



Company	Wellcom
Code	WLL
Meeting	Scheme of arrangement
Date	8 November 2019
Venue	25/525 Collins St Melbourne
Monitor	Mike Robey

Number attendees at meeting	4 shareholders plus 5 others
Number of holdings represented by ASA	8
Value of proxies	\$120,000
Number of shares represented by ASA	17,900 (equivalent to 5th largest holder in Top 20)
Market capitalisation	\$266m
Were proxies voted?	Yes, on a poll
Pre AGM Meeting?	no

From one family to another

The purpose of the meeting was to vote on the sale of this content management software business to the Korean group Innocean, which is a family controlled business. The offer was \$6.70 per share, which at the time of the offer was 26.7% premium on the share price.

The resolution was passed with 99%+ voting for. A significant portion of the against votes were in fact from ASA members, and a discussion with one after the meeting revealed the motive: to stop the migration offshore of Australian technology. The meeting was over in a few minutes.

Discussion with the founder after the meeting revealed that he couldn't see a way forward to obtain sufficient cash to invest in the ongoing business and a chance encounter at a conference led to the bid from a Korean company looking for their technology. He stated that the current major competitor is Adobe and MS and that the amount of investment to remain competitive would require taking on a very large debt. My hunch was that he had no successor in the family (it is in large part a family business) and wanted to cash out before he got too old!

Nibbles 5/10 (and 5 times over-catered for the 4 guests)