



amaysim Australia Ltd
Level 6, 17-19 Bridge Street
Sydney NSW 2000
www.amaysim.com.au
ABN: 65 143 613 478

3 June 2020

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

Dear Sir / Madam

OVO Mobile subscriber acquisition

amaysim Australia Limited (ASX: AYS) wishes to advise that it will acquire ~77,000 mobile subscribers from mobile virtual network operator OVO Mobile.

Please find enclosed the announcement for full details.

Authorised by:

Alexander Feldman

amaysim | Chief Strategy Officer, General Counsel & Company Secretary

ASX ANNOUNCEMENT

3 June 2020

amaysim to acquire OVO Mobile's ~77,000 subscribers, driving further growth of recurring mobile base and confirms FY2020 guidance

amaysim Australia Limited (ASX:AYS) ("**amaysim**" or "**Company**") is pleased to announce it has signed a binding agreement to acquire ~77,000 mobile subscribers from My Mobile Data Pty Ltd (trading as OVO Mobile ("**OVO**")), for a maximum consideration of \$15.8 million. The transaction is expected to complete imminently.

Highlights

- Acquisition of OVO subscribers accelerates one of amaysim's strategic initiatives to grow its recurring mobile subscriber base
- Over 74,000 of the acquired subscribers are recurring (with the remainder being non-recurring), bringing amaysim's recurring mobile subscriber base to over 820,000 and a total subscriber base of 1.17m), further strengthening its strategic value as the largest mobile virtual network operator (MVNO) in Australia
- Like amaysim, OVO utilises the Optus network; OVO subscribers will be operated under the amaysim brand and will get the benefit of amaysim's revitalised network supply agreement (NSA) with Optus
- The acquisition is expected to be earnings accretive in FY2021, with an increased earnings contribution in FY2022 and beyond
- Migration of subscribers is expected to complete in less than four months, following the recent highly successful migration of ~41,000 Jeenee subscribers in less than three months
- amaysim expects to close FY2020 within its underlying EBITDA guidance range of \$33 million – \$39 million as previously announced

amaysim's Chief Executive Officer and Managing Director, Peter O'Connell said, "The acquisition of OVO Mobile's subscribers is further evidence of the execution of our strategic initiative to grow the recurring mobile subscriber base, both organically and through bolt-on acquisitions.

"Under our asset-light operating structure, we are able to scale the subscriber base with no, or nominal, additional resources, delivering positive future earnings from the acquired base."

"Having completed the integration of Jeenee Mobile in less than three months, we have the skills and experience to accomplish an efficient and successful migration and we look forward to welcoming OVO customers to the amaysim family."

"We have been pleased with how our business has performed in the second half of the financial year, despite the current challenges facing the economy, and we're delighted to be able to report that we are on track to achieve our FY2020 underlying EBITDA guidance."

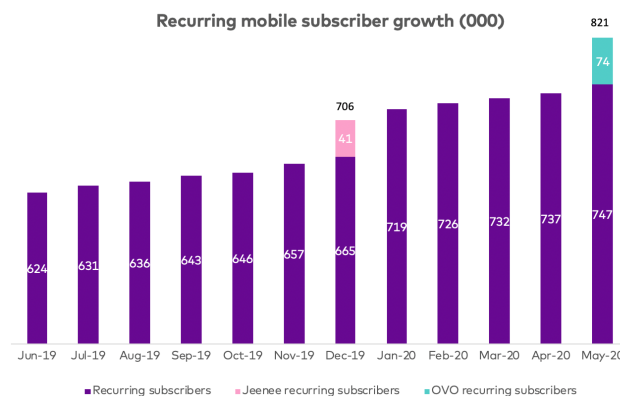
Matt Jones, Chief Executive Officer of OVO said: "I would like to thank the OVO team for their hard work over the years in building the business and amaysim for their support. The completion of this transaction will enable us to focus on our AI Business, Sourse, and associated

content platform. amaysim has a reputation for delivering excellent customer service and value and we can be confident that the OVO mobile customers will be well looked after and supported once under the amaysim umbrella."

Strategic rationale

OVO is the largest independently owned asset-light Australian MVNO (other than amaysim) with ~77,000 mobile subscribers. OVO's plans are pre-paid and are offered on a month-to-month and no lock-in contract basis.

One of amaysim's strategic pillars is to grow its mobile subscriber base (organically and through acquisitions) with a focus on increasing annual recurring revenue. The acquisition of the OVO mobile subscribers brings the amaysim Group's total recurring mobile subscriber base to 821,000 as at 31 May 2020, up from 726,000 as at 20 February 2020, representing an increase of 13% over the ~3 month period and a +30% increase since FY2019. Including amaysim's As You Go (AYG) subscribers and the non-recurring subscribers acquired from OVO, the total amaysim subscriber base was 1.17 million as at 31 May 2020.



OVO subscribers will be migrated onto the amaysim brand, leveraging amaysim's existing systems, processes and customer service team – reinforcing the scalability of amaysim's operating structure and generating significant synergies. The transaction has been structured such that amaysim benefits from certain downside churn protections arising from the migration of OVO's subscribers.

The acquisition is expected to be earnings accretive in FY2021, with further uplift in earnings growth to be realised in FY2022 and beyond.

Following the highly successful migration of the Jeenee subscribers, amaysim is confident that it has a robust migration plan and the necessary experience and expertise to migrate all subscribers to the amaysim brand within four months. The plan ensures minimal subscriber disruption and all customers will be on a plan with value equal to, or better than, their existing plan and most subscribers will also receive increased inclusions.

Funding

amaysim has obtained commitments from its banking syndicate to increase its debt facilities by \$6 million to support the acquisition. This follows a \$14 million Senior Debt Facility C increase in December 2019 to fund the Jeenee acquisition (and potential future acquisitions), which matures in March 2023. Facility C was drawn by \$7.8 million to fund the Jeenee

acquisition, leaving \$6.2 million headroom. This headroom, together with the \$6 million from the new Facility D (also maturing in March 2023) will be used to fund the majority of the consideration for the acquisition of OVO's subscribers.

The remaining (up to) \$3.6 million, some of which is deferred consideration over the next 12 months, will be funded from amaysim's cash balance.

Guidance update

Notwithstanding the challenges currently facing the economy, the Company is pleased with the performance of the overall energy and mobile businesses in the second half of the financial year.

The organic growth of the mobile subscriber base has continued while being complemented with the acquisition of Jeenee and OVO subscribers. The solid performance of the energy business continued with energy subscribers increasing to 209,000 as at 31 May 2020, compared to 1H2020 subscribers of 201,000.

amaysim confirms it is on track to achieve guidance for FY2020, currently expecting to report underlying EBITDA within the guidance range of \$33 million - \$39 million.

Webcast

Management will provide additional commentary on the acquisition via a recorded webcast that will be available on the ASX and our investor website later today.

Investor & analyst contact:

Rosa Smith
T: +61 475 305 047
E: rosa.smith@amaysim.com.au

Media contact:

Renée Bertuch, Cannings Strategic Communications
T: +61 409 550 389
E: rbertuch@canningscomms.com.au

ABOUT AMAYSIM

amaysim is an asset light subscription utility provider. We have adopted the philosophy of putting out customers first by delivering them the best mobile and energy plans and we do this by providing clear and transparent plans and excellent customer service.

amaysim launched in 2010 and is Australia's fourth largest mobile service provider with over one million subscribers 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.