



**amaysim**

**amaysim Australia Limited**

ABN 65 143 613 478

**Annual report  
for the year ended 30 June 2015**

**amaysim Australia Limited** ABN 65 143 613 478  
**Annual report - 30 June 2015**

**Contents**

	Page
Chairman's Letter	1
CEO's Letter	2
Directors' report	3
Corporate Governance Statement	14
Financial statements	15
Independent auditor's report to the members	50

## Chairman's letter

On behalf of the Board of Directors, I am delighted to present you with the amaysim Australia Limited (amaysim) annual report for the financial year ending 30 June 2015.

In a landmark move for the company, amaysim listed on the ASX in July 2015. This followed a year of sustained business growth in a competitive mobile services market, which saw the company achieve the milestone of 718,000 subscribers, against a prospectus forecast of 716,000 subscribers.

This business model is proving to be a unique market differentiator as the BYO handset market, of which amaysim is a pioneer in the Australian market, continues to grow. In addition, amaysim's unwavering focus on customer experience and satisfaction is undoubtedly an asset in a changing telecommunication sector, as is the strength of the company's network wholesale agreement with Optus.

Since taking on the privileged role of Chairman at amaysim (as part of the company's listing process) I have been sincerely impressed with the strong focus and adherence of the organisation to its core proposition of operating an online-led business model. This is underpinned by a proprietary and scalable technology platform that provides a user-friendly customer experience, real-time data to amaysim and a high degree of automation.

As outlined in the amaysim Prospectus released in June 2015, by continuing to drive increasing subscriber growth, demand for higher value products and leveraging its scalable operating model, amaysim is well positioned to continue to deliver simple, focused mobile services plans to Australian consumers while achieving sustainable growth and returns for shareholders.

I look forward to being part of the amaysim journey throughout financial year 2016.



Andrew Reitzer  
Chairman  
amaysim Australia Limited

## CEO's letter

As we move through the 2016 financial year, I am proud to welcome you to peruse the inaugural amaysim annual report.

amaysim has been dedicated to bringing simplicity and customer-centricity to the Australian mobile services market since launching in November 2010. During the last financial year this commitment brought about achievements that the amaysim team is to be commended for.

In December 2014, amaysim signed a key variation to its network wholesale agreement with Optus, further strengthening the relationship. This led to the March 2015 launch of our amaysim suite of 4G plans to suit a range of data-usage requirements for a growing national data appetite. Combined with our relentless focus on creating a superior customer experience, this has cemented our position as Australia's fourth largest independent mobile services provider.

In addition, the amaysim team has focused on constantly improving and advancing the online, and increasingly mobile-driven, DIY activation and self-service assets which allow amaysim customers to manage their mobile services accounts from the smart device of their choice. Online engagement and consumer empowerment is at the core of the amaysim's lean operating model.

Our commitment to customer-centricity resulted in us winning the Roy Morgan Telecommunication Customer Satisfaction award in the mobile services category for the second year in a row (following on from our 2013 win), which speaks volumes alongside our high Net Promoter Score (NPS).

I am also proud of our inclusion in the Deloitte Tech Fast 50, a program that recognises growing Australian technology companies. Alongside such recognition, the amaysim operational team accelerated our move to Amazon web services. This allows us to focus on driving value through real-time, data-driven insights and increasingly innovate through technology.

With people and culture key to the amaysim way of life, I was heartened by amaysim receiving Bronze in the HR Director Employer of Choice Awards in the 100-499 employees category, once again validating the passion with which we keep our core values of empathy, agility, simplicity and reliability at the centre of the organisation.

The mobile services market is dynamic and competitive. As an agile, lean operator we are well-placed to navigate the challenges and to realise opportunities the market provides for an organisation with a strong online focus and customer experience mantra. It is with great excitement that we look forward to journeying through amaysim life as a publicly listed company and thank you for being part of this journey.



Julian Ogrin  
Managing Director and Chief Executive Officer  
amaysim Australia Limited

## Directors' report

The directors of amaysim Australia Limited (amaysim or the company) (ABN 65 143 613 478) present their report together with the financial report of the group and its controlled entities (the group or the consolidated entity) for year ended 30 June 2015.

### Directors and company secretary

The directors of the group during the period and up to the date of this report are shown below. The structure and membership of the board changed significantly on 22 June 2015 as the group finalised plans for listing on the Australian Securities Exchange (ASX):

	Appointment date	Cessation date
Andrew Reitzer	22 June 2015	
Julian Ogrin	22 June 2015	
Maria Martin	22 June 2015	
Jodie Sangster	22 June 2015	
Rolf Hansen	12 May 2010	
Peter O'Connell	12 May 2010	
Thorsten Kraemer	6 August 2010	
Malte Von Der Ropp	6 August 2010	22 June 2015
Thomas Falk	16 August 2010	22 June 2015
Saad Raja	15 March 2011	22 June 2015
Christian Magel	15 March 2011	22 June 2015
Andreas Perreiter	23 March 2013	22 June 2015
George Sidjimkov (Alternate Director)	15 March 2011	22 June 2015
Thomas Enge (Alternative Director)	23 March 2013	22 June 2015

The company secretary of the group was Maik Retzlaff on 20th August 2015. Alex Feldman was subsequently appointed as the company secretary on 20th August 2015.

### Principal activities

The principal activity of the group is the provision of mobile telecommunication services. There was no significant change in the nature of the activities during the year.

### Dividends - amaysim Australia Limited

The directors have not recommended any payment of dividends for the current financial period.

Depending on available profits and the financial position of amaysim, it is the current intention of the Board to declare interim dividends in respect of half years ending 31 December and final dividends in respect of subsequent half years ending 30 June each year, in Australian dollars. The payment of a dividend by amaysim is at the discretion of the Directors and will be a function of a number of factors, including the general business environment, the operating results and financial condition of amaysim, future funding requirements, capital management initiatives, taxation considerations (including the level of franking credits available), any contractual, legal or regulatory restrictions on the payment of dividends by amaysim, and any other factors the Directors may consider relevant.

### Review of operations

amaysim is a leading Australian online-led Mobile Services Provider (or MSP), with approximately 718,000 Subscribers as at the end of June 2015. Since launching, amaysim has become one of Australia's fastest growing MSPs and is the fourth largest independent MSP in Australia by number of Subscribers. amaysim had an estimated 2% market share of the Australian Mobile Services market by number of Subscribers as at 30 June 2014 (according to Telstye, Australian Mobile Services report, March 2015).

### Financial performance

amaysim views the business based on one operating segment. Therefore, the summary of the financial results for 30 June 2015 are detailed below as a single segment:

## Directors' report

### Review of operations (continued)

A\$'000 (unless stated)		Actual FY15 Statutory	Prospectus FY15 Statutory	Variance %
Net revenue	(i)	212,595	213,100	(0.2)
Gross Profit		59,477	59,700	(0.4)
Gross Profit Margin %		28.0%	28.0%	0.0
Net Profit After Tax (NPAT)	(ii)	24,009	20,400	17.7
Cash & security deposits		18,145	17,800	1.9
ARPU \$		\$26.12	\$26.18	(0.2)
Closing Subscribers ('000s)		718	716	0.3

*Net Revenue is the total revenue and other income, excluding interest income.*

*Gross Profit is the total net revenue less network related expenses.*

*NPAT is the Profit/(loss) from continuing operations.*

*ARPU is the net revenue divided by the 2015 average customer base.*

- (i) Variance as a result of timing of revenue recognition due to higher than anticipated Unlimited subscriber base at end of year.
- (ii) Improved net profit reflects operational cost savings and increased tax benefits for research and development, partially offset by variance in timing of revenue.

The group's operating results were significantly better in the year ended 30 June 2015 as compared to 30 June 2014. The profit from continuing operations was \$24,009k for the year to 30 June 2015 marking a considerable increase on the loss of \$2,411k in 30 June 2014.

There are several major operating influences resulting in this increased profit compared to the previous year:

- Service revenue, which is one of amaysim's key business indicators was up 66.21% period on period from \$123,746k in the year to 30 June 2014 to \$205,678k in the year to 30 June 2015.
- In the 12 months since 30 June 2014 the active customer base has increased by 99,238.
- Product repositioning of the UNLIMITED plan by increasing the price while adding further mobile broadband data to the plan.
- Varied its Net Service Agreement (NSA) with Optus to include 4G services and a second five year term (ending December 2019), with an option for amaysim to extend for another five years.
- Launch of 4G product suite to subscribers on the 24th of March 2015.
- amaysim recognised an income tax credit of \$12,718k in the year to 30 June 2015, comprising a one-off tax credit of \$16,517k relating to the recognition of carried forward income tax losses, temporary differences and research & development credits the group has built up since its inception, and tax expenses of \$3,799k for the current period.

amaysim reached a significant milestone on 11 December 2014 with the execution of a variation agreement with our wholesale network provider. This new Network Service Agreement (NSA) provides the group with long term access to the Optus network. Importantly, the agreement has seen amaysim launch 4G product offerings on 24th of March 2015. The launch of 4G services has strengthened amaysim's operations, in the 3 months post launch when compared to the 3 month prior to launch, by providing a more appealing and diversified suite of products to the Australian consumer market. Additionally, the new products have assisted in mitigating and reducing the disconnection of customers from amaysim's customer base.

### Additional financial performance information

Given the change in structure and one-off transactions also included in the statutory results, the directors are of the opinion that proforma financial information provides useful information about the financial performance of the group. This information should be considered as supplements to the consolidated statement of comprehensive income that has been presented in accordance with the Australian Accounting Standards and not as a replacement for them. Because these non-IFRS financial measures are not based on Australian Accounting Standards, they do not have standard definitions, and the way amaysim has calculated these measures may differ from similarly titled measures used by other companies. Readers should therefore not place undue reliance on these non-IFRS financial measures.

## Directors' report

### Additional financial performance information (continued)

A\$'000		Actual FY15 Pro forma	Prospectus FY15 Pro forma	Variance %
EBITDA	(i)	16,447	15,900	3.4
NPATA	(ii)	10,246	9,200	11.4

EBITDA is the Profit/Loss before income tax excluding interest income, depreciation and amortisation expense.

NPATA is the NPAT adding back amortisation on trademarks.

- (i) Improved EBITDA reflects operational cost savings partially offset by variance in timing of revenue.
- (ii) Improved NPATA reflects stronger EBITDA and variation in timing of current period deferred tax.

### Reconciliation of proforma results to statutory results

The proforma information for the financial year ended 30 June 2015 has been prepared on the same basis as the proforma financial information published in amaysim IPO prospectus, issued 23rd June 2015. The table below reconciles the statutory financial information to proforma financial information. Adjustments have been made to reflect the full period impact of the operating and capital structure that is now in place as if it had occurred at 1 July 2014. In addition, certain other adjustments have been made to eliminate non-recurring items together with changes to remuneration arrangements and estimated standalone public company costs over the full period.

Consolidated Year ended		EBITDA 2015 \$'000	EBIT 2015 \$'000	NPAT 2015 \$'000
<b>Statutory results</b>		<b>14,037</b>	<b>11,082</b>	<b>24,009</b>
Add back/(deduct) significant items:				
Executive remuneration	(i)	(345)	(345)	(345)
Employee share plan	(ii)	955	955	955
Public company costs	(iii)	(1,250)	(1,250)	(1,250)
Offer costs	(iv)	3,050	3,050	3,050
Market feasibility costs	(v)	-	-	-
Interest on convertible notes	(vi)	-	-	116
Pro forma tax	(vii)	-	-	(16,988)
<b>Proforma FY15 results</b>		<b>16,447</b>	<b>13,492</b>	<b>9,547</b>
<b>Prospectus proforma forecast</b>		<b>15,900</b>	<b>12,900</b>	<b>8,500</b>

- (i) Executive remuneration: An adjustment has been made to remove the execution remuneration costs paid to the Founders over the historical period and allow for incremental executive remuneration costs for the current management team. The adjustments have been made to better reflect the executive remuneration costs of the Company based on the current management team.
- (ii) Employee share plan: Reflects the non-cash accounting cost of the issue of new Shares pursuant to the vesting of Share Rights under the ESP on the listing of amaysim. These costs are not tax deductible.
- (iii) Public company costs: Reflects amaysim's estimate of the incremental annual costs that the Company will incur as a listed entity. These costs include non-executive director fees, additional audit costs, listing fees, share registry fees as well as investor relations and communications costs.
- (iv) Offer costs: An adjustment has been made to remove offer costs incurred in the current period of \$3,050k.
- (v) Market feasibility costs: Reflects costs related to the exploration of an offshore opportunity incurred in FY2014 and subsequently discontinued (refer to note 6 in the financial statements). These costs are not tax deductible.
- (vi) Interest on convertible notes: Reflects interest on convertible notes (accounted for as liabilities) that were converted to equity in 1H2015.
- (vii) Pro forma tax: The tax impact of the pro forma NPAT adjustments has been calculated using the company tax rate of 30%. The tax losses incurred and R&D tax credits and other temporary differences received by amaysim in FY2012, FY2013 and FY2014 were not recognised as a deferred tax asset until FY2015.

## Directors' report

### Review of financial position

The groups net assets have improved by \$29,342k period on period as a consequence of improved operating performance, recognition of deferred tax assets of \$16,517k and conversion of convertible notes to equity of \$3,504k.

As at 30 June 2015, the group's current liabilities exceeded the current assets by \$23,079k. Current liabilities include deferred revenue of \$10,125k for which there are no future cash outflows. Also the group has a history of generating positive operating cashflows, and fixed repayment terms with major creditors, and accordingly the financial statements are prepared on a going concern basis.

### Business risks

The material business risks faced by the group that are likely to have an effect on the financial prospects of the Group are outlined below:

*NSA risks:* Optus has termination rights under the NSA which can be utilised by Optus on the occurrence of certain events, some of which may be outside of amaysim's control. The Group relies on Optus to provide mobile services to its subscribers and there is a risk that Optus suffers a material technical issue or significant problem with its network that directly affects the service amaysim provides to its subscribers. The termination of the NSA, renegotiation of the NSA on unfavourable terms or any operational issues with Optus' network could adversely affect the Group's financial performance and position.

*Acquisition of newer technology risks:* If future mobile services are developed, there is a risk amaysim is not able to acquire them from Optus or other MNOs at all, or until a period of time has elapsed. There is also a risk that amaysim is not able to acquire such services on favourable terms and conditions. Any of these events may cause amaysim to lose Subscribers or not grow Subscribers at the rate which it had expected and, or, adversely affect amaysim's gross margins, financial performance or position.

*Competition risks:* The Group operates in a highly competitive industry and there are a large number of participants targeting the subscribers that the Group targets, many with significant resources and capital. The Group's existing and potential competitors may place pricing pressure on the product offering and may impact on the Group's ability to retain existing subscribers as well as its ability to attract new business, maintain gross margin and adversely affect its financial performance or position.

*Excessive usage of data, voice and SMS services by amaysim subscribers risks:* The Group's wholesale costs include service charges paid to Optus based on an agreed price schedule for the bundled and discrete mobile network services (comprising call, text and data) that the Group acquires from Optus. Charges for bundled services are fixed per Subscriber, whereas charges for discrete services are on a per unit basis constructed on Subscriber usage of discrete services. If subscriber usage is greater than expected and, due to competitive reasons, amaysim is unable or unwilling to react to and adjust the retail pricing of its products and plans, the wholesale margin that amaysim receives from its products and services could be reduced, which may have an adverse impact on the financial performance of the business.

*Retail partners risks:* amaysim has distribution relationships with several large retail partners who provide retail points of presence that enable potential Subscribers to purchase amaysim SIMs and recharge vouchers. There is a risk that a retail partner could choose to withdraw or replace or give less prominence to amaysim's products from these retail points of presence without notice or cause, which could materially impact amaysim's growth and impact financial performance and position.

*Technology and intellectual property risks:* The Group's technology platforms systems and interfaces with third party suppliers may be disrupted which could affect the Group's reputation, retention of subscribers and potentially have a material adverse effect on its financial performance and position.

*Product risks:* amaysim may launch new products or services or functionality within the online customer service platform that are intended to enhance the user experience or deliver greater levels of customer satisfaction. There is a risk that these initiatives may result in unforeseen costs or risks, may not perform as intended or may not deliver the growth in subscribers or ARPU. These risks or events may have an adverse effect on amaysim's future financial position, performance or operating margins.



**Business risks (continued)**

*Marketing costs and effectiveness risks:* The growth in new active subscribers depends in part on the effectiveness of the marketing efforts of amaysim, particularly online marketing but also in more traditional media such as outdoor advertising, radio and television. There is a risk that amaysim's online and traditional media advertising may become less effective or more expensive. If the costs of either online or traditional advertising materially increase or the effectiveness of amaysim's online and traditional media marketing strategies decreases, amaysim may be unable to continue to grow at the same rate or as profitably.

In addition to marketing activities amaysim can also offer promotional incentives and discounts on its products and services to attract new Subscribers. There is a risk that the level of uptake of any such promotional incentives and discounts is greater than expected which could affect amaysim's financial performance, particularly in the event that the new Subscribers remain active for a short period.

*Reduction in brand value risks:* The amaysim brand name and related intellectual property are key assets of the Company. The reputation and value associated with the brand and related intellectual property could be adversely impacted by a number of factors which could adversely affect amaysim's future financial performance.

*Product innovation and development risks:* There is a risk that initiatives in product innovation and development may result in unforeseen costs or risks, may not perform as intended or may not deliver the growth in new subscribers or ARPU. These risks or events may have an adverse effect on amaysim's future financial position, performance or operating margins.

*Changes in market risks:* There is a risk that development of new technologies and methods of service delivery could minimise the requirement for voice and data mobile services and change subscriber behaviour and use of mobile services. These changes could reduce amaysim's subscriber revenue and adversely impact amaysim's profitability and financial performance.

**Significant changes in the state of affairs**

Significant changes in the state of affairs of the group during the financial year were as follows.

On 11 July 2014 amaysim Australia Limited entered into an agreement with Shark Holding GmbH to purchase 100% of the equity in Eastpoint Pty Ltd. Eastpoint Pty Ltd is the entity which owns the world wide trademark of amaysim. The purchase price for Eastpoint was \$5,050k.

In preparation for the listing of amaysim on the ASX a new board membership and structure was ratified. This change became effective on 22 June 2015 when the new board was appointed.

On 29th of May 2015 amaysim Australia Proprietary Limited was converted to a public company with the Australian Securities and Investments Commission (ASIC) and named amaysim Australia Limited. The conversion was undertaken using the existing group structure and no corporate reorganisation took place.

**Event since the end of the financial year**

amaysim successfully listed on the Australian Security Exchange (ASX) on 15 July 2015. As part of the process of listing the company, and as detailed in the group's prospectus, the following events were finalised subsequent to 30 June:

**(a) Share split**

Prior to completion of listing on the ASX, each Share (and Share Right) was be subdivided into 145 Shares. The Share split ensured that the number of Shares acquired by Successful Applicants under the Offer (as contained in the prospectus), and on issue on Completion, equalled the equivalent numbers of Shares referred to in the group's Prospectus (and that the number of Share Rights was appropriately adjusted to take account of the Share split).

**(b) Employee share rights plan**

In line with the successful listing, tranche 1 of the employee share rights were converted into ordinary shares and consistent with the share split each right was subdivided into 145 shares. Consistent with the rules of the rights plan the remaining tranches will vest 50% upon the release of the FY2016 and 50 % upon the release of the FY2017 financial results.

## Directors' report

### Event since the end of the financial year (continued)

#### (c) Capital raising

\$207,000k was raised under the Offer with \$194,200k to be paid to existing shareholders via SaleCo and \$12,800k paid to amaysim.

#### (d) Offer dates

The key dates of the IPO were consistently carried out as set out in amaysim's prospectus. The prospectus lodgement date was 23 June 2015; Broker firm offer closed 9 July 2015; Settlement of offer occurred on 13 July 2015; Shares were issued and transferred on 14 July 2015; and, commencement of trading on the ASX began 15 July 2015.

#### (e) Joint leader manager and financial adviser fee

Fees of \$8,900k were incurred to the joint leader managers and financial advisers upon listing of amaysim on the 15th July 2015.

No matter or circumstance has arisen since 30 June 2015 that has significantly affected the group's operations, results or state of affairs, or may do so in future years.

### Likely developments and expected results of operations

In the opinion of the directors, likely developments in the operations of the group and the expected results of those operations in 2016 financial period will be consistent with details contained in amaysim's prospectus.

### Environmental regulation

The group is not affected by any significant environmental regulation in respect of its operations.

### Information on directors

<b>Andrew Reitzer</b>	
Position	Independent Non-Executive Chairman
Experience & expertise	Andrew Reitzer joined amaysim in 2015 and has over 35 years of experience in both the retail and wholesale industries. Andrew also serves as Independent Chairman of SG Fleet. Previous positions include CEO of Metcash Limited, various management roles at Metro Cash & Carry and appointment to lead the establishment of Metro's operations in Israel and Russia and serving as the Group Operations Director.
Qualifications	Andrew holds a Bachelor of Commerce and a Masters of Business Administration from the University of South Africa.
Special responsibilities	Remuneration and nomination committee (Chairperson)
Interest in shares and options (Post IPO)	83,333 Shares

<b>Julian Ogrin</b>	
Position	Chief Executive Officer and Managing Director
Experience & expertise	Julian Ogrin joined amaysim in 2013 and has over 20 years of experience in the telecommunications industry. Previous professional experience includes CEO of Tele2 Croatia, Chief Commercial Officer of Meteor Mobile Communications Ireland and other senior positions in the telecommunications sector, which has seen him based in Sydney, London and Hong Kong with organisations such as Allphones, SAS, Vodafone and Cable & Wireless.
Qualifications	Julian holds a Bachelor of Business from the Avondale College.
Special responsibilities	
Interest in shares and options (Post IPO)	1,667,210 Shares Rights; 1,950,000 Options

## Directors' report

### Information on directors (continued)

<b>Maria Martin</b>	
Position	Independent Non-Executive Director
Experience & expertise	Maria Martin joined amaysim in 2015 and has over 30 years of experience in accounting, business advisory services, risk and general management. Maria is also an Independent non-executive director of Orotongroup Limited. Previous professional experience includes 15 years as a partner at PricewaterhouseCoopers.
Qualifications	Maria holds a Bachelor of Commerce from the University of New South Wales, is a Graduate of the Australian Institute of Company Directors and a Fellow of Chartered Accountants, Australia and New Zealand.
Special responsibilities	Audit and risk management committee (Chairperson)
Interest in shares and options (Post IPO)	16,666 Shares

<b>Jodie Sangster</b>	
Position	Independent Non-Executive Director
Experience & expertise	Jodie Sangster joined amaysim in 2015 and has over 17 years of experience in data driven marketing and advertising. Jodie is the CEO of the Association for Data-Driven Marketing & Advertising (ADMA). Previous professional experience includes senior executive roles in sales and marketing in New York and the United Kingdom.
Qualifications	Jodie holds a Bachelor of Laws from Kingston University and a Masters of Laws from University College London.
Special responsibilities	Remuneration and nomination committee
Interest in shares and options (Post IPO)	16,666 Shares

<b>Thorsten Kraemer</b>	
Position	Independent Non-Executive Director
Experience & expertise	Thorsten Kraemer joined the Board as a Director in 2010. Previous professional experience includes membership of the Supervisory Board of freenet AG, a German MVNO that is listed on the Frankfurt Stock Exchange, from 2007 to 2011 and again since 2012. From 2009 to 2011, Thorsten was Chairman of freenet AG's Supervisory Board. Thorsten also held senior roles in funds management of public and private equity.
Qualifications	Thorsten holds a degree in Business Administration and Economics from the University of Cologne.
Special responsibilities	Audit and risk management committee
Interest in shares and options (Post IPO)	1,450,000 Shares

<b>Rolf Hansen</b>	
Position	Non-Executive Director
Experience & expertise	Rolf Hansen co-founded amaysim in May 2010. Previous professional experience includes founder and CEO of Simyo GmbH, Germany's first online only operated no frills MVNO, which launched in May 2005 and was sold to E-Plus Mobilfunk GmbH. Rolf also has senior executive experience in the e-commerce and telecommunications industry with Letsbuyit.com, Deutsche Telekom/T-Mobile and Hutchison Telecom Germany.
Qualifications	Rolf studied at the European Business School in Wiesbaden, London and Paris and at Münster University of Applied Sciences, graduating with a degree in Business Administration, specialising in Marketing and Finance.
Special responsibilities	Audit and risk management committee
Interest in shares and options (Post IPO)	7,734,010 Shares

## Directors' report

### Information on directors (continued)

<b>Peter O'Connell</b>	
Position	Non-Executive Director
Experience & expertise	Peter O'Connell co-founded amaysim and was Chairman of amaysim from incorporation until June 2015.
	Previous professional experience includes partner at Minter Ellison and Gilbert & Tobin, Asia Pacific Counsel for BellSouth, founding a boutique advisory business in telecommunications and technology, as well as senior executive and CEO roles for large Australian organisations. Peter has served on a number of boards for private and public companies and on government boards.
Qualifications	Peter holds a Bachelor of Arts (Hons) from the University of Sydney and a LLB Bachelor of Law from Australian National
Special responsibilities	Remuneration and nomination committee
Interest in shares and options (Post IPO)	7,734,010 Shares

### Meetings of directors

The numbers of meetings of the company's board of directors held during the year ended 30 June 2015, and the numbers of meetings attended by each director were:

	Full meetings of directors	
	A	B
Andrew Reitzer*	1	1
Julian Ogrin*	1	1
Maria Martin*	1	1
Jodie Sangster*	0	1
Rolf Hansen***	21	22
Peter O'Connell***	21	22
Thorsten Kraemer**	20	22
Malte Von Der Ropp^	19	21
Thomas Falk^	15	21
Saad Raja^	21	21
Christian Magel^	21	21
Andreas Perreiter^	21	21
George Sidjimkov (Alternate Director)^	21	21
Thomas Enge (Alternative Director)^	18	21

A = Number of meetings attended

B = Number of meetings held during the time the director held office or was a member of the committee during the year

\* = Appointed as a director on 22nd of June 2015

\*\* = Appointed as a director on 6th of August 2010

\*\*\* = Appointed as a director on 12th of May 2010

^ = Ceased as a director on 22nd of June 2015

The board committee's formed as part of the new board structure did not meet in the year ended 30 June 2015. Both the Audit & risk management committee and the Remuneration & nomination committee held their inaugural meetings on the 20th of August 2015.

## Directors' report

### Shares under rights plan

#### (a) Unissued share rights

Unissued ordinary shares of amaysim Australia Limited under the rights plan at 30 June 2015 are as follows:

Tranche #	Vesting Date	Number under right
1	31 July 2015	16,151
2	31 July 2016	16,151
3	31 July 2017	16,152
		<u>48,454</u>

Tranche 1 rights were converted to ordinary shares on the 15th of July 2015 in line with the Initial Public Offering. Under Tranche 1 each right was converted to 145 ordinary shares in amaysim Australia Limited.

Further details of the share right plan are contained in note 29 on page 43.

### Insurance of officers and indemnities

#### (a) Insurance of officers

The group indemnifies, to the extent permitted by law, all officers of the group, (including the directors), for any liability (including the costs and expenses of defending actions for an actual or alleged liability) incurred in their capacity as an officer of the group.

This indemnity is not extended to current or former employees of the group against liability incurred in their capacity as an employee unless approved by the Board of amaysim Australia Limited. During or since the end of the financial year, no such indemnities have been provided.

During the financial year, the group agreed to insure all the officers of the group against certain liabilities as permitted by the Corporations Act. The insurance policy prohibits disclosure of the nature of the cover, the amount of the premium, the limit of liability and other terms.

During the financial year amaysim paid premiums in respect of a contract insuring all the directors against costs incurred in defending proceedings for conduct involving:

- (i) a wilful breach of duty; or
- (ii) a contravention of Sections 182 or 183 of the Corporations Act 2001 as permitted by Section 199B of the Corporations Act 2001

Insurance contract premiums have been paid but not disclosed due to a confidentiality clause in the insurance contract.

### Proceedings on behalf of the company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party, for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

### Non-audit services

The company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the company and/or the group are important.

Details of the amounts paid or payable to the auditor (PricewaterhouseCoopers) for audit and non-audit services provided during the year are set out below.

The board of directors has considered the position and, in accordance with advice received from the audit committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

## Directors' report

### Non-audit services (continued)

- all non-audit services have been reviewed by the audit committee to ensure they do not impact the impartiality and objectivity of the auditor
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*.

During the year the following fees were paid or payable for non-audit services provided by the auditor of the parent entity and its related practices:

	consolidated entity Year ended 30 June	
	2015	2014
	\$	\$
<b>Other assurance services</b>		
<b>Total remuneration for other assurance services</b>	-	-
<b>Taxation services</b>		
<b>Total remuneration for taxation services</b>	-	-
<b>Other services</b>		
PricewaterhouseCoopers firm:		
Investigating accountant's report	653,553	-
<b>Total remuneration for other services</b>	<b>653,553</b>	-
<b>Total remuneration for non-audit services</b>	<b>653,553</b>	-

### Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 13.


### Auditor


PricewaterhouseCoopers continues in office in accordance with section 327 of the *Corporations Act 2001*.

### Rounding of amounts

The amounts contained in this report and in the financial report have been rounded under the option available to the group under ASIC Class Order 98/100. The group is an entity to which the Class Order applies, and in accordance with the Class Order, amounts in the Directors' Report and the Financial Report have been rounded to the nearest thousand dollars (where rounding is appropriate), or in certain cases, to the nearest dollar.

This report is made in accordance with a resolution of directors.

  
Andrew Reitzer  
Director  
Sydney

  
Julian Ogrin  
Director  
Sydney

20 August 2015



## Auditor's Independence Declaration

As lead auditor for the audit of amaysim Australia Limited (formerly known as amaysim Australia Pty Limited) for the year ended 30 June 2015, I declare that to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of amaysim Australia Limited (formerly known as amaysim Australia Pty Limited) and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'S Prakash', with a horizontal line underneath.

Sumanth Prakash  
Partner  
PricewaterhouseCoopers

Sydney  
20 August 2015

## **Corporate Governance Statement**

amaysim Australia Limited and the board are committed to achieving and demonstrating the highest standards of corporate governance. amaysim Australia Limited has reviewed its corporate governance practices against the Corporate Governance Principles and Recommendations (3rd edition) published by the ASX Corporate Governance Council. amaysim's corporate governance statement, which applies post listing 15 July 2015 can be viewed at [www.amaysim.com.au](http://www.amaysim.com.au).



**amaysim Australia Limited** ABN 65 143 613 478  
**Annual report - 30 June 2015**

**Contents**

	Page
Financial statements	
Consolidated statement of comprehensive income	16
Consolidated balance sheet	17
Consolidated statement of changes in equity	18
Consolidated statement of cash flows	19
Notes to the consolidated financial statements	20
Directors' declaration	49
Independent auditor's report to the members	50

These financial statements are the consolidated financial statements of the consolidated entity consisting of amaysim Australia Limited and its subsidiaries. A list of subsidiaries and joint ventures is included in note 25 and 28. The financial statements are presented in the Australian currency.

amaysim Australia Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

amaysim Australia Limited  
Level 6  
17-19 Bridge Street  
Sydney NSW 2000

A description of the nature of the consolidated entity's operations and its principal activities is included in the directors' report on page 3, which is not part of these financial statements.

The financial statements were authorised for issue by the directors on 20 August 2015. The directors have the power to amend and reissue the financial statements.

Through the use of the internet, we have ensured that our corporate reporting is timely and complete. All press releases, financial reports and other information are available at our Shareholders' Centre on our website: [www.amaysim.com.au](http://www.amaysim.com.au)

## Consolidated statement of comprehensive income

		consolidated entity	
		Year ended 30 June	
		2015	2014
		\$'000	\$'000
Notes			
	<b>Revenue</b>		
	Service revenue	205,678	123,746
	Other revenue	6,977	4,314
3	<b>Total revenue</b>	<b>212,655</b>	<b>128,060</b>
	Other income	272	156
	<b>Expenses</b>		
4	Network related expenses	(153,118)	(100,280)
	Employee benefits expense	(18,435)	(14,868)
	Marketing expenses	(13,117)	(6,960)
4	Depreciation and amortisation expense	(2,955)	(1,593)
	Other expenses	(10,838)	(6,564)
4	Finance costs	(123)	(325)
	IPO costs	(3,050)	-
	<b>Total expenses</b>	<b>(201,636)</b>	<b>(130,590)</b>
	<b>Profit/(loss) before income tax</b>	<b>11,291</b>	<b>(2,374)</b>
5	Income tax benefit/(expense)	12,718	(37)
	<b>Profit/(loss) from continuing operations</b>	<b>24,009</b>	<b>(2,411)</b>
6	Profit/(loss) from discontinued operation	-	(7,496)
	<b>Profit/(loss) attributable to members of amaysim Australia Ltd</b>	<b>24,009</b>	<b>(9,907)</b>
	Other comprehensive income/(loss) for the year net of tax	-	-
	<b>Total comprehensive income/(loss) for the year attributable to members of amaysim Australia Ltd</b>	<b>24,009</b>	<b>(9,907)</b>
	Profit/(loss) is attributable to:		
	Owners of amaysim Australia Limited	24,009	(9,907)
		<b>Cents</b>	<b>Cents</b>
	<b>Earnings per share for profit/(loss) from continuing operations attributable to the ordinary equity holders of the company:</b>		
31	Basic earnings per share	2,102.7	(216.1)
31	Diluted earnings per share	2,016.3	(210.4)
31	Basic earnings per share post IPO share split	13.6	(1.4)
	<b>Earnings per share for profit/(loss) attributable to the ordinary equity holders of the company:</b>		
31	Basic earnings per share (cents)	2,102.7	(887.8)
31	Diluted earnings per share (cents)	2,016.3	(864.5)
31	Basic earnings per share post IPO share split	13.6	(5.7)

The above Consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

## Consolidated balance sheet

	Notes	consolidated entity As at 30 June	
		2015 \$'000	2014 \$'000
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	7	15,021	7,403
Trade and other receivables	8	12,572	5,490
Other current assets	9	949	843
<b>Total current assets</b>		<b>28,542</b>	<b>13,736</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	10	609	822
Intangible assets	11	7,955	2,111
Deferred tax assets	13	12,752	-
Other non-current assets	14	3,124	1,373
<b>Total non-current assets</b>		<b>24,440</b>	<b>4,306</b>
<b>TOTAL ASSETS</b>		<b>52,982</b>	<b>18,042</b>
<b>CURRENT LIABILITIES</b>			
Trade and other creditors	15	50,988	41,192
Lease liabilities	16	-	277
Provisions	17	633	426
Borrowings	18	-	2,193
<b>Total current liabilities</b>		<b>51,621</b>	<b>44,088</b>
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities	16	-	35
Other liabilities	19	3,593	4,166
Provisions	17	380	245
Borrowings	18	-	1,462
<b>Total non-current liabilities</b>		<b>3,973</b>	<b>5,908</b>
<b>TOTAL LIABILITIES</b>		<b>55,594</b>	<b>49,996</b>
<b>NET ASSETS/(LIABILITIES)</b>	1(a)(iv)	<b>(2,612)</b>	<b>(31,954)</b>
<b>EQUITY</b>			
Contributed equity	21(a)	35,521	32,017
Other reserves	21(b)	1,829	-
Accumulated losses (prior years)	21(c)	(63,971)	(63,971)
Retained profits (current year)		24,009	-
<b>TOTAL EQUITY / (DEFICIENCY OF EQUITY)</b>		<b>(2,612)</b>	<b>(31,954)</b>

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

## Consolidated statement of changes in equity

	Notes	Attributable to owners of amaysim Australia Limited			Total \$'000
		Contributed equity \$'000	Other reserves \$'000	Retained earnings / (Accumulated losses) \$'000	
<b>Balance at 1 July 2013</b>		32,017	-	(54,064)	(22,047)
Loss for the year		-	-	(9,907)	(9,907)
Other comprehensive income		-	-	-	-
<b>Total comprehensive income for the year</b>		-	-	(9,907)	(9,907)
<b>Transactions with owners in their capacity as owners:</b>					
Contributions of equity	21(a)	-	-	-	-
<b>Balance at 30 June 2014</b>		32,017	-	(63,971)	(31,954)
<b>Balance at 1 July 2014</b>		32,017	-	(63,971)	(31,954)
Profit for the year		-	-	24,009	24,009
Other comprehensive income		-	-	-	-
<b>Total comprehensive income for the year</b>		-	-	24,009	24,009
<b>Transactions with owners in their capacity as owners:</b>					
Contributions of equity	21(a)	-	-	-	-
Value of conversion rights on convertible notes	21(a)	3,504	-	-	3,504
Employee share schemes - value of employee services	21(b)	-	1,829	-	1,829
		3,504	1,829	-	5,333
<b>Balance at 30 June 2015</b>		35,521	1,829	(39,962)	(2,612)

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

## Consolidated statement of cash flows

	Notes	consolidated entity Year ended 30 June	
		2015 \$'000	2014 \$'000
<b>Cash flows from operating activities</b>			
Receipts from customers (incl. of goods and services tax)		227,188	125,944
Payments to suppliers and employees (incl. of goods and services tax)		(209,266)	(118,644)
Income taxes paid		-	(37)
Borrowing costs		(123)	(325)
Interest received		332	165
<b>Net cash inflows from operating activities</b>	22(b)	<u>18,131</u>	<u>7,103</u>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		(310)	(253)
Proceeds from sale of property, plant and equipment		170	-
Payments for intangible assets		(8,275)	(4,202)
<b>Net cash (outflows) from investing activities</b>		<u>(8,415)</u>	<u>(4,455)</u>
<b>Cash flows from financing activities</b>			
Payments for IPO costs		(1,635)	-
(Repayment)/proceeds from issuance of convertible notes		(151)	3,655
Repayment of leases		(312)	(226)
<b>Net cash (outflows) inflows from financing activities</b>		<u>(2,098)</u>	<u>3,429</u>
<b>Net increase in cash and cash equivalents</b>		<u>7,618</u>	<u>6,077</u>
Cash and cash equivalents at the beginning of the financial year		<u>7,403</u>	<u>1,326</u>
<b>Cash and cash equivalents at end of year</b>		<u>15,021</u>	<u>7,403</u>

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

## Contents of the notes to the consolidated financial statements

	Page
1 Summary of significant accounting policies	21
2 Segment information	26
3 Revenue	26
4 Other income and expense items	27
5 Income tax expense	28
6 Discontinued operation	29
7 Cash and cash equivalents	29
8 Trade and other receivables	30
9 Current assets - Other current assets	30
10 Property, plant and equipment	31
11 Intangible assets	32
12 Asset acquisition	34
14 Other non-current assets	35
15 Trade and other payables	35
16 Lease liabilities	35
17 Provisions	36
18 Borrowings	36
19 Non-current liabilities - Other payables	37
20 Fair value measurements	37
21 Equity	38
22 Cash flow information	39
23 Financial risk management	39
24 Capital management	40
25 Interests in other entities	41
26 Contingent liabilities and contingent assets	41
27 Commitments	41
28 Related party transactions	42
29 Share-based payments	43
30 Remuneration of auditors	45
31 Earnings per share	45
32 Parent entity financial information	47
33 Events occurring after the reporting period	47

## **1 Summary of significant accounting policies**

### **(a) Basis of preparation**

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. amaysim Australia Limited (formerly amaysim Australia Pty Ltd) is a for-profit entity for the purpose of preparing the financial statements.

On 29th of May 2015 amaysim Australia Pty Limited was converted to a public company, amaysim Australia Limited. amaysim Australia Limited was admitted to the ASX effective 15 July 2015 pursuant to a prospectus dated 23 June 2015 and subsequent initial public offering (IPO). The IPO was undertaken using the existing group structure and no corporate reorganisation took place. As such the financials statements are a continuation of amaysim Australia Pty Ltd and no fair value adjustments were required to be reflected in these financial statements.

#### *(i) Compliance with IFRS*

The consolidated financial statements of the amaysim Australia Limited group also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

#### *(ii) Historical cost convention*

The financial report is prepared in accordance with the historical cost convention. Unless otherwise stated, the accounting policies adopted are consistent with those of the previous year.

#### *(iii) New and amended standards adopted by the group*

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2015 reporting periods and have not been early adopted by the group. The group's assessment of the impact of these new standards and interpretations is that they either do not apply to the group or if they do apply will not materially impact the financial reports.

#### *(iv) Working capital*

As at 30 June 2015, the group's current liabilities exceeded the current assets by \$23,079k. Current liabilities include deferred revenue of \$10,125k for which there are no future cash outflows. Also the group has a history of generating positive operating cashflows, and fixed repayment terms with major creditors, and accordingly the financial statements are prepared on a going concern basis.

### **(b) Principles of consolidation**

#### *(i) Subsidiaries*

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of amaysim Australia Limited ('company' or 'parent entity') as at 30 June 2015 and the results of all subsidiaries for the year then ended. amaysim Australia Limited and its subsidiaries together are referred to in this financial report as the group or the consolidated entity.

Subsidiaries are all entities (including special purpose entities) over which the group has the power to govern the financial and operating policies so as to obtain benefits from their activities.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the parent entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group.

All transactions and balances between the parent entity and subsidiaries are eliminated. Accounting policies of subsidiaries are consistent with the policies adopted by the group.

### **(c) Significant accounting judgements, estimates and assumptions**

The group may make judgements, estimates and assumptions that affect the reported amounts in the consolidated financial statements. Assumptions made at each balance date are based on best estimates at that date.

Estimates and judgements are continually evaluated and based on historical experience and other factors, including expectations of future events. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of the assets and liabilities are discussed below:

## Summary of significant accounting policies

### (c) Significant accounting judgements, estimates and assumptions

#### (i) Income taxes

The group is subject to income taxes in Australia. Significant judgement is required in determining the income tax expense and unbooked tax losses. There are certain transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The group estimates its tax based on the group's understanding of the tax law, including the assumption that it will both generate sufficient future taxable profits and continue to satisfy the Continuity of Ownership and/or Same Business tests in future periods'. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences could impact the availability of booked tax assets in future periods in which any determination is made. The group has recognised a net deferred tax asset \$12,752k relating to tax losses and temporary differences at 30 June 2015.

#### (ii) Employee share rights

The group have issued share rights to certain employees. The cost of the plan recognised in the group's financial statement is an estimation of the fair value of the share rights at grant date. This requires judgement in respect of the valuation methodology adopted and the valuation assumptions embedded within the methodology. The group have utilised the Monte-Carlo simulation valuation methodology as it is a highly flexible valuation technique and commonly used in valuing share rights plans.

#### (iii) Accounting for IPO costs

During the year, the group incurred costs in preparation for listing on the Australian Securities Exchange. The Directors' have determined consistent with AASB 132 that costs related to existing shareholders will be expensed in the Consolidated statement of comprehensive income; costs related to the issuance of new shares will be recognised as an increase in assets in the consolidated balance sheet.

The costs related to the IPO can not be easily allocated to either the existing or new shares. Total costs have been apportioned between expenses and assets based on the percentage of new shares issued in the IPO out of the total number of shares in amaysim. As outlined in the prospectus 95.91% of the share register will be made of up existing shares (169m shares), and 4.09% of the share register will be made up of new shares (7.2m shares).

Joint lead manager and financial adviser fees incurred subsequent to year end (refer note 33 on page 47) will be accounted for on the same basis.

### (d) Revenue recognition

The group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the group's activities as described below. The group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

#### (i) Service revenue

Service revenue is comprised of service revenue net of promotion costs relating to subscriber acquisition and retention. Service revenues are recognised based on customer usage. When a customer uses the amaysim sim card to make voice, sms and/or other services this will trigger revenue being recognised for customers on the As You Go product. Revenue from the Unlimited plan and data bolt-on are recognised on a straight line basis over the period after the plan is bought. Revenue from the Flexi plan is recognised based on customer usage and expiry of Flexi credits.

#### (ii) Other revenue

Other revenue is comprised of expired credits, incentives and asset sales and is recognised when it is earned and becomes receivable.

#### (iii) Interest revenue

Interest revenues are recognised when interest becomes receivable. All interest revenue within the consolidated financial statements are from cash held at bank and term deposits.

### (e) Expenses

All expenses including rates and taxes, and other outgoings are recognised in the Consolidated statement of comprehensive income on an accruals basis.



## Summary of significant accounting policies

### (f) Cash and cash equivalents

For the purpose of presentation in the Consolidated statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with a bank or financial institution with original maturities of three months or less. Cash and cash equivalents also include highly liquid investments which are readily convertible to cash on hand at the Directors' option and which the group uses in its day to day management of the group's cash requirements.

### (g) Payables

Payables are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the group. Payables are measured at their fair value. Amounts are generally paid within 30 days of being recorded as payables.

amaysim contracts directly with its subscribers, providing in house created mobile voice and data plans under the amaysim brand name which use the Optus 3G and 4G networks under a wholesale network supply agreement with Optus.

#### (i) Network related expenses

Network related expenses includes, wholesale voice and data costs payable to Optus and other payment fees. Expenses and payables are recognised as incurred in accordance with the network supply agreement, or other supplier agreements.

#### (ii) Optus activation fee liability

Activation fees are recognised on terms in accordance with the Optus agreements and are due one month and 21 days after each month. The receipt of activation fees is recognised as a liability in the month the fee becomes receivable. This liability then reduces as access fees become payable to Optus over the lesser of 24 months from customer start date or on customer disconnection.

### (h) Property, plant and equipment

All property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation on assets is calculated using the straight-line method to allocate their cost over their estimated useful lives or, in the case of leasehold improvements and certain leased plant and equipment, the shorter of lease terms or as follows:

Leasehold improvements	5 years
Office equipment	4 years
EDP equipment	3 years
Telecommunication equipment	3-4 years
Furniture, fittings and equipment	8 years
Leased plant and equipment	4 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

### (i) Intangible assets

amaysim has two types of intangible assets as follows:

## Summary of significant accounting policies

### (i) Intangible assets

#### (i) Trademarks

Separately acquired trademarks are shown at historical cost. Trademarks acquired in a business combination are recognised at fair value at the acquisition date. They have a finite useful life of 7 years and are subsequently carried at cost less accumulated amortisation and impairment losses.

#### (ii) Software

Costs incurred in developing products or systems and costs incurred in acquiring software and licenses that will contribute to financial benefits in future years through revenue generation and/or cost reduction are capitalised to software and systems. Costs capitalised include external direct costs of materials and service and direct payroll and payroll related costs of employees' time spent on the project. Amortisation is calculated on a straight-line basis over years generally ranging from 2.5 to 3 years.

IT development costs include only those costs directly attributable to the development phase and are only recognised following completion of technical feasibility and where the group has an intention and ability to use the asset.

### (j) Employee benefits

#### (i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and annual leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

The liability for annual leave is recognised in the Current Provisions. All other short-term employee benefit obligations are presented as payables.

#### (ii) Other long-term employee benefit obligations

The liabilities for long service leave are not expected to be settled within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

#### (iii) Retirement benefit obligations

All employees of amaysim are entitled to benefits of the 9.50% statutory superannuation guarantee, except where an employee's salary exceeds the superannuation threshold. All entitlements are settled monthly with the employees nominated superannuation fund. Contributions to the superannuation funds are recognised as an expense as they become payable.

#### (iv) Share-based payments

Share-based compensation benefits are provided to employees via the employee share rights. Information relating to these schemes is set out in note 29.

The fair value of options granted under the employee share right plan is recognised as an employee benefits expense with a corresponding increase in equity through other reserves. The total amount to be expensed is determined by reference to the fair value of the rights granted. The fair value at grant date is independently determined using a Monte-Carlo simulation valuation.

### (k) Leases

Amaysim has two types of leases as follows:

#### (i) Operating leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the Consolidated statement of comprehensive income on a straight-line basis over the period of the lease.

## Summary of significant accounting policies

### **(k) Leases**

The operating leases consist of the building leases for the 4 levels amaysim currently holds with Bridgelane Holdings. Currently the Lease for 3 of the levels are for 5 years and 7 months ending 31 October 2020 with the remaining level lease covering 2 years and 7 months ending 31 October 2017.

Because of the long-term nature of the liability, the significant uncertainty in estimating the provision is the costs that will ultimately be incurred. The provision has been estimated based on cost per square metre and number of square metres occupied.

### **(ii) Finance leases**

The finance leases consist of the motor vehicles acquired for the founders of amaysim. The lease is capitalised as an asset under 'Leased assets - MV'. The value of the asset is depreciated over the 4 year useful life of the lease. During the current financial period amaysim disposed all motor vehicles on hand.

### **(l) Leasing incentives**

Leasing incentives, are capitalised upon receipt and recognised in the Consolidated statement of comprehensive income over the life of the lease.

### **(m) Loss from discontinued operations**

amaysim had no discontinued operations in the year to 30 June 2015 and the only discontinued operations are in the prior year. A discontinued operation is a component of amaysim that has ceased operations, represents a separate major geographical area of operations, is a subsidiary developed exclusively with a view to expand amaysim into international markets namely the United States of America which was not successful. The results of discontinued operations are presented separately in the Consolidated statement of comprehensive income.

### **(n) Contributed equity**

Ordinary shares are classified as equity.

### **(o) Income tax**

Under current legislation, the group is not liable to pay income tax since the group has sufficient carried forward tax losses and R&D tax credits to offset the reportable taxable income for the current financial year.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

### **(p) Dividends**

The directors have not recommended any payment of dividends for the current financial year.

### **(q) Goods and Services Tax (GST)**

All revenues, expenses and assets are recognised net of any GST paid, except where they relate to products and services which are input taxed for GST purposes or the GST incurred is not recoverable from the relevant tax authorities. In such circumstances, the GST paid is recognised as part of the cost of acquisition of the assets or as part of the particular expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the consolidated balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

### **(r) Parent entity financial information**

The financial information for the parent entity, amaysim Australia Limited, disclosed in note 32 has been prepared on the same basis as the consolidated financial statements, except as set out below.

## Summary of significant accounting policies

### (r) Parent entity financial information

#### (i) Investments in subsidiaries, associates and joint venture entities

Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the consolidated financial statements of amaysim Australia Limited.

#### (ii) Tax consolidation legislation

amaysim Australia Limited and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation on the 7th of August 2013. During period ended 30 June 2015 the entities were part of a tax consolidated group.

#### (iii) Financial guarantees

The parent entity has not provided financial guarantees in relation to loans and payables of subsidiaries.

### (s) Rounding of amounts

The company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the consolidated financial statements. Amounts in the consolidated financial statements have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, the nearest dollar.

## 2 Segment information

### Description of segments

Operating segments have been identified based on separate financial information that is regularly reviewed by the Chief Operating Decision Maker (CODM). The term CODM refers to the role performed by the Chief Executive Officer, in assessing performance and determining the allocation of resources.

The CODM considers the business as having only one operating segment and assesses the performance of the operating segment based on a measure of EBITDA. Additionally, service revenue is a key performance measure used by the CODM used in assessing performance and determining the allocation of resources. This measure excludes discontinued operations from amaysim USA Inc. for 30 June 2015 (30 June 2014 EBITDA includes operations from amaysim USA Inc.).

As there is only the one deemed operating segment the revenue and profit information is consistent with the consolidated statement of comprehensive income.

The group only operates in Australia and as such only has one operational geography.

## 3 Revenue

The group derives the following types of revenue:

	consolidated entity Year ended 30 June	
	2015	2014
	\$'000	\$'000
<b>From continuing operations</b>		
Service revenue		
Service revenue	205,678	123,746
	<u>205,678</u>	<u>123,746</u>
Other revenue		
Other revenue	6,645	4,149
Interest income	332	185
	<u>6,977</u>	<u>4,314</u>
<b>Total revenue from continuing operations</b>	<u>212,655</u>	<u>128,060</u>

#### 4 Other income and expense items

##### (a) Breakdown of expenses by nature

	consolidated entity Year ended 30 June	
	2015 \$'000	2014 \$'000
Network related expenses	153,118	100,280
<i>Depreciation (by category)</i>		
Leasehold improvements	281	281
Office equipment	12	7
EDP equipment	123	156
Telecommunication equipment	59	52
Furniture & fittings	16	11
Leased assets - MV	33	100
	<u>524</u>	<u>607</u>
<i>Amortisation</i>		
Acquired software	1,732	986
Trademark	699	-
	<u>2,431</u>	<u>986</u>
<i>Finance costs</i>		
Interest charges	123	325
	<u>123</u>	<u>325</u>
<i>Operating lease expense</i>		
Lease - office equipment	26	26
Lease - office complex	943	926
	<u>969</u>	<u>952</u>
Superannuation expenses	1,134	877
Bad debts written off	356	409

## 5 Income tax expense

This note provides an analysis of the group's income tax expense, shows what amounts are recognised directly in equity and how the tax expense is affected by non-assessable and non-deductible items.

### (a) Income tax expense

	consolidated entity Year ended 30 June	
	2015 \$'000	2014 \$'000
<i>Current tax</i>		
Current tax	3,799	(675)
Adjustments for current tax of prior periods	-	-
Deferred tax	(16,517)	712
<b>Total income tax expense (benefit)</b>	<b>(12,718)</b>	<b>37</b>
<i>Deferred income tax</i>		
Decrease (increase) in deferred tax assets	(13,392)	-
(Decrease) increase in deferred tax liabilities	674	-
<b>Total deferred tax expense/(benefit)</b>	<b>(12,718)</b>	<b>-</b>
Income tax expense is attributable to:		
Profit/(loss) from continuing operations	(12,718)	37
Profit/(loss) from discontinued operations	-	-
<b>Aggregated income tax expense (benefit)</b>	<b>(12,718)</b>	<b>37</b>

### (b) Numerical reconciliation of income tax expense to prima facie tax payable

	consolidated entity Year ended 30 June	
	2015 \$'000	2014 \$'000
Profit/(loss) from continuing operations before income tax expense	11,291	(2,374)
Profit/(loss) from discontinuing operations before income tax expense	-	(7,496)
	<b>11,291</b>	<b>(9,870)</b>
Tax at the Australian tax rate of 30.0% (2014 - 30.0%)	3,387	(2,961)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Amortisation of intangibles	210	-
Research and development expenditure	(390)	-
Entertainment	44	-
Sundry items	-	37
Share-based payments	548	-
Discontinued operations	-	2,249
<b>Subtotal</b>	<b>3,799</b>	<b>(675)</b>
Prior year losses previously not recognised now brought into account	(12,944)	-
Recognition of research and development tax credit	(1,915)	-
Previously unrecognised tax losses used to reduce deferred tax expense	(1,658)	712
<b>Income tax expense</b>	<b>(12,718)</b>	<b>37</b>

## 6 Discontinued operation

### (a) Description

In August 2013 amaysim Australia incorporated amaysim USA Inc, a wholly owned subsidiary, with the intention of launching a mobile virtual network operation (MVNO) in the United States of America. In May 2014 the board decided to discontinue the operations of amaysim USA Inc. Therefore, the subsidiary is reported in the current period as a discontinued operation. Financial information relating to the discontinued operation for the period to the date of disposal is set out below.

### (b) Financial performance information

The financial performance information presented are for the current and comparative financial periods.

	<b>consolidated entity</b>	
	<b>Year ended 30 June</b>	
	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>
Revenue	-	-
Operating expenses	-	(5,318)
Asset impairment	-	(2,178)
<b>(Loss) before income tax</b>	<b>-</b>	<b>(7,496)</b>
Income tax expense	-	-
<b>(Loss) after income tax of discontinued operation</b>	<b>-</b>	<b>(7,496)</b>
<b>(Loss) from discontinued operation</b>	<b>-</b>	<b>(7,496)</b>

### (c) Assets and liabilities of disposal group classified as held for sale

The carrying amounts of assets and liabilities of discontinued operations:

	<b>consolidated entity</b>	
	<b>As at 30 June</b>	
	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Total liabilities</b>	<b>-</b>	<b>-</b>
<b>Net assets</b>	<b>-</b>	<b>-</b>

Asset impairments listed above relates to intangible assets for work completed on software systems at amaysim USA Inc up until May 2014 when the board determined to discontinue the operations. As a result the entire value of work completed was deemed to have a \$nil valuation. This value was written-down under asset impairments and included as part of the loss from discontinued operations.

## 7 Cash and cash equivalents

	<b>consolidated entity</b>	
	<b>As at 30 June</b>	
	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current assets</b>		
Cash and cash equivalents	<b>15,021</b>	<b>7,403</b>
<b>Total cash and cash equivalents</b>	<b>15,021</b>	<b>7,403</b>

## 8 Trade and other receivables

	consolidated entity	
	As at 30 June	
	2015	2014
	\$'000	\$'000
<b>Trade and other receivables</b>		
Trade debtors	2,576	2,176
Other receivables	10,202	3,421
Provision for doubtful debts	(206)	(107)
<b>Total trade and other receivables</b>	<b>12,572</b>	<b>5,490</b>

## 9 Current assets - Other current assets

	consolidated entity	
	As at 30 June	
	2015	2014
	\$'000	\$'000
<b>Other current assets</b>		
Prepayments	869	843
Other	80	-
<b>Total other current assets</b>	<b>949</b>	<b>843</b>



## consolidated entity

amaysim Australia Limited  
30 June 2015

## Property, plant and equipment

### consolidated entity

#### At 30 June 2015

Cost	1,405	63	930	257	139	-	2,794
Accumulated depreciation	(1,265)	(30)	(703)	(158)	(29)	-	(2,185)
Net book amount	140	33	227	99	110	-	609

### 11 Intangible assets

### consolidated entity

#### At 1 July 2013

Cost	-	2,966	2,966
Accumulation amortisation and impairment	-	(1,893)	(1,893)
Net book amount	-	1,073	1,073

#### Year ended 30 June 2014

Opening net book amount	-	1,073	1,073
Additions - acquisition	-	4,202	4,202
Disposal	-	(2,178)	(2,178)
Amortisation charge	-	(986)	(986)
Closing net book amount	-	2,111	2,111

#### Cost

Accumulation amortisation and impairment	-	4,990	4,990
Net book amount	-	(2,879)	(2,879)
	-	2,111	2,111

### consolidated entity

#### At 30 June 2014

# Intangible assets

## consolidated entity

Cost	-	4,990	4,990
Accumulation amortisation and impairment	-	(2,879)	(2,879)
Net book amount	-	2,111	2,111

## Year ended 30 June 2015

Opening net book amount	-	2,111	2,111
Additions - acquisition	-	3,201	3,201
Asset acquisition	5,074	-	5,074
Amortisation charge	(699)	(1,732)	(2,431)
Closing net book amount	4,375	3,580	7,955

## At 30 June 2015

Cost	5,074	8,190	13,264
Accumulated amortisation	(699)	(4,610)	(5,309)
Net book amount	4,375	3,580	7,955

## 12 Asset acquisition

On 11 July 2014 amaysim Australia Pty Ltd entered into an agreement with Shark Holding GmbH to purchase the world wide trademark of amaysim which was owned by Eastpoint Pty Ltd. The purchase consideration was \$5,050k and completed through the acquisition of 100% of Eastpoint's equity. The consideration was payable in instalments at: 11 July 2014; 1 October 2014; 1 January 2015; and, 1 April 2015.

As at 30 June 2015 amaysim had no outstanding purchase consideration and utilised its improved cash position during the period to repay these outstanding loans early and settled the balance owing on the 25th of February 2015.

The trademark has a finite life and is amortised over a period of 7 years and included as an intangible asset. See note 11 on page 32.

## 13 Deferred tax balances

### (i) Deferred tax assets

		consolidated entity	
		As at 30 June	
	Notes	2015 \$'000	2014 \$'000
<b>The balance comprises temporary differences attributable to:</b>			
Tax losses		8,296	-
Capital raising expenditure		779	-
Employee benefits		603	-
Retirement benefit obligations		96	-
		<u>9,774</u>	-
<i>Other</i>			
Carried forward R&D non refundable offset		1,597	-
Deferred revenue		1,741	-
Accrued expenses		135	-
Make good provision		91	-
Doubtful debts	23(b)	62	-
Other		26	-
Sub-total other		<u>3,652</u>	-
Total deferred tax assets		<u>13,426</u>	-
Set-off of deferred tax liabilities pursuant to set-off provisions		(674)	-
Net deferred tax assets		<u>12,752</u>	-
Deferred tax assets expected to be recovered within 12 months		3,411	-
Deferred tax assets expected to be recovered after more than 12 months		9,341	-
		<u>12,752</u>	-
<b>Movements</b>			
Charged/(credited) - profit or loss		12,718	-
Charged/(credited) - directly to IPO costs		34	-
<b>At 30 June 2015</b>		<u>12,752</u>	-

## 14 Other non-current assets

	consolidated entity As at 30 June	
	2015	2014
	\$'000	\$'000
Other non-current assets		
Security deposits	3,124	1,373
<b>Total other non-current assets</b>	<b>3,124</b>	<b>1,373</b>

Security deposits are in respect of supply contracts, merchant processing facilities and leases.

## 15 Trade and other payables

	consolidated entity As at 30 June	
	2015	2014
	\$'000	\$'000
Trade and other payables		
Trade creditors	13,474	10,574
Optus activation fee liability	9,668	9,638
Deferred revenue	10,125	6,751
Other creditors	17,721	14,229
<b>Total trade and other payables</b>	<b>50,988</b>	<b>41,192</b>

Trade and other payables are mostly structured terms, and are not due as at 30 June 2015.

### Terms and conditions

Terms and conditions relating to the above financial instruments:

- (i) Trade and other payables are non-interest bearing.

## 16 Lease liabilities

	consolidated entity As at 30 June			2014		
	Current	2015 Non-current	Total	Current	Non-current	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Lease Liabilities - MV	-	-	-	176	-	176
Lease liabilities - MV interest	-	-	-	(5)	-	(5)
Lease liabilities - incentives	-	-	-	106	35	141
<b>Total lease liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>277</b>	<b>35</b>	<b>312</b>

## 17 Provisions

Notes	consolidated entity As at 30 June					
	Current \$'000	2015 Non- current \$'000	Total \$'000	Current \$'000	2014 Non- current \$'000	Total \$'000
Employee entitlements	633	78	711	426	-	426
Make good	-	302	302	-	245	245
<b>Total provisions</b>	<b>633</b>	<b>380</b>	<b>1,013</b>	<b>426</b>	<b>245</b>	<b>671</b>

Employee entitlements provision relates to the Group's liability for annual leave and long service leave.  
Make good provision represents the present value of the estimated costs to make good the premises leased by the group at the end of the respective lease terms.

### (i) Movements in provisions

consolidated entity 2015	Employee benefits \$'000	Make good provision \$'000	Total \$'000
Carrying amount at the start of the year	426	245	671
- additional provisions recognised	1,048	57	1,105
Amounts used during the year	(763)	-	(763)
Carrying amount at end of year	711	302	1,013

consolidated entity 2014	Employee benefits \$'000	Make good provision \$'000	Total \$'000
Carrying amount at the start of the year	297	188	485
- additional provisions recognised	746	57	803
Amounts used during the year	(617)	-	(617)
Carrying amount at end of year	426	245	671

## 18 Borrowings

	consolidated entity As at 30 June					
	Current \$'000	2015 Non- current \$'000	Total \$'000	Current \$'000	2014 Non- current \$'000	Total \$'000
<b>Secured</b>						
Loans	-	-	-	-	-	-
Total secured borrowings	-	-	-	-	-	-
<b>Unsecured</b>						
Convertible notes	-	-	-	2,193	1,462	3,655
Total unsecured borrowings	-	-	-	2,193	1,462	3,655
<b>Total borrowings</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,193</b>	<b>1,462</b>	<b>3,655</b>

## Borrowings

### (i) Convertible notes

The parent entity issued 30,063 12% convertible notes for \$US3,006,300 (\$AU3,354,741) on 30 August 2013. In the 12 months to 30 June 2015 all convertible notes were either converted for equity or redeemed for cash.

The notes were convertible into ordinary shares of the parent entity, at the option of the holder, or repayable in 5 instalments over the dates as follows:

- 31st of August, 2014
- 30th of November, 2014
- 31st of May, 2015
- 30th of November, 2015
- 28th of February, 2016

The convertible notes were presented in the balance sheet as a liability as detailed below and interest was accrued on the outstanding amount. Upon conversion by the holder the convertible notes was classified to equity.

	consolidated entity As at 30 June	
	2015	2014
	\$'000	\$'000
Face value of notes issued	-	3,355
	-	3,355
Interest expense	-	300
Interest paid	-	-
Total convertible notes	-	3,655

## 19 Non-current other payables

	consolidated entity As at 30 June	
	2015	2014
	\$'000	\$'000
Non-current other payables		
Optus activation fee liability	3,593	4,166
Total non-current other payables	3,593	4,166

### Terms and conditions

Terms and conditions relating to the above liability:

- other payables are non-interest bearing and are repayable in greater than 12 months.

## 20 Fair value measurements

As at 30 June 2015 the group holds no assets or liabilities that require fair value measurements, other than the Share based payments outlined in Note 29 on page 43. The fair values of all financial instruments held on the balance sheet as at 30 June 2015 equal the carrying amount.

## 21 Equity

### (a) Contributed equity

#### (i) Share capital

	30 June 2015 \$'000	30 June 2014 \$'000
<b>Contributions of equity</b>		
Opening contributions of equity	32,017	32,017
Contributions of equity	3,504	-
<b>Total contributions of equity</b>	<b>35,521</b>	<b>32,017</b>

#### (ii) Ordinary shares

All contributions of equity in amaysim Australia Limited is in the form of ordinary shares. Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the group in proportion to the number of and amounts paid on the shares held.

Ordinary shares have no par value and all shares in amaysim Australia are fully paid.

Upon a poll each ordinary share is entitled to one vote. At 30 June 2015 there were 1,149,435 ordinary shares issued.

### (b) Other reserves

consolidated entity	Notes	Share-based payments \$'000	Total \$'000
<b>Other comprehensive income</b>			
Transactions with owners in their capacity as owners		-	-
Share-based payment expenses	29	1,829	1,829
<b>At 30 June 2015</b>		<b>1,829</b>	<b>1,829</b>

#### (i) Nature and purpose of other reserves

##### Share-based payments

The share-based payments reserve is used to recognise the value of the employee share rights plans issued to selected employees of the group. Fair value measurement has been used to determine the other reserve amount as outlined in note 29 on page 43.

##### IPO Costs

amaysim Australia Limited registered its name on the 29th of May 2015 (formerly amaysim Australia Pty Limited) in preparation for listing on the Australian Securities Exchange. In connection with the listing, some costs were incurred pre 30 June 2015 for the acceptance of new shareholders onto the group's register. These costs are deferred on the balance sheet and will be recognised as a reduction in equity on the date of the Initial Public Offering, i.e. 15 July 2015, when shares have been issued.

### (c) Retained earnings/(Accumulated losses)

	<b>consolidated entity</b>	
	<b>As at 30 June</b>	
	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>
Opening balance	(63,971)	(54,064)
Net profit for the period	24,009	(9,907)
Closing balance	<b>(39,962)</b>	<b>(63,971)</b>



## 22 Cash flow information

### (a) Reconciliation of cash and cash equivalents

For the purposes of the statement of cash flows, cash includes cash on hand, cash at bank and cash on deposit.

	consolidated entity	
	As at 30 June	
	2015	2014
	\$'000	\$'000
Cash and cash equivalents	15,021	7,403
	<u>15,021</u>	<u>7,403</u>

### (b) Reconciliation of profit after income tax to net cash inflow from operating activities

	consolidated entity	
	Year ended 30 June	
	2015	2014
	\$'000	\$'000
<b>Adjustments for:</b>		
Profit / (Loss) for the year	24,009	(9,907)
Depreciation and amortisation	2,955	1,593
Non-cash employee benefits expense - share-based payments	1,829	-
Net (gain) loss on sale of non-current assets	(171)	25
Asset impairment	-	2,178
<b>Change in assets and liabilities:</b>		
(Increase)/decrease in trade and other debtors	(7,082)	(2,107)
(Increase)/decrease in future income tax benefit	(12,752)	-
(Increase)/decrease in prepayments	(26)	(664)
(Increase)/decrease in other assets	(1,716)	(254)
(Decrease) increase in trade creditors	11,316	14,856
Increase/(decrease) in other payables	(573)	1,200
(Decrease)/increase in other provisions	342	183
<b>Net cash inflows (outflows) from operating activities</b>	<u>18,131</u>	<u>7,103</u>

## 23 Financial risk management

amaysim's activities expose it to a variety of financial risks: market risk including foreign currency risk, price risk and interest rate risk, credit risk and liquidity risk. It is the role of the Audit and Risk Management Committee to have general oversight of risk management systems and internal control structures inclusive of those financial risks identified here.

The group does not have any derivative financial instruments and the only financial assets and liabilities comprise cash and cash equivalents, receivables, payables and security deposits.

### (a) Market risk

#### (i) Foreign currency risk

amaysim has minimal foreign exchange risks. All sales and the majority of expenses are denominated in Australian dollars. There is a small amount of operating expenses that are invoiced and paid in foreign currency (primarily USD). Ordinarily, the foreign currency invoices are paid within 30 days ensuring minimal foreign exchange exposure.

As at 30 June 2015 the group had two USD bank account. The balances are kept at a minimum to cover any foreign currency operating expenses the business has. The combined balance at year end was \$US57,935 and the average monthly closing balance for this account was \$US79,101, which ensured the foreign exchange risk is minimised.

## Financial risk management

### (a) Market risk

#### (ii) Interest rate risk

The group's only exposure to interest rate risks are contained within the assets. This is in the form of security deposits and cash at bank. Therefore, whilst a change in interest rates will impact the group's interest income it does not have a material impact on the operations of amaysim.

### (b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to amaysim.

amaysim's business model naturally allows its credit risk to be mitigated. As amaysim has a large customer base it allows the risk to be spread over large number of counterparties rather than large risks with a few small counterparties. Also, each customer only spends a small amount (with an average revenue per user of less than \$30 per month) the impact of individual customers not paying their bills is small.

amaysim uses methods such as obtaining agency credit information, confirming references and setting appropriate credit limits and referring overdue accounts to an external collections agency to mitigate perceived risks. The group recognises the estimated financial impact of credit risk in the consolidated balance sheet as a provision for doubtful debt.

### (c) Liquidity risk

amaysim actively monitors its liquidity risks to ensure sufficient liquid assets (mainly cash and cash equivalents) are maintained to pay debts as and when they become due and payable.

amaysim manages liquidity risk by maintaining adequate cash reserves by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

#### (i) Financing arrangements

The group has no borrowings and no undrawn borrowing facilities at the end of the reporting period.

#### (ii) Maturities of financial liabilities

The tables below analysis the group's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities.

Contractual maturities of financial liabilities	1 year or less \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000	Over 5 years \$'000	Total contractual cash flows \$'000
<b>At 30 June 2015</b>					
<b>Non-derivatives</b>					
Trade and other payables	40,863	-	-	-	40,863
Other payables	-	3,593	-	-	3,593
<b>Total non-derivatives</b>	<b>40,863</b>	<b>3,593</b>	<b>-</b>	<b>-</b>	<b>44,456</b>
<b>At 30 June 2014</b>					
<b>Non-derivatives</b>					
Trade and other payables	34,441	-	-	-	34,441
Other payables	-	4,166	-	-	4,166
Borrowings	2,193	1,462	-	-	3,655
Lease liabilities	277	35	-	-	312
<b>Total non-derivatives</b>	<b>36,911</b>	<b>5,663</b>	<b>-</b>	<b>-</b>	<b>42,574</b>

## 24 Capital management

### (a) Risk management

The group's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and

## Capital management

### (a) Risk management

- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets.

The group has no gearing restrictions and as such the capital management policies are designed around providing sufficient cashflow for operational activities including maintaining required security deposits and the provision of dividends based on a payout ratio of 60% to 80% of amaysim's NPATA.

## 25 Interests in other entities

### (a) Interests in associates and joint ventures

#### (i) Individually immaterial joint venture

The group has an interest in an individually immaterial joint venture that are accounted for using the equity method.

On the 23rd of February 2015 amaysim signed a memorandum of understanding to form a joint venture with Appscorp Inc and Sedwell LLC to transfer the various intellectual property created as part of the amaysim USA Inc venture for the purpose of filing for patents with the US Patent & Trade Office. This memorandum was finalised with the articles of incorporation of Octopus Ventures Inc on the 15th of May 2015.

amaysim currently owns 40% of the joint venture and if a third patent is successful this ownership will reduce to 37.5%.

The directors' of amaysim do not believe that Octopus Ventures Inc has any value and is therefore not recognised in the consolidated financial statements.

## 26 Contingent liabilities and contingent assets

### (a) Contingent liabilities

The directors are of the opinion that provisions are not required in respect of any contingent matters, as for any of these matters it is not probable that a future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement.

## 27 Commitments

### (a) Lease commitments: group as lessee

#### (i) Non-cancellable operating leases

Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:

	consolidated entity	
	As at 30 June	
	2015	2014
	\$'000	\$'000
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within one year	1,300	1,075
Later than one year but not later than five years	4,910	397
Later than five years	412	-
Minimum lease payments	6,622	1,472

#### (ii) Finance leases

The group has disposed all motor vehicle finance leases in December 2014 and all lease liabilities settled.

## Commitments

### (a) Lease commitments: group as lessee

	consolidated entity	
	As at 30 June 2015 \$'000	2014 \$'000
Within one year	-	176
Later than one year but not later than five years	-	-
Minimum lease payments	-	176
Future finance charges	-	(5)
<b>Recognised as a liability</b>	<b>-</b>	<b>171</b>

## 28 Related party transactions

### (a) Parent entities

The ultimate parent entity is amaysim Australia Limited.

### (b) Subsidiaries

All subsidiaries have a 30 June financial year end.

amaysim Australia Limited has the following wholly owned subsidiaries:

Entity name	Country of incorporation	Equity holding
amaysim Australia Pty Limited	Australia	100%
amaysim Services Pty Limited	Australia	100%
Eastpoint Pty Limited	Australia	100%

### (c) Key management personnel compensation

	consolidated entity	
	Year ended 30 June 2015 \$	2014 \$
Short-term employee benefits	2,307,431	3,053,294
Post-employment benefits	148,442	146,420
Long-term benefits	-	-
Termination benefits	-	-
Share-based payments	990,159	-
	<b>3,446,032</b>	<b>3,199,714</b>

The key management personnel comprise the Directors and the Chief Financial Officer.

### (d) Transactions with other related parties

The Group carries out its business over 4 floors at 17-19 Bridge St, Sydney. This building is owned by Bridgelane Holdings Pty Limited (Bridgelane). Bridgelane is owned by a minority shareholder in the Group. The leasing agreements are based on normal commercial terms and conditions and managed by an external and independent building management entity (Colliers International (NSW) Pty Ltd).

The group took out a new lease with Bridgelane for the 4 floors commencing on 1 April 2015 through to 31 October 2020 (for 3 levels), and through to 31 October 2017 (for the remaining floor). The rate on this new lease was set under commercial arms length terms.

## Related party transactions

### (d) Transactions with other related parties

#### (i) Purchases from entities controlled by key management personnel

As outlined in Note 12 on page 34, amaysim purchased the amaysim trademark through the acquisition of Eastpoint. Eastpoint was purchased from Shark Holding GmbH. Shark Holding was owned by 5 current or former directors in amaysim Australia and was the largest shareholder in the Group until listing. The terms of the transaction were made on normal commercial terms and conditions and based on a valuation performed by Ernst & Young (an external independent expert).

#### (e) Loans to/from related parties

amaysim Australia acquired as part of the acquisition of Eastpoint a loan to the owners of Shark Holding. This loan with a value of \$89,498 was settled on the 25th of February 2015.

As part of the purchase consideration of \$5,050k for Eastpoint, amaysim was to pay this consideration over a period up until the 1st of April 2015. There is no interest payable of the outstanding consideration. Due to the Groups improved cash position at the time the purchase consideration was paid early and settled on the 25th of February 2015.

## 29 Share-based payments

### (a) Employee share rights

The establishment of amaysim's Employee right plan occurred in May 2012. The plan is designed to provide an incentive to employees who joined amaysim in its formative years, and ensure that employees receive a reward based on the work they placed into the business and the success of the group. Under the plan, participants are granted rights to ordinary shares which only vest if certain performance hurdles are met. Participation in the plan is at the group's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

The rights vest if amaysim successfully executes a liquidation event, either in the form of an IPO, trade sale, or merger. Once vested the rights convert to ordinary shares in three tranches over a two year period (1/3 at liquidation date; 1/3 twelve months after liquidation; 1/3 twenty four months after liquidation). The board have determined that a liquidity event is probable and recognised an expense in the financial statements for the year ended 30 June 2015. The expense is reflected in employee benefits expense in the Consolidated statement of comprehensive income and provisions recognised under reserves in the Consolidated statement of financial position, with the current year financial impact being the valuation price of all rights issued to employees since the inception of the Group. Therefore, this initial recognition of the rights has a higher expense recognition, than what will be recognised in future reporting periods.

Rights granted under the plan do not carry any dividend or voting rights.

The exercise price is based on the number of rights issued. Employees are entitled to one ordinary share per every right held. amaysim has the discretion to determine if the rights are paid out in shares or shares are sold on the ASX and proceeds provided to employees in cash.

No rights have been exercised and set out below are details of the rights granted under the plan:

Grant Date	Tranche #	Vesting Date	Fair Value	Share rights
13 June 2012	1	31 July 2015	\$32.89	7,741.0
13 June 2012	2	31 July 2016	\$32.07	7,741.0
13 June 2012	3	31 July 2017	\$31.18	7,741.0
16 July 2012	1	31 July 2015	\$32.43	375.3
16 July 2012	2	31 July 2016	\$31.62	375.3
16 July 2012	3	31 July 2017	\$30.73	375.3
17 December 2012	1	31 July 2015	\$30.68	203.0
17 December 2012	2	31 July 2016	\$29.91	203.0
17 December 2012	3	31 July 2017	\$29.06	203.0
2 January 2013	1	31 July 2015	\$30.46	138.3
2 January 2013	2	31 July 2016	\$29.70	138.3
2 January 2013	3	31 July 2017	\$28.86	138.3
11 June 2013	1	31 July 2015	\$78.49	5,749.0
11 June 2013	2	31 July 2016	\$76.77	5,749.0
11 June 2013	3	31 July 2017	\$74.97	5,749.0
8 August 2013	1	31 July 2015	\$77.98	307.7
8 August 2013	2	31 July 2016	\$75.98	307.7

## Share-based payments

### (a) Employee share rights

Grant Date	Tranche #	Vesting Date	Fair Value	Share rights
8 August 2013	3	31 July 2017	\$73.88	307.7
2 October 2013	1	31 July 2015	\$77.27	59.7
2 October 2013	2	31 July 2016	\$75.31	59.7
2 October 2013	3	31 July 2017	\$73.22	59.7
16 October 2013	1	31 July 2015	\$77.15	101.3
16 October 2013	2	31 July 2016	\$75.21	101.3
16 October 2013	3	31 July 2017	\$73.14	101.3
17 October 2013	1	31 July 2015	\$77.08	217.7
17 October 2013	2	31 July 2016	\$75.13	217.7
17 October 2013	3	31 July 2017	\$73.06	217.7
31 October 2013	1	31 July 2015	\$76.82	153.7
31 October 2013	2	31 July 2016	\$74.87	153.7
31 October 2013	3	31 July 2017	\$72.80	153.7
1 November 2013	1	31 July 2015	\$76.82	301.3
1 November 2013	2	31 July 2016	\$74.87	301.3
1 November 2013	3	31 July 2017	\$72.80	301.3
19 November 2013	1	31 July 2015	\$76.54	104.7
19 November 2013	2	31 July 2016	\$74.60	104.7
19 November 2013	3	31 July 2017	\$72.54	104.7
9 January 2014	1	31 July 2015	\$75.61	86.0
9 January 2014	2	31 July 2016	\$73.71	86.0
9 January 2014	3	31 July 2017	\$71.71	86.0
27 June 2014	1	31 July 2015	\$41.17	154.0
27 June 2014	2	31 July 2016	\$40.33	154.0
27 June 2014	3	31 July 2017	\$39.56	154.0
30 June 2014	1	31 July 2015	\$83.37	203.0
30 June 2014	2	31 July 2016	\$81.49	203.0
30 June 2014	3	31 July 2017	\$79.41	203.0
1 July 2014	1	31 July 2015	\$83.36	255.7
1 July 2014	2	31 July 2016	\$81.46	255.7
1 July 2014	3	31 July 2017	\$79.39	255.7
Total				<u>48,454.0</u>

### (i) Fair value of rights granted

The assessed weighted average fair value at grant date of rights granted since the inception of the Group was \$52.94 per right. The fair value at grant date was independently determined using a Monte-Carlo simulation valuation. The key assumptions used in the fair value are:

Expected IPO date	31 July 2015
Share price target	2 times the exercise price
Volatility	80%
Risk free interest rate	Australian Government Bond Rates (between 2.24% - 3.28%)
Dividend Yield	0%
Dilution	Immaterial for the calculation

The volatility assumption is representative of the level of uncertainty expected in the movements of the group's share price over the life of the plan. amaysim being a relatively new company in a mature industry we would be expected to have a high level of volatility. The higher the volatility assumption chosen, the less sensitive the rights valuations to the assumptions chosen. The board has been guided by the sensitivity and observed volatility of other startup companies and have chosen a volatility assumption of 80%.

### 30 Remuneration of auditors

During the year the following fees were paid or payable for services provided by the auditor of the parent entity, its related practices and non-related audit firms:

#### (a) PricewaterhouseCoopers

##### (i) Audit and other assurance services

	consolidated entity Year ended 30 June	
	2015	2014
	\$	\$
<i>Audit and other assurance services</i>		
Audit and review of financial statements	372,400	105,000
Total remuneration for audit and other assurance services	<u>372,400</u>	<u>105,000</u>

##### (ii) Other services

##### *Other services*

Investigating accountant's report	653,553	-
Total remuneration for other services	<u>653,553</u>	<u>-</u>

Total remuneration of PricewaterhouseCoopers	<u>1,025,953</u>	<u>105,000</u>
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### 31 Earnings per share

#### (a) Basic earnings per share

	consolidated entity Year ended 30 June	
	2015	2014
	Cents	Cents
From continuing operations attributable to the ordinary equity holders of the company	2,102.7	(216.1)
From discontinued operation	-	(671.7)
Total basic earnings per share attributable to the ordinary equity holders of the company	<u>2,102.7</u>	<u>(887.8)</u>

#### (b) Diluted earnings per share

	consolidated entity Year ended 30 June	
	2015	2014
	Cents	Cents
From continuing operations attributable to the ordinary equity holders of the company	2,016.3	(210.4)
From discontinued operation	-	(654.1)
Total diluted earnings per share attributable to the ordinary equity holders of the company	<u>2,016.3</u>	<u>(864.5)</u>

## Earnings per share

### (c) Basic earnings per share post IPO share split

	consolidated entity Year ended 30 June	
	2015 Cents	2014 Cents
From continuing operations attributable to the ordinary equity holders of the company	13.6	(1.4)
From discontinued operation	-	(4.3)
Total basic earnings per share attributable to the ordinary equity holders of the company	13.6	(5.7)

The basic earnings per share post IPO share split is based on the total number of shares of amaysim after the completion of the IPO. The number of shares post IPO is 176,165,670. The post share split EPS has been provided to allow for comparisons in future periods.

### (d) Reconciliation of earnings used in calculating earnings per share

	consolidated entity Year ended 30 June	
	2015 \$'000	2014 \$'000
<i>Basic earnings per share</i>		
Profit attributable to the ordinary equity holders of the company used in calculating basic earnings per share:		
From continuing operations	24,009	(2,411)
From discontinued operation	-	(7,496)
	24,009	(9,907)
<i>Diluted earnings per share</i>		
Profit from continuing operations attributable to the ordinary equity holders of the company		
Used in calculating basic earnings per share	24,009	(2,411)
Add: interest savings on convertible notes	116	-
Used in calculating diluted earnings per share	24,125	(2,411)
Profit from discontinued operation	-	(7,496)
Profit attributable to the ordinary equity holders of the company used in calculating diluted earnings per share	24,125	(9,907)

### (e) Weighted average number of shares used as the denominator

	consolidated entity Year ended 30 June	
	2015 Number	2014 Number
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	1,141,833	1,115,915
Adjustments for calculation of diluted earnings per share:		
Convertible notes	6,173	30,063
Employee share rights	48,454	-
Weighted average number of ordinary and potential ordinary shares used as the denominator in calculating diluted earnings per share	1,196,460	1,145,978



## Earnings per share

### (f) Information concerning the classification of securities

#### (i) Convertible notes

Convertible notes held during the year to 30 June 2015 are considered to be potential ordinary shares and have been included in the determination of diluted earnings per share from their date of issue. The notes have not been included in the determination of basic earnings per share.

## 32 Parent entity financial information

### (a) Summary financial information

The individual financial statements for the parent entity show the following aggregate amounts:

	30 June 2015 \$'000	30 June 2014 \$'000
<b>Balance sheet</b>		
Current assets	26,874	12,559
Non-current assets	24,850	4,700
Total assets	51,724	17,259
Current liabilities	50,367	43,278
Non-current liabilities	3,973	5,908
Total liabilities	54,340	49,186
<b>Shareholders equity</b>		
Issued capital	35,521	32,017
Other reserves	1,829	-
Accumulated losses (prior years)	(63,944)	(63,944)
Retained earnings (current year)	23,978	-
	<u>(2,616)</u>	<u>(31,927)</u>
<b>Profit / (loss) for the year</b>	<u>23,978</u>	<u>(9,878)</u>
<b>Total comprehensive income</b>	<u>23,978</u>	<u>(9,878)</u>

## 33 Events occurring after the reporting period

### (a) Initial Public Offering (IPO)

amaysim successfully listed on the Australian Securities Exchange (ASX) on the 15th of July 2015. As part of the process of listing the company, and as detailed in the group's prospectus, the following events were finalised subsequent to 30 June:

#### (a) Share split

Prior to completion of listing on the ASX, each Share (and Share Right) was be subdivided into 145 Shares. The Share split ensured that the number of Shares acquired by Successful Applicants under the Offer (as contained in the prospectus), and on issue on Completion, equalled the equivalent numbers of Shares referred to in the group's Prospectus (and that the number of Share Rights was appropriately adjusted to take account of the Share split).

## Events occurring after the reporting period

### (a) Initial Public Offering (IPO)

#### (b) *Employee share rights plan*

In line with the successful listing, tranche 1 of the employee share rights were converted into ordinary shares and consistent with the share split each right was subdivided into 145 shares. Consistent with the rules of the rights plan the remaining tranches will vest 50% upon the release of the FY2016 and 50 % upon the release of the FY2017 financial results.

#### (c) *Capital raising*

\$207,000k was raised under the Offer with \$194,200k to be paid to existing shareholders via SaleCo and \$12,800k paid to amaysim.

#### (d) *Offer dates*

The key dates of the IPO were consistently carried out as set out in amaysim's prospectus. The prospectus lodgement date was 23 June 2015; Broker firm offer closed 9 July 2015; Settlement of offer occurred on 13 July 2015; Shares were issued and transferred on 14 July 2015; and, commencement of trading on the ASX began 15 July 2015.

#### (e) *Joint leader manager and financial adviser fee*

Fees of \$8,900k were incurred to the joint leader managers and financial advisers upon listing of amaysim on the 15th July 2015.

## Directors' declaration

In the directors' opinion:

- (a) the financial statements and notes set out on pages 15 to 48 are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and
  - (ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date, and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Note 1(a) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of directors.



Andrew Reitzer  
Director  
Sydney



Julian Ogrin  
Director  
Sydney

20 August 2015



## **Independent auditor's report to the members of amaysim Australia Limited**

### ***Report on the financial report***

We have audited the accompanying financial report of amaysim Australia Limited (the company and formerly known as amaysim Australia Pty Limited), which comprises the consolidated balance sheet as at 30 June 2015, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration for amaysim Australia Group (the consolidated entity). The consolidated entity comprises the company and the entities it controlled at year's end or from time to time during the financial year.

### ***Directors' responsibility for the financial report***

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with International Financial Reporting Standards.

### ***Auditor's responsibility***

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the consolidated entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Independence***

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

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**PricewaterhouseCoopers, ABN 52 780 433 757**

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### *Auditor's opinion*

In our opinion:

1. the financial report of amaysim Australia Limited (formerly known as amaysim Australia Pty Limited) is in accordance with the *Corporations Act 2001*, including:
  1. giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
  2. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.
2. the financial report and notes also comply with International Financial Reporting Standards as disclosed in Note 1.

A large, stylized handwritten signature in black ink, appearing to read "PricewaterhouseCoopers".

PricewaterhouseCoopers

A handwritten signature in black ink, appearing to read "Sumanth Prakash", with a horizontal line underneath.

Sumanth Prakash  
Partner

Sydney  
20 August 2015