



amaysim Australia Ltd

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

Dear Sir / Madam

Mobile Virtual Network Operator (“MVNO”) acquisition

amaysim Australia Limited (ASX: AYS) wishes to advise that it has completed the acquisition of mobile virtual network operator *Jeenee Communications Pty Ltd*.

Please find enclosed the announcement for full details.

Yours sincerely,

Alexander Feldman

amaysim | Chief Strategy Officer & General Counsel

ASX ANNOUNCEMENT

2 December 2019

amaysim acquires mobile virtual network operator Jeenee, accelerating recurring mobile subscriber growth

amaysim Australia Limited (ASX:AYS) (“**amaysim**” or “**Company**”) is pleased to announce it has completed the acquisition of Jeenee Communications Pty Ltd (**Jeenee**), a privately-owned mobile virtual network operator (**MVNO**) for a total consideration of \$7.8 million¹, further cementing amaysim’s position as Australia’s leading MVNO.

Highlights

- The acquisition forms part of amaysim’s strategic pillar to grow its position in the mobile market both organically and through complementary bolt-on acquisitions
- Jeenee has more than 41,700 recurring mobile subscribers and, like amaysim, utilises the Optus network
- The terms of amaysim’s revitalised network supply agreement (**NSA**) with Optus will apply to all acquired subscribers, delivering strong cost synergies
- Under amaysim’s operating structure and NSA the acquisition is expected to deliver positive operating leverage and be earnings accretive
- The acquisition is expected to deliver solid earnings upside in FY21 (the first full year post acquisition) and beyond

amaysim’s Chief Executive Officer and Managing Director, Peter O’Connell said, “The acquisition of Jeenee is a financially and strategically attractive opportunity that allows amaysim to leverage its revitalised Optus NSA and operating structure to increase shareholder value.

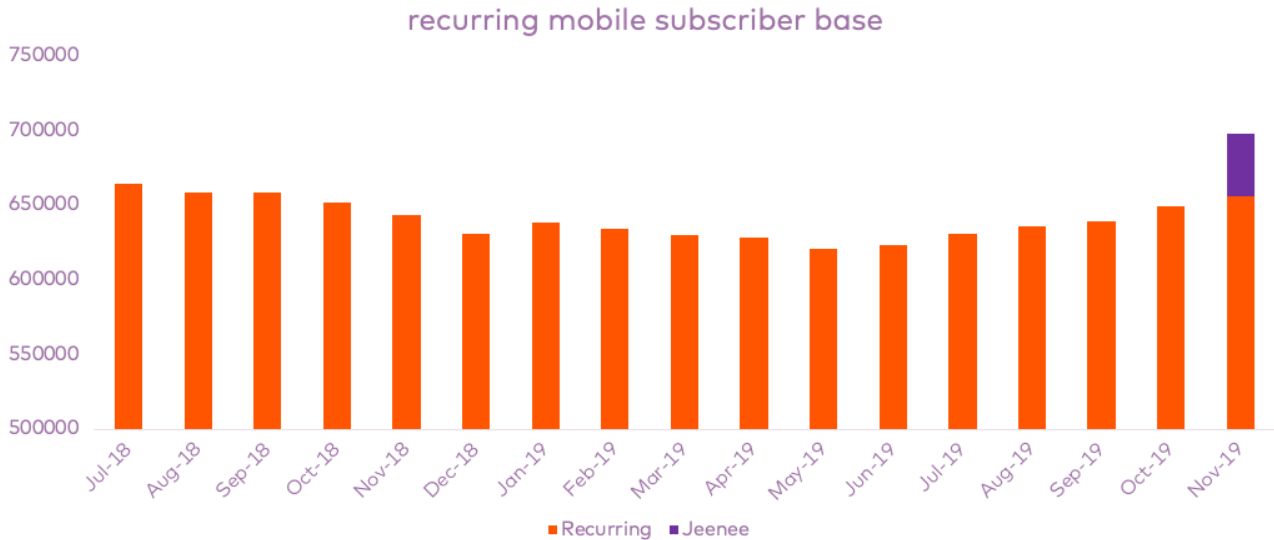
“This acquisition further adds to our growing mobile subscriber base, executing on our strategic pillar to grow the mobile business and cement our position as the leading MVNO. Jeenee has a high-quality subscriber base and we look forward to welcoming its customers to the amaysim Group and providing them with our outstanding customer service.”

Strategic rationale

Jeenee is an Australian MVNO with over 41,700 recurring mobile subscribers. Its plans are post-paid and are offered on a month-to-month or lock-in contract basis.

The addition of Jeenee’s mobile subscribers, brings the amaysim Group’s total recurring mobile subscriber base to 698,600 as at 28 November 2019.

¹ Representing the purchase price of \$7.8 million (on a debt free basis), excluding working capital adjustments, and transaction and restructuring costs



Including As You Go (AYG) subscribers, the total amaysim subscriber base was 1.03 million as at 28 November 2019. AYG subscribers generate approximately 5% of total mobile revenue.

amaysim has a robust migration plan for Jeenee’s subscribers with the objective of causing minimal customer impact. Under the plan, the Jeenee brand and systems will be retired over approximately the next six months. The amaysim Group’s existing brands, systems and processes will be leveraged to realise synergies and drive earnings.

As a result of operating synergies, the Company expects to realise additional cost benefits over time. Bringing the two businesses together will also increase operating leverage and strategic value of the mobile business.

Funding

amaysim has a strong cash balance (\$30.7m as at 30 June 2019) and has also obtained commitments from its syndicate banks to increase its Senior Debt Facilities by \$14 million to support this and future acquisitions.

Other opportunities

amaysim is exploring a number of other bolt-on acquisitions in the mobile market that can be readily integrated into the amaysim Group to deliver strategic value and cost synergies by leveraging existing systems, processes and the revitalised NSA.

Earnings impact

The acquisition will not have a material impact on earnings in FY20. It is expected to deliver a solid earnings contribution in FY21 (the first full year post acquisition) and beyond.

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ABOUT AMAYSIM

amaysim exists to make the lives of its customers amazingly simple, and is removing the unnecessary hassle from everyday life by simplifying mobile and energy services. amaysim launched in 2010 and is Australia's fourth largest mobile service provider and a proven market disruptor.

amaysim is bringing the best of its ground-breaking approach to mobile into the energy sector with subscription energy services to help drive a fundamental shift in the industry towards simplicity and flexibility. amaysim is a technology-driven company, and offers customers smart tools, DIY account management and award winning, online-first customer support. All of amaysim's services also feature no lock-in contracts and are built to deliver a great customer experience and convenience. For more information about amaysim visit amaysim.com.au.