



## ASX ANNOUNCEMENT

26 October 2018

### amaysim announces sale of fixed line broadband customer base

amaysim Australia Limited (ASX:AYS) (“amaysim” or the “company”) today announced that it has entered into an Asset Sale Deed (the “Agreement”) with Southern Phone Company Ltd (“Southern Phone”) to sell its fixed line broadband customer base for a purchase price of approximately \$3 million<sup>1</sup>, payable in two tranches and subject to a number of conditions typically applied in respect of transactions of this nature. amaysim expects the transaction to complete by the end of October 2018.

The Agreement follows the company’s review of its broadband business and is in line with its goal to maximise shareholder returns.

amaysim Chief Executive Officer and Managing Director, Peter O’Connell, said: “The broadband team has worked very hard and done an outstanding job creating industry leading products and processes. The decision to exit broadband was not easy and was made in light of unsustainably high wholesale costs, intense competition and the need to allocate the company’s capital appropriately.

“This transaction will enable the company to simplify its operating structure, defend and grow its core mobile and energy businesses, and invest in its technology platforms. We will continue to explore additional products and services that we can offer to our significant mobile subscriber base. However, we will do this in a way that is profitable, delivers a great customer experience and aligns with our asset-light business model,” he said.

Southern Phone is one of the largest and most successful providers of fixed line, mobile and internet communications services in regional Australia and operates to maximise benefits to the community. Southern Phone will migrate amaysim’s fixed line broadband customer base onto its platform in November 2018. Affected customers will be notified by amaysim and no disruption to their service is expected.

The company expects to recognise a non-cash impairment of approximately \$7 million pre-tax and write down the carrying value of the broadband assets to zero. The impairment charge will be finalised after the transaction completes and will be removed from underlying performance in the results for the 2019 financial year.

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#### **ABOUT AMAYSIM**

amaysim exists to remove the unnecessary hassle from everyday life by simplifying mobile and energy services. Offering customers DIY account management backed by award-winning, online-first customer support, all amaysim products feature no lock-in contracts, and are built to deliver great customer experience, convenience and outstanding value. For more about amaysim visit [www.amaysim.com.au](http://www.amaysim.com.au).

<sup>1</sup> The final consideration will be adjusted for certain purchase price adjustments