

ASX RELEASE

22 OCTOBER 2021

RECEIPT OF NON BINDING INDICATIVE OFFER FROM AUSSIE BROADBAND

Over The Wire Holdings Limited ("OTW") advises that on 14 October 2021, it received an unsolicited, non-binding indicative offer ("NBIO") from Aussie Broadband Limited to acquire all of OTW's shares by way of a scheme of arrangement representing \$5.75 value per OTW share ("ABB Proposal").

The discussions between the parties in relation to the NBIO are preliminary and incomplete and no agreement has been reached in relation to any transaction. There is no guarantee that any agreement will be reached or that a transaction will eventuate.

To ensure an informed market, we have set out the key terms of the current indicative offer below.

ABB Proposal

The proposed scheme consideration is \$5.75 in value per OTW share ("Offer Price"), with the mix of cash and scrip consideration to be determined.

Entry into Process Deed

In response to the NBIO, OTW entered into a Process Deed on 16 October 2021 under which ABB is being provided with the opportunity to undertake due diligence and negotiate transaction documentation over a period ending on 30 November 2021.

OTW has agreed to certain exclusivity and notification provisions during this period, which are extracted in Annexure A of this announcement.

Next steps

The ABB Proposal is subject to various conditions, including completion of due diligence and entering into mutually acceptable transaction documentation (including a scheme implementation agreement).

There is no certainty that OTW's discussions with ABB will result in an acceptable proposal.

The OTW Board advises shareholders to take no action in relation to the proposal. OTW will continue to keep shareholders informed of developments.

OTW has appointed Macquarie Capital as financial adviser and McCullough Robertson as legal adviser.

This document is authorised for release by the Board.

For further information, please contact:

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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, Comlinx, Zintel Communications, Fonebox and Digital Sense.

Annexure A – Extract of exclusivity provisions

2.1 Due diligence

During the Exclusivity Period, OTW must provide ABB and its advisers with such reasonable access to OTW's information and its executive officers and key management personnel as ABB may reasonably request in conducting its due diligence for the Proposed Transaction.

2.2 No-shop

During the Exclusivity Period, OTW must ensure that neither it nor any of its Representatives directly or indirectly, except with the prior written consent of ABB:

- (a) solicits, invites, encourages or initiates any enquiries, negotiations or discussions; or
- (b) communicates any intention to do any of the foregoing,

with a view to obtaining any offer, proposal or expression of interest from any person in relation to a Competing Proposal.

2.3 No-talk

Subject to clause 2.5(a), during the Exclusivity Period, except with the prior written consent of ABB, OTW must not, and must ensure that its Representatives do not, directly or indirectly:

- (a) negotiate or enter into, a Competing Proposal; or
- (b) participate in or resume (where discussions have ceased under clause 2.10) negotiations or discussions in relation to, or which may reasonably be expected to lead to, a Competing Proposal,

even if the Competing Proposal was not directly or indirectly solicited, invited, encouraged or initiated by OTW or any of its Representatives or the person has publicly announced the Competing Proposal.

2.4 Due diligence information

- (a) Subject to clause 2.5(a), during the Exclusivity Period, except with the prior written consent of ABB, OTW must not, and must ensure that its Representatives do not, directly or indirectly:
 - (i) solicit, invite, initiate, encourage, facilitate or permit any other person other than ABB to undertake due diligence investigations on OTW or any of its Related Bodies Corporate or any of their respective businesses or operations, in connection with such person formulating, developing or finalising, or assisting in the formulation, development or finalisation of, a Competing Proposal; or
 - (ii) make available to any other person, or permit any other person to receive, other than ABB (in the course of due diligence investigations or otherwise) any non-public information relating to OTW or any of its Related Bodies Corporate or any of their respective businesses or operations, in connection with such person formulating, developing or finalising, or assisting in the formulation, development or finalisation of, a Competing Proposal.
- (b) OTW must not, during the Exclusivity Period, provide access to due diligence information to any person who has not agreed to a standstill on terms no more favourable to that person than those applicable to ABB under clause 2 of the Confidentiality Deed.

2.5 Fiduciary exception

- (a) Clauses 2.3 and 2.4 do not apply to the extent that they restrict OTW or the Board from taking or refusing to take any action with respect to a genuine Competing Proposal (which was not solicited, invited, encouraged or initiated by OTW in contravention of clause 2.2) provided that the Board has determined, in good faith and acting reasonably that after consultation with its

legal and financial advisors, such a genuine Competing Proposal is, or could reasonably be expected to become, a Superior Proposal.

- (b) Without limiting clause 2.7, if OTW determines to take any action of a kind that would breach its obligations under clause 2.3 or clause 2.4 but for clause 2.5(a), then OTW must notify ABB in writing no later than 24 hours after making that determination.

2.6 Further exceptions

Nothing in this deed prevents OTW from continuing to make normal presentations to, and to respond to enquiries from, brokers, portfolio investors and analysts in the ordinary course in relation to its business generally.

2.7 Notice of approaches

- (a) During the Exclusivity Period, OTW must promptly (and in any event, within 48 hours) inform ABB in writing if it or any of its Representatives:

- (i) receives any unsolicited approach with respect to any Competing Proposal; and
- (ii) receives any request for information relating to OTW or any of its Related Bodies Corporate or any of their respective businesses or operations or any request for access to any non-public information of OTW or any of its Related Bodies Corporate or any of their respective businesses or operations, which OTW has reasonable grounds to suspect may relate to a current or future Competing Proposal.

- (b) Subject to clause 2.7(c), a notice given under clause 2.7(a) must be accompanied by all material details of the relevant event, including (as the case may be):

- (i) the identity of the person who made the relevant approach referred to in clause 2.7(a), or who made the relevant request for information referred to in clause 2.7(a)(ii); and
- (ii) the material terms and conditions (including price, conditions precedent, timetable and break or reimbursement fee (if any), or any other similar terms) of any Competing Proposal or any proposed Competing Proposal (to the extent known).

- (c) Clause 2.7(b) does not apply if the Board has determined, in good faith and acting reasonably, that complying with clause 2.7(b) would cause the Board to breach fiduciary or statutory obligations to which it or OTW is subject. Nothing in this clause 2.7(c) limits or relieves OTW of its obligation to comply with clause 2.7(a).

- (d) During the Exclusivity Period, OTW must promptly provide ABB with:

- (i) in the case of written materials, a copy of; or
- (ii) in any other case, a written statement of,

any non-public information relating to OTW, its Related Bodies Corporate, or any of their respective businesses and operations made available or received by any person in connection with such person formulating, developing or finalising, or assisting in the formulation, development or finalisation of, a Competing Proposal and which differs materially from, or is more extensive than, the information which may have been provided to ABB.

Key Definitions

Competing Proposal means any expression of interest, offer or proposal by any person or its associates (other than ABB or its Affiliates) to consider or enter into a proposed transaction which is the same or similar in economic terms to the Proposed Transaction or any other proposed transaction within paragraphs (a) to (d) below, whether existing before, on or after the date of this deed:

- (a) any person acquiring directly or indirectly an interest (including an economic interest by way of an equity swap, contract for difference or similar transaction or arrangement) or Relevant Interest in 20% or more of the shares in the capital of OTW (other than as custodian, nominee or bare trustee);
- (b) any person acquiring directly or indirectly (including by way of joint venture, alliance, dual listed company structure or otherwise) any interest in all or a substantial part of the business conducted by, or assets of, OTW or its subsidiaries;
- (c) any person acquiring Control of, or merging or amalgamating with, OTW or any of its subsidiaries, including by way of takeover bid, scheme of arrangement, dual listed company structure, or capital reduction; or
- (d) OTW implementing any reorganisation of capital, dissolution or any proposal which affects, prejudices or jeopardises, or might reasonably be expected to affect, prejudice or jeopardise, the completion of the Proposed Transaction (except as previously announced prior to the date of this deed);

Exclusivity Period means the period commencing on the date of this deed and ending on the earlier of:

- (a) the date of entry into a Scheme Implementation Agreement;
- (b) 30 November 2021;
- (c) the date a Competing Proposal is determined to be a Superior Proposal;
- (d) the date on which ABB advises that it will not, or does not intend to, proceed with the Proposed Transaction on the terms set out in the NBIO, with confirmation of ABB's intention to proceed with the Proposed Transaction to be provided by ABB to OTW at least fortnightly following the date of this deed;
- (e) the date which is REDACTED Business Days after the date of this deed, if the parties have not successfully negotiated the NBIO terms contemplated by REDACTED; or
- (f) the date that discussions in relation to the Proposed Transaction are terminated in accordance with clause 2.9 [Termination for breach];

Proposed Transaction means the proposed transaction contemplated by, and on the terms set out in, the NBIO;

Superior Proposal means a Competing Proposal which the Directors, acting in good faith, and after taking advice from OTW's legal and financial advisers, determine is:

- (a) reasonably capable of being completed taking into account all aspects of the Competing Proposal; and
- (b) if implemented substantially in accordance with its terms, more favourable to OTW's shareholders than the Proposed Transaction, taking into account all terms and conditions of the Competing Proposal