



ASX RELEASE

11 AUGUST 2020

OVER THE WIRE TO ACQUIRE

AUSTRALIAN & NEW ZEALAND VOICE BUSINESSES OF J2 GLOBAL INC

Over the Wire Holdings Limited (ASX:OTW) ("Over the Wire" or "Company") is pleased to announce that it has entered into a binding agreement to acquire the Australian and New Zealand voice businesses of J2 Global Inc. (NASDAQ:JCOM) ("Aust & NZ Voice Business"), through the acquisition of all the shares in J2 Australia Cloud Connect Pty Ltd and Zintel Communications Limited (together, the "Acquired Business"). Completion is expected to take place on 31 August 2020 ("Completion").

Headquartered in Sydney, the Acquired Business is a leading platform provider of 13, 1300 and 1800 inbound telecommunication services, with over 9,000 business customers ranging from small, independent businesses through to large, corporate enterprises. The Acquired Business has over 80 employees across Auckland, Sydney and Brisbane, and includes leading inbound telephony brands Fonebox and Zintel.

Strategic Rationale

- Acquisition of a leading platform provider of inbound telecommunication services in Australia and New Zealand, delivering proven solutions to the corporate and small / medium enterprise (SME) market.
- Introduces new solution capability to Over the Wire in the areas of inbound telephony services including call routing intelligence, data intelligence, call management and analytics reporting, via a proprietary technology platform.
- Customer base offers cross sell opportunities, particularly in outbound voice and Hosted Telephony services.
- Highly capable team led by experienced management that will be able to deliver a whole of business voice offering to the Australian and New Zealand SME market with complimentary capabilities, when combined with Over the Wire subsidiary Faktortel.
- Delivers platform capability to Over the Wire that further complements our growth objectives within the Cloud Voice, Mobility and Communications Platform as a Service (CPaaS) market.
- EBITDA and EPS accretive transaction.

Financial Consideration and Funding

The total consideration payable is based on an enterprise value of AU\$36M and is fully funded from Over the Wire's cash reserves and a debt facility with Westpac. The Acquired Business is expected to contribute approximately \$19M revenue and \$6M EBITDA to Over the Wire on an annualised basis.

Commenting on the announcement, Managing Director Michael Omeros said, "This is a highly strategic acquisition for Over the Wire, achieving our plan to acquire a high-quality inbound voice business. The Fonebox and Zintel brands have been leaders in inbound telecommunications in Australia and New Zealand for over a decade. We welcome such a talented and specialised team to the Over the Wire group. This acquisition expedites our geographic expansion plans in New Zealand, as well as extending our inbound voice capability and gives us a stronger foundation for providing a broad range of voice services to our existing customers and the Australian and New Zealand business markets."

This document was authorised for release by the Over the Wire Holdings Limited Board.

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About Over the Wire Holdings Limited

Over the Wire Holdings Limited (ASX: OTW) is an ASX listed telecommunications, cloud and IT solutions provider that has a national network with points of presence in all major Australian capital cities and Auckland, NZ. The company offers an integrated suite of products and services to business customers including Data Networks and Internet, Voice, Data Centre co-location, Cloud and Managed Services.

Over the Wire Holdings Limited companies include Over the Wire, NetSIP, Faktortel, Sanity Technology, Telarus, VPN Solutions, Access Digital Networks and Comlinx.