

7 June 2019

Dear NetComm Shareholder,

**Proposed Scheme of Arrangement (Scheme) with Casa Systems Inc (Casa): Further Supplementary Disclosure**

**Notice to NetComm shareholders, by order of the Federal Court of Australia made on 7 June 2019, the adjourned Scheme Meeting will take place at 10.00 am on 18 June 2019 at the offices of Maddocks Lawyers, Level 27, 123 Pitt Street, Sydney, New South Wales 2000 and NOT 20 June 2019 as announced to the ASX yesterday**

Last month NetComm Wireless Limited (**NetComm**) sent to its shareholders a Scheme Booklet dated 1 May 2019. The Scheme Booklet contained information material to the making of a decision by NetComm shareholders as to whether or not to agree to the Scheme at the Scheme Meeting originally scheduled for 7 June 2019.

After the Scheme Booklet was sent, NetComm received feedback that some NetComm shareholders may have needed further clarification of the basis of the directors' decision to recommend that NetComm shareholders vote in favour of the Scheme in the absence of a superior offer (**Recommendation**). After securing appropriate orders from the Federal Court of Australia, the directors wrote to shareholders on 27 May 2019 stating that they confirmed their recommendation in favour of the Scheme and their intention to vote their shares accordingly, and that the assessment of the Scheme by Lonergan Edwards had not changed.

Subsequently, having regard to the matters raised by some NetComm shareholders directly with NetComm, on social media platforms and with ASIC, and also by ASIC directly with NetComm, the directors have decided to briefly adjourn the Scheme Meeting and attempt to clarify their recommendation to shareholders to vote Yes for the Scheme, and have obtained appropriate orders from the Federal Court.

The directors believe that they have fully satisfied their obligations in relation to the Scheme Booklet. However, the directors also believe that it is important that shareholders should be given every reasonable assistance to inform themselves ahead of exercising their right to vote at the Scheme Meeting which is a matter of fundamental importance for NetComm Shareholders.

The directors have decided to adjourn the Scheme Meeting until 10.00 am on 18 June 2019 and to reaffirm the basis of their Recommendation to vote in favour of the Scheme.

Some NetComm shareholders have wondered how it is that the directors can recommend the Scheme but at the same time maintain their view that NetComm has a very bright future.

The following may help to explain directors' balancing of current reward and future risk.

**Review of Operations and Financial Results For FY18 and Half Year FY19**

NetComm's financial report for the year ended 30 June 2018 (**FY18**) was released to the ASX on 27 August 2018 (**2018 Financial Report**). The Directors' Report included in the 2018 Financial Report under the heading "Outlook", gave a forecast of growth in revenue for the year ended 30 June 2019 (**FY19**) of 15-20%. The directors commented that the forecast growth was dampened due to slower than expected rollout of certain specified projects, although revenue on those projects was not lost but, rather, deferred to future periods. The 2018 Financial Report also noted that underlying EBITDA for FY19 was expected to be at a similar level to FY18, and allowing for additional 5G expenditure, FY19 EBITDA was forecast to be in the range \$15 million to \$18 million.

Mr Sheridan, then CEO, was quoted as saying that:

“The investments we plan to make in FY19 will position NetComm at the forefront of a “once in a decade” technology wave allowing us to be early to market with a commercial fixed wireless 5G solution with applicability to global markets.

While our business is always subject to the ordering patterns of our customers, this will lead to our next step change in revenue and earnings which is expected in FY20.”

The Director’s Report also noted a number of group risks, including:

“NetComm Wireless is dependent on, and subject to, the rapid pace of change in the technology that people and machines use to communicate with each other. This environment gives rise to exciting new growth opportunities for NetComm Wireless as well as certain risks inherent to the industry in which the Group operates.”

NetComm released its half year results to 31 December 2018 on 22 February 2019 (**Half Year Reports**). The Half Year Reports included guidance that FY19 EBITDA would come in at \$15-18 million, confirming the guidance given by NetComm in August 2018. NetComm’s ASX announcement of 22 February 2019 stated, under the heading “Outlook”:

“NetComm expects the remainder FY19 to be a year of consolidation to ensure a sustainable platform is in place to drive the next step change in growth. The Company reaffirms the FY19 guidance provided with the FY18 result, namely that revenue is forecast to grow 15-20%, reported EBITDA to be in the range of \$15 million to \$18 million. The Company now expects earnings to be fairly evenly balanced across the first and second half of FY19, based on expectations around customer order patterns.

“Commenting on the outlook Mr Collins said: ‘We are encouraged by the ramp up in orders received from international customers for Fixed Wireless devices and expect that NCD sales to nbn will remain strong in the second half of FY19. The combination of our current contracts and multiple global 4G/5G Fixed Wireless and DPU opportunities will flow through to strong revenue and earnings in future periods.’”

The directors advise that nothing has come to their attention as at the date of this letter which has caused them to change their views as to the outlook for NetComm as described in the 2018 Financial Report and the Half Year Reports (**NetComm Outlook**).

### Consideration of Scheme and Recommendation

In deciding to recommend that NetComm shareholders vote in favour of the Scheme in the absence of a superior offer the directors took into account the NetComm Outlook.

While having regard to the NetComm Outlook, but also having regard to the risks to NetComm if the Scheme does not proceed, which are set out in section 5.3 of the Scheme Booklet, the directors determined that the Scheme was in the best interests of NetComm shareholders for the reasons described in sections 2.1.2 to 2.1.7 of the Scheme Booklet.

**In short, the directors consider that the Scheme crystallises value now by way of all-cash consideration at a substantial premium, which represents an attractive alternative to waiting for the NetComm share price to reflect value that may be created by the execution of NetComm’s long term strategy, which is dependent on new customer wins together with the inherent uncertainty of future revenue streams. See section 2.1.4 of the Scheme Booklet.**

### Reasons to Vote against the Scheme

Section 2.2 of the Scheme Booklet sets out reasons why NetComm shareholders may decide to vote against the Scheme.

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### Scheme Booklet generally

The Scheme Booklet (as supplemented by this letter) contains information material to the decision as to whether to vote for or against the Scheme. You should read the Scheme Booklet and this letter in full and if you are in any doubt about what action you should take, please consult your legal, financial or other professional adviser.

### Best and final offer

Casa has informed the directors of NetComm that the all cash consideration of A\$1.10 per NetComm share under the Scheme is its best and final offer, subject to no competing proposal (and, without limitation, subject to all of Casa's rights under clause 14.6 of the Scheme Implementation Deed, which gives Casa a right to respond if there is a competing proposal). Please see Annexure A for a copy of Casa's letter.

The NetComm directors note that, as at the date of this supplementary disclosure, no competing proposal had been received by the NetComm Board and the directors are not aware of any person having an intention to make such a proposal.

### Updated Timetable

**The Scheme Meeting will now be held on 18 June 2019 at the offices of Maddocks Lawyers, Level 27, 123 Pitt Street, Sydney, New South Wales 2000, commencing at 10.00 am. The time for determining eligibility to vote at the Scheme Meeting will now be 10.00 am on Sunday 16 June 2019 (48 hours prior to the commencement of the Scheme Meeting).**

The revised timetable is:

<p><b>Last date and time by which proxy forms for the Scheme Meeting and AGM must be received by the Share Registry</b></p> <p>If the Registry does not receive your proxy form by 10.00am on 16 June 2019 and you wish to vote, you will need to attend the Scheme Meeting and vote in person</p>	10.00 am (AEST) on 16 June 2019
<p>Scheme Meeting (to be held at the offices of Maddocks Lawyers, Level 27, 123 Pitt Street, Sydney, New South Wales 2000)</p>	10.00 am (AEST) on 18 June 2019

If the Scheme is approved by NetComm Shareholders, the expected timetable for implementation of the Scheme is:

<p><b>Second Court Date</b> for approval of the Scheme</p>	20 June 2019
<p><b>Effective Date</b> on which the Scheme comes into effect and is binding on NetComm Shareholders</p> <p>Court order lodged with ASIC and announcement to the ASX</p> <p>Last day of trading in NetComm Shares on the ASX (with NetComm Shares suspended from close of trading)</p>	20 June 2019
<p><b>Record Date</b> for determining entitlements to Scheme Consideration</p>	7.00 pm (AEST) on 25 June 2019

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<b>Implementation Date</b> payment of Scheme Consideration to be made to eligible NetComm Shareholders	28 June 2019
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All dates following the date of the Scheme Meetings are indicative only and, among other things, are subject to all necessary approvals from the Court and any other regulatory authority. 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 NetComm's website at <https://www.netcomm.com/>.

### Your Vote is Important

If you have already voted and do not wish to change your vote, you do not need to take any action.

If you have not yet voted, or have submitted a proxy form and wish to change your vote, a further proxy form is included with this letter. You can also request another proxy form by calling the shareholder information line on 1300 365 969 (within Australia) or +61 1300 365 969 (outside Australia), Monday to Friday (excluding public holidays), between 8.30 am and 5.00 pm (AEST).

You can lodge a proxy online by visiting <https://events.miraqle.com/NTC-Scheme> and following the prompts. You will need your HIN or SRN and postcode in order to login and lodge your vote.

The deadline for lodging, revoking or varying a proxy form is 10:00 am on Sunday 16 June 2019.

In addition, if you have any questions please contact the shareholder information line.

I hope that this note is of assistance to shareholders.

Yours sincerely,



Justin Milne  
Chairman

#### NETCOMM

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# ANNEXURE A



7 June 2019

Mr. Justin Milne  
Chairman  
NetComm Wireless Ltd.  
18-20 Orion Rd.  
Lane Cove NSW 2066, Australia

Dear Mr. Milne,

We refer to the scheme implementation agreement (SIA) between Casa Systems, Inc. (Casa) and NetComm Wireless Limited (NetComm).

Casa notes concerns from certain shareholders regarding the all cash consideration of A\$1.10 per share under the SIA. Casa has deep respect for the shareholders of NetComm and Casa considers that this is demonstrated by the substantial premium represented by Casa's all-cash offer price, as explained in detail in the Scheme Booklet.

Casa understands that the Scheme Meeting will be delayed in order for NetComm shareholders to be provided further information as to the NetComm Board's reasons for their unanimous recommendation of the Scheme.

In order to avoid any speculation concerning such delay, with this letter Casa informs you and the Directors of NetComm that the all cash consideration of A\$1.10 per share under the SIA is its best and final offer, subject to no competing proposal (and, without limitation, subject to all of Casa's rights under clause 14.6 of the SIA).

We believe this letter will assist in ensuring that the market is fully informed, and therefore we consent to this letter being publicly released by NetComm.

Yours sincerely,



For and on behalf of Casa Systems, Inc.

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