fines, penalties and interest) payable in connection with this Scheme.

11.7 General interpretation

Headings and labels used for definitions are for convenience only and do not affect interpretation. Unless the contrary intention appears, in this document:

- (a) the singular includes the plural and vice versa;
- (b) the meaning of general words is not limited by specific examples introduced by "including", "for example", "such as" or similar expressions;

- (c) a reference to “**person**” includes an individual, a body corporate, a partnership, a joint venture, an unincorporated association and an authority or any other entity or organisation;
- (d) a reference to a particular person includes the person’s executors, administrators, successors, substitutes (including persons taking by novation) and assigns;
- (e) a reference to a time of day is a reference to the time in Perth, Western Australia or Sydney, New South Wales as the context requires, in particular where a reference is to a time in respect of the Court, such reference will be in respect of Sydney, NSW time and where a reference to time is in respect of the Record Date, such reference will be in respect of Perth, Western Australia;
- (f) a reference to dollars, \$ or A\$ is a reference to the currency of Australia;
- (g) a reference to “law” includes common law, principles of equity and legislation (including regulations);
- (h) a reference to any legislation includes regulations under it and any consolidations, amendments, re-enactments or replacements of any of them;
- (i) a reference to “**regulations**” includes instruments of a legislative character under legislation (such as regulations, rules, by-laws, ordinances and proclamations);
- (j) a reference to a group of persons is a reference to any 2 or more of them jointly and to each of them individually;
- (k) a period of time starting from a given day or the day of an act or event, is to be calculated exclusive of that day;
- (l) if a party must do something under this document on or by a given day and it is done after 5.00 pm on that day, it is taken to be done on the next day; and
- (m) if the day on which a party must do something under this document is not a Business Day, the party must do it on the next Business Day.

12 Governing law

12.1 Governing law and jurisdiction

The law in force in the place specified in New South Wales, Australia governs this document. The parties irrevocably and unconditionally submit to the non-exclusive jurisdiction of the courts of New South Wales, Australia.

12.2 Serving documents

Without preventing any other method of service, any document in an action in connection with this document may be served on a party by being delivered or left at that party’s address for service of notices or with its process agent.

Annexure E

Notice of Meeting

Cirrus Networks Holdings Limited ACN 103 348 947

Notice of meeting

Notice is given by an order of the Supreme Court of New South Wales made on 17 October 2023 pursuant to section 411(1) of the *Corporations Act 2001* (Cth), that a meeting of shareholders of Cirrus Networks Holdings Limited (**Cirrus Networks**) will be held at the time and location, and to conduct the business specified below (**Scheme Meeting**):

Date: 22 November 2023

Time: 11.00am (Perth time)

Location: Palace Meeting Room, Ground Floor, 108 St Georges Terrace, Perth, Western Australia

Purpose of Meeting

The purpose of the Scheme Meeting is to consider and, if thought fit, to agree to a scheme of arrangement (with or without amendment or any alterations or conditions required by the Court to which Cirrus Networks, Atturra Limited (ACN 654 662 638) (**Atturra**) and Atturra Holdings Pty Limited (ACN 132 368 104) (**BidCo**) agree) proposed to be made between Cirrus Networks and Cirrus Networks Shareholders (**Scheme**).

A copy of the Scheme and a copy of the explanatory statement required by section 412 of the Corporations Act in relation to the Scheme are contained in the Scheme Booklet, of which this notice of meeting forms part of. Additional information about the Scheme Meeting is set out in the explanatory notes that accompany and form part of this notice.

Capitalised terms used but not defined in this notice have the defined meanings set out in the Glossary contained in section 11 of the Scheme Booklet unless the context otherwise requires.

Business of Scheme Meeting

The purpose of the Scheme Meeting is to consider and, if thought fit, to pass (with or without amendment) the following resolution (**Scheme Resolution**) in accordance with section 411(4)(a)(ii) of the Corporations Act:

“That, pursuant to and in accordance with section 411 of the Corporations Act 2001 (Cth):

- *the scheme of arrangement proposed between Cirrus Networks Limited and the holders of its ordinary shares, the terms of which are contained in and more particularly described in the Scheme Booklet (of which this Notice of Meeting forms part) is agreed to (with or without any alterations or conditions agreed in writing between Cirrus Networks and Atturra Holdings Pty Ltd ACN 132 368 104 (**BidCo**) and approved by the Court or any alterations or conditions as thought just by the Court to which Cirrus Networks and BidCo agree in writing); and*
- *the directors of Cirrus Networks are authorised, subject to the terms of the Scheme Implementation Deed:*
 - *to agree to any modifications, alterations or conditions with BidCo;*
 - *to agree to any modifications, alterations or conditions as are thought just by the Court; and*
 - *subject to approval of the Scheme by the Court, to implement the Scheme with any such modifications, alterations or conditions.”*

Chair

The Court has directed that Paul Everingham is to act as Chair of the Scheme Meeting (and that, if Paul Everingham is unable or unwilling to attend, Daniel Rohr is to act as Chair of the Scheme Meeting) and has directed the Chair to report the result of the Scheme Resolution to the Court.

By order of the Court and the Cirrus Networks Board



Kelly Moore

Joint Company Secretary

Dated: 17 October 2023

Explanatory Notes for the Scheme Meeting

This notice of meeting and the Scheme Resolution should be read in conjunction with the booklet of which this notice forms part of (**Scheme Booklet**). Terms used in this notice, unless otherwise defined, have the same meaning as set out in the Glossary in Section 11 of the Scheme Booklet.

A Proxy Form also accompanies this notice.

How to vote

If you are a Cirrus Networks Shareholder entitled to attend and vote at the Scheme Meeting, you may vote by:

- attending the Scheme Meeting in person;
- appointing a proxy to attend on your behalf;
- appointing an attorney to vote on your behalf; or
- in the case of a corporation which is a Cirrus Networks Shareholder, by appointing an authorised corporate representative to attend on its behalf.

Voting entitlement

Only Cirrus Networks Shareholders registered at 7.00pm (Sydney time) on the Voting Record Date, being 7:00pm on Monday, 20 November 2023, are entitled to attend and vote at the Scheme Meeting.

Other than as set out in Section 6.12 of the Scheme Booklet, Cirrus Networks is not aware of any entity or any Associate of any entity within the Atturra Group holding Cirrus Networks Shares. If such an entity does hold Cirrus Networks Shares, they would not be entitled to vote (and any votes cast would be disregarded) at the Scheme Meeting.

Voting in person

To vote in person at the Scheme Meeting, you must attend the Scheme Meeting to be held at Palace Meeting Room, Ground Floor, 108 St Georges Terrace, Perth, Western Australia on 22 November 2023. The meeting will commence at 11.00am (Perth time).

A Cirrus Networks Shareholder who wishes to attend and vote at the Scheme Meeting in person will be admitted to the Scheme Meeting and given a voting card at the point of entry to the Scheme Meeting on disclosure of their name and address.

Voting by attorney

A Cirrus Networks Shareholder entitled to attend and vote at the Scheme Meeting may appoint an attorney to vote at the Scheme Meeting. An original or certified copy of the power of attorney must be received at any of the addresses, or via facsimile or email, as set out below at least 48 hours before the commencement of the Scheme Meeting.

By facsimile: +61 2 8583 3040

By email: meetings@automicgroup.com.au

By mail: Automic Pty Limited, GPO Box 5193, Sydney NSW 2001

By delivery: Automic Pty Limited, Level 5, 126 Phillip Street, Sydney NSW 2000

Voting by corporate representative

To vote at the Scheme Meeting (other than by proxy or by attorney), a corporation that is a Cirrus Networks Shareholder, or has been appointed as a proxy by a Cirrus Networks Shareholder, must appoint a person (either by name or position and whether a Cirrus Networks Shareholder or not) to act as its representative. The appointment must comply with section 250D of the Corporations Act. Evidence of the appointment must be brought to the Scheme Meeting together with any authority under which it is signed. A pro-forma 'Certificate of Appointment of Corporate Representative' may be obtained from the Share Registry by calling the Shareholder Information Line on 1300 288 664 (within Australia) or + 61 2 9698 5414 (outside Australia) between 8.30am and 5.30pm (AEDT), Monday to Friday.

Proxies

A Cirrus Networks Shareholder entitled to attend and vote at the Scheme Meeting is entitled to appoint not more than two proxies, who need not be Cirrus Networks Shareholders.

Each proxy should be appointed to represent a specified percentage or specified number of the Cirrus Networks Shareholder's voting rights. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half the votes. Fractions of votes will be disregarded.

If you sign and return a Proxy Form and do not nominate a person to act as your proxy, the Chair will be appointed as your proxy by default.

How the Chair will vote undirected proxies

The Chair intends to vote any available undirected proxy in favour of the Scheme Resolution.

You should note that if you appoint the Chair as your proxy, or the Chair is appointed as your proxy by default, and the Proxy Form does not specify whether to vote 'For', 'Against' or 'Abstain', this will be taken as a direction to the Chair to vote in accordance with his stated voting intention, which is to vote in favour of the Scheme Resolution. Cirrus Networks Shareholders always have the ability to appoint the Chair as their proxy and direct him to cast the votes contrary to the Chair's stated voting intention or to abstain from voting on a resolution.

If you appoint the Chair as your proxy but do not wish him to vote in favour of the Scheme Resolution, it is important for you to complete the voting directions in respect of the Scheme Resolution on the Proxy Form.

A Proxy Form is enclosed with this Notice of Meeting

For the appointment of a proxy to be valid, the following documents must be received at least 48 hours prior to the Scheme Meeting or any adjournment of the Scheme Meeting:

- the Proxy Form; and
- if the Proxy Form is signed by the appointor's attorney, the authority under which the Proxy Form was signed or a certified copy of the authority.

The documents must be received by Cirrus Networks at any of the addresses, or via facsimile or email, as specified below by no later than 11.00am (Perth time) on Sunday 5 February 2023. Proxy Forms received after that time will not be valid for the scheduled Meeting.

Further directions for the proper completion of a Proxy Form are printed on the Proxy Form.

Online: <https://investor.automic.com.au/#/loginsah>

By facsimile: +61 2 8583 3040

By email: meetings@automicgroup.com.au

By mail: Automic Pty Limited, GPO Box 5193, Sydney NSW 2001

By delivery: Automic Pty Limited, Level 5, 126 Phillip Street, Sydney NSW 2000

Voting procedure

In general, each Cirrus Networks Shareholder present in person or by proxy, attorney or corporate representative has one vote on a show of hands and one vote for each Scheme Share held on a poll (subject to any voting exclusion referred to earlier).

Voting at the Scheme Meeting will occur by poll.

All persons attending the Scheme Meeting are asked to arrive at least 30 minutes prior to the time the Scheme Meeting is to commence, so that either their shareholding may be checked against the Register, their power of attorney or appointment as corporate representative can be verified (as the case may be), and their attendance noted.

Jointly held shares

If the Scheme Shares are jointly held, only one of the Cirrus Networks Shareholders can vote. If more than one joint Cirrus Networks Shareholder votes, only the vote of the Cirrus Networks Shareholder whose name appears first on the Register will be counted.

Quorum

A quorum for a meeting of Cirrus Networks Shareholders is three or more members present at the meeting and entitled to vote on a resolution at the meeting.

Majorities required

In accordance with section 411(4)(a) of the Corporations Act, for the Scheme of Arrangement to be approved by Cirrus Networks Shareholders, the Scheme Resolution must be agreed to by:

- unless the court orders otherwise, a majority in number of holders of ordinary shares present and voting (either in person or by proxy, attorney or, in the case of corporate Cirrus Networks Shareholders, corporate representative) at the meeting; and
- at least 75% of the votes cast on the Scheme Resolution (either in person or by proxy, attorney or, in the case of corporate Cirrus Networks Shareholders, corporate representative).

Court approval

In accordance with section 411(4)(b) of the Corporations Act, to become Effective, the Scheme of Arrangement must be approved by the order of the Court. If the Scheme Resolution set out in this notice is agreed to by the required majorities set out above and the Conditions Precedent set out in the Scheme of Arrangement are satisfied or (if permitted) waived, Cirrus Networks will apply to the Court for the necessary orders to give effect to the Scheme of Arrangement.

In order for the Scheme of Arrangement to become Effective, it must be approved by the Court and an office copy of the orders of the Court approving the Scheme of Arrangement must be lodged with ASIC.

Corporate Directory

Cirrus Networks Holdings Limited

Level 28, 108 St Georges Terrace, Perth WA,

Australia, 6000

Telephone 08 6180 4222

Web site <http://www.cirrusnetworks.com.au>

Financial Adviser to Cirrus Networks

Latimer Partners

Level 24, 'Governor Macquarie Tower', 1 Farrer Place, Sydney NSW

Australia, 2000

Taxation Adviser to Cirrus Networks

RSM Australia

Level 13, 60 Castlereagh Street, Sydney NSW

Australia, 2000

Legal Adviser to Cirrus Networks

Corrs Chambers Westgarth

Level 37, 'Quay Quarter Tower', 50 Bridge Street, Sydney NSW

Australia, 2000

Share Registry

Automic Pty Limited

By mail: Automic Pty Limited, GPO Box 5193, Sydney NSW 2001

1300 288 664 (within Australia)

+61 2 9698 5414 (outside Australia)

Shareholder Information Line

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between 8.30am and 5.30pm (AEDT), Monday to Friday