

ASX ANNOUNCEMENT

OneVue Holdings Limited (ASX: OVH) (OneVue)

13 October 2020



Upcoming Scheme vote and letter to shareholders

The Board of OneVue Holdings Limited (ASX: OVH) (**OneVue or Company**) provide the attached letter to all OneVue shareholders which will be distributed via email or post today.

The letter is being sent to shareholders ahead of the Scheme Meeting to remind them of the **importance of voting** either by proxy or at the Scheme Meeting and to set out key considerations for shareholders relevant to how they choose to vote, specifically in light of recent media commentary and direct communications to shareholders by a OneVue shareholder encouraging other OneVue shareholders to vote against the proposed Scheme.

The Scheme Meeting will be held virtually **10.30am (Sydney time) on Wednesday, 21 October 2020**, consistent with orders made by the Federal Court of Australia.

Directors' recommendation

OneVue's Directors **unanimously recommend** that OneVue shareholders vote in favour of the Scheme in the absence of a superior proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of OneVue shareholders. The Directors advise shareholders to review the Scheme Booklet and in particular the risks facing OneVue as described in the risk section of the Scheme booklet prior to lodging their final vote.

Each OneVue Director has voted all the OneVue shares they hold or control in favour of the Scheme.

This announcement was authorised for release to the market by the Board of OneVue.

For further information, please contact:

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About OneVue Holdings Limited (ASX: OVH)

OneVue is an ASX listed high growth technology business *with* service leveraged to the superannuation sector. The business operates through two core divisions: Fund Services, and Platform Services.

OneVue is number 1 in Fund Services managed fund administration and number 3 in Superannuation Member Administration. Platform Services was recognised in Investment Trends' December 2017 Platform Competitive Analysis and Benchmarking Report as ranking third in full function platforms, the winner of 'Most New Developments' Award for the second year running and winner of 'Product Offering' Award. In 2017 and 2018.

For further information, visit onevue.com.au

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Dear Fellow Shareholders

You may be aware from recent media coverage, or from direct correspondence, that a OneVue shareholder is encouraging other OneVue shareholders to vote against the proposed Scheme of Arrangement (Scheme) with Iress Limited (Iress).

It is also unfortunate that OneVue clients are being exposed to the media coverage of the matter.

OneVue's Directors respect every shareholder's right to a point of view, however we would like to reinforce the Directors' unanimous support for the Scheme and our **strong recommendation that all shareholders vote FOR the Scheme** in the absence of a superior proposal and subject to the Independent Expert continuing to conclude that the Scheme is fair and reasonable and in the best interests of OneVue shareholders. The Scheme is also being supported by OneVue's founder.

We emphasise the importance of you taking the time to vote and ensuring that you have a say in the outcome. We also thought it would be useful to reiterate the basis on which the Directors continue to unanimously support the Scheme.

1. The Scheme Consideration has been increased to \$0.43 cash per OneVue share.

Since the Scheme of Arrangement with Iress was announced Iress has increased its offer from \$0.40 cash per share to \$0.43 cash per share following careful consideration of OneVue shareholder feedback. The revised offer is now at the top of the Independent Expert's valuation range of \$0.36 to \$0.43 and represents a 79% premium to OneVue's closing share price on 28 May 2020¹.

2. No competing transaction has emerged as at the date of this letter.

3. The Independent Expert believes the Scheme is fair and reasonable, and in shareholders' best interests

In the absence of a superior proposal, the Independent Expert has concluded the Scheme is fair and reasonable and in OneVue shareholders' best interests.

Moreover, should the Scheme not proceed, the Independent Expert has indicated there is a risk the OneVue share price will fall below the Scheme Consideration. (Before the Scheme was first announced on 1 June 2020, OneVue last traded at \$0.24).

¹ \$0.24, being the last trading price prior to the announcement of the Scheme.

4. The Scheme Consideration represents a significant premium to OneVue's historical trading prices

The Scheme Consideration of \$0.43 per OneVue share represents a:

- a. 79.2% premium to the last closing price before the Scheme was announced;
- b. 97.3% premium to the 1-month volume weighted average price (VWAP) of OneVue shares to 28 May 2020²;
- c. 113.2% to the 3-month VWAP to 28 May 2020³; and
- d. 73.4% premium to the 6-month VWAP to 28 May 2020⁴.

Voting

Your proxy voting deadline is 10:30am (Sydney time) on Monday 19 October, or Wednesday 21 October if voting virtually at the Scheme meeting. It is extremely important that you vote, either by:

- a. voting online by proxy at www.investorvote.com.au or returning the relevant proxy form available with the Scheme, before 10:30am, Monday, 19 October, 2020; or
- b. attending the Scheme meeting virtually at 10:30am, Sydney time, on Wednesday, 21 October, 2020.

OneVue directors who hold OneVue shares have already voted in favour of the Scheme for the shares that they hold or control.

The Directors respect and value the decisions and voting positions of all shareholders. However, the Directors believe it is important to set out their perspectives on the matters raised by the single shareholder who has used direct contact via mail and also via the media to voice its opposition to the Scheme. The Directors also believe that a number of statements made by the single shareholder may be misleading.

The Offer provides a premium of 73.4%-113.2% to OneVue's trading price over the six months prior to announcement of the Scheme

- a. In reaching their unanimous recommendation, the Directors have considered that the premium implied by the increased Scheme Consideration, representing between a 73.4%-113.2% premium to OneVue's trading price and 1-month, 3-month and 6-month VWAPs prior to announcement of the original Scheme, is materially above the premiums typically seen in successful Australian public market control transactions, which the Independent Expert has indicated are in the range of 20%-40%.
- b. The Directors fully recognise that OneVue's share price, prior to announcement of the Scheme, had been impacted by market conditions related to COVID-19 and specific company matters related to recovery of the Sargon sale proceeds and related ongoing disputes. In March 2020, in the period prior to announcement of the Scheme, OneVue's share price was as low as \$0.10 per share in daily trading and on 28 May, 2020, the last trading day prior to the announcement of the Scheme, OneVue shares were trading at \$0.24 per share.
- c. Comments relating to how OneVue's share price would have traded in the absence of the Scheme are entirely speculative and not based on fact. The fact is that there is a certain and immediate 100% cash offer at \$0.43 per share.

² From 29 April 2020 to 28 May 2020. Calculated on a cumulative volume basis.

³ From 2 March 2020 to 28 May 2020. Calculated on a cumulative volume basis.

⁴ From 29 November 2019 to 28 May 2020. Calculated on a cumulative volume basis.

- d. Comparisons to other ASX-listed companies are also speculative, and require consideration of a range of factors, including unique business drivers, financial profiles and performance of each business and selection of the date on which relative performance is measured, which can have a material impact on how the share price performance of individual companies compares. It is important to note that OneVue is not a Platform-only business and significantly that approximately two thirds of OneVue's revenues are unrelated to its Platform business.
- e. Since the shareholder has publicly communicated on 30 September, 2020 that it has voted against the Scheme, OneVue's share price has fallen as low as \$0.33 per share from a high of \$0.425 per share after the increased Scheme consideration was announced, which represents a 23.3% discount to the increased Scheme Consideration.
- f. If the Scheme is unsuccessful the Independent Expert has indicated there is a risk the OneVue Shares will trade at prices below the original offer of \$0.40 per share from Iress.

Immediate and certain value delivered in uncertain times

- a. The increased Scheme consideration of \$0.43 per share is 100% payable in cash to deliver certainty of value to shareholders and the flexibility to determine how they wish to utilise the cash consideration received. If OneVue shareholders wish to invest in the strategic potential of the combination with Iress, they can freely do so by buying Iress shares with all or some of the proceeds received.
- b. Since the announcement of the Scheme, Iress' share price has traded down 13.2%⁵. If Shareholders were receiving Iress shares as a form of consideration instead of cash, the value of the Scheme Consideration would have been reduced since the announcement of the Scheme, with no certainty on how the value of Iress shares will fluctuate up until or following the proposed completion date of the Scheme.
- c. The Independent Expert has considered a range of valuation methodologies to determine a single valuation range for shareholders to consider. This final valuation range determined by the Independent Expert was \$0.36 to \$0.43 per OneVue share. As noted above, the increased Scheme Consideration represents the top of its valuation range.

The Independent Expert report

- a. The Independent Expert's role is to provide an **INDEPENDENT** assessment of the value proposed under the Scheme for OneVue shareholders.
- b. The Independent Expert objectively determines which valuation methodology is the most appropriate, including taking into account the similarities and differences to other ASX-listed companies, and makes that determination **INDEPENDENTLY** and without any conflict of interest.
- c. The Independent Expert has been provided all information about OneVue's historical and budgeted financial performance, customer wins (including Australian Unity) and losses and potential customer pipeline to enable it to form an **INDEPENDENT** view of value to provide to OneVue shareholders.
- d. The maintainable earnings range used by the Independent Expert in its valuation is consistent with the OneVue Board and management's expectations regarding the expected financial performance of OneVue including the potential customer pipeline.

⁵ From 29 May 2020 to 7 October 2020.

- e. If the Scheme is unsuccessful the Independent Expert has indicated there is a risk that OneVue shares will trade below the original offer of \$0.40 per share from Iress. On 28 May, 2020 (being the last trading price prior to the announcement of the Scheme) OneVue shares were trading at \$0.24 per share.

Outlook for OneVue

- a. The Directors are not aware of any competing transaction or alternative control proposal for OneVue since the Scheme was announced on 1 June, 2020 to date of this letter.
- b. The OneVue **share price of \$0.80 per share referenced by the shareholder was over two years ago and is not an appropriate benchmark for shareholders to reference** when now evaluating the increased Scheme consideration or the future outlook for OneVue, as the earnings of the OneVue business at that time included the high-margin Trustee Services business which was subsequently sold to Sargon in June 2019.
- c. A significant portion of the money owed to OneVue from the sale of the Trustee Services business to Sargon remains in legal dispute. The Directors believe that any proceeds received in relation to the sale of the Trustee Services business will be significantly less than the total amount owed to OneVue and the book value of this receivable was written down to nil in OneVue's 30 June, 2020 annual financial statements.
- d. The outlook for OneVue in the event the Scheme does not proceed involves a number of risks which have been set out in the Scheme Booklet. Should the Scheme not proceed it is likely that OneVue will have to seek further funds from investors in order to continue to deliver its growth agenda.
- e. The Directors have carefully considered the outlook for OneVue and its ability to deliver value to shareholders in excess of the Scheme consideration, among other factors, in their decision to unanimously recommend the Scheme (in the absence of a superior proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of OneVue shareholders).

For further detail on the advantages and disadvantages of the Scheme, we recommend you read the Scheme Booklet and Supplementary Scheme Booklet in full.

It is critical that as many shareholders vote as possible to ensure all voices are heard. On behalf of all the OneVue Directors, I look forward to your voting in the Scheme.

If you have any questions, please contact the OneVue Shareholder information line on 1300 855 080 (within Australia) or +61 3 9415 4000 (overseas).

Yours truly

A handwritten signature in black ink, appearing to be "Ron Dewhurst".

Ron Dewhurst
Chair