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ABN: 65 143 613 478

15 January 2021

The Manager  
Market Announcements Office  
Australian Securities Exchange  
4<sup>th</sup> Floor, 20 Bridge Street  
Sydney NSW 2000

Dear Sir / Madam

**Shareholder Letter**

Ahead of the upcoming Extraordinary General Meeting, please find enclosed a Letter to Shareholders from amaysim Australia Limited (ASX: AYS).

Authorised by:

**Alexander Feldman**

amaysim | Chief Strategy Officer, General Counsel & Company Secretary

## Letter to shareholders

Dear Shareholder,

As you are aware, in November 2020, amaysim Australia Limited (ASX:AYS) entered into a sale agreement to sell its Mobile business (amaysim Mobile Pty Ltd) to Optus for \$250 million (Mobile Sale).

This transaction comprises the disposal of the Company's main undertaking, being the Mobile business, and is being put to amaysim shareholders (Shareholders) for approval at the upcoming Extraordinary General Meeting (EGM) at 3:00pm on 21 January 2021.

**The Board unanimously recommends that Shareholders vote in favour of the Mobile Sale to Optus in the absence of a superior proposal (which has not emerged), for the reasons outlined below.**

### Rationale for recommending the Mobile Sale

- The Mobile Sale would realise the current and inherent value of the Mobile business, including its strategic significance to Optus;
- the Independent Expert has determined that the Mobile Sale is fair and reasonable and in the best interests of Shareholders, in the absence of a superior proposal; and
- being all-cash, the Mobile Sale offers certain and significant value to amaysim, which the Company intends to return to Shareholders (after certain costs) via the Distribution.

**As set out in the Notice of Meeting, the Mobile Sale averts a number of risks and challenges that the business is facing including;**

- reducing amaysim's exposure to a highly competitive industry where data is becoming increasingly commoditised. This has a direct impact on the average revenue per user (ARPU) and the Company's ability to grow revenue;
- risk associated with the outcome of the Company's wholesale tender process as there is no guarantee of a new or improved agreement being signed; and
- various material disputes with Optus under the Wholesale Agreement. One dispute in particular has the potential to have a materially adverse impact on amaysim's future gross profit if amaysim is unsuccessful in resolving this dispute. If unsuccessful, amaysim estimates the impact to result in a gross profit margin of 26% in FY21 and 23% in FY22 compared to the approximately 40% in FY20. Under the Mobile Sale, these disputes will be settled and released, eliminating significant future risk for Shareholders.

In reaching its unanimous recommendation in favour of the Mobile Sale, the Board conducted a thorough, extensive and competitive sale and wholesale tender process with participation from a broad range of parties. During this process, the Board received a number of offers for the Mobile business and in respect of the wholesale tender with Optus' offer delivering the best value for Shareholders.

Since the announcement of the Mobile Sale to Optus, no superior offer has emerged for the Mobile business.

## Shareholder Returns

If the sale of Mobile to Optus is approved and completes, there are two offers under which Shareholders can receive funds:

1. WAM Takeover Offer
2. Distributions under the Optus Offer

### 1. WAM Takeover Offer

Subsequent to announcing the Mobile Sale, amaysim received a complementary proposal from WAM Capital Limited (ASX:WAM) for an off-market takeover of the outstanding fully paid ordinary shares in the Company (WAM Offer). While the WAM Offer does not require shareholder approval, it is conditional on Shareholders approving the sale of the Mobile business to Optus, and the subsequent completion of the sale.

Optus' preferred structure for the Mobile Sale presented an opportunity for WAM to make an offer for the listed entity that will remain following sale of the main undertaking (the Mobile business) to Optus. WAM does not wish to operate or own a mobile business. The value for WAM is in the listed amaysim entity, after it has received proceeds from the disposal of the Mobile business (including available franking credits).

Compared to waiting for receipt of Distributions following the Mobile Sale, the WAM Offer provides Shareholders with enhanced optionality, ability to receive consideration sooner and potential for higher return.

**Importantly, the WAM Offer is complementary to the Mobile Sale and is only unlocked once the Mobile Sale to Optus is approved by Shareholders and has completed.**

Shareholders cannot access the WAM Offer if the resolution for the Mobile Sale to Optus does not receive shareholder approval. If the Mobile Sale is not approved by shareholders, it cannot complete and the conditions to the WAM Offer will not be satisfied and it is reasonable to expect the WAM Offer would fall away.

**WAM Offer – enhanced optionality for shareholders, faster payment and potential for higher return**

**The Bidder and Target Statement for the WAM Offer will be despatched to Shareholders after the Mobile Sale to Optus completes. Until then, no further action is required by Shareholders regarding the WAM Offer, other than to vote in favour of the Mobile Sale to Optus if you want the WAM Offer to proceed.**

Under the WAM Offer, Shareholders will be provided additional optionality to receive cash, shares in WAM, or a combination of cash and shares as follows:

- **WAM shares** - one fully paid ordinary share in WAM for every 2.7 amaysim shares (with the value dependent on the WAM share price at the time of issue)
- **Cash** - \$0.695 per share; or
- **a combination** of both.

**Shareholders who accept the WAM Offer will receive their cash and/or shares within 5 days of a valid acceptance form being received and processed.** This is significantly faster and offers certainty of consideration compared to waiting for Distributions following the Mobile Sale.

**The Board unanimously recommends that Shareholders accept the WAM Offer in the absence of a superior proposal.**

## 2. Distributions under the Optus Offer – completing in or around October 2021

If Shareholders opt not to accept the WAM Offer, Distributions will be made to Shareholders as outlined in the Notice Of Meeting. The Mobile Sale will enable amaysim to make substantial Distributions to Shareholders. These are expected to take place over the period April to October 2021 and will be in the form of the following:

**Total Distributions of between A\$0.665 and A\$0.725 per amaysim share with a midpoint of A\$0.695**

- **Major Distribution** of approximately \$0.50 per share, comprising a fully franked dividend of \$0.26 (with franking value of up to \$0.11 per share) and a return of capital of \$0.24 per share to be paid on or around 27 April 2021; and
- **Minor Distribution** of approximately \$0.10 per share comprising a return of capital to be paid in or around May 2021; and
- **Final Distribution** (which may be completed via two distributions) of approximately \$0.065 to \$0.125 per share (with a midpoint of A\$0.095 per share) comprising of a return of capital to be paid in or around October 2021.

For more information on the Mobile Sale and proposed Distribution please refer to the Notice of Meeting and Explanatory Memorandum. Capitalised expressions used but not defined in this letter, have the meaning given in the Explanatory Memorandum.

## Alternate offers

I note that shareholders may have seen some speculation in the media regarding a potential proposal from RAMCap to compete with the WAM Offer (not the Optus offer). Contrary to those media reports, the Board has not received a formal proposal from RAMCap. RAMCap has not provided sufficient information in relation to its interest in amaysim such as the proposed conditions, how shareholders can assess their returns, or the liquidity in its privately held stock and options.

If amaysim's Board was to receive a formal offer from RAMCap, it would be given due consideration and shareholders will be advised.

The offer from WAM Capital is therefore the only substantiated offer for amaysim. However, once again, I want to reiterate that the WAM Offer is conditional on the Mobile Sale to Optus receiving shareholder approval and completing. Only then is the value of the WAM Offer unlocked and available for Shareholders to accept. Until then, there is no other action required with regard to the WAM Offer.

## Extraordinary General Meeting

**The EGM will take place at 3.00pm AEDT on 21 January 2021 and will be held virtually (online).** I encourage all Shareholders to vote prior to the meeting by lodging their vote via the Company's share registry platform prior to the EGM or completing the proxy form accompanying the [Notice of Meeting](#) and returning it in accordance with the directions on the form so it is received no later than 3.00pm on 19 January 2021.

To attend the upcoming virtual EGM, Shareholders will need to log on to <https://web.lumiagm.com/> using the meeting number **342-958-798**.

To login as a Shareholder, you will need your SRN or HIN that can be found on the Notice of Access Letter. Please note that you will need to include the 'I' or the 'X' at the beginning of the SRN or HIN when logging into the Lumi platform.

During the live webcast, Shareholders will have the opportunity to submit questions and we also encourage you to send questions ahead of the meeting to [Investors.Feedback@amaysim.com.au](mailto:Investors.Feedback@amaysim.com.au).

I look forward to your attendance at the EGM.

Sincerely,

**Andrew Reitzer**

**Chairman**

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