

WAM Capital announces increased scrip and cash consideration for amaysim Australia takeover bid

19 January 2021
ASX announcement

WAM Capital Limited (ASX: WAM) (**WAM**) refers to the announcement from amaysim Australia Limited (ASX: AYS) (**amaysim**) of 18 January 2021 titled “*EGM Update - Voting intention of major shareholder*” (**AYS Announcement**). Unless otherwise defined, capitalised terms used in this announcement have the meaning given in the AYS Announcement.

On 15 December 2020, WAM announced its entry into a bid implementation agreement (**BIA**) with amaysim under which WAM will make an agreed off-market takeover bid for 100% of the fully paid ordinary shares of amaysim (the **WAM Offer**), which is complementary to, and conditional upon (among other things), amaysim shareholder approval of the sale of amaysim’s mobile business to Optus. **The amaysim Board is unanimously recommending shareholders accept the WAM Offer.**

At the time of announcing the WAM Offer, amaysim’s estimated Distribution to Shareholders had a mid-point of \$0.695 per amaysim share, which was equivalent to the WAM Offer Cash Consideration at that time. As set out in the AYS Announcement, amaysim is now able to revise its estimated Distribution to Shareholders by \$0.005 to \$0.67 - \$0.73 per amaysim share, with a mid-point of \$0.70 per amaysim share.

The BIA provides that WAM can vary the WAM Offer in the event there is a change to the Distribution, and **WAM has now advised amaysim that it is increasing both the Scrip Consideration and the Cash Consideration for the WAM Offer:**

WAM Offer Consideration

Original WAM Offer

Updated WAM Offer

Cash Consideration

\$0.695 per amaysim share

\$0.70 per amaysim share

Scrip Consideration

for every 2.7 amaysim shares

for every 2.675 amaysim shares

1 new WAM share

Or a combination of both

Or a combination of both

Accepting amaysim shareholders will now therefore be offered the choice of:

- scrip, of 1 new WAM share for every 2.675 amaysim shares¹, representing value of \$0.856² per amaysim share; or
- cash, at \$0.70 per amaysim share; or
- a combination of scrip and cash.

The WAM Offer is subject to a limited number of conditions, including:

- shareholder approval of the Mobile Sale to Optus, as announced on 2 November 2020 and as supplemented by amaysim’s notice of extraordinary general meeting dated 3 December 2020; and
- a number of other customary conditions including there being no regulatory action and no material adverse change.

WAM will, however, waive all conditions on the WAM Offer opening, which will be on the later of 1 February 2021 and the business day following completion of the Mobile Sale. The effect is that when the WAM Offer opens, it will be declared unconditional.

The WAM Offer is currently expected to close on 30 March 2021.

¹ If the number of amaysim shares held by an amaysim shareholder means that their aggregate entitlement to WAM shares is not a whole number, then any fractional entitlement will be rounded to the nearest whole number.

² Based on WAM’s closing price of \$2.29 per share on 18 January 2021. The implied value of the WAM Offer (measured by reference to the scrip consideration) depends on the value of WAM’s share price at the time of any acceptance into the WAM Offer.

Recommendation of WAM Offer and largest shareholder Langfrist's support

The amaysim Board continues to unanimously recommend that amaysim shareholders accept the WAM Offer and amaysim's directors have indicated that they each intend to accept the WAM Offer in respect of all amaysim shares they own or control, both in the absence of a superior proposal.

amaysim's largest shareholder, Langfrist, who holds approximately 19.19% of amaysim's total issued capital, has also indicated that it supports the WAM Offer, in the absence of a superior proposal.

WAM Dividend

WAM yesterday announced its upcoming fully franked interim dividend of 7.75 cents per WAM share, with a record date of 1 June 2021 (**WAM Dividend**). If amaysim shareholders accept the Scrip Consideration and are issued WAM Shares under the WAM Offer before 1 June 2021 and continue to hold their WAM Shares on that date, they will also receive the WAM Dividend.

Benefits of the Offer to WAM Shareholders

WAM Capital's diligent and proven investment process is focused on identifying opportunities to deliver strong returns for shareholders while taking the least risk possible.

WAM approached amaysim regarding the WAM Offer following their announcement on 2 November 2020 which announced the sale of the remaining underlying businesses and operations of amaysim and the planned distribution of all the remaining cash to amaysim shareholders, in addition to the planned wind up and delisting of the company.

The scrip consideration issued under the WAM Offer allows WAM Shareholders to benefit from the issuance of shares at a premium to the underlying net tangible assets (NTA), which is accretive to WAM's pre-tax NTA. The amaysim business, following the Mobile Sale, is largely represented by the underlying cash distribution available to amaysim shareholders, including a significant fully franked component to the distribution of approximately \$80.7 million, which is expected to be paid in April 2021.

We look forward to welcoming amaysim shareholders to the Wilson Asset Management Family, as we continue to grow WAM Capital to the benefit of all shareholders. We are pleased to receive the support of the amaysim Directors and senior management for the WAM Offer and look forward to working with them to provide collective benefits to both WAM and amaysim shareholders.

This announcement has been authorised by the Board of WAM Capital Limited.

Further information

Further information about the Offer will be included in WAM's bidder's statement. If you have any questions regarding this proposed transaction, please call Chairman Geoff Wilson AO on (02) 9247 6755 or Chief Financial Officer Jesse Hamilton on 0401 944 807.

Advisers

WAM Capital's legal adviser is Mills Oakley.

About WAM Capital

WAM Capital Limited is a LIC managed by Wilson Asset Management. Listed in August 1999, WAM Capital provides investors with exposure to an actively managed, diversified portfolio of undervalued growth companies listed on the ASX, with a focus on small-to-medium sized businesses. The Company's investment objectives are to deliver a stream of fully franked dividends, provide capital growth and preserve capital.

All major platforms provide access to WAM Capital, including AMP North, BT Panorama, Colonial First State FirstWrap, Netwealth, Macquarie Wrap, Powerwrap and Hub24. WAM Capital receives coverage from the following independent investment research providers:



About Wilson Asset Management

Wilson Asset Management has a track record of making a difference for shareholders and the community for more than 20 years. As the investment manager for seven leading LICs: WAM Capital, WAM Leaders, WAM Global, WAM Microcap, WAM Alternative Assets, WAM Research and WAM Active, Wilson Asset Management invests over \$3.5 billion on behalf of more than 90,000 retail investors.

Wilson Asset Management created and is the lead supporter of the first listed investment companies to deliver both investment and social returns: Future Generation Australia (ASX: FGX) and Future Generation Global (ASX: FGG). Wilson Asset Management advocates and acts for retail investors, is a member of the global philanthropic Pledge 1% movement, is a significant funder of many Australian Charities and provides all team members with \$10,000 each year to donate to charities of their choice. All philanthropic investments are made by the Investment Manager.



For further information, visit wilsonassetmanagement.com.au or contact:

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