

Oversubscribed WAM Microcap Share Purchase Plan and Placement

24 April 2024
ASX announcement
and media release

The WAM Microcap Limited (ASX: WMI) Board of Directors is pleased to announce that the Share Purchase Plan (SPP) and Placement closed significantly oversubscribed, following overwhelming demand from shareholders, raising \$90 million.

Chairman Geoff Wilson AO said: “We greatly appreciate the support we have received from WAM Microcap shareholders. We thank all shareholders who showed their confidence in the Company by applying for additional shares in the SPP. We have given SPP participants their full allocation.”

The SPP closed on Monday 22 April 2024, following strong support from WAM Microcap shareholders, raising \$48 million. All shareholders who applied for new WAM Microcap shares under the SPP will receive their full allocation of shares, with no scale back.

The SPP provided the opportunity to acquire up to \$30,000 of fully paid ordinary shares in WAM Microcap, without incurring brokerage fees. Shareholders who participated in the SPP and Placement are entitled to the fully franked interim dividend¹ of 5.25 cents per share. The fully franked interim dividend of 5.25 cents per share represents an annualised FY2024 fully franked dividend yield of 7.4%² and an annualised grossed-up dividend yield of 10.6%³ on the SPP Price. The final SPP and Placement Price is \$1.418 per share, being the estimated pre-tax net tangible assets of the Company as at 22 April 2024. All shareholders who made applications will receive the adjusted amount of shares equivalent to the final SPP Price and their application amount.

Separately, existing WAM Microcap sophisticated and professional investors⁴ participated in a Placement at the same price and under the same terms as the SPP, raising \$42 million. The Placement was significantly oversubscribed following substantial excess demand from existing WAM Microcap shareholders and was subject to scale back.

Lead Portfolio Manager Oscar Oberg said: “The investment team is pleased to receive such overwhelming support from WAM Microcap shareholders. The additional capital raised will be invested in accordance with WAM Microcap’s disciplined and proven investment process and we are seeing a number of compelling micro-cap companies across a variety of sectors that are currently trading at depressed valuations.

“We have a positive outlook for corporate activity and believe that the number of deals such as initial public offerings and capital raisings will gain momentum throughout 2024 into 2025,” he said.

The Company had the capacity to raise \$138.9 million through the SPP and Placement, however initially sought to raise a total of \$75 million between the SPP and Placement, with the offer being made to existing shareholders of WAM Microcap who have supported the Company since inception in 2017. The Board of Directors decided to accept limited oversubscriptions through the Placement following overwhelming demand from over 1,000 loyal WAM Microcap shareholders, with the Placement subject to a significant scale back. Of the 9,054 WAM Microcap shareholders who were eligible for the SPP, 3,029 shareholders participated, or 33% of the register, to raise a total of \$48 million. The average application amount for the SPP was \$15,900 per shareholder.

Taylor Collison and Morgans acted as joint lead managers to the Placement.

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Pleasingly, the WAM Microcap investment portfolio has outperformed the S&P/ASX Small Ordinaries Accumulation Index in the month to date. Through the Company's continued focus on undervalued micro-cap growth companies with a catalyst, the investment portfolio has increased 16.4%⁵ per annum since inception⁶ in June 2017, outperforming the Index by 9.4% per annum. Since inception⁶ in June 2017, WAM Microcap has delivered total shareholder return (TSR) including the value of franking credits of 12.7% per annum, well above the return of the S&P/ASX Small Ordinaries Accumulation Index of 7.0% per annum over the same period.

Key dates

Issue of SPP Shares	30 April 2024
SPP shares expected to commence trading on ASX	1 May 2024
Issue of Placement Shares	2 May 2024
Placement shares expected to commence trading on ASX	3 May 2024
Dividend ex date	17 May 2024
Dividend record date	20 May 2024
Dividend payment date	30 May 2024

¹Assumes shareholders continue to hold shares issued under the SPP and Placement at the dividend record date on 20 May 2024.

²Based on an annualised FY2024 fully franked interim dividend of 10.5 cents per share and the SPP Price of \$1.418 per share.

³Grossed-up dividend yield includes the benefit of franking credits and is based on a tax rate of 30.0%.

⁴These terms are defined in the Corporations Act and refer to individuals with net assets greater than \$2.5 million, or those who earn gross income of \$250,000, or a superannuation fund with net assets of at least \$10 million.

⁵Investment portfolio performance is before expenses, fees and taxes to compare to the relevant index which is also before expenses, fees and taxes.

⁶Investment portfolio performance and total shareholder return are since inception in June 2017 to 31 March 2024.

About WAM Microcap

WAM Microcap Limited (ASX: WMI) provides investors access to a portfolio of undervalued micro-cap growth companies with a market capitalisation of less than \$300 million at the time of acquisition. WAM Microcap also provides exposure to relative value arbitrage and market mispricing opportunities. WAM Microcap's investment objectives are to deliver a stream of fully franked dividends, provide capital growth over the medium-to-long term and preserve capital.

All major platforms provide access to WAM Microcap, including Asgard eWRAP Investment, BT Panorama, BT Wrap, Colonial First State FirstWrap, Hub24, IOOF Pursuit Select Investment Service, Macquarie Investment Manager / Consolidator, MLC Wrap IDPS and SMS, Netwealth Wrap and North Investment.

Listed
June 2017



WAM Microcap receives coverage from the following independent investment research providers:



BELL POTTER



ORD MINNETT

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

About Wilson Asset Management

Wilson Asset Management has a track record of making a difference for shareholders and the community for 25 years and is the investment manager for eight LICs – WAM Capital (ASX: WAM), WAM Leaders (ASX: WLE), WAM Global (ASX: WGB), WAM Microcap (ASX: WMI), WAM Alternative Assets (ASX: WMA), WAM Strategic Value (ASX: WAR), WAM Research (ASX: WAX), WAM Active (ASX: WAA) – and the Wilson Asset Management Leaders Fund. Wilson Asset Management invests over \$5 billion on behalf of more than 130,000 retail investors.

Wilson Asset Management created and is the lead supporter of the first LICs 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.

Wilson
Asset Management
Making a difference



5 billion
in funds under management

>200 Years
combined investment
experience

+25 Years
making a difference for
shareholders

10
investment products

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