OptiComm
National Broadband Fibre

OptiComm Ltd

ACN 117 414 776

Prospectus

Initial Public Offering of approximately 21.18 million Shares at an Offer Price of $2.00 per Share to raise approximately $42.35 million.

This Prospectus is an important document and should be read in its entirety. You should seek professional advice if you have any questions about the Shares being offered under this Prospectus, or any matter relating to an investment in the Company.

LEAD MANAGER AND UNDERWRITER MORGANS CORPORATE LIMITED

morgans

Contents

Important Notices

OFFER

The offer (**Offer**) contained in this Prospectus is an invitation to acquire fully paid ordinary shares (**Shares**) in OptiComm Ltd ACN 117 414 776 (**Company** or **OptiComm**). This Prospectus is issued by OptiComm and OptiComm SaleCo Limited ACN 619 343 912 (**SaleCo**) for the purposes of Chapter 6D of the *Corporations Act 2001* (Cth) (**Corporations Act**). References to the **Group** are to OptiComm and its subsidiaries, and in this Prospectus mean one or more of those entities.

LODGEMENT AND LISTING

This Prospectus is dated 15 July 2019 (**Prospectus Date**) and was lodged with the Australian Securities and Investments Commission (**ASIC**) on that date. The Company will apply to the Australian Securities Exchange (**ASX**) within seven days after the Prospectus Date, for admission of the Company to the Official List and for quotation of its Shares on ASX. None of ASIC, ASX or their respective officers take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

The Company, SaleCo, the Directors of the Company and SaleCo, Link Market Services Limited (**Share Registry**), and the Lead Manager and Underwriter disclaim all liability, whether in negligence or otherwise, to persons who trade Shares before receiving their holding statements.

EXPIRY DATE

This Prospectus expires on the date which is 13 months after the Prospectus Date. No Shares will be allotted or transferred on the basis of this Prospectus after the expiry date.

EXPOSURE PERIOD

Under the Corporations Act, the Company and SaleCo must not process Application Forms during the seven-day period after the date of lodgement of this Prospectus with ASIC, noting that this period may be extended by ASIC for up to a further seven days (**Exposure Period**). This Exposure Period enables the Prospectus to be examined by market participants prior to the raising of funds. The examination may result in the identification of deficiencies in this Prospectus, in which case any Application may need to be dealt with in accordance with section 724 of the Corporations Act. Application Forms received during the Exposure Period will not be processed until after the expiry of that period. No preference will be given to Application Forms received during the Exposure Period.

NOT INVESTMENT ADVICE

This Prospectus provides information for investors to decide if they wish to invest in the Company. You should read this document in its entirety. The information contained in individual sections is not intended to and does not provide a comprehensive review of the business and the financial affairs of the Company or the Shares offered under this Prospectus. In particular, you should examine the assumptions underlying the Financial Information and the risk factors that could affect the financial performance of the Company. Consider these factors carefully in light of your personal financial circumstances. Seek professional advice from your accountant, stockbroker, lawyer or other professional adviser before deciding whether to invest. Some of the key risk factors that should be considered by prospective investors are set out in Section 5. There may be other risk factors in addition to the risks in Section 5 that should be considered in light of your personal circumstances. The Offer is not financial product advice and does not take into account the investment objectives, financial situation or needs of particular investors. Neither the Company nor SaleCo is licensed to provide financial product advice in respect of Shares or other financial products.

INFORMATION ABOUT THE COMPANY

This Prospectus contains certain information about OptiComm, its directors, senior executives and business. It also contains details of their investment approach, strategy and philosophy. To the extent that this Prospectus includes statements by the Company or includes statements based on any statement of, or information provided by the Company, the Company has consented to each such statement being included in this Prospectus in the form and context in which it is included and has not withdrawn that consent at any time prior to the lodgement of this Prospectus.

DISCLAIMERS

No person is authorised by the Company, SaleCo, or the Lead Manager and Underwriter to give any information or make any representation in connection with the Offer that is not contained in this Prospectus. Any information or representation not contained in this Prospectus may not be relied on as having been authorised by the Company, SaleCo, the Directors or any other person in connection with the Offer. OptiComm's business, financial condition, results of operations and prospects may have changed since the date of this Prospectus. Neither the Company or SaleCo nor any person associated with the Company or the Offer guarantees or warrants the future performance of the Company, the return on an investment made under this Prospectus, the repayment of capital or the payment of dividends on the Shares.

Morgans Corporate Limited has acted as Lead Manager and Underwriter to the Offer. Morgans Corporate Limited has not authorised, permitted or caused the issue or lodgement, submission, dispatch or provision of this Prospectus and there is no statement in this Prospectus which is based on any statement made by it or any of its affiliates, officers or employees. To the maximum extent permitted by law, each of Morgans Corporate Limited, BDO Audit Pty Ltd, BDO Corporate Finance (QLD) Ltd or Talbot Sayer and the affiliates, officers, employees and advisers of each of the aforementioned entities expressly disclaim all liabilities in respect of, and make no representations regarding, and take no responsibility for, any part of this Prospectus, other than references to their name and make no representation or warranty as to the currency, accuracy, reliability or completeness of this Prospectus.

Except as required by law, and only to the extent so required, none of the Group, SaleCo, the Directors, the SaleCo Directors, the Lead Manager and Underwriter, the professional advisers of each of the aforementioned entities or any other person in connection with the Offer warrants or guarantees the future performance of the Group, or any return on any investment made pursuant to this Prospectus.

All financial amounts contained in this Prospectus are rounded unless otherwise stated. Any discrepancies between totals and sums of components in tables contained in this Prospectus are due to rounding.

STATEMENTS OF PAST PERFORMANCE

This Prospectus includes information regarding OptiComm's past performance. Past performance should not be relied upon as being indicative of future performance.

FORWARD LOOKING STATEMENTS

This Prospectus contains forward-looking statements concerning OptiComm's business, operations, financial performance and condition as well as the Company's plans, objectives and expectations for its business, operations, financial performance and condition. Any statements contained in this Prospectus that are not of historical facts may be deemed to be forward-looking statements. You can identify these statements by words such as 'aim', 'anticipate', 'assume', 'believe', 'could', 'due', 'estimate', 'expect', 'forecasts', 'guidance', 'goal', 'intend', 'may', 'objective', 'outlook', 'plan', 'predict', 'potential', 'positioned', 'should', 'target', 'will', 'would' and other similar expressions that are predictions of or indicate future events and future trends. The Forecast Financial Information included in Section 4 of this Prospectus is an example of forward looking statements. These forward-looking statements are based on current expectations, estimates, forecasts and projections about the Company's business and the industry in which the Company operates and management's beliefs and assumptions.

Any forward-looking statements are subject to various known and unknown risks, uncertainties, assumptions and other important factors that are in some cases beyond the control of the Company or SaleCo, and that could cause actual events or outcomes, including the Company's actual results, to differ materially from the events, outcomes or results expressed or anticipated in these statements. These forward-looking statements and the Forecast Financial Information are provided as a general guide only and are not guarantees of future performance or development. As a result, any or all of the Company's forward-looking statements and Forecast Financial Information in this Prospectus may turn out to be inaccurate. The forward-looking statements and Forecast Financial Information should be read in conjunction with, and qualified by reference to, the risk factors described in Sections 1 and 5, the specific and general assumptions set out in Section 4.13, the sensitivity analysis set out in Section 4.14 and other information contained in this Prospectus.

The Directors of the Company and of SaleCo cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward looking statements contained in this Prospectus will actually occur and potential investors and other readers are urged to consider the risk factors, assumptions and sensitivity analysis in this Prospectus carefully in evaluating the forward-looking statements and are cautioned not to place undue reliance on the forward-looking statements. These forward-looking statements speak only as at the date of this Prospectus. Unless required by law, the Company does not intend to publicly update or revise any forward-looking statements, or to publish prospective Financial Information in the future, to reflect new information or future events or otherwise. You should, however, review the factors and risks the Company describes in the reports to be filed from time to time with ASX after the date of this Prospectus.

This Prospectus, including the industry overview in Section 2 and the business overview in Section 3, uses market data and third party estimates and projections. The Company has obtained this information from market research prepared by third parties. There is no assurance that any of the third party estimates or projections contained in this information will be achieved. The Company and SaleCo have not independently verified this information. Estimates involve risks and uncertainties and are subject to change based on various factors, including those discussed in the risk factors set out in Section 5.

Some numerical figures included in this Prospectus have been subject to rounding adjustments. Accordingly, numerical figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that preceded them.

INDEPENDENT LIMITED ASSURANCE REPORT ON HISTORICAL FINANCIAL INFORMATION AND ON FORECAST FINANCIAL INFORMATION AND FINANCIAL SERVICES GUIDE

The provider of the Independent Limited Assurance Report on Historical Financial Information is BDO Audit and the provider of the Independent Limited Assurance Report on Forecast Financial Information is BDO CFQ. BDO CFQ holds AFSL 245513 and is required to provide Australian retail clients with a financial services guide in relation to the review under the Corporations Act (Financial Services Guide). The Independent Limited Assurance Report on Forecast Financial Information and accompanying Financial Services Guide and the Independent Limited Assurance Report on Historical Financial Information are provided in Section 8.

SELLING RESTRICTIONS

The Offer is available to Australian and New Zealand residents in each state and territory of Australia and each provincial district of New Zealand. This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has been taken to register or qualify the Shares or the Offer, or to otherwise permit a public offering of Shares, in any jurisdiction outside Australia or New Zealand.

The distribution of this Prospectus outside Australia and New Zealand (including electronically) may be restricted by law and persons who come into possession of this Prospectus outside Australia and New Zealand should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

The Company is entitled to refuse an Application for Shares under this Prospectus if it believes that Applicant received the Offer outside Australia or New Zealand in non-compliance with the laws of the relevant foreign jurisdiction.

This Prospectus may not be distributed to, or relied upon by, persons in the United States. The Shares being offered pursuant to this Prospectus have not been, and will not be, registered under the United States *Securities Act of 1933*, as amended (**US Securities Act**) or any US state securities laws and may not be offered or sold in the United States absent registration or an applicable exemption from registration under the US Securities Act and applicable state securities laws. This Prospectus does not constitute an offer to sell, or the solicitation of an offer to buy, nor shall there be any sale of these Shares in any state or other jurisdiction in which such offer, solicitation or sale would be unlawful under applicable law, including the US Securities Act. In addition, any hedging transactions involving these Shares may not be conducted unless in compliance with the US Securities Act.

For details of selling restrictions that apply to the Offer and the sale of Shares in certain jurisdictions outside of Australia and New Zealand, please refer to Section 7.20.

NOTICE TO NEW ZEALAND RESIDENTS

The Offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act and regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 of the *Financial Markets Conduct Act 2013* (NZ) and Part 9 of the *Financial Markets Conduct Regulations 2014* (NZ).

The Offer and the content of the Prospectus are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act and the regulations made under the Corporations Act set out how the Offer must be made.

There are differences in how financial products are regulated under Australian law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime.

The rights, remedies, and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies, and compensation arrangements for New Zealand financial products.

Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to this Offer. If you need to make a complaint about this Offer, please contact the Financial Markets Authority, New Zealand (http://www.fma.govt.nz). The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian financial products is not the same as for New Zealand financial products.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

The Offer may involve a currency exchange risk. The currency for the financial products is not New Zealand dollars. The value of the financial products will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.

If you expect the financial products to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

If the financial products are able to be traded on a financial product market and you wish to trade the financial products through that market, you will have to make arrangements for a participant in that market to sell the financial products on your behalf.

If the financial product market does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the financial products and trading may differ from financial product markets that operate in New Zealand.

NOTICE TO UNITED STATES RESIDENTS

The Shares being offered pursuant to this Prospectus have not been registered under the US Securities Act or any US state securities laws and may not be offered or sold in the United States absent registration or an applicable exemption from registration under the US Securities Act and applicable state securities laws. This Prospectus does not constitute an offer to sell, or the solicitation of an offer to buy, nor shall there be any sale of these Shares in any state or other jurisdiction in which such offer, solicitation or sale would be unlawful under applicable law, including the US Securities Act. In addition, any hedging transactions involving these Shares may not be conducted unless in compliance with the US Securities Act.

NOTICE TO HONG KONG RESIDENTS

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the **SFO**). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the Shares have not been and will not be offered or sold in Hong Kong other than to 'professional investors' (as defined in the SFO).

No advertisement, invitation or document relating to the Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as defined in the SFO and any rules made under that ordinance). No person allotted Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the Offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

NOTICE TO SINGAPORE RESIDENTS

This document and any other materials relating to the Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore.

Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of Shares, may not be issued, circulated or distributed, nor may the Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the *Securities and Futures Act,* Chapter 289 of Singapore (the **SFA**), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an existing holder of the Company's shares, (ii) an 'institutional investor' (as defined in the SFA) or (iii) a 'relevant person' (as defined in section 275(2) of the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

Subject to the relevant provisions of the SFA, where the Shares are subscribed or purchased under section 275 of the SFA by a relevant person who is a corporation (which is not an accredited investor) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor, such Shares of that corporation shall not be transferable within six months after that corporation has acquired the Shares pursuant to section 275 of the SFA unless:

- that transfer is made only to an institutional investor under section 274 of the SFA or to a relevant person as defined in section 275(2) of the SFA, or where the transfer arises from an offer referred to in Section 275(1A) of the SFA;
- no consideration is given for the transfer; or
- the transfer is by operation of law.

Subject to the relevant provisions of the SFA, where the Shares are subscribed or purchased under section 275 of the SFA by a relevant person who is a trustee of a trust (who is not an accredited investor) the sole purpose of which is to hold investments and each beneficiary of which is an individual who is an accredited investor, such beneficiaries' rights and interests in that trust shall not be transferable for six months after that trust has acquired the Shares pursuant to section 275 of the SFA unless:

- that transfer is made only to an institutional investor under section 274 of the SFA or to a relevant person as defined in section 275(2) of the SFA, or where the transfer arises from an offer that is made on terms that such rights or interests are acquired at a consideration of not less than S$200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid in cash or by exchange of securities or other assets;
- no consideration is given for the transfer; or
- the transfer is by operation of law.

The Offer or invitation which is the subject of this Prospectus is not accompanied by any advertisement making an offer or calling attention to the Offer or intended Offer; and no selling or promotional expenses shall be paid or incurred in connection with the Offer other than those incurred for administrative or professional services, or by way of commission or fee for services rendered by any of the service providers of the Group.

OBTAINING A COPY OF THIS PROSPECTUS

During the Exposure Period, an electronic version of this Prospectus without an Application Form will be available at www.opticomm.net.au. Application Forms will not be made available until after the Exposure Period has expired.

During the Offer Period, this Prospectus will be available to investors in electronic form at www.opticomm.net.au. Any person accessing the electronic version of this Prospectus, for the purpose of making an investment in the Company, must only access the Prospectus from within Australia or New Zealand, or any jurisdiction outside Australia or New Zealand where the distribution of the electronic version of this Prospectus is not restricted by law.

The Application Form attached to the electronic version of this Prospectus must be used within Australia or New Zealand only. Electronic versions of this Prospectus should be downloaded and read in their entirety. You may, before the end of the Offer Period, obtain a paper copy of the Prospectus (free of charge) by calling the Offer Information Line on 1800 992 039 (within Australia) or +61 1800 992 039 (outside Australia) between 8.30am and 5.30pm Australian Eastern Standard Time (**AEST**).

Applications for Shares may only be made on the Application Form attached to this Prospectus or in its paper copy form downloaded in its entirety from www.opticomm.net.au. The Corporations Act prohibits any person from passing the Application Form to another person unless it is attached to a hard copy of the Prospectus or the complete and unaltered electronic version of this Prospectus. If the Prospectus is found to be deficient, any Applications may need to be dealt with in accordance with section 724 of the Corporations Act.

APPLICATIONS

By lodging an Application Form, you declare that you were given access to the entire Prospectus, together with an Application Form. The Company will not accept a completed Application Form if it has reason to believe that an Application Form lodged by an Applicant was not accompanied by, or attached to, the Prospectus or if it has reason to believe that the Application Form has been altered or tampered with in any way.

NO COOLING OFF RIGHTS

Cooling off rights (whether provided at law or otherwise) do not apply to an investment in Shares pursuant to the Offer. This means that, in most circumstances, you cannot withdraw your Application once it has been accepted.

PRIVACY

By completing an Application Form or authorising a Broker to do so on your behalf, you are providing personal information to the Company and SaleCo, through its service provider, the Share Registry, which is contracted by or on behalf of the Company to manage Applications, and consent to the collection, storage, use and disclosure of that personal information in accordance with these terms.

The Company, SaleCo, the Lead Manager and Underwriter and the Share Registry on behalf of the Company, may collect, hold, use and disclose that personal information both in and outside of Australia in order to process your Application, service your needs as a security holder, provide facilities and services that you request and administer the Company. If you do not wish to provide this information, the Company and the Share Registry may not be able to process your Application.

Once you become a Shareholder, the Corporations Act requires information about you (including your name, address and details of the Shares you hold) to be included in the Company's Shareholder register, which will be accessible by the public. This information must continue to be included in the Company's public Shareholder register even if you cease to be a Shareholder.

The Company, and the Share Registry on its behalf, may disclose your personal information for purposes related to your investment to their members, agents and service providers (which may be located outside of Australia where your personal information may not receive the same level of protection as afforded under Australian law) including those listed following or as otherwise authorised under the *Privacy Act 1988* (Cth); the Share Registry for ongoing administration of the Company's public Shareholder register; printers and other companies for the purpose of preparation and distribution of documents and or handling mail; the Lead Manager and Underwriter in order to assess your Application; market research companies for the purpose of analysing the Company's Shareholder base and for product development and planning; and legal and accounting firms, auditors, contractors, management consultants and other advisers for the purpose of administering and advising on the Shares and for associated actions.

Under the *Privacy Act 1988* (Cth), you may request access to your personal information that is held by, or on behalf of, the Company. You can request access to your personal information or obtain further information about the Company's privacy practices by contacting the Company or its Share Registry, details of which are set out elsewhere in this Prospectus. You may be required to pay a reasonable charge to the Share Registry in order to access your personal information.

If an Applicant becomes a Shareholder, the Company will be required to include information about the Shareholder (including name, address and details of the Shares held) in its public register of members. The information contained in the Company's register of members must remain there even if that person ceases to hold Shares. Information in the Company's register of members is also used to facilitate dividend payments and corporate communications (including the Group's financial results, annual reports and other information that the Company may wish to communicate to its Shareholders) and compliance by the Company with legal and regulatory requirements. The Company aims to ensure that the personal information it retains about you is accurate, complete and up to date. To assist with this, please contact the Company or the Share Registry if any of the details you have provided change.

By submitting an Application Form you agree that the Group and the Share Registry may communicate with you in electronic form or to contact you by telephone in relation to the Offer.

CURRENCY

Unless otherwise specified, monetary amounts are expressed in Australian dollars. The Financial Information shown in this Prospectus is presented in Australian dollars.

COMPANY WEBSITE

The Company maintains a website at www.opticomm.net.au. Any references to documents included on the Company's website are provided for convenience only, and none of the documents or other information on the website is incorporated by reference into this Prospectus.

PHOTOGRAPHS, DIAGRAMS, LOGOS AND TRADEMARKS

Any photographs or diagrams used in this Prospectus and that do not have descriptions are for illustrative purposes only and should not be interpreted to mean that any person shown in them endorses this Prospectus or its contents, or that the Company owns or uses any assets shown in such photographs or diagrams. Diagrams used in the Prospectus are illustrative only and may not be drawn to scale. Unless otherwise stated, all data contained in charts, graphs and tables is based on information available at the date of this Prospectus.

This Prospectus contains certain logos and trademarks owned by third parties. The Company has no ownership or rights in such logos or trademarks.

DEFINED TERMS

Some terms used in this Prospectus are defined in the Glossary. All references to time in this Prospectus refer to Australian Eastern Standard Time unless otherwise specified.

QUESTIONS

If you have any questions about how to apply for Shares, please call your Broker. Instructions on how to apply for Shares are set out in Section 7 of this Prospectus and on the back of the Application Form. Alternatively call the Offer Information Line on 1800 992 039 (within Australia) or +61 1800 992 039 (outside Australia) between 8.30am and 5.30pm AEST. You should seek professional advice from your accountant, financial advisor, Broker, lawyer or other professional advisor if you have any questions about the Shares being offered under this Prospectus, or any matter relating to an investment in the Company before deciding to invest in the Company.

HOW TO INVEST

Applications for Shares can be made in accordance with the procedures described in this Prospectus. Instructions on how to apply for Shares are set out in Section 7 and on the reverse of the Application Form.

THIS DOCUMENT IS IMPORTANT AND SHOULD BE READ IN ITS ENTIRETY

Important Dates

Lodgement of the Prospectus with ASIC	15 July 2019
Offer Opening Date	23 July 2019
Offer Closing Date	12 August 2019
Offer Settlement Date	14 August 2019
Issue and transfer of Shares under the Offer (Completion of Offer)	15 August 2019
Expected date for despatch of holding statements	16 August 2019
Expected commencement of trading of Shares on ASX (on a normal settlement basis)	22 August 2019

The above timetable is indicative only and may change. The Company and SaleCo reserve the right to vary the dates and times set out above subject to the Corporations Act and other applicable laws. In particular, the Company reserves the right to close the Offer early, extend the Closing Date or accept late Applications, either generally or in particular cases, or to cancel or withdraw the Offer before the allocation of Shares, in each case without notifying any recipients of this Prospectus or any Applicants. If the Offer is cancelled or withdrawn before Completion, then all Application Monies will be refunded in full (without interest) as soon as possible in accordance with the requirements of the Corporations Act. Investors who wish to submit an Application are encouraged to do so as soon as practicable after the Offer opens.

Key Offer Statistics

Company	OptiComm Ltd
Proposed ASX code	OPC
Shares offered	Fully paid Shares
Offer Price	$2.00
Shares on issue at Prospectus date	97,000,986
Number of New Shares issued under the Offer	7,040,000
Gross cash proceeds to the Company under the Offer	$14,080,000
Number of Sell-Down Shares to be sold by SaleCo under the Offer	14,135,917
Gross Sell-Down Proceeds to Selling Shareholders	$28,271,834
Gross cash proceeds of the Offer (including Sell-Down Shares)	$42,351,834
Number of Shares issued under Employee Gift Offer[1]	40,500
Indicative total number of Shares on issue at Listing[2]	104,081,486
Indicative market capitalisation at the Offer Price[3]	$208,162,972
Forecast FY2020 Normalised Free Cash Flow[4,5]	$15,053,000
Indicative market capitalisation to forecast FY2020 Normalised Free Cash Flow[3, 4, 5]	13.8x
Pro forma forecast FY2020 NPAT[5,6]	$22,144,000
Indicative market capitalisation to pro forma forecast FY2020 NPAT[3, 5, 6]	9.4x
Annualised forecast FY2020 dividend yield[5,7]	3.6%

1. Assumes full participation by 81 Eligible Employees under the Employee Gift Offer.
2. Assumes full participation by 81 Eligible Employees under the Employee Gift Offer.
3. Market capitalisation at the Offer Price is defined as the Offer Price multiplied by the total number of Shares expected to be on issue at Listing, assuming full participation by 81 Eligible Employees under the Employee Gift Offer.
4. Normalised Free Cash Flow is cashflow from operations, less capital expenditure, as adjusted for one-off items and any infrastructure debt funding. Refer to Section 4.9, Table 8, for forecast FY2020 Normalised Free Cash Flow.
5. The Forecast Financial Information is based on assumptions and accounting policies set out in Section 4 and is subject to the key risks set out in Section 5. There is no guarantee that forecasts will be achieved.
6. NPAT is net profit after tax.
7. Based on a dividend of 7.2 cents per share for the FY2020 year divided by the Offer Price. FY2020 dividends are expected to be paid semi-annually in October 2019 and April 2020. The Company makes no guarantees regarding the payment, timing or quantum of dividends. For more information on the Company's dividend policy, refer to Section 4.15.

Chairman's Letter

Dear Investor,

It is my pleasure to invite you to become a Shareholder in OptiComm, a licenced Australian wholesale telecommunications carrier specialising in the design, installation, operation and maintenance of Fibre-to-the-Premises (**FTTP**) network solutions for new residential and business developments in Australia.

In 2005, current CEO, Paul Cross, and Non-Executive Director, David Redfern, together with other founders, saw a market opportunity for a privately owned builder-owner-operator of Fibre-to-the-Premises networks in Australia. OptiComm has since grown to become one of the largest privately owned and operated open access Fibre-to-the-Premises wholesale network operators in Australia for new developments by number of lots.

The power of the internet has increased substantially in the past decade and has impacted on many facets of our lives. Given network connectivity is so readily available, we can at times take it for granted and forget how ingrained it is in everyday life. Data usage has increased dramatically over the past few years, with the average monthly consumption of fixed broadband data per fixed-line subscriber having increased by over 60% between June 2016 and June 2018,[1] and is forecast to continue to grow with increasing usage of video streaming and other entertainment services by consumers and cloud services by businesses.[2] Furthermore, as the 'Internet of Things' and the number of internet-connected devices grows rapidly, so will the amount of internet traffic they generate. We at OptiComm understand the importance of network connectivity and the revolutionary impact a fully connected 'smart' world can offer, and we take great care in ensuring all of our communities (specifically those in new estates) have access to a 100% fixed-line fibre broadband service.

Our business is driven by the ever-increasing consumer appetite for internet connectivity which requires fast and reliable bandwidth services within residential, commercial and retail market segments.

As at 30 June 2019, OptiComm had installed fibre network infrastructure to over 106,000 lots in 245 estates and buildings across Australia. Over 76,000 dwellings built on these lots are connected to the OptiComm networks, with over 60,000 of these dwellings receiving active internet, telephone and other telecommunications services provided by Retail Service Providers from whom OptiComm receives a monthly recurring wholesale access charge for use of its fibre network infrastructure.

OptiComm is forecasting to install fibre network infrastructure to approximately 18,000 lots in FY2020 and in addition has a strong contracted pipeline of over 100,000 lots for delivery over the next 5 to 10 years.

OptiComm expects organic growth to continue, supported by the growing consumer demand for high-speed internet connectivity and ongoing demand for fixed-line fibre telecommunications infrastructure. This growth is also supported by regulation requiring the installation of fibre network infrastructure in new residential developments. We are proud of our track record of growth with pro forma revenue forecast to grow at a cumulative annual growth rate (**CAGR**) of 9% between 2017 and 2019 and pro forma net profit after tax (**NPAT**) forecast to grow at a CAGR of 19% over the same period. In FY2019, we have reached a milestone with forecast pro forma recurring revenue from our fibre network infrastructure forecast to exceed forecast revenue from our network construction activities and become our single largest revenue stream. Importantly, recurring revenue is growing year on year as we add more active premises to the network. As a result pro forma NPAT is forecast to grow at 18% in FY2019 and 10% in FY2020. Free Cash Flow,[3] after allowing for investment in network infrastructure, is forecast to be $9.4 million in FY2019 and $11.5 million in FY2020.

Leading this growth, OptiComm has a strong and experienced management team and Board, with highly relevant telecommunications industry experience across various areas of the business. CEO Paul Cross brings over 20 years of expertise in the fibre optic and telecommunications market and previously founded Optimal Cable Services, an Australian manufacturer of fibre optic cables.

An offer is being made under this Prospectus to raise approximately $42.35 million. The offer comprises an offer of New Shares (approximately $14.08 million before costs) and a sell-down of Shares by Existing Shareholders (approximately $28.27 million before costs). On Completion of the Offer, Existing Shareholders will retain approximately 79.62% of the Shares in the Company with Existing Shareholders escrowed for a period of between 6 months and 2 years.

This Prospectus contains detailed information about the Offer, the industry in which OptiComm operates, its business and its historical and forecast financial performance. OptiComm's business is subject to a range of risks both inside and outside its control, which are discussed in detail in Section 5 and you are encouraged to read the Prospectus in full and to carefully consider the Offer.

I am truly excited to be working with OptiComm as Chairman. The OptiComm business has strong growth prospects in a dynamic industry. On behalf of my fellow Directors and our management team, we look forward to welcoming you as a Shareholder.

Yours faithfully,

Allan Brackin
Chairman

1. Australian Bureau of Statistics, '8153.0 – Internet Activity, Australia, June 2018'.
2. Bureau of Communications and Arts Research (**BCAR**), Department of Communications and the Arts, 'Demand for fixed-line broadband in Australia', issued 27 February 2018, available from https://www.communications.gov.au/what-we-do/bureau-communications-and-arts-research/our-work/demand-fixed-line-broadband. BCAR has not provided their consent for the statement to be included in this Prospectus.
3. Free Cash Flow is defined in this Prospectus as cashflow from operations less capital expenditure.

Section 1

Investment overview

Section 1
Investment overview

The information set out in this Section 1 is intended to be a summary only and should be read in conjunction with the more detailed information appearing elsewhere in this Prospectus. In deciding whether to apply for Shares under the Offer, you should read this Prospectus carefully and in its entirety. If you are in doubt as to the course you should follow, please consult your professional advisers.

1.1 INTRODUCTION

Topic	Summary	More information
Who is OptiComm?	OptiComm is a licensed carrier and wholesale network infrastructure operator which designs, builds, operates and maintains fixed-line access, fibre-based, telecommunications networks servicing new residential, commercial and retail developments within Australia. OptiComm utilises Fibre-to-the-Premises (**FTTP**) technology in the vast majority of its networks, with a small proportion (less than 4%) utilising Fibre-to-the-Building (**FTTB**) and hybrid fibre coax (**HFC**) based technologies as at 30 June 2019. OptiComm is the fixed-line network infrastructure provider within OptiComm connected estates. OptiComm's network infrastructure comprises the final section (or 'last mile') of the telecommunication networks connecting homes, apartments and commercial premises within OptiComm connected estates to a central exchange point from which high-speed broadband internet and telephone services are delivered to end user consumers via third party providers of retail internet and other telecommunication services (**Retail Service Providers**). OptiComm has been a licensed carrier and wholesale network infrastructure operator since 2007.	Section 3
What does OptiComm do?	OptiComm: • builds, owns (in most cases) and operates fibre-based open access wholesale telecommunication networks in residential single dwelling unit development estates (referred to as '**Broadacre**' estates), apartment or unit developments with multiple dwellings (referred to as '**Multi Dwelling Units**'), retirement and independent living unit estates and commercial precincts and buildings; • provides wholesale access to its networks to Retail Service Providers who provide retail telecommunications, entertainment and other services to end user consumers (being residents and businesses in dwellings within the Broadacre estates and Multi Dwelling Unit complexes that are connected to OptiComm's networks); • provides ongoing support and maintenance services to the networks, including those networks that OptiComm manages but does not own; and • provides other ancillary value add services, such as integrated building administration support networks (referred to as '**Integrated Communication Networks'**) that support building operations and other building services within mixed use developments, such as hotels and apartments, shopping centres, and other commercial complexes.	Section 3
Where does OptiComm operate?	OptiComm currently operates in Victoria, New South Wales, Queensland, Western Australia, South Australia and the Australian Capital Territory. Refer to Figure 8 in Section 3.3.2 for a map showing the locations of OptiComm's existing networks. OptiComm is headquartered in Melbourne with other offices in Sydney, Brisbane and Perth.	Section 3

Topic	Summary	More information
What is the Offer?	The Offer is an invitation to apply for 21.18 million Shares that will in part be issued by the Company and in part be sold by SaleCo at a price of $2.00 per Share raising gross proceeds of approximately $42.35 million. The Offer is expected to raise approximately: • $14.08 million for OptiComm in new capital through the issue of New Shares by the Company (prior to deducting costs); and • $28.27 million for Existing Shareholders through the sale of Sell Down Shares to investors by SaleCo. The Offer comprises the Broker Firm Offer and the Institutional Offer. There is no general public offer. Refer to Sections 7.11 and 7.12 for further details on the terms of the Broker Firm Offer and the Institutional Offer. The Shares being offered to New Shareholders under the Offer will represent 20.35% of the Shares on issue at Completion of the Offer. In addition, the Company is offering under this Prospectus $1,000 of Shares to Eligible Employees under the OptiComm Employee Share Plan pursuant to the Employee Gift Offer for no cost. Refer to Section 7.13 for further details on the terms of the Employee Gift Offer. Existing Shareholders are expected to retain 79.62% of the Shares in the Company at Listing (assuming no Existing Shareholder acquires Shares in the Offer). Shares held by Existing Shareholders will be subject to voluntary escrow restrictions. Refer to Sections 7.9 and 10.3 for further details on the voluntary escrow restrictions. The Offer (with the exception of the Employee Gift Offer) is being managed and underwritten by Morgans Corporate Limited as the sole Lead Manager and Underwriter.	Section 7
Why is the Offer being conducted?	The objectives of the Offer and Listing on ASX are to: • provide OptiComm with access to capital markets which is expected to provide additional financial flexibility and enable OptiComm to pursue further growth opportunities; • provide OptiComm with the benefits of an increased public profile that arises from being a listed entity; • broaden OptiComm's shareholder base and provide a liquid market for its Shares; and • provide Existing Shareholders with an opportunity to partially realise their investment in OptiComm.	Section 7.4

1.2 KEY FEATURES OF OPTICOMM'S BUSINESS MODEL

Topic	Summary	More information
What services does OptiComm provide?	OptiComm provides services to both property developers and Retail Service Providers. OptiComm installs fibre-based open access 'last mile' wholesale telecommunication networks infrastructure for property developers of new Broadacre housing developments, Multi Dwelling Unit developments, lifestyle villages (retirement communities) and commercial precincts and buildings. OptiComm designs, installs, configures and tests the network, and in most cases, owns, that part of the network that it constructs once practically complete. In certain cases where OptiComm does not own the network, it has been declared the 'Nominated Carrier' under the *Telecommunications Act 1997* (Cth) (**Telecommunications Act**) (which requires a communication network to be managed by a licensed carrier) which effectively provides OptiComm with all the rights and obligations of a network owner. Following construction of the network infrastructure for an estate or building development, residential and business dwellings constructed within the developments (the 'end user') are connected to the OptiComm network. The connected end user residents and businesses contract with third party Retail Service Providers who provide retail services such as internet, telephone and entertainment services using the OptiComm network infrastructure. OptiComm offers wholesale access services to the third party Retail Service Providers who purchase capacity on the network to service their customer base. OptiComm, utilising its engineers and technical support teams, provides ongoing support, maintenance and general network management services to the Retail Service Providers on these networks. Refer to Section 3.6 for a graphic illustration of OptiComm's networks.	Section 3

Topic	Summary	More information
What is the size of OptiComm's network?	As of 30 June 2019, OptiComm has installed fibre network infrastructure to over 106,000 lots in 245 estates and buildings across Australia (also referred to in this Prospectus as '**Lots Passed**'). Of these Lots Passed, over 76,000 dwellings built on the lots have been connected to OptiComm's networks (referred to as '**Connected Premises**'), with over 60,000 of these dwellings receiving, where available, active internet, telephone and other telecommunications services provided by a Retail Service Provider (referred to as '**Active Premises**') from which OptiComm receives a monthly recurring wholesale charge. Based on publicly available data for new premises, OptiComm estimates that its share of constructed lots in the Broadacre market in Australia's major capital city areas grew from 24% in calendar year 2017 to 27% in calendar year 2018, and its share of the Multi Dwelling Unit market remained stable at 4% for both years.[1] In addition to constructed networks, OptiComm has a contracted pipeline of new developments in different stages of construction with approximately 18,000 lots forecast to have fibre infrastructure installed in FY2020 and over 100,000 further lots contracted with developers as at 30 June 2019 not yet under construction, for delivery over the next 5 to 10 years. Not all of these developments may proceed to full completion, noting that they may be varied or delayed at the developer's discretion. In addition to contracted pipeline, OptiComm is also in advanced negotiations with developers in relation to further new developments which are not yet contracted.	Section 3.3
What is the National Broadband Network and how does this relate to OptiComm?	The Australian National Broadband Network is an Australian Federal Government initiative first announced in 2007 to provide all Australian homes with reliable, high-speed internet access. The regulatory framework underpinning the Australian National Broadband Network policy facilitates the upgrade to or construction of predominantly fibre-based network infrastructure across existing developed premises (referred to as '**Brownfield**' developments) and new build developments (referred to as '**Greenfield**' developments). The Australian National Broadband Network is being progressively rolled out across Australia to 'switch over' existing telephone and internet connections connected to the legacy copper-wire network infrastructure to high-speed predominantly fibre-based telecommunications network infrastructure. In addition to upgrading existing infrastructure, the Australian National Broadband Network regulatory framework mandates that subject to exemptions for small scale developments in rural areas, all new housing developments established after September 2011 must be 'fibre-ready' and include infrastructure to facilitate the installation of fibre network infrastructure to premises in the development by a carrier of the developer's choice. Generally, property developers engage a network provider such as NBN Co Limited (**NBN Co**) or alternative private network builders such as OptiComm to install the fibre infrastructure and/or connect lots within the estates concurrently with the estate development. OptiComm works with its developer clients to design and install fibre-based network infrastructure in newly developed Broadacre estates, lifestyle villages and Multi Dwelling Unit developments in compliance with the Australian National Broadband Network regulatory framework. Once the network infrastructure is connected to premises built within the estates, OptiComm continues to operate and maintain the network infrastructure and provides network access to third party Retail Service Providers who access the network to deliver telecommunication services to their end user customers residing or operating businesses in premises within the connected estates.	Sections 2.1.2 and 3
How does OptiComm generate income?	OptiComm generates revenue from three principal sources being: • recurring network revenue received from Retail Service Providers for network access in the form of a monthly wholesale charge; • construction revenue received from property developers for the delivery of the network infrastructure in residential Broadacre, lifestyle village and Multi Dwelling Unit developments, received progressively over the course of the network construction. Construction revenue also includes revenue for the deployment of Integrated Communication Networks; and • one-off connection fees as dwellings are connected to OptiComm's network. In FY2019, forecast recurring network revenue is forecast to exceed forecast network construction revenue and become OptiComm's single largest revenue stream.	Section 3.2.2

1. Estimates compiled by OptiComm based on lot release data in Melbourne, South East Queensland, Sydney, Perth, Adelaide and Australian Capital Territory for calendar years 2017 and 2018 obtained from Urban Development Institute of Australia (**UDIA**), 'State of the Land 2019: National Residential Greenfield and Apartment Market Study', issued 27 March 2019, available from http://www.udia.com.au/news/2019-state-of-the-land and UDIA, 'State of the Land 2018: National Residential Greenfield and Multi-Unit Market Study', issued 22 March 2018, available from http://www.udia.com.au/news/2018-state-of-the-land and OptiComm's own Lots Passed in Melbourne, South East Queensland, Sydney, Perth, Adelaide and Australian Capital Territory in the same periods and regions. UDIA has not provided their consent for the statement to be included in this Prospectus.

Topic	Summary	More information
What is fixed line access technology?	Fixed-line networks deliver telecommunications services over a physical line from an exchange (a location controlled by the network infrastructure operator where active electronics are located) to the end user premises. This final stage connecting the exchange point to the premises is referred to as the 'last mile' network. These fixed-line 'last mile' networks supply high-speed broadband and telephone services that are used by Retail Service Providers to supply internet, telephone and other services to end user customers. There are a number of fixed-line access network technologies currently deployed by network infrastructure operators to provide broadband and other telecommunication services in Australia: • legacy Digital Subscriber Line (**DSL**) (currently ADSL2+) (which uses Australia's existing copper line network); • fibre-optic (which in the case of Fibre-to-the-Premises (**FTTP**) deployment is a full fibre connection, or in the case of Fibre-to-the-Node (**FTTN**), Fibre-to-the-Curb (**FTTC**) and Fibre-to-the-Building (**FTTB**) deployments use a mix of fibre and copper line connections); and • hybrid fibre-coax cable (**HFC**) (which utilises a mix of fibre and coaxial cable infrastructure). OptiComm utilises Fibre-to-the-Premises technology in the vast majority of its networks, with a small proportion (less than 4%) utilising Fibre-to-the-Building and HFC based technologies.	Section 2.2.2
Who are OptiComm's competitors in the Broadacre and Multi Dwelling Unit markets?	OptiComm's primary competitor which builds, owns and operates fibre-based fixed-line access networks in Broadacre and Multi Dwelling Unit market segments is NBN Co. There are a number of other network infrastructure operators deploying a range of fixed-line access technologies in Broadacre and Multi Dwelling Unit market segments who also compete with OptiComm.	Section 3.4.1
What are OptiComm's key strengths?	OptiComm has a number of key strengths, including: • an established, proven and scalable, business model; • a business model and product construct which is compliant with the regulatory framework for the Australian National Broadband Network; • a network which is predominantly fibre-based, with over 96% of its constructed networks utilising Fibre-to-the-Premises technology; • established relationships with many property developers across Australia offering a total turnkey solution from design to network commissioning, with the flexibility to work with developers to build networks concurrently with the estate development; • a flexible business model that provides property developers with a wide range of traditional network services such as high-speed internet and telephone services and Free-to-Air and subscription television services; • providing property developers with progressive solutions incorporating a range of value-added services such as 'smart poles', 'smart city' and 'safe city' applications, smart home automation, community Wi-Fi, security and access control, and intelligent metering services; • high network reliability relative to competing technologies; • low operational network maintenance expenditure, primarily driven by OptiComm's particular network deployment methods and standards; • economies of scale with access to Backhaul capacity that can service multiple locations and facilitate network redundancy and availability; • arrangements with a number of Australian Retail Service Providers who access OptiComm's network to provide retail telecommunications, entertainment and other services to end user consumers; • the technology deployed in OptiComm's network will accommodate significant growth in bandwidth and capacity requirements in its current form, but is also capable of cost effective upgrade where required; • a highly skilled team of engineering, design, operations and project management staff, with a number of key management personnel having extensive experience in the telecommunications industry; • diversified locations across Australia that enable OptiComm to leverage risk across different markets; and • an Australian based network operations centre and call centre with network monitoring capability.	Section 3.5

Topic	Summary	More information
What are the competing technologies and do these pose a threat to OptiComm's business model?	Current alternative technologies to fixed-line fibre connections include fixed wireless and satellite services. While OptiComm primarily focuses on metropolitan areas, fixed wireless and satellite technologies predominantly service areas in regional and rural Australia where there is a significant distance between premises and other fixed-line connections are not available or economically feasible or, in regards to fixed wireless, Brownfield high density Multi Dwelling Units in central business districts. Mobile wireless technologies, such as those currently offered by 4G and 5G mobile network operators, provide an alternative technology solution to fixed-line access networks. Whilst there has been much speculation about the potential future performance of 5G technology and what it means for fixed-line networks, OptiComm considers that, at this stage, it is difficult to accurately predict the influence or impact its deployment in Australia may have on provision of broadband services via fixed-line networks. In a large part this is due to the fact that this is a relatively new technology and limited details are presently available regarding the exact nature of how the network will be deployed, its geographical coverage and expected pricing and bandwidth capability. OptiComm believes that there will be continued demand for fixed-line broadband notwithstanding the introduction of emerging technologies such as 5G. This view is in part supported by data compiled by the Australian Bureau of Statistics which indicated that 96.8% of all Australian internet downloads in the three months ended 30 June 2018 were via fixed-line broadband services notwithstanding the presence of wireless technologies (for e.g. 4G).[2] OptiComm does not consider 5G poses a significant threat to OptiComm's business model for the foreseeable future for reasons (amongst others detailed in Section 3.4.2) including: • the fact that the initial rollout of 5G in Australia is expected to be focused in inner city areas (at least in the short-to-medium term) with limited access in Broadacre locations on the outer fringes of the major metropolitan cities (where OptiComm's networks are predominantly deployed); and • due to likely 5G plan pricing and download limits, fixed-line broadband services are expected to remain the most effective and convenient home connectivity solution in the near term with consumers likely to rely on fixed-line services in the home and office, particularly for data-intensive applications, switching to mobile services when outside the home or office. OptiComm sees a complementary future with 5G and believes the introduction of 5G will likely encourage an increased use of high bandwidth, low latency applications which OptiComm networks can support when the user moves from their 5G mobile connection to their fixed-line network at home.	Section 3.4.2

2. Australian Bureau of Statistics, '8153.0 – Internet Activity, Australia, June 2018'.

Topic	Summary	More information
What is OptiComm's historical and forecast financial performance and cash flows?	The Company's consolidated pro forma historical and forecast income statement is summarised in the table below:	Section 4

	Pro Forma Historical		Pro Forma Forecast	
A$'000	**FY2017**	**FY2018**	**FY2019**	**FY2020**
Total revenue	**46,949**	**56,544**	**60,529**	**69,962**
EBITDA	**20,813**	**28,921**	**34,096**	**38,680**
EBIT	**17,124**	**24,564**	**28,583**	**31,701**
NPAT	**12,001**	**17,096**	**20,103**	**22,144**

The Company's consolidated historical and forecast reconciliation of pro forma EBITDA to Free Cash Flow is summarised in the table below:

	Historical		Forecast	
A$'000	**FY2017**	**FY2018**	**FY2019**	**FY2020**
Pro forma EBITDA	**20,813**	**28,921**	**34,096**	**38,680**
Investment in network infrastructure and other capital expenditure	(14,003)	(15,387)	(20,303)	(19,376)
Payments for intangibles (software)	(36)	(40)	(12)	(12)
Movement in working capital	3,332	149	1,768	1,314
Non cash EBITDA adjustments – AASB 15 and AASB 16	2,726	888	1,540	2,075
Free cash flow pre tax	**12,831**	**14,532**	**17,089**	**22,681**
Tax paid	(8,476)	(9,020)	(7,640)	(11,224)
Free cash flow	**4,355**	**5,512**	**9,449**	**11,457**

The Company's consolidated statutory historical and forecast income statement is summarised in the table below:

	Statutory Historical		Statutory Forecast	
A$'000	**FY2017**	**FY2018**	**FY2019**	**FY2020**
Total revenue	**49,754**	**57,896**	**60,529**	**69,962**
EBITDA	**24,226**	**30,107**	**33,878**	**36,409**
EBIT	**20,687**	**25,900**	**28,515**	**29,430**
NPAT	**14,452**	**18,171**	**20,071**	**20,555**

A reconciliation between the pro forma financial statements and statutory financial statements is outlined in Sections 4.5 and 4.8.

The financial information presented above contains non-IFRS financial measures. It is intended as a summary only and should be read in conjunction with the more detailed discussion of the Financial Information in Section 4, as well as the risk factors set out in Section 5.

Investors should read Section 4 for full details of Financial Information, and the assumptions underlying this information.

Topic	Summary	More information
What is OptiComm's strategy for growth?	OptiComm's primary focus is to execute on its contracted pipeline of development projects and generate recurring revenue from premises connected within those developments as they come online. In addition to its contracted pipeline, OptiComm's growth plans include: • leveraging OptiComm's proven expertise and scale to target new developers outside those OptiComm currently has relationships with; • targeting smaller development lots, including Multi Dwelling Units with less than 200 lots; • accessing the 'build to rent' market sector which is a developing market within Australia; • leveraging existing infrastructure, such as Backhaul, to better service developments in a cost-effective manner; • delivering 'smart city' solutions that will generate additional revenue streams; • investing in new value add services (such as access control, intercom, security and Wi-Fi hotspots) giving developers the ability to offer a greater range of services in their developments; • increasing focus on markets outside OptiComm's traditional markets (residential Broadacre and Multi Dwelling Units), including mixed use residential and commercial precincts, lifestyle villages and student accommodation; • expanding the number of Retail Service Providers who access OptiComm's networks; • investigating acquisition and other strategic opportunities as and when they arise; • investigating opportunities for geographical expansion including leveraging existing relationships with developers who may expand into offshore locations; and • exploring opportunities to leverage OptiComm's Broadacre experience and infrastructure to provide solutions to replace existing lower speed infrastructure for Brownfield premises.	Section 3.7
How will OptiComm seek to generate returns for investors?	The Company will seek to drive growth in earnings and cashflow through the strategies discussed above to increase the enterprise value of the Company and drive recurring revenue streams which will support OptiComm's ability to pay dividends to investors.	Section 3
What is OptiComm's dividend policy?	The payment of dividends by OptiComm will be at the discretion of the Directors based on a number of factors outlined in Section 4.15, including OptiComm's operating and financial performance, financial position, the availability of growth opportunities and any other factors the Directors deem relevant. After the Prospectus forecast period the Directors' current intention is to target a dividend payout ratio of up to 60% of the Company's annual Free Cash Flow (being cashflow from operations less capital expenditure), franked to the maximum extent possible having regard to available franking credits at the time. This payout ratio is subject to variation for the matters set out above and the payout ratio may be lower or greater depending on the circumstances of the time. No assurances can be given by any person, including the Directors, about the quantum or timing of dividends or applicability of franking credits to dividends (if paid).	Section 4.15
When will the first dividend be paid after Listing?	During the Prospectus forecast period, and having regard to the factors outlined above, it is the Directors' current intention to target an indicative annualised dividend yield of 3.6% for the FY2020 year (based on a dividend of 7.2 cents per share divided by the Offer Price). After FY2020 the Directors intend to target a dividend payout ratio of approximately 60% of Free Cash Flow. The Board's intention is to pay dividends on a semi-annual basis, with the first dividend expected to be paid in October 2019 and a final dividend paid in April 2020. No assurances can be given by any person, including the Directors, about the quantum or timing of dividends or applicability of franking credits to dividends (if paid).	Section 4.15

1.3 HIGHLIGHTS OF THE OFFER

Topic	Summary	More information
Growing consumer demand for high-speed internet connectivity	OptiComm's business is driven by new housing construction and demand for fast and reliable bandwidth services within residential, commercial and retail market segments which is driven by consumer appetite for internet connectivity. As noted in Section 2.3, the average monthly consumption of fixed broadband data per fixed-line subscriber has increased by over 60% between June 2016 and June 2018 to approximately 159 gigabytes per month.[3] These trends are expected to continue as technology improves and consumer appetite for video and more data rich applications and services continues to increase, coupled with the emergence of multiple smart home devices and other automation opportunities driven by the 'Internet of Things' being connected to the home broadband network. Whilst there are a range of technologies providing broadband access, OptiComm considers that for the foreseeable future, fixed-line broadband capability will continue to be the predominant technology by which these services are delivered in the home having regard to the nature of such services, bandwidth capability and cost of fixed-line services compared to alternative technologies such as wireless and mobile.	Section 2.3
Legislative requirement for fixed-line fibre telecommunications infrastructure in new housing developments	The Federal Government's policy commitment in 2007 to build an Australian National Broadband Network delivering faster broadband speeds to Australian households is supported by a regulatory framework that facilitates the upgrade or construction of fibre-based network infrastructure across Brownfield (existing) and Greenfield (new build) housing estates throughout Australia. In particular, the Australian National Broadband Network regulatory framework mandates that subject to exemptions for small scale developments in rural areas, all new housing developments established after September 2011 (which includes the Broadacre and Multi Dwelling Unit developments targeted by OptiComm) must be 'fibre-ready' and include infrastructure to facilitate the installation of fibre networks. Refer to Section 2.1.2 for further detail. Developers typically seek to have the fibre network infrastructure installed by a network carrier such as OptiComm concurrently with the development of the estate to enable premises to be connected to the network as lots are built and sold. Government policy specifically gives developers the option to choose their own preferred infrastructure provider, including providers such as OptiComm. This regulatory framework supports the view that there will be continued demand for fibre-based fixed-line network infrastructure in new residential developments with opportunities available to OptiComm to continue to expand its network.	Section 2.1
Long term growth potential in residential markets	OptiComm's current focus is on connecting premises within new undeveloped estates (Broadacre) and new Multi Dwelling Unit developments to a broadband fibre network by working with developers to install high-speed, multipurpose fixed-line network infrastructure to these developments during the construction phase. OptiComm's growth is also supported by continued demand for property in Australia's capital cities and fringes, where new Broadacre developments and Multi Dwelling Units are typically located. During the calendar years 2017 to 2018, there have been, on average, approximately 126,000 new land lot releases and Multi Dwelling Units completions across the major Australian capital cities and fringes on an annual basis.[4] Drivers of residential market growth include: • population growth including immigration levels; • government policy settings such as decentralisation and regional development; • demographic shifts such as 'downsizing' and attraction to inner city living; • government programs such as first home buyer incentives and stamp duty relief; and • credit availability and interest rates. Notwithstanding the potential for a short term disruption from market conditions, long term industry forecasts indicate that there is a continued shortfall in housing supply to meet the forecasted demand requirements and OptiComm considers that this, coupled with projected population growth, will remain as key growth drivers in the residential housing market over the medium to long term.	Section 2.4

3. Based on the data compiled by the Australian Bureau of Statistics, '8153.0 – Internet Activity, Australia, June 2018'.
4. UDIA, 'State of the Land 2019', 27 March 2019 and UDIA, 'State of the Land 2018', 22 March 2018.

Topic	Summary	More information
Strong track record of growth	OptiComm has achieved strong organic revenue, earnings and cash flow growth over the last 3 years, driven, in part, by year on year increases in the number of active services on its network.	Section 4.3.2

	Pro Forma Historical		Pro Forma Forecast	
A$'000	FY2017	FY2018	FY2019	FY2020
Total revenue	46,949	56,544	60,529	69,962
Network revenue	15,585	23,877	32,742	41,988
Revenue growth				
Total revenue growth		20%	7%	16%
Network revenue growth		53%	37%	28%
Profitability				
EBITDA	20,813	28,921	34,096	38,680
NPAT	12,001	17,096	20,103	22,144
Profitability growth				
EBITDA growth		39%	18%	13%
NPAT growth		42%	18%	10%
Cash Flow				
Free Cash Flow	4,355	5,512	9,449	11,457
Free Cash Flow growth		28%	80%	22%

Topic	Summary	More information
Contracted pipeline and growth of recurring revenue	As at 30 June 2019 OptiComm has approximately 30,000 Lots Passed for which fibre infrastructure has been installed that are yet to connect to the network. In addition, as at 30 June 2019, OptiComm has contracted obligations to construct networks to over 100,000 additional lots scheduled for delivery over the next 5 to 10 years. It is forecast that there will be an additional 18,000 lots passed in FY2020 (should those developments proceed to full completion, noting that they may be varied or delayed at the developer's discretion). OptiComm has the potential to receive one-off connection fees from the majority of premises connected, followed by subsequent recurring monthly wholesale charges for ongoing access. OptiComm has over 60,000 Active Premises on its network as at 30 June 2019 receiving ongoing income generating services from Retail Service Providers that will continue to generate recurring revenue into the foreseeable future as long as those premises continue to receive active services. During FY2019, OptiComm is forecasting to add, on average, approximately 1,000 Active Premises to its network on a monthly basis. In FY2019, forecast recurring network revenue is forecast to exceed forecast network construction revenue and become OptiComm's single largest revenue stream. As the fixed-line network infrastructure available within OptiComm connected estates is owned by OptiComm, OptiComm is not impacted by churn between Retail Service Providers as end users seek better or cheaper providers. Regardless of the Retail Service Provider chosen, the service will remain on OptiComm's network.	Section 3.3.3

Topic	Summary	More information
Strong competitive position in Greenfield Broadacre market	OptiComm has a strong market position in the Broadacre market. In the Multi Dwelling Unit market, OptiComm's share is less, however this segment is extremely competitive. In the Broadacre market, OptiComm estimates its market share in the major Australian capital cities and fringes for calendar years 2017 and 2018 was 24% and 27% respectively based on publicly available lot release data for new premises. In the Multi Dwelling Unit market, OptiComm estimates its market share in the major Australian capital cities and fringes for calendar years 2017 and 2018 remained steady at 4% for new premises.[5]	Section 3.4.1
Network capacity and infrastructure to support OptiComm's growth strategy	The network infrastructure deployed by OptiComm has been designed with sufficient headroom to support current and projected bandwidth requirements and OptiComm has the ability to upgrade the active electronics at each connection end without the need to replace the fibre infrastructure. The passive fibre infrastructure typically has an operating life of 40 years. OptiComm's oldest installed fibre infrastructure is approximately 12 years old. The network system architecture deployed has been designed to be able to be upgraded in a cost-effective manner as new technologies become available.	Section 3.6
Experienced senior management team	OptiComm has a strong senior management team with highly relevant telecommunications industry experience across various areas of its business. In particular, Paul Cross (Chief Executive Officer and Managing Director), one of the co-founders of the OptiComm business in 2005, brings extensive experience and knowledge of the fibre optic and telecommunication market. Other members of OptiComm's senior management team, Geoff Aldridge (Chief Customer Officer), Stephen Davies (Chief Technology Officer), Martin Stockley (Chief Construction Officer) and Phil Smith (recently retired Chief Regulatory Officer and now advisor to OptiComm), have all been involved with OptiComm for a number of years and have significant industry experience gained from various roles within the telecommunications sector. Phil Smith and Geoff Aldridge are also co-founders of the OptiComm business with Paul Cross and David Redfern (Non-Executive Director). John Phillips joined as OptiComm's Chief Financial Officer in 2017 and was appointed company secretary in 2018. Mr Phillips brings a wealth of corporate experience having previously served as Chief Financial Officer of an ASX-listed company and Chief Executive Officer of a mid-sized privately owned ICT services company.	Section 6.2
Board of directors with relevant industry experience	OptiComm's senior management team is supported by an experienced and diverse board of Non-Executive Directors with a range of highly relevant industry experience allowing for effective governance and oversight. In particular, OptiComm's chair, Allan Brackin, is a previous Chief Executive Officer of a large IT services company and currently sits on the board of three ASX-listed companies. David Redfern is a co-founder of OptiComm and is currently managing director at Madison Technologies, an Australian product manufacturer and distributor of cabling, networking, wireless and audio visual products and solutions. Greg Adcock has held executive roles at Telstra and NBN Co and Jennifer Douglas has held executive roles at Sensis and Telstra. Both bring a wealth of industry experience and knowledge and are currently directors of other ASX listed companies. Ken Ogden is a partner at Pitcher Partners. He specialises in taxation, finance and commercial matters.	Section 6.1

5. Estimates compiled by OptiComm based on lot release data in Melbourne, South East Queensland, Sydney, Perth, Adelaide and Australian Capital Territory for calendar years 2017 and 2018 obtained from UDIA, 'State of the Land 2019', 27 March 2019 and UDIA, 'State of the Land 2018', 22 March 2018 and OptiComm's own Lots Passed in Melbourne, South East Queensland, Sydney, Perth, Adelaide and Australian Capital Territory in the same periods and regions.

1.4 KEY RISKS

A list of the risks associated with an investment in the Company under this Prospectus is provided in Section 5. The following summary, which is not exhaustive, represents some of the major risk factors that Applicants should be aware of.

Topic	Summary	More information
Competition	OptiComm operates in a competitive landscape. As noted in Section 1.2 above, there are a number of network infrastructure operators deploying a range of fixed-line access technologies in Broadacre, lifestyle villages and Multi Dwelling Unit market segments. Increased competition may affect the Group's ability to maintain and grow its market share, as well as impact the growth in OptiComm's recurring revenue streams from active users connected to OptiComm's network. OptiComm has a number of strategies to mitigate these competitive risks, including the use of Fibre-to-the-Premises technology as the primary technology across the vast majority of its networks, combined with its reputation for quality offerings. The implementation of the growth strategies identified in Section 3.7 are also expected to assist in maintaining and growing market share.	Section 5.1
Alternative technologies	As noted in Section 1.2 above, there are current alternative technologies to fixed-line fibre networks which include fixed wireless and satellite services and mobile wireless solutions, such as 4G and 5G networks. These and other emerging alternative technologies may pose a threat to fixed-line fibre networks, including those in OptiComm's primary Greenfield Broadacre and Multi Dwelling Units markets. However, as noted above, OptiComm considers the threat from fixed wireless and satellite technologies to be lower due to these most commonly being deployed in regional and rural Australia compared to OptiComm's focus on the outer fringes of metropolitan areas or, in regard to fixed wireless, in Brownfield high density Multi Dwelling Units in central business districts which are not a significant part of OptiComm's current business. At this stage, whilst there has been much speculation about the potential future performance of 5G technology, 5G is still a relatively new technology in Australia, and limited details are presently available regarding the exact nature of how the network will be deployed, its geographical coverage and expected pricing and bandwidth capability. Accordingly, it is difficult to accurately predict the influence or impact 5G deployment in Australia may have on provision of broadband services via fixed-line networks. OptiComm acknowledges there may be end users for whom 5G or other mobile networks may provide a viable network alternative. However, for the reasons noted in Section 3.4.2, OptiComm believes that, notwithstanding the introduction of emerging technologies such as 5G, there will be continued demand for fixed-line broadband in the Broadacre locations on the outer fringes of the major metropolitan cities (where OptiComm's networks are predominantly deployed) for the foreseeable future. OptiComm continues to monitor developments in this space.	Section 5.1
NBN Co and any potential changes to pricing	The regulatory framework governing the rollout of the Australian National Broadband Network supports non-government enterprise organisations such as OptiComm delivering fibre-based network infrastructure to Australian residential and business premises. OptiComm offers developers an alternative solution to NBN Co in the residential Broadacre industry and Multi Dwelling Unit sector. Some of OptiComm's revenue, earnings and market share may be eroded to the extent regulatory frameworks currently imposed on NBN Co are amended. This may result in changes to the amounts and manner in which NBN Co charges developers for network deployment and/or changes to the one-off connection and recurring wholesale access fees currently charged by NBN Co to Retail Service Providers accessing its networks. Some of these changes may have a corresponding impact on the prices OptiComm charges its developers for network deployment and/or one-off connection and recurring wholesale access fees charged by OptiComm to Retail Service Providers accessing its networks. The extent to which any changes may be implemented, the timing during which such changes may take effect, and the potential impact to OptiComm, is presently unknown and will be subject to a number of variables, commercial factors and policy drivers.	Section 5.1

Topic	Summary	More information
Downturn in housing market	The growth and performance of OptiComm will be influenced by the overall housing market and general economic conditions in Australia which are, by their nature, cyclical and subject to change. This includes underlying housing shortage/demand, immigration numbers, access to finance, interest rates, house affordability, first home buyer incentives, land availability and government policy. A downturn in the Australian housing market may result in cancellation or deferral of housing projects which may adversely impact OptiComm's financial performance as it would reduce construction revenue. A short term downturn in the housing market is not expected to significantly impact OptiComm's forecast performance in FY2020 due to the construction profile for this period being largely committed. However some impact (reduction in construction revenue) may be experienced to the extent developers look to delay or extend construction timelines or there is a slowdown in new lot connections. OptiComm believes that this risk is mitigated to a degree by the fact that it operates in multiple States and growth corridors.	Section 5.1
Regulatory/policy risk	There are a number of industry risk factors that may affect the future operation and performance of the Group that are outside its control, including regulation of the telecommunications industry. Regulatory change may directly and indirectly affect the competitive landscape of the telecommunications infrastructure market and may adversely impact the financial performance of OptiComm where, for example, it leads to increased compliance costs or decreased demand for fibre optic telecommunications infrastructure. Prior to the recent Federal Government election in May 2019, a package of proposed legislative reforms had been proposed by the Federal Government which had the potential to affect all superfast fixed-line providers, including the possible introduction of a Regional Broadband Scheme (also referred to as the 'Bush Levy') imposing a levy on high-speed fixed-line telecommunications networks payable by carriers. Refer to Section 5.1 for details of the proposed legislation in its previous form. Whilst this legislation lapsed with the dissolution of the previous Parliament, the new Federal Government has, in early July 2019, indicated similar legislation will be introduced, however the form of such legislation, and the timing for introduction, is unknown at the date of this Prospectus. Should legislation be introduced and passed, it is not yet known when it would become effective, however the Directors consider that it is unlikely to become effective in the forecast period. If the levy was imposed, OptiComm would seek to pass some of this onto Retail Service Providers. The levy under the previous legislation was proposed to be $7.10 per month for every 'chargeable premise' being a premises connected to the carrier's network receiving active fixed-line superfast broadband services. The draft legislation proposed an initial five year charge concession period exempting the first 25,000 residential and small business chargeable premises on each carrier's network from the levy. If the new legislation had been introduced on this basis on 1 July 2019, by way of illustration, the levy would have resulted in an approximate impact of $2.52 million on the Company's forecast NPAT for FY2020 based on the number of the Company's Active Premises forecast for FY2020, prior to any pass on of the levy costs to Retail Service Providers. Under this scenario (based on the proposed payment regime under the previous draft legislation) the levy payment would not have been payable until December 2020 and would therefore not have had a cash flow impact until FY2021 (at which time the impact would also be approximately $2.52 million). OptiComm notes that the actual form of the Bush Levy will not be known until more details are provided by the Federal Government at the time the legislation is introduced. This would include specific terms such as the charge concession threshold, calculation of 'chargeable premises' and timing for implementation amongst others, which some or all may be subject to amendment during the parliamentary approval process. Other examples of regulatory change that could affect the fixed-line access market and potentially impact OptiComm's operations or growth include (but are not limited to): • government regulatory change which may impact technology or suppliers able to be used by OptiComm in its networks; • changes to data security, privacy and information regulation; • imposition of new or modified carrier licence conditions; and • changes to telecommunications related legislation, regulations and policy. OptiComm is also subject to regulatory controls imposed by government and regulatory authorities that are not limited to the fixed-line access market. The relevant regulatory regimes are complex and are subject to change over time, depending on changes in laws and policies of governments and regulatory authorities. The Company is exposed to the risk of changes to applicable laws and/or the interpretation of existing laws (which may have a negative effect on the Company), and risks associated with non-compliance with these laws (which may result in financial penalties being levied against the Company).	Section 5.1

Topic	Summary	More information
Developer concentration risk	OptiComm has one major developer client which as at 31 December 2018 represented 21% of its year to date (**YTD**) construction revenue for FY2019. Two other developer clients represented 6% and 5% respectively of YTD construction revenue for FY2019 as at 31 December 2018. No other developer client represented more than 5% of construction revenue as at 31 December 2018. The loss of one or more of these developer clients could have an impact on the Company's financial performance. OptiComm will continue to pursue expanding its developer client base, including by establishing 'whole of business' arrangements, which will reduce the level of developer concentration.	Section 5.1
Supplier concentration risk	There is a risk that certain brands or products may no longer be available for use by OptiComm in its network, including as a result of government regulation such as the recent introduction of the Telecommunications Sector Security Reform in September 2018 imposing obligations on carriers such as OptiComm to protect telecommunications networks and facilities from unauthorised interference or unauthorised access for national security purposes. As OptiComm utilises a range of suppliers and manufacturers for its network equipment and is not reliant on one key supplier, OptiComm does not expect that a loss of a particular supplier or manufacturer, including if mandated by the introduction of government policy, directions or regulation, will have a material impact on OptiComm's ability to maintain or deploy its networks.	Section 5.1
Key management personnel	An investment in the Group is in large part an investment in its key management team and personnel. The loss of key members of management, a change in the senior management team or the failure to attract additional skilled individuals to key management roles, could have a material adverse effect on the Company's operations, including its relationships with suppliers, developers, builders and residents.	Section 5.1
New technology and product development risks	The Group's performance and financial position may be adversely affected by any inability of the Group to keep up with the latest technological advancements and to develop or acquire and integrate new technologies into its telecommunication networks. As noted in Section 1.3 above, OptiComm operates a predominantly fibre network and the Directors believe that the technology and standards deployed in OptiComm's network infrastructure have been designed with sufficient headroom to support current and projected bandwidth requirements without the need for invasive or expensive upgrades or replacements to be made to the fibre infrastructure. Furthermore, the Directors believe that the network system architecture employed by OptiComm, combined with the expertise of OptiComm's management and its ongoing industry research and product development activities, means OptiComm is well positioned to take advantage of most new technological advancements in fixed-access networks in a timely and cost-effective manner as new technologies become available.	Section 5.1
Design, construction, and development risk	Any delays or unexpected costs associated with the design, construction, and development of any of OptiComm's fibre optic telecommunications infrastructure or any changes in funding arrangements with developers may harm OptiComm's growth prospects, future operating results and financial conditions. Delays or unexpected costs can be dictated by external factors such as decisions by developers to vary, delay or cancel developments or industry price increases affecting components, labour or other aspects of the design, construction and development stages. Whilst this risk is largely outside OptiComm's control, OptiComm actively manages this risk by having regular contact with its developer clients giving it visibility over the timing and completion of projected developments and keeping appraised on market conditions.	Section 5.1
Backhaul pricing risk	OptiComm purchases managed services from third party infrastructure operators to provide its Inter Exchange Network or Backhaul. Pricing levels are set by the operator and may increase over time. Mitigation strategies employed by OptiComm to reduce any adverse impact of pricing changes include: • leveraging existing Backhaul across multiple estates; • conducting regular market reviews to ensure competitiveness between backhaul providers; and • ensuring there is no reliance on one particular supplier by having agreements with multiple wholesale Backhaul suppliers.	Section 5.1

Topic	Summary	More information
Backhaul access	Access to Backhaul in new development areas can be more expensive due to there being little to no existing high capacity fibre optic infrastructure available in those areas. In areas with limited existing infrastructure, the third party operator or OptiComm may be required to construct new Backhaul infrastructure which may span large distances to facilitate connection to the network in the new development. This may increase the amount of Backhaul infrastructure which OptiComm may be required to invest in and could impact the Group's ability to expand into new growth corridors. Mitigation strategies employed by OptiComm include: • leveraging existing Backhaul across multiple estates; and • where economically feasible constructing its own Backhaul infrastructure or part thereof.	Section 5.1
Other risks	A number of other key risks relating specifically to an investment in the Company are outlined in Section 5.1. There are also a number of risks relating generally to an investment in the Shares that are included in Section 5.2.	Sections 5.1 and 5.2

1.5 OTHER DETAILS ABOUT THE COMPANY, ITS RELATED PARTIES, EXISTING SHAREHOLDERS AND SUBSTANTIAL SHAREHOLDERS

Topic	Summary	More information
What is the capital structure of the Company?	The Company has 97,000,986 Shares on issue at the date of this Prospectus. There are no other classes of securities currently on issue.	Section 11.5
Who are the directors and key management?	Refer to Section 1.3 above and Section 6.	Section 6
What are the interests held by Directors in the Company?	The following table sets out the relevant interests of Directors who hold a direct or indirect interest in the Company, both at the date of this Prospectus and their expected interests at Listing.	Section 6.3

Director[6]	Shares held at Prospectus Date		Shares held at Listing[7]	
	No.	%	No.	%[8]
Allan Brackin	2,071,202	2.14%	1,760,521	1.69%
Paul Cross	15,603,010	16.09%	13,262,558	12.74%
David Redfern	30,101,280	31.03%	25,586,087	24.58%
Kenneth Ogden	4,142,435	4.27%	3,521,069	3.38%
Total	**51,917,927**	**53.52%**	**44,130,235**	**42.40%**

The Directors (via their associated entities) have each elected to participate in the Sell Down and sell a portion of their existing Shareholdings to SaleCo (who in turn will make available those Shares under the Offer) on the same terms as all other Existing Shareholders who are Selling Shareholders. The expected interests at Listing reflect the holdings post-Sell Down.

The Shares in which Directors have a direct or indirect interest will be subject to voluntary escrow restrictions for a 24 month period after Listing.[9] Refer to Sections 7.9 and 10.3 for further details on the voluntary escrow restrictions.

Greg Adcock and Jennifer Douglas, non-Executive Directors of the Company, do not currently hold or control any interest in the Company at the date of this Prospectus.

6. Directors may hold their interests in Shares directly or indirectly through holdings by companies or trusts.
7. Assumes no participation in the Offer by Directors other than as stated in this Prospectus.
8. Assumes full participation by 81 Eligible Employees under the Employee Gift Offer and no participation in the Offer by Directors.
9. To the extent Directors (or their associated entities) acquire additional Shares in or subsequent to Completion of the Offer, those additional Shares will not be subject to the voluntary escrow arrangements.

<table>
<tr><th>Topic</th><th>Summary</th><th>More information</th></tr>
<tr><td>What significant benefits and interests are payable to the Directors and other persons connected with the Offer?</td><td>Executive remuneration is described in Sections 6.3.2 and 10.5.2.

Advisers and other service providers will receive fees for services on the terms set out in Section 11.7.

Non-Executive Directors will receive remuneration and fees on ordinary commercial terms as described in Sections 6.3.2 and 10.5.1.

Existing Shareholders (including entities associated with Directors) have elected to sell a portion of their existing shareholding in the Offer and participate in the Sell Down and will receive the proceeds of such sale paid by the Company on Completion on the terms set out in Sections 7.6 and 10.2.

Further details of the significant interests of key people, related party transactions and advisor and service provider fee entitlements are set out in Sections 6 and 11.7.</td><td>Sections 6, 7, 10 and 11</td></tr>
<tr><td>Who are the Existing Shareholders and what will their interest in the Company be at Listing?</td><td>
<table>
<tr><th></th><th colspan="2">Shares held at Prospectus Date</th><th colspan="2">Shares held at Listing[10]</th></tr>
<tr><th></th><th>No.</th><th>%</th><th>No.</th><th>%</th></tr>
<tr><td>Directors[11]</td><td>51,917,927</td><td>53.52%</td><td>44,130,235</td><td>42.40%</td></tr>
<tr><td>Senior management[12]</td><td>6,213,548</td><td>6.41%</td><td>5,281,514</td><td>5.07%</td></tr>
<tr><td>Other Existing Shareholders[13]</td><td>38,869,511</td><td>40.07%</td><td>33,453,320</td><td>32.14%</td></tr>
<tr><td>New Shareholders</td><td>0</td><td>0.00%</td><td>21,175,917</td><td>20.35%</td></tr>
<tr><td>Employee Gift Offer Shareholders[14]</td><td>0</td><td>0.00%</td><td>40,500</td><td>0.04%</td></tr>
<tr><td>Total</td><td>97,000,986</td><td>100.00%</td><td>104,081,486</td><td>100.00%</td></tr>
</table>
Shares held by Existing Shareholders at Listing will be subject to voluntary escrow restrictions.[15] Refer to Sections 7.9 and 10.3 for further details on the voluntary escrow restrictions.

Certain Existing Shareholders have elected to participate in the Sell Down and have agreed to sell a portion of their existing Shareholdings to SaleCo (who in turn will make available those Shares under the Offer).</td><td>Section 7.7</td></tr>
</table>

10. Assumes full participation by 81 Eligible Employees under the Employee Gift Offer and no participation in the Offer by Existing Shareholders.
11. Directors may hold their interests in Shares directly or indirectly through holdings by companies or trusts.
12. Senior management comprises Geoffrey Aldridge, Martin Stockley, Stephen Davies and Timothy Hamilton. Senior management may hold their interests in Shares directly or indirectly through holdings by companies or trusts. Excludes any Shares that may be acquired by senior management under the Employee Gift Offer or in the Offer.
13. All other Existing Shareholders that are not affiliated with Directors or senior management. Excludes any Shares that may be acquired by under the Employee Gift Offer or in the Offer.
14. Assumes full participation by 81 Eligible Employees under the Employee Gift Offer. As noted above, some Eligible Employees may be Existing Shareholders.
15. To the extent Existing Shareholders (or their associated entities) acquire additional Shares in the Offer or Employee Gift Offer, those additional Shares will not be subject to the voluntary escrow arrangements.

<table>
<tr><th>Topic</th><th>Summary</th><th>More information</th></tr>
<tr><td>Who are the Company's substantial shareholders at the date of this Prospectus and what interests will they have after the Offer?</td><td>Substantial holders of the Company (being those parties with relevant interests in more than 5% of the Company's voting shares) at the date of this Prospectus are, and following Completion of the Offer will be, as follows:
<table>
<tr><th>Name of substantial holder</th><th colspan="2">Shares held at the Prospectus Date</th><th colspan="2">Shares held at Listing[16]</th></tr>
<tr><th></th><th>No.</th><th>%</th><th>No.</th><th>%</th></tr>
<tr><td>Opnet Pty Ltd[17]</td><td>21,471,259</td><td>22.14%</td><td>18,250,570</td><td>17.53%</td></tr>
<tr><td>Asoon Holdings Pty Ltd[18]</td><td>15,603,010</td><td>16.09%</td><td>13,262,558</td><td>12.74%</td></tr>
<tr><td>AFL Telecommunications Australia Pty Ltd</td><td>13,807,969</td><td>14.23%</td><td>11,736,773</td><td>11.28%</td></tr>
<tr><td>Diamantina Superannuation Pty Ltd[19]</td><td>6,903,999</td><td>7.12%</td><td>5,868,399</td><td>5.64%</td></tr>
<tr><td>Total</td><td>57,786,237</td><td>59.57%</td><td>49,118,300</td><td>47.19%</td></tr>
</table>
Shares held by these Substantial Shareholders will be subject to voluntary escrow restrictions. Refer to Sections 7.9 and 10.3 for further details on the voluntary escrow restrictions.</td><td>Section 7.7</td></tr>
<tr><td>What related party arrangements are in place?</td><td>Refer to Section 6.3.4 for details of certain supply and service arrangements with the Company's directors, Paul Cross, David Redfern and Ken Ogden.</td><td>Section 6.3.4</td></tr>
<tr><td>What escrow arrangements will be in place as at Listing?</td><td>All of the Shares that will be held by Existing Shareholders at Listing with the exception of any Shares acquired under the Employee Gift Offer or in the Offer generally will be subject to voluntary escrow arrangements. It is expected that 82,865,069 Shares, which represents 79.62% of the total Share capital at Listing (assuming no Existing Shareholder participates in the Offer and all Shares offered under the Employee Gift Offer are taken up in full) will be escrowed.[20]

The table below shows a breakdown of the voluntary escrow arrangements, including the applicable periods of restriction.
<table>
<tr><th>Holder</th><th>Escrowed shares[21]</th><th>% of total Shares on issue at Listing[22]</th><th>Escrow period</th></tr>
<tr><td>Directors[23]</td><td>44,130,235</td><td>42.40%</td><td>24 months</td></tr>
<tr><td>Senior management team[24]</td><td>5,281,514</td><td>5.07%</td><td>24 months</td></tr>
<tr><td>Other Existing Shareholders[25]</td><td>33,453,320</td><td>32.14%</td><td>6 months</td></tr>
<tr><td>Total</td><td>82,865,069</td><td>79.62%</td><td></td></tr>
</table></td><td>Sections 7.9 and 10.3</td></tr>
</table>

16. Assumes full participation by 81 Eligible Employees under the Employee Gift Offer and no participation in the Offer by Existing Shareholders.
17. Entity affiliated with David Redfern (Non-Executive Director).
18. Entity affiliated with Paul Cross (CEO and Managing Director).
19. Entity affiliated with David Redfern (Non-Executive Director).
20. To the extent Existing Shareholders (or their associated entities) acquire additional Shares in or subsequent to Completion of the Offer, those additional Shares will not be subject to any escrow arrangements.
21. To the extent Existing Shareholders (or their associated entities) acquire additional Shares in or subsequent to Completion of the Offer, those additional Shares will not be subject to any escrow arrangements.
22. Assumes full participation by 81 Eligible Employees under the Employee Gift Offer and no participation in the Offer by Existing Shareholders.
23. Directors may hold their interests in Shares shown above directly or indirectly through holdings by companies or trusts.
24. Senior management comprises Geoffrey Aldridge, Martin Stockley, Stephen Davies and Timothy Hamilton. Senior management may hold their interests in Shares directly or indirectly through holdings by companies or trusts. Excludes any Shares that may be acquired by senior management under the Employee Gift Offer or in the Offer.
25. All other Existing Shareholders that are not affiliated with Directors or senior management. Excludes any Shares that may be acquired under the Employee Gift Offer or in the Offer.

1.6 ABOUT THE OFFER AND PROPOSED USE OF FUNDS

<table>
<tr><th>Topic</th><th>Summary</th><th>More information</th></tr>
<tr><td>Who are the issuers of this Prospectus?</td><td>OptiComm Ltd ACN 117 414 776 and OptiComm SaleCo Limited (SaleCo) ACN 619 343 912.</td><td>Important Notices</td></tr>
<tr><td>What is SaleCo?</td><td>OptiComm SaleCo Limited is a special purpose vehicle established to enable the Selling Shareholders to sell the Sell Down Shares to investors on Completion of the Offer.</td><td>Section 11.3</td></tr>
<tr><td>What will happen on Completion of the Offer?</td><td>On Completion of the Offer, the Company will issue New Shares and SaleCo will sell Sell-Down Shares to investors under the Offer.
SaleCo will acquire the Sell-Down Shares it offers for sale from the Selling Shareholders prior to completion.</td><td>Section 11.3</td></tr>
<tr><td>How is the Offer structured and who will be eligible to participate?</td><td>The Offer comprises:
Broker Firm Offer, which is open to persons who receive an allocation of Shares from their Broker and who have a registered address in Australia or New Zealand;
Institutional Offer, which included an invitation to bid for Shares made to Institutional Investors in Australia, New Zealand, Singapore and Hong Kong; and
the Employee Gift Offer, which is open to Eligible Employees that receive an invitation from the Company to apply for Shares.</td><td>Section 7</td></tr>
<tr><td>How will the proceeds of the Offer be used?</td><td>The table below sets out a summary of the anticipated use of the proceeds of the Offer.
<table>
<tr><th>Sources of funds</th><th>No.</th><th>%</th></tr>
<tr><td>Offer proceeds from issue of New Shares</td><td>$14,080,000</td><td>33.25%</td></tr>
<tr><td>Offer proceeds from sale of Sell Down Shares (SaleCo)</td><td>$28,271,834</td><td>66.75%</td></tr>
<tr><td>Total sources</td><td>$42,351,834</td><td>100.00%</td></tr>
</table>
<table>
<tr><th>Uses of funds</th><th>$</th><th>%</th></tr>
<tr><td>Payment of proceeds to Selling Shareholders</td><td>$28,271,834</td><td>66.75%</td></tr>
<tr><td>Working capital</td><td>$10,680,000</td><td>25.22%</td></tr>
<tr><td>Pay costs of the Offers</td><td>$3,400,000</td><td>8.03%</td></tr>
<tr><td>Total uses</td><td>$42,351,834</td><td>100%</td></tr>
</table></td><td>Section 7.5</td></tr>
<tr><td>Will the Company be adequately funded after Completion of the Offer?</td><td>The Company will have a pro forma net cash position ($21.4m) upon Completion of the Offer with no net debt. The Company has a history of profitability and this is forecast to continue in FY2020 as outlined in this Prospectus.
The Directors believe that, on Completion of the Offer, the Company will have sufficient working capital to carry out its objectives as stated in this Prospectus.</td><td>Sections 4.11.2 and 7.5</td></tr>
<tr><td>What will the capital structure of the Company be at Completion of the Offer?</td><td>On Completion of the Offer, the capital structure of the Company will be as set out below:
<table>
<tr><th>Shares</th><th>No.</th><th>%</th></tr>
<tr><td>Shares on issue at Prospectus Date</td><td>97,000,986</td><td>93.20%</td></tr>
<tr><td>New Shares issued under the Offer</td><td>7,040,000</td><td>6.76%</td></tr>
<tr><td>Shares issued under the Employee Gift Offer[26]</td><td>40,500</td><td>0.04%</td></tr>
<tr><td>Total Shares on issue at Listing</td><td>104,081,486</td><td>100%</td></tr>
</table></td><td>Sections 7.7 and 11.5</td></tr>
<tr><td>What is the minimum application size?</td><td>$2,000 for 1,000 Shares, with incremental multiples of 250 Shares (i.e. incremental multiples of at least $500).
There is no maximum Application under the Offer.
The Company reserves the right to scale back any Applications in the Offer.
The Company reserves the right to aggregate any Applications that it believes may be multiple Applications from the same person.</td><td>Section 7.10</td></tr>
<tr><td>How do I apply?</td><td>Broker Firm Offer applicants may apply for Shares by completing a Broker Form Offer Application Form and lodging it with the Broker who invited them to participate in the Offer. Applicants under the Employee Gift Offer may apply by following the instructions set out in the Employee Gift Offer invitation received from the Company and returning it to the Company in accordance with the instructions in the invitation letter. To the extent permitted by law, an Application under the Offer is irrevocable.</td><td>Sections 7.11.2, 7.12.1 and 7.13.2</td></tr>
</table>

26. Assumes full participation by 81 Eligible Employees under the Employee Gift Offer.

Topic	Summary	More information
What do Applicants pay when applying under the Offer?	All Applicants under the Offer will pay an Offer Price of $2.00 per Share.	Section 7
What is the Allocation Policy?	The basis of allocation of Shares under the Offer will be determined by the Company and the Lead Manager and Underwriter. There is no assurance that any person will be allocated any Shares or the number of Shares for which they apply. The Company reserves the right in its absolute discretion to not issue Shares to Applicants under the Offer and may reject any Application or allocate a lesser amount of Shares than those applied for at its absolute discretion.	Section 7.16
When will I receive confirmation whether my Application has been successful?	The Company expects that holding statements confirming Applicants' allocations under the Offer will be sent to Successful Applicants by standard post on or around 16 August 2019.	Section 7.17
When are the Shares expected to commence trading?	It is expected that trading of the Shares on the ASX will commence on or about 22 August 2019, subject to ASX confirmation. It is the responsibility of each Applicant to confirm their own holdings before trading on ASX, and any Applicant who sells their Shares before they receive an initial holding statement does so at its own risk.	Section 7.17
Who is the Lead Manager of the Offer?	Morgans Corporate Limited ACN 010 539 607.	Section 7
Is the Offer underwritten?	The Offer is fully underwritten by Morgans Corporate Limited. If the Company does not receive Applications for the full amount of 21,175,917 Shares under the Offer, the Lead Manager and Underwriter will subscribe for, or procure subscriptions for any shortfall. Refer to Section 10.1 for full details of the Underwriting Agreement.	Section 7 and 10.1
Is there any brokerage, commission or stamp duty payable by Applicants?	No brokerage or stamp duty is payable by Applicants on the acquisition of Shares under the Offer.	Section 7.15
Can the Offer be withdrawn?	The Company reserves the right not to proceed with the Offer at any time before the Allotment Date. If the Offer does not proceed, Application Monies will be refunded. No interest will be paid on any refunded Application Monies.	Section 7.21
Can the Offer period be closed early or extended?	The Company reserves the right to close the Offer early, extend the Offer Closing Date or accept late Applications without notifying any recipients of this Prospectus or any Applicants. Any change to the Offer Closing Date (including if closed early or extended) will have a consequential effect on the date for the issue of the Shares. Investors who wish to submit an Application are encouraged to do so as soon as practicable after the Offer opens.	Section 7.21
Is there a cooling-off period?	No.	Not applicable
Will the Company's Shares be listed?	The Company will apply within seven days of the date of this Prospectus to be admitted to the Official List and will seek quotation of the Shares on ASX.	Section 7.18
What are the tax implications of investing in the Shares?	The tax consequences for an investor of any investment in the Shares will depend upon the investor's particular circumstances. Applicants should obtain their own tax advice before deciding whether to invest. A summary of the general tax implications of participating in the Offer for Australian and New Zealand resident investors is set out in Section 9 below.	Sections 7.22 and 9
How can I obtain further information?	If you would like more information or have any questions relating to the Offer, please call the Offer Information Line on 1800 992 039 (within Australia) or +61 1800 992 039 (outside Australia) between 8.30am and 5.30pm AEST. If you are uncertain as to whether an investment in the Company is suitable for you, please contact your stockbroker, financial adviser, accountant, lawyer or other professional adviser.	Important notices

Section 2

Industry overview

Section 2
Industry overview

2.1 TELECOMMUNICATIONS MARKET REGULATORY FRAMEWORK

2.1.1 OVERVIEW

The Australian telecommunications industry saw significant change in 1997 with the deregulation of the sector and the first stage of the privatisation of Telstra, the incumbent operator, in a focus to establish an open and competitive Australian telecommunications market. The Telecommunications Act was enacted in 1997 to provide the overarching framework for the regulation of telecommunications in Australia. Under the Telecommunications Act, all carriers (owners of a telecommunications network unit used to supply carriage services to the public) are required to hold a carrier license, unless an exemption applies or a nominated carrier declaration is in place for that telecommunications network unit.

In addition, telecommunications carriers and carriage service providers are also subject to specific anti-competitive conduct provisions under Part XIB of the *Competition and Consumer Act 2010* (Cth) (**CC Act**) (in addition to the general anti-competitive conduct regime set out in Part IV of the CC Act) and an access regime under Part XIC of the CC Act. Additional communications-specific consumer safeguards, such as customer service guarantees and an independent Telecommunications Industry Ombudsman, are regulated via the *Telecommunications (Consumer Protection and Service Standards) Act 1999* (the **TCPSS Act**) and associated instruments. Carriers are also subject to ancillary obligations under other laws and regulations including in relation to consumer protection, data retention, and national security.

The Australian Communications and Media Authority (**ACMA**) grants and administers carrier licenses. The Australian Competition and Consumer Commission (**ACCC**) performs industry-specific competition and access functions aimed at promoting competition, remedying market failure, enabling access to essential infrastructure, and protecting consumers.

2.1.2 AUSTRALIAN NATIONAL BROADBAND NETWORK FRAMEWORK

Significant changes to the telecommunications regulatory framework were enacted in 2011 to accommodate the Federal Government's 'national broadband network' policy initiative first announced in 2007 to provide Australians with reliable, high-speed internet access via the rollout of a national high-speed broadband network (the 'Australian National Broadband Network').

The regulatory framework underpinning the Australian National Broadband Network policy facilitates the upgrade to Australia's existing (predominantly copper-line based) phone and internet infrastructure in established Brownfield areas to high-speed fibre-based infrastructure. Rollout of the Australian National Broadband Network commenced in 2009 with the establishment of NBN Co Limited, an Australian government-owned corporation and a stage 1 trial launched in Tasmania in 2010.

The Australian National Broadband Network regulatory framework also mandates that subject to exemptions for small scale developments in rural areas all new housing developments established after September 2011 must be 'fibre-ready' prior to sale. This means that developers must ensure underground pits and pipes are installed to enable a carrier of the developer's choice to install fibre infrastructure to premises in the development. Generally, property developers engage a network provider such as NBN Co or alternative private network builders such as OptiComm to install the fibre infrastructure and/or connect lots within the estates concurrently with the estate development. Government policy specifically gives developers the option to choose their own preferred infrastructure provider, including providers such as OptiComm.

In addition, since 2011:

1. the ownership of all 'superfast'[1] networks developed or upgraded after 1 January 2011 must be separate from the provision of retail services. This is referred to 'structural separation' where the network owner provides a 'wholesale only' network with retail services provided by third party service providers; and
2. network owners must offer a Layer 2 bitstream service (being a local access Ethernet service used for transporting data from one point to another) on an 'open-access' basis (which means that the owner must not unreasonably refuse access) and a 'non-discriminatory' basis (which means substantially the same terms must be offered to all persons accessing the network). This enables Retail Service Providers to access network infrastructure to supply broadband services to end users without needing to build a direct physical connection to them.

1. A 'superfast' network is defined in the Telecommunications Act as being a network with a usual download speed of more than 25 megabits per second.

2.2 BROADBAND MARKET IN AUSTRALIA

2.2.1 OVERVIEW

The Australian telecommunications market has seen significant growth and innovation in technology, products and services, primarily following the deregulation of the industry and more recently as internet connectivity has become more important for consumers.

Internet accessibility in Australia has grown significantly with data compiled by the Australian Bureau of Statistics (as illustrated in Figure 1) indicating that approximately 86% of Australian households had access to the internet via a computer, mobile phone or other device in 2016-2017 compared to only 56% of households with similar access in 2004-2005.

As household access to the internet has increased, so too has the demand for higher speed and better broadband services. This has resulted in a shift in the way access networks are delivered from the traditional copper infrastructure technology delivered by one network infrastructure operator to a number of network infrastructure operators (like OptiComm) using new technologies to deliver high-speed broadband services.

Figure 1: Growth of internet accessibility in Australian households

Year	Internet access
2004-05	56%
2005-06	60%
2006-07	64%
2007-08	67%
2008-09	72%
2010-11	79%
2012-13	83%
2014-15	86%
2016-17	86%
ABS stopped publishing HUIT in 2017	

Source: Australian Bureau of Statistics, '8146.0. Household Use of Information Technology' (2008-2009, 2012-2013, 2016-2017)

2.2.2 FIXED-LINE ACCESS TECHNOLOGIES

Fixed-line networks deliver telecommunications services over a physical line from a telecommunications exchange (a location controlled by the network infrastructure operator where active electronics are located) to the end user premises, such as home or office. This final stage connecting the exchange point to the premises is referred to as the 'last mile' network. Once constructed by the wholesale network infrastructure provider, these fixed-line 'last mile' networks are accessed by Retail Service Providers to supply high-speed broadband internet and telephone services to their end user customers.

The type of technology deployed in fixed-line broadband networks in Australia has evolved since 1998. The technology currently deployed by wholesale network infrastructure operators in Australian 'last mile' networks falls within the following categories:

- **Digital Subscriber Line or 'DSL'** – utilises the existing copper network infrastructure from the telecommunications exchange point to the end user premises. Since it was first introduced in 1998, Asynchronous Digital Subscriber Line or 'ADSL' became the traditional method of deploying broadband services in Australia. However, ADSL is no longer used for new connections with the majority of remaining DSL networks utilising ADSL2+ technologies;
- **Fibre-to-the-Node or 'FTTN'** – utilises a fibre optic network from the telecommunications exchange to a local connection point installed within the service area (referred to as a 'node'), generally in a street cabinet. The connection from the node to individual end user premises is by using existing copper infrastructure at a distance of up to 800 metres;
- **Fibre-to-the-Curb or 'FTTC'** – similar to Fibre-to-the-Node with a fibre network running from the telecommunications exchange to a 'node', with end user premises connected via the existing copper network. Speed of services can be faster than Fibre-to-the-Node connections with the node located much closer to the end user premises at a typical distance of less than 100 metres;
- **Fibre-to-the-Building or 'FTTB'** – similar to Fibre-to-the-Node and Fibre-to-the-Curb with the fibre network running to 'nodes' located within a building and then using the building's existing copper cable to connect each apartment/unit;
- **Hybrid Fibre-Coax cable or 'HFC'** – a hybrid network whereby fibre is used between the exchange and a 'node' and then coaxial copper cable from the 'node' to the home. HFC was originally designed for reticulation of subscription TV channels, but technology introduced 20 years ago enabled the delivery of internet services as well; and
- **Fibre-to-the-Premises or 'FTTP'** – full fibre network with fibre connections from the telecommunications exchange to the end user premises directly. Faster speeds are experienced with Fibre-to-the-Premises connections primarily due to the fact the full fibre infrastructure has higher capacity and is less impacted by interference (referred to in the industry as 'noise') than copper-based technologies.

Two other wireless-based broadband technologies are used predominantly in regional and rural Australia but also in some Multi Dwelling Units:

- **Fixed wireless** – utilises a combination of fixed-line and wireless technologies with fibre connections running from a telecommunications exchange to a fixed transmission tower and data transmitted from the transmission tower to end user premises via radio wave transmission with signals received by the premises via an antenna attached to the roof (this technology can be constrained by obstacles within the line of sight); and
- **Fixed satellite** – fixed-line fibre connection running from a telecommunications exchange point to a satellite ground station with data transmitted from the satellite ground station to end user premises via satellite with signals received by the premises via a satellite dish attached to the roof.

The technology used in today's Fibre-to-the-Premises network infrastructure has the capability to deliver maximum speeds of up to 10 gigabytes per second, significantly higher than the potential maximum speed capacity on networks using hybrid existing alternative fibre-based fixed-line technologies such as Fibre-to-the-Curb, Fibre-to-the-Building, Fibre-to-the-Node and Hybrid Fibre-Coax. Notwithstanding the maximum speed capability of the network infrastructure, actual speeds experienced by end users connected to the network will be limited by the service speed plan they have purchased from the Retail Service Providers.

The manner in which premises are connected to a fixed-line access network is generally dependent on factors such as the infrastructure available in the particular location. For example:

- fixed wireless and satellite technologies predominantly service areas in regional and rural Australia where there is a significant distance between premises and other fixed-line connections are not available or economic to deploy;
- Fibre-to-the-Premises networks are most commonly deployed in newly built housing estates with the infrastructure installed as part of the estate development prior to the building of premises;
- existing developments that have been upgraded and connected to the Australian National Broadband Network are generally connected via a combination of Fibre-to-the-Node, Fibre-to-the-Curb, Fibre-to-the-Building or Hybrid Fibre-Coax technologies, depending on the provider and the availability of infrastructure in the particular area; and
- areas that have not yet been connected to the Australian National Broadband Network typically rely on legacy DSL networks. As noted above, the majority of legacy DSL services will be progressively disconnected as the relevant area is connected to the Australian National Broadband Network (typically within 18 months after an area is declared 'ready for service').

2.2.3 WHOLESALE NETWORK INFRASTRUCTURE OPERATORS

To support the rollout of the Australian National Broadband Network alongside NBN Co, there are a number of wholesale network infrastructure operators (including OptiComm) who operate open access fibre-based networks in Australia.

As noted above in Section 2.1.2 (subject to some exemptions such as the right to extend a pre-existing network by up to one kilometre) the ownership of fixed-line networks built or upgraded from 2011 and the provision of superfast broadband services to residential or small business customers must be structurally separate from the provision of retail services to end users.

This results in fixed-line network infrastructure being designed, built, operated, maintained and in most cases, owned, by wholesale network infrastructure operators, but services on the network being contracted and provided to end users by third party Retail Service Providers. Retail Service Providers purchase their services either directly from the wholesale network infrastructure operator or via a third party 'Access Seeker' (a wholesale 'middleman' or 'aggregator' who purchases from the wholesale network infrastructure operator) based on the requirements of their customers on the network.

As a result of the requirement for structural separation between network providers and Retail Service Providers, wholesale network infrastructure operators do not generally deal directly with the end user but instead provide ongoing support services to the Retail Service Providers accessing their networks who in turn provide support services to their customers.

2.3 MARKET DEMAND FOR BROADBAND

OptiComm believes the three key factors that currently drive the market demand for broadband are data, speed and devices.

DATA

The consumption of data has increased significantly and will continue to increase, largely driven by continued demand from households adopting a digital lifestyle. In particular, demand for data is expected to continue to grow as technology develops and more internet-based services, such as on-demand video streaming and other recreational digital entertainment services, are introduced or used more widely.

Based on data compiled by the Australian Bureau of Statistics,[2] approximately 3.7 million terabytes of data was downloaded by fixed-line broadband internet subscribers (including DSL, cable, fibre and other fixed-line broadband technologies excluding satellite and fixed wireless) in the three months ended 30 June 2018, with approximately 7.8 million fixed-line broadband internet subscribers connected at the end of June 2018. This equates to each fixed-line broadband subscriber downloading an approximate average of 159 gigabytes of data per month in the three months ending June 2018, representing an increase of approximately 21% from June 2017 and 63% from June 2016.

In a working paper released in February 2018, the Bureau of Communications and Arts Research of Australia (**BCAR**) projected that the trend in growth in data consumption would continue with the monthly data consumption of the average Australian household projected to increase to 420 gigabytes in 2026 (up from 95 gigabytes in 2016).[3]

2. Australian Bureau of Statistics, '8153.0 – Internet Activity, Australia, June 2018'.

3. BCAR, Department of Communications and the Arts, 'Demand for fixed-line broadband in Australia', 27 February 2018.

SPEED

The speed at which data is delivered to a household or business, '*bandwidth*', is interrelated to the consumption of data. Bandwidth refers to the capacity or amount of data that can be transmitted during a certain period of time and this in turn affects the speed at which the end user can download and upload data. Bandwidth demands often vary depending on the type of consumer, the nature of the services used and the time of day. Peak bandwidth demand is likely to be driven in part from the continued uptake of streaming video services and the introduction of new higher definition video content as well as growth in the number of persons accessing broadband connections and internet-based services.

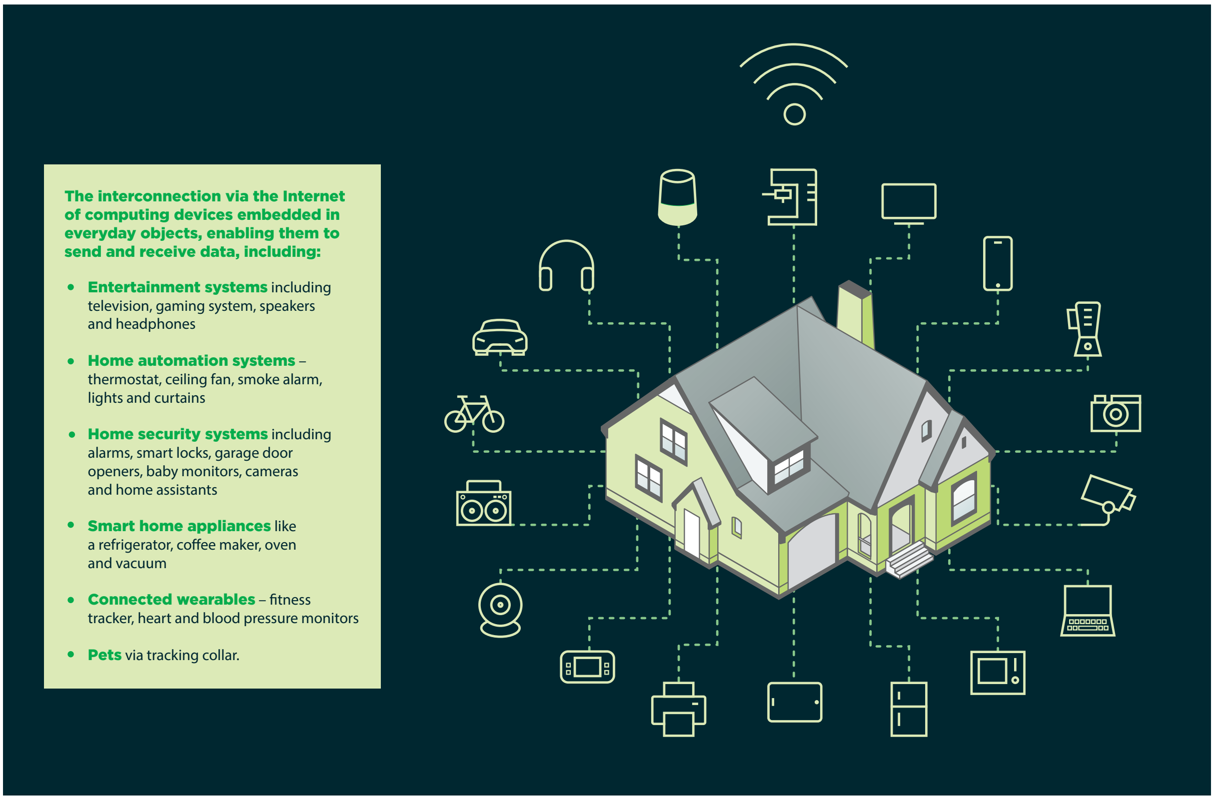
Bandwidth demands are likely to be higher in regions with high population growth (such as inner suburbs of metropolitan areas or new growth development areas on the city fringe) where there are larger concentrations of users as well as those areas within regions where there are a large number of family or multi-person households. These areas are likely to demand greater amounts of bandwidth at any given point in time due to the potential for households to have multiple users using multiple devices to access the internet at the same time.

DEVICES

As illustrated in Figure 2, it is becoming more common for households to have multiple internet-enabled devices in the home, including computers, laptops, tablets, and other devices including TVs and 'smart devices' that use the home broadband connection to control the modern digital home such as smart meters, Wi-Fi enabled air conditioners, home automation systems, fitness trackers and smart speakers.

While the impact on bandwidth demand from individual devices on their own is small, the effect will be amplified as more devices are connected. In particular, the BCAR predicts that data generated by 'Internet of Things' devices will be the second largest contributor to total growth in data usage by 2026 with the average household predicted to have 50 connected devices by 2026, up from 17 household devices in 2018.[3]

Figure 2: 'Internet of Things' in the home



Source: OptiComm and other publicly available information

3. BCAR, Department of Communications and the Arts, 'Demand for fixed-line broadband in Australia', 27 February 2018.

2.4 HOUSING MARKET

2.4.1 OVERVIEW

The new residential housing market in Australia comprises broadly the following categories:

- Single dwelling units, more commonly known as residential houses; and
- Multi Dwelling Units, more commonly known as apartments.

New residential houses are generally constructed as either replacement of existing stock in developed areas (known as Brownfields) and new developments. New developments occur generally in Greenfield estates which are typically large parcels of land on the outer fringes of major capital cities, in most cases with limited or no existing infrastructure services (including communications infrastructure). Greenfield developments can range in size from under 100 homes to over 20,000 homes and can be developed over varying timeframes. New Multi Dwelling Units (apartments) are generally developed as high-rise buildings in inner city areas and may include several buildings within the one precinct.

2.4.2 SIZE AND GROWTH OF THE RELEVANT MARKETS

The Urban Development Institute of Australia (**UDIA**)[4] has reported that a combined total of approximately 128,000 new dwellings were completed in Greenfield release areas and urban infill locations across the major Australian capital cities and fringes in 2018 representing a 4% reduction on the 2017 supply figures but still representing a 92% increase over 2013 figures.

These figures were achieved despite the development sector experiencing challenging conditions in 2018, mostly attributed to a natural downswing in the market cycle and the tightening of credit availability by the major financial institutions, in part driven by the anticipated findings of the Financial Services Royal Commission (the final report for which was released in February 2019).[5] Whilst slower market conditions may continue in some key markets in the short to medium term, continued demand for new housing across Australia at similar levels is still expected, primarily driven by population growth, including from immigration, with expectations that Australia's population will grow to more than 30 million by 2031 (up from 25 million in August 2018).[6]

Research conducted for OptiComm by Charter Keck Cramer[7] identified over 1.1 million potential new dwellings yet to be developed and constructed within the Melbourne, Sydney, Brisbane, Adelaide and Perth capital city areas, including Broadacre lots and Multi Dwelling Unit developments at varying stages of approval or development. As the figures include developments for which ministerial approvals have not yet been obtained and Multi Dwelling Unit developments in marketing stages that may not have yet achieved sufficient off the plan sales or secured project finance, not all of these may proceed to final construction. As a result of the mandated legislative requirements noted above, the estates and developments in which these lots are located must all be ready for fibre-based communications infrastructure prior to sale.

In addition to population growth, residential market growth is influenced by a number of other factors including:

- employment growth and unemployment rates;
- government policy settings such as decentralisation and regional development;
- demographic shifts such as 'downsizing' and attraction to inner city living;
- government programs such as first home buyer incentives and stamp duty relief; and
- credit availability and interest rates.

4. UDIA, 'State of the Land 2019', 27 March 2019 and UDIA, 'State of the Land 2018', 22 March 2018.
5. Financial Services Royal Commission, 'Final Report of the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry', released 1 February 2019, available at https://treasury.gov.au/publication/p2019-fsrc-final-report.
6. UDIA, 'State of the Land 2019', 27 March 2019.
7. Report by Charter Keck Cramer, 'Greenfield Benchmarking Assessment', April 2019, commissioned by OptiComm.

Section 3

Business overview

Section 3
Business overview

This Section provides an overview of OptiComm and its business operations.

3.1 CORPORATE AND BUSINESS HISTORY

OptiComm operations first commenced in 2005 and OptiComm has held a carrier licence issued under the Telecommunications Act since 21 September 2007.

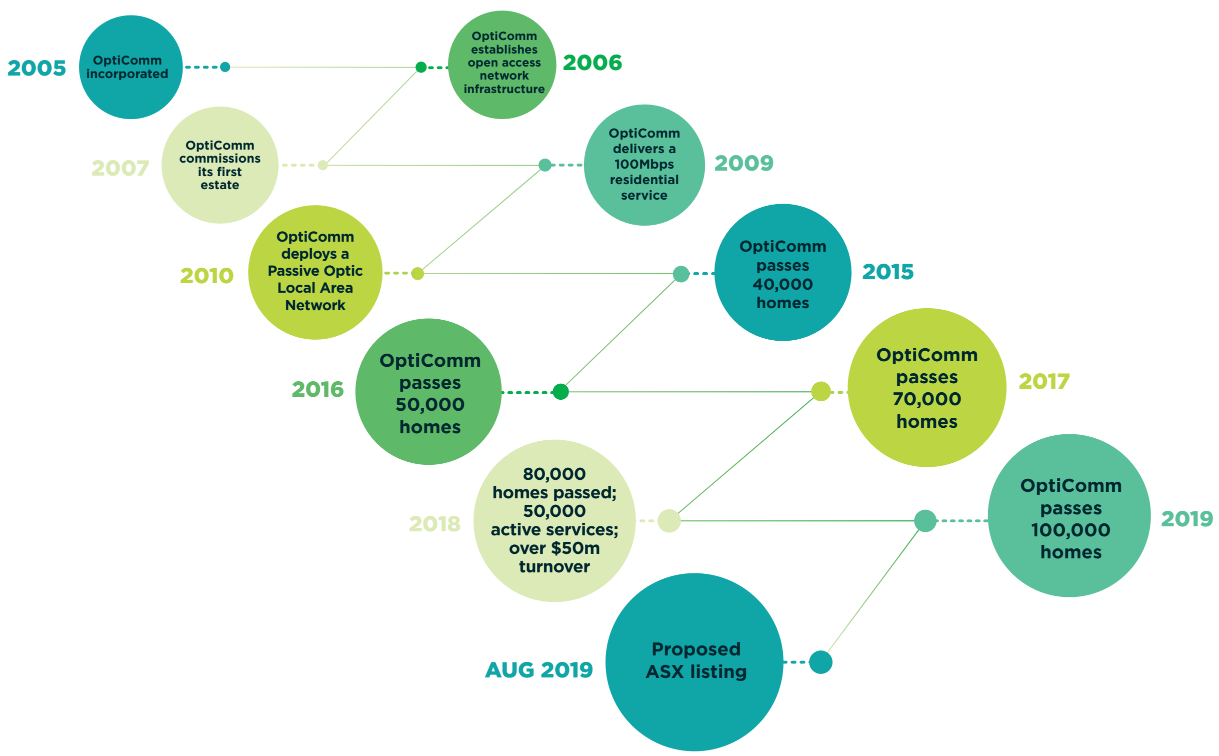
OptiComm's initial projects in 2007 and 2008 in Queensland, South Australia and New South Wales saw it become one of Australia's early leaders in the deployment of Fibre-to-the-Premises networks. OptiComm's carrier licence was first obtained in 2007.

In 2009 OptiComm was engaged by NBN Tasmania Limited, a subsidiary of NBN Co, to assist in the design and build of the 'active' component of the Stage One rollout of the Australian National Broadband Network in Tasmania for the initial launch towns of Smithton, Scottsdale and Midway Point.

Today, OptiComm is a licensed carrier and wholesale network infrastructure operator who designs, builds, operates and maintains fixed-line access, fibre based, telecommunications networks servicing new residential, commercial and retail developments within Australia.

OptiComm has capability to operate throughout Australia and currently operates in Victoria, New South Wales, Queensland, Western Australia, South Australia and the Australian Capital Territory and has over 80 employees, with offices in Melbourne, Sydney, Brisbane and Perth.

Figure 1: Timeline of key milestones



Source: OptiComm

3.2 BUSINESS MODEL

3.2.1 OVERVIEW

OptiComm's business is the design, installation, operation and maintenance of fibre-based open access wholesale telecommunication 'last mile' network infrastructure for new residential Broadacre and Multi Dwelling Units developments and commercial precincts and buildings. The 'last mile' network is the final section of the infrastructure network running throughout the development connecting end user premises to an exchange point.

OptiComm is engaged by property developers during the planning phase of new estate developments to design the network infrastructure. The network infrastructure is installed as the estate is developed, with network configuration and testing occurring prior to dwellings within the estates being constructed and connected to the network. In most cases, OptiComm owns that part of the network that it installs once practically complete.

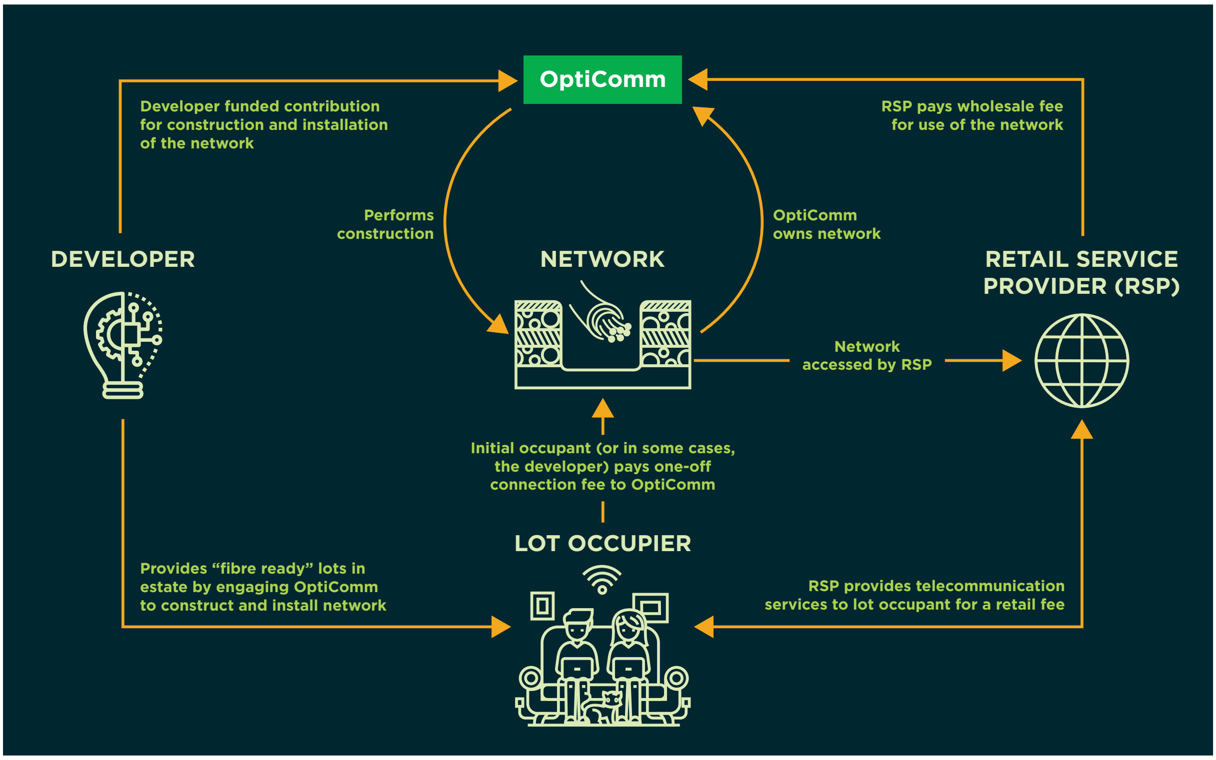
Following installation and connection, OptiComm offers wholesale access services to Retail Service Providers who provide telecommunication services to customers who are residents and businesses in dwellings within the estates connected to OptiComm's network (the 'end user'). Retail Service Providers purchase network access and capacity from OptiComm to service their customers based on usage requirements. OptiComm acquires capacity from selected wholesale providers to service the Retail Service Provider capacity requirements. OptiComm, utilising its engineering and technical support teams, provides ongoing support, maintenance and general network management services to the Retail Service Providers on these networks, including those networks that OptiComm manages but does not own.

Ownership of the fibre-based network (which is the case in the majority of OptiComm's network) generates recurring revenue streams as new dwellings are passed, connected, and then serviced by the network. In the limited cases where OptiComm does not own the network, OptiComm is declared the 'Nominated Carrier' for that network and receives the wholesale revenue. As a nominated carrier, OptiComm accepts regulatory carrier-related responsibilities for the relevant network unit on behalf of the network owner, including the holding of a carrier licence.

As at 30 June 2019, OptiComm has installed fibre network infrastructure to over 106,000 lots in 245 estates and buildings across Australia (also referred to in this Prospectus as 'Lots Passed'). Of these Lots Passed, over 76,000 dwellings built on the lots have been connected to OptiComm networks (referred to as 'Connected Premises') with over 60,000 of these dwellings receiving active internet and telephone services provided by a Retail Service Provider (referred to as 'Active Premises'). During FY2019, OptiComm is forecasting to add, on average, approximately 1,000 Active Premises to its network on a monthly basis.

In some circumstances, OptiComm provides, as an addition to its core telecommunications infrastructure, additional revenue earning services to clients, including integrated building administration support networks (referred to as Integrated Communication Networks) that support building operations such as building management systems, Wi-Fi, security and other services within mixed use developments.

Figure 2: Overview of the business model



Source: OptiComm

3.2.2. REVENUE

OptiComm generates revenue from three principal sources:

- **Network revenue:** Recurring revenue generated from providing wholesale network access to Retail Service Providers who access OptiComm's networks to provide services to their residential and commercial end users. This revenue is paid in the form of a monthly wholesale access charge calculated for each Retail Service Provider and is based on the number of services provided and the amount of bandwidth capacity used by that Retail Service Provider's customers. Network revenue also includes one-off provisioning fees at the time an end user first connects with their Retail Service Provider and may also include on-going maintenance revenue from product support contracts included within OptiComm's Integrated Communication Network deployments.
- **Construction revenue:** OptiComm receives revenue from developers for the installation of the network infrastructure in the developer's estate. This non-refundable contribution is received progressively over the course of the network's construction. OptiComm also receives revenue from the deployment of Integrated Communication Networks.
- **Connection revenue:** OptiComm receives a one-off connection fee when premises first connect to OptiComm's network.

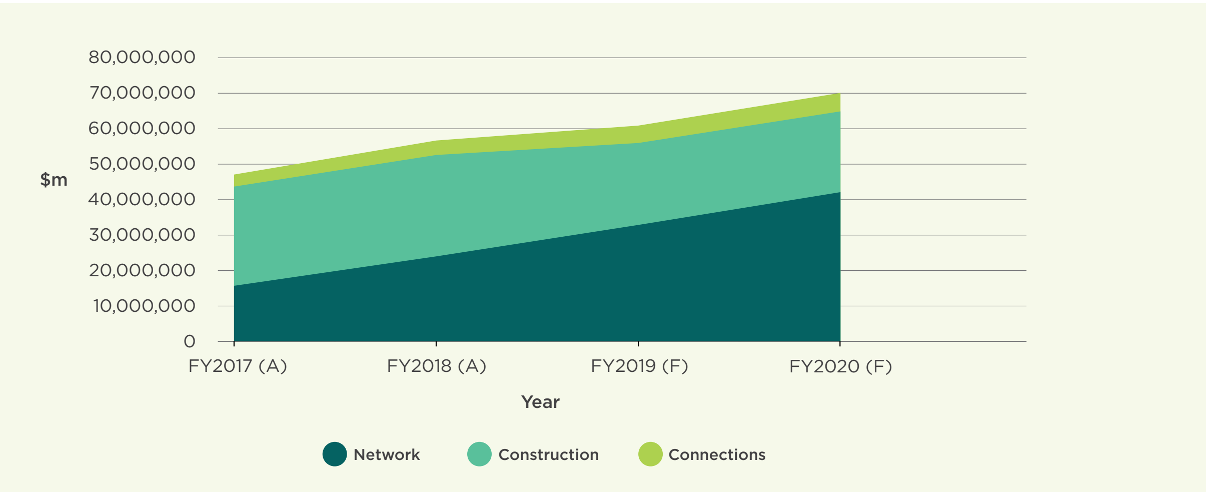
Refer to Section 4.12.2 for further detail on how each of the above sources of revenue are calculated.

Figures 3 and 4 below shows the mix of revenue over the financial years ended 30 June 2017 (FY2017) and 30 June 2018 (FY2018) and the forecast periods for the financial years ending 30 June 2019 (FY2019) and 30 June 2020 (FY2020).

Figure 3: Mix of revenue sources

Revenue	Pro Forma Historical		Pro Forma Forecast	
A$'000	FY2017	FY2018	FY2019	FY2020
Network	15,585	23,877	32,742	41,988
Construction	27,969	28,587	23,164	22,772
Connections	3,394	4,079	4,624	5,203
TOTAL	46,949	56,544	60,529	69,962

Figure 4: OptiComm's three main revenue streams from FY2017 to FY2020



Source: OptiComm

In FY2019, forecast recurring network revenue is forecast to exceed forecast network construction revenue and become OptiComm's single largest revenue stream.

AVERAGE REVENUE PER USER (ARPU)

A significant proportion of network revenue is generated from recurring wholesale network access fees received from Retail Service Providers accessing OptiComm's network to provide services to their end user customers. The wholesale service fees levied on Retail Service Providers is a combination of access and capacity fees. The access fee is determined by the speed/volume plan which each end user customer has signed up to (for e.g. 100/40 megabits per second (**Mbps**)). Capacity requirements are determined by the Retail Service Provider having regard to the bandwidth capacity it determines it needs to service its customers in each state and territory.

Average Revenue Per User or 'ARPU' is a measure of the total recurring wholesale network access revenue divided by the number of subscribers. This is a key performance indicator used by most telecommunication carriers around the world

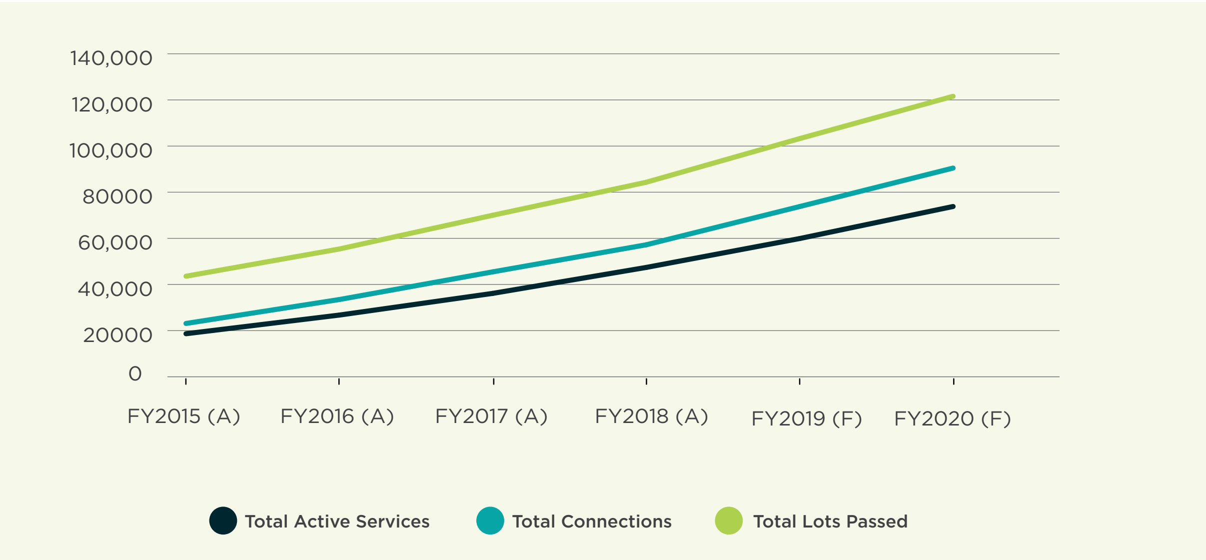
OptiComm calculates the ARPU of its connected users by dividing the total revenue generated from all Retail Service Providers by the number of Active Premises (being those Connected Premises with active services being provided by a Retail Service Provider).

The regulatory framework sets certain pricing methodology, terms and conditions for fixed-line networks connected to the National Broadband Network and supplying services to Retail Service Providers, including with regards to NBN Co networks (via a Special Access Undertaking) and non-NBN Co networks (via ACCC fixed access determinations for superfast broadband access services (**SBAS**) and the Local Bitstream Access Services (**LBAS**).

LOTS PASSED, CONNECTED PREMISES AND ACTIVE PREMISES

Figure 5 below shows the actual growth in Lots Passed, Connected Premises and Active Premises from June 2015 to June 2018 and forecast growth through to June 2020. At 30 June 2019 OptiComm had over 106,000 Lots Passed, over 76,000 Connected Premises and over 60,000 Active Premises.

Figure 5: Growth in Lots Passed, Connected Premises and Active Premises (June 2014 – June 2020)



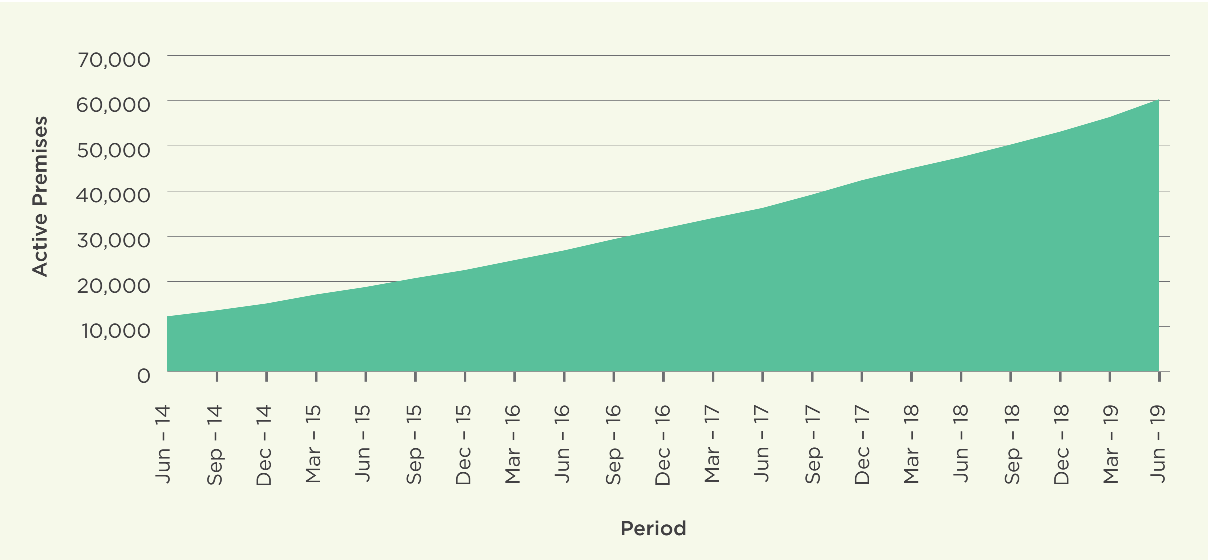
Source: OptiComm

Figure 6 below shows the growth in Active Premises from June 2014 to June 2019 comprising of over 60,000 Active Premises at 30 June 2019. This growth represents, on average, over 2,200 additions per quarter since June 2014 (net of churn). During FY2019, OptiComm is forecasting to add, on average, approximately 1,000 Active Premises to its network on a monthly basis.

SPEED PLANS

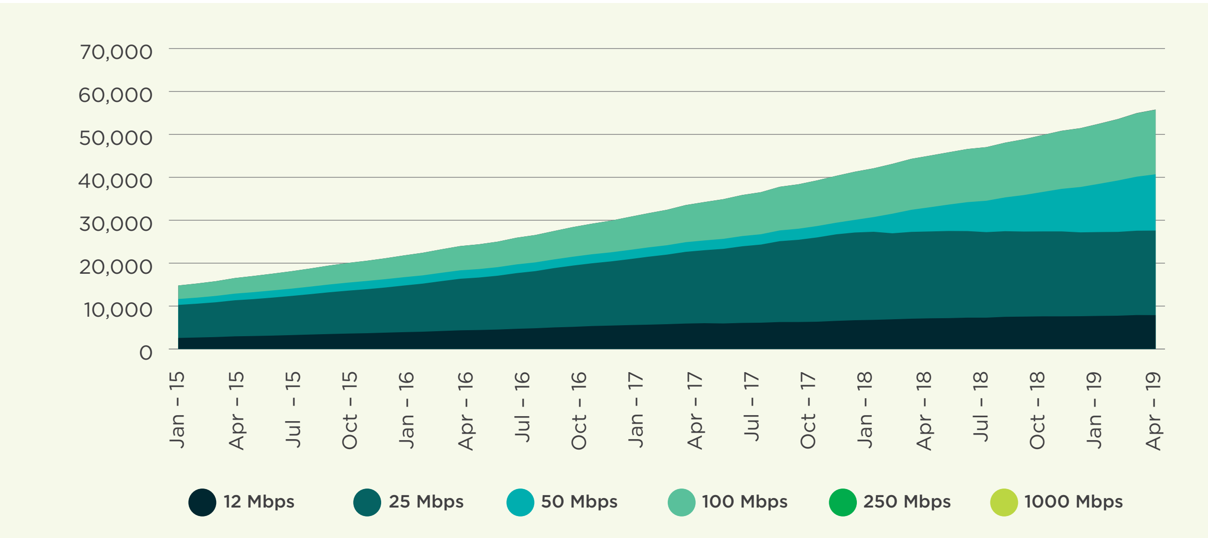
The access and capacity fees charged by OptiComm to Retail Service Providers accessing OptiComm's network are calculated based on the particular speed plan product purchased by the Retail Service Provider's end user. The higher the speed plan, the higher the access fees. Figure 7 below illustrates the progressive shift experienced between January 2015 and April 2019 by Active Premises towards higher speed plans.

Figure 6: Growth in Active Premises (June 2014 – June 2019)



Source: OptiComm

Figure 7: Number of OptiComm residential services on each speed plan between January 2015 and April 2019



Source: OptiComm

3.3 CONSTRUCTED NETWORKS AND CONNECTIONS

3.3.1 OVERVIEW

OptiComm's developer customers include some of Australia's largest and best-known real estate developers. OptiComm's target markets are typically:

- Broadacre developments on the outer fringes of the major metropolitan cities;
- Broadacre developments in growth corridors that are aligned to major regional centres;
- lifestyle villages (retirement communities);
- Multi Dwelling Unit developments with greater than 200 lots; and
- 'In fill' developments where lot numbers are greater than 100.

OptiComm does not currently deploy its network to pre-existing premises (Brownfields), however this is an opportunity that may be pursued in the future in targeted areas where broadband deployments have not provided consumers with adequate reliability, speed and capacity.

OptiComm utilises Fibre-to-the-Premises technology in the vast majority of its network. Less than 4% of OptiComm's existing network utilises legacy copper-based Fibre-to-the-Building and Hybrid Fibre Coax-based technologies. These are predominantly networks built prior to 2011 or were acquired.

3.3.2 CONSTRUCTED NETWORKS

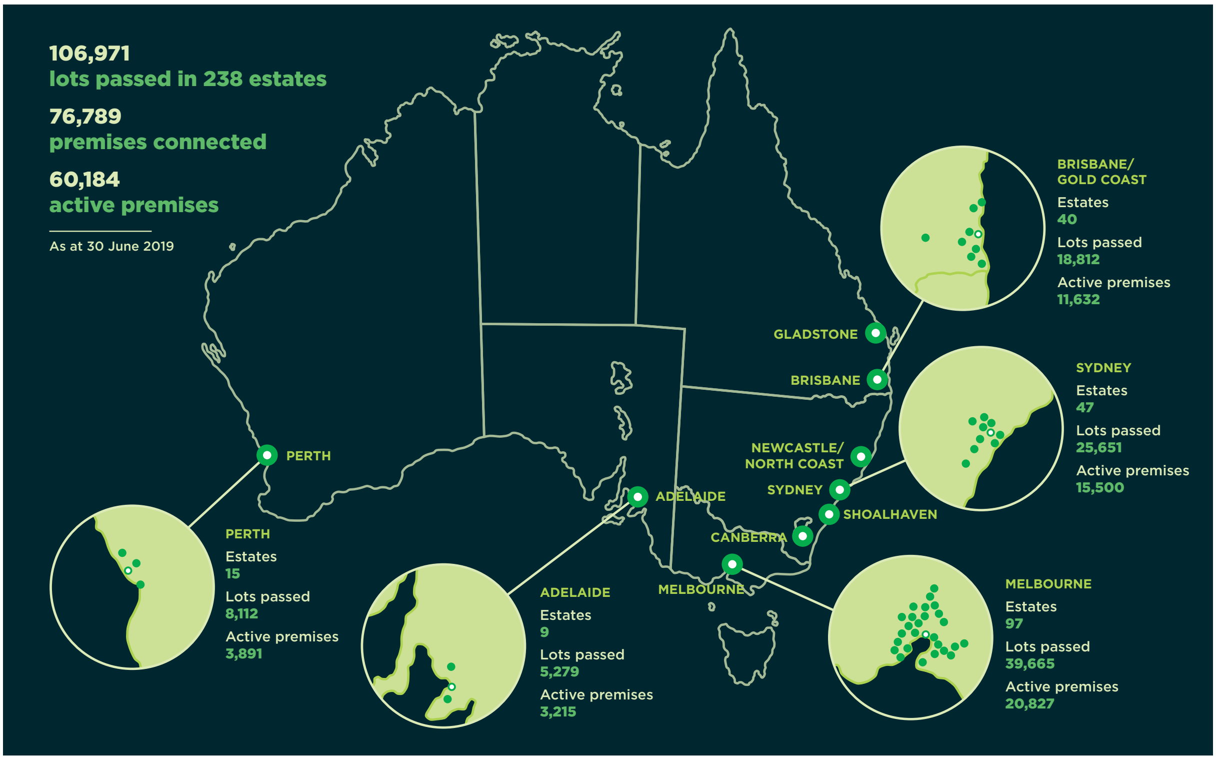
As of 30 June 2019, OptiComm has over 106,000 Lots Passed in 245 estates and buildings across Australia with over 76,000 Connected Premises built on these lots (from which OptiComm received a one off connection fee) and over 60,000 of these Connected Premises classified as Active Premises with active internet, telephone or smart home services being provided by a Retail Service Provider (in respect of which OptiComm receives monthly recurring access and capacity fees).

The map in Figure 8 shows a breakdown of OptiComm's networks within Australian capital cities and fringes as at 30 June 2019, in particular, the number of estates where OptiComm network infrastructure has been installed, and the number of Lots Passed and Active Premises within those estates. Within these estates there will generally be a number of stages.

The figures indicated in Figure 8 for estates, Lots Passed and Active Services are those within the capital city and fringe areas noted and do not include all OptiComm connected estates in which OptiComm has infrastructure installed.

Details of the communities and buildings in which OptiComm's networks are located, including their locations and estimated lot count once completed are publicly available online from the Telecommunications in New Developments Map available from the Department of Communications and the Arts web site.[1]

Figure 8: Overview of the locations of OptiComm's constructed networks



Source: OptiComm

1. Accessible at https://www.communications.gov.au/what-we-do/internet/competition-broadband/telecommunications-new-developments-map

3.3.3 CONTRACTED NETWORKS

OptiComm has a contracted pipeline of new developments in different stages of construction with approximately 18,000 lots forecast to have fibre infrastructure installed in FY2020 (should those developments proceed to full completion) and over 100,000 further lots contracted with developers as at 30 June 2019 not yet under construction, for delivery over the next 5 to 10 years. Not all of these developments may proceed to full completion, noting that they may be varied or delayed at the developer's discretion.

OptiComm is also in advanced negotiations with developers in relation to further new developments which are not yet contracted. OptiComm works with various parties on an on-going basis to assess future development plans so that the Company is best positioned to respond once developments are approved.

3.4 COMPETITIVE LANDSCAPE

3.4.1 COMPETING NETWORK PROVIDERS

Whilst there are a number of companies who build, own and operate fibre-based networks in the Greenfield Broadacre market in Australia and compete with OptiComm, due to its size and scale, OptiComm believes NBN Co is its most significant competitor in the Australian Greenfield Broadacre market segment.

The majority of Greenfield Broadacre development occurs in the urban fringe where there is often little to no existing high capacity fibre optic infrastructure available and therefore scale is needed to provide an economic return to establish and utilise the Backhaul infrastructure investment. This creates a significant barrier to entry for other non-NBN Co network infrastructure operators that may desire to enter this market.

There is increased competition among network infrastructure operators in the Multi Dwelling Unit market segment, primarily due to the location of Multi Dwelling Units in existing urban areas where there is more readily available existing Backhaul infrastructure.

Based on the Greenfields lot release data for new premises provided by UDIA in its State of the Land Report 2019, OptiComm estimates that in the calendar year 2018, it had approximately 27% market share in the new residential Broadacre development segment and an estimated 4% market share in the new Multi Dwelling Unit market segment in the major Australian capital city markets.[2]

In the Multi Dwelling Units market, OptiComm has historically focused on larger developments with over 200 units. OptiComm considers that changes in technology plus access to greater Backhaul capacity at competitive rates due to OptiComm's size and scale present opportunities for OptiComm in the future to pursue smaller sized developments, including Multi Dwelling Units with less than 200 lots and OptiComm plans to work towards increasing its share of the MDU market by targeting these smaller developments. Refer to Section 3.7 for more details on OptiComm's growth strategies.

3.4.2. COMPETING TECHNOLOGIES

Current alternative technologies to fixed-line fibre connections include fixed wireless and satellite services. While OptiComm primarily focuses on new developments primarily in the outer fringes of metropolitan areas, fixed wireless and satellite technologies predominantly service areas in regional and rural Australia where there is a significant distance between premises and other fixed-line technologies are not available or economically feasible, or in regard to fixed wireless, Brownfield Multi Dwelling Units in central business districts.

Mobile wireless technologies, such as those offered by 4G and 5G mobile network operators, provide an alternative technology solution to fixed-line access networks, however it is not expected that these technologies will replace fixed-line access networks in the foreseeable future.

Notwithstanding the presence of wireless technologies (for e.g. 4G), data compiled by the Australian Bureau of Statistics indicated that 96.8% of all Australian internet downloads in the three months ended 30 June 2018 were via fixed-line broadband services, with fixed-line connection average monthly data download volumes increasing to 1,238,023 terabytes for the three months ending June 2018, up from 47,297 terabytes for the three months ending June 2010.[3]

In terms of the threat from the recently introduced national 5G mobile network, OptiComm notes that it is difficult to accurately predict the influence or impact its deployment in Australia may have on provision of broadband services via fixed-line networks. In a large part this is due to the fact that this is a relatively new technology and limited details are presently available regarding the exact nature of how the network will be deployed, its geographical coverage and expected pricing and bandwidth capability.

2. Estimates compiled by OptiComm based on lot release data in Melbourne, South East Queensland, Sydney, Perth, Adelaide and Australian Capital Territory for calendar years 2017 and 2018 obtained from UDIA, 'State of the Land 2019', 27 March 2019 and UDIA, 'State of the Land 2018', 22 March 2018 and OptiComm's own Lots Passed in Melbourne, South East Queensland, Sydney, Perth, Adelaide and Australian Capital Territory in the same periods and regions.

3. Australian Bureau of Statistics, '8153.0 – Internet Activity, Australia, June 2018'.

In particular, OptiComm notes that:

- 5G frequencies have a shorter range than existing 3G and 4G frequencies, and accordingly, will require the construction of numerous towers and small cell sites, requiring significant capital investment – this may limit rollout in the short-to-medium term to inner city areas rather than Broadacre locations on the outer fringes of the major metropolitan cites; and
- as was experienced with the previous deployment of earlier generations of mobile wireless technology (such as 3G and 4G) it is likely that service plans offered by mobile telecommunication providers will initially be more expensive as compared to plans utilising the incumbent technology. Whilst the pricing and download limitations will likely decrease as the technology becomes more widespread, in the short-to-medium term at least, it is likely to deter users from using the service as their sole source of broadband connection, and many users may continue to switch between mobile and fixed-line services, utilising 4G and 5G networks for access on mobile devices outside the home or office and transitioning to fixed broadband services transmitted wirelessly within the home or office for more data-intensive services.

Notwithstanding the above, OptiComm believes that the advent of 5G will have a positive influence on the demand for high-speed reliable broadband services by facilitating an increased use of high-bandwidth, low latency applications both in and outside the home and office. In particular, the Company believes that increased reliance on such applications outside the home and office will contribute to users demanding a similar high-speed and reliable service within the home and office, which for the pricing and bandwidth capability reasons noted above, is expected to result in continued demand for fixed-line fibre connections for the foreseeable future.

3.5 KEY STRENGTHS

OptiComm has a number of key strengths, including:

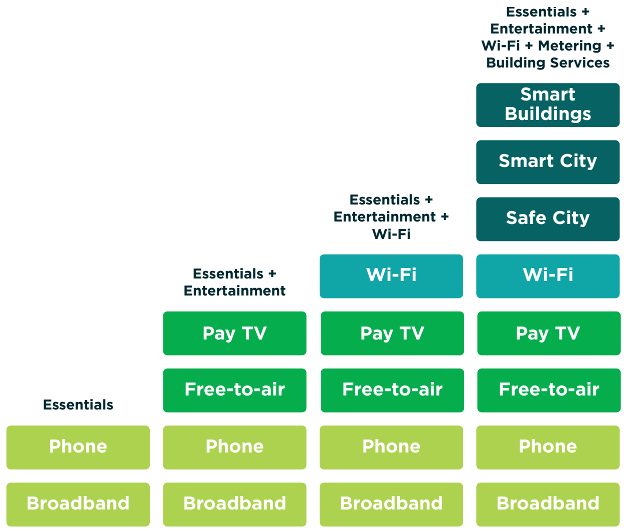
- an established, proven and scalable, business model;
- a business model and product construct which is compliant with the regulatory framework for the Australian National Broadband Network (as summarised in Section 2.1.2);
- a network which is predominantly fibre-based, with over 96% of its constructed networks utilising Fibre-to-the-Premises technology;
- established relationships with many property developers across Australia, offering a total turnkey solution from design to network commissioning, with the flexibility to work with developers to build networks concurrently with the estate development;
- a flexible business model that provides property developers with a wide range of traditional network services such as high-speed internet and telephone services and Free-to-Air and subscription television services;
- providing property developers with progressive solutions incorporating a range of value-added services such as smart poles, 'smart city' and 'safe city' applications, smart home automation, community Wi-Fi, security and access control, and intelligent metering services;
- high network reliability relative to competing technologies;
- low operational network maintenance expenditure, primarily driven by OptiComm's particular network deployment methods and standards;
- economies of scale with access to Backhaul capacity that can service multiple locations and facilitates network redundancy and availability;
- arrangements with a number of Australian Retail Service Providers who access OptiComm's network to provide retail telecommunications, entertainment and other services to end user consumers;
- the technology deployed in OptiComm's network will accommodate significant growth in bandwidth and capacity requirements in its current form, but is also capable of cost effective upgrades where required;
- a highly skilled team of engineering, design, operations and project management staff, with a number of key management personnel having extensive experience in the telecommunications industry;
- diversified locations across Australia enable OptiComm to leverage risk across different markets; and
- an Australian based network operations centre and call centre with network monitoring capability.

OptiComm provides, in conjunction with its Retail Service Providers, a range of services across its network that are in addition to standard internet and telephony services. These services provide a differentiation point when developers are selecting a network communications provider.

The range of additional services available is illustrated in Figure 9.

Figure 9: Additional services offered by OptiComm

- Business Services
- Satellite Master Antenna (SMA) TV
- Community Wi-Fi
- Smart Cities
- Smart Poles
- Smart Building Services (Intercom, CCTV, BMS, EACS)



Source: OptiComm

3.6 OPTICOMM'S NETWORK

3.6.1 OVERVIEW

OptiComm's network is an Ethernet-based architecture that uses Gigabit Passive Optical Network (**GPON**) as the broadband access technology. GPON is a point-to-multipoint communications architecture in which passive optical splitters are used to enable a single optical fibre to carry multiple communications and entertainment services to multiple end user customers. OptiComm's network is capable of delivering speeds of up to 10 gigabytes per second (however actual speeds experienced by end user customers may vary due to a number of factors, including the type of plan purchased with the Retail Service Provider).

As illustrated in Figure 10, OptiComm's network is comprised of four key domains including the Point of Interconnect (**POI**), Inter Exchange Network (**IEN**), Broadband Aggregation Network (**BAN**), and the Customer Access Network (**CAN**).

The network infrastructure deployed by OptiComm has been designed with sufficient headroom to support current and projected bandwidth requirements and OptiComm has the ability to upgrade the active electronics at each connection end without the need to replace the fibre infrastructure. The passive fibre infrastructure typically has an operating life of at least 40 years. The oldest installed fibre infrastructure OptiComm has is approximately 12 years old.

The network system architecture deployed has been designed to be able to be upgraded in a cost-effective manner as new technologies become available.

3.6.2 KEY NETWORK COMPONENTS

Point of Interconnect (POI)
In each state capital in which OptiComm has networks (presently Sydney (servicing New South Wales and the Australian Capital Territory), Melbourne, Brisbane, Perth and Adelaide), OptiComm operates up to two POIs providing a central location for the housing of the Company's network core, where all Retail Service Providers who access OptiComm's network interconnect into the network to deliver services to their customers.

Inter Exchange Network (IEN)
OptiComm's IEN (also referred to as 'Backhaul') is the fibre-based metro (sometimes dark fibre) transmission service used to link each of OptiComm's POI's with the various BANs in each state. In most cases, OptiComm acquires Backhaul from a number of third party wholesale providers after having certified their product is fit for purpose both in terms of commercial and technical compliance to OptiComm's needs.

Broadband Aggregation Network (BAN)
A BAN is a hub site or 'super node' where a number of CAN's will be 'aggregated' together to share resources such as Backhaul. It is designed for large service areas supporting up to 16 Multi Services Access Nodes. The BAN is also the point where Free-to-Air Television and pay TV signals are injected into the network along with other content sources.

Customer Access Network (CAN)
The CAN is the portion of the communications system that delivers the 'last mile' fibre connectivity to each home or business within the area. At the head of the CAN is a Multi Service Access Node (**MSAN**), which is a roadside cabinet that houses a Provider Edge (**PE**) router, an Optical Line Terminal (**OLT**) and second stage Optical Amplifier (for TV) capable of delivering services to approximately 3000 homes. OptiComm's MSANs can support multiple access technologies.

While OptiComm's network is comprised of multiple access technologies the predominant technology deployed by OptiComm today is GPON. Irrespective of the access network used, OptiComm's products are delivered as a completely integrated end-to-end solution which can reduce interoperability issues and improve reliability as it provides full visibility of the 'last mile' including the Optical Network Terminal (**ONT**) at the end user customer's dwelling.

Refer to the Glossary in Section 13 for a description of some of the capitalised terms used in this Section 3.6.

3.6.3 NETWORK OPERATIONS AND SUPPORT SYSTEMS

As part of its network operations, OptiComm has made significant investments in a number of operational and support systems that are fundamental to supporting and maintaining its network infrastructure across Australia.

OptiComm's Network Operations Centre, call centre and field service management team are located in Melbourne with engineering and support staff in Brisbane, Sydney, Melbourne and Perth. OptiComm also utilises a number of sub-contractors to provide installation, maintenance and fault rectification services.

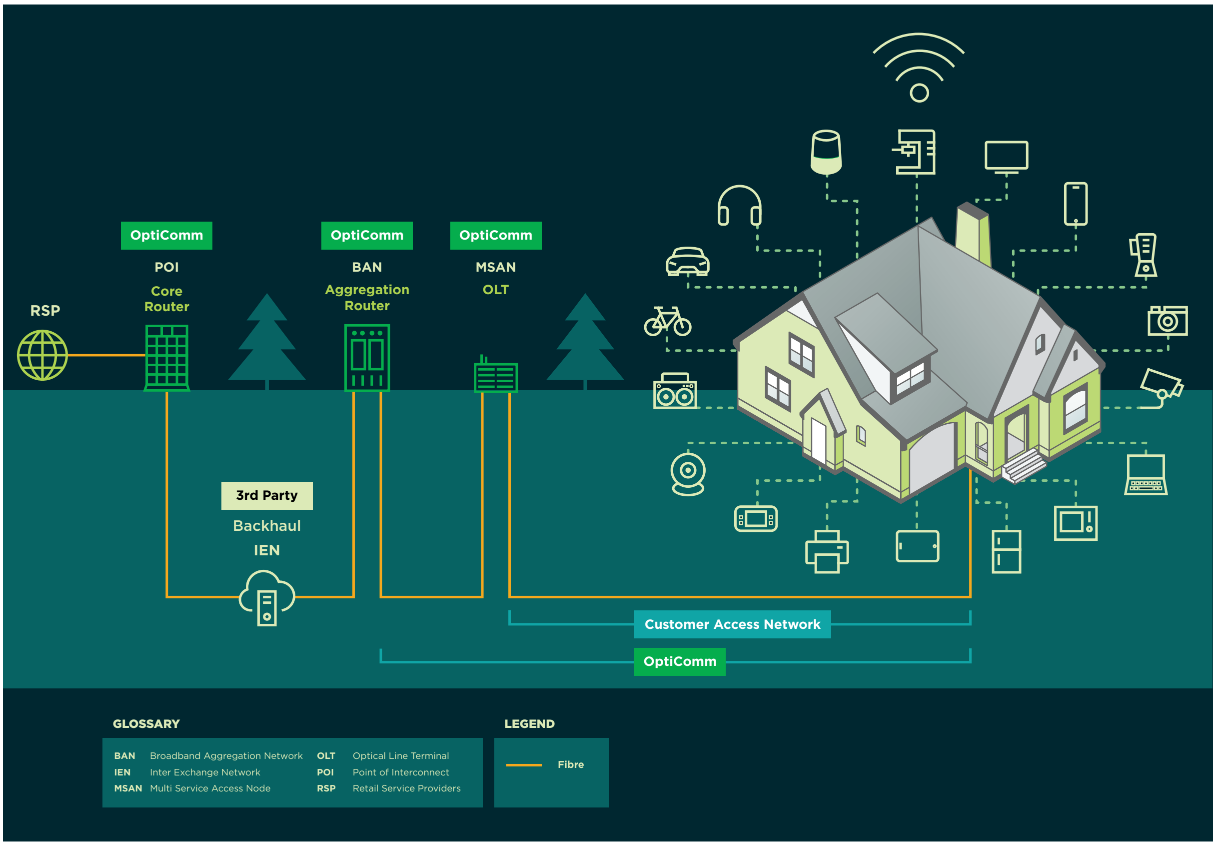
3.6.4 SUPPLIERS

OptiComm has longstanding supply arrangements for its active and passive network components from a number of established global suppliers and manufacturers. OptiComm's sourcing strategy is determined by a combination of technical, quality, availability and price. Some suppliers have minimum order quantities in place, however the Company believes these can be accommodated within the current and forecast demand requirements.

3.6.5 RESEARCH AND DEVELOPMENT

OptiComm funds an in-house research and development centre in Perth. This facility continues to research ways in which OptiComm's network can be improved. This centre also investigates and develops value added and potential revenue generating services that complement the Group's core service offering and may provide OptiComm with a competitive advantage that could drive improved market share.

Figure 10: Network diagram



Source: OptiComm

3.7 GROWTH OPPORTUNITIES

OptiComm's primary focus is to execute on its contracted pipeline of development projects and generate recurring revenue from premises connected within those developments as they come online.

In addition to its contracted pipeline, OptiComm's growth plans include:

- leveraging OptiComm's proven expertise and scale to target new developers outside those OptiComm has relationships with;
- targeting smaller development lots, including Multi Dwelling Units with less than 200 lots;
- accessing the 'build to rent' market sector which is a developing market within Australia;
- leveraging existing infrastructure, such as Backhaul, to service new developments in a cost-effective manner;
- delivering 'smart city' solutions that will generate additional revenue streams;
- investing in new value-added services such as access control, intercom, security and Wi-Fi hotspots giving developers the ability to offer a greater range of services in their developments;
- increasing focus on markets outside OptiComm's traditional markets (residential Broadacre and Multi Dwelling Units), including mixed use residential and commercial precincts, lifestyle villages and student accommodation;
- expanding the number of Retail Service Providers who access OptiComm's networks. As at 30 June 2019, OptiComm has arrangements with 33 Retail Service Providers (which do not include Telstra and Optus);
- investigating acquisition and other strategic opportunities as and when they arise;
- investigating opportunities for geographical expansion including leveraging existing relationships with developers who may expand into offshore locations; and
- exploring opportunities to leverage OptiComm's Greenfield experience and infrastructure to provide solutions to replace existing lower speed infrastructure in Brownfield developments.

3.8 REGULATORY REQUIREMENTS

3.8.1 CARRIER LICENCE

The Company holds a carrier licence issued on 21 September 2007 under section 56 of the Telecommunications Act.

The carrier licence is subject to conditions set out in the Telecommunications Act and other related legislation, including obligations for carriers to provide other carriers with:

- access to facilities for the purpose of enabling them to provide competitive facilities and services or to establish their own facilities;
- certain information relating to the operation of the telecommunications network; and
- access to telecommunications transmission towers and underground facilities.

Carriers are required to pay certain licence fees and levies annually based on particular revenue. OptiComm expects to pay these fees and levies from FY2020 onwards based on forecast eligible revenue and has factored these fees and levies in the Forecast Financial Information.

3.8.2 OTHER REGULATORY OBLIGATIONS

In addition to the regulatory requirements outlined above, carriers and network owners including OptiComm are required to comply with a complex range of laws and regulations. Ancillary obligations include those arising from laws and regulations in relation to consumer protection, data retention, and national security.

Section 4

Financial information

Section 4
Financial information

4.1 INTRODUCTION

The historical financial information (**Historical Financial Information**) and forecast financial information (**Forecast Financial Information**) of the Company and its controlled entities (together, the **Financial Information**) contained in this Section has been prepared by the Directors of OptiComm.

The Financial Information has been provided by the Directors to potential investors to assist with their understanding of the underlying historical performance, cash flows and position and the forecast financial performance and cash flows of OptiComm.

OptiComm operates on a financial year ending 30 June and a half year ending 31 December.

The pro forma Historical Financial Information (the **Pro Forma Historical Financial Information**) comprises:

- the pro forma historical consolidated statements of profit or loss for the financial years ended 30 June 2017 (**FY2017**) and 30 June 2018 (**FY2018**) and the six month periods ended 31 December 2017 (**H1 FY2018**) and 31 December 2018 (**H1 FY2019**);
- the pro forma historical consolidated statements of cash flows for FY2017, FY2018, H1 FY2018 and H1 FY2019; and
- the pro forma historical consolidated statement of financial position as at 31 December 2018.

The statutory Historical Financial Information (the **Statutory Historical Financial Information**) comprises:

- the historical consolidated statements of profit or loss for FY2017, FY2018, H1 FY2018 and H1 FY2019;
- the historical consolidated statements of cash flows for FY2017, FY2018, H1 FY2018 and H1 FY2019; and
- the historical consolidated statement of financial position as at 31 December 2018.

Together, the Pro Forma Historical Financial Information and the Statutory Historical Financial Information are referred to as the Historical Financial Information.

The pro forma Forecast Financial Information (the **Pro Forma Forecast Financial Information**) comprises:

- the pro forma forecast consolidated statements of profit or loss for the financial year ended 30 June 2019 (**FY2019**) and the financial year ending 30 June 2020 (**FY2020**); and
- the pro forma forecast consolidated statements of cash flows for FY2019 and FY2020.

The statutory Forecast Financial Information (the **Statutory Forecast Financial Information**) comprises:

- the statutory forecast consolidated statements of profit or loss for FY2019 and FY2020; and
- the statutory forecast consolidated statements of cash flows for FY2019 and FY2020.

Together, the Pro Forma Forecast Financial Information and the Statutory Forecast Financial Information are referred to as the Forecast Financial Information.

Also set out in this Section is:

Section	Heading
4.2	The basis of preparation and presentation of the financial information
4.3	Pro forma historical and pro forma forecast consolidated statements of profit or loss
4.4	Statutory historical and statutory forecast consolidated statements of profit or loss
4.5	Reconciliation of the statutory historical and statutory forecast consolidated statements of profit or loss to pro forma historical and pro forma forecast consolidated statements of profit or loss
4.6	Pro forma historical and pro forma forecast statements of cash flows
4.7	Statutory historical and Statutory forecast consolidated statements of cash flows
4.8	Reconciliation of the statutory historical and statutory forecast consolidated statements of cash flows to pro forma historical and pro forma forecast consolidated statements of cash flows
4.9	Reconciliation of Pro Forma EBITDA to Normalised Free Cash Flow
4.10	Operating segments
4.11	Pro forma historical consolidated statement of financial position
4.12	Management discussion and analysis of the Pro Forma Historical Financial Information
4.13	Management discussion and analysis of the Pro Forma Forecast Financial Information
4.14	Sensitivity analysis of the Pro Forma Forecast Financial Information
4.15	Dividend Policy
4.16	Summary of significant accounting policies.

The Historical Financial Information has been reviewed by BDO Audit Pty Ltd (**BDO Audit**). The Forecast Financial Information has been reviewed by BDO Corporate Finance (QLD) Ltd (**BDO CFQ**). The Investigating Accountants' Reports prepared by BDO Audit and BDO CFQ are contained in Section 8.

BDO Audit and BDO CFQ completed their reviews in accordance with the Australian Standard on Assurance Engagements ASAE 3450 Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information. Potential investors should note the scope and limitations of the Investigating Accountants' Report.

The information in this Section should be read in conjunction with the risk factors set out in Section 5 and other information contained in this Prospectus.

All amounts disclosed in the tables are presented in Australian dollars, and unless otherwise noted, are rounded to the nearest thousand dollars. Immaterial rounding differences have not been corrected.

4.2 BASIS OF PREPARATION AND PRESENTATION OF FINANCIAL INFORMATION

4.2.1 OVERVIEW

The Financial Information presented in this Section has been prepared in accordance with the recognition and measurement principles of the Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (**AASB**) and the significant accounting policies set out in Section 12. The Financial Information is presented in an abbreviated form and does not contain all the disclosures and comparative information that are usually provided in an annual report prepared in accordance with the Australian Accounting Standards and the Corporations Act.

4.2.2 PREPARATION OF HISTORICAL FINANCIAL INFORMATION

The Statutory Historical Financial Information has been compiled using the audited financial statements of OptiComm for FY2017 and FY2018 and the reviewed interim financial statements for H1 FY2019 (including comparatives).

The OptiComm Historical Financial Statements have been audited for FY2017 and FY2018 and reviewed for H1 FY2018 and H1 FY2019 by BDO Audit, who issued unqualified opinions in respect of FY2017 and FY2018 and an unmodified review conclusion on the interim financial statements for H1 FY2019.

The Pro Forma Historical Financial Information has been prepared for the purpose of this Prospectus only.

The Pro Forma Historical Financial Information has been compiled based on the above audited and reviewed financial information and pro forma adjustments including the following:

- the estimated impact of incremental costs associated with OptiComm being a listed company including ASX and registry costs, Board and governance costs, Directors' and Officers' insurance;
- Offer costs;
- expected incremental costs of updated and new employee incentive arrangements including costs of the employee share scheme, a proposed performance rights plan and a short term incentive program;
- merger and acquisition costs;
- interest on convertible notes;
- the impact of the application of AASB 15 revenue from contracts with customers; and
- the impact of the application of AASB 16 leases.

The following reconciliations have been provided between the Statutory Historical Financial Information to the Pro Forma Historical Financial Information:

- NPAT; and
- Net cash flows.

4.2.3 PREPARATION OF FORECAST FINANCIAL INFORMATION

The Forecast Financial Information has been prepared solely for inclusion in this Prospectus and is presented both on a statutory and pro forma basis. The Directors believe that the Forecast Financial Information has been prepared with due care and attention and consider all best estimate assumptions when taken as a whole to be reasonable at the time of preparing this Prospectus. Forecast financial information is, by its nature, not fact. Further, potential investors should note that historical performance (including that indicated by the Historical Financial Information) does not guarantee future performance.

The Forecast Financial Information has been prepared based on numerous assumptions, including the best estimate assumptions set out in Section 4.13.2.

This information is intended to assist potential investors in assessing the reasonableness and likelihood of the assumptions occurring and is not intended to be a representation that the assumptions will occur.

The assumptions on which the Forecast Financial Information is based are subject to change and significant uncertainties. It cannot be known in advance if any of the assumptions will be correct and many assumptions are not within the control of OptiComm, its management or the Directors.

Investors should be aware that the timing of actual events and the magnitude of their impact might differ from that assumed in preparing the Forecast Financial Information, and that this may have a material positive or material negative effect on OptiComm's actual financial performance or financial position.

Accordingly, none of the Company, the Directors, OptiComm's' management, or any other person can give investors any assurance that the outcomes discussed in the Forecast Financial Information will arise. Events and outcomes might differ in amount and timing from the assumptions, with a material consequential impact on the Forecast Financial Information.

Section 5 sets out key risks related to OptiComm, which may impact the Forecast Financial Information. A sensitivity analysis is also set out in Section 4.14 to show potential variances as a result of changes in the underlying assumptions for the forecast financial performance.

The basis of preparation and presentation of the Forecast Financial Information, to the extent relevant, is consistent with the basis of preparation and presentation of the Historical Financial Information.

The Pro Forma Forecast Financial Information has been adjusted from the Statutory Forecast Financial Information to reflect:

- the costs associated with the Offer;
- the estimated impact of incremental costs associated with OptiComm being a listed company including ASX and registry costs, board and governance costs, directors' and officers' insurance;
- expected incremental costs of updated and new employee incentive arrangements including costs of the employee share scheme, a proposed performance rights plan and a short term incentive program;
- the impact of the application of AASB 15 revenue from contracts with customers; and
- the impact of the application of AASB 16 leases.

As at the date of this Prospectus, the Directors have no intention of updating or revising the Forecast Financial Information or forward-looking statements, regardless of new information, future events or other factors affecting the information contained within the Prospectus, except where required by law.

4.2.4 CHANGES IN ACCOUNTING STANDARDS

OptiComm notes that the following new accounting standards are applicable during the FY2019 reporting period:

- AASB 15 Revenue from contracts with customers (**AASB 15**) – applicable from annual reporting periods commencing 1 July 2018; and
- AASB 9 Financial instruments (**AASB 9**) – applicable from annual reporting periods commencing 1 July 2018.

OptiComm has applied these standards for FY2019, including in the preparation of its historical financial statements for the half year ended 31 December 2018.

Certain new accounting standards and interpretations have been published that are not mandatory for the FY2019 reporting periods and are shown below:

- AASB 16 Leases (**AASB16**) – applicable in annual reporting periods from 1 January 2019 (but can be adopted earlier).

The Group did not early adopt AASB16 in the preparation of its historical financial statements for the half year ended 31 December 2018.

The Company has included pro forma adjustments to the Historical Financial Information to reflect the impact were all of these standards (AASB15, AASB9 and AASB 16) applied on a consistent basis throughout the historical period. Refer Section 4.5 for further details on pro forma adjustments made to the Financial Information.

The Summary of significant accounting policies included in Section 12 provide further detail in relation to the adoption of these standards.

4.2.5 NON-INTERNATIONAL FINANCIAL REPORTING STANDARD (IFRS) MEASURES ADOPTED

OptiComm utilises certain measures for assessing the financial performance and position of the business, which are not utilised under Australian Accounting Standards. Such measures are referred to as 'non-IFRS financial measures'.

Non-IFRS financial measures are not a substitute for measures calculated in accordance with Australian Accounting Standards, but rather are intended to provide further information for potential investors.

As the non-IFRS measures have no defined meaning under accounting standards, the way in which they have been calculated in this Prospectus has been detailed below. As there is no utilisation measure of non-IFRS information, potential investors should take care in comparing non-IFRS information between companies as the method of calculation may not be the same.

The non-IFRS measures included in this Prospectus are:

- **Normalised Free Cash Flow** (NFCF) means cashflow from operations, less capital expenditure as adjusted for any one-off items and infrastructure debt funding;
- **EBIT**: Earnings before interest and tax;
- **EBITDA**: Earnings before interest, tax, depreciation and amortisation;
- **Working Capital**: Receivables and inventories less trade and other payables, and current provisions; and
- **Capital expenditure**: Investment in property, plant and equipment.

Non-IFRS earnings measures may provide useful information for investors as they exclude items related to:

- Interest and taxation (in the case of EBIT and EBITDA); and
- Depreciation and amortisation (in the case of EBITDA).

EBIT and EBITDA measures may be relevant for market participants and analysts for a range of reasons, however, they are not cash flow measures (operating or otherwise) and should not be considered in isolation. EBIT and EBITDA do not consider capital expenditure (which is significant in the case of OptiComm), fair value changes, timing differences between receipt of revenues and their recognition in the statement of profit or loss or working capital changes.

4.2.6 SIGNIFICANT JUDGEMENT – TREATMENT OF NON-REFUNDABLE DEVELOPER CONTRIBUTIONS

OptiComm recognises as construction revenue, non-refundable cash contributions from developers for installation of networks in their Broadacre estates and Multi Dwelling Unit developments. Construction revenue is recognised when the network in a 'stage' (or section of the development) is practically complete (a "connection service"). In most instances, the connection service is the primary contractual obligation OptiComm has to the developer. Practical completion means the network is functional and ready for use, can be connected to a dwelling (once that dwelling is built and occupied) and allows the developer to sell the lot as it is now 'fibre ready' ('fibre ready' is a legislated mandatory requirement for a developer to sell a lot). In accordance with the guidelines outlined in AASB 108, the Company has determined that the current recognition policy is in accordance with AASB 15.

This revenue recognition policy is a key judgement as there is an alternative revenue recognition approach, recognising that obligations may extend beyond practical completion and encompass activities such as maintenance and on-going operation over the life of the infrastructure asset. Under the alternative approach, companies defer contributions often on a straight-line basis over the useful life of the asset to which the contribution relates. The Directors consider that, in the case of OptiComm, obligations of this nature are addressed in separate arrangements with RSP's and in legislation outside the contracts with developers, and have no material bearing on the assessment of developer contract performance obligations or contract terms and do not impact the timing of construction revenue recognition.

In applying judgement to determining the revenue recognition policy, the Directors have considered a range of matters, including:

- the commercial form and substance of the arrangements between OptiComm and the developers and these arrangements have been consistent for a number of years – that is OptiComm's primary obligation to the developer is to provide a connection service and this concludes when the fibre infrastructure, with connectivity, is installed into an estate (or a stage of an estate);
- the cash flow arrangements between OptiComm and the developer in that the developer makes a non-refundable cash contribution to OptiComm as the network infrastructure is constructed, with a final payment at practical completion;
- developers obtain significant value from the connection service that OptiComm provides in that the value of the properties it will on-sell is higher due to them being connected to the telecommunications network. Future property owners will have ready access to broadband services and will not be required to pay for this separately. As a result, developers have ability to obtain substantially all of the remaining benefits from the connection;
- the future property owners are not parties to the developer contract and are unknown at the time this contract is signed. Contracts with potential future customers are not relevant to analysing the contract between the OptiComm and developers; and
- OptiComm's obligations post fibre infrastructure installation are with firstly a resident (to connect a dwelling) and then with Retail Service Providers who pay a wholesale access charge for transmission across the network. OptiComm derives separate revenue streams from these obligations.

4.3 PRO FORMA HISTORICAL AND PRO FORMA FORECAST CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

4.3.1 OVERVIEW

Table 1 summarises OptiComm's pro forma historical consolidated statements of profit or loss and the pro forma forecast consolidated statement of profit or loss.

Table 1: Pro Forma Historical and Pro Forma Forecast Consolidated Statements of Profit or loss

		Pro Forma Historical		Pro Forma Forecast		Pro Forma Historical	
A$000	Note	FY2017	FY2018	FY2019	FY2020	H1 FY2018	H1 FY2019
Network revenue		15,585	23,877	32,742	41,988	10,910	15,603
Construction revenue		27,969	28,587	23,164	22,772	15,535	11,750
Connections revenue		3,394	4,079	4,624	5,203	2,045	2,331
Sales revenue	**1**	**46,949**	**56,544**	**60,529**	**69,962**	**28,490**	**29,684**
Purchases and changes in inventories of goods sold	2,3	(13,902)	(14,122)	(9,767)	(12,159)	(7,986)	(4,837)
Employee benefits expense	4	(8,833)	(10,084)	(12,516)	(14,361)	(4,912)	(5,969)
Rent, outgoings and occupancy	5	(323)	(397)	(591)	(754)	(184)	(272)
Other expenses	6	(3,078)	(3,020)	(3,560)	(4,010)	(1,445)	(1,805)
Pro forma EBITDA		**20,813**	**28,921**	**34,096**	**38,680**	**13,962**	**16,802**
Pro forma EBITDA (% of sales revenue)		*44%*	*51%*	*56%*	*55%*	*49%*	*57%*
Depreciation and amortisation	7	(3,689)	(4,357)	(5,513)	(6,979)	(2,086)	(2,402)
Pro forma EBIT		**17,124**	**24,564**	**28,583**	**31,701**	**11,877**	**14,399**
Pro forma EBIT (% of sales revenue)		*36%*	*43%*	*47%*	*45%*	*42%*	*49%*
Finance costs	8	42	(90)	152	(67)	(15)	(84)
Pro forma NPBT		**17,166**	**24,474**	**28,735**	**31,634**	**11,861**	**14,316**
Pro forma NPBT (% of sales revenue)		*37%*	*43%*	*47%*	*45%*	*42%*	*48%*
Income tax expense		(5,165)	(7,378)	(8,632)	(9,490)	(3,567)	(4,275)
Pro forma NPAT		**12,001**	**17,096**	**20,103**	**22,144**	**8,294**	**10,040**
Pro forma NPAT (% of sales revenue)		*26%*	*30%*	*33%*	*32%*	*29%*	*34%*

Notes:

1. Sales revenue includes developer contributions, connection charges and wholesale access charges.
2. Purchases and changes in inventories of goods sold includes the costs of operating the network, connection costs and the costs of building Integrated Communication Networks (ICN) networks.
3. Costs incurred in constructing the network infrastructure are capitalised as an asset, and therefore are not included as an expense in this line item.
4. Employee benefits expense includes salaries and wages and related on costs.
5. Occupancy expenses include rent, out goings and related costs.
6. Other expenses include administration, insurance, Board costs, travel, legal, network repairs, and information technology.
7. Depreciation and amortisation relates to network infrastructure, property, plant and equipment, software and right to use assets accounted for under AASB 16.
8. Net finance cost includes interest earned on deposits, interest on finance leases and implied interest costs on the net present value of product fee payments accounted for under AASB 15 and lease payments accounted for under AASB 16.

4.3.2 KEY OPERATING AND FINANCIAL METRICS

Table 2 outlines pro forma historical annual and forecast annual key operating and financial metrics for FY2017 to FY2020.

Table 2: Pro forma historical annual and forecast annual key operating and financial metrics

		Pro Forma Historical		Pro Forma Forecast		Pro Forma Historical	
A$000	Note	FY2017	FY2018	FY2019	FY2020	H1 FY2018	H1 FY2019
Key Operating metrics							
Total revenue	1	46,949	56,544	60,529	69,962	28,490	29,684
Network revenue	2	15,585	23,877	32,742	41,988	10,910	15,603
Network revenue as % of total		33%	42%	54%	60%	38%	53%
Revenue growth							
Total revenue growth		N/A	20%	7%	16%	N/A	4%
Network revenue growth		N/A	53%	37%	28%	N/A	43%
Profitability							
EBITDA margin		44%	51%	56%	55%	49%	57%
NPAT margin		26%	30%	33%	32%	29%	34%
EBITDA growth		N/A	39%	18%	13%	N/A	20%
NPAT growth		N/A	42%	18%	10%	N/A	21%
Cash Flow							
Free cash flow	3	4,355	5,512	9,449	11,457	329	3,805
Free cash flow growth		N/A	28%	80%	22%	N/A	1058%

Notes:

1. This reflects total revenue across all operating segments.
2. This reflects revenue from network operations.
3. Free Cash Flow is cashflow from operations less capital expenditure.

4.4 STATUTORY HISTORICAL AND FORECAST CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Table 3 summarises OptiComm's statutory historical consolidated statements of profit or loss and the statutory forecast consolidated statement of profit or loss for FY2017, FY2018, FY2019, FY2020, H1 FY2018, and H1 FY2019.

Table 3: Statutory Historical and Forecast Consolidated Statements of Profit or Loss

		Statutory Historical		Statutory Forecast		Statutory Historical	
A$000	Note	FY2017	FY2018	FY2019	FY2020	H1 FY2018	H1 FY2019
Network revenue		15,585	23,877	32,742	41,988	10,910	15,603
Construction revenue		30,774	29,939	23,164	22,772	16,159	11,750
Connections revenue		3,394	4,079	4,624	5,203	2,045	2,331
Sales revenue	1	**49,754**	**57,896**	**60,529**	**69,962**	**29,115**	**29,684**
Purchases and changes in inventories of goods sold	2,3	(14,136)	(14,740)	(9,767)	(12,159)	(8,264)	(4,837)
Employee benefits expense	4	(8,352)	(9,506)	(12,228)	(14,104)	(4,623)	(5,826)
Rent, outgoings and occupancy	5	(496)	(571)	(764)	(754)	(273)	(359)
Other expenses	6	(2,543)	(2,973)	(3,892)	(6,537)	(1,478)	(1,624)
EBITDA		**24,226**	**30,107**	**33,878**	**36,409**	**14,476**	**17,039**
EBITDA (% of sales revenue)		*49%*	*52%*	*56%*	*52%*	*50%*	*57%*
Depreciation and amortisation	7	(3,539)	(4,207)	(5,363)	(6,979)	(2,010)	(2,327)
EBIT		**20,687**	**25,900**	**28,515**	**29,430**	**12,466**	**14,712**
EBIT (% of sales revenue)		*42%*	*45%*	*47%*	*42%*	*43%*	*50%*
Finance costs	8	(19)	110	175	(67)	64	(72)
NPBT		**20,668**	**26,010**	**28,690**	**29,364**	**12,531**	**14,641**
NPBT (% of sales revenue)		*42%*	*45%*	*47%*	*42%*	*43%*	*49%*
Income tax expense		(6,216)	(7,839)	(8,619)	(8,809)	(3,768)	(4,373)
NPAT		**14,452**	**18,171**	**20,071**	**20,555**	**8,762**	**10,268**
NPAT (% of sales revenue)		*29%*	*31%*	*33%*	*29%*	*30%*	*35%*

Notes:

1. Sales revenue includes developer contributions, connection charges and wholesale access charges.
2. This includes the costs of operating the network, connection costs and the costs of building ICN networks.
3. Costs incurred in constructing the network infrastructure are capitalised as an asset.
4. Employee benefits expense includes salaries and wages and related on costs.
5. Occupancy expenses include rent, out goings and related costs.
6. Other expenses include administration, insurance, Board costs, travel, legal, network repairs, information technology.
7. Depreciation and amortisation relates to network infrastructure, property, plant and equipment, software and right to use assets accounted for under AASB 16.
8. Net finance cost includes interest earned on deposits, interest on finance leases and implied interest costs on the net present value of future product fee payments accounted for under AASB 15 and lease payments accounted for under AASB 16.

4.5 RECONCILIATION OF THE STATUTORY HISTORICAL AND STATUTORY FORECAST CONSOLIDATED STATEMENTS OF PROFIT OR LOSS TO PRO FORMA HISTORICAL AND PRO FORMA FORECAST CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

A reconciliation of the statutory NPAT to the pro forma historical and pro forma forecast NPAT for FY2017, FY2018, FY2019, FY2020, H1 FY2018 and H1 FY2019 is set out in table 4.

Table 4: Reconciliation of the Historical and Forecast Statements of Profit or Loss

		Historical		Forecast		Historical	
A$000	Note	FY2017	FY2018	FY2019	FY2020	H1 FY2018	H1 FY2019
Statutory NPAT		**14,452**	**18,171**	**20,071**	**20,555**	**8,762**	**10,268**
Revenue adjustments							
Product fees	1	(2,341)	(1,121)	–	–	(688)	–
Revenue recognition	2	(464)	(231)	–	–	63	–
Operating expense adjustments							
Purchases and changes in inventories of goods sold	1	234	618	–	–	278	–
Listing costs	3	–	–	695	2,527	–	–
ASX and Registry costs	4	(123)	(123)	(123)	–	(61)	(61)
Insurance	5	(150)	(150)	(150)	–	(75)	(75)
Directors fees	6	(262)	(103)	(90)	–	(58)	(45)
Employee Incentive Adjustment	7	(481)	(578)	(287)	(257)	(289)	(144)
M&A costs	8	–	328	–	–	228	–
Leasing	9	23	23	23	–	13	12
Interest adjustments							
Convertible notes interest	10	113	–	–	–	–	–
Product fee interest	1	(28)	(177)	–	–	(68)	–
Leasing interest	9	(23)	(23)	(23)	–	(12)	(12)
Tax adjustments							
Income Tax	11	1,050	461	(14)	(681)	201	98
Pro forma NPAT		**12,001**	**17,096**	**20,103**	**22,144**	**8,294**	**10,040**

Notes:

1. Product fee alignment with AASB 15. Further detail of the impact of adoption of AASB15 on product fee revenue is included in Section 12.
2. Revenue recognition alignment with AASB 15. Further detail of the impact of adoption of AASB15 on revenue is included in Section 12.
3. The costs associated with the Offer.
4. ASX and Registry costs to be incurred as a listed company.
5. Estimate of Directors' and officers' insurance to be incurred as a listed company.
6. Director costs to be incurred as a listed company.
7. Estimated costs of employee incentive arrangements including employee share scheme, proposed performance rights plan and short term incentive plan.
8. Merger and acquisition costs.
9. Operating lease (property rental) alignment with AASB 16.
10. Interest on convertible notes.
11. Income tax represents the tax impact of pro forma adjustments.

4.6 PRO FORMA HISTORICAL AND PRO FORMA FORECAST STATEMENTS OF CASH FLOWS

Table 5 is a summary of OptiComm's pro forma Historical and Pro Forma Forecast Cash Flows statements for FY2017, FY2018, FY2019, FY2020, H1 FY2018 andH1 FY2019.

Table 5: Pro Forma Historical and pro forma forecast Cash Flow Statements

		Pro Forma Historical		Pro Forma Forecast		Pro Forma Historical	
A$000	Note	FY2017	FY2018	FY2019	FY2020	H1 FY2018	H1 FY2019
Cash Flows from Operating Activities							
Receipts from customers		55,163	64,269	71,340	82,106	33,309	33,083
Payments to suppliers and employees		(28,292)	(34,311)	(33,936)	(40,038)	(17,559)	(15,841)
Interest Received		206	110	366	497	64	83
Finance costs paid		(113)	(2)	–	–	(1)	4
Income tax paid	1	(8,476)	(9,020)	(7,640)	(11,224)	(5,548)	(3,846)
Net cash provided by/ (used in) operating activities		**18,488**	**21,047**	**30,130**	**31,341**	**10,265**	**13,483**
Cash Flows from Investing Activities							
Proceeds from sale of plant and equipment		27	2	–	–	–	–
Purchase of property, plant and equipment	2	(14,003)	(15,387)	(20,303)	(19,376)	(8,086)	(9,150)
Receipts from non-current term deposits		–	1,000	–	–	(474)	61
Payments for non-current cash deposits		(3)	(41)	–	–	–	–
Payments for intangibles (software)		(36)	(40)	(12)	(12)	(9)	(6)
Net cash (used in)/ provided by investing activities		**(14,016)**	**(14,466)**	**(20,315)**	**(19,388)**	**(8,569)**	**(9,095)**
Cash Flows from Financing Activities							
Proceeds from issue of equity (including calls on partly paid shares)	3	–	110	476	13,948	–	272
Repayment of lease liability		(12)	(12)	(11)	(8)	(6)	(6)
Payment of dividends on ordinary shares	4	(3,874)	(2,432)	(11,938)	(7,000)	–	(5,998)
Net cash provided by financing activities		**(3,886)**	**(2,333)**	**(11,473)**	**6,940**	**(6)**	**(5,732)**
Net increase/(decrease) in cash held		**586**	**4,247**	**(1,658)**	**18,894**	**1,691**	**(1,344)**
Cash and cash equivalents at the beginning of financial year		6,002	6,588	10,838	9,178	7,163	11,708
Cash and cash equivalents at the end of financial year		**6,588**	**10,835**	**9,178**	**28,072**	**8,853**	**10,363**

Notes:

1. In FY2019, tax instalments levied were below anticipated. These will be paid when the FY2019 tax return is lodged.
2. This represents investment in network infrastructure and other capital expenditure.
3. This includes proceeds from partially paid shares in FY2018 and FY2019; FY2020 represents net proceeds of the IPO Offer.
4. For FY2020, this represents forecast dividend payments, subject to Directors determination. Refer to the dividend policy outlined in section 1.

4.7 STATUTORY HISTORICAL AND STATUTORY FORECAST CONSOLIDATED STATEMENTS OF CASH FLOWS

Table 6 is a summary of OptiComm's Statutory Historical and Statutory Forecast Statements of cash flows for FY2017, FY2018, FY2019, FY2020, H1 FY2018 and H1 FY2019.

Table 6: Statutory Statements of Cash Flows

		Statutory Historical		Statutory Forecast		Statutory Historical	
A$000	Note	FY2017	FY2018	FY2019	FY2020	H1 FY2018	H1 FY2019
Cash Flows From Operating Activities							
Receipts from customers		55,163	64,269	71,340	82,106	33,309	33,083
Payments to suppliers and employees		(27,604)	(34,013)	(34,309)	(42,468)	(17,467)	(15,680)
Interest Received		94	110	366	497	64	83
Finance costs paid		(113)	(2)	–	–	(1)	4
Income tax paid		(8,476)	(9,020)	(7,640)	(11,224)	(5,548)	(3,846)
Net cash provided by/(used in) operating activities		**19,063**	**21,345**	**29,757**	**28,911**	**10,357**	**13,644**
Cash Flows From Investing Activities							
Proceeds from sale of plant and equipment		27	2	–	–	–	–
Purchase of property, plant and equipment	1	(14,003)	(15,387)	(20,303)	(19,376)	(8,086)	(9,150)
Receipts from non-current term deposits		–	1,000	–	–	(474)	61
Payments for non-current cash deposits		(3)	(41)	–	–	–	–
Payments for intangibles (software)		(36)	(40)	(12)	(12)	(9)	(6)
Net cash (used in)/provided by investing activities		**(14,016)**	**(14,466)**	**(20,315)**	**(19,388)**	**(8,569)**	**(9,095)**
Cash Flows From Financing Activities							
Proceeds from issue of equity (including calls on partly paid shares)	2	–	110	476	13,948	–	272
Repayment of lease liability		(12)	(12)	(11)	(8)	(6)	(6)
Payment of dividends on ordinary shares	3	(3,874)	(2,432)	(11,938)	(7,000)	–	(5,998)
Net cash provided by financing activities		**(3,886)**	**(2,333)**	**(11,473)**	**6,940**	**(6)**	**(5,732)**
Net increase/(decrease) in cash held		**1,161**	**4,545**	**(2,031)**	**16,464**	**1,783**	**(1,183)**
Cash and cash equivalents at the beginning of financial year		6,002	7,163	11,708	9,677	7,163	11,708
Cash and cash equivalents at the end of financial year		**7,163**	**11,708**	**9,677**	**26,141**	**8,945**	**10,524**

Notes:

1. This represents investment in network infrastructure and other capital expenditure.
2. This includes proceeds from partially paid shares in FY2018 and FY2019; FY2020 represents net proceeds of the IPO Offer.
3. For FY2020, this represents forecast dividend payments, subject to Directors determination. Refer to the dividend policy outlined in section 1.

4.8 RECONCILIATION OF THE STATUTORY HISTORICAL AND STATUTORY FORECAST CONSOLIDATED STATEMENTS OF CASH FLOWS TO PRO FORMA HISTORICAL AND PRO FORMA FORECAST CONSOLIDATED STATEMENTS OF CASH FLOWS

A reconciliation of the statutory historical consolidated net cash flows to the pro forma historical and forecast consolidated net cash flows for FY2017, FY2018, FY2019, FY2020 and H1 FY2018, H1 FY2019 is set out in table 7 below.

Table 7: Reconciliation of the Historical and Forecast Cash Flows

		Statutory Historical		Statutory Forecast		Statutory Historical	
A$000	**Note**	**FY2017**	**FY2018**	**FY2019**	**FY2020**	**H1 FY2018**	**H1 FY2019**
Statutory net cash flows		**1,161**	**4,545**	**(2,031)**	**16,464**	**1,783**	**(1,183)**
Pro forma adjustments:							
Operating expense adjustments							
Listing costs	1	–	–	695	2,527	–	–
ASX and Registry costs	2	(123)	(123)	(123)	–	(61)	(61)
Insurance	3	(150)	(150)	(150)	–	(75)	(75)
Directors fees	4	(262)	(103)	(90)	–	(58)	(45)
Employee incentive adjustment	5	(153)	(250)	41	(97)	(125)	20
M+A costs	6	–	328	–	–	228	–
Interest adjustments							
Convertible notes interest	7	113	–	–	–	–	–
Pro forma net cash flows		**586**	**4,247**	**(1,658)**	**18,894**	**1,691**	**(1,344)**

Notes:

1. The costs associated with the Offer.
2. ASX and Registry costs to be incurred as a listed company.
3. Estimate of Directors' and officers' insurance to be incurred as a listed company.
4. Director costs to be incurred as a listed company.
5. Estimated costs of employee share scheme and proposed performance rights plan.
6. Merger and acquisition costs.
7. Interest on convertible notes.

4.9 RECONCILIATION OF PRO FORMA EBITDA TO NORMALISED FREE CASH FLOW

A reconciliation of the pro forma historical and forecast EBITDA to the Normalised Free Cash Flow for FY2017, FY2018, FY2019, and FY2020 is set out in Table 8 below.

Table 8: Reconciliation of the Pro Forma Historical and Forecast EBITDA to the Normalised Free Cash Flow

		Historical		Forecast	
A$000	Note	FY2017	FY2018	FY2019	FY2020
Pro forma EBITDA		**20,813**	**28,921**	**34,096**	**38,680**
Investment in network infrastructure and other capital expenditure	1	(14,003)	(15,387)	(20,303)	(19,376)
Payments for intangibles (software)		(36)	(40)	(12)	(12)
Movement in working capital	2	3,332	149	1,768	1,314
Non cash pro forma adjustments	3	2,726	888	1,540	2,075
Free cash flow pre tax		**12,831**	**14,532**	**17,089**	**22,681**
Tax paid		(8,476)	(9,020)	(7,640)	(11,224)
Free cash flow		**4,355**	**5,512**	**9,449**	**11,457**
Tax instalments – timing differences	4	2,662	1,304	(605)	1,000
Backhaul	5	–	–	–	1,000
Corporate capital expenditure	6	–	–	2,250	1,100
Interest revenue		206	110	366	497
Normalised free cash flow		**7,223**	**6,926**	**11,460**	**15,053**

Notes:

1. This represents costs incurred in constructing OptiComm's network that are capitalised, in addition to capital expenditure incurred in the normal operations of the business.
2. This represents movements in working capital.
3. This represents adjustments to pro forma EBITDA for the impact of AASB 15 and AASB 16 and share based payments that do not have a cash flow impact.
4. Prior year tax liabilities paid in subsequent year. There was a lower than anticipated tax instalment levied in FY2019 which is forecast to be paid in FY2020. Operating cash flow $1 million paid in FY2020 that was incurred in FY2019.
5. This involves a one off planned investment in the construction of a major backhaul trunk link of over several kilometres from our headend feeder line on a targeted development opportunity. This would give OptiComm a right of way and access to this major property development of over 20,000 lots.
6. One off corporate capital expenditure in relation to systems and CORE upgrades and new office fit out. These payments totalled operating cash flow $2.2 million in FY2019 and forecast to be operating cash flow $1.1 million in FY2020.

4.10 OPERATING SEGMENTS

OptiComm has two operating segments:

- Network operations; and
- Construction.

Residual unallocated overheads are reported under ‘Corporate and other’.

The pro forma revenue and pro forma EBITDA broken down by reporting segment for FY2017, FY2018, FY2019, FY2020, H1 FY2018 and H1 FY2019 is set out in Table 9.

Table 9: Pro Forma Revenue and Pro Forma EBITDA Summary by Reportable Segment

		Pro Forma Historical		Pro Forma Forecast		Pro Forma Historical	
A$000	Note	FY2017	FY2018	FY2019	FY2020	H1 FY2018	H1 FY2019
Revenue							
Network Operations	1	15,585	23,877	32,742	41,988	10,910	15,603
Construction	2	31,364	32,667	27,787	27,974	17,580	14,081
Corporate and other							
Total Revenue		**46,949**	**56,544**	**60,529**	**69,962**	**28,490**	**29,684**
EBITDA							
Network operations	1	8,663	15,637	22,951	30,588	6,979	11,293
Construction	2	967	834	(3,938)	(8,030)	315	(3,520)
Segment EBITDA		**9,629**	**16,471**	**19,013**	**22,557**	**7,294**	**7,773**
Reconciliation to pro forma EBITDA							
Costs of construction capitalised	3	11,900	13,358	15,999	17,044	7,030	9,325
Corporate	4	(716)	(908)	(916)	(922)	(361)	(296)
Total reconciling items		11,184	12,450	15,083	16,122	6,669	9,029
Total EBITDA		**20,813**	**28,921**	**34,096**	**38,680**	**13,962**	**16,802**

Notes:

1. Represents network operations including Integrated Communication Networks (ICN) maintenance services.
2. Represents construction activities including Integrated Communication Networks (ICN) construction activity.
3. Represents cost of construction activity that are capitalised as network infrastructure assets.
4. Corporate includes unallocated corporate costs.

4.11 PRO FORMA HISTORICAL CONSOLIDATED STATEMENT OF FINANCIAL POSITION

4.11.1 OVERVIEW

Table 10 summarises the pro forma historical consolidated statement of financial position as at 31 December 2018. It shows the pro forma adjustments that have been made to the statutory historical statement of financial position as at 31 December 2018 to calculate the pro forma statement of financial position as at 31 December 2018.

The pro forma statement of financial position is provided for illustrative purposes only. It is not representative of the Directors' view of the future financial position of OptiComm.

Cash and cash equivalents (and other balances) in the pro forma statement of financial position are calculated to reflect the events in each corresponding note, as though they had occurred on 31 December 2018. Cash and cash equivalents (and other balances) have not been adjusted by actual or expected events following 31 December 2018 until the Completion of the Offer, save for those detailed in the notes for the pro forma statement of financial position (set out below). The pro forma balances shown in Table 10 are not reflective of the estimated balances (including the cash position) following the Completion of the Offer.

Table 10: Pro Forma Historical Consolidated Statement of Financial Position as at 31 December 2018

A$000	Note	Statutory	Pro forma adjustments	Pro forma
Assets				
Current assets				
Cash and cash equivalents	1, 2	10,524	4,728	15,252
Trade and other receivables		8,866	–	8,866
Inventories		985	–	985
Other assets		452	–	452
Total Current Assets		**20,827**	**4,728**	**25,555**
Non-current assets				
Property, plant and equipment		67,494	–	67,494
Intangible assets		111	–	111
Deferred tax asset	1	5,935	964	6,898
Other Assets		62	–	62
Total Non-Current Assets		**73,602**	**964**	**74,566**
Total assets		**94,430**	**5,692**	**100,121**
Liabilities				
Current liabilities				
Trade and other Payables		7,528	–	7,528
Borrowings		12	–	12
Current tax liabilities		1,860	–	1,860
Provisions		1,362	–	1,362
Unearned Income		7,911	–	7,911
Total Current Liabilities		**18,673**	**–**	**18,673**
Non-current liabilities				
Borrowings		1	–	1
Deferred Tax Liability		5,366	–	5,366
Provisions		14,876	–	14,876
Total Non-Current Liabilities		**20,243**	**–**	**20,243**
Total liabilities		**38,915**	**–**	**38,915**
Net Assets		**55,514**	**5,692**	**61,206**
Equity				
Share capital	1	8,321	13,953	22,274
Reserves		81	–	81
Retained earnings	1, 2	47,112	(8,261)	(38,851)
Total Equity		**55,514**	**5,692**	**61,206**

Notes:

1. This represents the impact of the offer of $42.4m which will be used to fund the payment of $28.3m to SaleCo (which in turn will pay this amount to the Selling Shareholders) for the transfer of Sales Shares and (2) fund the estimated costs of the Offer ($3.4m) with net proceeds to the Company from the issue of Shares. A deferred tax asset will be recognised in respect of the costs of the Offer which are expected to be deductible for tax purposes in the future. Retained earnings decrease by $2.3m which relates to offer costs, reflecting the post-tax impact of the expensed portion of the total Offer costs of $3.4m.
2. Subsequent to 31 December 2018, the board declared a dividend totalling $5.998 million. This dividend was paid on 30 April 2019.

4.11.2 LIQUIDITY AND CAPITAL RESOURCES

Following Completion of the Offer, OptiComm's principal sources of liquidity will consist of cash resources and cash flows from operations.

At Completion of the Offer and after the payment of Offer related costs and expenses, OptiComm forecasts to have an actual cash position of $21 million.

The majority of OptiComm's capital expenditure relates to network equipment and construction associated with meeting developer customer requirements. OptiComm's historical and forecast capital expenditure and working capital trends are set out in Sections 4.13.5.

OptiComm expects it will have sufficient cash flow from operations to meet its operational requirements and business needs during the forecast period to 30 June 2020. OptiComm expects that its operating cash flows will position OptiComm to grow its business in accordance with the Forecast Financial Information.

4.12 MANAGEMENT DISCUSSION AND ANALYSIS OF PRO FORMA HISTORICAL INFORMATION

4.12.1 GENERAL FACTORS AFFECTING THE OPERATING RESULT OF OPTICOMM

Set out below is a discussion of the main factors that affected OptiComm's historical financial performance in FY2017 and FY2018 that OptiComm expects may continue to affect it in the future. The discussion of these factors is intended to provide a brief summary only and does not detail all the factors that affected OptiComm's historical operating and financial performance, nor everything which may affect OptiComm's operations and financial performance in the future.

The Directors have provided this information for potential investors to assist with their understanding of the factors that have impacted the historical performance of OptiComm, and which may be relevant to considering the future performance of OptiComm. This discussion is a summary only and does not detail all matters relevant to the performance of OptiComm over the historical period, nor every matter that may influence the performance of OptiComm in the future.

This Section should be considered along with the other information set out in this Prospectus, including the risks set out in Section 5 and the summary of significant accounting policies set out in Section 12.

4.12.2 REVENUE

An overview of the different revenue streams to be generated by OptiComm and the key drivers of each revenue stream are set out below.

Network revenue: OptiComm receives a recurring revenue stream from RSP's for access to, and use of, its networks by their residential and commercial end users, in the form of a monthly charge (known in the industry as ARPU). RSP's contract directly with the end user consumers on appropriate data and telephony and the quantum of the levies paid by RSP's to OptiComm are calculated based on the bandwidth capacity that the RSP's as applicable require to service their customer base. The monthly charge also includes a provisioning fee which is levied on RSP's when a user first joins that RSP. Network revenue is driven by the following:

- The number of dwellings connected to the OptiComm network that then sign up to receive active internet, telephone and other telecommunications services provided by a RSP – these are termed Active Premises, with the end user receiving the active services, the Active Service User.
- The monthly access charge levied to the RSP for the services provided to the Active Service User. The charge is based on 2 components being the access price and capacity requirements.
- Access price is determined by the speed/volume plan that the Active Service User has purchased via their RSP. The access pricing provides connectivity from the local OptiComm Broadband Aggregation Network (refer to Section 3.6.2) through to the Active Premises.
- Capacity is determined by the bandwidth capacity that the RSP determines it needs to service its customers in each state or territory. Backhaul pricing provides connectivity from the local OptiComm Broadband Aggregation Network through to a Point of Interconnect in the central business district of the capital city of the state or territory in which it is provided (refer to Section 3.6.2).
- The provisioning fee is levied for all Active Service Users that join a RSP. It covers all Active Service Users who first join a RSP and all Active Service Users who 'churn' from one RSP to another. The fee is levied to RSP's not the Active Service User.

Average revenue per user (ARPU): 'ARPU' is a measure of the total recurring wholesale network access revenue divided by the number of subscribers. This is a key performance indicator used by most telecommunication carriers around the world. OptiComm calculates the ARPU of its connected users by dividing the total revenue generated from all RSP's by the number of Active Premises (being those Connected Premises with active services being provided to Active Service Users by a RSP).

Construction revenue: OptiComm undertakes construction of fibre optical networks, generally known as the 'last mile' in Broadacre estate and Multi Dwelling Unit developments for developers. The developer makes non-refundable cash contributions to OptiComm for the design and delivery of the developer's network on a per lot basis. The construction of the 'trunk' or Head Works part of the network is often completed under the same contract. Construction revenue is driven by matters which include:

- demand for new dwellings in OptiComm's target markets which then drives residential development;
- OptiComm's ability to contract with the relevant developers to service their development with the OptiComm Fibre-to-the-Premises solution and the price which the developer is charged for the network contribution and the headworks contribution; and
- the number of lots completed annually, noting that construction revenue is recognised when the relevant stage (comprising a parcel of lots) reaches practical completion. Practical completion is defined as when the fibre (pre dwelling connection) has connectivity within a stage of an estate.

Refer to Section 4.2.6 regarding a critical judgement as to how developer contributions are recognised as construction revenue in the financial statements of OptiComm.

Connection revenue: OptiComm receives a one-off connection fee for every dwelling that is connected to its network for the first time. Connection fees vary between developments. In most developments, connection fees are paid by the dwelling occupier when the residence is first occupied, whilst in others the fee is paid by the developer. Connection fees are driven by matters which include:

- the number of Lots Passed with fibre that have dwellings constructed;
- the number of dwelling occupiers that wish to connect to the OptiComm network. Connection is required to gain access to Free-to-Air and subscription TV over OptiComm supplied fibre, in connection to a Retail Service Provider. The fee is a one off charge by dwelling and is paid in advance of the connection being activated; and
- the connection fee. The fee is determined at the time OptiComm contracts with the developer to construct the fibre in the development.

Integrated communication networks (ICN): In addition to the construction of networks that support Broadacre and Multi Dwelling Unit developments, OptiComm has, since 2016, deployed ICNs. These networks are implemented predominantly in hotel/apartment complexes, commercial and retail buildings. OptiComm receives revenue for the provision of integration support, supply services and hardware, together with on-going maintenance revenue to support the network operations. ICN construction revenue is recorded within construction revenue. ICN maintenance and support revenue is recorded under network revenue. ICN revenue is driven by matters which include:

- the construction and/or refurbishment of buildings in OptiComm's target markets (apartment/hotel complexes, student accommodation, retail, commercial building, mining sites) that require Building Administration Support (BAS) networks using a fibre rich GPON network architecture;
- OptiComm's ability to contract with developers and/or third parties (such as an electrical prime contractor) to provide these services and the price that these services are provided for; and
- OptiComm's ability to contract with building managers to provide ongoing support and maintenance services (Facilities Management Agreements, or FMA's) for the solutions implemented. Typically, these FMA's are for fixed periods of time (3-5 years) and comprise a fixed monthly fee for provision of support services to agreed service levels, with additional pricing for agreed out of scope service provision.

4.12.3 OPERATING EXPENSES

OptiComm's operating expenses are comprised of the following key expense categories:

Purchases and changes in inventories of goods sold: These costs relate to the non capitalised costs of construction activity (including deployment of ICN networks), the costs of operating the network including third party costs for duct and Backhaul access and the costs of some inventory. Specific components include the:

- cost of constructing and deploying ICN networks and services;
- cost of acquiring Backhaul services from trunk providers;
- cost of access to third party owned communication ducts that are accessed to facilitate OptiComm fibre deployment;
- cost of operating the network including electricity, the cost of the Points of Interconnect (POI), the costs of renting space and equipment in data centres that house the POI's;
- cost of equipment, software (and related support services) used to operate the network; and
- rental cost of small parcels of land for the location of the Company's headworks in cases where the Developer has not allocated a dedicated parcel of land for the Company's use.

Note the costs of building the network infrastructure (excluding design and project management) are capitalised and depreciated over their useful lives.

Employee benefits expense: Relates to the salaries, wages and direct on costs of OptiComm's employees plus the cost of any contractors engaged in supporting the Company's sales and back office activities. Specific components include:

- staff salaries and wages, including superannuation. The majority of staff are on fixed salaries. Rostered staff that work in the call centre and network operations centre are paid an hourly rate in accordance with the relevant award based on the hours worked over the relevant pay period;
- direct on-costs including payroll tax, workers compensation and fringe benefits tax;
- training and recruitment costs;
- bonus and commission plus the costs of employee share schemes – sales staff are paid a fixed salary plus a variable commission based on lots contracted relative to performance benchmarks; and
- costs of engaging any contractors to support the Company's sales and back office activities.

ASX and registry costs: They relate to listing fees payable to the ASX (calculated on the basis of the expected number of Shares that will be on issue at Listing) plus the costs of maintaining the share register and associated expenditure.

Finance costs: This relates to the finance costs on leased equipment, interest earned on deposits, implied interest costs on rental leases and product fees.

Rent, outgoings and occupancy: Relates to rental and other occupancy costs for the OptiComm offices around Australia. Offices are located in Melbourne, Sydney, Brisbane and Perth.

Directors' fees and expenses: Relates to Non Executive Director fees and out of pocket expenses incurred in attending to OptiComm related activities.

Consultancies: Relates to the engagement of consultants and advisers for a range of activities including annual and half year audit, taxation, legal, quality and workplace safety certification, government relations and remuneration planning.

Travel: Relates to the cost of local, domestic and international travel including incidental costs incurred.

Repairs and maintenance: Relates to the repair and maintenance of the network and also repairs of corporate related assets such as IT equipment, plant, furniture and fittings.

Telecommunications: Relates to the cost of internet access, fixed-line and VOIP services and mobile phone costs for staff.

Other expenses: This includes a number of cost categories including:

- insurance;
- ICT and related costs;
- freight;
- tolls and parking;
- operating costs for owned or leased motor vehicles;
- gifts and donations;
- printing, postage and consumables;
- subscriptions, fees and registrations;
- advertising and marketing;
- entertainment;
- bank fees; and
- staff amenities.

4.12.4 DEPRECIATION AND AMORTISATION

Depreciation and amortisation includes the following:

- depreciation of the network infrastructure and the network equipment, on a straight line basis over 5 to 40 years, depending on the type of infrastructure and equipment. The weighted average depreciation rate of these assets is approximately 25 to 30 years;
- depreciation of office equipment, furniture, fittings, motor vehicles on a straight line basis over 5-10 years;
- depreciation of leasehold improvements over the term of the relevant lease;
- amortisation of software acquisitions and development on a straight line basis over 5 years; and
- amortisation of properties OptiComm rent, accounted for under AASB 16.

4.12.5 CAPITAL EXPENDITURE

OptiComm incurs growth capital expenditure primarily related to the construction of its network infrastructure. Developers make contributions to OptiComm for the construction of network infrastructure. This capital expenditure drives the expansion of OptiComm's network and facilitates the growth of active users on the network.

Other capital expenditure relates to network component replacement, office equipment and furniture, IT equipment and software upgrades.

OptiComm also expects to incur capital costs over the forecast period in relation to the replacement of its core technology in all Points of Interconnect (**POI**), an upgrade of its network operating systems, construction of additional Backhaul availability and the fit out of a new office location in Melbourne.

4.12.6 SEASONALITY

OptiComm's operations have historically demonstrated some degree of seasonality. In terms of construction revenue, this can be adversely impacted by holiday shut down periods (late December to mid-January) and positively impacted in the period to June when customers are looking to spend remaining budgets before the end of the financial year. In terms of network revenue, this is impacted by the rate at which dwellings can be completed, connected and occupiers choose to connect to the OptiComm network. Actual network usage (on a per user basis) is reasonably consistent through the year.

4.12.7 CASH FLOWS AND WORKING CAPITAL

OptiComm's working capital cycle is impacted by matters which include:

- timing of receipts from Developer customers – these contracts are invoiced progressively through the construction phase and are mostly payable on 30 day terms;
- timing of connection charges – these are paid in advance of a connection being activated;
- timing of network wholesale revenue receipts – Retail Service Providers are invoiced monthly in arrears and are payable on 30 day terms;
- timing of payments to major sub-contractors – these are generally settled on 30-60 day terms;
- timing of payments for Backhaul and other network operating costs – these are generally settled on 30 day terms;
- replenishment of stock – stock levels vary depending on the progress and volume of network infrastructure construction. In addition, there are occasions when the bulk purchase of equipment will be made to take advantage of foreign exchange movements and/or to enable volume discounts to be received;
- payment of employee costs – the majority of staff are paid monthly, with a small group on a fortnightly cycle; and
- general operating expense payments are paid on 30 day terms.

4.12.8 TAX

OptiComm currently operates in the Australian tax jurisdiction.

4.12.9 COMPARISON OF THE PRO FORMA CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR FY2017 AND FY2018

Table 11 below sets out a comparison of the pro forma consolidated statement of profit or loss for FY2017 and FY2018.

Table 11: Comparison of the Pro Forma Consolidated Statement of Profit or Loss for FY2017 and FY2018

			Pro Forma		
A$000	Note	FY2017	FY2018	Change	% Change
Network revenue	1a	15,585	23,877	8,292	53%
Construction revenue	1b	27,969	28,587	618	2%
Connections revenue	1c	3,394	4,079	685	20%
Sales revenue		**46,949**	**56,544**	**9,595**	**20%**
Purchases and changes in inventories of goods sold	2a	(13,902)	(14,122)	(220)	2%
Employee benefits expense	2b	(8,833)	(10,084)	(1,250)	14%
Rent, outgoings and occupancy	2c	(323)	(397)	(75)	23%
Other expenses	2d	(3,078)	(3,020)	57	-2%
Pro forma EBITDA		**20,813**	**28,921**	**8,108**	**39%**
Pro forma EBITDA (% of sales revenue)	*3*	*44%*	*51%*	*84%*	*191%*
Free cash flow pre tax		12,831	14,532	1,701	13%
Tax paid		(8,476)	(9,020)	(544)	6%
Operating cash flow		**4,355**	**5,512**	**1,156**	**27%**

Notes:

1. Revenue in FY2018 was impacted by a range of matters, including:
   a. network revenue grew by $8.3 million (53%) due to an overall increase in active users of 11,243, the full year impact in FY2018 of new users progressively added through FY2017, and an increase in ARPU from $38.17 in FY2017 to $43.66 in FY2018;
   b. construction revenue between FY2018 and FY2017 increased by $0.6 million (2%) due to a small reduction in completed lot numbers from FY2017 to FY2018, offset by a marginally higher average sell price per dwelling; and
   c. connection revenue between FY2017 and FY2018 grew by $0.7 million (20%) due to an increase in connected premises of 11,724.
2. Operating expenses in FY2018 were impacted by a range of matters, including:
   a. purchases and changes in inventories increased by $0.22 million (2%) reflecting a marginal increase in network operating costs;
   b. employee benefits expense increased by $1.2 million (14%) reflecting investment in additional staff in network operations, back office and sales in response to business growth;
   c. rent, outgoings and occupancy increased by$0.08 million (23%) largely as a result of an increase in outgoings and annual rentals across operating locations; and
   d. other operating expenses decreased by $0.06 million (2%) largely as a result of a decrease in network maintenance.
3. The pro forma EBITDA margin increased from 44% to 51% for reasons which include:
   a. margins on construction revenue reducing by a small amount; and
   b. margins on network revenue increasing having regard to the relatively fixed nature of the costs in this part of the business.

4.13 MANAGEMENT DISCUSSION AND ANALYSIS OF THE PRO FORMA FORECAST FINANCIAL INFORMATION

4.13.1 GENERAL ASSUMPTIONS

The following general assumptions are relevant to the Pro Forma Forecast Financial Performance. General assumptions made by OptiComm include:

- no change in applicable Australian Accounting Standards or the Corporations Act that would have a material impact on OptiComm's financial performance and the way in which they are reported;
- no material change in the competitive operating environment, particularly in Australia;
- no significant change in the legislative regimes and regulatory environments in the jurisdictions in which OptiComm or its key customers operate in;
- no material amendment to any material agreement relating to OptiComm's business;
- no significant delays in the performance of any major contracts;
- no material losses of customers or contracts;
- no significant disruptions to the continuity of operations of OptiComm and there are no other material changes in OptiComm's business;
- any financing facilities will be able to be repaid at the time of their maturity or refinanced on appropriate terms prior to their maturity;
- no material contract disputes, contingent liabilities or litigation;
- no loss of key staff or management personnel;
- no material business acquisitions or disposals;
- no significant increase in capital expenditure requirements; and
- OptiComm retains all existing certifications and licenses.

4.13.2 SPECIFIC ASSUMPTIONS

The basis of the specific assumptions that have been used in the preparation of the Forecast Financial Information for FY2019 and FY2020 are set out below.

Revenue

As discussed in Section 4.12.2, OptiComm has three main sources of revenues:

- network revenue derived from wholesale access charges paid by Retail Service Providers;
- construction revenue; and
- connection charges.

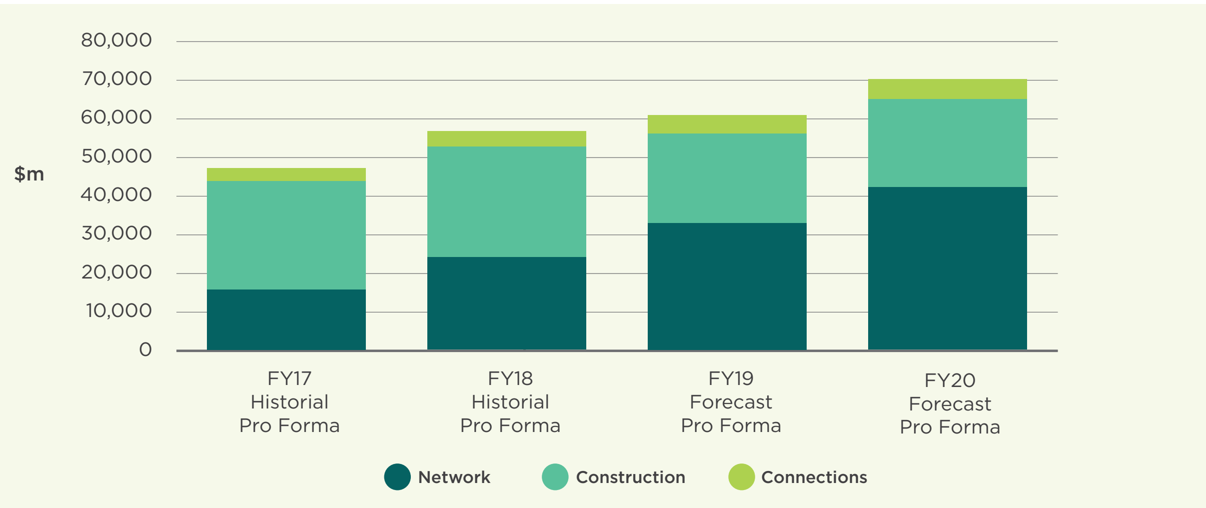
OptiComm's pro forma consolidated historical and forecast revenues for FY2017, FY2018, FY2019 and FY2020 are set out in Table 12 below.

Figure 1 below shows the pro forma consolidated historical and forecast revenues for FY2017, FY2018, FY2019 and FY2020 categorised by the three main sources of revenues. As the figure illustrates the proportion of total revenue that network wholesale access charges represent has increased annually from FY2017. In FY2020 network wholesale access charges are forecast to represent 61% of total revenue.

Table 12: Comparison of the Pro Forma Consolidated historical and forecast revenues for FY2017 to FY2020

		Pro Forma Historical		Pro Forma Forecast	
A$000	Note	FY2017	FY2018	FY2019	FY2020
Network revenue		15,585	23,877	32,742	41,988
Construction revenue		27,969	28,587	23,164	22,772
Connections revenue		3,394	4,079	4,624	5,203
Sales revenue		46,949	56,544	60,529	69,962

Figure 1: Pro forma consolidated historical and forecast revenues



Source: OptiComm

REVENUE ASSUMPTIONS – FY2019

The FY2019 revenue includes actual revenue for H1 FY2019 and forecast revenue for H2 FY2019 as per the assumptions set out below.

Network wholesale access charges

Active user growth
The Directors have forecast growth in active users of 6,885 over H2 FY2019 which is marginally less than historical conversion rates of connected lots to active users.

ARPU
The Directors have forecast ARPU to remain constant from the rate as at 31 December 2018 through to 30 June 2019. This rate is applied equally to existing and new active users.

Provisioning
The Directors have forecast the provisioning fee to remain constant between H1 FY2019 and H2 FY2019 and for the fee to be applied to all new active users plus a 'churn' factor between RSPs of 1.7% of the active user base. The historical churn rate is above 2%.

CONSTRUCTION REVENUE

Completed lots
The Directors have forecast approximately 11,000 completed lots over H2 FY2019 (7,884 lots in H1 FY2019) at an average sell price 23% lower than H1 FY2019. The forecast for completed lots has regard to contracts with developers, indicative estate completion timelines and other relevant factors.

Connections growth
The Directors have forecast growth in customer connections of approximately 8,000 over H2 FY2019 which is in line with historical conversion rates of completed lots to connected lots. The average connection fee is forecast to remain the same as in H1 FY2019.

REVENUE ASSUMPTIONS – FY2020

Network Wholesale Access charges

Active user growth
The Directors have forecast growth in active users of approximately 13,892 over this period which is broadly consistent with historical conversion rates of connected lots to active users.

ARPU
The Directors have forecast ARPU to be $48.96 as at 1 July and remain constant for the financial year. This rate is applied equally to existing and new active users.

Provisioning
The Directors have forecast the provisioning fee to remain constant between FY2020 and FY2019 and for the fee to be applied to all new active users plus a 'churn' factor between RSPs of 1.7% of the active user base. The historical churn rate is above 2%.

CONSTRUCTION REVENUE

Completed lots
The Directors have forecast approximately 18,000 completed lots over this period (18,924 lots forecast in FY2019) at an average sell price 6% lower than FY2019. This is a result of forecasting an increase in Multi Dwelling Unit completion rates, plus increased price pressure generally in the construction segment.

Connections growth
The Directors have forecast growth in customer connections of approximately 16,600 over this period which is slightly higher than historical conversion rates of completed lots to connected lots, due to an increased forecast of Multi Dwelling Unit completions which are typically connected to the network at construction completion.

Expenditure
OptiComm's pro forma consolidated historical and forecast expenditure for FY2017, FY2018, FY2019 and FY2020 is set out in Table 13 below.

Table 13: Pro forma consolidated historical and forecast expenditure

		Pro Forma Historical		Pro Forma Forecast	
A$000	Note	FY2017	FY2018	FY2019	FY2020
Purchases		13,902	14,122	9,767	12,159
Employee benefits expense		8,833	10,084	12,516	14,361
Rent, outgoings and occupancy		323	397	591	754
Other expenses		3,078	3,020	3,560	4,010
TOTAL	1	26,136	27,623	26,433	31,283

Figure 2 below shows the pro forma consolidated historical and forecast expenditure for FY2017, FY2018, FY2019 and FY2020. As the figure illustrates total operating expenses as a percentage of total pro forma revenue is forecast to decrease from 56% in FY2017 to 45% in FY2020 demonstrating the operating leverage in the business.

EXPENDITURE ASSUMPTIONS – FY2019

Purchases and changes in inventories of goods sold:

The FY2019 expenditure includes actual experience for the H1 FY2019 and forecast experience for H2 FY2019 as per the assumptions set out below.

The Directors forecast includes the following:

- the cost of constructing and deploying ICN networks and services will remain broadly in line with H1 margins;
- the cost of acquiring Backhaul services from trunk providers will marginally increase as network usage increases;
- the cost of access to third party owned ducts that facilitate OptiComm fibre deployment will remain consistent with H1 FY2019;
- the cost of operating the network including electricity, the cost of the POI, the costs of renting space and equipment in data centres that house the POI's will marginally increase over H1 FY2019 consistent with network usage;
- the cost of equipment, software (and related support services) used to operate the network will remain consistent with H1 FY2019; and
- the core replacement program will result in increased support costs in H2 FY2019 over H1 FY2019.

Employee benefits expense:
The Directors have forecast that H2 FY2019 salaries, wages and direct on costs of OptiComm's employees will increase by 10% over H1 FY2019 due to additional staff being hired across the business, plus the full impact of H1 FY2019 hires in the H2.

Rent, outgoings and occupancy:
The Directors have forecast that H2 FY2019 rent, outgoings and occupancy costs will increase by 33% over H1 FY2019 reflecting increased outgoings and a new office in Sydney.

Directors fees and expenses:
The Directors are forecasting that Directors fees will increase by 10% reflecting additional travel costs incurred for interstate Board meetings.

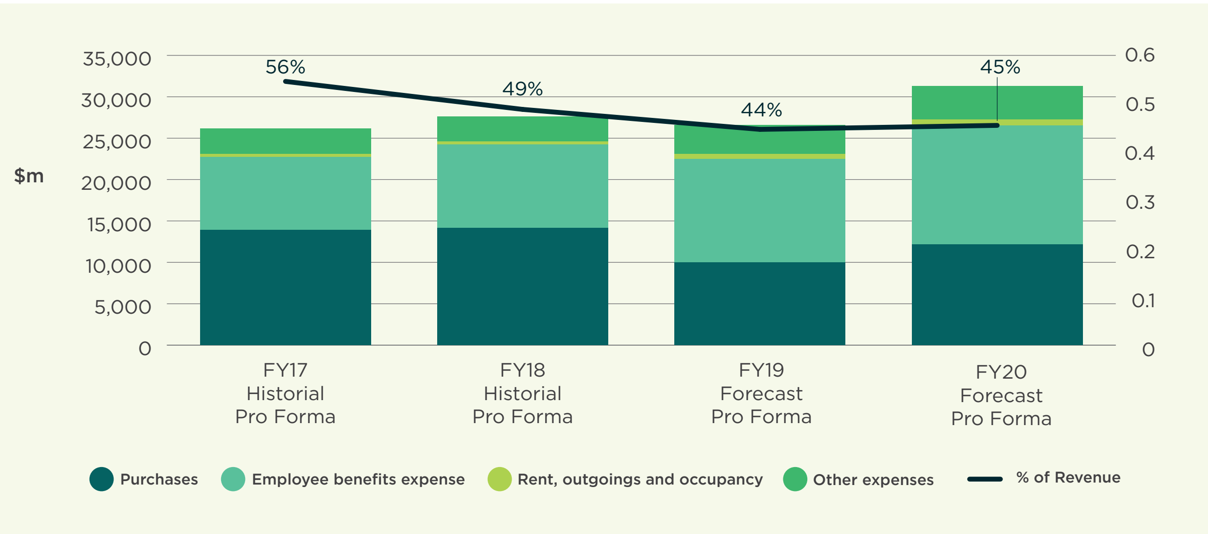
Other expenses:

Travel:
The Directors are forecasting travel to reduce in H2 FY2019 by 8% compared to H1 FY2019 due to less international travel in H2 FY2019 compared to H1 FY2019.

Repairs and maintenance:
The Directors are forecasting repairs and maintenance to be broadly in line with H1 FY2019.

Product Fee:
The Directors have forecast that the product fee arrangements that have been in place since FY2017 will continue in their current arrangements. Please refer to Section 12 for more detail on how these fees have been accounted for.

Figure 2: Pro forma consolidated historical and forecast expenditure



Source: OptiComm

Other:

The Directors are forecasting other expenses (comprising insurance, information technology and related costs, freight, tolls and parking, motor vehicle expenses, gifts and donations, printing, postage, consumables, subscriptions and fees, advertising and marketing, entertainment, bank fees and staff amenities) to increase by 4% in H2 FY2019 relative to H1 FY2019.

Depreciation and amortisation:

Depreciation and amortisation is based on the current depreciation and amortisation rates and the estimated useful lives of the underlying assets.

Net Finance costs:

The Directors are forecasting pro forma finance costs to increase between H1 FY2019 and H2 FY2019 due to an increase in implied interest charges on the net present value of the product fee liabilities.

Taxation:

The Forecast Financial Information has been assumed on the basis that the Australian corporate tax rate will remain at 30% in the forecast period.

EXPENDITURE ASSUMPTIONS – FY2020

Purchases and changes in inventories of goods sold:

The Directors have forecast the following:

- the cost of constructing and deploying ICN networks and services will increase over FY2019 consistent with an increase in revenue with margins reducing from FY2019;
- the cost of acquiring Backhaul services from trunk providers will marginally increase as network usage increases;
- the cost of access to third party owned ducts that facilitate OptiComm fibre deployment will remain consistent with FY2019;
- the cost of operating the network including electricity, the cost of the POI, the costs of renting space and equipment in data centres that house the POI's will marginally increase over H1 FY2019 consistent with network usage; and
- the cost of equipment, software (and related support services) used to operate the network will increase in line with network growth; the Core replacement program will result in increased support costs in FY2020 over FY2019.

Employee benefits expense:

The Directors have forecast that FY2020 salaries, wages and direct on costs of OptiComm's employees will increase by 15% over FY2019 due to additional staff being hired across the business, the full impact of FY2019 hires in FY2020 plus an allowance for an overall salary increment.

ASX and registry costs:

The Directors are forecasting this to reflect the first full year costs of being a listed entity.

Finance costs:

The Directors are forecasting pro forma finance costs to increase between FY2020 and FY2019 reflecting the implied interest charges in leases and product fee liabilities accounted for in accordance with AASB 16 and AASB 15 respectively.

Rent, outgoings and occupancy:

The Directors have forecast that rent, outgoings and occupancy costs will increase in FY2020 over FY2019 by 28% as a result of moving offices in Melbourne to a larger location, in addition to a full year's rental for the new Sydney office.

Directors fees and expenses:

The Directors are forecasting that Directors fees in FY2020 will be broadly in line with fees in FY2019.

Other expenses:

Travel:

The Directors are forecasting travel to increase in FY2020 by 28% over FY2019 as a result of increased domestic and international travel in line with overall business growth.

Repairs and maintenance:

The Directors are forecasting repairs and maintenance to increase by 21% in FY2020 over FY2019. The cost increase reflects overall growth in network infrastructure.

Telecommunications:

The Directors are forecasting telecommunications to increase by 5% in FY2020 compared to FY2019, consistent with overall business growth.

Other:

The Directors are forecasting other expenses (comprising insurance, information technology and related costs, freight, tolls and parking, motor vehicle expenses, gifts and donations, printing, postage, consumables, subscriptions and fees, advertising and marketing, entertainment, bank fees and staff amenities) to increase by 38% in FY2020 relative to FY2019.

Regional Broadband Scheme levy:

The Directors have not forecast the imposition of the Regional Broadband Scheme (also referred to as the "Bush Levy") in FY2020. Under legislation that was put before the Federal Parliament, the levy was proposed to be $7.10 per month for every premise (over a predetermined threshold) connected to the carrier's network with active fixed-line superfast broadband. This draft legislation lapsed with the dissolution of the previous Parliament prior to the Federal election, however the new Federal Government has, in early July 2019, indicated similar legislation will be introduced, however the form of such legislation, and the timing for introduction, is unknown at the date of this Prospectus. Should legislation be introduced and passed, it is not yet known when it would become effective, however the Directors consider that it is unlikely to become effective in the Forecast Period.

Accordingly, the forecast for FY2020 does not reflect the imposition of this or any equivalent levy. If the levy was imposed, OptiComm would seek to pass some of this onto the RSPs. Refer section 5.1 for further detail on this.

4.13.3 COMPARISON OF THE PRO FORMA CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR FY2018 AND FY2019

Table 14 sets out a comparison of the pro forma consolidated statement of profit or loss for FY2018 and FY2019.

Table 14: Comparison of the Pro Forma Consolidated Statement of Profit or Loss for FY2018 and FY2019

		Pro Forma			
A'000	Note	FY2018	FY2019	Change	% Change
Network revenue	1a	23,877	32,742	8,864	37%
Construction revenue	1b	28,587	23,164	(5,423)	-19%
Connections revenue	1c	4,079	4,624	544	13%
Sales revenue		**56,544**	**60,529**	**3,985**	**7%**
Purchases and changes in inventories of goods sold	2a	(14,122)	(9,767)	4,355	-31%
Employee benefits expense	2b	(10,084)	(12,516)	(2,432)	24%
Rent, outgoings and occupancy	2c	(397)	(591)	(193)	49%
Other expenses	2d	(3,020)	(3,560)	(539)	18%
Pro forma EBITDA		**28,921**	**34,096**	**5,175**	**18%**
Pro forma EBITDA (% of sales revenue)	*3*	*51%*	*56%*	*130%*	–
Free cash flow pre tax		14,532	17,089	2,557	18%
Tax paid		(9,020)	(7,640)	1,380	-15%
Operating cash flow		**5,512**	**9,449**	**3,938**	**71%**

Notes:

1. Revenue in FY2019 is impacted by a range of matters including:
   a. network revenue is forecast to grow by $8.9 million (37%) due to an overall increase in active users of 12,523 and an increase in ARPU from $43.66 in FY2018 to $47.47 in FY2019;
   b. construction revenue between FY2019 and FY2018 is forecast to reduce by $5.5 million (-19%) due to
      i. a lower average sell price per dwelling passed, principally due to more Multi Dwelling Units being completed; and
      ii. a reduction in ICN construction revenue reflecting the Company's change in role from 'Master Systems Integrator' to 'Network Systems Integrator' (effectively responsible for smaller project components thus reducing project revenue); and
   c. an increase in connection revenue of $0.5 million (13%) due to an increase in connected users of 16,577 as more dwelling occupiers connect to the network.
2. Operating expenses in FY2019 is impacted by a range of matters including:
   a. purchases and changes in inventories are forecast to reduce by $4.4 million (-31%) reflecting a marginal increase in network operating costs, offset by a reduction in the cost of delivering ICN projects consistent with a reduction in ICN revenue;
   b. employee benefits expense are forecast to increase by $2.4 million (24%) reflecting investment in additional staff across most areas of the business in response to business growth;
   c. rent, out goings and occupancy costs are forecast to increase by $0.2 million (49%) principally due to a new office in Sydney plus increased out goings across all locations; and
   d. other operating expenses are forecast to increase by $0.5 million (18%) reflecting overall growth in the business.
3. The Pro Forma EBITDA in FY2019 increases by 18%, primarily as a result of:
   a. margins on construction revenue reducing by a small amount; and
   b. margins on network revenue increased due to much of the costs in this part of the business being relatively fixed.

4.13.4 COMPARISON OF THE PRO FORMA CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR FY2019 AND FY2020

Table 15 sets out a comparison of the pro forma consolidated statement of profit or loss for FY2019 and FY2020.

Table 15: Comparison of the Pro Forma Consolidated Statement of Profit or Loss and operating cash flow for FY2019 and FY2020

		Pro Forma			
$A'000	Note	FY2019	FY2020	Change	% Change
Network revenue	1a	32,742	41,988	9,246	28%
Construction revenue	1b	23,164	22,772	(392)	-2%
Connections revenue	1c	4,624	5,203	579	13%
Sales revenue		**60,529**	**69,962**	**9,433**	**16%**
Purchases and changes in inventories of goods sold	2a	(9,767)	(12,159)	(2,392)	24%
Employee benefits expense	2b	(12,516)	(14,361)	(1,845)	15%
Rent, outgoings and occupancy	2c	(591)	(754)	(163)	28%
Other expenses	2d	(3,560)	(4,010)	(450)	13%
Pro forma EBITDA		**34,096**	**38,680**	**4,583**	**13%**
Pro forma EBITDA (% of sales revenue)	*3*	*56%*	*55%*	*49%*	–
Free cash flow pre tax		17,089	22,681	5,591	33%
Tax paid		(7,640)	(11,224)	(3,584)	47%
Operating cash flow		**9,449**	**11,457**	**2,008**	**21%**

Notes:

1. Revenue in FY2020 is impacted by the following:
   a. network revenue is forecast to grow by $9.2 million (28%) due to an overall increase in active users of 13,892 and a forecast ARPU that is marginally less than the forecast ARPU as at 30 June 2019;
   b. construction revenue between FY2020 and FY2019 is forecast to reduce by $0.3 million (2%) due to:
      i. a lower average sell price per dwelling passed, principally due to more Multi Dwelling Units being completed;
      ii. a small reduction in forecast total lots completed; and
      iii. an increase in ICN revenue; and
   c. an increase in connection revenue of $0.6 million (13%) due to an increase in connected users of 16,678 as more dwelling occupiers connect to the network, offset by a lower average connection charge.
2. Operating expenses in FY2020 are impacted by the following:
   a. purchases and changes in inventories are forecast to increase by $2.4 million (24%) reflecting a marginal increase in network operating costs, in addition to the additional costs of delivering an increased number of ICN projects with an increase in ICN revenue;
   b. employee benefits expense are forecast to increase by $1.8 million (15%) reflecting investment in additional staff across most areas of the business in response to business growth;
   c. rent, out goings and occupancy costs are forecast to increase by $0.2 million (28%) principally due to the move to a new office in Melbourne; and
   d. other operating expenses are forecast to increase by $0.5 million (13%) reflecting overall growth in the business.
3. The Pro Forma EBITDA in FY2020 increases by 14%, primarily as a result of:
   a. margins on construction revenue reducing reflecting increased Multi Dwelling Units completions;
   b. margins on network revenue increasing due to much of the costs in this part of the business being relatively fixed; and
   c. operating expenses increasing in line with business growth.

4.13.5 CHANGE IN WORKING CAPITAL AND CAPITAL EXPENDITURE

Change in Working capital

The Forecast Financial Information has been prepared on the assumption that working capital changes largely follow historical patterns, as adjusted for forecast business growth. In FY2020, the Directors are forecasting an increase in the rate of cash collections over prior years (and accordingly a reduction in debtor days) as a result of improvements made in back of house billing systems, improved business processes and increased resources in the finance team, that are aiming to reduce time to invoice and therefore further improve collection cycles and improve free cash flow.

Capital expenditure

The Forecast Financial Information is based on the following assumptions:

- network infrastructure funded by contracts with developers will continue in accordance with the forecast lot development program;
- there will be some one-off investment in network backhaul redundancy for some estates where existing backhaul links are not adequate for future growth; and
- forecast expenditure on other capital items will be marginally lower in FY2020 than FY2019. There will be continued investment in network upgrades, together with completion of the Melbourne office move and fit out.

4.14 SENSITIVITY ANALYSIS

The Forecast Financial Information is based on a number of estimates and assumptions that are subject to business, economic and competitive uncertainties and contingencies, many of which are beyond the control of OptiComm, its Directors and management. As matters develop, the direction of OptiComm is subject to change and the way in which OptiComm responds to any matters.

Future events related to OptiComm cannot be predicted in advance with any certainty. Variation from the forecast results in the Forecast Financial Information are expected. Such variations may be material.

To assist potential investors to better understand the potential impact of changes in selected key variables, the Directors have provided the sensitivity analysis set out in table 16 below. The table is a summary of the sensitivity of the pro forma forecast EBITDA for FY2020 (approximately $38.7 million in FY2020 as set out in table 1) and pro forma forecast NPAT for FY2020 (approximately $22.1 million as set out in table 1) and Free Cash Flow for FY2020 (approximately $11.5 million as set out in table 8) to changes in selected key variables. These key variables are not intended to be indicative of the complete range of variations that may be experienced and variations may be larger than allowed for in the sensitivity analysis. The selected sensitivity range for each sensitivity is not intended to be indicative or predictive of the likely range of outcomes that may occur.

Care should be taken in interpreting these sensitivities. The sensitivity analysis set out below treats each movement in the variables in isolation, in order to illustrate the potential impact on the forecast. In reality, the movements may be inter dependent, the effects of these movements may offset each other and/or may be additive and OptiComm management may respond to any adverse change in these variable to minimise the net effect on OptiComm's earnings.

Table 16: Sensitivity Analysis

Assumption	Note	Variance	Pro forma EBITDA Impact FY2020 $A'000	Pro forma NPAT Impact FY2020 $A'000	Pro forma Free Cash flow Impact $A'000
Number of completed lots	1	(2.0%)/2.0%	(505)/502	(332)/320	(399)/401
Construction revenue per lot	2	(2.0%)/2.0%	(426)/426	(311)/301	(330)/333
New active premises	3	(2.0%)/2.0%	(106)/101	(85)/71	(80)/78
ARPU	4	(2.0%)/2.0%	(773)/786	(554)/554	(596)/605

Notes:

1. Represents changes to the number of completed lots in FY2020.
2. Represents changes to the average selling price for lots completed in FY2020.
3. Represents changes to the number of active premises added to the network in FY2020.
4. Represents changes to ARPU in FY2020.

Variances shown above are estimates only for the purposes of illustration.

4.15 DIVIDEND POLICY

The decision regarding the payment of timing and amount of any dividends paid by OptiComm will be made by the Directors having regard to, among other matters, OptiComm's:

- financial position;
- current and expected future trading results;
- current financial commitments, including debt repayments;
- growth capital expenditure requirements, particularly for network construction as this drives network usage expansion;
- available value accretive opportunities for which capital can be deployed;
- tax position (including franking credit balances); and
- legal or regulatory restrictions on the payment of dividends.

During the Prospectus forecast period, and having regard to the factors outlined above, it is the Directors' current intention to target an indicative annualised dividend yield of 3.6% for the FY2020 year (based on a dividend of 7.2 cents per share divided by the Offer Price). After FY2020 the Directors intend to target a dividend payout ratio of approximately 60% of Free Cash Flow. The Board's intention is to pay dividends on a semi-annual basis, with the first dividend expected to be paid in October 2019 and a final dividend paid in April 2020.

This payout ratio is subject to variation for the matters set out above and the payout ratio may be lower or greater depending on the circumstances of the time.

OptiComm intends to frank dividends to the extent possible having regard to available franking credits at the time. Please refer to Section 9.3 regarding the availability of franking credits and other tax matter relevant to the receipt of dividends and their availability to be used by different investors. Some investors, particularly those outside Australia may not be eligible to utilise franking credits.

The Directors cannot and do not provide any assurance about the quantum or timing of dividends or applicability of franking credits to dividends (if paid).

Please consider the above having regard to the Forecast Financial information in Section 4 and the risks set out in Section 5.

4.16 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies which have been adopted in the preparation of the Financial Information are set out in Section 12.

Section 5

Risk factors

Section 5
Risk factors

Investing in the Shares involves a degree of risk. There are a number of risks that, either individually or in combination, may materially and adversely affect the future operating and financial performance of the Group and the value of the Shares.

This Section describes the risks which the Company currently believes to be the key risks associated with an investment in the Group. It does not purport to be an exhaustive list of every risk faced by the Group, now or in the future. Many of these risks, or the consequences of them, are outside the control of the Group. If one or more of these risks or a risk not specifically referred to in this Prospectus eventuates, then the future operating performance of the Group and the value of the Shares and of your investment may be significantly affected.

Prospective investors should read the whole of this Prospectus and consult with their professional advisors for legal, business, financial or tax advice in order to fully appreciate such matters and the manner in which the Group intends to operate before any decision is made to apply for Shares under this Prospectus.

The following summary, which is not exhaustive, represents some of the major risk factors that Applicants need to be aware of. These risks have been separated into:

- risks specific to an investment in OptiComm; and
- general risks relating to an investment in a listed company.

The selection of risks has been based on an assessment of a combination of the probability of the risk occurring, the ability to mitigate the risk and impact of the risk if it did occur. The assessment is based on the knowledge of the Company as at the date of this Prospectus, but there is no guarantee or assurance that the importance of different risks will not change or other risks will not emerge. Any of these risks, and any other risks that may emerge, may have a material adverse effect on the business and financial position and performance.

There can be no guarantee that the Company will deliver on its business strategy, or that the forecasts or any forward-looking statement contained in this Prospectus will be achieved or realised. Investors should note that past performance is not a reliable indicator of future performance.

Some of these risks may be mitigated by OptiComm's internal controls and processes, but many are outside the control of OptiComm, the Directors and management. An investment in OptiComm should be considered speculative. There can be no assurance that OptiComm will achieve its stated objectives or that any forward-looking statements will eventuate.

You should seek professional advice suited to your investment objectives, financial situation and particular needs to reduce the impact of risk. Nothing in this Prospectus can or does replace or offer independent professional advice.

5.1 RISKS SPECIFIC TO AN INVESTMENT IN OPTICOMM

The operating results and profitability of the Company are sensitive to a number of factors.

It is not possible to identify every risk associated with investing in the Company, however, the following list sets out the significant key risks associated with investing in the Company. There may be other risks associated with investing in the Company. The risks set out in the following table, as well as others described elsewhere in this Prospectus, should be carefully considered in evaluating the Company and its prospects.

This is not an exhaustive list of risks. These risks should be considered in conjunction with the other information disclosed in this Prospectus.

Risk	Description of risk
Competition	As noted in Section 3.4.1, OptiComm operates in a competitive landscape alongside a number of other network infrastructure operators designing, installing and maintaining fibre optic cable networks and other fixed-line access technologies in Broadacre and Multi Dwelling Unit markets segments in Australia. Increased competition, including from existing competitors with a developed brand and reputation, may affect the Group's ability to maintain and grow its market share, as well as impact the growth in OptiComm's recurring revenue streams from active users connected to OptiComm's network. The Group, and its revenue, may also be affected by competition from firms that operate outside the fibre optic telecommunications infrastructure industry but have the capabilities to expand into the provision and installation of telecommunications infrastructure due to their expertise in the construction of service-related infrastructure. The actions of existing and new competitors, among other things, may result in the Group's growth prospects and performance and/or financial position being adversely affected. Factors that may affect competition include the nature and quality of the network service offering, price, reputation and expertise. OptiComm's use of Fibre-to-the-Premises technology as the primary technology across the vast majority of its networks, combined with its reputation for quality offerings will assist in maintaining and growing market share, as will the implementation of the growth strategies identified in Section 3.7.
Alternative technologies	As noted in Section 3.4.2, current alternatives to fixed-line Fibre-to-the-Premises, Fibre-to-the-Building, Fibre-to-the-Curb, Fibre-to-the-Node and Hybrid Fibre Coax technologies include: • other technologies such as fixed wireless and satellite services; and • mobile wireless solutions, such as 4G and 5G networks. These and other emerging alternative technologies may pose a threat to fixed-line fibre networks, including those in OptiComm's primary Greenfield Broadacre and Multi Dwelling Units markets. However, as noted above, OptiComm considers the threat from fixed wireless and satellite technologies to be lower due to these most commonly being deployed in regional and rural Australia compared to OptiComm's focus on the outer fringes of metropolitan areas or, in regard to fixed wireless, in Brownfield high density Multi Dwelling Units in central business districts which are not a significant part of OptiComm's current business. At this stage, whilst there has been much speculation about the potential future performance of 5G technology, 5G is still a relatively new technology in Australia, and limited details are presently available regarding the exact nature of how the network will be deployed, its geographical coverage and expected pricing and bandwidth capability. Accordingly, it is difficult to accurately predict the influence or impact 5G deployment in Australia may have on provision of broadband services via fixed-line networks. OptiComm acknowledges there may be end users for whom 5G or other mobile networks may provide a viable network alternative. However, for the reasons noted in Section 3.4.2, OptiComm believes that, notwithstanding the introduction of emerging technologies such as 5G, there will be continued demand for fixed-line broadband in the Broadacre locations on the outer fringes of the major metropolitan cities (where OptiComm's networks are predominantly deployed) for the foreseeable future. OptiComm continues to monitor developments in this space.
NBN Co and any potential changes to pricing	The regulatory framework governing the rollout of the Australian National Broadband Network supports non-government enterprise organisations such as OptiComm delivering fibre-based network infrastructure to Australian residential and business premises. OptiComm offers an alternative solution for developers to NBN Co in the residential Broadacre industry and Multi Dwelling Unit sector. Some of OptiComm's revenue, earnings and market share may be eroded to the extent regulatory frameworks currently imposed on NBN Co are amended. This may result in changes to the amounts and manner in which NBN Co charges developers for network deployment and/or changes to the one-off connection and recurring wholesale access fees currently charged by NBN Co to Retail Service Providers accessing its networks. Some of these changes may have a corresponding impact on the prices OptiComm charges its developers for network deployment and/or one-off connection and recurring wholesale access fees charged by OptiComm to Retail Service Providers accessing its networks. The extent to which any changes may be implemented, the timing during which such changes may take effect, and the potential impact to OptiComm, is presently unknown and will be subject to a number of variables, commercial factors and policy drivers. OptiComm's FY2020 forecast has allowed for a small reduction in ARPU from the forecast position as at 30 June 2019.

Risk	Description of risk
Downturn in housing market	The growth and performance of OptiComm will be influenced by the overall housing market and general economic conditions in Australia which are, by their nature, cyclical and subject to change. This includes underlying housing shortage/demand, immigration numbers, access to finance, interest rates, house affordability, first home buyer incentives, land availability and government policy. A downturn in the Australian housing market may result in cancellation or deferral of housing projects which may adversely impact OptiComm's financial performance as it would reduce construction revenue. A short term downturn in the housing market is not expected to materially impact OptiComm's forecast performance in FY2020 due to the construction profile for this period being largely committed. However some impact (reduction in construction revenue) may be experienced to the extent developers look to delay or extend construction timelines or there is a slowdown in new lot connections.
Loss of Carrier Licence	OptiComm has a carrier licence under the Telecommunications Act. This licence is essential for the Company to operate as a carrier of telecommunications infrastructure. If that licence were to be cancelled, it would severely restrict the ability of the Company to operate and would result in the Company breaching a number of its contractual obligations. Circumstances in which OptiComm's carrier licence may be cancelled include where OptiComm fails to pay the annual carrier licence fee imposed by the *Telecommunications (Carrier Licence Charges) Act 1997* (if required) or the industry levy as imposed by the *Telecommunications (Industry Levy) Act 2012* (if required), becomes a disqualified body corporate within the meaning of the Telecommunications Act, or ceases to be a constitutional corporation. OptiComm reviews its carrier licence compliance obligations on a regular basis.
Regulatory/ policy risk	There are a number of industry risk factors that may affect the future operation and performance of the Group that are outside its control, including regulation of the telecommunications industry. Regulatory change may directly and indirectly affect the competitive landscape of the telecommunications infrastructure market and may adversely impact the financial performance of OptiComm where, for example, it leads to increased compliance costs or decreased demand for fibre optic telecommunications infrastructure. Prior to the recent Federal Government election in May 2019, a package of proposed legislative reforms had been proposed by the Federal Government which had the potential to affect all superfast fixed-line providers. Included within this package of legislation, was the Regional Broadband Scheme (also referred to as the 'Bush Levy'). In the form put before the Federal Senate under the previous government, the Regional Broadband Scheme proposed to establish an ongoing funding arrangement for fixed wireless and satellite infrastructure deployed to regional Australia by imposing a monthly levy on carriers, including NBN Co and all other non-NBN Co operators, based on the number of 'chargeable premises', being premises connected to the carrier's network receiving active fixed-line superfast broadband services. The levy under the previous draft legislation was proposed to be $7.10 per month for every chargeable premises. The previous now lapsed draft legislation proposed an initial five year charge concession period exempting the first 25,000 residential and small business chargeable premises on each carrier's network from the levy. If the levy was imposed, OptiComm would seek to pass some of this onto Retail Service Providers. Whilst this draft legislation lapsed with the dissolution of the previous Parliament prior to the Federal election, the new Federal Government has, in early July 2019, indicated similar legislation will be introduced, however the form of such legislation, and the timing for introduction, is unknown at the date of this Prospectus. Should legislation be introduced and passed, it is not yet known when it would become effective, however the Directors consider that it is unlikely to become effective in the forecast period. Accordingly, the forecast for FY2020 does not reflect the imposition of this or any equivalent levy. If the new legislation had been introduced on 1 July 2019 in the form of the previous draft (lapsed) legislation, by way of illustration, the levy would have resulted in an approximate impact of $2.52 million on the Company's forecast NPAT for FY2020 based on the number of the Company's Active Premises forecast for FY2020, prior to any pass on of the levy costs to Retail Service Providers. Under this scenario (based on the proposed payment regime under the previous draft legislation) the levy payment would not have been payable until December 2020 and would therefore not have had a cash flow impact until FY2021 (at which time the impact would also have be approximately $2.52 million). The actual impact on OptiComm is dependant on a number of unknown variables. OptiComm notes that the actual form of the Bush Levy will not be known until more details are provided by the Federal Government at the time the legislation is introduced. This would include specific terms such as the charge concession threshold, calculation of 'chargeable premises' and timing for implementation amongst others, which some or all of which may be subject to amendment during the parliamentary approval process. There were other legislative changes before the Senate prior to the May 2019 Federal election with the Regional Broadband Scheme, as part of the Telecommunications reform package, for example, including the Statutory Infrastructure Provider (SIP) bill. However, OptiComm does not consider the proposed changes contemplated in this other draft legislation (if it were to be re-introduced in its previous form) to be detrimental to OptiComm due to the benefit the SIP legislation provides in overbuild protection.[1]

1. The SIP legislative instrument was designed to ensure that all Australian premises are able to access superfast broadband services (25 Mbps or better) on reasonable request. Whilst the SIP bill proposed to make NBN Co the default 'infrastructure provider of last resort', there are clear provisions that allow other network providers to be SIPs where appropriate, for example where they have contracts to service premises in a new real estate development. As with the Bush Levy this legislation has lapsed with the federal election and is subject to re-introduction.

Risk	Description of risk
Regulatory/ policy risk (continued)	Other examples of regulatory change that could affect the fixed-line access market include: • government regulatory change which may impact technology or suppliers able to be used by OptiComm in its networks; • changes to data security regulation; • composition of new or modified carrier licence conditions; and • changes to telecommunications related legislation, regulations and policy. These examples are not exhaustive and there may be other regulatory changes introduced and/or implemented which may impact OptiComm's operations or growth.
Developer concentration risk	OptiComm has one major developer client which as at 31 December 2018 represented 21% of its YTD construction revenue for FY2019. Two other developer clients represented 6% and 5% respectively of YTD construction revenue for FY2019 as at 31 December 2018. No other developer client represented more than 5% of construction revenue as at 31 December 2018. The loss of one or more of these developer clients could have an impact on the Company's financial performance. OptiComm will continue to pursue expanding its developer client base, including establishing by 'whole of business' arrangements, which will reduce the level of developer concentration.
Supplier concentration risk	There is a risk that certain brands or products may no longer be available for use by OptiComm in its network, including as a result of government regulation, such as the recent introduction of the Telecommunications Sector Security Reform in September 2018 (via the *Telecommunications and Other Legislation Amendment Act 2017* (Cth)) imposing obligations on carriers such as OptiComm to protect telecommunications networks and facilities from unauthorised interference or unauthorised access for national security purposes. As OptiComm utilises a range of suppliers and manufacturers for its network equipment and is not reliant on one key supplier, OptiComm does not expect that a loss of a particular supplier or manufacturer, including if mandated by the introduction of government policy, direction or regulation, will have a material impact on OptiComm's ability to maintain or deploy its networks.
Key management personnel	An investment in the Group is in large part an investment in its key management team and personnel. The loss of key members of management, a change in the senior management team or the failure to attract additional skilled individuals to key management roles, could have a material adverse effect on the Company's operations, including its relationships with suppliers, developers, builders and residents.
New technology and product development risks	The Group's performance and financial position may be adversely affected by any inability of the Group to keep up with the latest technological advancements and to develop or acquire and integrate new technologies into its telecommunications networks. OptiComm operates a predominantly fibre network and management believe that the technology and standards deployed in OptiComm's network infrastructure have been designed with sufficient headroom to support current and projected bandwidth capacity requirements without the need for invasive or expensive upgrades or replacements to be made to the fibre infrastructure. Furthermore, management believe that the network system architecture employed by OptiComm, combined with the expertise of OptiComm's management and its ongoing industry research and product development activities, means OptiComm is well positioned to take advantage of most new technological advancements in fixed-access networks in a timely and cost-effective manner as new technologies become available. Currently OptiComm operates a predominantly fibre based GPON access platform with a very small percentage of premises on hybrid fibre-coax cable and VDSL. The next generation of access network technology XGS-PON is supported by this existing technology platform and there is an evolutionary migration path supporting co-existence of the two technologies on the one fibre.
Design, construction, and development risk	Any delays or unexpected costs associated with the design, construction, and development of any of OptiComm's fibre optic telecommunications infrastructure or any changes in funding arrangements with developers may harm OptiComm's growth prospects, future operating results and financial conditions. Delays or unexpected costs can be dictated by external factors such as decisions by developers to vary, delay or cancel developments or industry price increases affecting components, labour or other aspects of the design, construction and development stages. Whilst this risk is largely outside OptiComm's control, OptiComm actively manages this risk by having regular contact with its developer clients giving it visibility over the timing and completion of projected developments and keeping appraised on market conditions.

Risk	Description of risk
Backhaul pricing risk	OptiComm purchases managed services from third party infrastructure operators to provide its Inter Exchange Network or Backhaul. Pricing levels are set by the operator and may increase over time. Mitigation strategies employed by OptiComm to reduce any adverse impact of pricing changes include: • leveraging existing Backhaul across multiple estates; • conducting regular market reviews to ensure competitiveness between backhaul providers; and • ensuring there is no reliance on one particular supplier by having agreements with multiple wholesale Backhaul suppliers. Access to Backhaul in new development areas can be more expensive due to there being little to no existing high capacity fibre optic infrastructure available in those areas. In areas with limited existing infrastructure, the third party operator or OptiComm may be required to construct new Backhaul infrastructure which may span large distances to facilitate connection to the network in the new development. This may increase the amount of Backhaul infrastructure which OptiComm may be required to invest in and could impact the Group's ability to expand into new growth corridors. Mitigation strategies employed by OptiComm include: • leveraging existing Backhaul across multiple estates; and • where economically feasible constructing its own Backhaul infrastructure or part thereof.
Network risk	Accidental damage from civil works, intentional damage (such as vandalism or terrorism), and acts of God (such as floods, earthquakes or other natural disasters) may result in outages and damage to OptiComm's Fibre-to-the-Premises network, resulting in potential loss of revenue and/or increased operational costs due to repairs. Other network risks such as cyber-attacks, data theft and hacking may lead to loss, theft or corruption of data, each of which may result in OptiComm breaching its obligations under applicable laws and/or its contractual arrangements, as well as potentially having a material adverse impact on OptiComm's reputation and financial performance. Similarly, OptiComm's network may experience outages or physical interruptions due to other factors, many of which are outside OptiComm's control.
Credit risk	The Company is exposed to credit risks relating to the delayed payments or non-payments from its developer and/or Retail Service Provider customers, including in the event a customer ceases operations or suffer an insolvency event. If a material portion of customers were to default in payment under their respective arrangements with OptiComm this could have a material adverse effect on OptiComm's business, operating results and financial condition, including decreasing operating cash flows.
Future acquisitions risk	Whilst not a key growth strategy, the Company will consider acquisition and integration of further complementary businesses, where appropriate. There is a risk that OptiComm may be unable to identify and/or execute suitable opportunities, and a failure to do so could have an adverse impact on the value of the Shares.

5.2 GENERAL RISK FACTORS APPLYING TO AN INVESTMENT IN A LISTED ENTITY

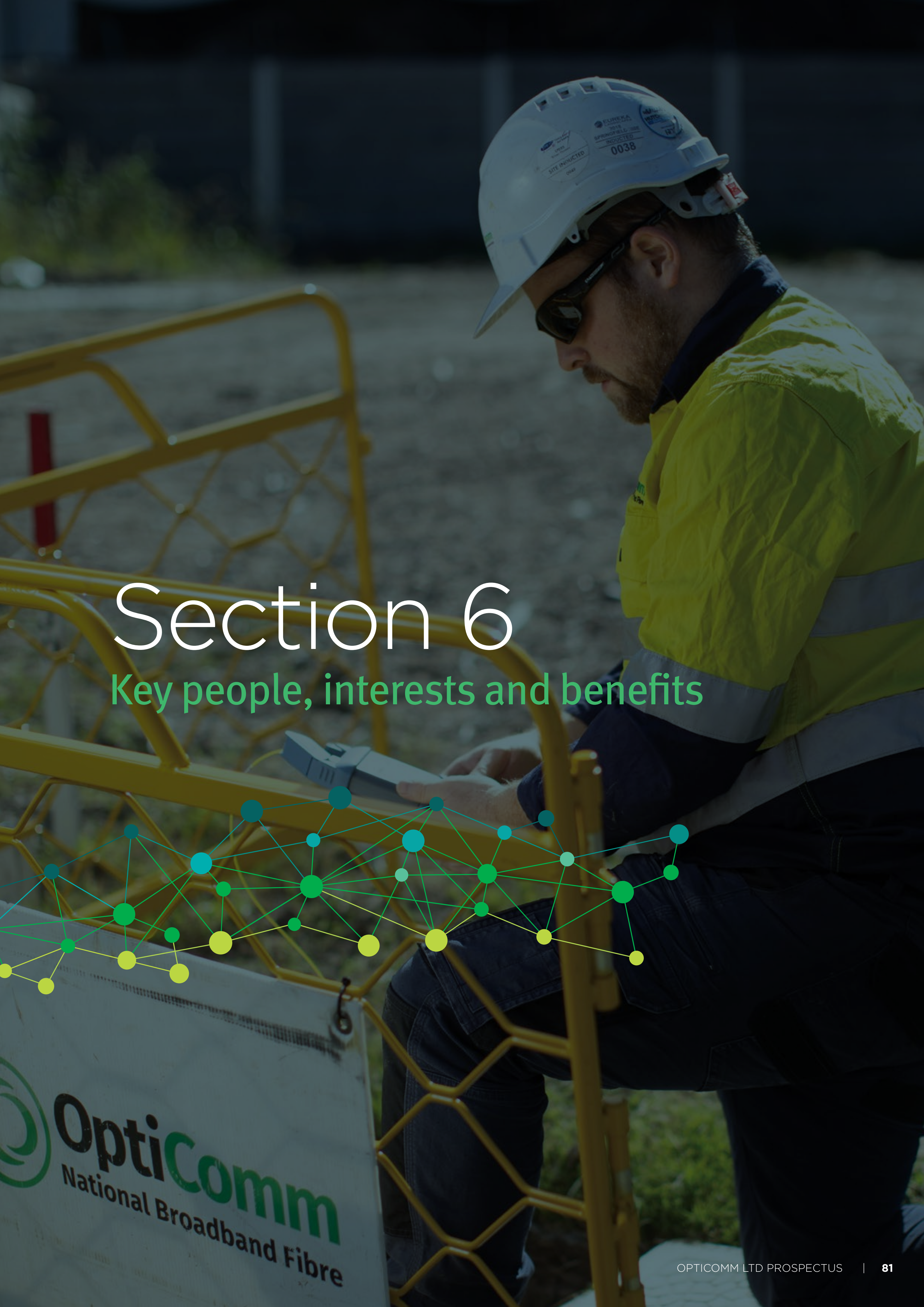
Risk	Description of risk
Share market price and liquidity	The market price of the Shares can rise and fall and may be subject to varied and unpredictable influences on the share market. The trading price of the Shares at any given time may be higher or lower than the price paid under the Offer. Further, you may be unable to sell or realise your investment because the market for Shares may be illiquid. As set out in Sections 7.9 and 10.3, in connection with the Offer, the Company has entered into voluntary escrow arrangements with Existing Shareholders pursuant to which the Shares the Existing Shareholders hold at Listing (other than any Shares acquired in the Offer) will be subject to voluntary escrow arrangements. In addition, as noted in Section 7.9, Shares issued to Eligible Employees who participate in the Employee Gift Offer will also be subject to a restriction period in accordance with the terms of the OptiComm Employee Share Plan. Accordingly, at Listing, approximately 79.62% of the Shares on issue will be subject to the proposed voluntary escrow restrictions and up to 0.04% of the Shares on issue will be subject to OptiComm Employee Share Plan restrictions (should all Eligible Employees participate in the Employee Gift Offer) and will not be able to be traded for a period after Listing (refer to Section 7.9 for a summary of the applicable time periods). Given the number of Shares subject to these trading restrictions, at Completion of the Offer and for a period until such time as the applicable voluntary escrow periods and restriction periods end, there will only be liquidity with respect to approximately 20.35% of the Shares on issue. This may cause, or at least contribute to, limited liquidity in the market for the Shares and could impact the prevailing market price for the Shares. Following release from the voluntary escrow restrictions, these Shares held by Existing Shareholders will be able to be freely traded on the ASX. A significant sale by the Existing Shareholders, or the perception that such sales have occurred or might occur, could adversely impact the price of Shares. The interests of the Existing Shareholders may be different from the interests of investors who acquire Shares in the Offer.

Risk	Description of risk
Financial market volatility	Share market conditions are affected by many factors, including but not limited to: • general economic outlook; • interest rates and inflation rates; • currency fluctuations; • changes in investor sentiment towards equities or particular market sectors; • political instability; • changes in government policies, taxation and other laws; • short selling and other trading activities; • the demand for, and supply of capital; and • natural disasters, social upheaval, war or other force majeure events. A fall in global or local equity markets or global or local bond markets may discourage investors from moving money into or out of equity markets. This may have a negative effect on the price at which the Shares trade on the ASX.
General economic conditions	In addition to the potential for the Group's revenue to be affected by changing economic conditions which may result in a downturn in the housing market (as noted in Section 5.1 above), OptiComm may also be negatively impacted by changes in the Australian or other international economies. In addition to the financial market volatility factor noted in the above risk, there are risks from continued volatility in the US and Europe, international debt issues, impacts from currency and interest rate shifts and the potential for a contraction in the availability of debt or capital. These macro-economic factors may impact negatively through reduced future revenues, reduced demand for OptiComm's services, increased costs, foreign exchange losses, impacts of government responses to macro-economic issues and impacts on equity markets. These factors are beyond the control of OptiComm and the impact cannot be predicted.
Dividends and franking of dividends	OptiComm expects to pay dividends in the future. The ability of the Company to pay dividends will depend on the level of available liquidity taking in to account future expected cash requirements of the Company. In addition, many of the factors that will affect OptiComm's ability to pay dividends and the timing of those dividends may be outside the control of the Company and its Directors. The Directors cannot give any assurance regarding the payment of dividends in the future. The payment of dividends on the Shares in the future will be determined by the Board in its discretion, and the Board will have regard to a number of factors outlined in Section 4.15, including OptiComm's operating and financial performance, financial position, the availability of growth opportunities and any other factors the Directors deem relevant. Moreover, to the extent OptiComm pays any dividends, OptiComm may not have sufficient franking credits in the future to frank dividends. Alternatively the franking system may be subject to review or reform. There is no guarantee that the Company will have sufficient franking credits in the future to fully frank dividends or that the franking system will not be varied or abolished. The extent to which a dividend can be franked will depend on OptiComm's franking account balance and its level of distributable profits. As noted in Section 9.3, the value and availability of franking credits to a Shareholder will depend on their particular tax circumstances. Shareholders should be aware that the ability to use franking credits, either as a tax offset or to claim a refund after the end of the income year will depend on the individual tax position of each Shareholder. No assurances can be given by any person, including the Directors, about payment of any dividend and the level of franking credits on any such dividend.
Shareholder dilution	In the future, the Company may elect to issue Shares or other securities, including by engaging in capital raisings to fund the Company's ongoing working capital requirements or acquisitions that the Company may decide to make, although none are contemplated in the short term. While the Company will be subject to the constraints of the ASX Listing Rules regarding the issue of Shares or other securities and the percentage of capital that it is able to issue within a 12 month period (other than where exceptions apply), Shareholders may be diluted as a result of such issues of Shares or other securities and capital raisings.

Risk	Description of risk
Changes in taxation laws and policies	Tax laws are in a continual state of change which may affect the Company and its Shareholders. There may be tax implications arising from ownership of the Shares, the receipt of franked and unfranked dividends (if any) from the Company, receiving returns of capital and the disposal of the Shares which differ for each Shareholder dependent on their individual financial affairs. The application of and changes in relevant taxation law (including income tax, goods and services taxes (or equivalent), customs duties and stamp duties), or changes in the way those taxation or duty laws are interpreted, will or may impact the taxation or duty liabilities of the Company and the Group or the taxation or duty treatment of a Shareholder's investment. An interpretation or application of taxation or duty laws or regulations by a relevant tax or revenue authority that is contrary to the Company's view of those laws may increase the amount of taxation or duty paid or payable by the Company and the Group. Any change to the current level or basis of taxation or duty may increase the amount of taxation or duty paid or payable, may adversely affect the Company's financial performance, may impact the returns achieved by Shareholders and could also have an adverse impact on the level of dividend franking and resulting Shareholder returns. In particular, the law regarding franking of dividends may change and dividends paid by the Company to certain investors may not be recognised as frankable by the ATO. The Company is not responsible for either taxation implications or penalties incurred by investors. To the maximum extent permitted by law, the Company, its offers and each of their respective advisors accept no liability or responsibility with respect to the taxation or duty consequences of subscribing for Shares under this Prospectus. Each prospective Shareholder is encouraged to carefully consider these tax implications and obtain independent advice from an accountant or other professional tax adviser in relation to the application of the tax legislation to their investment in the Company.
Changes to financial reporting standards	OptiComm's financial reports will be subject to compliance with the Australian Accounting Standards issued by the Australian Accounting Standards Board. Changes to the Australian Accounting Standards are outside the control of OptiComm or its Directors. The accounting treatment under the Australian Accounting Standards of transactions and events occurring in the operation of OptiComm's business, including any revision or updates to the interpretation of existing accounting standards, or changes to accounting standards, may have a material adverse effect on the performance reported in the Company's financial statements or in respect of other announcements to the ASX.
Force majeure events	Events may occur within or outside Australia that could impact upon the Australian economy, the Company, the Group or the price of Shares. These events include but are not limited to acts of terrorism, an outbreak of international hostilities, fires, floods, earthquakes, labour strikes, civil wars, natural disasters, outbreaks of disease or other natural or man-made events or occurrences that can have an adverse effect on the demand for OptiComm's services and its ability to conduct its business. The Company only has a limited ability to insure against some of these risks.
Other	There are a range of other general risks, which may impact on OptiComm's business or an investment in the Shares, which include but are not limited to: • industrial action impacting the business directly or indirectly; • litigation disputes brought by third parties, including but not limited to customers, suppliers, business partners, employees and government bodies; • government regulation and policies generally (in addition to taxation noted above); and • the occurrence of force majeure events, such acts of terrorism, an outbreak of international hostilities, fires, floods.

Section 6

Key people, interests and benefits



Section 6
Key People, Interests and Benefits

6.1 BOARD COMPOSITION

The business and affairs of the Group are managed directly by the Board. In particular, the Board:

- establishes the long-term goals of the Group and strategic plans to achieve those goals;
- manages risk by ensuring that the Group has implemented adequate systems of internal controls together with appropriate monitoring of compliance activities; and
- works with management to create shareholder value.

The Board is composed of experienced executives, with a broad and diverse range of business experience. Each of the Directors has indicated that they are able to devote sufficient time to their duties as a Director of OptiComm.

The composition of the Board is set out below.

ALLAN BRACKIN
Chairman and Independent Non-Executive Director

Appointed 13 May 2014

Mr Allan Brackin has over 35 years of management experience, principally in the technology industry.

Mr Brackin was the Group Chief Executive Officer of ASX listed information technology services company, Volante Limited (ASX: VGL) from 2000 to 2004 following its merger with AAG Technology Services, where Mr Brackin was the Chief Executive Officer (between 1986-2000).

Mr Brackin has co-founded a number of information technology companies which operated inside the AAG Technology organisation (including Applied Micro Systems, Netbridge Systems Integration, Prion Technology Distribution, Affinity IT Recruitment and Quadriga Consulting Group), and is also active in mentoring many business entrepreneurs and executives.

Mr Brackin has a Bachelor of Applied Science from Queensland University of Technology and has attended the Owner/President Management Program at Harvard University.

Other current ASX directorships
GBST Limited (ASX: GBT) – Chairman
RPM Global Limited (ASX: RUL) – Chairman
Sensera Limited (ASX: SE1) – Chairman

PAUL CROSS
Chief Executive Officer and Managing Director

Appointed 26 March 2007

Mr Paul Cross is a co-founder of OptiComm and has more than 20 years' experience within the fibre optic and telecommunication market.

Mr Cross was a co-founder and major shareholder of Optimal Cable Services Pty Ltd, an Australian manufacturer of fibre optic cables for the Telecommunication and Commercial markets within Oceania prior to its sale to AFL Communications (a USA-based fibre optic cable, connectivity and components manufacturer, a subsidiary of Fujikura Ltd of Japan).

Mr Cross was the Managing Director of the Australian office of Belden Cables (a major US-based manufacturer of specialised wire and cable products), the fibre operation of which was subsequently acquired by Optimal Cable Services. Mr Cross has also held General Manager Positions at Schneider Electric, Square D and State Manager positions at MSS Security and Email Westinghouse.

DAVID REDFERN
Non-Executive Director

Appointed 5 May 2014

Mr David Redfern is a co-founder of OptiComm and has over 40 years' experience within the telecommunications industry in Australia, primarily as a manufacturer and vendor of communications infrastructure products and systems.

Prior to OptiComm, Mr Redfern was a co-founder and major shareholder of Optimal Cables Services Pty Ltd, an Australian based manufacturer of optical fibre cables, which was created after the acquisition of the USA based Belden Cables factory assets in Australia.

Mr Redfern currently operates a number of other communications technology-based manufacturing and product based businesses in Australia and New Zealand.

KENNETH OGDEN

Independent Non-Executive Director

Appointed 13 May 2014

Mr Kenneth Ogden has over 30 years' experience as a tax and advisory practitioner.

Mr Ogden is a Partner at Pitcher Partners in the Private Business and Family Advisory division and has a breadth of taxation and commercial expertise, including in the areas of corporate acquisitions and restructures and in strategic business advice and planning.

Mr Ogden has a Bachelor of Business from Queensland University of Technology. He is also a Fellow of the Institute of Chartered Accountants, a Chartered Tax Advisor of the Taxation Institute of Australia, a registered taxation agent, and a representative of an Australian Financial Services Licence.

GREG ADCOCK

Independent Non-Executive Director

Appointed 1 July 2017

Mr Greg Adcock brings commercial and operational expertise developed from his senior executive roles at Telstra Corporation Ltd (ASX: TLS) where his career spanned more than 20 years, and subsequently at NBN Co where as Chief Operating Officer he was responsible for the key operational and commercial elements of one of Australia's largest infrastructure projects. His roles at Telstra included overseeing business and capital planning, contract establishment, operational process optimisation, regulatory compliance, strategic projects and Telstra's productivity initiative program.

Mr Adcock is a Member of the Australian Institute of Company Directors and a Member of the Australian Institute of Project Management.

Other current ASX directorships
Service Stream Limited (ASX: SSM) – Non-Executive Director

JENNIFER DOUGLAS

Independent Non-Executive Director

Appointed 21 August 2017

Ms Jennifer Douglas is an experienced non-executive director with over 25 years of experience in the technology and media industries.

After starting her career as a lawyer, Ms Douglas went on to hold senior executive roles at Sensis and Telstra. Her roles at Telstra included responsibility for its $3 billion fixed voice business, establishing its technology support business Platinum, responsibility for its internal consulting and change team and Telstra's Executive Director of Customer Experience. Ms Douglas was also General Counsel and Head of Regulatory at Sensis.

Ms Douglas holds degrees in Law (with Honours) and Science from Monash University and a Masters of Law and Masters of Business Administration from Melbourne University. She is also a Graduate of the Australian Institute of Company Directors.

Other current ASX directorships
Hansen Technologies Limited (ASX: HSN) – Non-Executive Director

6.2 MANAGEMENT TEAM

PAUL CROSS

Chief Executive Officer and Managing Director

Appointed 26 March 2007

Mr Paul Cross is a co-founder of OptiComm and has more than 20 years' experience within the fibre optic and telecommunication market.

Mr Cross was a co-founder and major shareholder of Optimal Cable Services Pty Ltd, an Australian manufacturer of fibre optic cables for the Telecommunication and Commercial markets within Oceania prior to its sale to AFL Communications (a USA-based fibre optic cable, connectivity and components manufacturer, a subsidiary of Fujikura Ltd of Japan).

Mr Cross was the Managing Director of the Australian office of Belden Cables (a major US-based manufacturer of specialised wire and cable products), the fibre operation of which was subsequently acquired by Optimal Cable Services. Mr Cross has also held General Manager Positions at Schneider Electric, Square D and State Manager positions at MSS Security and Email Westinghouse.

JOHN PHILLIPS

Chief Financial Officer and Company Secretary

Joined OptiComm in 2017

Mr John Phillips is the Chief Financial Officer and Company Secretary.

Mr Phillips has extensive experience in managing large professional services and technology focused organisations, having previously held several executive management positions at Oakton Ltd (ASX: OKN) including as Group Chief Financial Officer, National Consulting Director, and Audit Partner.

Mr Phillips has strong leadership skills, combined with strong financial management and business development skills.

Mr Phillips, a Chartered Accountant, holds a Bachelor of Accounting from the University of Canberra. He is also a Member of the Institute of Chartered Accountants in Australia.

GEOFF ALDRIDGE

Chief Customer Officer

Joined OptiComm in 2007

Mr Geoff Aldridge is the Chief Customer Officer. He is responsible for the strategy and day to day operations within the sales department.

Mr Aldridge has been in the information and communications technology industry for over 20 years, with expertise in the deployment of cable television networks, telephony networks, the integration of GIS systems, managing infrastructure integration, coordinating network builds and deploying Hybrid Fibre Cable TV networks into Greenfield estates. Prior to joining OptiComm, Mr Aldridge held positions in the UK working on various HFC deployments on a contract basis for United Artists, NYNEX, TCI, Bel Cablemedia and Cabletel.

Mr Aldridge set up BES's cable TV division in 1996 and was involved in the deployment of approximately 40 networks from 1996 to 2005. He was involved in the successful deployment of the first commercial broadband DOCSIS cable modem network, partnering with both Cisco and iiNet and the deployment of the first standard base Fibre-to-the-Home network in Australia using the EPON standard.

STEPHEN DAVIES

Chief Technology Officer

Joined OptiComm in 2008

Mr Stephen Davies is the Chief Technology Officer. He is primarily responsible for developing and executing the technology strategy for the Company.

Mr Davies has 30 years' experience in the information and communications technology industry, with specialised expertise in the Fibre-to-the-Premises industry in Australia. He assisted in the development of the Federal Government's original National Broadband Network policy by providing advice and recommendations to the former Minister for Communications as well as subsequently chairing the Digital Economy Industry Group (Brownfields). This group represented 200 people from 140 companies.

Mr Davies has a strong business acumen and brings extensive operational, technical and strategic planning experience developed from his previous senior roles at Titan ICT Consultants, Silk Telecom, Bright Telecommunications, Amcom Telecommunications, and Atlas Global Networks.

Mr Davies has a Master of Business Administration, Master of Science, and a Postgraduate Diploma in Telecommunications Management from Murdoch University. He also holds a wide range of industry certifications.

MARTIN STOCKLEY

Chief Construction Officer

Joined OptiComm in 2014

Mr Martin Stockley is the Chief Construction Officer. He has worked across most of the OptiComm business including Finance, Commercial, Construction and Operations.

Mr Stockley has over 30 years of experience, and prior to working at OptiComm held roles at various companies in Australia, New Zealand and the UK, including Madison Technologies and KPMG. Most recently, Mr Stockley has worked for over 15 years' in the telecommunications and cabling industries.

Mr Stockley holds a Bachelor of Business (Accountancy) from Massey University (NZ). He is also a Chartered Accountant and a member of The Institute of Chartered Accountants Australia and New Zealand.

BEN LIEW

Chief Networks Officer

Joined OptiComm in 2017

Mr Ben Liew is the Chief Network Officer. He is responsible for the operational well-being of OptiComm's network and associated systems. Mr Liew is also in charge of leading the engineering team to ensure the continuous enhancement of OptiComm's platforms.

Prior to joining OptiComm, Mr Liew worked with NBN Co for eight years where he held senior leadership roles in their Technology and Operations functions. Mr Liew was part of the initial Fibre-to-the-Home deployment of NBN Co where he led the technology strategy and deployment of the NBN Co core and aggregation networks. During his time at NBN Co, Mr Liew was the National Executive Manager for the fixed line access portfolio. This key position drove the implementation of Fibre-to-the Node, Fibre-to-the-Basement and Fibre-to-the-Curb technologies to meet the Federal Government's Multi-Technology-Mix policy. Prior to this, Mr Liew held multiple leadership roles at Alcatel-Lucent (Nokia) where he was instrumental in leading large network transformation projects with telecommunication customers in the Asia Pacific Region.

Mr Liew's qualifications include a Bachelor of Engineering in Information Engineering from Massey University, and a Master of Engineering in Electrical and Electronics Engineering from the University of Auckland.

CASSANDRA EASTHAM

Head of Human Resources

Joined OptiComm in 2018

Ms Cassandra Eastham is the Human Resource Manager. She is responsible for providing human resources support and advice, and maintaining and enhancing the Company's human resources by planning, implementing, evaluating and ensuring compliance with employee relations and human resources policies, programs, and practices.

Ms Eastham is an experienced, Australian Human Resource Institute award winning human resources leader, with 20 years of comprehensive human resources and general management experience, underpinned by a diverse background in organisational development, human capital transformation, conflict resolution, strategic planning and employment law. She has extensive cross industry background, coupled with experience supporting large diverse workforces across multiple locations in a number of industries in both the private and public sector.

Ms Eastham is an AHRI Certified HR Practitioner (CAHRI).

6.3 DIRECTORS' RELEVANT INTERESTS AND BENEFITS

At the date of this Prospectus, other than as set out below or elsewhere in this Prospectus, no Director or proposed director of the Company:

- has or had at any time during the two years preceding the date of this Prospectus, an interest in the formation or promotion of the Company, or in any property acquired or proposed to be acquired by the Company, or the Offer; and
- has been paid or agreed to be paid any amount (whether in cash, Shares or otherwise) or has been given or agreed to be given any other benefit, either to induce him or her to become, or to qualify him or her as, a Director, or otherwise for services rendered by him or her in connection with the formation or promotion of the Company or the Offer.

6.3.1 DIRECTORS' RELEVANT INTEREST IN SECURITIES

Directors are not required to hold Shares under OptiComm's Constitution. Details of the relevant interest of each Director in Shares and other Securities (whether held directly or through entities they control) are set out in the below table.

Directors may participate in the Offer, however the below table does not reflect any proposed participation.

All Shares held by the Directors (that are either held personally or through controlled entities) at Listing (excluding any Shares acquired in the Offer) will be subject to a 24 month voluntary escrow period as described in Sections 7.9 and 10.3.

6.3.2 REMUNERATION

Non-executive Director remuneration

Under the Constitution, the Board may decide the total amount paid to each Non-Executive Director as remuneration for their services as a Non-Executive Director of the Company. However, under the Constitution and the ASX Listing Rules, the total amount paid to all Non-Executive Directors for their services must not exceed in aggregate in any financial year the amount fixed by the Company's general meeting.

An amount of $600,000 per annum, excluding out of pocket expenses, was fixed by the Company's shareholders at its annual general meeting held in November 2018.

The Board may in its discretion approve that Directors receive Shares as part of their remuneration, subject at all times to applicable law and the ASX Listing Rules.

At the date of this Prospectus, each Non-Executive Director receives annual remuneration of $80,000 (inclusive of goods and services tax (**GST**) and superannuation), with the Chair receiving an additional $20,000. In addition, each Director will receive additional fees for any Board sub-committee to which they are appointed, being $10,000 per annum for a chair appointment and $5,000 per annum for a member appointment, including superannuation contributions and other taxes (if applicable). Refer to Section 10.5.1 for a summary of the terms under which the Non-Executive Directors are appointed.

Executive Director remuneration

Paul Cross is currently the only executive director on the Board. In his role as Chief Executive Offer, Mr Cross is entitled to receive fixed annual remuneration of $425,000 inclusive of superannuation), plus an additional cash payment of up to $106,250 under OptiComm's FY19 STI Plan. Refer to Section 10.5.2 for a summary of Mr Cross' employment agreement and Section 10.4.1 for a summary of the terms of the FY19 STI Plan.

	Shares held at Prospectus Date		Shares held at Listing[1]	
Director[2]	No.	%	No.	%[3]
Paul Cross	15,603,010	16.09%	13,262,558	12.74%
Allan Brackin	2,071,202	2.14%	1,760,521	1.69%
Kenneth Ogden	4,142,435	4.27%	3,521,069	3.38%
David Redfern	30,101,280	31.03%	25,586,087	24.58%
Greg Adcock	–	0.00%	-	0.00%
Jennifer Douglas	–	0.00%	-	0.00%
Total	**51,917,927**	**53.52%**	**44,130,235**	**42.40%**

1. Assumes no participation in the Offer by Directors other than as stated in this Prospectus.
2. Directors may hold their interests in Shares shown above directly or indirectly through holdings by companies or trusts.
3. Assumes full participation by 81 Eligible Employees under the Employee Gift Offer and no participation in the Offer by Directors.

In addition to this remuneration, it is intended that, after Listing, Mr Cross may be awarded a grant of performance rights as a long term incentive under the Company's Performance Rights Plan, however no award has been made at the Prospectus Date. Any grant (if made) will be made on terms (including with respect to vesting conditions) determined in the Board's discretion and will be subject to the requisite shareholder approvals as required by the ASX Listing Rules and other regulatory requirements.

Additional Director remuneration incentives

In addition to the remuneration noted above, all Directors (including Non-Executive Directors) may be eligible to participate in the Company's Performance Rights Plan, at the discretion of the Board, under the advice of the Remuneration and Nomination Committee.

At this date of this Prospectus, no performance rights have been granted to Directors or any other participants. Any grants to Directors after Listing will be subject to requisite shareholder approvals and other regulatory requirements.

Refer to Section 10.4.2 for a summary of the terms of the Performance Rights Plan.

6.3.3 INDEMNIFICATION OF DIRECTORS AND OFFICERS

The Company has entered into deeds of access, insurance and indemnity with each Director and the company secretary. Refer to Section 10.5.3 for a summary of these agreements.

The Company also maintains a management liability insurance policy which includes directors' and officers' (D&O) insurance.

6.3.4 RELATED PARTY ARRANGEMENTS

OptiComm has arrangements with entities associated with certain of its directors as follows:

Paul Cross

OptiComm has in the past purchased and, at the date of this Prospectus, continues to purchase, certain materials and services associated with the pit and pipe stage (installation, repair and change) from Pon Project Services Pty Ltd. Paul Cross, a Director and CEO of OptiComm, is a 9% shareholder in Pon Project Services Pty Ltd.

OptiComm paid Pon Project Services Pty Ltd approximately $3.5 million in FY2017 and approximately $4.0 million in FY2018 pursuant to these arrangements. OptiComm expects that fees payable to Pon Project Services Pty Ltd in FY2019 will be approximately $4.4 million.

David Redfern

OptiComm has in the past on occasion purchased certain inventory and stock items from Madison Technologies Pty Ltd and may in the future continue to purchase such items where necessary. David Redfern, a Director of OptiComm, is the sole shareholder and director of Madison Technologies Pty Ltd.

OptiComm paid Madison Technologies Pty Ltd approximately $1,900 in FY2017 and approximately $16,000 in FY2018 pursuant to these arrangements. OptiComm expects that fees payable to Madison Technologies Pty Ltd in FY2019 will be approximately $3,000.

Ken Ogden

OptiComm has in the past engaged, and, at the date of this Prospectus, continues to, engage Pitcher Partners to provide certain professional services to OptiComm including:

- ongoing 'business as usual' corporate accounting and tax support services including accounting software and corporate accounting administration, company secretarial and tax advisory services; and
- discrete engagements including acquisition tax and financial due diligence services and pre-IPO accounting, corporate advisory and tax preparation support services. Pitcher Partners has acted as Australian tax adviser to OptiComm in connection with the IPO and has performed work in relation to due diligence enquiries on Australian taxation matters (refer to Section 11.7).

Ken Ogden, a Director of OptiComm, is a partner of Pitcher Partners Brisbane, a national association of independent Australian accounting firms.

OptiComm paid Pitcher Partners approximately $73,000 in FY2017 and approximately $260,000 in FY2018 pursuant to these arrangements. OptiComm expects that fees payable to Pitcher Partners in FY2019 will be approximately $170,000, including $17,000 relating to the tax due diligence matters performed in relation to this Prospectus as noted in Section 11.7.

The Board (with Mr Ogden abstaining) has determined that Mr Ogden is an independent director, notwithstanding the Pitcher Partner arrangements.

Refer to Section 6.3.4 for details of OptiComm's policy for approval of related party transactions. Also refer to Section 6.4.4 for the Board's determination of independence in relation to the Directors.

6.3.5 DIRECTOR DISCLOSURES

No Director has been the subject of any disciplinary action, criminal conviction, personal bankruptcy or disqualification in Australia or in any other jurisdiction in which they have resided in the last 10 years which is relevant or material to the performance of their duties as a Director of the Company or which is relevant to an investor's decision as to whether to subscribe for Shares.

No Director has been an officer of a company that has entered into any form of external administration as a result of insolvency during the time that they were an officer or within a 12 month period after they ceased to be an officer.

6.4 THE BOARD AND CORPORATE GOVERNANCE

The Board is concerned to ensure that the Company is properly managed to protect and enhance Shareholder interests and that the Company, its Directors and officers operate in an appropriate governance environment. The Board is responsible for the overall governance of the Company. The Company is committed to achieving and maintaining best practice corporate governance and compliance arrangements for the Company to the extent appropriate given the Company's size and circumstances.

Section 6.4.1 sets out a brief summary of governance policies currently adopted by the Board, whilst OptiComm's corporate governance statement setting out how the Company follows the ASX Corporate Governance Principles as at the Prospectus date has been set out in Section 6.4.2.

6.4.1 GOVERNANCE POLICIES

The governance policies set out below have been adopted by the Board and will be made available on the Company's website prior to its admission to the Official List. The Company's corporate governance policies are intended to institutionalise good corporate governance and build a culture of best practice both in the Company's own internal practices and in its dealings with others.

Governance policy	Summary
Board charter	The board charter formalises the functions and responsibilities of the Board (including the process for evaluating the performance of the Board and its committees). The Board is responsible for the financial and operating policies of the Company and has authority over the day to day management of the Company including various responsibilities which have been set out in the board charter. The Company considers that a Director is an independent director where that Director is free from any interest, position or relationship that could materially interfere, or be perceived to interfere with, the independent exercise of the Director's judgement. The Company has also assessed the independence of its Directors having regard to the requirements for independence which are set out in the ASX Corporate Governance Principles. To fulfil their duties and responsibilities as Directors, each Director (with the prior approval of the chairman) may seek independent legal or other professional advice about any aspect of the Company's operations. The chairman's approval may not be unreasonably withheld or delayed. The cost of the advice is borne by the Company.
Code of conduct	The code of conduct sets out the core values that underpin the way in which the Company's Board, officers and employees are to act and behave.
Securities trading policy	The securities trading policy sets out the Company's policy with regard to trading in the Company's securities. This policy applies to all employees and contractors of the Company and their associates and any other persons who the Board may nominate. The policy sets out the general prohibition on insider trading, restrictions on trading outside of approved trading windows and the process for seeking written clearance approval for trades outside of the specified trading windows.
Diversity policy	The diversity policy sets out the Company's policy with regard to its commitment to complying with the diversity recommendations published by ASX, including by establishing measurable objectives for achieving gender diversity where considered appropriate and necessary by the Board, promoting diversity among the Board and at all levels of the Company's workforce and keeping Shareholders informed of the Company's progress towards implementing and achieving its diversity objectives.
Shareholder Communications policy	The shareholder communications policy sets out practices which the Company will implement to ensure effective communication with its Shareholders and other stakeholders and to encourage and facilitate participation at the Company's general meetings.
Continuous disclosure policy	The continuous disclosure policy has been adopted with a view to ensuring that the Company complies with the continuous disclosure requirements of the ASX Listing Rules and the Corporations Act. The policy sets out certain procedures and measures which are designed to ensure the Company complies with its continuous disclosure obligations and highlights the requirements for immediate notification; the procedure for disclosing the information; those responsible for disclosing the information; and policy review details.

Governance policy	Summary
Risk management policy	This policy is designed to assist the Company to identify, monitor and manage the risks affecting the Company's business.
Audit and Risk Committee charter	The Board is committed to a transparent system for auditing and reporting the Group's financial performance. The Board has established an Audit and Risk Committee whose principal functions are to: • assist the Board and ensure that appropriate accounting policies and internal controls are established and followed; • assist the Board to produce accurate financial statements in compliance with all applicable legal requirements and accounting standards; and • ensure the efficient and effective management of business risks. The Company has established a system of risk oversight and management. The Company's senior management maintains a risk register and this is reviewed at each meeting of the Audit and Risk Committee. The Audit and Risk Committee charter outlines: the composition of the audit and risk committee; its authority and responsibilities; meeting requirements; reporting procedures; and oversight of the risk management system. As at the date of this Prospectus, Ken Ogden, David Redfern, Greg Adcock and Allan Brackin are members of the Company's Audit and Risk Committee, and Ken Ogden is appointed as the chair.
Remuneration and Nomination Committee charter	The Remuneration and Nomination Committee's role is to: • assist the Board and make recommendations to it about the appointment of new directors, executives and certain staff at other levels of the Company; and • advise on remuneration and issues relevant to remuneration policies and practices, including for directors and senior management. The Remuneration and Nomination Committee charter outlines the composition of the committee; its responsibilities (including in relation to the selection of and making recommendations about new Board candidates and ongoing responsibilities for Board member performance reviews, assessments and remuneration policies) and its meeting requirements. As at the date of this Prospectus, Jennifer Douglas, Greg Adcock and Allan Brackin are members of the Company's Remuneration and Nomination Committee, and Jennifer Douglas is appointed as the chair.

6.4.2 CORPORATE GOVERNANCE STATEMENT

The Company has considered the ASX Corporate Governance Principles and Recommendations for Australian listed entities (4th edition) (**ASX Corporate Governance Principles**) developed and released by the ASX Corporate Governance Council to determine an appropriate system of control and accountability to best fit its business and operations commensurate with the ASX Corporate Governance Principles. The 4th edition of the ASX Corporate Governance Principles were released in February 2019 and will apply to all ASX listed entities in respect of an entity's first full financial year commencing on or after 1 January 2020. OptiComm has elected to have regard to the principles and recommendations in the 4th edition of the ASX Corporate Governance Principles and report against these for the purposes of its initial corporate governance statement.

The ASX Corporate Governance Principles are not prescriptions, but guidelines. As required under the ASX Listing Rules, the Company will be required to provide a statement (a 'corporate governance statement') in its annual report or on its website disclosing the extent to which it has followed the ASX Corporate Governance Principles in the reporting period. Where the Company determines it would be inappropriate to follow the ASX Corporate Governance Principles because of its circumstances in a particular reporting period, the Company will identify the recommendation that has not been followed and will provide reasons for not doing so in its annual corporate governance statement for the relevant reporting period.

The Board has evaluated the Company's current corporate governance policies and practices at the date of this Prospectus and does not anticipate that it will depart from the recommendations in the ASX Corporate Governance Principles, other than as set out below.

Recommendation	Comment
1.5 Diversity policy *(Partly complying)*	The Company has adopted a diversity and inclusion policy which supports and facilitates the Company's diversity commitment. The Board is accountable for ensuring the Company's compliance with its diversity commitments including by: • overseeing the diversity and inclusion policy, including reviewing its appropriateness and effectiveness from time to time; • encouraging and promoting other initiatives, policies and processes considered appropriate from time to time to encourage and promote diversity; and • to the extent considered appropriate for the Company having regard to its circumstances at the relevant time, ensuring compliance with the ASX Governance Principles in respect of diversity. The Board will also work with the Remuneration and Nomination Committee to ensure that recruitment and selection processes at all levels are appropriately structured so that a diverse range of candidates are considered and the Company's diversity profile is taken into account in the selection and appointment of qualified employees, senior management and Board candidates. The Board may from time to time delegate responsibilities to the Remuneration and Nomination Committee to ensure that the Company's diversity commitments are implemented appropriately in relation to directors, executives and certain staff at other levels of the organisation. OptiComm's diversity and inclusion policy also provides a process for the Board to decide measurable objectives and procedures which the Company will implement and report against to achieve its diversity goals as appropriate for its operations. The Board has not set measurable objectives for achieving diversity and the Board has made this election having regard to the size of the Company and the industry in which it operates. Notwithstanding the absence of set measurable diversity objectives, the Company is, and will continue to be, cognisant of promoting an inclusive and diverse workforce and notes that the Remuneration and Nomination Committee Charter allows committee members to take into account diversity factors and any relevant diversity policy when making recommendations regarding nomination matters. Following its Listing on the ASX, the Board intends to review its diversity policies at least annually.
2.2 Board skills matrix *(Partly complying)*	OptiComm notes the importance of a high performing and effective board of directors in ensuring proper governance of a listed entity. Whilst the Board has not yet adopted a formal board skills matrix, when structuring its board, OptiComm has taken into account the benefits of having a mix of members which bring a diverse set of skills, backgrounds, perspectives and experiences to the Board and considers that its Board is currently comprised of members with skills and experience in the following areas: • industry knowledge, in particular the information technology, telecommunications and fibre optic industries; • business management; • corporate governance; • product development and manufacturing; • sales and marketing; and • finance. There are also a range of qualifications currently represented across OptiComm's board of directors, including in the fields of tax, finance and accounting, business management, project management, and legal qualifications and experience. OptiComm's board of directors will regularly review the skills, experience and attributes held by the directors and whether the board group as a whole possess the skills and experience required to fulfil their role on the Board and relevant Board committees. Where any gaps are identified, the Board will consider if additional appointments are necessary or whether training or development could be undertaken to fill those gaps provide resources or access to resources to help develop and maintain the skills and knowledge of its directors.
6.4 Substantive resolutions decided by a poll *(Partly complying)*	As stated in item 6.3 of the Company's Shareholder Communication Policy, the Board will consider whether any resolution put to security holders for consideration at a meeting of security holders (including any substantive resolutions) will be decided by a poll rather than a show of hands having regard to the specific circumstances applying to the resolution at the relevant time.

The Board will consider on an ongoing basis its corporate governance policies and procedures and whether they are sufficient given the Company's nature of operations and size and will seek to follow the ASX Corporate Governance Principles moving forward where possible.

6.4.3 POLICY FOR APPROVAL OF RELATED PARTY TRANSACTIONS

The Company's Audit and Risk Committee is responsible for reviewing and recommending for approval all transactions in which the Company is a participant and in which any related parties of the Company, has or will have a direct or indirect material interest.

The Audit and Risk Committee or its Chairperson, as the case may be, will only approve those related party transactions that are determined to be in, or are not inconsistent with, the best interests of the Company and its Shareholders, after taking into account all available facts and circumstances as the Audit and Risk Committee or the Chairperson determines in good faith to be necessary. Transactions with related parties will also be subject to Shareholder approval to the extent required by the ASX Listing Rules or the Corporations Act.

6.4.4 INDEPENDENCE

The Company has assessed the independence of its directors having regard to the factors set out in the ASX Corporate Governance Principles and has concluded that its non-executive directors, Allan Brackin, Ken Ogden, Greg Adcock and Jennifer Douglas are considered to be independent Directors, free from any business or any other relationship that could materially interfere with, or reasonably be perceived to interfere with the independent exercise of the Directors' judgement and each is able to fulfil the role of an independent director for the purposes of the ASX Corporate Governance Principles.

Allan Brackin and Ken Ogden are considered independent notwithstanding they both have interests in OptiComm shares through entities they control, respectively representing 2.14% and 4.27% of OptiComm's share capital at the date of this Prospectus and expected to be approximately 1.69% and 3.38% respectively at the time of Listing. Both holdings are below the 'substantial holder' thresholds referred to in Box 2.3 of the ASX Corporate Governance Principles.

In addition, Ken Ogden is considered independent notwithstanding he is a partner at Pitcher Partners Brisbane which provides certain professional services to OptiComm as noted in Section 6.3.4 above. A summary of some of the factors which contributed to the Board's determination have been set out in the Company's corporate governance statement which will be made available on the Company's website and will be provided to the ASX as part of its Listing application.

Notwithstanding the existence of the abovementioned matters, the Board has concluded that these relationships do not influence Mr Brackin or Mr Ogden's capacity to exercise independent judgement or their ability to act in the best interests of OptiComm and its security holders and accordingly regard them both as independent.

Paul Cross is not considered independent due to his role as CEO of the Company.

Non-executive director, David Redfern is not considered independent due to his interests in OptiComm shares through entities he controls representing approximately 31.03% of OptiComm's share capital at the date of this Prospectus and expected to be approximately 24.58% at the time of Listing and the supply arrangements with Madison Technologies noted in Section 6.3.4 above.

6.4.5 COMPANY SECRETARY

The Company Secretary is responsible for ensuring that Board procedures and policies are followed and provides advice to the Board including on matters involving corporate governance and the ASX Listing Rules. All Directors have unfettered access to the advice and services of the Company Secretary. As at the date of this Prospectus, John Phillips is the Company Secretary.

Section 7

Details of the Offer

Section 7
Details of the Offer

7.1 THE OFFER

This Prospectus relates to an initial public offering of Shares by the Company at an Offer Price of $2.00 per Share.

The Offer is an invitation to apply for 21.18 million Shares offered by the Company, comprising the issue of 7.04 million New Shares by the Company and the sale of 14.14 million Sell-Down Shares by SaleCo. $14.08 million will be raised for the Company from the issue of the New Shares, and $28.27 million for Selling Shareholders by the sale of the Sell-Down Shares.

In addition, the Company is offering under this Prospectus $1,000 of Shares to Eligible Employees under the OptiComm Employee Share Plan pursuant to the Employee Gift Offer for no cost. If all Eligible Employees take up the Employee Gift Offer, it is expected 40,500 Shares will be issued to Eligible Employees. Refer Section 7.13 and Section 10.4.3.

It is expected there will be 104.08 million Shares on issue at the time of Listing and all Shares will rank equally with each other. The rights and liabilities attaching to the Shares are set out in Section 11.6.

The Offers are made on the terms, and are subject to the conditions, set out in this Prospectus.

7.2 STRUCTURE OF THE OFFERS

The Offers comprise:

- the Broker Firm Offer, which is open to Australian and New Zealand resident retail clients of Brokers who have received a firm allocation from their Broker (see Section 7.11);
- the Institutional Offer, which consists of an invitation to bid for Shares made to Institutional Investors in Australia, New Zealand, Singapore and Hong Kong (see Section 7.12); and
- the Employee Gift Offer, which is open to Eligible Employees that receive an invitation from the Company to apply for Shares (see Section 7.13).

No general public offer of Shares will be made under the Offer. Members of the public wishing to apply for Shares under the Offer must do so through a Broker with a firm allocation of Shares.

The Offers (with the exception of the Employee Gift Offer) have been fully underwritten by the Lead Manager and Underwriter pursuant to an Underwriting Agreement, under which the Lead Manager and Underwriter has been appointed to arrange and manage the Offer and act as lead manager, bookrunner and underwriter of the Offer.

A summary of the Underwriting Agreement, including the events which would entitle the Lead Manager and Underwriter to terminate the Underwriting Agreement, is set out in Section 10.1.

The Shares will be issued or transferred (as applicable) to Successful Applicants on the Allotment Date.

The Company reserves the right in its absolute discretion to close the Offer early, to accept late Applications or extend the Offer without notifying any recipient of this Prospectus or any Applicant.

The Offer is made on the terms, and is subject to the conditions, set out in this Prospectus.

7.3 OPENING AND CLOSING DATES

The proposed opening date for acceptance of the Offer will be 23 July 2019 or such later date as may be prescribed by ASIC.

The Offer is expected to remain open until 5.00pm on 12 August 2019.

The Directors reserve the right to open and close the Offer at any other date and time, without prior notice.

No Shares will be issued or transferred on the basis of this Prospectus later than 13 months after the date of this Prospectus.

7.4 PURPOSE OF THE OFFER

The Company is seeking to raise funds and list on ASX to:

- provide OptiComm with access to capital markets which is expected to provide additional financial flexibility and enable OptiComm to pursue further growth opportunities;
- provide OptiComm with the benefits of an increased public profile that arises from being a listed entity;
- broaden OptiComm's shareholder base and provide a liquid market for its Shares; and
- provide Existing Shareholders with an opportunity to partially realise their investment in OptiComm.

The proceeds of the Offer will be applied to:

- pay the Selling Shareholders the Sell-Down Proceeds from the Sell-Down;
- working capital to fund the expenditures described in Section 4; and
- pay the costs associated with the Offer.

7.5 SOURCE AND USE OF FUNDS

The Institutional Offer and Broker Firm Offer are expected to raise $42.35 million of gross proceeds, which will be applied in accordance with the sources and uses of funds table below. No funds will be raised from the Employee Gift Offer.

Sources	$	%	Uses	$	%
Offer proceeds from issue of New Shares	$14,080,000	33.25%	Payment of Sell-Down Proceeds to Selling Shareholders	$28,271,834	66.75%
Offer proceeds from sale of Sell-Down Shares	$28,271,834	66.75%	Working capital	$10,680,000	25.22%
			Pay costs of the Offers	$3,400,000	8.03%
Total	**$42,351,834**	**100.00%**	**Total uses**	**42,351,834**	**100.00%**

The table above sets out the proposed use of proceeds from the Offer and represents the Company's current intentions based on its plans and the present business conditions in each of its markets. The amounts and timing of the actual expenditures and investments may vary significantly and will depend on numerous factors including revenues from the existing business and any changes in the business and economic environment. In light of this, the Board reserves its right to alter the way the funds are applied.

The Directors believe that at Listing, the Company will have sufficient funds available from the proceeds of the Offers and its ongoing operations to fulfil the purposes of the Offers and to meet the Company's stated objectives as described in Sections 7.3 and 7.4.

7.6 PARTIAL SELL-DOWN BY THE SELLING SHAREHOLDERS

The Company will pay the Selling Shareholders cash for their Sell-Down Shares which will be paid out of the proceeds of the Offer. Please refer to the use of funds table above which shows the amount payable by the Company to the Selling Shareholders for the Sell-Down Shares on Completion.

7.7 SHAREHOLDING STRUCTURE

A total of 21 Shareholders presently hold 100% of the Shares in the Company. The Existing Shareholders are expected to hold approximately 79.62% of the Shares on issue at Listing.

The ownership structure of the Company at the Prospectus Date and at Listing is shown in the table below.

	Shares held at Prospectus Date		Shares held at Listing[1]	
Holder	No.	%	No.	%
Directors[2]	51,917,927	53.52%	44,130,235	42.40%
Senior management team[3]	6,213,548	6.41%	5,281,514	5.07%
Other Existing Shareholders[4]	38,869,511	40.07%	33,453,320	32.14%
New investors in the Offer	0	0.00%	21,175,917	20.35%
Employee Gift Offer Shareholders[5]	0	0.00%	40,500	0.04%
Total	**97,000,986**	**100.00%**	**104,081,486**	**100.00%**

1. Assumes full participation by 81 Eligible Employees under the Employee Gift Offer and no participation in the Offer by Existing Shareholders.
2. Directors may hold their interests in Shares directly or indirectly through holdings by companies or trusts.
3. Senior management comprises Geoffrey Aldridge, Martin Stockley, Stephen Davies and Timothy Hamilton. Senior management may hold their interests in Shares directly or indirectly through holdings by companies or trusts. Excludes any Shares that may be acquired by senior management as Eligible Employees under the Employee Gift Offer or in the Offer.
4. All other Existing Shareholders that are not affiliated with Directors or senior management. Excludes any Shares that may be acquired under the Employee Gift Offer or in the Offer.
5. Assumes full participation by 81 Eligible Employees under the Employee Gift Offer. As noted above, some Eligible Employees may be Existing Shareholders.

The below table sets out the interests of the Existing Shareholders who hold a substantial interest in Shares of the Company (being those parties with relevant interests in more than 5% of the Company's voting shares) at the Prospectus Date, and their expected holdings at Listing. The table does not reflect any Shares which the Existing Shareholders may subscribe for under the Offer

	Shares held at Prospectus Date		Shares held at Listing[6]	
Name of substantial holder	**No.**	**%**	**No.**	**%**
Opnet Pty Ltd[7]	21,471,259	22.14%	18,250,570	17.53%
Asoon Holdings Pty Ltd[8]	15,603,010	16.09%	13,262,558	12.74%
AFL Telecommunications Australia Pty Ltd	13,807,969	14.23%	11,736,773	11.28%
Diamantina Superannuation Pty Ltd[9]	6,903,999	7.12%	5,868,399	5.64%
Total	**57,786,237**	**59.57%**	**49,118,300**	**47.19%**

Shares held by these substantial holders at Listing (other than Shares acquired under the Offer or in the Employee Gift Offer) will be subject to voluntary escrow restrictions. Refer to Sections 7.9 and 10.3 for further details on the voluntary escrow restrictions.

7.8 CONTROL IMPLICATIONS OF THE OFFER

The Directors do not expect any Shareholder will control (as defined by section 50AA of the Corporations Act) OptiComm at Listing.

The Existing Shareholders (in aggregate) are expected to hold approximately 79.62% of the share capital on Completion of the Offer (assuming they do not subscribe for any Shares). It is not expected that any one Shareholder or group of Shareholders will control the Company (as defined by section 50AA of the Corporations Act) as a result of allocations under the Offer.

7.9 ESCROW ARRANGEMENTS

An 'escrow' is a restriction on sale, disposal, or encumbering of, or certain other dealings in respect of, the Shares concerned for the period of the escrow, subject to certain exceptions set out in the escrow arrangement.

All Existing Shareholders have agreed to enter into voluntary escrow arrangements in relation to certain of the Shares they will hold on Completion of the Offer. Details of the Shares to be subject to voluntary escrow arrangements are as follows:

Holder	Escrowed shares[10]	% of total Shares on issue at Listing[11]	Escrow period
Directors[12]	44,130,235	42.40%	24 months
Senior management team[13]	5,281,514	5.07%	24 months
Other Existing Shareholders[14]	33,453,320	32.14%	6 months
Total	**82,865,069**	**79.62%**	

A summary of the terms of the voluntary restriction agreements is set out in Section 10.3.

In addition to the above voluntary escrow arrangements, Eligible Employees who participate in the Employee Gift Offer will be subject to a restriction period in respect of the Shares they acquire under the Employee Gift Offer as detailed in Section 10.4.3, that will be effected by a holding lock being placed on the relevant Shares. This may represent up to approximately 0.04% of Shares on issue at Completion (assuming all Eligible Employees take up the offer to participate in the Employee Gift Offer).

6. Assumes full participation by 81 Eligible Employees under the Employee Gift Offer and no participation in the Offer by Existing Shareholders.
7. Entity affiliated with David Redfern (Non-Executive Director). Shares held as trustee for Opnet Trust.
8. Entity affiliated with Paul Cross (CEO and Managing Director). Shares held as trustee for The Cross Family Trust.
9. Entity affiliated with David Redfern (Non-Executive Director). Shares held as trustee for David Redfern Superannuation Fund.
10. Assumes full participation by 81 Eligible Employees under the Employee Gift Offer and no participation in the Offer by Existing Shareholders.
11. Assumes full participation by 81 Eligible Employees under the Employee Gift Offer and no participation in the Offer by Existing Shareholders.
12. Directors may hold their interests in Shares directly or indirectly through holdings by companies or trusts.
13. Senior management comprises Geoffrey Aldridge, Martin Stockley, Stephen Davies and Timothy Hamilton. Senior management may hold their interests in Shares directly or indirectly through holdings by companies or trusts. Excludes any Shares that may be acquired by senior management under the Employee Gift Offer or in the Offer.
14. All other Existing Shareholders that are not affiliated with Directors or senior management. Excludes any Shares that may be acquired under the Employee Gift Offer or in the Offer.

7.10 TERMS AND CONDITIONS OF THE OFFERS

What is the type of security being offered?	Shares (being fully paid ordinary shares in the Company).
What are the rights and liabilities attached to the security being offered?	A description of the Shares, including rights and liabilities attaching to them is set out in Section 11.6.
What is the consideration payable for each security being offered?	The Offer Price per Share is $2.00. Successful Applicants under the Broker Firm Offer and the Institutional Offer will pay the Offer Price for Shares acquired in the Broker Firm Offer and the Institutional Offer. Eligible Employees who submit applications in respect of the Employee Gift Offer will not pay any consideration for the Shares acquired in the Employee Gift Offer.
What is the Offer Period?	The key dates, including details of the Offer Period are set out on page 7 in the Important Dates section. The proposed opening date for acceptance of the Offers will be 23 July 2019 or such later date as may be prescribed by ASIC. The Offers are expected to remain open until 5.00pm (AEST) 12 August 2019. The Directors reserve the right to open and close the Offers at any other date and time, without prior notice. No Shares will be issued or transferred on the basis of this Prospectus later than 13 months after the date of this Prospectus.
What are the cash proceeds to be raised?	$42.35 million will be raised if the Offers proceed. Of this, the Company will receive $14.08 million for the issue of the New Shares (prior to deductions for Offer costs) with $28.27 million to be paid to the Selling Shareholders as proceeds for the sale of the Sell-Down Shares. No proceeds will be received from the issue of Shares to Eligible Employees in the Employee Gift Offer.
Is the Offer underwritten?	The Broker Firm Offer and the Institutional Offer is fully underwritten by Morgans Corporate Limited. In the event the Company does not receive Applications for the full amount of 21,175,917 Shares under the Broker Firm Offer and the Institutional Offer, the Lead Manager and Underwriter will subscribe for, or procure subscriptions for any shortfall. Refer to Section 10.1 for full details of the Underwriting Agreement. The Employee Gift Offer is not underwritten.
Who can apply?	The Broker Firm Offer is open to persons who have received a firm allocation of Shares from their Brokers and who have a registered address in Australia or New Zealand. You should contact your Broker to determine whether you can receive a firm allocation form them under the Broker Firm Offer. The Institutional Offer consists of an invitation to certain Institutional Investors in Australia and certain foreign jurisdictions to apply for Shares under the Offer. The Employee Gift Offer is an invitation to Eligible Employees to apply for Shares under the OptiComm Employee Share Plan. Only those Applicants who have received an Employee Gift Offer invitation from the Company may apply for Shares under the Employee Gift Offer.
What is the minimum and maximum application size under the Broker Firm Offer?	The minimum Application under the Broker Firm Offer and the Institutional Offer is $2,000 for 1,000 Shares, with incremental multiples of 250 Shares (i.e. incremental multiples of at least $500). There is no maximum Application under the Broker Firm Offer and the Institutional Offer. The Lead Manager and Underwriter, in consultation with the Company, reserves the right to reject any Application or to allocate a lesser number of Shares than applied for. Under the Employee Gift Offer, Eligible Employees will be offered the opportunity to apply for $1,000 worth of Shares (being 500 Shares) for no consideration as stated in their Employee Gift Offer invitation received from the Company.

What is the allocation policy?	The allocation of Shares between the Broker Firm Offer and the Institutional Offer will be determined by agreement between the Company and SaleCo and the Lead Manager and Underwriter having regard to the allocation policy outlined in Sections 7.11 and 7.12. With respect to the Broker Firm Offer, it is a matter for the Broker how they allocate firm Shares among their eligible retail clients. For further information on the Broker Firm Offer see Section 7.11. For further information on the Institutional Offer see Section 7.12. As noted above, all Eligible Employees will be offered the opportunity to apply for $1,000 worth of Shares (being 500 Shares) for no consideration. For further information on the Employee Gift Offer see Section 7.13.
When will I receive confirmation that my Application has been successful?	It is expected that initial holding statements will be dispatched by standard post on or about 16 August 2019.
Will the Shares be quoted?	The Company will apply within seven days of the date of this Prospectus to be admitted to the Official List and will seek quotation of the Shares on ASX under the code 'OPC'. Completion of the Offer is conditional on the ASX approving this application. If approval is not given within three months after such application is made (or any longer period permitted by law), the Offers will be withdrawn and all Application Monies received will be refunded without interest as soon as practicable in accordance with the requirements of the Corporations Act.
When are the Shares expected to commence trading?	It is expected that trading of the Shares on the ASX will commence on or about 22 August 2019, subject to ASX confirmation. It is the responsibility of each Applicant to confirm their own holdings before trading on ASX, and any Applicant who sells their Shares before they receive an initial holding statement does so at its own risk. To the maximum extent permitted by law, the Company, SaleCo, the Directors of the Company and SaleCo, the Existing Shareholders, the Share Registry, and the Lead Manager and Underwriter disclaim all liability, whether in negligence or otherwise, to persons who trade Shares before receiving their initial holding statements, whether on the basis of a confirmation of allocation provided by any of them, by the Offer Information Line, by a Broker or otherwise.
Are there any escrow arrangements?	Yes. Refer to Sections 7.9 and 10.3 in relation to the voluntary escrow arrangements that will apply after Completion of the Offer.
Has ASIC relief or an ASX waiver been obtained or been relied on?	Yes. The details of ASIC relief in respect of the voluntary escrow arrangements is set out in Section 11.13.
Are there any taxation considerations?	The taxation consequences of any investment in the Shares will depend on your particular circumstances. It is your responsibility to make your own enquiries concerning the taxation consequences of an investment in the Company. A general overview of the Australian and New Zealand taxation implications of investing in the Company is set out in Section 9. The information in Section 9 is not intended as a substitute for investors obtaining independent tax advice in relation to their personal circumstances.
Are there any brokerage, commission or stamp duty considerations?	No brokerage, commission or stamp duty is payable by Applicants on the acquisition of Shares under the Offer. See Sections 10.1.1 and 11.7 for details of various fees payable by the Company to the Lead Manager and Underwriter.
What should I do with any enquiries?	The Prospectus (including the Application Form) and information about the Offer can be accessed in electronic form at www.opticomm.net.au. If you have queries about investing under the Offer, you should contact your stockbroker, financial adviser, accountant or other professional adviser. If you have queries about how to apply under the Offer or would like additional copies of this Prospectus, please call the Offer Information Line on 1800 992 039 (within Australia) or +61 1800 992 039 (outside Australia) between 8.30am and 5.30pm AEST.

7.11 BROKER FIRM OFFER

7.11.1 WHO CAN APPLY?

The Broker Firm Offer is open to persons who have received a firm allocation of Shares from their Broker and who have a registered address in Australia or New Zealand. If you have received a firm allocation of Shares from your Broker, you will be treated as a Broker Firm Offer Applicant in respect of that allocation. You should contact your Broker to determine whether you can receive an allocation of Shares from them under the Broker Firm Offer.

7.11.2 HOW TO APPLY

If you have received an allocation of Shares from your Broker and wish to apply for those Shares under the Broker Firm Offer, you should contact your Broker for information about how to submit your Broker Firm Offer Application Form and for payment instructions.

Applicants under the Broker Firm Offer must not send their Broker Firm Offer Application Forms or payment to the Share Registry. Applicants under the Broker Firm Offer should contact their Broker to request a copy of this Prospectus and Broker Firm Offer Application Form. Your Broker will act as your agent and it is your Broker's responsibility to ensure that your Application Form and Application Amount are received before 5.00pm (AEST) on the Closing Date or any earlier closing date as determined by your Broker.

Applications for Shares must be for a minimum of $2,000 for 1,000 Shares and payment for the Shares must be made in full at the issue price of $2.00 per Share. There is no maximum number or value of Shares that may be applied for under the Offer however Applications in excess of the minimum number of Shares must be in multiples of 250 Shares.

The Company, SaleCo and the Lead Manager and Underwriter reserve the right to reject or scale back any Applications in the Broker Firm Offer. The Company or SaleCo may determine a person to be eligible to participate in the Broker Firm Offer and may amend or waive the Broker Firm Offer Application procedures or requirements, in its discretion in compliance with applicable laws.

The Broker Firm Offer opens at 9am (AEST) on 23 July 2019 and is expected to close at 5.00pm (AEST) on 12 August 2019. The Company, SaleCo and the Lead Manager and Underwriter may elect to close the Broker Firm Offer early or extend the Broker Firm Offer, or accept late Applications either generally or in particular cases. The Broker Firm Offer may be closed at any earlier date and time, without further notice. Applicants are therefore encouraged to submit their Applications as early as possible.

If you are an investor applying under the Broker Firm Offer, you should complete and lodge your Broker Firm Offer Application Form with the Broker from whom you received your firm allocation.

Broker Firm Offer Application Forms must be completed in accordance with the instructions given to you by your Broker and the instructions set out on the reverse of the Broker Firm Offer Application Form.

By making an Application, you declare that you were given access to this Prospectus, together with an Application Form. The Corporations Act prohibits any person from passing an Application Form to another person unless it is attached to, or accompanied by, a hard copy of this Prospectus or the complete and unaltered electronic version of this Prospectus. The Company will not accept a completed Application Form if it has reason to believe you as the Applicant have not received a complete copy of the Prospectus or it has reason to believe that the Application Form has been altered or tampered with in any way.

The Company, SaleCo the Lead Manager and Underwriter and the Share Registry take no responsibility for any acts or omissions committed by your Broker in connection with your Application.

7.11.3 PAYMENT METHODS

Applicants under the Broker Firm Offer must pay their Application Amounts to their Broker in accordance with instructions provided to you by that Broker.

7.11.4 ALLOCATION POLICY UNDER THE BROKER FIRM OFFER

The allocation of Shares under the Broker Firm Offer will be determined by the Lead Manager and Underwriter, in consultation with the Company. There is no assurance that any person will be allocated any Shares or the number of Shares for which they apply.

The Company reserves the right in its absolute discretion to not issue Shares to Applicants under the Broker Firm Offer and may reject any Application or allocate a lesser amount of Shares than those applied for at is absolute discretion.

7.11.5 ACCEPTANCE OF APPLICATIONS

An Application in the Broker Firm Offer is an offer by the Applicant to apply for the amount of Shares specified in the Broker Firm Offer Application Form, at the Offer Price on the terms and conditions set out in this Prospectus and the Application Form. To the extent permitted by law, an Application by an Applicant under the Broker Firm Offer is irrevocable.

An Application may be accepted in respect of the full amount, or any amount lower than that specified in the Broker Firm Offer Application Form, without further notice to the Applicant. Acceptance of an Application will give rise to a binding contract on allocation of Shares to Successful Applicants. The Lead Manager and Underwriter, in agreement with the Company and SaleCo, reserves the right to reject any Application which is not correctly completed or which is submitted by a person who they believe is ineligible to participate in the Broker Firm Offer, or to waive or correct any errors made by an Applicant in completing their Application.

7.11.6 APPLICATION AMOUNTS

Applicants under the Broker Firm Offer whose Applications are not accepted, or who are allocated a lesser number of Shares than the amount applied, will be mailed a refund (without interest) for all or part of their Application Amounts, as applicable. No refunds due solely to rounding will be provided. Interest will not be paid on any monies refunded and any interest earned on Application Amounts pending the allocation or refund will be retained by the Company and SaleCo.

To participate in the Broker Firm Offer, the Broker Firm Offer Application Form must be completed and received, together with the Application Amounts, in accordance with the instructions on the Broker Firm Offer Application Form.

The Company, SaleCo, the Share Registry and the Lead Manager and Underwriter take no responsibility for any acts or omissions by your Broker in connection with your Application, Application Form or Application Money.

Your Broker should explain this procedure to you in further detail. If you have a firm allocation of Shares and are in any doubt about what action to take, you should immediately contact the Broker who has made you the firm offer.

7.11.7 HOW TO CONFIRM YOUR ALLOCATION

Applicants under the Broker Firm Offer will be able to call the Offer Information Line on 1800 992 039 (within Australia) or +61 1800 992 039 (outside Australia) between 8.30am and 5.30pm AEST, from 15 August 2019 to confirm their allocation.

Holding statements confirming Applicants' allocations under the Broker Firm Offer are expected to be sent to Successful Applicants on or around 16 August 2019. If you sell Shares before receiving a holding statement, you do so at your own risk, even if you obtained details of your holding from the Offer Information Line. See also Section 7.17.

7.12 INSTITUTIONAL OFFER

7.12.1 WHO CAN APPLY?

The Institutional Offer consists of an invitation prior to or after the Prospectus date to certain Institutional Investors in Australia and certain foreign jurisdictions to apply for Shares under this Prospectus. Application procedures for the Institutional Offer have been, or will be, advised to the Institutional Investors by the Lead Manager and Underwriter. Shares acquired by Institutional Investors as part of the Institutional Offer will be allotted or transferred under this Prospectus.

7.12.2 ALLOCATION POLICY UNDER THE INSTITUTIONAL OFFER

The allocation of Shares for Institutional Investors applying for Shares in the Institutional Offer will be by the Lead Manager and Underwriter, in consultation with the Company and SaleCo. Participants in the Institutional Offer have been, or will be, advised of their allocation of Shares, if any, by the Lead Manager and Underwriter.

The Company and Lead Manager and Underwriter have absolute discretion regarding the basis of allocation of Shares among the Institutional Investors and there was no assurance that any Institutional Investor would be allocated any Shares, or the number of Shares for which it had applied for.

The allocation policy was influenced, but not constrained, by the following factors:

- number of Shares bid for by particular Applicants;
- the timeliness of the bid by particular Applicants;
- the Company's desire to establish a wide spread of institutional shareholders;
- overall level of demand under the Broker Firm Offer and Institutional Offer;
- the size and type of funds under management of particular Applicants;
- the likelihood that particular Applicants will be long-term Shareholders; and
- any other factors that the Company, SaleCo and the Lead Manager and Underwriter considered appropriate.

7.13 EMPLOYEE GIFT OFFER

7.13.1 WHO CAN APPLY?

Eligible Employees of the Group who have received an Employee Gift Offer invitation from the Company are entitled to participate in the Employee Gift Offer and may apply for Shares under the Employee Gift Offer. The Employee Gift Offer invitation will detail the terms of the Employee Gift Offer, including the allocation of Shares. Refer to Section 10.4.3 for further details on the persons who the Company has determined to be Eligible Employees for the purposes of the Employee Gift Offer.

7.13.2 HOW TO APPLY

If you have received an Employee Gift Offer invitation from the Company inviting you to acquire Shares under the Employee Gift Offer and wish to apply for those Shares, you should follow the instructions for submitting an Application online at www.opticomm.net.au as set out in the Employee Gift Offer invitation. Applications must be received by the Share Registry by 5.00pm (AEST) on the Closing Date or any earlier closing date as determined by the Company. Application Forms must be completed in accordance with the instructions given to you in the Employee Gift Offer invitation.

Eligible Employees should read the separate Employee Gift Offer invitation and this Prospectus carefully and in their entirety before deciding whether to apply under the Employee Gift Offer. If you are unclear in relation to any matter or are uncertain as to whether Shares are a suitable investment for you, you should seek professional guidance from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding whether to invest.

The Employee Gift Offer opens at 9.00am (AEST) on 23 July 2019 and is expected to close at 5.00pm (AEST) on 12 August 2019. The Company, SaleCo and the Lead Manager and Underwriter may elect to close the Employee Gift Offer or extend the Employee Gift Offer, or accept late Applications either generally or in particular cases. The Employee Gift Offer may be closed at any earlier date and time, without further notice. Applicants are therefore encouraged to submit their Applications as early as possible.

By making an Application, you declare that you were given access to this Prospectus, together with an Application Form. The Corporations Act prohibits any person from passing an Application Form to another person unless it is attached to, or accompanied by, a hard copy of this Prospectus or the complete and unaltered electronic version of this Prospectus. The Company will not accept a completed Application Form if it has reason to believe you as the Applicant have not received a complete copy of the Prospectus or it has reason to believe that the Application Form has been altered or tampered with in any way.

7.13.3 PAYMENT METHODS

No payment for Shares is required for the Employee Gift Offer.

7.13.4 ALLOCATION POLICY UNDER THE EMPLOYEE GIFT OFFER

Eligible Employees who submit a valid Application will receive a guaranteed allocation of $1,000 of Shares (being 500 Shares based on the Offer Price).

7.13.5 ACCEPTANCE OF APPLICATIONS

An Application in the Employee Gift Offer is an offer by the Applicant to apply for the amount of Shares specified in the Application Form accompanying the Employee Gift Offer invitation on the terms and conditions set out in this Prospectus and the Employee Gift Offer invitation. To the extent permitted by law, an Application by an Applicant under the Employee Gift Offer is irrevocable.

Acceptance of an Application will give rise to a binding contract on allocation of Shares to Successful Applicants. The Company reserves the right to reject any Application which is not correctly completed or which is submitted by a person who they believe is ineligible to participate in the Employee Gift Offer, or to waive or correct any errors made by an Applicant in completing their Application.

7.13.6 HOW TO CONFIRM YOUR ALLOCATION

Applicants under the Employee Gift Offer will be able to call the Offer Information Line on 1800 992 039 (within Australia) or +61 1800 992 039 (outside Australia) between 8.30am and 5.30pm AEST, from 15 August 2019 to confirm their allocation.

Holding statements confirming Applicants' allocations under the Employee Gift Offer are expected to be sent to Successful Applicants on or around 16 August 2019. If you sell Shares before receiving a holding statement, you do so at your own risk, even if you obtained details of your holding from the Offer Information Line. See also Section 7.17.

7.14 MANAGEMENT AND UNDERWRITING OF THE OFFER

The Offer (other than the Employee Gift Offer) is being managed and fully underwritten by Morgans Corporate Limited as Lead Manager and Underwriter under the Underwriting Agreement. The Lead Manager and Underwriter, subject to certain conditions and termination events, agrees to underwrite Applications for all Shares under the Offer (other than under the Employee Gift Offer). The Underwriting Agreement is subject to a number of conditions precedent and sets out a number of circumstances under which the Lead Manager and Underwriter may terminate the Underwriting Agreement and subsequent underwriting obligations.

The terms of the Underwriting Agreement are summarised more fully in Section 10.1.

7.15 BROKERAGE, COMMISSION AND STAMP DUTY

You do not have to pay brokerage, commission or stamp duty if you acquire Shares under the Offer. Fees are payable by the Company in relation to the Offer to the Lead Manager and other advisers, details of which are set out in Sections 11.7 and 11.8.

7.16 ALLOCATION POLICY

Refer to Sections 7.11.4, 7.12.2 and 7.13.4 for the allocation policies applying to each of the Broker Firm Offer, the Institutional Offer and the Employee Gift Offer respectively.

7.17 ALLOTMENT OR TRANSFER

Subject to the Company's admission to the Official List, the allotment or transfer of the Shares offered by this Prospectus will take place as soon as possible following the Closing Date.

If the Directors believe the Application does not comply with applicable laws or regulations, they reserve the right to decline the Application in full or to allot or transfer any lesser number.

The Allotment Date is expected to be 15 August 2019.

Trading of the Shares on ASX is expected to commence on 22 August 2019 on a normal T + 2 settlement basis.

If you sell your Shares before receiving an initial holding statement, you do so at your own risk, even if you have obtained details of your holding from your Broker or the Offer Information Line on 1800 992 039 (within Australia) or +61 1800 992 039 (outside Australia) between 8.30am and 5.30pm AEST.

7.18 ASX LISTING

No later than seven days after the date of this Prospectus, the Company will apply to ASX for admission to the Official List and for its Shares to be granted official quotation by ASX. The Company is not currently seeking a listing of its Shares on any financial market other than ASX.

The fact that ASX may admit the Company to the Official List and grant official quotation of the Shares is not to be taken in any way as an indication of the merits of the Company or the Shares offered for subscription under the Offer. ASX takes no responsibility for the contents of this Prospectus. Normal settlement trading in the Shares, if Listing is granted, will commence as soon as practicable after the issue of holding statements to Successful Applicants.

It is the responsibility of Applicants to determine their allocation prior to trading in the Shares. Applicants who sell Shares before they receive confirmation of their allotment will do so at their own risk.

If ASX does not grant permission for the Shares to be quoted within three months after the date of this Prospectus (or any longer period permitted by applicable law), the Shares will not be issued and all Application Monies will be refunded (without interest) as soon as practicable.

7.19 CHESS AND ISSUER SPONSORED HOLDINGS

The Company will apply to participate in CHESS, in accordance with the ASX Listing Rules and the ASX Settlement Rules. CHESS is an automated transfer and settlement system for transactions in securities quoted on ASX under which transfers are affected in an electronic form.

When the Shares become CHESS approved financial products (as defined in the ASX Settlement Rules), holdings will be registered in one of two sub-registers, being an electronic CHESS sub-register or an issuer sponsored sub-register. For all Successful Applicants, the Shares of a Shareholder who is a CHESS participant, or a person sponsored by a CHESS participant, will be registered on the CHESS sub-register. All other Shares will be registered on the issuer sponsored sub-register.

Following allotment, Successful Applicants will be sent an initial holding statement that details the number of Shares that have been issued or transferred to them under the Offer. This holding statement will also provide details of a Security holders Holder Identification Number (HIN) for CHESS holders, or, where applicable, the Security holders Reference Number (SRN) of issuer sponsored holders. Shareholders will need to quote their HIN or SRN, as applicable, in all dealings with a stockbroker or the Share Registry. Shareholders will subsequently receive statements showing any changes to their holding. Certificates will not be issued.

Shareholders will receive subsequent statements during the first week of the following month if there has been a change to their holding on the register and as otherwise required under the ASX Listing Rules and the Corporations Act. Additional statements may be requested at any other time either directly through the Shareholder's sponsoring broker in the case of a holding on the CHESS sub-register or through the Share Registry in the case of a holding on the issuer sponsored sub-register. The Company and the Share Registry may charge a fee for these additional issuer sponsored statements.

7.20 FOREIGN SELLING RESTRICTIONS

No action has been taken to register or qualify the offer of Shares under this Prospectus or otherwise to permit a public offering of the Shares in any jurisdiction outside of Australia.

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. The distribution of this Prospectus in jurisdictions outside Australia or New Zealand may be restricted by law. Persons who come into possession of this Prospectus who are not in Australia or New Zealand should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities law.

By making an Application, you warrant and represent that:

- you are an Australian or New Zealand citizen or resident, are located in Australia or New Zealand at the time of the Application and are not acting for the account or benefit of any person in the United States or any other foreign person; and
- you will not offer or sell the Shares in the United States or in any other jurisdiction outside Australia or to a United States person, except in transactions exempt from registration under the US Securities Act, and in compliance with all applicable laws in the jurisdiction.

7.21 DISCRETION UNDER THE OFFER

The Company and SaleCo reserve the right not to proceed with the Offer at any time before the Allotment Date. If the Offer does not proceed, all relevant Application Monies received will be refunded in full (without interest). The Company takes no responsibility for Application Monies paid to the Lead Manager and Underwriter or Brokers until these are received by the Company.

The Company reserves the right to decline any Applications in whole or in part without giving any reason. An Application may be accepted by the Company in respect of the full number of Shares specified in the Application or any of them without further notice to the Applicant. Acceptance of an Application will give rise to a binding contract.

The Company and SaleCo also reserve the right to close the Offer (or any part of it) early, extend the Offer or any part of it, accept late Applications, either generally or in particular cases, reject any Application, or allocate to any Applicant fewer Shares than applied, in each case without notifying any recipient of this Prospectus or any Applicant.

7.22 TAX IMPLICATIONS OF INVESTING IN THE COMPANY

The taxation consequences of any investment in the Shares will depend on your particular circumstances. It is your responsibility to make your own enquiries concerning the taxation consequences of an investment in the Company.

A general overview of certain Australian taxation implications of investing in the Company is set out in Section 9 and is based on current tax and duty law and relevant guidance. The information in Section 9 is not intended as a substitute for investors obtaining independent tax advice in relation to their personal circumstances.

7.23 FURTHER INFORMATION

The Prospectus (including the Broker Firm Offer Application Form) and information about the Offer can be accessed in electronic form at www.opticomm.net.au.

If you have queries about investing under the Offer, you should contact your stockbroker, financial adviser, accountant or other professional adviser.

If you have queries about how to apply under the Offer or would like additional copies of this Prospectus, please call the Offer Information Line on 1800 992 039 (within Australia) or +61 1800 992 039 (outside Australia) between 8.30am and 5.30pm AEST.

7.24 ACKNOWLEDGEMENTS

Each Applicant under the Offer will be deemed to have:

- agreed to become a member of the Company and to be bound by the Constitution and the terms and conditions of the Offer;
- acknowledged having personally received a printed or electronic copy of this Prospectus (and any supplementary or replacement prospectus) including or accompanied by the Application Form and having read them all in full;
- declared that all details and statements in their Application Form are complete and accurate;
- declared that the Applicant(s), if a natural person, is/are over 18 years of age;
- acknowledged that, once the Company or a Broker receives an Application Form, it may not be withdrawn;
- applied for the number of Shares at the Australian dollar amount shown on the front of the Application Form;
- agreed to being allocated and issued or transferred the number of Shares applied for (or a lower number allocated or transferred in a way described in this Prospectus) or no Shares at all;
- authorised the Company, the Lead Manager and Underwriter and their respective officers or agents, to do anything on behalf of the Applicant(s) necessary for Shares to be allocated to the Applicant(s), including to act on instructions received by the Share Registry upon using the contact details in the Application Form;
- acknowledged that, in some circumstances, the Company may not pay dividends, or that any dividends paid may not be franked;
- acknowledged that the information contained in this Prospectus (or any supplementary or replacement prospectus) is not financial product advice or a recommendation that Shares are suitable for Applicant(s), given the investment objectives, financial situation and particular needs (including financial and taxation issues) of the Applicant(s);
- declared that the Applicant(s) is/are a resident of Australia or New Zealand (except as applicable to the Institutional Offer);
- acknowledged and agreed that the Offer may be withdrawn by the Company or may otherwise not proceed in the circumstances described in this Prospectus; and
- acknowledged and agreed that if Listing does not occur for any reason, the Offer will not proceed.

Each Applicant, will be taken to have represented, warranted and agreed as follows:

- it understands that the Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state of the United States and may not be offered, sold or resold, pledged, transferred in the United States, except in accordance with the US Securities Act regulation requirements or in a transaction exempt from, or not subject to, registration under the US Securities Act and any other applicable state securities laws;
- it is not in the United States;
- it has not sent and will not send this Prospectus or any other material relating to the Offer to any person in the United States; and
- it will not offer or sell the Shares in the United States or in any other jurisdiction outside Australia except in transactions exempt from, or not subject to, registration requirements of the US Securities Act and in compliance with all applicable laws in the jurisdiction in which Shares are offered and sold.

Section 8

Investigating Accountants' Report

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Level 10, 12 Creek St
Brisbane QLD 4000
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Australia

The Directors
OptiComm Ltd
Unit 5, 297 Ingles Street
Port Melbourne VIC 3207

15 July 2019

Dear Directors,

INDEPENDENT LIMITED ASSURANCE ENGAGEMENT ON FORECAST FINANCIAL INFORMATION

Introduction

BDO Corporate Finance (QLD) Ltd ('BDO Corporate Finance') has been engaged by OptiComm Ltd ('OptiComm') to report on the statutory forecast financial information and pro forma forecast financial information ('the Forecast Financial Information') for inclusion in the Prospectus dated on or about 15 July 2019 and relating to the issue of 21.18 million shares in OptiComm ('the Prospectus').

Expressions and terms defined in the Prospectus have the same meaning in this report ('this Report').

The nature of this Report is such that it can only be issued by an entity which holds an Australian Financial Services Licence under the Corporations Act 2001. BDO Corporate Finance holds the appropriate Australian Financial Services Licence under the Corporations Act 2001.

BDO applies Auditing Standard ASQC 1 Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, Other Assurance Engagements and Related Services Engagements and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We also comply with ASA 102 *Compliance with Ethical Requirements When Performing Audits, Reviews and Other Assurance Engagement*.

Our limited assurance engagement has been carried out in accordance with auditing or other standards and practices generally accepted within Australia. This Report cannot be assumed to have been compiled with practices or standards applicable in other jurisdictions.

This Report, including the Financial Services Guide which follows, must be read in full.

Scope

You have requested that BDO Corporate Finance review the following Forecast Financial Information of OptiComm (being the party responsible for the Forecast Financial Information) included in the Prospectus:

- The pro forma forecast consolidated statement of profit or loss for the financial year ended 30 June 2019 and the financial year ended 30 June 2020 as set out in Table 1 of the Prospectus;
- The pro forma forecast consolidated statements of cash flows for the financial year ended 30 June 2019 and the financial year ended 30 June 2020 as set out in Table 5 of the Prospectus;
- The statutory forecast consolidated statement of profit or loss for the financial year ended 30 June 2019 and the financial year ended 30 June 2020 as set out in Table 3 of the Prospectus; and
- The statutory forecast consolidated statements of cash flows for the financial year ended 30 June 2019 and the financial year ended 30 June 2020 as set out in Table 6 of the Prospectus.

The Forecast Financial Information has been prepared in accordance with the stated basis of preparation ('the Stated Basis of Preparation'), being:

- The recognition and measurement principles contained in Australian Accounting Standards and the company's adopted accounting policies as set out in Section 12 of the Prospectus;
- The directors' best-estimate assumptions underlying the Forecast Financial Information as set out in Section 4.13 of the Prospectus; and
- The pro forma forecast financial information can be reconciled to the statutory forecast financial information having regard to pro forma adjustments set out in Section 4.2.3 of the Prospectus.

The Forecast Financial Information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act 2001.

As the unadjusted financial information on which the pro forma forecast financial information is based (i.e. the statutory forecast financial information) is forward looking, an audit of the unadjusted financial information was not performed.

The pro forma forecast financial information is pro forma information only and does not represent OptiComm's prospective financial performance for the financial year ended 30 June 2019 and the financial year ended 30 June 2020. Care should be taken when considering and interpreting the pro forma forecast financial information as this information does not forecast financial results which are actually expected to occur in the form presented.

Statutory Forecast and Pro Forma Forecast

The Forecast Financial Information has been prepared by management and adopted by the directors in order to provide prospective investors with a guide to the potential financial performance of OptiComm for the financial year ended 30 June 2019 and the financial year ended 30 June 2020.

There is a considerable degree of subjective judgement involved in preparing forecasts since they relate to event(s) and transaction(s) that have not yet occurred and may not occur. Actual results are likely to be different from the Forecast Financial Information since anticipated event(s) or transaction(s) frequently do not occur as expected and the variation may be material.

The directors' best-estimate assumptions on which the Forecast Financial Information is based relate to future event(s) and/or transaction(s) that management expect to occur and actions that management expect to take and are also subject to uncertainties and contingencies, which are often outside the control of OptiComm.

Evidence may be available to support the directors' best-estimate assumptions on which the Forecast Financial Information is based, however, such evidence is generally future-oriented and speculative in nature. We are not in a position to express a reasonable assurance conclusion on those best-estimate assumptions, and accordingly we provide a lesser level of assurance on the reasonableness of the directors' best-estimate assumptions.

The limited assurance conclusion expressed in this Report has been formed on the above basis.

Risks, Uncertainties and Sensitivity Analysis

Prospective investors should be aware of the material risks and uncertainties in relation to an investment in OptiComm, as detailed in the Prospectus. Prospective investors should also be aware of the inherent uncertainty relating to the Forecast Financial Information. Prospective investors should have regard to the investment risks as described in Section 5 of the Prospectus.

The sensitivity analysis described in Section 4.14 of the Prospectus assists to demonstrate the impact of changes in a number of selected best-estimate assumptions which are considered key to the Forecast Financial Information. The Forecast Financial Information is only indicative of the financial performance which may be achievable.

We express no opinion as to whether the Forecast Financial Information will be achieved.

Directors' Responsibility

The directors of OptiComm are responsible for the:

- Preparation and presentation of the Forecast Financial Information;
- The Stated Basis of Preparation and criteria applied to the Forecast Financial Information;
- The time periods covered by the Forecast Financial Information;
- Best-estimate assumptions underlying the Forecast Financial Information;
- Selection and determination of pro forma adjustments made to the Forecast Financial Information; and
- Any other information in the Prospectus.

This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of the Forecast Financial Information to be free from material misstatement, whether due to fraud or error.

The Forecast Financial Information has been prepared by the directors for the purpose of being included in the Prospectus. We disclaim any assumption of responsibility for any reliance on this Report, or on the Forecast Financial Information to which it relates, for any purpose other than that for which it was prepared. We have assumed and relied on representations from certain members of management and the board of OptiComm that all material information concerning the prospects and proposed operations of OptiComm has been disclosed to us and that the information provided to us for the purpose of our work is true, complete and accurate in all respects. We have no reason to believe that those representations are false.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on whether anything has come to our attention that the Forecast Financial Information (including the best-estimate assumptions underlying the forecast and pro forma forecast, and the reasonableness of the forecast and pro forma forecast themselves), based on the procedures performed and the evidence we have obtained, has not been properly complied in all material respects by OptiComm, in accordance with the Stated Basis of Preparation.

We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*, issued by the Auditing and Assurance Standards Board.

The procedures selected depend on our professional judgement, having regard to our understanding of the nature of OptiComm, the event(s) or transaction(s) in respect of which the Forecast Financial Information has been compiled, the limited assurance to be expressed on the compilation of the Forecast Financial Information and other relevant engagement circumstances.

Our limited assurance procedures consisted of making enquiries (primarily of persons responsible for financial and accounting matters), observation of processes performed, inspection of documents and analytical procedures, evaluating the appropriateness of supporting documentation and agreeing or reconciling with underlying records and applying analytical and other review procedures. A limited assurance engagement is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or review report on any financial information used as a source of the Forecast Financial Information.

Conclusions

Based on our limited assurance engagement, which is not a reasonable assurance engagement or audit, nothing has come to our attention which causes us to believe that:

- The directors' best-estimate assumptions used in the preparation of the Forecast Financial Information of OptiComm for the financial year ended 30 June 2019 and the financial year ended 30 June 2020 do not provide reasonable grounds for the Forecast Financial Information;
- In all material respects, the Forecast Financial Information:
  - is not prepared on the basis of the directors' best-estimate assumptions as described in Section 4.13 of the Prospectus; and
  - is not presented fairly in accordance with the Stated Basis of Preparation, being the recognition and measurement principles contained in Australian Accounting Standards and the entity's adopted accounting policies; and
- The Forecast Financial Information itself is unreasonable.

Restriction on Use

Without modifying our conclusions, we draw attention to Section 4.1 of the Prospectus, which describes the purpose of the Forecast Financial Information, being for inclusion in the Prospectus. The Forecast Financial Information may not be suitable for use for another purpose. We disclaim any liability for use of this Report, or reliance on the Forecast Financial Information by any other persons or for any other purpose than that set out in Section 4.1 of the Prospectus.

Consent

We have consented to the inclusion of this limited assurance report in the Prospectus in the form and context in which it is included.

Liability

The liability of BDO Corporate Finance is limited to the inclusion of this Report in the Prospectus. BDO Corporate Finance makes no representation regarding, and has no liability for, any other statements, material in (or omissions from) the Prospectus.

Declaration of Interest

BDO Corporate Finance does not have any interest in the outcome of this offer other than the preparation of this Report and participation in the due diligence committee as an observer for which normal professional fees will be received.

Financial Services Guide and General Advice Warning

Our Financial Services Guide follows this report and must be read in full with this Report. This guide is designed to assist retail clients in their use of any general financial product advice in this Report.

As set out in the financial services guide, this Report provides general information only. It does not take into account the objectives, financial situation or needs of any specific investor. Potential investors in OptiComm should seek their own professional advice. The information in this Report cannot be used to make specific investment decisions. Before acting on any information, investors should consider the appropriateness of the information for their own circumstances having regard to matters such as their objectives, financial situation and needs.

BDO Corporate Finance (QLD) Ltd

Steven Sorbello
Director

FINANCIAL SERVICES GUIDE

Dated: 15 July 2019

The Financial Services Guide ('FSG') is provided to comply with the legal requirements imposed by the Corporations Act 2001 ('the Corporations Act') and includes important information regarding the general financial product advice contained in this report ('this Report'). The FSG also includes general information about BDO Corporate Finance (QLD) Ltd ('BDO Corporate Finance' or 'we', 'us' or 'our'), including the financial services we are authorised to provide, our remuneration and our dispute resolution.

BDO Corporate Finance holds an Australian Financial Services Licence to provide the following services:

(a) financial product advice in relation to deposit and payment products (limited to basic deposit products and deposit products other than basic deposit products), securities, derivatives, managed investments schemes, superannuation, and government debentures, stocks and bonds; and

(b) arranging to deal in financial products mentioned in a) above, with the exception of derivatives.

General Financial Product Advice

This Report sets out what is described as general financial product advice. This Report does not consider personal objectives, individual financial position or needs and therefore does not represent personal financial product advice. Consequently any person using this Report must consider their own objectives, financial situation and needs. Any person using this Report should consider obtaining professional advice to assist in this assessment.

The Assignment

BDO Corporate Finance (QLD) Ltd ABN 54 010 185 725, Australian Financial Services Licence No. 245513 has been engaged by OptiComm Limited ('OptiComm') to provide general financial product advice in the form of a report in relation to a financial product. Specifically, BDO Corporate Finance has been engaged to provide an Independent Limited Assurance Report ('IAR') in connection with the forecast financial information for the proposed initial public offering of shares in OptiComm on the Australian Securities Exchange ('the Proposed Transaction') for inclusion in the Prospectus.

This Report cannot be relied upon for any purpose other than the purpose mentioned above and cannot be relied upon by any person or entity other than those mentioned above, unless we have provided our express consent in writing to do so.

Fees, commissions and other benefits we may receive

We charge a fee for providing reports. The fees are negotiated with the party who engages us to provide a report. We estimate the fee for the preparation of this Report will be approximately $200,000 plus GST. Fees are usually charged as a fixed amount or on an hourly basis depending on the terms of the agreement with the engaging party. Our fees for this Report are not contingent on the outcome of the Proposed Transaction.

Except for the fees referred to above, neither BDO Corporate Finance, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of this Report.

Directors of BDO Corporate Finance may receive a share in the profits of BDO Group Holdings (QLD) Pty Ltd, a parent entity of BDO Corporate Finance. All directors and employees of BDO Group Holdings (QLD) Pty Ltd and its subsidiaries (including BDO Corporate Finance) are entitled to receive a salary. Where a director of BDO Corporate Finance is a shareholder of BDO Group Holdings (QLD) Pty Ltd, the person is entitled to share in the profits of BDO Group Holdings (QLD) Pty Ltd.

Associations and relationships

From time to time BDO Corporate Finance or its related entities may provide professional services to issuers of financial products in the ordinary course of its business. These services may include audit, tax and business advisory services.

BDO entities have provided, and continue to provide, a range of audit, tax and advisory services to OptiComm for which professional fees are received. The services provided were performed as an independent and objective party.

BDO Corporate Finance is not an associate of OptiComm. The signatories to the Report do not hold any shares in OptiComm and no such shares have ever been held by the signatories.

Complaints

We are members of the Australian Financial Complaints Authority. Any complaint about our service should be in writing and sent to BDO Corporate Finance (QLD) Ltd, GPO Box 457, Brisbane QLD 4001.

We will endeavour to resolve the complaint quickly and fairly. If the complaint cannot be satisfactorily resolved within 45 days of written notification, there is a right to lodge a complaint with the Financial Ombudsman Service. They can be contacted on 1300 780 808. This service is provided free of charge.

If the complaint involves ethical conduct, a complaint may be lodged in writing with the Chartered Accountants Australia and New Zealand, Queensland Branch, GPO Box 2054, Brisbane QLD 4001. The Australian Securities and Investments Commission (ASIC) also has an Infoline on 1300 300 630 which can be used to make a complaint and obtain information about investor rights.

Compensation Arrangements

BDO Corporate Finance and its related entities hold Professional Indemnity insurance for the purposes of compensating retail clients for loss or damage suffered because of breaches of relevant obligations by BDO Corporate Finance or its representatives under Chapter 7 of the Corporations Act. These arrangements and the level of cover held by BDO Corporate Finance satisfy the requirements of section 912B of the Corporations Act.

Contact Details

BDO Corporate Finance (QLD) Ltd

Location Address:	Postal Address:
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Level 10, 12 Creek St
Brisbane QLD 4000
GPO Box 457 Brisbane QLD 4001
Australia

The Directors
OptiComm Ltd
Unit 5, 297 Ingles Street
Port Melbourne VIC 3207

15 July 2019

Dear Directors,

INDEPENDENT LIMITED ASSURANCE ENGAGEMENT ON HISTORICAL FINANCIAL INFORMATION

Introduction

BDO Audit Pty Ltd ('BDO Audit') has been engaged by OptiComm Ltd ('OptiComm') to report on the statutory historical financial information and pro forma historical financial information ('the Historical Financial Information') for inclusion in the Prospectus dated on or about 15 July 2019 and relating to the issue of 21.18 million shares in OptiComm ('the Prospectus').

Expressions and terms defined in the document have the same meaning in this report ('this Report').

Scope

Statutory Historical Financial Information

You have requested BDO Audit to review the following Statutory Historical Financial Information of OptiComm, as described above, (being the party responsible for the Historical Financial Information) included in Section 4 of the Prospectus:

- The historical consolidated statement of profit or loss for the financial years ended 30 June 2017 (**FY2017**) and 30 June 2018 (**FY2018**) and the six month periods ended 31 December 2017 (**H1 FY2018**) and 31 December 2018 (**H1 FY2019**);
- The historical consolidated statements of cash flows for FY2017, FY2018, H1 FY2018 and H1 FY2019; and
- The historical consolidated statement of financial position as at 31 December 2018,

  hereafter collectively referred to as the 'Statutory Historical Financial Information'.

The Statutory Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and OptiComm's adopted accounting policies.

The Statutory Historical Financial Information has been extracted from the consolidated financial reports of OptiComm for FY17, FY18 and H1 FY19 which were audited or reviewed by BDO Audit in accordance with Australian Auditing Standards. BDO Audit issued unmodified audit opinions or review conclusions, as relevant, on each of the financial reports.

The Statutory Historical Financial Information is presented in the public document in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

Pro Forma Historical Financial Information

You have requested BDO Audit to review the following Pro Forma Historical Financial Information of OptiComm (being the party responsible for the Historical Financial Information) included in Section 4 of the Prospectus:

- The pro forma historical consolidated statement of profit or loss for the financial years ended FY2017, FY2018, H1 FY2018 and H1 FY2019;

- The pro forma historical consolidated statements of cash flows for FY2017, FY2018, H1 FY2018 and H1 FY2019; and
- The pro forma historical consolidated statement of financial position as at 31 December 2018,

hereafter collectively referred to as the 'Pro Forma Historical Financial Information'.

The Pro Forma Historical Financial Information has been derived from the Statutory Historical Financial Information of OptiComm, after adjusting for the effects of pro forma adjustments described in Section 4.2.2 of the Prospectus. The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards and OptiComm's adopted accounting polices, applied to the historical financial information and the event(s) or transaction(s) to which the pro forma adjustments relate, as described in Section 4.2.2 of the Prospectus, as if those event(s) or transaction(s) had occurred as at the date of the Statutory Historical Financial Information. Due to its nature, the Pro Forma Historical Financial Information does not represent the company's actual or prospective financial position, financial performance, and/or cash flows.

Directors' Responsibility

The directors of OptiComm are responsible for the preparation of the Statutory Historical Financial Information and Pro Forma Historical Financial Information, including the selection and determination of pro forma adjustments made to the Statutory Historical Financial Information and included in the Pro Forma Historical Financial Information. This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of Statutory Historical Financial Information and Pro Forma Historical Financial Information that are free from material misstatement, whether due to fraud or error.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the financial information based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusions

Statutory Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Statutory Historical Financial Information, as described in Section 4 of the Prospectus, and comprising:

- The historical consolidated statement of profit or loss for FY2017, FY2018, H1 FY2018 and H1 FY2019;
- The historical consolidated statements of cash flows for FY2017, FY2018, H1 FY2018 and H1 FY2019; and
- The historical consolidated statement of financial position as at 31 December 2018,

are not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 4.2 of the Prospectus.

Pro Forma Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Financial Information, as described in Section 4 of the Prospectus, and comprising:

- The pro forma historical consolidated statement of profit or loss for the financial years ended FY2017, FY2018, H1 FY2018 and H1 FY2019;
- The pro forma historical consolidated statements of cash flows for FY2017, FY2018, H1 FY2018 and H1 FY2019; and
- The pro forma historical consolidated statement of financial position as at 31 December 2018,

are not presented fairly in all material respects, in accordance with the stated basis of preparation as described in Section 4.2 of the Prospectus.

Restriction on Use

Without modifying our conclusions, we draw attention to Section 4.1 of the Prospectus, which describes the purpose of the financial information, being for inclusion in the Prospectus. As a result, the financial information may not be suitable for use for another purpose.

Consent

BDO Audit has consented to the inclusion of this Independent Limited Assurance Report in the Prospectus in the form and context in which it is included.

Liability

The liability of BDO Audit is limited to the inclusion of this Report in the Prospectus. BDO Audit makes no representation regarding, and takes no responsibility for, any other statements, or material in, or omissions from, the Prospectus.

General Advice Warning

This report has been prepared, and included the document to provide investors with general information only and does not take into account the objectives, financial situation or needs of any specific investor. It is not intended to take the place of professional advice and investors should not make specific investment decisions in reliance on information contained in this Report. Before acting or relying on any information, an investor should consider whether it is appropriate for their circumstances having regard to their objectives, financial situation or needs.

Independence or Disclosure of Interest

BDO Audit does not have any interest in the outcome of proposed listing, or any other interest that could reasonably be regarded as being capable of affecting its ability to give an unbiased conclusion in this matter. BDO Audit will receive normal professional fees for the preparation of this Report.

BDO Audit are auditors of OptiComm and from time to time BDO Audit also provides OptiComm with certain other professional services for which normal professional fees are received.

BDO Audit Pty Ltd

BDO

T Mann

T R Mann
Director

Section 9

Taxation

Section 9

Taxation

9.1 SUMMARY OF AUSTRALIAN TAXATION IMPLICATIONS UNDER THE OFFER

9.1.1 INTRODUCTION

The following summary in Sections 9.1 to 9.5 provides an overview of the Australian tax implications of the Offer for investors who are residents of Australia for tax purposes and who hold their Shares on capital assets. This summary is based on the law in effect as at the date of this Prospectus, is general in nature and should not be relied on by potential investors as tax advice. Potential investors should seek specific advice applicable to their own particular circumstances from their own financial or tax advisers.

This Section does not consider the Australian tax consequences for particular types of investors, including those:

- whose Shares are held as trading stock or otherwise on revenue account; or
- that may be subject to special tax rules, such as insurance companies, partnerships, tax exempt organisations, trusts (except where expressly stated), superannuation funds (except where expressly stated), or temporary residents; or
- who are tax resident of any jurisdiction other than Australia (except where expressly stated); or
- who are subject to the Australian Taxation of Financial Arrangement rules under Division 230 of the *Income Tax Assessment Act 1997* (Cth).

This Section provides a general overview of the Australian income tax, capital gains tax (CGT), GST and stamp duty consequences for Australian tax resident investors who acquire Shares through the Offer. The comments in this Section are based on the Australian taxation laws (including established interpretations of those laws) as at the Prospectus Date, which may change during the period that Shares are owned by Shareholders. This Section does not take into account the tax law of countries other than Australia.

This Section is general in nature and is not intended to be an authoritative or a complete statement of the Australian taxation laws, nor to be relied upon as tax advice. It should be noted that the Australian taxation laws are complex and the investor's own circumstances will affect the taxation outcomes of making an investment in Shares through the Offer. It is therefore recommended that both Australian resident and non-resident investors seek independent professional taxation advice, having regard to their own specific circumstances, in considering an investment in Shares through the Offer.

9.2 AUSTRALIAN INCOME TAX IMPLICATIONS OF FUTURE SHARE DISPOSALS

9.2.1 AUSTRALIAN RESIDENT SHAREHOLDERS

Unless a CGT rollover is available (it is beyond the scope of this Section to discuss this concept in further detail), Australian resident shareholders who dispose of Shares held on capital account will trigger a CGT event. Australian resident shareholders will:

- make a capital gain if the capital proceeds received on the disposal of their Shares are greater than the cost base of those Shares; or
- make a capital loss if the capital proceeds received on the disposal of their Shares are less than the reduced cost base of those Shares.

The capital proceeds on disposal of Shares should generally be equal to the money and other property received, or entitled to be received, in respect of the disposal. The cost base of Shares subscribed for under the Offer should generally be equal to the Offer Price plus any incidental costs (i.e. brokerage). The reduced cost base should be the same as the cost base, subject to some modifications.

Any capital gain on disposal of the Shares in the Company may qualify as a discount capital gain for certain Australian Resident Shareholders that are individuals, trusts or complying superannuation funds, that have held their Shares for more than 12 months. Where the CGT discount applies, the amount of the capital gain may be discounted by 50% for individuals and trusts and 33 1/3% for complying superannuation funds and life insurance companies in respect of certain investments.

Prior to applying the CGT discount Shareholders may reduce their capital gain by any available capital losses incurred in the relevant income year or any carry forward net capital losses. The net capital gain (after applying any capital losses and the CGT discount) should be included in their assessable income in the relevant income year.

To the extent Shareholders incur a capital loss on disposal of the Shares in the Company, Shareholders may offset their capital loss against any capital gains derived in the relevant income year. Where the capital losses incurred in the relevant income year exceed the capital gains derived in the relevant income year, Shareholders may be entitled to carry forward the excess (referred to as a 'net capital loss') to future income years subject to the application of the loss recoupment rules in certain cases. Shareholders can only offset their net capital losses against capital gains.

9.2.2 NON-RESIDENT SHAREHOLDERS

Non-Australian resident Shareholders who hold Shares on capital account will not be subject to Australian CGT on the disposal of Shares unless:

- the non-resident, together with associates, has a holding of at least 10 per cent of all the issued Shares of the Company (portfolio interest); and
- at the time of disposal, more than 50 per cent of the market value of the assets of the Company is represented (directly or indirectly) by real property interests in Australia (including leases of land) or certain mining, quarrying and prospecting rights in Australia.

Non-Australian resident and temporary resident Shareholders are not entitled to discount capital gains in respect of the disposal of Ordinary Shares that were acquired by the Shareholder after 8 May 2012.

Relevant double taxation agreements may affect the Australian capital gains tax rules for non-resident Shareholders on the disposal of Shares.

Non-resident Shareholders who have a non-portfolio interest together with their associates in the circumstances described above should seek specific Australian tax advice. Non-resident Shareholders that have previously been Australian residents should also seek specific Australian tax advice.

9.3 AUSTRALIAN INCOME TAX IMPLICATIONS OF PAYMENT OF DIVIDENDS

9.3.1 AUSTRALIAN RESIDENT SHAREHOLDERS

Dividends will be required to be included in an Australian resident Shareholder's assessable income in the income year in which the dividend is received. To the extent that franking credits are attached to the dividend, Australian resident Shareholders should also include the franking credits in their assessable income. Where Shareholders include franking credits in their assessable income, Shareholders should be entitled to a corresponding tax offset against their tax payable for the relevant income year.

In order for Shareholders to qualify for franking credits and the corresponding tax offset, Shareholders must satisfy the 'holding period' rules which require Shareholders to hold their Shares 'at risk' for a period of not less than 45 days, not counting the day of acquisition or disposal. The 'holding period' rules do not apply to Shareholders who are individuals who are entitled to tax offsets (for all franked distributions received by the particular Shareholder in the relevant income year) of not greater than $5,000 for the relevant income year.

Where the holding period rule is satisfied:

- Shareholders that are individuals or complying superannuation funds should be entitled to a tax offset equal to the amount of the franking credits attached to a dividend. Where these Shareholders have franking credits in excess of their income tax liability they may be entitled to a refund equal to the excess.
- Shareholders that are companies should be entitled to a tax offset equal to the amount of the franking credits attached to a dividend. Accordingly, these Shareholders should not pay any additional tax on the dividend to the extent that it is franked. Any excess tax offset may be able to be converted to a carry forward tax loss. A credit should arise in the franking account of these Shareholders equal to the amount of the franking credits attached to the dividend.

Where Shares are held by Australian resident trusts or partnerships, and the dividend is passed through to Australian resident beneficiaries or partners, the benefit of the franking credit attached to the dividend may also pass through to those Australian resident beneficiaries or partners. The income tax treatment of the dividends including any franking credits in the hands of those beneficiaries or partners should depend upon the tax status of the beneficiaries or partners.

9.3.2 NON-RESIDENT SHAREHOLDERS

Subject to the operation of a double taxation agreement, unfranked dividends paid by the Company to non-resident Shareholders will generally be subject to withholding tax at the rate of 30 per cent. A lower rate of withholding tax within a range of 0 per cent to 20 per cent will generally apply where the Shareholder is a resident of country with which Australia has a double taxation agreement.

Franked dividends paid to non-resident Shareholders will generally not be subject to withholding tax.

9.4 AUSTRALIAN INCOME TAX IMPLICATIONS OF RETURNS OF CAPITAL

If a return of capital is made by the Company, the cost base and reduced cost base of a Shareholder's Shares for CGT purposes should be reduced by the amount of the return of capital, with any excess over the cost base resulting in a capital gain.

9.5 OTHER AUSTRALIAN TAX IMPLICATIONS

9.5.1 GOODS AND SERVICES TAX

No GST is payable in respect of the acquisition of Shares nor should there be any GST liability arising from the receipt of dividends in respect of the Shares. An Australian resident that is registered or required to be registered for GST seeking to claim input tax credits on related transaction costs should seek their own independent tax advice in this regard.

9.5.2 STAMP DUTY

Shareholders should not be liable for stamp duty in respect of the acquisition of their Shares, unless they acquire, either alone or with an associated/related person, an interest of 90% or more in the Company. Under current stamp duty legislation, no stamp duty would ordinarily be payable by Shareholders on any subsequent transfer of their Shares while the Company remains listed.

9.5.3 TAX FILE NUMBER (TFN) WITHHOLDING TAX

Shareholders are not required to quote their TFN to the Company. If Shareholders do not quote their TFN or other relevant exemption details, tax may be required to be withheld by the Company from certain distributions at the top marginal rate plus the Medicare levy.

9.6 SUMMARY OF AUSTRALIAN TAXATION CONSIDERATIONS SPECIFICALLY APPLICABLE TO THE EMPLOYEE GIFT OFFER

9.6.1 TAXATION CONSIDERATIONS

The offer under the Employee Gift Offer will involve Eligible Employees in Australia being offered the opportunity to acquire as a gift Shares up to the value of $1,000 (to the nearest number of whole Shares (rounded down) calculated at the Offer Price).

The following taxation summary addresses the general tax implications of participating in the Employee Gift Offer for Eligible Employees who are, and remain, residents (but not temporary residents) of Australia for tax purposes. There are specific rules regarding temporary residents and for individuals whose residency status changes. These rules need to be considered on a case by case basis and are not considered in this summary.

This summary is confined to taxation issues and is only one of the matters that Eligible Employees need to consider when making an investment decision. This summary is general in nature and an Eligible Employee's individual circumstances may affect the taxation implication of an investment. Eligible Employees should seek appropriate independent professional advice that considers the taxation implications in respect of their own specific circumstances before making a decision about their investments. OptiComm and its advisors disclaim all liability to any Eligible Employee or other party for all costs, loss, damage and liability that the Eligible Employee or other party may suffer or incur arising from or relating to or in any way connected with the contents of this summary, the provision of this summary to the Eligible Employee or any other party, or the reliance on this summary by the Eligible Employee or any other party.

This summary does not constitute financial product advice as defined in the Corporations Act.

9.6.2 ON ALLOCATION OF SHARES

Eligible Employees participating in the Employee Gift Offer may be eligible for concessional tax treatment if certain criteria are met. Under the current tax laws, an Eligible Employee can acquire Shares up to the value of $1,000 tax-free in relation to the Employee Gift Offer if the following conditions are satisfied:

- The adjusted taxable income of the Eligible Employee for the tax year in which Shares under the Employee Gift Offer are acquired does not exceed $180,000 (see below for further detail); and
- Immediately after acquiring Shares under the Employee Gift Offer, the Eligible Employee does not hold a beneficial interest in more than 10% of the issued Shares of OptiComm, nor will the Eligible Employee be in a position to cast, or control the casting of, more than 10% of the maximum number of votes that might be cast at a general meeting of OptiComm.

If an Eligible Employee satisfies both of the conditions above, the Eligible Employee may acquire up to $1,000 of Shares income tax-free under the Employee Gift Offer.

If an Eligible Employee cannot meet both tests, the employee will be assessed on the full market value of Shares acquired under the Employee Gift Offer (at their marginal rate of tax plus the Medicare levy (as applicable), determined at the allocation date.

Note, CGT may be payable on a disposal of Shares and any dividends received on Shares may be subject to income tax – further detail is provided below.

9.6.3 WHAT IS ADJUSTED TAXABLE INCOME?

Adjusted taxable income comprises an Eligible Employee's taxable income, plus any reportable superannuation contributions, reportable fringe benefits, investment losses and the value of Shares allocated under the Employee Gift Offer. Additional detail about the components of an individual's adjusted taxable income can be found at www.ato.gov.au.

Adjusted taxable income should be calculated for the tax year in which Shares are acquired: i.e. for the Employee Gift Offer, the relevant tax year is the year ending 30 June 2020.

It is not possible for Eligible Employees to know their adjusted taxable income for the whole financial year at the time they decide whether to participate in the Employee Gift Offer. Accordingly, Eligible Employees will need to estimate their adjusted taxable income to determine the likely tax treatment.

9.6.4 ADJUSTED TAXABLE INCOME DOES NOT EXCEED $180,000

If an Eligible Employee's adjusted taxable income for FY2020 is $180,000 or less, the Eligible Employee can acquire Shares under the Employee Gift Offer free of income tax, up to a maximum of $1,000 of Shares.

9.6.5 ON DISPOSAL OF SHARES

If the Shares are held on capital account, the Eligible Employees may be subject to CGT on any gain realised on the subsequent sale of Shares.

The capital gain (or loss) assuming an arm's length disposal, such as a sale in the ordinary course of trading on ASX, is calculated as the difference between the capital proceeds received and the cost base of the Shares. The cost base will be equal to the market value of the Shares at the date of grant (i.e., approximately $1,000), plus any costs incurred associated with disposal of the Shares.

Where Shares have been held for at least 12 months after grant (not including the dates of grant and sale), the capital gain may be eligible for the CGT discount, such that only 50% of the capital gain (after deducting any available capital losses) should be subject to tax. Net capital gains (after applying available capital losses and the CGT discount) are subject to tax at the Eligible Employee's marginal tax rate, plus the Medicare levy, as applicable.

If an Eligible Employee sells their Shares for less than their reduced cost base (assuming an arm's length disposal), then they will realise a capital loss and no CGT should arise. Instead the capital loss may be used to offset current or future year capital gains (only).

All capital gains or losses should be reported in the Eligible Employee's income tax return for the tax year in which the capital gain or loss was made. Tax is payable by the Eligible Employee once their income tax return has been assessed, after filing the tax return for the year in which the gain was realised.

9.6.6 TAXATION OF DIVIDENDS

Eligible Employees will need to pay tax at their marginal tax rate, plus the Medicare levy if applicable, on the grossed up amount of any dividends received (including franking credits) on their Shares. Any franking credits attaching to dividends should be available to reduce the income tax payable, provided the Eligible Employee meets the applicable holding period requirement.

The grossed up value of dividend income received should be included in the Eligible Employee's income tax return (and the franking credit claimed as a tax credit) for the tax year in which the dividend payments are received. Tax is payable by the participant once their income tax return has been assessed for the year, after filing the tax return for the year in which the dividends were received.

9.6.7 REPORTING AND TAX WITHHOLDING

Eligible Employees will need to include the value of their Shares at grant in their Australian income tax return for the relevant year to enable the Australian Taxation Office (ATO) to calculate whether the participant is entitled to the $1,000 tax-free concession in relation to their Shares.

The employee will also need to ensure any applicable taxable income, dividend, and/or capital gains information (where relevant) is included in their Australian income tax return for the relevant year.

OptiComm is required to provide Eligible Employees and the ATO with a statement each financial year, containing information on the market value of the Shares allocated to employees under the Employee Gift Offer.

Where an Eligible Employee does not provide their TFN to OptiComm (or the Share Registry as applicable) tax may be withheld on the value of the Shares they have acquired and/or dividends received, at the top marginal tax rate (including the Medicare levy) to cover the estimated tax liability. No tax withholding is required provided Eligible Employees have provided their TFN.

9.6.8 STAMP DUTY

No stamp duty will be payable by Eligible Employees on the issue of Shares pursuant to the Employee Gift Offer.

Section 10

Material agreements

Section 10
Material agreements

The material agreements described below are those which the Directors consider that an investor would reasonably regard as material and which investors and their professional advisers would reasonably expect to find described in this Prospectus for the purpose of making an informed assessment of an investment in the Company under the Offer.

This Section contains a summary of the material agreements and their substantive terms which are not otherwise disclosed elsewhere in this Prospectus.

10.1 UNDERWRITING AGREEMENT

The Lead Manager and Underwriter have agreed to manage and underwrite the Offer pursuant to the terms of the underwriting agreement signed by the Lead Manager and Underwriter, the Company and SaleCo on the date of this Prospectus (**Underwriting Agreement**).

The Underwriting Agreement is subject to a number of conditions precedent and sets out a number of circumstances under which the Joint Lead Managers and Underwriters may terminate the Underwriting Agreement and their underwriting obligations.

10.1.1 FEES, COSTS AND EXPENSES

The Company and SaleCo have agreed to pay the Lead Manager and Underwriter:

- an underwriting fee of 2.5% of the gross proceeds of the Offer (exclusive of GST); and
- a management fee of 1% of the gross proceeds of the Offer (exclusive of GST),

in connection with its role as Lead Manager and Underwriter (**Underwriting Fee**).

The Company and SaleCo have agreed to reimburse the Lead Manager and Underwriter for all reasonable out-of pocket expenses reasonably incurred in connection with the Offer including legal fees up to a limit of $30,000, travel costs and other customary expenses associated with an offer such as the Offer provided that any individual expense over $2,000 (excluding GST) has been approved by the Company and SaleCo prior to the expense being incurred by the Lead Manager and Underwriter (other than in respect of legal expenses).

10.1.2 INDEMNITY

The Company and SaleCo have agreed to indemnify the Lead Manager and Underwriter and its related bodies corporate and affiliates and each of their respective affiliates, directors, officers, partners, employees, contractors, agents, advisers and representatives (**Indemnified Parties**) against all losses, damages, costs, expenses and liabilities directly or indirectly suffered or incurred by them in connection with the Offer, including (but not limited to) losses in connection with:

- the making of the Offer or distribution of the Prospectus or other document relating to the Offer;
- any liability under the Corporations Act or other applicable laws in relation to the Offer or the Prospectus; or
- the Company failing to comply with the terms of the Underwriting Agreement or other binding obligations in respect of the Prospectus or the Offer, including any of the representations and warranties by the Company contained in the Underwriting Agreement not being or ceasing to be true or correct,

except to the extent that the loss, damage, cost, expense or liability:

  - is finally determined by a court of competent jurisdiction to have been caused directly or indirectly by the fraud, gross negligence or wilful misconduct of, or material breach of this document or breach of law by, an Indemnified Party or by an Indemnified Party misrepresenting something to investors where that Indemnified Party had no reasonable basis for doing so;
  - results from any penalty or fine which an Indemnified Party is required to pay for any contravention by it of the Corporations Act;
  - represents an amount in respect of which the indemnity would be illegal, void or unenforceable under any applicable law.

10.1.3 WARRANTIES

The Underwriting Agreement contains certain representations, warranties and undertakings provided by the Company and SaleCo to the Lead Manager and Underwriter relating to matters such as their powers, their conduct (including in respect of disclosure and compliance with applicable laws and the ASX Listing Rules), information provided and the conduct of the Offer. The Company and SaleCo's undertakings include that they will not, for a six month period following Completion of the Offer, issue or agree to issue any equity securities or securities that are convertible or exchangeable into equity without the consent of the Lead Manager and Underwriter, other than pursuant to the Offer or as contemplated under the Prospectus, or any director or employee incentive plan or as is otherwise approved by shareholders at a general meeting.

10.1.4 TERMINATION EVENTS

The Underwriting Agreement is subject to customary termination events. The Lead Manager and Underwriter may (in certain circumstances, having regard to the materiality of the relevant event) terminate the Underwriting Agreement at any time prior to 4.30pm on the Settlement Date without cost or liability and be released from its obligations under it on the occurrence of certain events set out in the Underwriting Agreement, including (but not limited to those set out below).

- The Prospectus does not comply with the Corporations Act (including if a statement in the Prospectus is or becomes misleading or deceptive, or a matter required to be included is omitted from the Prospectus), the ASX Listing Rules, or any other applicable law or regulation and cannot be adequately corrected or rectified through the issue of a supplementary prospectus.
- The Company and SaleCo issue a supplementary or replacement prospectus to comply with section 719 of the Corporations Act in a form that has not been approved by the Lead Manager and Underwriter.
- The S&P/ASX 200 Index at any time falls to a level that is 10% or more below the level of the index at the close of trading on the trading day immediately prior to the date of the Prospectus for a period of at least two consecutive business days, or on the business day immediately prior to the Offer Settlement Date or on the Offer Settlement Date.
- ASX approval is refused or not granted, or approval is granted subject to conditions other than customary conditions, to:
  - the Company's admission to the Official List on or before the date prior to the Listing; or
  - the quotation of the Shares on ASX prior to the Offer Settlement Date; or
  - if granted, the approval is subsequently withdrawn, qualified (other than by customary conditions) or withheld.
- Any of the following notifications are made in respect of the Offer:
  - ASIC issues an order (including an interim order) under section 739 of the Corporations Act;
  - an application is made by ASIC for an order under Part 9.5 in relation to the Prospectus;
  - ASIC issues a notice of its intention to hold a hearing or investigation in relation to the Offer or an Offer document under the Corporations Act, the *Australian Securities and Investments Commission Act 2001* (Cth) or any other applicable law;
  - ASIC applies for an order under sections 1324B or 1325 Corporations Act in relation to any Offer document;
  - ASIC does any of the following:
    - » prosecutes or gives notice of an intention to prosecute; or
    - » commences proceedings against, or gives notice of an intention to commence proceedings against,

    the Company or any of its officers, employees or agents in relation to the Offer or any Offer document; or
  - a person (other than the Lead Manager and Underwriter) gives a notice to the Company or SaleCo under section 733 Corporations Act.
- Any person (other than the Lead Manager and Underwriter seeking to terminate) who has previously consented to the inclusion of its name in the Prospectus withdraws that consent.
- The Company withdraws the Prospectus or the Offer.
- The Company or any other member of the group is or becomes insolvent or there is an act or omission which may result in the Company or any other member of the group becoming insolvent.
- There has been, after the date of the underwriting agreement, a material adverse change or any development involving a prospective material adverse change, in the condition, financial or otherwise, or in the assets and liabilities, financial position and performance, profits and losses or prospects of the Group from that described in the Prospectus.
- Any event specified in the timetable for the Offer is delayed for more than one Business Days without the prior written consent of the Lead Manager and Underwriter (which must not be unreasonably withheld or delayed).
- There is:
  - a material adverse change or disruption to political or economic conditions or financial markets of Australia, Japan, the United Kingdom, or the United States of America or the international financial markets or any change or development involving a prospective change in national or international political, financial or economic conditions; or
  - a general moratorium on commercial banking activities declared in any of those countries; or
  - a material disruption in commercial banking or security settlement or clearance services in any of those countries.
- Trading in all securities quoted or listed on ASX, the London Stock Exchange or the New York Stock Exchange is suspended or limited in a material respect for one day on which that exchange is open for trading.

- Any of the Directors, chief executive officer or chief financial officer of the Company is disqualified under the Corporations Act from managing a corporation, charged with an offence relating to any financial or corporate matter under any law; or removed from office or replaced without the written consent of the Lead Manager and Underwriter.
- Any material contract (as defined in the Underwriting Agreement) is terminated, rescinded or amended without the prior written consent of the Lead Manager and Underwriter (that consent not to be unreasonably withheld or delayed; or found to be void or voidable.

10.2 SELL-DOWN DOCUMENTATION

As at the Prospectus Date, the Selling Shareholders have entered into a Sell-down Sale Agreement with SaleCo (**Sell-Down Sale Agreement**) under which each Selling Shareholder has agreed to sell some of their Shares to SaleCo for transfer to investors in the Sell-Down Offer. The total number of Shares which the Selling Shareholders have offered to sell is 14,135,917 (the **Sell-Down Shares**).

Under the Sell-Down Sale Agreement, the Sell-Down Shares will be transferred by Selling Shareholders to SaleCo immediately prior to Completion of the Offer. Following acquisition by SaleCo, SaleCo will transfer the Sell-Down Shares to Successful Applicants under the Offer at the Offer Price. The proceeds of the sale of the Sell-Down Shares (being the Offer Price multiplied by the number of Sell-Down Shares acquired from Selling Shareholders) will be paid to the Selling Shareholders. The Company will separately issue New Shares to Successful Applicants under the Offer.

Pursuant to a deed of indemnity between the Company and SaleCo, the Company has indemnified SaleCo, its officers and shareholders for any loss that SaleCo or any of its officers or shareholders may incur as a consequence of the Offer.

10.3 VOLUNTARY ESCROW ARRANGEMENTS

All Existing Shareholders have agreed to be subject to voluntary escrow arrangements as set out in the table at Section 7.9 of this Prospectus.

Each Existing Shareholder has entered into a restriction deed with the Company in relation to the Shares held by them on Completion of the Offer (other than Shares acquired under the Offer or the Employee Gift Offer).

The restriction agreements restrict the ability of Escrowed Shareholders to dispose of, create any security interest in or transfer effective ownership or control of, the Escrowed Shares for the applicable escrow period as noted in the table at Section 7.9 of this Prospectus.

The escrow arrangements will be subject to limited exceptions including allowing the Escrowed Shareholders to accept into a successful takeover bid (being a takeover bid that is accepted by at least half of non-Escrowed Shareholders) and do not restrict a potential bidder from building a pre-bid stake (by allowing the Escrowed Shareholders to enter into binding pre-bid acceptance agreements).

10.4 EMPLOYEE INCENTIVE ARRANGEMENTS

10.4.1 SHORT TERM INCENTIVE

Each year the Company determines at its discretion the short term incentives it offers to its senior management team, including individual key performance indicators, measures and targets. The short term incentive consists of a cash bonus. Paul Cross, Geoffrey Aldridge, Martin Stockley, John Phillips, Stephen Davies, Ben Liew and Cassandra Eastham have all been offered a short term incentive for FY2019 (**FY19 STI Plan**). If the incentives are fully realised, the aggregate cash bonus payments for FY2019 are expected to total $365,614.

10.4.2 NEW LONG TERM INCENTIVE – PERFORMANCE RIGHTS PLAN

The Company has established a performance rights plan (**Performance Rights Plan**) as a long term incentive to assist in the motivation, retention and reward of the Company's Directors, executives and other key employees.

Under the rules of the Performance Rights Plan, the Board has a discretion to offer awards of performance rights to acquire Shares to senior management, directors or other nominated employees, subject to specified vesting conditions. The key terms of the Performance Rights Plan are set out in comprehensive rules. A summary of the rules of the Performance Rights Plan is set out below.

Provision	Detail
Eligibility to participate	The Performance Rights Plan is open to Directors (whether executive or non-executive), senior management, and any other employees of the Group, as determined by the Board in its discretion.
Grants	Performance rights may be offered or granted to eligible participants from time to time, subject to the discretion of the Board. The Company will make grants to eligible participants in a personalised offer document setting out the terms of the issue of the performance rights including with respect to vesting conditions, fee payable on the grant of the award, and any forfeiture conditions or disposal restrictions applying to the performance rights and/or any Shares that a participant receives on exercise of the performance rights. Eligible participants will be required to return a valid signed acceptance form to the Company prior to the performance rights being granted to them (or a nominated party (with the Board's consent)).
Entitlement	Subject to the satisfaction of defined vesting conditions, each performance right entitles the holder to one Share in the capital of the Company, to be issued or transferred to the eligible participants subject to the rules governing the Performance Rights Plan and the terms of any particular offer.
Vesting Conditions	The Board will set the applicable vesting conditions and associated vesting periods applying to an eligible participant in its discretion in the particular offer, including if the performance rights will vest in tranches. Vesting conditions will be determined in the Board's absolute discretion based on the eligible participant's role but may include one or more of the following indicative vesting conditions: • conditions relating to the eligible participant's continuous employment or service; • the individual performance of the eligible participant; and • the Group's financial performance and/or share price performance, or any other vesting conditions the Board so determines. Typically the vesting conditions will need to be satisfied within a pre-determined vesting period determined by the Board. Both the vesting conditions and/or the associated vesting periods may be waived by the Board in its discretion.
Exercise	The Board will determine at the time of grant whether vested performance rights which have not expired or been forfeited will be automatically exercised upon vesting or exercisable after vesting at the participant's election during a nominated exercise period. The Company must procure the issue or transfer of a Share to a participant in respect of which a performance rights has been exercised.
Exercise Price	Unless otherwise determined by the Board at the time of grant, no amount shall be payable by an eligible participant for the grant of performance rights or in respect of the Share delivered on exercise of the performance rights.
No interest in Shares	A grant of a performance rights does not confer any right or interest, whether legal or equitable, in Shares until all the relevant vesting conditions in respect of such performance rights have been satisfied or waived by the Board.
Dividends and voting	Prior to vesting and exercise, eligible participants are not entitled to dividends on their performance rights and do not have the right to vote in respect of any performance rights.
Participation in further issues and adjustment for reconstructions	Participants holding performance rights are not permitted to participate in new issues of securities by the Company prior to exercise but adjustments may be made to the number of Shares over which the performance rights are granted and/or the exercise price (if any) to take into account changes in the capital structure of the Company that occur by way of pro rata and bonus issues in accordance with the rules of the Performance Rights Plan and the ASX Listing Rules. The number of Shares into which a performance right will be exercised will be adjusted to the extent necessary to comply with the ASX Listing Rules applying to a reorganisation of capital in the event of any reconstruction of the Company's issued capital (including consolidation, sub-division, reduction or return).
Restriction on disposal	The Board may determine that the performance rights or Shares issued on exercise of the performance rights are subject to stated disposal restrictions for a specified period, in which case, participants may only transfer, dispose of or deal with their with Shares issued on exercise of the performance rights in accordance with the terms of the grant and/or the prior written consent of the Board. The Company may do all things and enter into arrangements with the share registry or otherwise that it considers necessary, including the application of a holding lock, to enforce such disposal restrictions.

Provision	Detail
Expiry and forfeiture	Unless otherwise determined by the Board at its discretion, performance rights which have not been exercised will expire and cease to exist on the first to occur of: • the relevant eligible participant ceasing to be employed by the Company or a related company; • the fifth anniversary after the time of grant, unless the Board in its discretion has determined at the time of grant that another expiry date is to apply; or • the performance rights are forfeited in accordance with the plan rules, being where: – the performance rights have not vested by the end of the applicable vesting period or the Board determines that the vesting conditions are incapable of being satisfied by the end of the stated vesting period; or – the Board determines that the eligible participant has committed any act of fraud or gross misconduct, or such other circumstances occur as may be specified in the grant, in relation to the affairs of the Company or a related company.
Change of control	Unless the Board decides otherwise, if a prescribed change of control event occurs, all vesting conditions applicable to unvested performance rights will be waived.
Quotation	The performance rights will not be quoted on the ASX. However, upon exercise of the performance rights into Shares, the Company must apply for the official quotation on the ASX of any Shares issued on exercise of a performance rights as prescribed by the ASX Listing Rules.
Delegation	The Board may delegate management and administration of the Performance Rights Plan, together with any of their powers or discretions under the Performance Rights Plan, to a committee of the Board or to any one or more persons selected by them as the Board thinks fit.
Termination	The Performance Rights Plan may be terminated or suspended at any time by the Board without any effect on or prejudice to the rights of any participant holding performance rights at that time.

A copy of the Performance Rights Plan can be obtained from the Company on request (free of charge) by calling the Offer Information Line on 1800 992 039 (within Australia) or +61 1800 992 039 (outside Australia) between 8.30am and 5.30pm AEST during the Offer Period.

As at the Prospectus Date, no performance rights have been granted by the Board. After Listing, the Company intends to issue performance rights to eligible Directors, executives and other key employees in its discretion pursuant to the terms of the Performance Rights Plan, the Corporations Act, the ASX Listing Rules and other applicable laws (including with respect to any shareholder approval requirements applying to the issue of performance rights to the Company's related parties).

10.4.3 OPTICOMM EMPLOYEE SHARE PLAN

In connection with the Company's Listing, the Company has established an employee share plan (the **OptiComm Employee Share Plan**) providing an opportunity for certain eligible Employees to receive an equity interest in the Company.

It is intended to offer all employees determined to be eligible by the Company from time to time the opportunity to participate in the OptiComm Employee Share Plan and the right to be issued up to $1,000 worth of fully paid ordinary shares for no payment.

The OptiComm Employee Share Plan is aligned to facilitate employees to access the taxation exemption concessions available under Division 83A of the *Income Tax Assessment Act 1997* (Cth) and receive Shares free of income tax provided conditions in the current Australian tax legislation are satisfied.

The key terms of the OptiComm Employee Share Plan are set out below.

Provision	Detail
Eligibility to participate	The OptiComm Employee Share Plan is open to permanent full-time and part-time employees of the OptiComm Group that the Board determines to be eligible to receive a grant under the OptiComm Employee Share Plan. Directors will not be eligible to participate in the OptiComm Employee Share Plan. Participation by an employee who is determined to be eligible is voluntary
Grants	The Company will make invitations to eligible participants from time to time to participate in the OptiComm Employee Share Plan and the right to be issued up to $1,000 worth of fully paid ordinary shares for no payment, subject to the discretion of the Board. The Company will provide eligible participants with an invitation letter setting out the terms of the issue of the Shares, including the number of Shares to which an eligible participant is entitled to acquire under the OptiComm Employee Share Plan. Eligible participants will be required to return a valid application form to the Company prior to the Shares being granted to them (or a nominated party (with the Board's consent), in accordance with the instructions in the invitation letter.
Rights attaching to Shares	A Share issued or transferred under the OptiComm Employee Share Plan will rank equally in all respects with existing Shares on issue. A participant is entitled to exercise any voting rights attaching to Shares acquired (regardless of whether or not the Shares are subject to disposal restrictions) and is entitled to all dividends declared or paid on the Shares. The Company will apply to the ASX to have any newly issued Shares issued quoted as soon as practicable after they are issued.
Restriction on disposal	The Board may determine that the Shares acquired under the OptiComm Employee Share Plan will be subject to stated restrictions on disposal for a specified period, in which case, participants may only transfer, dispose of or deal with their with Shares with the prior written consent of the Board unless required by law. Subject to the discretion of the Board, the restriction period applicable to Shares acquired under the OptiComm Employee Share Plan will expire on the earlier of: • when the participant ceases employment with the OptiComm Group; and • three years from the date the Shares were acquired under the OptiComm Employee Share Plan by the participant. The Company may do all things and enter into arrangements with the share registry or otherwise that it considers necessary, including the application of a holding lock, to enforce such disposal restrictions.
Vesting and forfeiture conditions	There are no vesting conditions or forfeiture conditions for Shares acquired under the OptiComm Employee Share Plan.
Delegation	The Board may delegate management and administration of the OptiComm Employee Share Plan, together with any of their powers or discretions under the OptiComm Employee Share Plan, to a committee of the Board or to any one or more persons selected by them as the Board thinks fit.

EMPLOYEE GIFT OFFER

The Shares offered to Eligible Employees under the Employee Gift Offer (refer to Section 7.13) will be issued as Shares under the OptiComm Employee Share Plan. The Company has determined that an 'Eligible Employee' for the purpose of participation in the Employee Gift Offer will be a person:

(a) who is a permanent full-time or permanent part-time Australian resident employee of the OptiComm Group as at 15 July 2019 (being the date the Prospectus was lodged with ASIC) (but not including Directors); and

(b) who is still employed by OptiComm, and has not tendered their resignation or been made redundant or otherwise received notice of termination of employment as at the Allotment Date; and

(c) who has, as at the Allotment Date, completed a minimum of 6 months service with OptiComm.

It is expected 81 employees will be eligible to participate in the Employee Gift Offer. Participation is voluntary. If all participate, 40,500 Shares will be issued under the OptiComm Employee Share Plan on the Allotment Date.

After Listing, the Company may issue further Shares under the OptiComm Employee Share Plan to employees who it determines to be eligible employees at the relevant time in its discretion pursuant to the terms of the OptiComm Employee Share Plan, the Corporations Act, the ASX Listing Rules and other applicable laws or regulations. In particular, the Board notes an intention to make a further offer of Shares under the OptiComm Employee Share Plan to nominated employees determined to be eligible following the first anniversary of the Company's Listing on the ASX.

A copy of the OptiComm Employee Share Plan can be obtained from the Company (free of charge) by calling the Offer Information Line on 1800 992 039 (within Australia) or +61 1800 992 039 (outside Australia) between 8.30am and 5.30pm AEST during the Offer Period.

10.5 OTHER AGREEMENTS

10.5.1 DIRECTOR TERMS OF APPOINTMENT

The Company has entered into separate appointment letters with each of its non-executive Directors, setting out the terms on which they serve as Directors of the Company.

The Company has agreed to remunerate Mr Allan Brackin $100,000 per annum (including superannuation contributions and other taxes (if applicable)) for services in connection with his roles as a non-executive Director and chairman of the Company. Each of the remaining non-executive Directors will receive $80,000 per annum (including statutory superannuation contributions and other taxes (if applicable)) for services rendered.

In addition, each Director will receive additional fees for any sub-committee to which they are appointed, being $10,000 per annum for any appointment as chair and $5,000 per annum for any appointment as member, including superannuation contributions and other taxes (if applicable).

The Director terms of appointment are otherwise on standard commercial terms.

10.5.2 CEO TERMS OF APPOINTMENT

The Company has entered into an employment contract agreement with Mr Paul Cross, in relation to his engagement as Chief Executive Officer and Managing Director. The material terms and conditions of Mr Cross' employment contract are summarised below:

(a) Remuneration: Mr Cross will receive a fixed annual remuneration of approximately $425,000 per annum (inclusive of superannuation contributions and other taxes (if applicable)).

(b) Incentives: In addition to base salary, Mr Cross is eligible to participate in an annual short term cash incentive at the discretion of the Board based on individual measures and performance against key performance indicators. Mr Cross has been offered a short term incentive for FY2019 of up to $106,250 under OptiComm's FY19 STI Plan (the terms of which are noted in Section 10.4.1). Participation in future short term incentives for years beyond FY19 is at the discretion of the Board. It is intended that, after Listing, Mr Cross may be awarded a grant of performance rights as a long term incentive under the Company's Performance Rights Plan, however no award has been made at the Prospectus Date. Any grant (if made) will be made on terms (including with respect to vesting conditions) determined in the Board's discretion and will be subject to the requisite shareholder approvals as required by the Listing Rules and other regulatory requirements.

(c) Termination: Mr Cross' employment is ongoing, with a mutual termination notice period of 6 months in all cases other than where terminated by the Company for cause in which case Mr Cross can be terminated without notice.

(d) Restraint: Following cessation of employment, Mr Cross will be subject to customary non-compete and non-solicit covenants for a maximum restraint period of up to 12 months following cessation of employment within a cascading geographical area within Australia.

The employment contract contains other standard terms and conditions that are customary for contracts of this nature.

10.5.3 DEEDS OF INSURANCE, ACCESS AND INDEMNITY

The Company has entered into deeds of access, insurance and indemnity with each Director which confirms each Director's right of access to certain books and records of the Group for a period of seven years after the Director ceases to hold office. Under these deeds, the Company has agreed to indemnify, to the extent permitted by the Corporations Act, each Director in respect of certain liabilities which the Director may incur as a result of, or by reason of (whether solely or in part), being or acting as an officer of the Company. These liabilities include losses or liabilities incurred by the Director to any other person as an officer of the Company, including legal expenses. A similar deed of access, insurance and indemnity has been entered into with the Company Secretary.

Section 11

Additional information

Section 11
Additional information

11.1 COMPANY REGISTRATION

OptiComm was incorporated on 2 December 2005 as OptiComm Co Pty Ltd and was converted from a proprietary company into a public company limited by shares on 18 January 2019. Its corporate name also changed to 'OptiComm Ltd' on 18 January 2019.

11.2 COMPANY BALANCE DATE AND TAX STATUS

OptiComm has a 30 June balance date. The Company is and will be subject to a tax consolidated group at the Australian corporate tax rate on its taxable income.

11.3 ROLE OF SALECO

SaleCo was incorporated on 25 May 2017 and is a special purpose vehicle used to facilitate the sale of the Sell-Down Shares held by the Selling Shareholders. SaleCo will be the seller of the Sell-Down Shares to investors under the Offer.

Allan Brackin, Paul Cross and Kenneth Ogden are directors of SaleCo. An entity associated with Kenneth Ogden is the sole shareholder. SaleCo's corporate name was changed from 'OptiComm Holdings Limited' to 'OptiComm SaleCo Limited' on 17 June 2019.

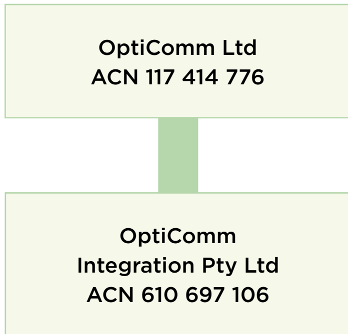
Pursuant to a deed of indemnity between the Company and SaleCo, the Company has indemnified SaleCo, its officers and shareholders for any loss that SaleCo or any of its officers or shareholders may incur as a consequence of the Offer.

Refer to Section 10.2 for a summary of the Sell-Down Sale Agreement and deed of indemnity.

SaleCo has no material assets, liabilities or operations other than its interests in and obligations under the Underwriting Agreement, the Sell-Down Sale Agreement and deed of indemnity.

11.4 CORPORATE STRUCTURE

As at the date of this Prospectus the Company has one subsidiary, OptiComm Integration Pty Ltd (**OptiComm Integration**). The corporate structure of the OptiComm Group is set out in the following diagram:



OptiComm Integration was incorporated in Queensland in February 2016 and is a wholly owned subsidiary of the Company. The business activities of OptiComm Integration includes the design, supply, installation, testing and commissioning of networks and supporting applications in an integrated services. These services are provided on a fee for service basis and typically where the Company does not own the network infrastructure asset or the integrated systems.

11.5 CAPITAL STRUCTURE

The capital structure of the Company, as at the date of this Prospectus and on Completion of the Offer is set out in the table below.

Class of Security	Number as at Prospectus Date	Number at Listing[1]
Ordinary Shares	**97,000,986**	**104,081,486**

A share split was effected on 14 July 2019 increasing the share capital from 3,242,354 to 97,000,986 fully paid ordinary shares.

11.6 RIGHTS ATTACHING TO THE SHARES

Detailed provisions relating to the rights attaching to the Shares are set out in the Constitution and the Corporations Act. A copy of the Constitution can be inspected during office hours at the registered office of the Company and Shareholders have the right to obtain a copy of the Constitution, free of charge.

The detailed provisions relating to the rights attaching to Shares under the Constitution and the Corporations Act are summarised below.

Right	Details
Fully paid	On issue, the Shares will be fully paid.
Ranking	On issue, the Shares will rank pari passu with other Shares currently on issue.
Meetings	Each holder of Shares has the right to receive notice of and to attend general meetings of the Company and to receive all financial statements, notices and documents required to be sent to them under the Constitution and the Corporations Act.
Dividends	Each Share has the right to receive dividends, according to the amount paid up on the Share.
Voting rights	Each holder of Shares has the right to vote at a general meeting of Shareholders (whether present in person or by any representative, proxy or attorney) on a show of hands (one vote per Shareholder) and on a poll (one vote per Share on which there is no money due and payable) subject to the rights and restrictions on voting which may attach to or be imposed on Shares (at present there are none).
Entitlement	Each holder of Shares has the right to receive, in kind, the whole or any part of the Company's property on a winding up, subject to priority given to holders of Shares that have not been classified by ASX as 'restricted securities' and the rights of a liquidator to distribute surplus assets of the Company with the consent of members by special resolution.
Transfer/ transmission	Subject to the Corporations Act and the ASX Listing Rules, the Shares are fully transferable.
Variation of rights	The rights attaching to Shares may be varied with the approval of Shareholders in a general meeting by special resolution or with the written consent of the holders of 75% of the shares of the class.

1. Assumes full participation under the Employee Gift Offer.

11.7 INTERESTS OF EXPERTS AND ADVISERS

Other than as set out below or elsewhere in this Prospectus, no:

- Director or proposed director of the Company;
- person named in this Prospectus and who has performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- promoter of the Company; or
- underwriter to the Offer or financial services licensee named in this Prospectus as a financial services licensee involved in the Offer,

holds as at the time of lodgement of this Prospectus with ASIC, or has held in the two years before lodgement of this Prospectus with ASIC, an interest in:

- the formation or promotion of the Company;
- property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
- the Offer,

and no amount (whether in cash, Shares or otherwise) has been paid or agreed to be paid, nor has any benefit been given or agreed to be given to any such person for services in connection with the formation or promotion of the Company or the Offer or to any Director or proposed director to induce them to become, or qualify as, a Director.

- Morgans Corporate Limited has acted as Lead Manager and Underwriter of the Offer. The Company has paid or agreed to pay an underwriting fee and management fee to the Lead Manager and Underwriter as disclosed in Section 10.1.1.
- BDO Audit Pty Ltd (as the historical expert) and BDO Corporate Finance (QLD) Ltd (as the forecast expert) have acted as the Investigating Accountants to the Company in connection with the Offer and provided the Investigating Accountants' Reports in Section 8. The Company has paid or agreed to pay approximately $250,000 (plus GST and disbursements) (in aggregate) in respect of services provided in respect of the preparation of the Investigating Accountants' Reports up to the date of this Prospectus.
- BDO Audit Pty Ltd has acted as the auditor to the Company. The Company has paid or agreed to pay approximately $90,000 (plus GST and disbursements) in respect of these services, up to the date of this Prospectus.
- Talbot Sayer has acted as Australian legal adviser to the Company and performed work in relation to due diligence enquiries on Australian legal matters in relation to the Offer. The Company has paid or agreed to pay approximately $300,000 (plus GST and disbursements) in respect of these services up to the date of this Prospectus. Further amounts may be paid to Talbot Sayer in accordance with time-based charges.
- Pitcher Partners has acted as Australian tax adviser to the Company in connection with the Company's IPO and ASX Listing. The Company has paid or agreed to pay approximately $26,000 (plus GST and disbursements) in respect of these services up to the date of this Prospectus.
- Charter Keck Cramer was commissioned to provide certain market research data referred to in Section 2.4.2. The Company has paid or agreed to pay approximately $24,500 (plus GST and disbursements) in respect of these services.

11.8 OFFER COSTS

The Company will pay all of the costs associated with the Offer, including Lead Manager and Underwriter fees (including in respect of the Sell-Down), legal and tax advisory fees, Investigating Accountants' fees, Share Registry, printing and ASIC and initial ASX Listing fees. The total costs to be paid by the Company have been estimated at approximately $3.4 million.

11.9 CONSENTS

Each of the parties named in the table below in this Section has consented to being named in this Prospectus in the form and context in which it is named and has not withdrawn such consent prior to the lodgement of this Prospectus with ASIC:

Consenting party	Capacity in relation to the Company
Morgans Corporate Limited	Lead Manager and Underwriter
BDO Audit Pty Ltd	Investigating Accountant in respect of the historical financial information and Auditor and the inclusion of its Investigating Accountant's Report in Section 8 in the form and context in which it appears
BDO Corporate Finance (QLD) Ltd	Investigating Accountant in respect of the forecast financial information and the inclusion of its Investigating Accountant's Report in Section 8 in the form and context in which it appears
Charter Keck Cramer	Provider of market research data referred to in Section 2.4.2
Pitcher Partners	Tax adviser (named in the corporate directory) in connection with the Listing and review of the taxation wording in Section 9 of this Prospectus
Talbot Sayer	Australian Legal Adviser (named in the corporate directory)
Link Market Services Limited	Share Registry (named in the corporate directory and elsewhere in this Prospectus)

Each of the parties named in this Section, to the maximum extent permitted by law, expressly disclaims all liabilities in respect of, makes no representations with regard to, and takes no responsibility for any statements in or omissions from this Prospectus, other than the reference to its name in the form and context in which it is named and any statement or report included in this Prospectus with the consent of that party as stated.

11.10 REFERENCES TO PUBLICATIONS

Certain references are made in this Prospectus to material that is attributed to various third party sources. These references are based on statements already published in public documents or a book, journal, publicly accessible website or comparable publication. Where these organisations did not prepare those materials specifically for this Prospectus, have not provided their consent for the statement to be included in this Prospectus, and have had no involvement in the preparation of any part of this Prospectus the Company and SaleCo have included such statements in the Prospectus in reliance of the relief available under ASIC Corporations (Consents to Statements) Instrument 2016/72.

11.11 LEGAL PROCEEDINGS

So far as the Directors are aware, other than as described elsewhere in this Prospectus, there are no current or threatened civil litigation, arbitration proceedings or administrative appeals, or criminal or governmental prosecutions of a material nature in which the Company is directly or indirectly concerned which is likely to have a material adverse impact on the business or financial position of the Company.

11.12 OVERSEAS DISTRIBUTION

No action has been taken to register or qualify the offer of Shares under this Prospectus, or to otherwise permit a public offering of Shares, in any jurisdiction outside Australia and New Zealand.

11.12.1 OFFER ONLY MADE WHERE LAWFUL TO DO SO

The distribution of this Prospectus in jurisdictions outside Australia and New Zealand may be restricted by law. This Prospectus does not constitute an offer in any place in which, or to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify the Shares in any jurisdiction outside Australia and New Zealand. Persons who come into possession of this Prospectus outside Australia and New Zealand should seek advice on and observe any restrictions on acquisition or distribution of the Prospectus. Any failure to comply with these restrictions may constitute a violation of applicable securities laws.

11.12.2 UNITED STATES RESIDENTS

The Shares being offered pursuant to this Prospectus have not been registered under the US Securities Act and may not be offered or sold in the United States absent registration or an applicable exemption from registration under the US Securities Act and applicable state securities laws. This Prospectus does not constitute an offer to sell, or the solicitation of an offer to buy, nor shall there be any sale of these securities in any state or other jurisdiction in which such offer, solicitation or sale would be unlawful. In addition, any hedging transactions involving these securities may not be conducted unless in compliance with the US Securities Act.

11.12.3 OVERSEAS OWNERSHIP AND RESALE REPRESENTATION

It is your responsibility to ensure compliance with all laws of any country relevant to your Application. The return of a duly completed Application Form will be taken by the Company to constitute a representation and warranty made by you to the Company that there has been no breach of such laws and that all necessary consents and approvals have been obtained.

11.12.4 INVESTOR CONSIDERATIONS

Before deciding to participate in this Offer, you should consider whether the Shares to be issued are a suitable investment for you. There are general risks associated with any investment in the stock market. The value of Shares listed on ASX may rise or fall depending on a range of factors beyond the control of the Company.

Further information regarding risks of an investment in the Shares is set out in Section 5.

If you are in doubt as to the course you should follow, you should seek advice on the matters contained in this Prospectus from a stockbroker, solicitor, accountant or other professional adviser.

The potential tax effects relating to the Offer will vary between investors. Investors are urged to consider the possible tax consequences of participating in the Offer by consulting a professional tax adviser.

11.13 ASIC RELIEF

ASIC has provided case-by-case relief to modify section 609 of the Corporations Act so that the Company does not have a relevant interest in the Shares of the Existing Shareholders that are subject to voluntary escrow merely because the Existing Shareholders have entered into escrow arrangements in respect of those Shares.

Details of the voluntary escrow arrangements the Existing Shareholders have entered into are provided in Sections 7.9 and 10.3.

11.14 GOVERNING LAW

This Prospectus and the contracts that arise from the acceptance of Applications under the Offer are governed by the law applicable in Queensland, Australia and each Applicant submits to the non-exclusive jurisdiction of the courts of Queensland, Australia.

11.15 DIRECTORS' CONSENT AND STATEMENT

Other than as set out in this Prospectus, the Directors of the Company and SaleCo report that after due enquiries by them there have not been any circumstances that have arisen that have materially affected or will materially affect the assets and liabilities, financial position, profits or losses or prospects of the Company, other than as disclosed in this Prospectus.

Each Director of the Company and SaleCo has authorised the issue of this Prospectus and has consented to the lodgement of this Prospectus with ASIC and has not withdrawn that consent.

This Prospectus is signed by a Director of the Company, under section 351 of the Corporations Act on behalf of the Company.

Signed for and on behalf of the Company by:

Allan Brackin
Chairman

Section 12

Significant accounting policies

Section 12
Significant accounting policies

Significant accounting policies which have been adopted in the preparation of the Financial Information are set out below. These policies have been consistently applied to all periods presented, unless otherwise stated.

12.1 BASIS OF PREPARATION

HISTORICAL COST CONVENTION

The Financial Information has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

CURRENCY

The Financial Information is presented in Australian dollars, rounded to the nearest thousand dollars.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of Financial Information requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies.

Management evaluate estimates and judgments incorporated into the Financial Information based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on historical experiences and the best available current information on current trends and economic data, obtained both externally and within the Group.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision effects only that period or in the period and future periods if the revision affects both current and future periods.

KEY ESTIMATES

Estimation of useful lives of assets
The entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Impairment of non-financial assets
The entity assesses impairment of non-financial assets at each reporting date by evaluating conditions specific to the entity and to the particular asset or Cash Generating Unit (CGU) that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset or CGU is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

KEY JUDGEMENTS

Treatment of non-refundable developer contributions
Refer to Section 4.2.6 for a discussion of the revenue recognition policy in respect of the treatment of non-refundable developer contributions.

CHANGES IN ACCOUNTING STANDARDS

OptiComm notes that the following new accounting standards are applicable during the FY2019 reporting period:

- AASB 15 Revenue from contracts with customers (**AASB 15**) – applicable from annual reporting periods commencing 1 July 2018; and
- AASB 9 Financial instruments (**AASB 9**) – applicable from annual reporting periods commencing 1 July 2018.

OptiComm has applied these standards for FY2019, including in the preparation of its historical financial statements for the half year ended 31 December 2018. Certain new accounting standards and interpretations have been published that are not mandatory for the FY2019 reporting periods and are shown below:

- AASB 16 Leases (**AASB 16**) – applicable in annual reporting periods from 1 January 2019 (but can be adopted earlier).

The Group did not early adopt AASB 16 in the preparation of its historical financial statements for the half year ended 31 December 2018. The Company has included pro forma adjustments to the Historical Financial Information to reflect the impact were all of these standards (**AASB 15, AASB 9 and AASB 16**) applied on a consistent basis throughout the historical period.

The impact of these standards is detailed below.

AASB 9 Financial Instruments
AASB 9 sets out the recognition, classification and measurement of financial assets and financial liabilities, de-recognition of financial instruments and impairment of financial assets. AASB 9 replaces AASB 139 Financial Instruments: Recognition and Measurement.

Impact of adoption of AASB 9

FINANCIAL ASSETS

(i) Classification and measurements

The new classification of financial assets under AASB 9 has not had a material impact on the Group's financial statements.

The Group's trade and other receivables are held to collect contractual cash flows and the cash flows solely represent payments of principal and interest. These continue to be measured at amortised cost using the effective interest rate method.

(ii) Impairment of financial assets

Under AASB 9, impairment of Trade and other receivables is based on an 'expected credit loss' assessment. Previously, impairment was only recorded when issues regarding the potential collectability of a receivable had been identified (incurred loss model). Under AASB 9, expected credit losses on financial assets are to be recorded either on a 12-month or lifetime basis. Trade receivables are assessed under the simplified approach permitted by AASB 9 and related expected lifetime losses are recognised immediately in the profit or loss.

The change in methodology did not have a material impact on the Group's financial statements or Financial Information.

FINANCIAL LIABILITIES

The adoption of AASB 9 has had no material impact on the classification and measurement of the Group's financial liabilities, or the Group's accounting policies relating to financial liabilities. The Group's financial liabilities (Trade and other payables and borrowings) remain to be measured at amortised cost using the effective interest rate method.

Accounting policies under AASB 9

INITIAL RECOGNITION AND MEASUREMENT

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

The Group's financial instruments mainly relate to Cash and cash equivalents; Trade and other receivables; Trade and other payables; and Borrowings. These financial instruments are initially measured at fair value. On initial recognition, these financial instruments are recognised net of transaction costs directly attributable to the acquisition of these financial instruments.

Financial assets	Original classification under AASB 139	New classification under AASB 9
Cash and cash equivalents	Loans and receivables	Financial assets at amortised cost
Trade and other receivables	Loans and receivables	Financial assets at amortised cost

FINANCIAL ASSETS

Classification and subsequent measurement

Subsequent to initial recognition, the Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI, or through profit or loss); and
- those to be measured at amortised cost.

The classification depends upon whether the objective of the Group's relevant business model is to hold financial assets in order to collect contractual cash flows (business model test) and whether the contractual terms of the cash flows give rise on specified dates to cash flows that are solely payments of principal and interest (cash flow test).

The Group does not have financial assets that are classified as 'fair value through other comprehensive income' and 'fair value through profit or loss'.

Financial assets carried at amortised cost
Trade and other receivables are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest and are measured at amortised cost using the effective interest rate method.

On de-recognition of financial assets carried at amortised cost, the difference between the financial asset's carrying amount and the sum of the consideration received is recognised in the profit or loss.

Impairment
For trade receivables, the Group applies the simplified approach permitted by AASB 9, which requires expected lifetime credit losses to be recognised from initial recognition of the trade receivables.

The expected credit losses are estimated using a provision matrix based on the Group's historical credit loss experience adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

The Group writes-off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery.

FINANCIAL LIABILITIES

Trade and other payables and borrowings are subsequently measured at amortised cost using the effective interest rate method.

Financial liabilities are de-recognised when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability de-recognised and the consideration paid is recognised in the profit or loss.

AASB 15 Revenue from Contracts with Customers

AASB 15 replaces AASB 118 Revenue and AASB 111 Construction Contracts. AASB 15 introduces a 5-step approach to revenue recognition and the principle that revenue is recognised when (or as) a performance obligation is satisfied, i.e. when control of a good or service underlying the particular performance obligation is transferred to a customer – the concept of transfer of control of a good or service replaces the concept of transfer of risks and rewards.

Impact of adoption of AASB 15 – Developer's contributions revenue (Preferred developer relationships)

The adoption of AASB 15 has had a material impact on the developer's contributions revenue (Preferred developer relationships).

The Group has entered into long term agreements with a limited number of developers which provides for the Group to install network infrastructure in the majority of the Developers future estates. These agreements provide, in exchange for new customers, the payment of a product fee to the Developer based on the number of active users in the developer's estates.

As at 1 July 2018, in accordance with AASB 15, these arrangements have resulted in the recognition of a 'Customer refund liability' reflecting the present value of the product fee for the remainder of the contractual period, with the equivalent amount being treated as a refund of the contributions received to date from the developer for the construction of network infrastructure.

The Customer refund liability is reassessed at the end of each accounting period to reflect the change in active connections in that period and the resulting re-assessment of the future product fee payable. This is recognised as an adjustment to construction revenue.

The product fee paid to the developer is offset against the Customer refund liability.

Impact of adoption of AASB 15 – Developer's contributions (construction of backhaul and headend for an estate)

In accordance with AASB 15, developer's contributions received in relation to the performance obligation for the construction of backhaul and headend for an estate are recognised when the fibre installation in the estate to which the headend and backhaul are connected is practically complete. Previously, the developer's contributions for headend and backhaul was recognised when the contributions were invoiced.

The change in the timing of revenue recognised was reviewed for all construction of backhaul and headend which commenced prior to the application date of the changes for AASB 15.

OptiComm has adopted this change in accounting policy from 1 July 2018 and this has been applied to relevant contracts entered into from this time.

Accounting policies under AASB 15

REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue from contracts with customers is recognised so as to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

Revenue is recognised in accordance with the following five-step process:

1. Identifying the contract with the customer.
2. Identifying the performance obligations in the contract.
3. Determining the transaction price.
4. Allocating the transaction price to the performance obligations in the contract.
5. Recognising revenue as and when the performance obligations are satisfied.

Developer contributions/construction revenue

OptiComm recognises as construction revenue, non-refundable cash contributions from developers for installation of networks in their Broadacre estates and Multi Dwelling Unit developments. Construction revenue is recognised when the network in a 'stage' is practically complete (a "connection service"). In most instances, the connection service is the primary performance obligation OptiComm has to the developer. Practical completion means the network is functional and ready for use, can be connected to a dwelling (once that dwelling is built and occupied) and allows the developer to sell the lot as it is now 'fibre ready' ('fibre ready' is a legislated mandatory requirement for a developer to sell a lot).

Within developer contributions there are two main revenue types:

- External Infrastructure (Head-End & Backhaul) contributions – these are typically a lump sum dollar amount.
- The Per Lot fee (Fibre distribution and Pit & Pipe) – these are typically paid upon installation in-line with project progression (being design, pit and pipe, fibre install and completion).

OptiComm's customer is the developer. The service is to provide a "connection service" to connect the developer's property to the network infrastructure. Developer contributions attributable to the connection service are recognised as construction revenue when the connection service is satisfied according to AASB 15 paragraph 38 (performance obligations satisfied at a point in time), which is on completion of the connection.

The Group has entered into long term agreements with a limited number of developers which provides for the Group to install network infrastructure in the majority of the developer's future estates. These agreements provide, in exchange for new customers, the payment of a product fee to the developer based on the number of active users in the developer's estates. This results in the recognition of a 'customer refund liability' reflecting the net present value of the product fee.

The customer refund liability is reassessed at the end of each accounting period to reflect the change in active connections in that period and the resulting re-assessment of the future product fee payable. This is recognised as an adjustment to construction revenue with the tax effect amount reflected as a deferred tax asset.

Network revenue
Revenue from the provision of network services includes recurring network revenue received from Retail Service Providers for network access in the form of a monthly wholesale charge. Network revenue is recognised in the accounting period in which the services are rendered.

Connections revenue
Connections revenue represents one-off connection fees as dwellings are connected to OptiComm's network. Connections revenue is recognised in the accounting period in which the connection is completed.

Interest revenue
This revenue is recognised using the effective interest method. It includes amortisation of any discount or premium.

Other revenue
Other revenue is recognised when it is received or when the right to receive payment is established. Grants and subsidies are recognised as income over the period to which they relate.

IMPACT OF ADOPTION AASB 16

The group has completed its analysis of the impacts on transition to AASB 16.

The impact on net profit before tax is not material.

Accounting policies under AASB 16
Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the Group's incremental borrowing rate is used, being the rate that the Group would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. The Group considers assets with a brand new cost of AU$10,000 as low-value assets.

12.2 PRINCIPLES OF CONSOLIDATION

The Financial information incorporates all of the assets, liabilities and results of the parent OptiComm Ltd and its subsidiary OptiComm Integration Pty Ltd. Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The assets, liabilities and results of all Subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between group entities are fully eliminated on consolidation. Accounting policies of Subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

12.3 INCOME TAX

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

12.4 CURRENT AND NON-CURRENT CLASSIFICATION

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

12.5 CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

12.6 INVENTORIES

Inventories consist of consumable type items which are consumed in connection costs or network infrastructure assets in property, plant and equipment. Consumables are stated at the lower of cost and recoverable amount on a 'weighted average cost' basis. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

12.7 PROPERTY, PLANT AND EQUIPMENT

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Assets are recognised, regardless of when title passes or if title passes, when the Group gains control of the assets or has substantially all the risks and rewards of ownership.

Assets acquired are brought to account at fair value.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Network Infrastructure – Stage Builds	5-40 years
Network Infrastructure – Headworks	4-20 years
Network Infrastructure – Backhaul Builds	20 years
Leasehold Improvements	5 years
Plant and Equipment	10 years
Computers	5 years
Motor Vehicles	10 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements and plant and equipment under lease are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

12.8 INTANGIBLE ASSETS

SOFTWARE

Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 5 years.

RESEARCH AND DEVELOPMENT

Expenditure during the research phase of a project is recognised as an expense when incurred. Development costs are capitalised only when technical feasibility studies identify that the project will deliver future economic benefits and these benefits can be measured reliably.

12.9 IMPAIRMENT OF NON-FINANCIAL ASSETS

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

12.10 TRADE AND OTHER PAYABLES

These amounts represent liabilities for goods and services provided to the entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

12.11 PROVISIONS

Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of a past event, it is probable the entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

The Group has entered into long term agreements with a number of developers which provides for the Group to install network infrastructure in the majority of the developer's future estates. These agreements provide, in exchange for new customers, the payment of a product fee to the developer based on the number of active users in the developer's estates.

In accordance with AASB 15, these arrangements have resulted in the recognition of a provision reflecting the net present value of the product fee for the remainder of the contractual period, with the equivalent amount reducing construction contributions from the relevant developer.

The provision is reassessed at the end of each accounting period to reflect the change in active connections in that period and the re-assessment of the future product fees payable.

Any changes are reflected in the provision balance and offset against developer construction revenue in that period.

The product fee paid to the developer is charged to the provision.

12.12 FINANCE COSTS

Finance costs are expensed in the period in which they are incurred.

12.13 EMPLOYEE BENEFITS

SHORT-TERM EMPLOYEE BENEFITS

Provision is made for the Group's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Group's obligations for short-term employee benefits such as wages, salaries are recognised as a part of current trade and other payables in the statement of financial position.

OTHER LONG-TERM EMPLOYEE BENEFITS

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on corporate bonds that have maturity dates that approximate the terms of the obligations. Upon the re-measurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss as a part of employee benefits expense.

The Group's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Group does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

12.14 FAIR VALUE MEASUREMENT

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

12.15 ISSUED CAPITAL

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

12.16 DIVIDENDS

Dividends are recognised when declared during the financial year and no longer at the discretion of the Group.

12.17 GOODS AND SERVICES TAX (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the 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 tax authority is included in other receivables or other payables in the statement of financial position.

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 tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

12.18 SHARE-BASED PAYMENTS

Share-based compensation benefits are provided to employees via the OptiComm Employee Share Plan, employee share scheme and proposed Performance Rights Plan.

The fair value of options granted under the various plans are recognised as an employee benefit expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted, which includes any market performance conditions, but excludes the impact of any service and non-market performance vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

Section 13

Glossary

Section 13
Glossary

In this document:

AASB	means the Australian Accounting Standards Board.
ACCC	means the Australian Competition and Consumer Commission.
Access Seeker	means a company acquiring OptiComm wholesale services with the intention to supply services to end users and/or Retail Service Providers (RSPs).
ACMA	means Australian Communications and Media Authority.
Active Premises	a term used by OptiComm to refer to lots that are Connected Premises and for which an active telecommunications, entertainment or other service is being provided by a Retail Service Provider.
ADSL	means Asynchronous Digital Subscriber Line.
AEST	means Australian Eastern Standard Time.
AFSL	means Australian Financial Services Licence.
Allotment Date	means 15 August 2019.
Applicant	means a person who submits a valid Application Form and required Application Monies pursuant to this Prospectus.
Application	means an application for Shares under this Prospectus.
Application Amount	means the amount required to be submitted with an Application, being the Offer Price multiplied by the number of Shares applied for.
Application Form	means the application form attached to or accompanying this Prospectus for the application for Shares under the Offer.
Application Monies	means money submitted by Applicants pursuant to their Application.
ARPU	means Average Revenue per User. Refer to Section 4.12.2 for a description.
ASIC	means the Australian Securities and Investments Commission.
ASX	means ASX Limited ABN 98 008 624 691 or the market it operates, as the context requires.
ASX Corporate Governance Principles	means the corporate governance principles and recommendations of the ASX Corporate Governance Council as at the date of this Prospectus.
ASX Listing Rules	means the official Listing Rules of ASX as amended or waived from time to time.
Australian National Broadband Network	means the Australian government initiative to upgrade Australia's broadband infrastructure to a high-speed broadband network.
Backhaul	means the portion of a network between the core network and OptiComm's network in a Broadacre or Multi Dwelling Unit development.
BAN	means Broadband Aggregation Network. Refer to Section 3.6 for a description.
BCAR	means the Bureau of Communications and Arts Research of Australia.
BDO Audit	means BDO Audit Pty Ltd.
BDO CFQ	means BDO Corporate Finance (QLD) Ltd.
Board	means the board of Directors of the Company.
Broadacre	means a type of development which covers large areas of land.
Broker	any ASX participating organisation selected by the Lead Manager and Underwriter to participate in the Broker Firm Offer.
Broker Firm Offer	means the offer of Shares under this Prospectus to eligible Australian and New Zealand residents who are sophisticated or professional investors (within the meaning of sections 708(8) and 708(11) of the Corporations Act, respectively), or, following lodgement of this Prospectus, to Australian and New Zealand resident investors who are not Institutional Investors and have received a firm allocation from their Broker.
Broker Firm Offer Application Form	means an Application Form in respect of Applications under the Broker Firm Offer.
Brownfield	means pre-existing premises in a given area.
CAGR	means cumulative annual growth rate.
CAN	means Customer Access Network. Refer to Section 3.6 for a description.
CC Act	means *Competition and Consumer Act 2010* (Cth).
CGT	means capital gains tax.

CHESS	means Clearing House Electronic Subregister System, operated in accordance with the ASX Listing Rules and the ASX Settlement Operating Rules.
Company or OptiComm	means OptiComm Ltd (previously known as OptiComm Co Pty Ltd) ACN 117 414 776.
Completion or Completion of the Offer	means the completion of the Offer, being the date upon which Shares are issued or transferred to Successful Applicants in accordance with the terms of the Offer.
Connected Premises	a term used by OptiComm to refer to lots where a dwelling has been built on the property and the occupier has a connection to the network.
Constitution	means the constitution of the Company.
Corporations Act	means the *Corporations Act 2001* (Cth).
Digital Subscriber Line or DSL	means a legacy broadband technology that transmits data over copper telephone lines.
Directors	means the directors of the Company as at the date of this Prospectus.
EBIT	means earnings before interest and tax.
EBITDA	means earnings before interest, tax, depreciation and amortisation.
Eligible Employees	means those OptiComm employees whom the Company determines are eligible to participate in the Employee Gift Offer being a person: a. who is a permanent full-time or permanent part-time Australian resident employee of the OptiComm Group as at 15 July 2019 (being the date the Prospectus was lodged with ASIC) (but not including Directors); and b. who is still employed by OptiComm, and has not tendered their resignation or been made redundant or otherwise received notice of termination of employment as at the Allotment Date; and c. who has, as at the Allotment Date, completed a minimum of 6 months service with OptiComm.
Employee Gift Offer	means the offer of a gift of up to $1,000 worth of Shares under this Prospectus to Eligible Employees as described in Section 7.13.
Ethernet	a common method of networking computers in a local area network using a variety of forms of cabling.
Existing Shareholders	means the owners of Shares as at the Prospectus Date.
Exposure Period	means the seven day period after the date of lodgement of the Prospectus with ASIC (as extended by ASIC (if applicable)).
Financial Information	has the meaning given to in Section 4.1
Forecast Financial Information	has the meaning given to it in Section 4.1
Free Cash Flow	means cashflow from operations less capital expenditure.
FTTB	means Fibre-to-the-Building.
FTTC	means Fibre-to-the-Curb.
FTTN	means Fibre-to-the-Node.
FTTP	means Fibre-to-the-Premises.
FY19 STI Plan	refer to Section 10.4.1.
FY2017	means the financial year ended 30 June 2017.
FY2018	means the financial year ended 30 June 2018.
FY2019	means the financial year ending 30 June 2019.
FY2020	means the financial year ending 30 June 2020.
Gbps	means gigabits per second.
Greenfield	means a type of development where new premises are built on previously undeveloped land, either Broadacre or Infill.
GPON	means Gigabit Passive Optical Network, which is a type of technology and network architecture that uses a combination of electronics and passive optical splitters to deliver 'last mile' broadband services at speeds up to 1,000Mbps.
Group	means the Company and its Subsidiaries.
GST	has the meaning given to that term in Section 195 – 1 of the A New Tax System (Goods and Services Tax) Act 1999 as amended.
H1 FY2018	means the six month period ended 31 December 2017.
H1 FY2019	means the six month period ended 31 December 2018.
H2 FY2019	means the six month period ended 30 June 2019.
HFC	means Hybrid Fibre Coax.

Historical Financial Information	has the meaning given to it in Section 4.1
IFRS	means International Financial Reporting Standard.
Infill	means a type of development where new premises are built on previously developed land that is surrounded by established areas. Often includes urban renewal areas.
Internet of Things	an expression used to describe the ever-growing number of physical objects that require connectivity to the internet.
Institutional Offer	means the offer of Shares to institutional investors described in Section 7.12.
Institutional Investor	means an Applicant to whom offers or invitations in respect of securities can be made without the need for a lodged prospectus, including in Australia persons to whom offers or invitations can be made without the need for a lodged prospectus under section 708 of the Corporations Act (disregarding section 708AA).
Integrated Communication Networks or ICN	means a network installed within a multi tenanted or commercial building that integrates communications and other services supplied within the building.
Inter Exchange Network	means the network between OptiComm's Points of Interconnect and Broadband Aggregation Nodes. Refer to Section 3.6 for a description.
Investigating Accountants	means BDO Audit and BDO CFQ (as the forecast expert).
Investigating Accountants' Reports	means the investigating accountants' reports provided by the Investigating Accountants and included in Section 8.
Layer 2	means the second level in the seven-layer Open Systems Interconnect reference model for network protocol design.
LBAS	means Local Bitstream Access Services.
Lead Manager and Underwriter	means Morgans Corporate Limited (AFSL 23541).
Listing	means the admission of the Company to the Official List, quotation of the Shares on the ASX and commencement of unconditional trading of the Shares on ASX.
Lots Passed	a term used by OptiComm to refer to lots where the fibre optic infrastructure has been installed into the premises or in close proximity to, but is not yet connected to the network.
Multi Dwelling Unit or MDU	means a building with multiple apartments, living units or premises.
Multi-Service Access Node or MSAN	means network equipment housed in a roadside cabinet that delivers telecommunications services to a large number of premises. Refer to Section 3.6 for a description.
Mbps	means megabits per second.
NBN Co	means NBN Co Limited ACN 136 533 741.
New Shares	means Shares to be issued by the Company in the Offer.
Normalised Free Cash Flow	means cashflow from operations, less capital expenditure, as adjusted for one-off items and any infrastructure debt funding.
NPAT	means net profit after tax.
Offer	means the offer of approximately 21.18 million Shares under this Prospectus to raise approximately $42.35 million.
Offer Closing Date	means 12 August 2019.
Offer Information Line	means 1800 992 039 (within Australia) or +61 1800 992 039 (outside Australia).
Offer Opening Date	means 23 July 2019.
Offer Period	means the period during which investors may apply for Shares under the Offer which commences on the Offer Opening Date and ends on the Offer Closing Date.
Offer Price	means the price per Offer Share (being $2.00).
Offer Settlement Date	means 14 August 2019.
Official List	means the official list of the ASX.
OLT	means Optical Line Terminal which is the equipment that provides the optical signals to each of the fibre distribution areas. Refer to Section 3.6 for a description.
ONT	means Optical Network Terminal which is the point of network demarcation of the OptiComm carrier network. It converts the optical signals into electrical signals to interface into the home network. Refer to Section 3.6 for a description.
OptiComm Employee Share Plan	means OptiComm's employee share plan referred to in Section 10.4.3.
PE router	means Provider Edge router which is an Internet Protocol (IP) device which is used to provide the interface between OptiComm's Inter Exchange Network and Customer Access Networks. This device is typically located at the BAN. Refer to Section 3.6 for a description.

Performance Rights Plan	means OptiComm's performance rights plan referred to in Section 10.4.2.
POI	means Point of Interconnect, which is the location where Retail Service Providers (RSPs) and Access Seekers to connect to the OptiComm network. OptiComm has currently six POIs. Refer to Section 3.6 for a description.
PON	means Passive Optical Network, which is a system that brings optical fibre cabling and signals all the way to the end user without the use of active electronic equipment.
Pro Forma Forecast Financial Information	has the meaning given to it in Section 4.1.
Pro Forma Historical Financial Information	has the meaning given to it in Section 4.1.
Prospectus	means this document (including the electronic form of this Prospectus) and any supplementary or replacement prospectus in relation to this document.
Prospectus Date	means 15 July 2019.
Retail Service Provider or RSP	means a third party provider of telecommunications, entertainment and other retail communication services to end users. Traditionally called an ISP (Internet Service Provider), but unlike ISP's, under Australian National Broadband Network regulation, Retail Service Providers do not own the telecommunications access network used to provide the service and must acquire wholesale access from the network operator.
SaleCo	means OptiComm SaleCo Limited ACN 619 343 912, a special purpose vehicle that will be the seller of Sell-Down Shares.
SBAS	means superfast broadband access services.
Section	means a section of this Prospectus.
Securities	means Shares in the Company.
Sell-Down	means the sale of the Sell-Down Shares under the Offer.
Sell-Down Proceeds	means the proceeds from the Sell-Down.
Sell-Down Sale Agreement	means the agreement under which each Selling Shareholder has agreed to sell Shares in the Sell Down to SaleCo for transfer to investors in the Sell-Down Offer.
Sell-Down Shares	means Shares to be transferred by the SaleCo under the Sell-Down.
Selling Shareholders	means the Existing Shareholders who are selling down Shares in the Sell Down as part of the Company's initial public offering.
SFA	means the Securities and Futures Act, Chapter 289 of Singapore.
SFO	means the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong.
Share	means a fully paid ordinary share in the capital of the Company (to be listed under the proposed ASX code 'OPC').
Shareholder	means a registered holder of a Share.
Share Registry	means Link Market Services Limited.
Statutory Forecast Financial Information	has the meaning given to it in Section 4.1.
Statutory Historical Financial Information	has the meaning given to it in Section 4.1.
Subsidiaries	has the meaning given to it in the Corporations Act.
Successful Applicants	means an Applicant who is issued or transferred Shares under the Offer.
Telecommunications Act	means the *Telecommunications Act 1997* (Cth).
UDIA	means Urban Development Institute of Australia.
Underwriter	means Morgans Corporate Limited (AFSL 23541).
Underwriting Agreement	means the agreement between the Company, SaleCo and the Lead Manager and Underwriter in respect of the Offer dated 15 July 2019, a summary of which is included in Section 10.1.
US Securities Act	*US Securities Act of 1933* (as amended).
VDSL	means a very high speed asymmetric Digital Subscriber Line, a data communications technology that enables very fast broadband data transmission over less than one kilometre of copper telephone lines.
XGS-PON	means a passive optical network system capable of delivering 10Gbps both downstream and upstream.
YTD	means year to date.

Corporate directory

Company
OptiComm Ltd

Head office
Unit 5, 297 Ingles Street
Port Melbourne VIC 3207

Registered office
Unit 5, 297 Ingles Street
Port Melbourne VIC 3207
www.opticomm.net.au

Directors
Allan Brackin (Chair)
Paul Cross
David Redfern
Kenneth Ogden
Greg Adcock
Jennifer Douglas

Company Secretary
John Phillips

Share Registry
Link Market Services Limited
Tower 4, 727 Collins Street
Melbourne VIC 3008
www.linkmarketservices.com.au

Lead Manager and Underwriter
Morgans Corporate Limited
Level 29, 123 Eagle Street
Brisbane QLD 4000
www.morgans.com.au

Auditor
BDO Audit Pty Ltd
Level 10, 12 Creek Street
Brisbane QLD 4000
www.bdo.com.au

Investigating Accountants
BDO Audit Pty Ltd
Level 10, 12 Creek Street
Brisbane QLD 4000
www.bdo.com.au

BDO Corporate Finance (QLD) Ltd
Level 10, 12 Creek Street
Brisbane QLD 4000
www.bdo.com.au

Tax Adviser
Pitcher Partners
Level 38, 345 Queen Street
Brisbane QLD 4000
www.talbotsayer.com.au

Legal Adviser
Talbot Sayer
Level 27, 123 Eagle Street
Brisbane QLD 4000
www.talbotsayer.com.au

OPTICOMM LTD

ACN 117 414 776

Broker Code

Adviser Code

Broker Firm Offer Application Form

This is an Application Form for Shares in OptiComm Ltd under the Broker Firm Offer on the terms set out in the Prospectus dated 15 July 2019. You may apply for a minimum of 1,000 Shares and multiples of 250 thereafter. This Application Form and your cheque or bank draft must be received by your Broker by the deadline set out in their offer to you.

If you are in doubt as to how to deal with this Application Form, please contact your accountant, lawyer, stockbroker or other professional adviser. The Prospectus contains information relevant to a decision to invest in Shares and you should read the entire Prospectus carefully before applying for Shares.

A Shares applied for , , at Price per Share **A$2.00**

(minimum 1,000, thereafter in multiples of 250)

B Application Monies **A$** , , .

C **PLEASE COMPLETE YOUR DETAILS BELOW** (refer overleaf for correct forms of registrable names)

Applicant #1

Surname/Company Name

Title

First Name

Middle Name

Joint Applicant #2

Surname

Title

First Name

Middle Name

Designated account e.g. <Super Fund> (or Joint Applicant #3)

D TFN/ABN/Exemption Code

First Applicant

Joint Applicant #2

Joint Applicant #3

TFN/ABN type – if NOT an individual, please mark the appropriate box: Company, Partnership, Trust, Super Fund

E **PLEASE COMPLETE ADDRESS DETAILS**

PO Box/RMB/Locked Bag/Care of (c/-)/Property name/Building name (if applicable)

Unit Number/Level

Street Number

Street Name

Suburb/City or Town

State

Postcode

Email address (only for purpose of electronic communication of shareholder information)

F CHESS HIN

X

If you have a Broker Sponsored account and would like your securities to be allocated to this account, it is important that you enter your HIN at this step. Failure to do so will result in your securities being allocated to a new Issuer Sponsored account. You will not be able to change this until after the stock exchange listing takes place and you will need to request your broker to do this for you.

G Telephone Number where you can be contacted during Business Hours ( )

Contact Name (PRINT)

H Cheques or bank drafts should be drawn up according to the instructions given by your Broker.

Cheque or Bank Draft Number

BSB -

Account Number

Total Amount **A$** , , .

LODGEMENT INSTRUCTIONS

You must return your application so it is received by your Broker by the deadline set out in their offer to you.

OPC BRO001

Your Guide to the Application Form

Please complete all relevant white sections of the Application Form in BLOCK LETTERS, using black or blue ink. These instructions are cross-referenced to each section of the form.

The Shares to which this Application Form relates are OptiComm Ltd ("OPC") Shares. Further details about the Shares are contained in the Prospectus dated 15 July 2019 issued by OptiComm Ltd. The Prospectus will expire 13 months after the date of the Prospectus. While the Prospectus is current, OptiComm Ltd will send paper copies of the Prospectus, any supplementary document and the Application Form, free of charge on request.

The Australian Securities and Investments Commission requires that a person who provides access to an electronic application form must provide access, by the same means and at the same time, to the relevant Prospectus. This Application Form is included in the Prospectus.

The Prospectus contains important information about investing in the Shares. You should read the Prospectus before applying for Shares.

A Insert the number of Shares you wish to apply for. The Application must be for a minimum of 1,000 Shares and thereafter in multiples of 250. You may be issued all of the Shares applied for or a lesser number.

B Insert the relevant amount of Application Monies. To calculate your Application Monies, multiply the number of Shares applied for by the issue price. Amounts should be in Australian dollars. Please make sure the amount of your cheque or bank draft equals this amount.

C Write the full name you wish to appear on the register of Shares. This must be either your own name or the name of a company. Up to three joint Applicants may register. You should refer to the table below for the correct registrable title.

D Enter your Tax File Number (TFN) or exemption category. Business enterprises may alternatively quote their Australian Business Number (ABN). Where applicable, please enter the TFN or ABN for each joint Applicant. Collection of TFN(s) and ABN(s) is authorised by taxation laws. Quotation of TFN(s) and ABN(s) is not compulsory and will not affect your Application. However, if these are not provided, OptiComm Ltd will be required to deduct tax at the highest marginal rate of tax (including the Medicare Levy) from payments.

E Please enter your postal address for all correspondence. All communications to you from OptiComm Ltd and the Share Registry will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.

F If you are already a CHESS participant or sponsored by a CHESS participant, write your Holder Identification Number (HIN) here. If the name or address recorded on CHESS for this HIN is different to the details given on this form, your Shares will be issued to OptiComm Ltd's issuer sponsored subregister.

G Please enter your telephone number(s), area code and contact name in case we need to contact you in relation to your Application.

H Please complete the details of your cheque or bank draft in this section. The total amount of your cheque or bank draft should agree with the amount shown in section B.

If you receive a firm allocation of Shares from your Broker make your cheque payable to your Broker in accordance with their instructions.

CORRECT FORMS OF REGISTRABLE NAMES

Note that ONLY legal entities are allowed to hold Shares. Applications must be in the name(s) of natural persons or companies. At least one full given name and the surname is required for each natural person. The name of the beneficiary or any other non-registrable name may be included by way of an account designation if completed exactly as described in the examples of correct forms below.

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Individual Use given names in full, not initials	Mrs Katherine Clare Edwards	K C Edwards
Company Use Company's full title, not abbreviations	Liz Biz Pty Ltd	Liz Biz P/L or Liz Biz Co.
Joint Holdings Use full and complete names	Mr Peter Paul Tranche & Ms Mary Orlando Tranche	Peter Paul & Mary Tranche
Trusts Use the trustee(s) personal name(s)	Mrs Alessandra Herbert Smith <Alessandra Smith A/C>	Alessandra Smith Family Trust
Deceased Estates Use the executor(s) personal name(s)	Ms Sophia Garnet Post & Mr Alexander Traverse Post <Est Harold Post A/C>	Estate of late Harold Post or Harold Post Deceased
Minor (a person under the age of 18 years) Use the name of a responsible adult with an appropriate designation	Mrs Sally Hamilton <Henry Hamilton>	Master Henry Hamilton
Partnerships Use the partners' personal names	Mr Frederick Samuel Smith & Mr Samuel Lawrence Smith <Fred Smith & Son A/C>	Fred Smith & Son
Long Names	Mr Hugh Adrian John Smith-Jones	Mr Hugh A J Smith Jones
Clubs/Unincorporated Bodies/Business Names Use office bearer(s) personal name(s)	Mr Alistair Edward Lilley <Vintage Wine Club A/C>	Vintage Wine Club
Superannuation Funds Use the name of the trustee of the fund	XYZ Pty Ltd <Super Fund A/C>	XYZ Pty Ltd Superannuation Fund

Put the name(s) of any joint Applicant(s) and/or account description using < > as indicated above in designated spaces at section C on the Application Form.

OptiComm
National Broadband Fibre

OptiComm
National Broadband Fibre