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ASX ANNOUNCEMENT

26 February 2019

\$50.6 million capital raising to enable and accelerate strategic growth initiatives

amaysim Australia Limited (ASX:AYS) (“**amaysim**” or “**Company**”) today announced an underwritten \$50.6 million capital raising to enable and accelerate the execution of its strategic growth initiatives to form Australia’s preeminent customer focused utilities service provider.

KEY HIGHLIGHTS

- amaysim has today launched an underwritten capital raising comprising of a 1 for 2.5 accelerated non-renounceable pro rata entitlement offer to raise approximately \$50.6 million at \$0.60 per share (“**Entitlement Offer**”)
- Proceeds from the Entitlement Offer will be used to reduce debt and provide additional balance sheet strength and flexibility to support investment in new strategic growth initiatives
- amaysim’s growth strategy is expected to result in a material investment in marketing and product development to enhance the strategic value of the Company through a significant increase in the subscriber bases across both mobile and energy over the next 3-years
- amaysim’s largest shareholder, Investmentaktiengesellschaft für langfristige Investoren TGV (“**Langfrist**”) (currently a holder of 16.14% of amaysim shares) is supportive of the Company’s strategy, and has committed to take-up 100% of its entitlement and provide sub-underwriting support to the Entitlement Offer
- New senior debt facilities of \$91 million (after debt reduction)

amaysim’s Chief Executive Officer and Managing Director Peter O’Connell said: “*We are raising new capital to support investments that will enable us to accelerate the execution of our longer-term strategy. We believe there is clear opportunity for amaysim to be the customer champion in energy in the same way we are in mobile and deliver a great customer experience and value to our significant subscriber base, while also maximising long term shareholder value.*”

NEW SENIOR DEBT FACILITIES

The proceeds of the Entitlement Offer will be partially used to restructure the Company’s existing senior debt facilities, with the Company repaying \$30 million to its banks.

In reducing the overall senior debt facilities limit to \$91 million (including bank guarantees of \$31 million), the Company will benefit from de-risking its balance sheet, removal of mandatory debt amortisation payments and a more favourable financial covenant package. These changes will take effect on completion

of the Entitlement Offer. The new restructured senior debt facilities will provide amaysim with greater flexibility to enable the Company to pursue the strategic growth initiatives outlined below.

Upon the refinancing and restructuring of the Company's existing debt facilities, amaysim expects to have pro forma adjusted net debt of approximately \$25.9 million and a leverage of approximately 0.6x adjusted net debt / FY19 Underlying EBITDA¹.

As part of this restructure, the revolving senior debt facilities will be extended until March 2022, with the term facility extended until March 2023.

STRATEGIC GROWTH INITIATIVES

The remainder of the net proceeds of the Entitlement Offer of approximately \$17.6 million will be used to replenish the Company's existing working capital and support investment in new growth initiatives, including:

- a significant increase in mobile marketing spend to boost brand awareness and accelerate mobile subscriber growth to enhance amaysim's strategic value;
- complete the development and launch of a new disruptive energy product suite that is customer-centric, transparent, simple and fair; and
- drive operational efficiencies, as well as rapid innovation and reduced time-to-market, through an upgrade to the Company's information technology stack, consolidating and simplifying operational systems and processes.

amaysim will also actively cross-sell the new customer friendly energy product suite to amaysim's mobile subscriber base.

Mr O'Connell commented: *"Despite the current headwinds in mobile and some short-term regulatory uncertainty for energy, the management team and Board are optimistic about the sectors over the long-term. We believe that our bold approach announced today, will enable us to take advantage of a number of growth opportunities arising over the next 3-years and we believe amaysim is well positioned to capitalise on the changing dynamics to give Australians the freedom and service they are looking for, and to gain a greater market share."*

Mobile marketing investment

amaysim believes there is significant long-term strategic value in its existing mobile subscriber base which represents approximately 3% of the Australian mobile services market and one third of the MVNO market.² This inherent strategic value is expected to continue to increase as the subscriber base grows, allowing amaysim to optimise its wholesale cost structure in the coming years.

Over the next 3-years, the Company is focused on growing its mobile subscriber base and improving brand awareness. amaysim plans to achieve this by significantly increasing its current mobile marketing spend to provide effective, sustained marketing. The Company will remain disciplined and assess all incremental investment with a view to maintaining an efficient cost-per-acquisition relative to the gross profit contribution from new subscribers.

Mr O'Connell commented: *"amaysim is uniquely placed to continue to grow its valued subscriber base in the growing BYO mobile market due to its low cost of acquisition, low cost to serve and strong word of mouth recommendation. We've demonstrated with the "Just What You Need" ("JWYN") campaign launched in November 2017 and "Hoff" campaign launched in November 2015 that we have the experience and ability to*

significantly improve our brand awareness and drive strong uptake of our plans. In particular, the JWYN campaign was highly successful and generated approximately one new mobile plan sale per minute while doubling amaysim's brand awareness during the campaign period."

Investment in new energy products

amaysim will invest some of the proceeds of the Entitlement Offer in the development of a new energy product suite that is aimed at disrupting the retail energy market by bringing much needed simplicity, customer centricity and transparency to the sector. This new product suite is anticipated to launch in 2HFY19 and is expected to ramp-up over FY20-21.

Mr O'Connell commented: *"The retail energy market has all of the hallmarks of mobile from 10 years ago (opaque pricing constructs, no clear and ubiquitous access to usage data, bill shock, excessive switching times and low satisfaction). We successfully disrupted the mobile market and our new energy products are aimed at doing to the energy market what we did to mobile – disrupt it with clear and transparent subscription-based pricing, buckets of inclusions, innovative product features and DIY customer account management. We will step up our marketing and brand awareness investment to make sure Australians know that we are taking amaysim's customer champion position in mobile to the retail energy market. This will be a key point of differentiation to the incumbent energy retailers. We also see an exciting opportunity to ramp-up our cross-sell strategy by offering our mobile subscribers an energy product suite that aligns perfectly with the superior customer experience of amaysim's mobile services.*

amaysim will continue to provide its current suite of energy products to existing customers.

Investment in technology stack

To support these strategic growth initiatives in mobile and energy, amaysim will invest to enhance its information technology platforms. This investment will include:

- consolidation and simplification of operational systems and processes;
- investment in new software as a service (SaaS) platforms to support operational processes, including product management, sales, billing, and customer service;
- development and deployment of new mobile product features, new subscription-based energy products and a multi-product single view of the customer (from amaysim's perspective); and
- improvements to platforms to quickly support new revenue initiatives and market segments

These improvements to amaysim's IT systems will provide a platform that supports the sustainable long-term growth of the business, with the increased agility allowing for the Company to quickly respond to customer needs and market conditions through the accelerated deployment of additional features, products and services.

ENTITLEMENT OFFER

amaysim today announced an underwritten 1 for 2.5 accelerated pro rata non-renounceable entitlement offer to raise approximately \$50.6 million at \$0.60 per share, representing a:

- 36.5% discount to the last close price of \$0.945 on Thursday, 21 February 2019³
- 29.1% discount to the theoretical ex-rights price⁴

The Entitlement Offer comprises an institutional component ("**Institutional Entitlement Offer**") and a retail component ("**Retail Entitlement Offer**").

The Entitlement Offer is underwritten by the sole lead manager, Macquarie Capital (Australia) Limited (“Macquarie”).⁵

Langfrist, amaysim’s largest shareholder with a current holding of 16.14% shares on issue, is supportive of the Company’s strategy. Langfrist has provided an irrevocable commitment to subscribe for 100% of its pro rata share of the Entitlement Offer⁶ and has agreed to act as sub-underwriter to the Entitlement Offer. Any shortfall not taken up by amaysim’s other existing shareholders who are eligible to participate in the Entitlement Offer will be allocated to Langfrist in the manner described below.

The participation of Langfrist in the Entitlement Offer, through the take up of its Entitlement and the allocation of any shortfall shares, may result in its holding increasing above 19.99% up to a theoretical maximum of 40.10% if no other shareholder were to participate in the Entitlement Offer.

ADDITIONAL INFORMATION ON THE ENTITLEMENT OFFER

Institutional Entitlement Offer

Eligible institutional shareholders will be invited to participate in the Institutional Entitlement Offer, which will commence 26 February 2019. Eligible institutional shareholders can choose to take up all, part or none of their entitlements.

Institutional entitlements that eligible institutional shareholders do not take up by the close of the Institutional Entitlement Offer, and entitlements that would otherwise have been offered to ineligible institutional and retail shareholders, will be tendered to existing eligible institutional shareholders through a bookbuild process (including Langfrist to the extent its ownership and voting power remains below 20%) at the Offer Price on Wednesday, 27 February 2019. Any residual shortfall shares not taken-up by eligible institutional shareholders during the bookbuild process will be allocated to Langfrist as part of its sub-underwriting commitment.

Eligible institutional shareholders that participate in the institutional bookbuild (excluding Langfrist) will be offered the opportunity to act as sub-underwriters to the Retail Entitlement Offer.⁷

Retail Entitlement Offer

Eligible retail shareholders will be invited to participate in the Retail Entitlement Offer at the same Offer Price and offer ratio as the Institutional Entitlement Offer. The Retail Entitlement Offer will open at 10:00am (Sydney time) on 5 March 2019 and close at 5:00pm (Sydney time) on 25 March 2019.

Eligible retail shareholders that accept their full entitlement can apply for additional shares through a retail shortfall facility at the Offer Price, subject to pro-rata scale back in the event of oversubscription. Any shortfall shares not taken-up by eligible retail shareholders will be allocated on a pro rata basis to eligible institutional shareholders who commit to sub-underwrite the Retail Entitlement Offer. Any subsequent shortfall will then be allocated to Langfrist as sub-underwriter of ‘last resort’.

Further details about the Retail Entitlement Offer will be set out in a retail offer booklet, which amaysim expects to lodge with the ASX and despatch to eligible shareholders with the accompanying Entitlement and Acceptance Form on 5 March 2019. For eligible retail shareholders who wish to take up all or part of their Entitlement, payment must be made via BPAY® or cheque by following the instructions set out on the personalised Entitlement and Acceptance Form. Payment is due by no later than 5.00pm (Sydney time) on 25 March 2019.

INDICATIVE ENTITLEMENT OFFER TIMETABLE

A timetable of key dates in relation to the Entitlement Offer is set out below.

Event	Date (2019)
Trading halt and announcement of Entitlement Offer	Tue, 26 February
Institutional Entitlement Offer and institutional bookbuild opens	Tue, 26 February
Institutional Entitlement Offer and institutional bookbuild closes	Wed, 27 February
Trading half lifted and announcement of results of Institutional Entitlement Offer	Thu, 28 February
Record date under the Entitlement Offer	Thu, 28 February (7.00pm)
Retail offer booklet despatched and Retail Entitlement Offer opens	Tue, 5 March
Settlement of new shares issued under Institutional Entitlement Offer	Wed, 6 March
Allotment and commencement of normal trading of new shares issued under Institutional Entitlement Offer	Thu, 7 March
Retail Entitlement Offer closes	Mon, 25 March (5.00pm)
Allotment of new shares under the Retail Entitlement Offer	Mon, 1 April
Quotation and commencement of normal trading of new shares issued under the Retail Entitlement Offer	Tue, 2 April
Despatch of holding statements for new shares issued under the Retail Entitlement Offer	Wed, 3 April

The above timetable is indicative and subject to variation. amaysim reserves the right to alter the timetable at its absolute discretion and without notice, subject to ASX Listing Rules and Corporations Act 2001 (Cth) and other applicable law. All dates and times refer to Sydney time.

ADDITIONAL DETAILS

Further details on the strategic growth initiatives and the Entitlement Offer are set out in the capital raising presentation provided to the ASX today. Details of amaysim's 2019 interim performance are set out in a separate investor presentation also lodged with the ASX today. These presentations contain important information, including key risks and foreign selling restrictions, with respect to the Entitlement Offer.

If you have any questions in relation to the Entitlement Offer, please contact the amaysim Australia Limited Entitlement Offer Information Line on 1300 855 080 (within Australia) or on +61 3 9415 4000 (outside Australia) at any time from 8.30am to 5.00pm Monday to Friday during the Retail Entitlement Offer Period. You can also go to amaysim's website at www.amaysim.com.au. For other questions, you should consult your broker, solicitor, accountant, financial adviser, or other professional adviser.

WEBCAST DETAILS FOR INVESTORS

Management will hold an investor and analyst briefing this morning at 10:00am (AEDT) to present the 2019 half year result and discuss the capital raising. To register and listen to the live (passive) webcast, please go to www.openbriefing.com/OB/3154.aspx.

ADVISERS

Cadence Advisory is acting as independent financial adviser and King and Wood Mallesons as legal adviser to amaysim in relation to the Entitlement Offer.

Macquarie Capital (Australia) Ltd is acting as Sole Lead Manager and Underwriter to the Entitlement Offer.

ENDS

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¹ Pro forma adjusted net debt represents adjusted net debt of \$25.9 million as at 31 December 2018, adjusted for proposed \$30.0 million debt reduction compared to the mid-point of FY19F Underlying EBITDA guidance of \$44.0 - \$48.0 million. Net Debt adjustment reflects cash reserved for expected payments in respect of Large-scale Generation Certificate (LGCs), Small-scale Renewable Energy Certificate (STCs) and energy market liquidity in 2H FY19.

² Telsyte Australian Mobile Services Market Study FY2018.

³ The last close price closing price of amaysim Shares as traded on ASX of \$0.945 on Thursday, 21 February 2019, being the last trading day prior to the announcement of the Entitlement Offer.

⁴ The Theoretical Ex-rights Price ("TERP") is a theoretical price at which Shares should trade immediately after the ex-date for the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which Shares traded on ASX immediately after the ex-date for the Entitlement Offer depended on many factors and may not have been equal to TERP. TERP is calculated by reference to the closing price of amaysim Shares as traded on ASX of \$0.945 on Thursday, 21 February 2019, being the last trading day prior to the announcement of the Entitlement Offer.

⁵ Refer to the Key Risks in the Capital Raising presentation released on the ASX today for further details on the Underwriting risks.

⁶ Langfrist will take up its pro rata rights in the Institutional Entitlement Offer. The firm commitment from Langfrist to take up its entitlements under the Entitlement Offer is not underwritten by Macquarie Capital (Australia) Limited.

⁷ Further information regarding the control implications of the Entitlement Offer will be made available in the cleansing notice.

IMPORTANT NOTICES

Not for release or distribution in the United States

This announcement has been prepared for publication in Australia and may not be released to US wire services or distributed in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any other jurisdiction. Any securities described in this announcement have not been, and will not be registered under the U.S. Securities Act of 1933, as amended ("**US Securities Act**") and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

Financial information and forward-looking statements

This announcement contains certain forward-looking statements, including amaysim's expectations about the performance of the business or the success of the Offer. The words "forecast", "estimate", "likely", "anticipate", "believe", "expect", "project", "opinion", "guidance", "intend", "should", "could", "may", "target", "plan", "project", "consider", "aim", "will" and similar expressions are intended to identify such forward looking statements. You are cautioned not to place undue reliance on forward-looking statements. While due care and attention has been used in the preparation of any forward-looking statements, any such statements in this announcement are subject to change without notice, as are statements about market and industry trends, projects, guidance and estimates.

Any forward-looking statements contained in this announcement are provided as a general guide only, and are not guarantees or predictions of future performance and involve known and unknown risks, contingencies and uncertainties and other factors, many of which may or not be correct and therefore you are cautioned not to place undue reliance on such information. Forward-looking statements included in this announcement are based on the company's current views and assumptions as well as information known to date (subject to various risks and uncertainties). Actual results, performance or achievements could be materially different from those expressed in, or implied by, these forward-looking statements and the assumptions on which such statements are based, as may statements about market or industry trends, which are based on interpretations of current market conditions and risks, circumstances and events specific to the industry, countries and markets in which amaysim and its related bodies corporate and associated undertakings operate. There can be no assurance that actual outcomes will not differ materially from those forward-looking statements. Past performance is not necessarily a guide to future performance and no representation or warranty, express or implied, is made by any person as to the accuracy, likelihood of achievement or reasonableness of any forward-looking statements, forecast financial information or other forecast contained in this announcement. All financial information provided in this announcement is based on management accounts and subject to review/audit by the Company's auditors. To the maximum extent permitted by law, amaysim and its Directors, officers, employees, advisers, agents and intermediaries disclaim any obligations or undertakings to release any updates or revisions to the information to reflect any changes in expectations or assumptions, and disclaim all responsibility and liability from any loss arising from use or reliance on this announcement or its content (including, without limitation, for fault or negligence).

All comparisons, unless otherwise noted, are half year ended 31 December 2018 compared to half year ended 31 December 2017 and refer to the continuing operations of the Company with all comparisons relating to prior periods adjusted to reflect only continuing operations. The Company discontinued selling devices on 27 August 2018 and divested its fixed line broadband customer base on 26 October 2018 (completed 30 October 2018). As a result, the results of these businesses are reflected as discontinued operations for all periods presented.

Nothing contained in this document shall form the basis of any contract or commitment, or constitute investment, legal, tax or other advice. You should make your own assessment and take independent professional advice in relation to the information and any action taken on the basis of the information.

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.