



ASX ANNOUNCEMENT

1 January 2016

amaysim Australia Limited builds faster growth with the acquisition of Vaya Pty Ltd

amaysim Australia Limited (**ASX: AYS**) today completed the acquisition of 100% of the shares in Vaya Pty Ltd (**Vaya**), a privately owned Mobile Virtual Network Operator (**MVNO** and the **Acquisition**).

Highlights:

- Vaya is a Brisbane based MVNO with approximately 140,000 subscribers¹ and a leading position in the sub-\$20 market segment in Australia. Vaya, like amaysim, utilises the Optus 4G Plus network.
- The Acquisition advances amaysim's growth through a dual-brand strategy with access to multiple market segments, increases scale and drives operational leverage.
- amaysim's Network Services Agreement (**NSA**) terms will apply to Vaya (including its other brands: Live Connected and Zen Connect) and Vaya will get the benefit of different wholesale pricing at gross margins which are not dilutive to amaysim's overall gross margin.
- The Acquisition has an enterprise value of \$70 million, including an equity value of \$20m:
 - \$5m paid in cash to Vaya vendors on completion
 - \$15m of amaysim shares issued to Vaya's vendors over a period of 12 months in 3 equal tranches²
 - amaysim group to assume a total of \$50m of liabilities to Optus, payable over two years³
- Earnings from the acquisition of Vaya net of one-off integration costs, Vaya founder consulting fees and transaction costs are expected to make a minimal contribution to amaysim's statutory FY16 EBITDA.
- The transaction is expected to be materially accretive on an underlying NPATA basis for amaysim shareholders⁴ in FY17.
- Vaya's 'price fighter' brands complement amaysim's 'customer champion' brand position.
- Existing Vaya subscriber and supplier arrangements will be maintained on a 'business as usual' basis. amaysim expects a seamless operational transition with minimal integration costs.
- Amounts payable to Vaya vendors and Optus under the transaction can be funded from amaysim's existing cash reserves and future free cash flow.

¹ As at 30 November 2015

² 100% of Tranche 1 and 50% of Tranche 2 are subject to a 12 month escrow period from the date of issuance. Tranche 3 is not subject to any escrow arrangements. Escrows are subject to certain other customary early release triggers. amaysim scrip issued at \$2.29 (30 trading day volume weighted average price to 30 December 2015)

³ \$11m cash payment in February 2016 and \$39m paid in equal instalments over 23 months commencing in March 2016

⁴ Underlying NPATA has been calculated as net profit after tax, excluding the tax effected expenses relating to amortisation of intangibles, one-off integration and transaction costs. Australian Accounting standards allow 12 months from completion to finalise accounting and purchase price allocation including identification of intangible assets, which will be amortised.

Julian Ogrin, Chief Executive Officer of amaysim said, “The Vaya Group presents an attractive and financially compelling opportunity to advance our strategy for profitable growth.”

“The transaction will build on amaysim’s position in a consolidating market, enhance the company’s scale and leverage its online platform,” Mr Ogrin said.

Founded in 2011, Vaya Group operates its business 100% online with no retail presence. Vaya has successfully established a low cost mobile product suite, with the majority of its ~140,000 subscribers on its \$18 monthly offering⁵. Vaya has 40 employees which includes its Brisbane based employees and a customer service centre in Philippines. Vaya also has an outsourced service centre in India which will continue in the short to medium term under a transitional arrangement.

amaysim sees Vaya’s Philippines service centre as a great opportunity to create an overflow capacity for amaysim and to fast-track our platform, web and app development.

“Vaya’s online-only, strong market offering in the sub-\$20 market segment complements amaysim’s ‘customer champion’ position and creates greater scale to our online-driven platform and operating network. I am very happy that the Acquisition will present immediate value for amaysim shareholders. This is a rare opportunity to significantly grow our number of subscribers on the same network and in a complementary market segment,” Mr Ogrin said.

amaysim intends to operate the Vaya and amaysim brands separately, continuing to grow Vaya’s subscribers and not disrupting Vaya’s key supplier relationships. amaysim subscribers will continue to receive the exceptional and constantly evolving online customer experience through which amaysim differentiates itself in the mobile service market. It will be business as usual for both brands, under the strength of the amaysim executive team.

Ogrin concluded, “We are ready to embark on this new chapter in our development and this Acquisition will not distract our management team. amaysim’s organic growth strategy and performance remains on-track and has not changed as a key focus for the team.”

For further information, including important notices, refer to amaysim's investor presentation and other documentation released to ASX on the date of release of this announcement.

For this transaction, amaysim was advised by Investec, Clayton Utz and PwC.

Investor conference call

Management will present the Acquisition to investors on a teleconference at 9.30 am on Monday 4 January. The call can be accessed via this URL: <http://webcast.openbriefing.com/2564/>.

An archive of the call will be available via the company's website shortly after.

Other matters

For the purpose of ASX Listing Rule 3.10.3, amaysim provides the following information in relation to ordinary shares to be issued by the Company in Tranche 2 and 3 as consideration for the Acquisition.

⁵ As at 30 November 2015

Tranche	Tranche 2	Tranche 3
Class of securities	ordinary Shares	ordinary Shares
Number of securities to be issued or maximum number which may be issued:	2,183,406 shares will be issued as part consideration for the Acquisition approximately 3 months after the date of this release (subject to adjustment)	2,183,406 shares will be issued as part consideration for the Acquisition approximately 12 months after the date of this release.
Principal terms of securities to be issued:	50% of the Tranche 2 shares are to be subject to voluntary escrow for 12 months following the date of this release. The remaining 50% are not to be subject to escrow.	Fully paid ordinary shares that are not to be subject to escrow.
Issue price:	\$2.29 per share.	\$2.29 per share.
Purpose of the issue:	Consideration for the Acquisition.	Consideration for the Acquisition.
Whether the Company will seek security holder approval for the proposed issue:	Security holder approval is not required in relation to the proposed issue.	Security holder approval is not required in relation to the proposed issue.
Whether the issue will be to a class of security holders:	No.	No.

For more information, please contact:

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