

8 September 2020

The Manager
Markets Announcement Office
Australian Securities Exchange
4th floor, 20 Bridge Street
Sydney NSW 2000

ELECTRONIC LODGEMENT

Dear Sir or Madam

OPTICOMM LIMITED – CONDITIONAL COMPETING PROPOSAL RECEIVED

I attach a market update for immediate release in relation to the above.

This statement is authorised for lodgment by the Board.

Your faithfully



John Phillips
Chief Financial Officer & Company Secretary

Investor Relations

Tel: +61 3 9024 9503; 0418 530 478
investors@opticomm.net.au

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CONDITIONAL COMPETING PROPOSAL RECEIVED

On 15 June 2020, OptiComm Ltd (**OptiComm**) announced that it had entered into a Scheme Implementation Deed (**SID**) with Uniti Group Limited (**Uniti**) to acquire OptiComm by way of a Scheme of Arrangement (**Uniti Scheme**). The Uniti Scheme offers various forms of consideration for OptiComm shareholders at a value of \$5.10 per share. Additionally, under the Uniti Scheme, it is proposed that OptiComm shareholders will also receive a fully franked special dividend of \$0.10 per share.

The Federal Court of Australia made orders on 7 August 2020 approving the convening of the scheme meeting (**Scheme Meeting**) on Thursday 10 September 2020 and the despatch of an explanatory statement and notice of the Scheme Meeting (together, the **Scheme Booklet**) to OptiComm shareholders.

OptiComm has since received a non-binding and conditional competing proposal to acquire 100% of the shares in OptiComm pursuant to a scheme of arrangement (**Competing Proposal**) from FSS Trustee Corporation as trustee for the First State Superannuation Scheme (**Competing Bidder**). The Competing Proposal includes due diligence and final investment committee approval conditions. The Competing Proposal also includes a condition that the OptiComm Board allow the Competing Bidder to conduct due diligence on OptiComm for the period ending on next Friday, the 18th of September 2020.

The Competing Proposal was unsolicited and prior to receipt of the Competing Proposal, OptiComm had not engaged in any way with the Competing Bidder and no information had been provided to the Competing Bidder.

Under the Competing Proposal, OptiComm shareholders would receive 100% cash consideration of A\$5.85 per OptiComm share held (less any dividends or distributions OptiComm shareholders may become entitled to after the date of the offer). The Competing Bidder has stated that it is open to paying a fully franked special dividend in the amount of 10 cents per OptiComm share in connection with the Competing Proposal (which if paid would be deducted from the A\$5.85 per share cash consideration). In total this represents:

- a premium of 12.50% to the all-cash consideration offered under the Uniti Scheme of A\$5.20 (ignoring the impact of potential scale-back); and
- a premium of:
 - 16.77% to the implied value of the all-scrip consideration offered under the Uniti Scheme (calculated on the basis of the closing trading price of Uniti shares on 7 September 2020 of A\$1.435); and
 - 8.13% to the implied value of the all-scrip consideration offered under the Uniti Scheme (calculated on the basis of the mid-point of the Independent Expert valuation of Uniti shares of \$1.55).

The OptiComm Board considers that given the value premium of the Competing Proposal relative to the value of the consideration offered under the Uniti Scheme it is appropriate for the OptiComm Board to engage in further discussions with the Competing Bidder on the basis it may lead to a superior proposal. However, due to the level of conditionality in the current Competing Proposal the OptiComm Board does not currently consider the Competing Proposal to be a superior proposal to the Uniti Scheme.

Accordingly, the OptiComm Board has:

- provided notification of the Competing Proposal to Uniti;
- provided limited due diligence access to the Competing Bidder (in line with the access provided to Uniti) for a period ending on 18 September 2020; and
- requested the Competing Bidder provide a binding proposal (that is, a proposal with no unsatisfied due diligence condition or investment committee approval condition) to the OptiComm Board on at least as

favourable commercial terms as described in this announcement by 5pm next Friday 18 September 2020
(Binding Proposal).

As at the time of this announcement OptiComm has not received a Binding Proposal from the Competing Bidder.

In light of the Competing Proposal, OptiComm intends to seek a Court postponement of the Scheme Meeting which was scheduled to occur on Thursday 10 September 2020 to a time and date to be determined. OptiComm will make a further announcement about the proposed time and date of the postponed Scheme Meeting in due course and will keep the market updated as to further material developments in respect of the Competing Proposal.

OptiComm notes that under clause 11.6 of SID it may not enter into any binding agreement, arrangement or understanding with respect to a competing proposal until it has given Uniti at least three business days to provide OptiComm with an updated proposal that matches the relevant competing proposal. Accordingly, if OptiComm does receive a Binding Proposal from the Competing Bidder within the specified timeframe it will proceed to comply with the matching rights process under the SID.

OptiComm also notes that under the SID, subject to certain conditions, Uniti will be entitled to receive a break fee of \$5.4m from OptiComm in the event that OptiComm completes a competing proposal or an OptiComm director changes his or her recommendation or voting intentions in respect of the Uniti Scheme.

OptiComm notes that the recommendation and voting intentions of OptiComm directors has not changed and accordingly the directors of OptiComm continue to unanimously recommend that OptiComm shareholders vote in favour of the Uniti Scheme in the absence of a superior proposal, and subject to the Independent Expert continuing to conclude that the Uniti Scheme is in the best interests of OptiComm shareholders. Subject to those same qualifications, each director of OptiComm intends to vote all the OptiComm shares held or controlled by her or him in favour of the Scheme.[1]

There is no certainty that the Competing Proposal will result in a Binding Proposal and OptiComm recommends that OptiComm shareholders take no action at this point of time.

For further information contact:

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[1] Refer to the Scheme Booklet which sets out the director's interests in relation to the Scheme.