



amaysim
SAY HI TO MORE

PROSPECTUS

Initial Public Offering of Ordinary Shares

amaysim Australia Limited ACN 143 613 478

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JOINT LEAD MANAGERS

**Goldman
Sachs**



FINANCIAL ADVISER

 **Investec**

IMPORTANT NOTICES

OFFER

This Prospectus is issued by amaysim Australia Limited (ACN 143 613 478) (**amaysim** or **Company**) and amaysim SaleCo Limited (ACN 605 248 315) (**SaleCo**) for the purposes of Chapter 6D of the Corporations Act 2001 (Cth) (**Corporations Act**). The Offer contained in this Prospectus is an initial public offering to acquire fully paid ordinary shares in amaysim (**Shares**) that will in part be issued by amaysim and in part sold by SaleCo.

LODGEMENT AND LISTING

This Prospectus (**Prospectus**) is dated 29 June 2015 and was lodged with the Australian Securities and Investments Commission (**ASIC**) on that date. It is a replacement prospectus which replaces the prospectus dated 23 June 2015 and lodged with ASIC on that date (**Original Prospectus**). This Prospectus differs from the Original Prospectus. The differences between the Prospectus and the Original Prospectus include the insertion of amaysim's Enterprise Value at the Offer Price/pro forma FY2015F EBITDA, and Offer Price/pro forma FY2015F NPATA per Share, multiples (and associated mark ups to the notes) in the Key Offer Statistics on page 3 of this document.

amaysim has applied to ASX Limited (**ASX**) for admission of amaysim to the Official List and quotation of its Shares on ASX. None of ASIC, ASX or their respective officers takes any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates. amaysim, SaleCo, amaysim's service provider Computershare Investor Services Pty Limited (ABN 48 078 279 277) (**Share Registry**), and the Joint Lead Managers 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 date of the Original Prospectus (**Expiry Date**) and no securities will be issued or transferred on the basis of this Prospectus after the Expiry Date. Offers of Shares under this Prospectus may be accepted by the Company and SaleCo in their discretion until and including the Completion Date or such other date as determined by them.

NOT INVESTMENT ADVICE

The information contained in this Prospectus is not financial product advice and does not take into account your personal circumstances, investment objectives, financial situation or particular needs. It is important that you read this Prospectus carefully and in its entirety before deciding whether to invest in amaysim.

In particular, you should consider the assumptions underlying the Forecast Financial Information and the risk factors that could affect the performance of amaysim. You should carefully consider these risks in light of your personal circumstances, investment objectives, financial situation and particular needs (including financial and tax issues) and seek professional guidance from your solicitor, stockbroker, accountant, financial adviser or other independent and qualified professional adviser before deciding whether to invest in amaysim. Some of the key risk factors that should be considered by prospective investors are set out in Section 5. There may be risk factors in addition to these that should be considered in light of your personal circumstances.

Except as required by law, no person named in this Prospectus, nor any other person, warrants or guarantees the performance of amaysim or the repayment of capital by amaysim or any payment of a return on investment made pursuant to this Prospectus.

This Prospectus includes information regarding past performance of amaysim. Investors should be aware that past performance is not indicative of future performance.

No person is authorised to give any information or to make any representation in connection with the Offer described in this Prospectus which is not contained in this Prospectus. Any information or representation not so contained may not be relied upon as having been authorised by amaysim, SaleCo, the Joint Lead Managers or any other person in connection with the Offer. You should rely only on information contained in this Prospectus.

NO COOLING-OFF RIGHTS

Cooling-off rights do not apply to an investment in Shares issued under the Prospectus. This means that, in most circumstances, you cannot withdraw your application to acquire Shares under this Prospectus.

EXPOSURE PERIOD

The Corporations Act prohibits amaysim and SaleCo from processing applications for securities under this Prospectus in the seven day period after the date of the Original Prospectus (**Exposure Period**). ASIC may extend this period by up to a further seven days (i.e. up to a total of 14 days). The purpose of the Exposure Period is to enable the Prospectus to be examined by market participants prior to the raising of funds. The examination may result in the identification of certain deficiencies in this Prospectus, in which case any application may need to be dealt with in accordance with section 724 of the Corporations Act.

Applications received during the Exposure Period will not be processed until after the expiry of the Exposure Period. No preference will be given to applications received during the Exposure Period.

PROSPECTUS AVAILABILITY

During the Offer Period, a paper copy of this Prospectus is available free of charge to any person in Australia by calling the amaysim Offer Information Line on 1300 374 815 from 8:30am to 5:00pm (Sydney time), Monday to Friday (business days only). This Prospectus is also available to Australian resident investors in electronic form at the Offer website www.amaysimsharesoffer.com.au. The Offer constituted by this Prospectus in electronic form is available only to persons downloading or printing it within Australia and is not available to persons in any other jurisdiction without the prior approval of amaysim, SaleCo and the Joint Lead Managers. Persons who access the electronic version of this Prospectus must ensure that they download and read the entire Prospectus.

APPLICATIONS AND TRADING

Applications may be made only during the Offer Period on the appropriate application form attached to, or accompanying, this Prospectus in its paper copy form, or in its electronic form which must be downloaded in its entirety from www.amaysimsharesoffer.com.au. By making an application, you represent and warrant that you were given access to the Prospectus, together with an Application Form.

The Corporations Act prohibits any person from passing on to another person the Application Form unless it is attached to, or accompanied by, the complete and unaltered version of this Prospectus. As set out in Section 7, it is expected that the Shares will be quoted on ASX initially on a deferred settlement basis. amaysim, SaleCo, the Share Registry, the Financial Adviser, the Joint Lead Managers and the Existing Shareholders disclaim

all liability, whether in negligence or otherwise, to persons who trade Shares before receiving their holding statements.

STATEMENTS OF PAST PERFORMANCE

This Prospectus includes information regarding the past performance of amaysim. Investors should be aware that past performance should not be relied upon as being indicative of future performance.

FINANCIAL PERFORMANCE

Section 4 sets out in detail the financial information referred to in this Prospectus. The basis of preparation of the financial information is set out in Section 4.2. All references to FY2012, FY2013, FY2014, FY2015F and FY2016F appearing in this Prospectus are to the financial years ended or ending 30 June 2012, 30 June 2013, 30 June 2014, 30 June 2015 and 30 June 2016, respectively, unless otherwise indicated. All references to 1H2014 and 1H2015 are to the half years ending 31 December 2013 and 31 December 2014, respectively. The Pro Forma Historical Financial Information has been prepared in accordance with the recognition and measurement principles prescribed by the Australian Accounting Standards.

The basis of preparation and presentation of the Forecast Financial Information is, to the extent applicable, consistent with the basis of preparation and presentation of the Pro Forma Historical Financial Information. The Pro Forma Historical Financial Information and the Forecast Financial Information in this Prospectus should be read in conjunction with, and are qualified by reference to, the information contained in Section 4.

All financial amounts contained in this Prospectus are expressed in Australian dollars unless otherwise stated. Any discrepancies between totals and the sum of components in tables contained in this Prospectus are due to rounding. References to minimum application amounts, guaranteed minimum allocations and similar amounts may vary slightly to actual amounts due to rounding.

FORWARD LOOKING STATEMENTS AND MARKETING AND INDUSTRY DATA

This Prospectus includes Forecast Financial Information based on an assessment of present economic and operating conditions, and on a number of general and specific assumptions set out in Section 4.8 regarding future events and actions that, as at the date of this Prospectus, amaysim expects to take place. The basis of preparation and presentation of the Forecast Financial Information, to the extent applicable, are consistent with the basis of preparation and presentation for the Pro Forma Historical Financial Information. The Forecast Financial Information presented in this Prospectus is unaudited.

This Prospectus contains forward looking statements which are identified by words such as "believes", "considers", "could", "estimates", "expects", "intends", "may", and other similar words that involve risks and uncertainties. The Forecast Financial Information is an example of forward looking statements. Such forward looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors (including the risks set out in Section 5), many of which are beyond the control of amaysim, the Directors, SaleCo, the SaleCo directors and management of the Company.

Any forward looking statements are subject to various risk factors that could cause amaysim's actual results to differ

materially from the results expressed or anticipated in these statements. Forward looking statements should be read in conjunction with, and are qualified by reference to, the risk factors as set out in Section 5, general assumptions as set out in Section 4.8.1, specific assumptions as set out in Section 4.8.2, sensitivity analysis as set out in Section 4.9, and other information in this Prospectus.

amaysim and 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 investors are cautioned not to place undue reliance on these forward looking statements. amaysim and SaleCo have no intention of updating or revising forward looking statements, or publishing prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information, contained in this Prospectus, except where required by law.

This Prospectus, including the overviews of the industry in which amaysim operates in Section 2 and of amaysim in Section 3, uses market data, industry forecasts and projections. amaysim and SaleCo have based some of this information on market research prepared by third parties. amaysim has also based some of this market data, industry forecasts and projections on information, including data pertaining to subjective market perceptions, obtained from surveys described in Sections 2 and 3.

The information contained in these surveys (and other forecasts and reports of third parties) includes assumptions, estimates and generalisations that amaysim and SaleCo believe to be reliable, but amaysim and SaleCo cannot guarantee the completeness of such information. There is no assurance that any of the forecasts contained in the reports, surveys and any research of third parties which are referred to in this Prospectus, will be achieved. amaysim 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.

SALE BY SHARK HOLDING

Under a share sale agreement, the formation of which is subject to conditions precedent that the Exposure Period has ended and that amaysim and SaleCo are capable of accepting applications under section 727(3) of the Corporations Act, Shark Holding agrees to sell 36.4 million Shares to SaleCo as part of Completion, free from encumbrances and third party rights. Under a further share sale agreement, the formation of which is also subject to equivalent conditions precedent, Shark Holding also agrees to transfer as part of Completion all its remaining Shares to, or at the direction of, the Founders or associated investment vehicles. This Prospectus is prepared and presented on the basis that Shark Holding and the Founders (or associated investment vehicles) have not elected to withdraw from the above sale agreements prior to satisfaction of this conditions precedent, and that those arrangements complete on Completion. For example, references in this Prospectus to the number of Shares Shark Holding or a Founder may or will sell (or hold), or the size of the Offer, are presented on the basis of this assumption. On completion of these transfers, Shark Holding will cease to be a shareholder in amaysim, and SaleCo, following the acquisition of Shares from Shark Holding, would sell them to Successful Applicants under the Offer. If this does not occur, the Joint Lead Managers, amaysim and SaleCo may determine to withdraw the Offer. If the Offer is withdrawn, any application

monies held by amaysim or SaleCo will be returned to investors (without interest). If the Offer proceeds, fewer proceeds will be returned to Shark Holding and Shark Holding or the relevant Founder (or associated investment vehicle) will, on Completion, hold the Shares not sold. All Shares held by the Founders (or associated investment vehicles) or Shark Holding on Completion will be subject to the escrow arrangements described in Section 6.10.

SHARE SPLIT

The numbers of Shares (and Share Rights) in this Prospectus are presented on the basis that a Share split has occurred. The Share split is a subdivision of each Share into 145 Shares (and consequently a subdivision of each Share Right into 145 Share Rights, each over one Share) to take place as part of or prior to Completion. This will ensure that the number of Shares acquired by Successful Applicants under the Offer, and on issue on Completion, equals the equivalent number of Shares referred to in this Prospectus (and that the number of Share Rights is appropriately adjusted to take account of the Share split).

COMPANY WEBSITE

Any references to documents included on amaysim's website at www.amaysim.com.au or the Offer website www.amaysimsharesoffer.com.au are for convenience only, and none of the documents or other information available on amaysim's website is incorporated by reference to this Prospectus.

DEFINED TERMS AND TIME

Some words and expressions used in this Prospectus have defined meanings, which are explained in the glossary in Appendix B. Unless otherwise stated or implied, references to times in this Prospectus are to Sydney time. Unless otherwise stated or implied, references to dates or years are calendar year references.

DISCLAIMERS

Except as required by law, and only to the extent so required, none of amaysim, SaleCo, the Directors, the SaleCo directors, the Joint Lead Managers or any other person warrants or guarantees the future performance of amaysim, or any return on any investment made pursuant to this Prospectus.

As set out in Section 7, it is expected that the Shares will be quoted on ASX initially on a deferred settlement basis.

SELLING RESTRICTIONS

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. In particular, the Broker Firm Offer will only be extended in New Zealand to New Zealand Exempt Broker Clients contacted by the Broker. No public offering of Shares will be made in New Zealand. The distribution of this Prospectus outside Australia may be restricted by law and persons who come into possession of this Prospectus outside Australia should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

In particular, the Shares have not been, and will not be, registered under the US Securities Act of 1933, as amended (**US Securities Act**) or the securities laws of any state of the United States and may not be offered or sold in the United States unless the Shares are registered under the US Securities Act, or an exemption from the registration requirements of the US Securities Act and applicable US state securities laws is available.

PRIVACY

By filling out the Application Form to apply for Shares, you are providing personal information to amaysim and SaleCo through the Share Registry, which is contracted by amaysim to manage applications. amaysim, SaleCo, the Joint Lead Managers and the Share Registry on their behalf, may collect, hold, use and disclose that personal information for the purposes of processing and assessing your application, servicing your needs as a Shareholder, providing facilities and services that you need or request and carrying out appropriate administration.

If you do not provide the information requested in the Application Form, amaysim, SaleCo, the Joint Lead Managers and the Share Registry may not be able to process or accept your

application. Your personal information may also be used from time to time to inform you about other products and services offered by amaysim, which it considers may be of interest to you.

Your personal information may also be provided to amaysim's members, agents and service providers on the basis that they deal with such information in accordance with amaysim's privacy policy. The members, agents and service providers of amaysim may be located outside Australia where your personal information may not receive the same level of protection as that afforded under Australian law. The types of agents and service providers that may be provided with your personal information and the circumstances in which your personal information may be shared are:

- the Share Registry for ongoing administration of the register of members;
- printers and other companies for the purposes of preparation and distribution of statements and for handling mail;
- market research companies for the purposes of analysing the Shareholder base and for product development and planning; and
- legal and accounting firms, auditors, contractors, consultants and other advisers for the purposes of administering, and advising on, the Shares and for associated actions.

If an applicant becomes a Shareholder, the Corporations Act requires amaysim 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 amaysim's register of members must remain there even if that person ceases to be a Shareholder. Information contained in amaysim's register of members is also used to facilitate dividend payments, corporate communications (including amaysim's financial results, annual reports and other information that amaysim may wish to communicate to its Shareholders) and compliance by amaysim with legal and regulatory requirements. An applicant has a right to gain access to their personal information that amaysim, SaleCo and the Share Registry hold about that person, subject to certain exemptions under law.

A fee may be charged for access. Access requests must be made in writing or by a telephone call to amaysim's registered office or the Share Registry's office, details of which are disclosed in the corporate directory on the inside back cover of this Prospectus. Applicants can obtain a copy of amaysim's privacy policy by visiting the amaysim website (www.amaysim.com.au).

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

OFFER MANAGEMENT

The Offer is being arranged and managed and underwritten by Goldman Sachs Australia Pty Ltd and Macquarie Capital (Australia) Limited.

REPORT ON DIRECTORS' FORECASTS AND FINANCIAL SERVICES GUIDE

The provider of the independent review on the Forecast Financial Information is required to provide Australian retail investors with a financial services guide in relation to the review under the Corporations Act. The financial services guide is provided in Section 8.

USE OF TRADEMARKS

This Prospectus includes amaysim's registered and unregistered trademarks. All other trademarks, trade names and service marks appearing in this Prospectus are the property of their respective owners.

QUESTIONS

If you have any questions about how to apply for Shares, please call the amaysim Offer Information Line at 1300 374 815 from 8:30am until 5:00pm (Sydney time), Monday to Friday during the Offer Period or contact your broker. If you are unclear in relation to any matter or are uncertain as to whether amaysim is a suitable investment for you, you should seek professional guidance from your solicitor, stockbroker, accountant, financial adviser or other independent and qualified professional adviser before deciding whether to invest in amaysim. Instructions on how to apply for Shares are set out in Section 7 of this Prospectus and on the back of the Application Form.

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IMPORTANT DATES

Prospectus lodgement date	Monday, 29 June 2015
Broker Firm Offer opens	Wednesday, 1 July 2015
Broker Firm Offer closes	Thursday, 9 July 2015
Settlement of the Offer	Monday, 13 July 2015
Issue and transfer of Shares (Completion)	Tuesday, 14 July 2015
Expected commencement of trading on ASX on deferred settlement basis	Wednesday, 15 July 2015
Expected dispatch of holding statements	Wednesday, 15 July 2015
Expected commencement of trading of Shares on ASX on a normal settlement basis	Thursday, 16 July 2015

These dates are indicative only and may change. amaysim and SaleCo, in consultation with the Joint Lead Managers, reserve the right to amend any and all of the above dates without notice (including, subject to the ASX Listing Rules and the Corporations Act, to close the Offer early, to extend the closing dates, or to accept late applications, either generally or in particular cases). amaysim and SaleCo also reserve the right to cancel or withdraw the Offer before Completion, in each case without notifying any recipient of this Prospectus or applicants.

If the Offer is cancelled or withdrawn before the issue and transfer of Shares, then all application monies will be refunded in full (without interest) as soon as practicable in accordance with the requirements of the Corporations Act. Investors are encouraged to submit their applications as soon as possible after the Offer opens. Applications received under the Offer are irrevocable and may not be varied or withdrawn except as required by law.

The quotation and commencement of trading of the Shares are subject to confirmation from ASX.

KEY OFFER STATISTICS

Offer Price	\$1.80 per Share
Total proceeds under the Offer	\$207.0 million
Total number of Shares offered under the Offer ¹	115.0 million
Number of Shares held by Existing Shareholders at Completion	61.1 million
Total number of Shares on issue following Completion ²	176.2 million
Market capitalisation at the Offer Price ³	\$317.1 million
Enterprise Value at the Offer Price ⁴	\$299.3 million
Enterprise Value at the Offer Price/pro forma FY2015F EBITDA ^{5, 6}	18.8x
Enterprise Value at the Offer Price/pro forma FY2016F EBITDA ^{5, 7}	9.4x
Offer Price/pro forma FY2015F NPATA per Share ^{8, 10}	34.5x
Offer Price/pro forma FY2016F NPATA per Share ^{9, 10}	15.9x
Indicative FY2016F dividend yield at the Offer Price (based on the midpoint of the target dividend payout ratio of 60% to 80% of NPATA) ¹¹	4.4%

Notes:

1. Of the total number of Shares offered under the Offer, 107.9 million will be offered by SaleCo and 7.2 million will be offered by amaysim. For further information, refer to Section 7.1.
2. Shares includes 166.7 million existing Shares as at the date of the Original Prospectus (adjusting for the Share split described in Section 7.1.6), 7.2 million Shares issued pursuant to the Offer and 2.3 million Shares issued to Employee Shareholders on or before Completion. For further information refer to Sections 6.7.1, 6.8.2 and 6.9.1.
3. Calculated as the total number of Shares on issue at Completion multiplied by the Offer Price.
4. Enterprise Value at the Offer Price is defined as market capitalisation at the Offer Price of \$317.1 million, less \$17.8 million net cash balance as at 30 June 2015 comprising \$14.0 million in cash and cash equivalents and \$3.7 million held in cash term deposits. For further information, refer to Section 4.4.2.
5. Forecast Financial Information should be read in conjunction with the detailed discussion of the Historical Financial Information and the Forecast Financial Information in Section 4, including the assumptions, management discussion and sensitivity analysis, as well as the key risks set out in Section 5. There is no guarantee that the forecasts will be achieved.
6. Calculated as the Enterprise Value at the Offer Price, divided by pro forma FY2015 EBITDA of \$15.9 million.
7. Calculated as the Enterprise Value at the Offer Price, divided by pro forma FY2016F EBITDA of \$31.7 million.
8. Calculated as the Offer Price, divided by pro forma FY2015F NPATA per Share of 5.2 (cps).
9. Calculated as the Offer Price, divided by pro forma FY2016F NPATA per Share of 11.3 (cps).
10. NPATA represents net profit after tax but before amortisation of amaysim's brand name acquisition. This measure is intended to remove the effect of non-cash charges attributable to the amortisation of the acquisition of the brand name of amaysim. For further information, refer to Section 4.2.4.
11. Calculated as annualised dividend per Share for FY2016F (based on the midpoint of a dividend payout ratio of 60% to 80% of NPATA) divided by the Offer Price. It is the current intention of the Directors to target a dividend payout ratio of between 60% and 80% of amaysim's NPATA, and to declare an interim and final dividend for FY2016F in line with this target. However, the payment of a dividend by amaysim is at the discretion of the Directors and will be a function of a number of factors the Directors consider relevant. For more information on amaysim's dividend policy, see Section 4.10.

HOW TO INVEST

For instructions on how to invest under the Broker Firm Offer and Priority Offer, refer to Sections 7.4 and 7.5 respectively.

CHAIRMAN'S LETTER

29 June 2015

Dear Investor,

On behalf of the Directors, it is my pleasure to invite you to become a shareholder in amaysim Australia Limited, a leading Australian, online-led mobile services provider. Since launching in November 2010, amaysim has become one of Australia's fastest growing mobile services providers and today is the fourth largest independent mobile services provider in Australia, servicing over 700,000 subscribers as at the end of May 2015.

amaysim contracts directly with its subscribers and provides in-house created products under the amaysim brand name using the Optus network. amaysim's transparent and focussed, value-leading "bring your own" device or "BYO" mobile and data plans attract a broad and diversified range of subscribers. amaysim's focus on user experience and customer satisfaction has assisted it to receive a number of industry awards, including the Roy Morgan award for "Mobile Services Provider of the Year" in both 2013 and 2014.

amaysim has a wholesale network supply agreement in place with Optus which underpins the business and assists amaysim to compete effectively in the Australian BYO market without long-term lock-in contracts with its subscribers. The original 2010 agreement with Optus was recently varied to include 4G services, and the term was extended to December 2019, with a further five year extension beyond that at amaysim's election.

amaysim operates an online-led business model, which is underpinned by a proprietary and scalable technology platform that provides a user-friendly customer experience, real-time data to amaysim and a high degree of automation. This technology platform is complemented by amaysim's relationships with leading national retailers that stock its products and together provide the Company with a national sales network of over 12,000 physical retail points of presence across Australia.

amaysim is led by an experienced management team that has been responsible for delivering a strong track record of growth in net revenues and subscriber numbers.

Notwithstanding amaysim's significant growth to date, its estimated share of subscribers in the Australian mobile services market was only approximately 2% as at 30 June 2014. By continuing to drive increasing subscriber growth, demand for higher value products and leveraging its scalable operating model, amaysim believes it is well positioned to continue to deliver strong growth.

amaysim's existing shareholders include the five founders of the business who are each expected to retain a meaningful part of their holdings in the Company on completion of the offer. Approximately 34% of shares on issue on completion of the offer (including shares then held by the founders and other existing shareholders) will be subject to escrow arrangements described in this document. amaysim has a majority of independent Directors, including an independent Chairman.

This Prospectus contains detailed information about amaysim, the industry in which amaysim operates, its financial and operating performance and the offer. An investment in amaysim is subject to a range of risks including a significant level of competition in the mobile services market, amaysim's reliance on a single provider, Optus, for its wholesale services and a significant disruption or failure of amaysim's IT platform. Key risks for this investment are detailed fully in Section 5. I encourage you to read this document carefully and in its entirety before making your investment decision.

On behalf of the Directors, I look forward to welcoming you as a shareholder of amaysim.

Yours sincerely,



Andrew Reitzer

Chairman

amaysim Australia Limited

Section 1

Investment Overview

For more information, please contact us at 01234 567890

1.1 INTRODUCTION

Topic	Summary
Who is amaysim?	amaysim is a leading Australian online-led Mobile Services Provider (MSP), with over 700,000 Subscribers as at the end of May 2015. Since launching, amaysim has become one of Australia's fastest growing MSPs and is the fourth largest independent MSP in Australia by number of Subscribers. amaysim had an estimated 2% market share of the Australian Mobile Services market by number of Subscribers as at 30 June 2014. amaysim launched in November 2010, targeting Subscribers who were dissatisfied with their existing MSPs. amaysim contracts directly with its Subscribers, providing in-house created mobile voice and data plans under the amaysim brand name which use the Optus 3G and 4G networks under a wholesale network supply agreement with Optus (NSA) (discussed in Sections 3.5.1 and 3.7). amaysim operates an online-led business model. Its online platform, centred on its website, mobile and tablet applications and proprietary IT infrastructure, is designed to act as a Subscriber acquisition and retention engine, allowing Subscribers to buy Mobile Services and manage their accounts online. Its products are also sold through a national network of over 12,000 physical retail points of sale, operated by its retail partners including Australia Post and grocery, petroleum, convenience and specialty retail chains. The only physical item supplied by amaysim to enable Subscribers to access its plans is a SIM. amaysim's success to date has led to the Company being recognised with a number of industry awards, including: • Roy Morgan award for "Mobile Services Provider of the Year" (2014, 2013); • Canstar Blue award for "Most satisfied customers" award for mobile phone plan (2014) and prepaid categories (2014, 2013); and • winner of five "Best of the Best" awards by Money magazine, including best mobile plan – low usage (2013), best unlimited mobile plan (2013) and best broadband plan (mobile) (2013). amaysim is headquartered in Sydney and employed 143 full-time equivalent employees (FTEs) as at December 2014. For more information refer to Sections 3.1, 3.2 and 3.4
How does amaysim generate its revenue and what are amaysim's key costs?	amaysim generates revenue by providing Mobile Services to Subscribers. The Company sells these services to its Subscribers utilising the Optus network. amaysim's key earnings driver is the margin between what it earns from its Subscribers through its product offering, and the service charges that it pays Optus and its transaction costs. amaysim is reliant on its NSA with Optus to deliver its Mobile Services (discussed in Sections 3.5.1 and 3.7). amaysim's key revenue drivers are Subscriber growth and monthly average revenue per Subscriber (ARPU) growth, which have both grown continually and organically since launch. The key costs of amaysim are: • cost of sales to generate income, which primarily comprises the costs to utilise the Optus network and transaction costs; and • operating costs, which primarily comprise employee costs, marketing costs and costs to operate amaysim's bespoke IT platform and Sydney-based customer service centre. amaysim believes its online-led business model is scalable, capable of supporting a larger Subscriber base while maintaining a low cost to serve. For more information refer to Section 3.4
What is amaysim's product offering and who are amaysim's customers?	amaysim's product offering centres around its competitive value offering, with a simple, BYO device concept, no lock-in contracts and transparent pricing. amaysim operates a fixed subscription-based model, whereby Subscribers purchase Mobile Services on a monthly basis (except for a 10.0GB data product). As at the Prospectus Date, amaysim offers mobile voice and data plans across three key categories, being UNLIMITED, flexible and data plans. amaysim's business model is designed to resonate with the entire market. amaysim attracts a diverse Subscriber base, with representation across all age groups and a relatively even distribution between Subscribers transferring from the three Australian Mobile Network Operators (MNOs); Telstra, Optus and Vodafone Hutchison Australia (Vodafone). For more information refer to Section 3.5.2

Topic	Summary
What market does amaysim compete in?	amaysim competes in the Australian Mobile Services market against MSPs, which include MNOs and Mobile Virtual Network Operators (MVNOs). Australia's three MNOs each provide 2G, 3G and 4G services, with networks covering at least 96% of the population. In addition to the MNOs there are MVNOs (including amaysim) that operate, and are branded, independently from the MNOs, but deliver their Mobile Services over one or more of the MNO networks under contractual agreements. By selling wholesale network services to MVNOs, a MNO's network may be used by more people and devices than would otherwise be the case, potentially contributing to additional network market share for that MNO. This generates wholesale revenues, which can have higher margins than retail revenues as a result of the MNOs incurring lower Subscriber acquisition costs and costs to serve. The MVNOs' share of the overall Mobile Services market in Australia has grown from an estimated 4.5% to 8.9% share between FY2010 and FY2014 in terms of number of Subscribers, reflecting their increasing popularity and awareness as an attractive alternative to MNOs. For more information refer to Section 2.2.1 and 2.2.3
What are the current drivers of competition in this market?	Key drivers of competition between MSPs include: • network, including quality, speed and 4G coverage of population and geography; • product model, including type of mobile plans offered (Prepaid plans, Postpaid lock-in plans or Postpaid BYO plans) and associated break fees, flagfalls and excess usage charges; • price points and inclusions, including the number of voice minutes and SMS and the amount of data; • quality of customer service, which can be an important differentiator as customers articulate their customer experiences and industry bodies monitor those experiences; and • distribution channels, including contrasting levels of reliance on physical and online retail channels to distribute products and services. For more information refer to Section 2.2.2
What is amaysim's growth strategy?	amaysim's business model has enabled the Company to deliver strong and continuous organic Subscriber and revenue growth since launch. amaysim management aims to continue to grow the business through a number of growth strategies outlined below. These are largely consistent with the successful strategies it has employed since launch: • increase Subscriber growth through exploitation of market fundamentals, a rapidly growing brand, leading customer satisfaction, 4G coverage and successful track record of launching new plans; • drive demand for higher value products and growth in ARPU through strategic, competitive positioning of higher value plans; • continue to extract online cost efficiencies to drive gross margin improvement through increasing penetration of online distribution and customer care; • continue to leverage amaysim's scalable operating base through ongoing development of its IT infrastructure; and • evaluate opportunities from market consolidation and future adjacent opportunities. For more information refer to Section 3.10
Does amaysim currently have any debt facilities?	amaysim does not currently have any debt facilities. It is expected that amaysim will have a net cash balance of \$17.8 million as at 30 June 2015. For more information refer to Section 4.4.2

Topic	Summary		
What are the key terms of the NSA with Optus?	Key terms of the NSA with Optus include the following:		
	Item	Key terms	amaysim rationale
	Term	Commenced in November 2010 with initial five year term, with amaysim's option to extend for a further five years Varied and extended in December 2014 for a further five year term ending in December 2019, with amaysim's option to extend for a further five years, ending December 2024	Long-term contract promotes business continuity Optional term provides flexibility to extend NSA or seek services from another MNO
	Wholesale services and charges	Access to all of Optus' mobile voice, data and SMS services across its 3G and 4G networks with the same coverage and quality of service as provided to Optus' own retail subscribers Service charges paid to Optus based on agreed price schedule for bundled services (fixed charges on a per Subscriber basis) and discrete services (per unit charges based on Subscriber usage). A significant portion of the call, text and data allowances offered under amaysim's retail products is currently represented by fixed cost, bundled services amaysim constructs its retail product offering from the bundled and discrete services it acquires from Optus and independently sets retail pricing and inclusions and packages new products	Access to extensive Optus network coverage including 4G Plus 'Cost-plus' pricing model allows independent setting by amaysim of pricing and inclusions for its existing and new plans and assists amaysim to manage wholesale margins
	Future technologies	Access to future mobile services technologies that are generally available to other Optus wholesale customers If Optus has 5G technology (a potential example of future mobile services technology) but does not offer it to wholesale providers within 12 months of its own launch, and provided that other MNOs are offering 5G on a wholesale basis, amaysim may terminate Optus' supply of services and acquire those services as well as 5G from another MNO	Provides degree of flexibility over access to future developments in technology
	Wholesale price review mechanisms	Price review mechanism that expressly aims to ensure that wholesale pricing reflects a competitive offering in the Australian BYO market Annual price review process, plus one additional discretionary price review per annum for each party if that party reasonably believes there is a significant change in the 4G BYO plans offered by MNOs There are a number of factors considered under any price review (annual or discretionary) including changes in the market and general pricing of plans across the Australian Mobile Services market Price review mechanism also contains binding mechanism to resolve deadlocks	Binding deadlock mechanism facilitates timely resolution

Topic	Summary		
What are the key terms of the NSA? continued			
	Item	Key terms	amaysim rationale
	Mid-Term Review	Unless waived by Optus, amaysim will on 1 January 2019 be measured against two Key Performance Indicators (KPIs), being one million “active customers”, and for the nine months leading up to 1 January 2019 amaysim’s port-ins from Optus (less an independent estimate of customers that were intending to leave Optus anyway) as a proportion of amaysim’s total port-ins not exceeding Optus’ percentage share of mobile subscribers in Australia Any failed KPI is to be retested on 31 December 2019 Optus has the right to terminate the NSA if amaysim fails a retested KPI by more than 10% (with an agreed transition-out period) Other key termination rights are summarised in Section 9.4	Seeks to promote continuation of a mutually beneficial relationship between both parties
	Exclusivity	It is a condition of the NSA that amaysim and its “related corporations” do not acquire, sell, distribute, provide or otherwise supply a Competing Service (meaning similar or substitutable services to those provided by Optus to amaysim under the NSA) It would be a breach of the above condition, entitling Optus to terminate the NSA, if Telstra or Vodafone (but not any other operator of Competing Services) acquires control of amaysim amaysim cannot be involved with a marketing campaign that contacts Optus’ subscribers using their details and aims to induce them to migrate off the Optus network, or allow the amaysim brand to be used to supply a Competing Service Optus cannot use amaysim’s Subscriber details in a marketing campaign that seeks to transfer those Subscribers away from amaysim	Seeks to promote continuation of a mutually beneficial relationship between both parties
	Optus Marketing Grant	Optus has agreed to pay an upfront, lump sum referral fee every time a new amaysim Subscriber activates a service. amaysim must pay Optus a “marketing access fee” of an equivalent amount for that Subscriber, over a period of 24 months. If the Subscriber cancels its service within that time, the amount of the unpaid marketing access fee for that Subscriber must be paid in full by amaysim to Optus The aggregate amount of referral fees received by amaysim, less aggregate marketing access fees paid to Optus, is limited at any time to \$13.5 million. This is currently the case	Historically supported amaysim marketing activities and reflects Optus support for amaysim
Sections 3.5.1, 3.7 and 9.4			

1.2 KEY STRENGTHS

Topic	Summary
Large addressable market opportunity with further market share potential	amaysim only had a 2% market share by number of Subscribers in Australia as at 30 June 2014, which presents a large addressable market opportunity supported by industry and structural trends, which include: - growing Australian Mobile Services market with an estimated 31.0 million Subscribers as at 30 June 2014, which is forecast to increase to 36.6 million by in FY2019F¹, underpinned by growth in the overall population and device penetration; - strong and growing demand for BYO mobile solutions, with an estimated 45%¹ of mobile phones being outside of a contract in FY2014, up from 40% in FY2012; - focus on customer satisfaction, with more than a third of users considering switching providers in FY2015F¹ as mobile offerings become more competitive and customer experience becomes a key differentiator; - growing consumer demand for mobile data, supported by the development and implementation of improved technologies for Mobile Services which enables faster data transmission, more sophisticated applications and greater network capacity and efficiency, improving the breadth and function of Mobile Services; and - growing mobile commerce (m-commerce) trends. For more information refer to Section 2
Competitive strengths	amaysim believes the features of its operating model, which have supported it in becoming Australia's fourth largest independent MSP, underpin its competitive strengths: network infrastructure: amaysim has renewed its NSA agreement with Optus which allows it to focus its investment on its product offering and customer care, as opposed to network-related capital and operational expenditures; focussed product offering: amaysim's multiple award-winning BYO mobile plans resonate across a diverse Subscriber base and its cost-effective online-led business model allows it to offer a compelling and competitive product offering; delivery channels: amaysim has a national online and diversified retail distribution network via partnerships with leading retailers; customer care: amaysim's self-service model and 100% local, online-focussed, customer service team allow it to deliver high customer satisfaction in a cost-effective manner; proprietary and scalable IT systems: amaysim's proprietary IT platform has existing capacity to service a significantly larger Subscriber base without material additional capital expenditure. amaysim utilises its IT platform's real-time data-driven insights to drive informed business decisions; and size and scale: as Australia's fourth largest independent MSP, amaysim potentially has significant scale advantages over those of new competitors. For more information refer to Section 3.9
Superior value proposition backed by leading customer experience and rapidly strengthening brand	amaysim's transparent and focussed, value-leading, BYO product offering has been designed to resonate with the entire market, underpinned by its simplicity, excellence in customer experience and superior value proposition. amaysim's focus on Subscriber experience has assisted amaysim to achieve a high Net Promoter Score (NPS) of 57%² and a number of awards, including "Mobile Services Provider of the Year", "Most satisfied customers" and "Best of the Best" awards³. The combination of amaysim's value proposition, simplicity and excellence in customer experience has contributed to growing brand recognition and customer recommendation levels. Surveys indicate that amaysim's unprompted brand awareness has increased steadily since launch from 2% in 2010 to 18% in 2014, while amaysim's targeted marketing spend helps to deliver a low Subscriber acquisition cost. For more information refer to Sections 3.5.2 and 3.5.3

1. Telsyte, Australian Mobile Services Market, March 2015.

2. Average over past 12 months.

3. Roy Morgan – Mobile phone service provider of the year for two years running (2014, 2013); Canstar – Most satisfied customers award for mobile phone plan (2014) and prepaid categories (2014, 2013); and Money magazine – winner of five 'Best of the Best' awards including best unlimited mobile plan (2013) and best broadband plan mobile (2013).

Topic	Summary
Online-led model complemented by extensive physical retail distribution network	amaysim's proprietary technology platform is scalable and can support substantial growth in its Subscriber base without significant additional capital expenditure. Through amaysim's technology platform, the Company is positioned to benefit from the growth of e-commerce, m-commerce and the high smartphone and tablet penetration by Australian consumers, while seeking to deliver "best-in-class" customer service. amaysim's online distribution is complemented by relationships with leading national retailers that together provide amaysim with a national sales network of over 12,000 physical retail points of presence. National retail partners include: Australia Post, Caltex, Woolworths Petrol, Coles, Woolworths, 7-Eleven, Harvey Norman, Dick Smith Electronics, Alphones and Newslink. For more information refer to Sections 3.5.4 and 3.5.5
Successful, long-term relationship with Optus supported by its NSA	The terms of the NSA have underpinned a successful relationship between amaysim and Optus since 2010 and have led to amaysim becoming a meaningful contributor to Optus' wholesale mobile Subscriber growth and wholesale earnings. Key terms of the NSA are summarised in Sections 3.5.1, 3.7 and 9.4. The agreement provides a platform for: • a long-term relationship between amaysim and Optus; • the provision of wholesale pricing to amaysim, with a binding review mechanism that expressly aims to ensure wholesale pricing that is appropriate to reflect a competitive offering in the BYO Mobile Services market in Australia; and • access to future mobile services technologies that are generally available to other Optus wholesale customers. For more information refer to Sections 3.5.1, 3.7 and 9.4
Strong financial track record underpinned by high operational leverage and cash flow generation	amaysim has a track record of strong revenue growth driven by continued organic Subscriber and ARPU growth. Pro forma net revenue grew from \$73.5 million in FY2013 to \$128.1 million in FY2014 and is forecast to increase to \$213.1 million and \$263.6 million in FY2015F and FY2016F, respectively. amaysim believes its scalable online-led business model and attractive Subscriber acquisition costs contribute to amaysim's operational leverage which enables amaysim to generate higher incremental profit margins from additional revenue growth. This is expected to contribute to an increase in amaysim's pro forma EBITDA margin from 5% in 1H2015 to 12% in FY2016F. amaysim's "asset-light" model and Subscriber payments which are typically invoiced in advance on a monthly basis support its high cash flow generation, with forecast free cash flow conversion of 117% in FY2015F and 110% in FY2016F. Refer to Section 4 for a discussion on amaysim's historical and forecast financial information and Sections 1.3 and 5 for an explanation of key risks to amaysim's business. For more information refer to Section 4
Experienced senior management team	amaysim has a dedicated leadership team. The CEO and Managing Director, Julian Ogrin, joined amaysim two and half years ago. All director level staff reporting to Julian (listed in Section 3.8) have worked with the Company for the past four years. Together, they combine industry experience in telecommunications, e-commerce, customer service technology and digital marketing, and have overseen the expansion and growth of the business to its current position as Australia's leading online-led MSP. For more information refer to Sections 3.8 and 6.4

1.3 RISKS

Topic	Summary
Optus may terminate its relationship with amaysim or cease to provide the same service or services on the same terms of the NSA	Optus has termination rights under the NSA, including if amaysim fails to meet one of two KPIs on the two testing dates under the Mid-Term Review; a supplier to Optus terminates Optus' access to all or part of the telecommunications network, equipment, facilities or cabling controlled by the supplier and that Optus uses to supply services to amaysim; service is not supplied by Optus for more than 10 business days as a result of a force majeure-type event; amaysim fails to pay an outstanding amount within 30 days after Optus gives an initial default notice; amaysim breaches the restraints described in Section 3.7.7; amaysim is insolvent; or amaysim breaches any other fundamental term of the NSA. Some of these occurrences are outside the control of amaysim. Some of these would cause the immediate cessation of services being provided to amaysim by Optus. Others allow for the provision of services for a transition-out period following termination of 100 days or 12 months, after which the services provided by Optus would cease. Some of these are also defaults under the registered security interests that Optus holds over amaysim assets. These termination rights are described further in Section 9.4. Additionally, at the end of the Optional Term (ending December 2024) of the NSA, Optus may be unwilling to enter into a new NSA, or an NSA on terms as favourable as the existing NSA. Any of these events could have a material adverse effect on amaysim's financial performance and position unless amaysim had in place an alternative agreement for the provision of equivalent services from another MNO on equivalent terms. There is no guarantee that this option will be available to amaysim. Even if available, disruptions may occur in transitioning to alternative arrangements. For more information refer to Section 5.2.1 and Section 9.4
amaysim is reliant on a detailed NSA with a single MNO in order to acquire network operations and services for amaysim's Subscribers	amaysim relies on Optus to provide Mobile Services to its Subscribers. There is a risk that Optus suffers a material technical issue or significant problem with its network that directly affects the service amaysim provides to its Subscribers. There is also a risk that the reputation or public perception of the Optus network (including its quality, coverage and speed) deteriorates relative to that of other networks (even where the network itself has not deteriorated). Further, there is also a risk that Optus may suspend without liability the network services it provides to amaysim, or any individual Subscriber's service, in circumstances of fraud, emergency or force majeure, or as necessary to allow network repair or service or to comply with a regulatory order or request. In addition, amaysim has no ability during the term of the NSA to influence Optus' investment decisions or initiatives with respect to future investment in the mobile network or the development and deployment of new technologies and services. The absence of such investment or development could result in Optus having a less attractive or reliable service offering compared to that of other MNOs, or negatively affect the marketing of the quality of the Optus network itself. As a result of any of the issues described above, amaysim may lose Subscribers or not grow its Subscriber base at the rate it is seeking to, or may be required to incur greater costs than anticipated to attract and maintain Subscribers. Further, amaysim may at the end of the Further Term (ending December 2019) or the Optional Term (ending December 2024) of the NSA choose to enter into a wholesale network supply agreement with a different MNO, the transition to which may involve disruptions and additional costs. These MNOs may not wish to contract with amaysim on terms as favourable as these under the current NSA. In this context, the continuity of amaysim's relationship, embodied in the NSA, is essential to amaysim's business model. There is a risk that parties may adopt differing interpretations of agreements like the NSA, which if not resolved could adversely affect amaysim's financial performance or position. For more information refer to Section 5.2.2
amaysim faces risks associated with acquiring future mobile services	If future mobile services are developed, there is a risk amaysim is not able to acquire them from Optus or other MNOs at all, or until a period of time has elapsed. There is also a risk that amaysim is not able to acquire such services on favourable terms and conditions. Any of these events may cause amaysim to lose Subscribers or not grow Subscribers at the rate which it had expected and, or, adversely affect amaysim's gross margins, financial performance or position. Further, if amaysim secures arrangements from other MNOs or alternative service providers for future network services, it may still be required to obtain 4G services from Optus and be exposed to economic and operational inefficiencies from acquiring mobile network services from two or more providers. For more information refer to Section 5.2.3

Topic	Summary
amaysim faces significant competition	The mobile service market is highly competitive within Australia. Many existing MSPs either compete directly with amaysim or provide services that are potential substitutes for amaysim's services. New competitors, services and business models that compete with amaysim are likely to arise in the future. Many of these existing and potential competitors have substantially more resources than those of amaysim. An increase in competition could result in amaysim's services becoming less attractive to its Subscribers, thereby reducing their attractiveness to potential new Subscribers and reducing the level of retention of existing Subscribers; require amaysim to increase its promotional and marketing expense or capital expenditure; or require amaysim to lower its pricing or alter other aspects of its business model to remain competitive or continue to grow. Further, while the NSA contains a price review mechanism that expressly aims to ensure that wholesale prices continue to reflect a competitive offering in the Australian BYO Mobile Services market, this process may become drawn out. The outcome itself may not fully address the impact of the changed market conditions; be inadequate to deal with numerous or continual market changes; or result in an increase in amaysim's wholesale costs. Any of these circumstances may adversely affect amaysim's ability to maintain its gross margins, reduce amaysim's Subscriber net additions and retention of existing Subscribers, and adversely affect its financial performance or position. For more information refer to Section 5.2.4
MSPs may lower their pricing and/or increase their inclusions to compete with amaysim	A key aspect of amaysim's business model is its ability to offer its Subscribers attractive pricing for its plans and products when compared to comparable BYO offerings from other MSPs. There is a risk that a reduction in pricing on BYO plans and products and/or an increase in inclusions (e.g. data) by MSPs could force amaysim to reduce prices and/or increase such inclusions. Alternatively, if it did not reduce prices and/or increase such inclusions, amaysim may experience a slowing in the growth of amaysim's Subscriber net additions, reduced levels of retention of existing Subscribers, increased promotional and marketing expenses or a failure to capture, or a reduction in, market share. Any of these outcomes could materially impact amaysim's income and earnings, financial position or performance. For more information refer to Section 5.2.5
Excessive usage of data, voice and SMS services by amaysim Subscribers could reduce wholesale margins	amaysim's wholesale costs include service charges paid to Optus based on an agreed price schedule for the bundled and discrete mobile network services (comprising call, text and data) that amaysim acquires from Optus. Charges for bundled services are fixed per Subscriber, whereas charges for discrete services are on a per unit basis constructed on Subscriber usage of discrete services. A significant portion of the call, text and data allowances offered under amaysim's retail products is currently represented by fixed cost, bundled services. amaysim has made certain assumptions regarding its wholesale costs based on the current price schedule in the NSA and assumptions regarding Subscriber growth, product category mix and usage when constructing retail products. However, there is no guarantee that these assumptions will prove to be correct. If, for example, Subscriber usage is greater than expected and, due to competitive reasons, amaysim is unable or unwilling to react to and adjust the retail pricing of its products and plans, the wholesale margin that amaysim receives from its products and services could be reduced, which may have an adverse impact on the financial performance of the business. For more information refer to Section 5.2.6
amaysim's retail partners may seek to materially change or terminate their relationship with amaysim	amaysim has distribution relationships with several large retail partners who provide retail points of presence that enable potential Subscribers to purchase amaysim SIMs and recharge vouchers. There is a risk that a retail partner could choose to withdraw or replace or give less prominence to amaysim's products from these retail points of presence without notice or cause. The reduction in the number of retail points of presence due to retail partners withdrawing amaysim's products, or less attractive placement of amaysim's products, could materially impact amaysim's growth and financial performance. For more information refer to Section 5.2.7

Topic	Summary
The amaysim technology platform including its online-led customer service platform and communications systems may be disrupted, fail or cease to function efficiently	amaysim depends on the performance, reliability and availability of its technology platform including its online-led customer service platform, its call centre and its communications systems. There is a risk that these platforms and systems may be adversely affected by a number of factors including damage, equipment faults, power failure, computer viruses, misuse by employees or contractors, or external malicious interventions such as hacking, fire, natural disasters or weather interventions. Events of that nature may cause part of the Company's technology platform or websites to become unavailable. amaysim contracts third party suppliers to manage certain interfaces. Suppliers include vendors providing electronic identity verification, fraud prevention detection capabilities, and software to facilitate the operation of amaysim's technology platform. There is a risk that, if these suppliers' services were interrupted, or if amaysim was unable to continue to contract with these suppliers, the Company may experience a disruption in its service. Further, there is a risk that amaysim's operational processes, redundancy capacity and capability or disaster recovery plans may not adequately address every potential event and its insurance policies may not cover loss or damage that amaysim suffers as a result of a system failure. This in turn can reduce amaysim's ability to generate income, materially interrupt the level of customer service provided to amaysim Subscribers and cause damage to amaysim's brand, leading to a reduction in the retention rates of existing Subscribers and, potentially, have a material adverse effect on its financial position and performance. For more information refer to Section 5.2.8
New products and services may not perform as intended	amaysim may introduce new products or services such as the recently launched suite of 4G plans or functionality within the online customer service platform that are intended to enhance the user experience or deliver greater levels of customer satisfaction. There is a risk that these initiatives may result in unforeseen costs or risks, may not perform as intended or may not deliver the growth in Subscribers or ARPU. In particular, amaysim has made several assumptions in order to develop the Forecast Financial Information in respect of the financial performance of the suite of 4G plans. These include assumptions with respect to Subscriber growth, product category mix and usage, as well as promotional expenses, marketing spend and other operating costs to promote the new suite of 4G services. As amaysim launched 4G plans on 24 March 2015, there is only actual Subscriber data available with respect to performance of those plans since the launch. Consequently, there is a risk that actual results could deviate materially from the assumptions made in developing those plans, which may cause its forecast not to be met. These risks or events may have an adverse effect on amaysim's future financial position, performance or operating margins. For more information refer to Section 5.2.9
The cost of marketing activities may increase and/or its effectiveness may decrease	The growth in new active Subscribers depends in part on the effectiveness of the marketing efforts of amaysim, particularly online marketing but also in more traditional media such as outdoor advertising, radio and television. There is a risk that amaysim's online and traditional media advertising may become less effective or more expensive. If the costs of either online or traditional advertising materially increase or the effectiveness of amaysim's online and traditional media marketing strategies decreases, amaysim may be unable to continue to grow at the same rate or as profitably. In addition to marketing activities, amaysim can also offer promotional incentives and discounts on its products and services to attract new Subscribers. There is a risk that the level of uptake of any such promotional incentives and discounts is greater than expected which could affect amaysim's financial performance, particularly in the event that the new Subscribers remain active for a short period. For more information refer to Section 5.2.12

Topic	Summary
The amaysim brand may diminish in reputation and value	The amaysim brand name and related intellectual property are key assets of the Company. The reputation and value associated with the brand and related intellectual property could be adversely impacted by a number of factors including failure to provide Subscribers with the quality of service standards they expect, disputes or litigation with third parties such as employees, suppliers and Subscribers, failure to adequately protect amaysim's intellectual property or adverse media (including social media) coverage. Significant erosion in the reputation of, or value associated with, the amaysim brand could have an adverse effect on Subscriber loyalty, levels of Subscriber retention, the relationship with Optus and employee retention rates, all of which could adversely affect amaysim's future financial performance. For more information refer to Section 5.2.13
Product innovation and development may not be as relevant or effective as intended	amaysim believes that its success to date has been a result of a continued focus on innovation and amaysim will continually assess the relevance and effectiveness of its plans to existing Subscribers and new Subscribers. There is a risk that these initiatives may result in unforeseen costs or risks, may not perform as intended or may not deliver the growth in new Subscribers or ARPU. These risks or events may have an adverse effect on amaysim's future financial position, performance or operating margins. For more information refer to Section 5.2.15
New business models and methods of service delivery may be developed in the Mobile Services sector	Within the Mobile Services sector there is continuous development of new technologies and methods of service delivery which can minimise the requirement for voice and data Mobile Services over time as well as change Subscriber behaviour and use of Mobile Services. These changes and future potential developments within the Mobile Services sector could reduce amaysim's Subscriber requirements for voice and data services. There is a risk that amaysim is not able to react fast enough or is unable to develop and successfully launch services to address these changes in Subscriber requirements and this could affect the growth prospects of the business and materially adversely affect amaysim's profitability and financial performance. For more information refer to Section 5.2.16

For further discussion on these and additional risks, refer to Section 5.

1.4 KEY FINANCIAL METRICS

The financial information presented below and in this Prospectus is intended as a summary only and should be read in conjunction with the more detailed discussion of the Historical Financial Information and the Forecast Financial Information in Section 4, including the assumptions, management discussion and analysis and sensitivity analysis, as well as the risk factors set out in Section 5.

Investors should read Section 4 for full details of amaysim's pro forma and statutory results (which will differ significantly) and the assumptions underlying the information. A reconciliation between the pro forma and statutory results is set out in Section 4.6.1.

Topic	Summary							
amaysim's pro forma consolidated historical and forecast financial performance	Pro forma historical				Pro forma forecast		Statutory forecast	
	June year end; \$ millions	FY2012	FY2013	FY2014	FY2015F	FY2016F	FY2015F	FY2016F
	Net revenue ¹	32.5	73.5	128.1	213.1	263.6	213.1	263.6
	EBITDA	(19.1)	(9.2)	(2.2)	15.9	31.7	13.8	23.1
	EBIT	(20.3)	(10.7)	(3.8)	12.9	28.3	10.7	19.6
	NPATA	(14.8)	(8.0)	(2.8)	9.2	20.0	20.4	13.2
Notes:								
1. Net revenue and NPATA have the meanings defined in Sections 7.2.1.1 and 4.2.4, respectively.								
Refer to the introductory language above and to Section 4.6.1 for details of pro forma adjustments made to the statutory financials.								
For more information refer to Section 4								
What is amaysim's dividend policy?	No dividend will be paid following Completion in respect of FY2015F. Depending on available profits and the financial position of amaysim, it is the current intention of the Board to declare interim dividends in respect of half years ending 31 December and final dividends in respect of subsequent half years ending 30 June each year, in Australian dollars. The payment of a dividend by amaysim is at the discretion of the Directors and will be a function of a number of factors, including the general business environment, the operating results and financial condition of amaysim, future funding requirements, capital management initiatives, taxation considerations (including the level of franking credits available), any contractual, legal or regulatory restrictions on the payment of dividends by amaysim, and any other factors the Directors may consider relevant. It is the current intention of the Directors to target a dividend payout ratio of between 60% and 80% of amaysim's NPATA. It is the current intention of the Directors to declare an interim and final dividend for FY2016F in line with the target dividend payout ratio. amaysim expects that dividends will be unfranked until at least the end of the financial year ending 30 June 2017 due to the utilisation of historical tax losses and R&D tax credits as at 31 December 2014. The date of any franked dividend will depend on the amount of tax payable by amaysim. For more information refer to Section 4.10							

1.5 EXPERIENCE AND BACKGROUND OF THE DIRECTORS AND LEADERSHIP TEAM

Topic	Summary	
Who is on the board of amaysim?	Andrew Reitzer Independent Non-Executive Chairman	Andrew Reitzer joined amaysim in 2015 and has over 35 years of experience in both the retail and wholesale industries. Andrew also serves as Independent Chairman of SG Fleet. Previous positions include CEO of Metcash Limited, various management roles at Metro Cash & Carry and appointment to lead the establishment of Metro's operations in Israel and Russia and serving as the Group Operations Director.
	Julian Ogrin Chief Executive Officer and Managing Director	Julian Ogrin joined amaysim in 2013 and has over 20 years of experience in the telecommunications industry. Previous professional experience includes CEO of Tele2 Croatia, Chief Commercial Officer of Meteor Mobile Communications Ireland and senior positions in the telecommunications sector, which has seen him based in Sydney, London and Hong Kong with organisations such as Allphones, SAS, Vodafone and Cable & Wireless. Julian holds a Bachelor of Business (Finance and Accounting).
	Maria Martin Independent Non-Executive Director	Maria Martin joined amaysim in 2015 and has over 30 years of experience in accounting, business advisory services, risk and general management. Maria is also an Independent non-executive director of OrotonGroup Limited. Previous professional experience includes 15 years as a partner at PwC.
	Jodie Sangster Independent Non-Executive Director	Jodie Sangster joined amaysim in 2015 and has over 17 years of experience in data driven marketing and advertising. Jodie is the CEO of the Association for Data-Driven Marketing & Advertising (ADMA). Previous professional experience includes senior executive roles in sales and marketing in New York and the United Kingdom.
	Thorsten Kraemer Independent Non-Executive Director	Thorsten Kraemer joined the Board as a Director in 2010. Previous professional experience includes membership of the Supervisory Board of freenet AG, a German MVNO that is listed on the Frankfurt Stock Exchange, from 2007 to 2011 and again since 2012. From 2009 to 2011, Thorsten was Chairman of freenet AG's Supervisory Board. Thorsten also held senior roles in funds management of public and private equity.
	Rolf Hansen Non-Executive Director	Rolf Hansen co-founded amaysim in May 2010. Previous professional experience includes founder and CEO of Simyo GmbH, Germany's first online only operated no frills MVNO, which launched in May 2005 and was sold to E-Plus Mobilfunk GmbH. Rolf also has senior executive experience in the e-commerce and telecommunications industry with Letsbuyit.com, Deutsche Telekom/T-Mobile and Hutchison Telecom Germany.
	Peter O'Connell Non-Executive Director	Peter O'Connell co-founded amaysim and was Chairman of amaysim from incorporation until June 2015. Previous professional experience includes partner at Minter Ellison and Gilbert & Tobin, Asia Pacific Counsel for BellSouth, founding a boutique advisory business in telecommunications and technology, as well as senior executive and CEO roles for large Australian organisations. Peter has served on a number of boards for private and public companies and on government boards.
For more information refer to Section 6.1		

Topic	Summary	
Who is on the leadership team of amaysim and what is their expertise?	Julian Ogrin Chief Executive Officer	See Section 6.1.
	Leanne Wolski Chief Financial Officer	Leanne Wolski has over 20 years of experience in senior corporate finance and accounting roles. Previous positions include Director of Finance and Company Secretary at Western Union Australia, leading teams across Australia, New Zealand, Oceania, Indochina and the Philippines, and finance roles at Star City and ANZ Bank.
	Melissa Gray Sales Director	Melissa Gray has over 12 years of experience in the Mobile Services and fast-moving consumer goods industries. Previous positions include national key account manager for E-Pay, and senior account management positions at Aztec and Cerebos Foods.
	Andrew Balint Marketing Director	Andrew Balint has over 18 years of experience in the marketing and the Mobile Services and e-commerce industries. Previous positions include Group Brand and Marketing Communications Manager at Optus and leading senior marketing positions at News Digital Media, eBay and Qantas.
	Julian Dell IT Director	Julian Dell has over 20 years of experience in technology within the banking, media, e-commerce and Mobile Services industries. Previous positions include Technology Director at Truelocal – News Digital Media and senior technology positions at News Limited and Adstream. He has also worked for a number of investment banks such as Merrill Lynch, Citibank and Deutsche Bank.
	Roman Sirotin Customer Service Director	Roman Sirotin has over 18 years of experience in the internet and Mobile Services and customer service industries. Previous positions include Customer Service Manager at Virgin Mobile Australia and Customer Service, Team Leader and Operations Manager roles at TeleTech International.
	Mark Roberts Human Resources Director	Mark Roberts has over 16 years of experience in the Mobile Services and human resources industries. Previous positions include National Human Resource Manager at Dixon Advisory and various senior human resource positions at Deacons law firm, the Australian Rugby Union and the International Management Group.
For more information refer to Section 6.4		

1.6 SIGNIFICANT INTERESTS OF KEY PEOPLE

Topic	Summary					
Who are the Existing Shareholders and what will be their shareholdings at Completion?	The Existing Shareholders comprise Shark Holding (which holds Shares in which the Founders have an interest), the Financial Shareholders, and Employee Shareholders (who are to be issued Shares on or before Completion).					
	Shares held pre-Completion		Shares issued or acquired/(sold)		Shares held on Completion	
	(m)	%	(m)	(m)	%	
	Shark Holding/Founders ¹	72.8	43.1%	(36.4)	36.4	20.7%
	Financial Shareholders ²	93.9	55.5%	(70.6)	23.2	13.2%
	Employee Shareholders ³	2.3	1.4%	(0.8)	1.5	0.9%
	New Shareholders	–	–	115.0	115.0	65.3%
Total		169.0	100.0%	7.2	176.2	100.0%
Notes						
1. The Founders includes Directors, Peter O'Connell and Rolf Hansen. Peter currently has indirect economic interests in 15,467,905 Shares. After the sale of certain of the Shares through SaleCo to investors, on Completion, Peter will have interests (direct or indirect) in 7,734,010 Shares (being 4.4% of Shares). Rolf currently has indirect economic interests in 15,467,905 Shares. After the sale of certain of the Shares through SaleCo to investors, on Completion, Rolf will have interests (direct or indirect) in 7,734,010 Shares (being 4.4% of Shares). On or after Completion, each Founder will choose to hold his remaining interest in amaysim in his own name or an investment vehicle not associated with Shark Holding.						
2. The Financial Shareholders represent 17 financial investors in amaysim, the largest of which is HSBC Bank Malta plc as trustee of a trust for Itren Investments Ltd, whose majority shareholder is the Libyan Investment Authority. Itren has agreed to sell its entire 11.3% shareholding to SaleCo as described in Sections 7.1.6 and 7.2.2.						
3. These 2.3 million Shares are expected to be issued to 41 Employee Shareholders (including 833,605 to Julian Ogrin and 116,821 to Leanne Wolski) on or before Completion. Julian intends to sell his Shares through SaleCo under the Offer. Shares held by other Employee Shareholders following Listing may be sold by those Shareholders (other than Leanne whose Shares are subject to the escrow arrangements described in Section 6.10). This figure excludes any additional Shares which may be acquired by Existing Shareholders under the Offer.						
For more information refer to Sections 6.7, 6.8, 6.9, 7.1.6 and 7.2.2						

Topic

Summary

What significant benefits are payable to Directors and the other persons connected with amaysim or the Offer and what significant interests do they hold?

On Completion, the Directors and employees will hold (directly or indirectly) the following Shares, Share Rights, and options under the Long Term Incentive Plan:

	Shares	Share Rights ¹	Value of LTIP options ²
Directors			
Andrew Reitzer	83,333 Shares ³	–	–
Maria Martin	16,666 Shares ³	–	–
Jodie Sangster	16,666 Shares ³	–	–
Thorsten Kraemer	2,482,012 Shares ⁴	–	–
Peter O'Connell	7,734,010 Shares ⁴	–	–
Rolf Hansen	7,734,010 Shares ⁴	–	–
Julian Ogrin (CEO)	–	1,667,210 Share Rights	\$877,500 options
Employees			
Leanne Wolski (CFO)	116,821 Shares	233,644 Share Rights	\$393,750 options
Other Employee Shareholders ⁵	1,391,512 Shares	2,783,038 Share Rights	–

Notes:

- 50% of these Share Rights are expected to vest into Shares on a 1:1 basis on or about the FY2016 Release Date with the remainder to vest into Shares on a 1:1 basis on or about the FY2017 Release Date, subject to the participant's continued employment – refer to Sections 6.7.1, 6.8.2 and 6.9.1.
- These options will be granted on or about Completion under the Long Term Incentive Plan – refer to Sections 6.7.1, 6.8.2 and 6.9.2. The actual number of options to be granted to Julian and Leanne will be determined by dividing the aggregate value of their options, by the value per option calculated on or around Completion using a Black Scholes valuation at the Offer Price. For example, based on a calculation undertaken around the date of the Original Prospectus, Julian would be granted 1,926,875 options, and Leanne would be granted 864,625 options.
- These Shares will be acquired under the Priority Offer.
- These Shares form part of the current direct and indirect interests of these Directors.
- Other Employee Shareholders are the Employee Shareholders other than Julian and Leanne whose interests are presented separately. The interests of Employee Shareholders presented in this figure exclude any additional Shares which may be acquired under the Offer.

- Directors and senior management are entitled to remuneration and fees on commercial terms as described in Section 6.7
- Director and CEO, Julian Ogrin will receive \$1.5 million for the sale of his 833,605 Shares under the Offer. On Completion, Julian will also hold the securities referred to in the table above
- Further, the Directors, Peter O'Connell and Rolf Hansen (or entities associated with them) will each receive approximately \$13.9 million (before agreed fees and expenses) in connection with sales of Shares (that each has indirect interests in) through SaleCo to investors on Completion. Director, Thorsten Kraemer, will receive \$5.1 million in respect of the sale of Shares under the Offer
- Advisers and other service providers are entitled to fees for services and have other interests as disclosed in Section 6.6

For more information refer to Sections 6.6, 6.7, 6.8 and 6.9

Will any Shares be subject to restrictions on disposal following Completion?

Yes.

The Founders (and associated investment vehicles), the Financial Shareholders, and Leanne Wolski (together the **Escrowed Shareholders**) have agreed to enter into voluntary escrow arrangements in relation to all of the Shares held by them on Completion (other than any Shares purchased separately by them under the Offer). Approximately 34% of Shares on issue on Completion will be subject to these escrow arrangements.

Subject to customary exceptions, Shares held by the Escrowed Shareholders may only be sold after 4:15pm on the FY2016 Release Date.

For more information refer to Section 6.10

1.7 OVERVIEW OF THE OFFER

Topic	Summary
Who are the issuers of this Prospectus?	amaysim Australia Limited (ACN 143 613 478) and amaysim SaleCo Limited (ACN 605 248 315) For more information refer to Section 7.1
What is the Offer?	The Offer is an initial public offering of 115.0 million shares in amaysim at \$1.80 per Share that will in part be issued by amaysim and in part sold by SaleCo. The Shares being offered will represent 65% of the total Shares on issue on Completion. For more information refer to Section 7.1
Who is SaleCo?	SaleCo is a special purpose vehicle established to enable Existing Shareholders to sell their investment in amaysim on Completion. For more information refer to Section 7.1.6
What will happen on settlement of the Offer?	On settlement of the Offer, amaysim will issue Shares, and SaleCo will transfer Shares it acquires from Existing Shareholders, to Successful Applicants under the Offer. For more information refer to Section 7.1.6
What is the proposed use of proceeds received in connection with the Offer?	The Offer will raise \$207.0 million. The proceeds of the Offer will be applied to: • payment of proceeds to Existing Shareholders; and • payment of costs of the Offer by amaysim. For more information refer to Figure 54 in Section 7.1.2
How is the Offer structured/who is eligible to participate?	The Offer comprises: • the Broker Firm Offer, which is open to Australian Retail Broker Clients and New Zealand Exempt Broker Clients who receive an invitation from a Broker to acquire Shares under this Prospectus; • the Priority Offer, which is made to selected investors nominated by the Company who have received a Priority Offer invitation; and • the Institutional Offer, which consists of an offer to Institutional Investors in Australia and certain other jurisdictions around the world. For more information refer to Section 7.1.1
Is the Offer underwritten?	Yes. See Section 7.3 for more details. For more information refer to Section 7.3
Who are the Joint Lead Managers for the Offer?	The Joint Lead Managers are Goldman Sachs and Macquarie Capital. For more information refer to Section 7.3
Will the Shares be quoted on ASX?	The Company will apply to ASX within seven days of the date of this Prospectus for admission to the Official List of ASX and quotation of Shares on ASX (which is expected to be under the code AYS). Completion is conditional on 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 Offer 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. For more information refer to Section 7.3

Topic	Summary
What is the allocation policy?	The allocation of Shares between the Broker Firm Offer, the Priority Offer and the Institutional Offer was agreed by the Joint Lead Managers in consultation with the Company. With respect to the Broker Firm Offer, it is a matter for the Brokers how they allocate Shares among their eligible clients. The allocation of Shares among applicants in the Priority Offer will be determined at the discretion of the Company, in consultation with the Joint Lead Managers, subject to the guaranteed allocations notified to applicants invited to participate in the Priority Offer and provided that those allocations (in aggregate) do not exceed \$1 million worth of Shares. The allocation of Shares among applicants in the Institutional Offer will be determined by the Joint Lead Managers in consultation with the Company. The Company and the Joint Lead Managers reserve the right to reject any application or to allocate a lesser number of Shares than that applied for. In addition, the Company and the Joint Lead Managers reserve the right to aggregate any applications which they believe may be multiple applications from the same person or reject or scale back any applications (or aggregation of applications) in the Retail Offer which are for more than \$250,000 worth of Shares. For more information refer to Section 7.3
Is there any brokerage, commission or stamp duty payable by applicants?	No brokerage, commission or stamp duty is payable by applicants on an acquisition of Shares under the Offer. For more information refer to Section 7.3
What are the tax implications of investing in the Shares?	Summaries of certain Australian tax consequences of participating in the Offer and investing in Shares are set out in Section 9.8. The tax consequences of any investment in Shares will depend upon an investor's particular circumstances. Applicants should obtain their own tax advice prior to deciding whether to invest. For more information refer to Section 9.8
How can I apply?	Broker firm applicants may apply for Shares by completing a valid application form included in or accompanying this Prospectus, and lodging it with the Broker who invited them to participate in the Offer or in the case of New Zealand Exempt Broker Clients, by following the instructions of their Broker. Applicants under the Priority Offer may apply by completing the application form accompanying the electronic version of this Prospectus or otherwise in accordance with their Priority Offer invitation. To the extent permitted by law, an application by an applicant under the Offer is irrevocable. For more information refer to Section 7.4.2 and 7.5.2
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 around Wednesday, 15 July 2015. For more information refer to Section 7.3 and Important Dates on page 3
When can I sell my Shares on ASX?	It is expected that trading of Shares on ASX will commence on or about Wednesday, 15 July 2015 on a deferred settlement basis. It is expected that dispatch of holding statements will occur on or about Wednesday, 15 July 2015 and that Shares will commence trading on ASX on a normal settlement basis on Thursday, 16 July 2015. It is the responsibility of each applicant to confirm their holding before trading their Shares. Applicants who sell Shares before they receive an initial holding statement do so at their own risk. For more information refer to Section 7.3 and Important Dates on page 3

Topic	Summary
Can the Offer be withdrawn?	The Company and SaleCo reserve the right to not proceed with the Offer at any time before the issue of Shares to Successful Applicants. If the Offer does not proceed, application monies will be fully refunded. No interest will be paid on any application monies refunded as a result of the withdrawal of the Offer. For more information refer to Section 7.3
Where can I find out more information about this Prospectus or the Offer?	All enquiries in relation to this Prospectus should be directed to the amaysim Offer Information Line on: • within Australia: 1300 374 815; or • outside Australia: +61 3 9415 4114; • from 8:30am to 5:00pm (Sydney time), Monday to Friday. If you are unclear in relation to any matter, or are uncertain as to whether amaysim is a suitable investment for you, you should seek professional guidance from your solicitor, stockbroker, accountant or other independent and qualified professional adviser before deciding whether to invest. Important Dates and Key Offer Statistics on page 3

Section 2

Industry Overview



2.1 INTRODUCTION

amaysim operates in the Mobile Services industry in Australia. The Mobile Services industry consists of Mobile Services Providers (**MSPs**) that offer 2G, 3G and 4G mobile services to customers including voice calling, video calling, SMS and multimedia messaging throughout Australia and between Australia and international destinations, data and a range of information, entertainment and connectivity services related to those services (**Mobile Services**).

As at June 2014, amaysim was the fourth largest independent MSP in Australia by number of Subscribers, with the three largest providers being Telstra, Optus (including Virgin Mobile) and Vodafone¹. As at June 2014, amaysim had a 2% share of the Australian Mobile Services market by number of Subscribers¹.

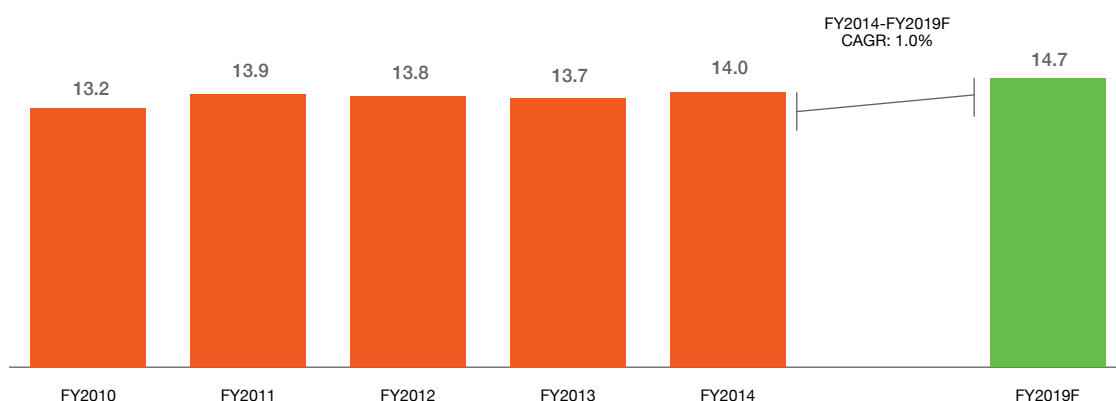
This Section discusses the Australian Mobile Services market in which amaysim operates, its dynamics, drivers and outlook. Information has been prepared by amaysim based on its analysis and experience, including comments, feedback and information gained from Subscribers, industry participants and analysts, and the information prepared by third parties cited in this Section 2.

2.1.1 THE AUSTRALIAN MOBILE SERVICES MARKET

2.1.1.1 MARKET SIZE

Telsyte estimates that the Australian Mobile Services market generated revenue of approximately \$14.0 billion in FY2014. Between FY2010 and FY2014, market revenues have grown at a CAGR of 1.5% and are estimated to grow at 1.0% CAGR between FY2014 and FY2019F¹.

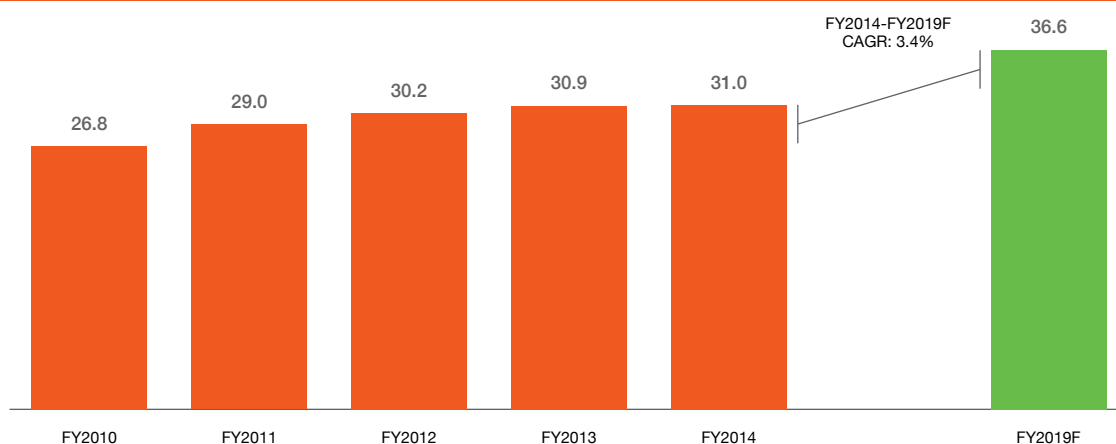
Figure 1: Estimated Australian Mobile Services market revenue from FY2010 to FY2014, and FY2019F (\$ billion)



Source: Telsyte, Australian Mobile Services Market, March 2015.

In FY2014, there were 31.0 million Subscribers in the Australian Mobile Services market¹. Over the last four years, Subscribers have grown at a CAGR of 3.7%¹ and are expected to reach 36.6 million in FY2019F representing a CAGR of 3.4%¹ as illustrated by Figure 2.

Figure 2: Australian Mobile Subscribers from FY2010 to FY2014 and in FY2019F (million)



Source: Telsyte, Australian Mobile Services Market, March 2015

1. Telsyte, Australian Mobile Services Market, March 2015.

2.1.1.2 MARKET GROWTH DRIVERS

amaysim believes there are four key growth drivers of the Australian Mobile Services market in Australia:

- growth of the population;
- increase in mobile device penetration;
- growth in outright device ownership; and
- growth of data usage.

The first three drivers contribute to an increase in the numbers of Subscribers, while the fourth driver contributes to an increase in revenues (assuming price points remain unchanged).

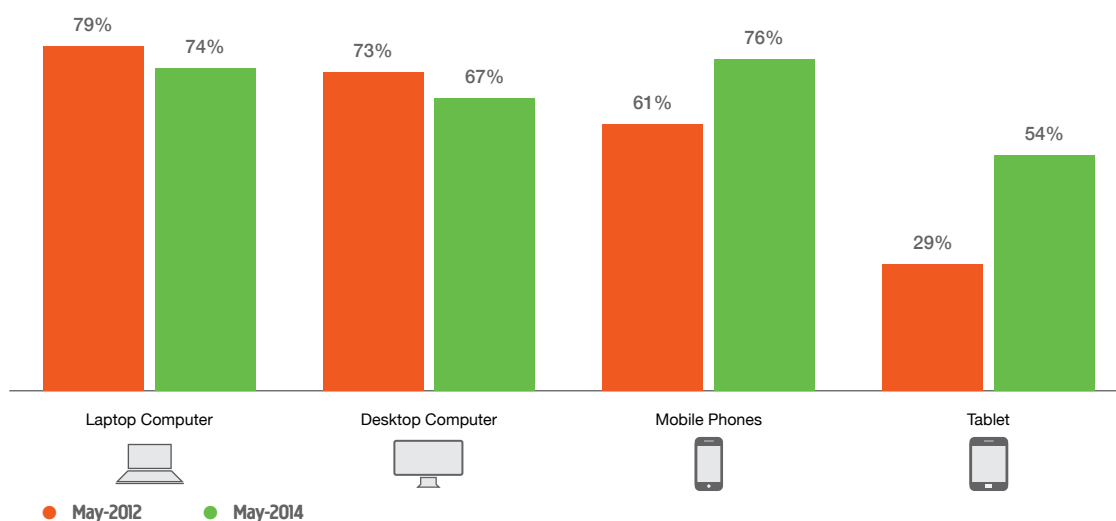
a. Growth of the population

The Mobile Services market has increased as a result of growth in the overall population. Australia's population was 23.5 million as at 30 June 2014 according to the Australian Bureau of Statistics (ABS) representing an annual growth rate of 1.6%². The contribution to population growth for the year ended 30 June 2014 was higher from net overseas migration (58%) than from natural increase (42%). The International Monetary Fund (IMF) estimates the Australian population will grow by a further 1.2% in FY2015F³.

b. Increase in mobile device penetration

Each active SIM represents one Subscriber. Many people use more than one SIM. For example, in FY2014 there were approximately eight million more Subscribers than there were people in Australia (representing Mobile Services penetration of 132%⁴). On average, Australians had eight devices per household in FY2014 compared to 7.4 in FY2013⁵. Australians are also increasingly using their smartphones and tablets to access the internet in addition to or instead of laptop and desktop computers. According to an ACMA-commissioned survey, 54% and 76% of Australians over 18 used tablets and mobile phones respectively to access the internet in the six months to May 2014 compared to 29% and 61% two years prior⁶ (see Figure 3).

Figure 3: Proportion of devices used to access the internet in Australian households



Source: ACMA, Communications Report (2013-2014), December 2014.

Note: ACMA-commissioned survey measures, for each device, the percentage of Australians over 18, which used that device to access the internet in the six months prior to May 2012 and May 2014.

2. ABS, Australian Demographics Statistics, June 2014.

3. IMF, World Economic Outlook, October 2014.

4. ABS, Australian Demographics Statistics, June 2014 and Telsyte, Australian Mobile Services Market, March 2015.

5. Telsyte, Australian Mobile Services Market, March 2015.

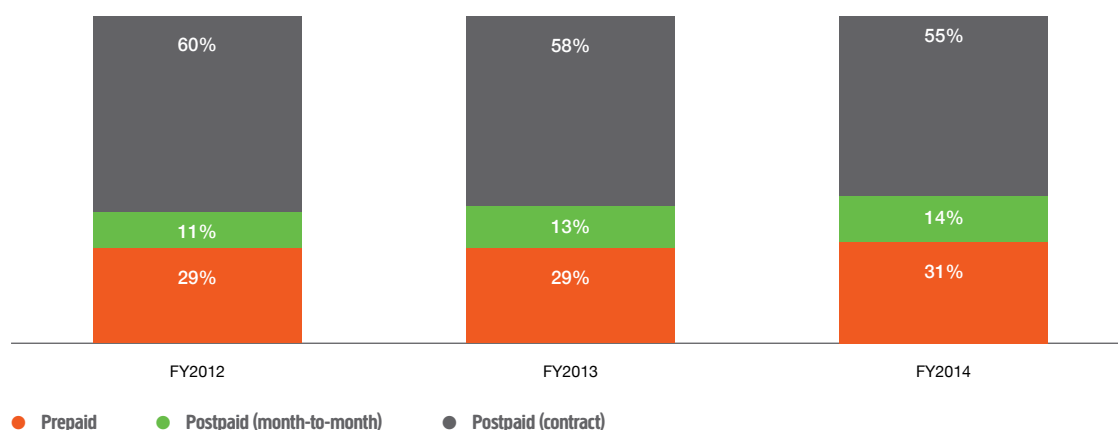
6. ACMA, Communications Report (2013-2014), December 2014.

c. Growth in outright device ownership

Historically MSPs often included devices like phones and tablets as part of contracts of fixed duration (e.g. 12 to 24 months), effectively subsidising the cost of the device for the Subscriber. In recent years however, a number of manufacturers have been offering smartphones and tablets at more affordable price points of under \$200. Subscribers also increasingly use second-hand or hand-me-down devices which have come off contract.

Telsyte estimates that the proportion of smartphones acquired outright or older devices passed on as a gift or hand-me-down increased from 48% to 54% between FY2013 and FY2014⁷. These outright mobile device owners do not require Postpaid lock-in plans, and may instead choose more flexible Bring Your Own (BYO) plans (either on a Prepaid basis or postpaid month-to-month basis). Telsyte estimates that 45% of the population surveyed had their mobile phone plan outside of contract in FY2014, compared to 40% in FY2012, which reflects that an increased number of outright mobile device owners had chosen Prepaid and postpaid month-to-month plans⁷.

Figure 4: Prepaid and postpaid (month-to-month) development in Australia (FY2012-FY2014)

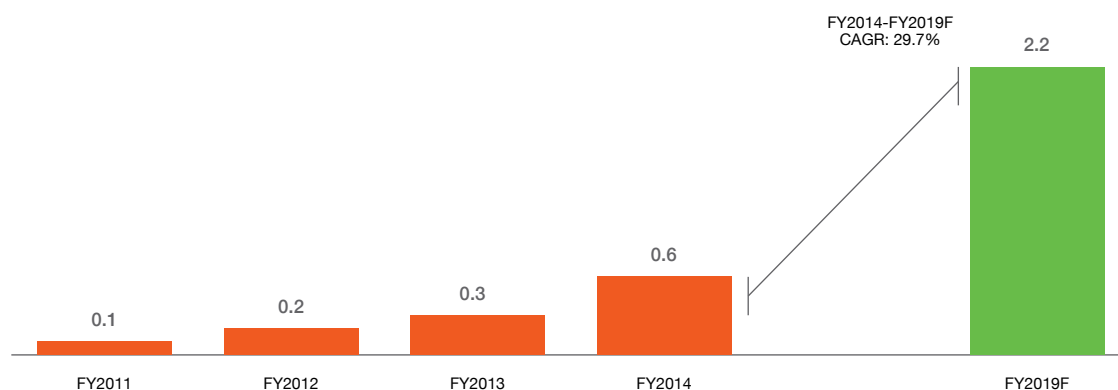


Source: Telsyte, Australian Mobile Services Market, March 2015.

d. Growth of data usage

Australians have also been downloading more data on their devices and this trend is expected to continue. In FY2014, Australians downloaded on average 0.6GB of data monthly on their mobile phones. Telsyte expects the average monthly volume of data downloaded to reach 2.2GB in FY2019F, which represents a CAGR of 29.7%⁸.

Figure 5: Average monthly volume of data downloaded per device (in GB, FY2011-FY2014 and FY2019F)



Source: Telsyte, Australian Mobile Services Market, March 2015.

⁷ Telsyte, Australian Mobile Services Market, March 2015.

⁸ ACMA, Communications report (2013-2014), December 2014 and Telsyte, Australian Mobile Services Market, March 2015.

2.2 COMPETITIVE LANDSCAPE

2.2.1 KEY INDUSTRY PARTICIPANTS

Australia has three Mobile Network Operators – Telstra, Optus and Vodafone:

- Telstra is Australia's largest MNO by number of Subscribers⁹ and has been listed on ASX since 1997;
- Optus is the second-largest MNO in Australia⁹ by number of Subscribers (including Virgin Mobile) and is a wholly owned subsidiary of the Singtel Group; and
- Vodafone was formed in mid-2009 following a merger of Vodafone Australia and Hutchison Australia, and is a 50/50 joint venture between Vodafone PLC and Hutchison Telecommunications Australia Limited.

All three MNOs provide 2G, 3G, and now 4G services. In addition to operating mobile networks covering at least 96% of the Australian population, all three MNOs themselves provide Mobile Services to retail customers under one or more brands.

In addition to the MNOs, there are MVNOs, which operate and are branded independently from the MNOs, but deliver their Mobile Services over one or more MNO networks under contractual agreements. By selling wholesale network services to MVNOs, a MNO's network may be used by more people and devices than would otherwise be the case, potentially contributing to additional network market share for that MNO. This generates wholesale revenues, which can have higher margins than retail revenues as a result of the MNOs incurring lower Subscriber acquisition costs and costs to serve.

Most of the MVNOs operating in Australia are hosted on the Optus network, which has now provided its 4G and 4G including 700MHz (4G Plus) capabilities to a number of its wholesale clients including amaysim. As at the Prospectus Date, Telstra and Vodafone had not yet made available 4G services to their wholesale customers; however, as the Prospectus Date, amaysim expects Telstra to begin offering wholesale 4G to MVNOs by June 2016.

MVNOs can broadly be classified into three distinct models described as follows:

Figure 6: Overview of the key MVNO models

MVNO Model	General description
Brand-stamping	This tier of MVNO is more like a service provider, where standard services are provided based on an MNO's systems and the MVNO "stamps" its brand on the end product or the end product is co-branded with the host MNO
Co-hosting	This tier of MVNO implements some of its own systems, enabling differentiated products and services rather than relying on a "vanilla" host-enabled offering. The MVNO may provide its own Prepaid platform and postpaid billing, as well as non-voice services
Integrated	Non-network systems are established by the MVNO to "de-couple" it from the MNO (other than for the network services themselves). In doing so, the MVNO seeks to offer a more tailored or personalised customer experience, from numbering through to tariffs, services, bundling of services

amaysim is an integrated MVNO and uses its online-led business model to provide Mobile Services to the Australian market.

9. Telsyte, Australian Mobile Services Market, March 2015.

2.2.2 KEY FACTORS AFFECTING COMPETITION AMONGST EXISTING PARTICIPANTS AND POTENTIAL ENTRANTS IN THE MARKET

Existing market participants compete on the following factors. These factors may also hinder the ability of new entrants who wish to operate in the Australian Mobile Services market to compete effectively and profitably, particularly in the short term:

- **Network:** the quality of the network, including speed and coverage of population and geography, can be key differentiators between MSPs in Australia. Given Australia's vast geography, the rollout of a competitive nationwide network requires a multi-year, multi-billion dollar investment, including acquiring the radio frequency spectrum needed to operate the network.
- **Product model:** historically, MSPs have often offered lock-in mobile plans with subsidised handsets. Many such plans have included "break fees" if a Subscriber elected for early contract termination, as well as additional costs above a regular (e.g. monthly) rate, such as excess usage charges and flagfalls. Excess usage charges apply for usage above the purchased plan's monthly call, text or data allowance, while flagfalls are fixed charges for establishing a phone call. In contrast, a BYO, no lock-in plan gives Subscribers month-to-month flexibility to change MSPs without a break fee, and may not charge excess usage or flagfall charges.
- **Price points and inclusions:** MSPs compete strongly on the price of, and inclusions in, their mobile plans, which Subscribers consider in assessing the value proposition offered by each MSP and mobile plan. Subscribers may have different price and product sensitivities which will determine their choice. In terms of inclusions, MSPs compete on the number of voice minutes and SMS and increasingly on the amount of data offered in their plans (see Figure 7).
- **Customer service:** the quality of customer service can be an important differentiator between MSPs in Australia as customers articulate their customer experience and industry bodies monitor those experiences.
- **Distribution channels:** the channels used by MSPs to distribute their products and services to Subscribers can be a key differentiator, particularly between "traditional" models, which typically utilise physical retail stores, and "disruptive" models, such as amaysim's, which have a strong online presence in addition to retail distribution through retail partners. While all three MNOs have both online channels and physical retail stores as well as retail partnerships, MVNOs mainly rely on retail partners and online channels. This assists MVNOs to have lower operating costs than if they also operated physical retail stores. Telsyte states that those MVNOs that can utilise the online channel for sales and marketing are best placed to grow Subscribers sustainably in the medium term¹⁰.

Figure 7: Summary of selected features of BYO plans with no lock-in contracts and 1.5GB and over of data allowance (18 June 2015)

Provider	Select BYO Plan	Cost/month	Data (GB)	Monthly cost/GB	Voice & SMS (standard nat.)	Network access up to
amaysim	UNLIMITED	\$30	2.0	\$15	500 mins voice, Unlimited SMS	Optus 4G Plus
		\$45	5.0	\$9	Unlimited voice and SMS	
		\$55	7.0	\$8	Unlimited voice and SMS	
Optus	SIM-Only	\$45	4.0	\$15	Unlimited voice and SMS	Optus 4G Plus
		\$60	8.0	\$10	Unlimited voice and SMS	
Telstra	Casual plans	\$50	2.0	\$25	\$1,000 value voice, Unlimited SMS	Telstra 4GX
		\$70	5.0	\$14	Unlimited voice and SMS	
Vodafone	SIM Only Red Plan	\$45	1.5	\$30	\$700 value voice, Unlimited SMS	Vodafone 4G
		\$50	3.0	\$17	Unlimited voice and SMS	
		\$60	4.0	\$15	Unlimited voice and SMS	
		\$80	6.0	\$13	Unlimited voice and SMS	
Virgin Mobile	SIM-Only	\$50	4.0	\$13	Unlimited voice and SMS	Optus 4G Plus
		\$60	5.0	\$12	Unlimited voice and SMS	
		\$80	7.0	\$11	Unlimited voice and SMS	
Dodo	Mobile 4G SIM Only	\$30	2.5	\$20	\$700 value voice and SMS	Optus 4G Plus
		\$40	4.0	\$20	Unlimited voice and SMS	
		\$50	5.0	\$17	Unlimited voice and SMS	
iiNet	Heavy Use	\$45	2.0	\$23	Unlimited voice and SMS	Optus 4G Plus
AldiMobile	Value Packs	\$35	2.5	\$18	\$125 value voice and SMS	Telstra 3G
		\$45	4.0	\$11	43,200 mins voice, 50,000 SMS	
Boost Mobile	UNLTD	\$40	3.0	\$13	Unlimited voice and SMS	Telstra 3G
Lyca	Saver Plan XL	\$90	3.0	\$30	1,000 mins voice (nat. & int.), Unlimited SMS	Telstra 3G
TPG	T4G Mobile Plans	\$35	2.0	\$18	Unlimited voice and SMS	Optus 4G
		\$45	6.0	\$8	Unlimited voice and SMS	
Lebara	National Plan	\$30	2.0	\$8	Unlimited voice and SMS	Vodafone 3G
	Mega Plan	\$40	4.0	\$7	Unlimited voice and SMS	
	Unlimited Plan	\$50	2.0	\$13	Unlimited voice and SMS (national) and unlimited voice to 60 countries	

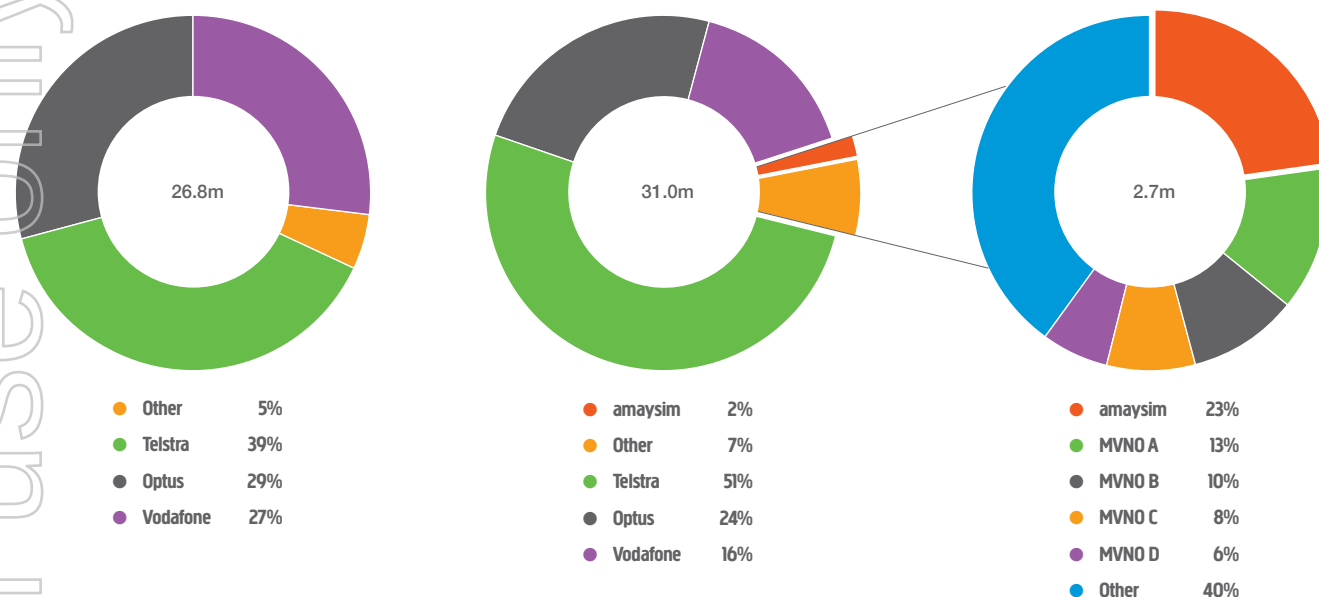
Note: Above plans exclude limited time inclusions and/or promotions and are subject to change. Prepared as at 18 June 2015.

10. Telsyte, Australian Mobile Services Market, March 2015.

2.2.3 OVERVIEW OF HISTORICAL MARKET SHARE AND NET ADDITIONS TO SUBSCRIBERS

MVNOs have historically represented a small proportion of the total Mobile Services market in Australia, being 4.5% of the overall Mobile Services market in FY2010 in terms of number of Subscribers. However, as illustrated by Figure 8, this market share has now grown to 7% excluding amaysim or 9% including amaysim in FY2014. amaysim believes this gain in market share reflects the increasing popularity and awareness of MVNOs as an attractive alternative to the MNOs.

Figure 8: Mobile Services market share evolution by number of Subscribers (FY2010 and FY2014)

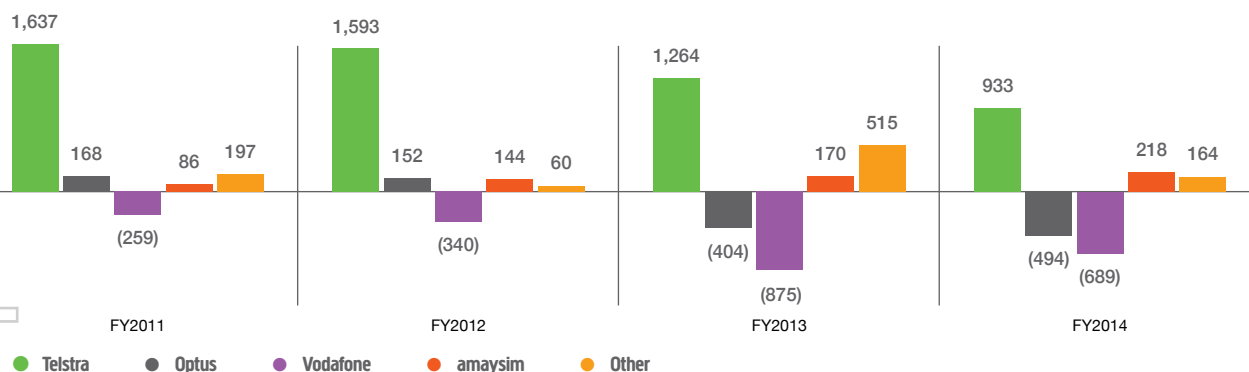


Source: Telsyte, Australian Mobile Services Market, March 2015.

Note: Telstra, Vodafone and Optus Subscriber market shares exclude MVNO wholesale customers. Optus' Subscriber market share includes its wholly-owned subsidiary, Virgin Mobile.

Telsyte estimates that, outside of Telstra, amaysim has generated more net additions to Subscribers than the other MNOs over the last two years as illustrated by Figure 9 below.

Figure 9: MSPs net additions to Subscribers (000s) (FY2011-FY2014)



Source: Telsyte, Australian Mobile Services Market, March 2015 and amaysim's Subscriber records.

2.3 KEY INDUSTRY DRIVERS AND OUTLOOK

The Australian Mobile Services market is developing, as the wider media, technology and telecommunications landscape continues to evolve, particularly with the growth in online activity¹¹. Four key industry trends relevant to MSPs like amaysim are:

- continued growth in mobile device penetration (see Section 2.3.1);
- continued growth in use of data (see Section 2.3.2);
- continued growth in outright device ownership (see Section 2.3.3); and
- continued focus on customer service (see section 2.3.4).

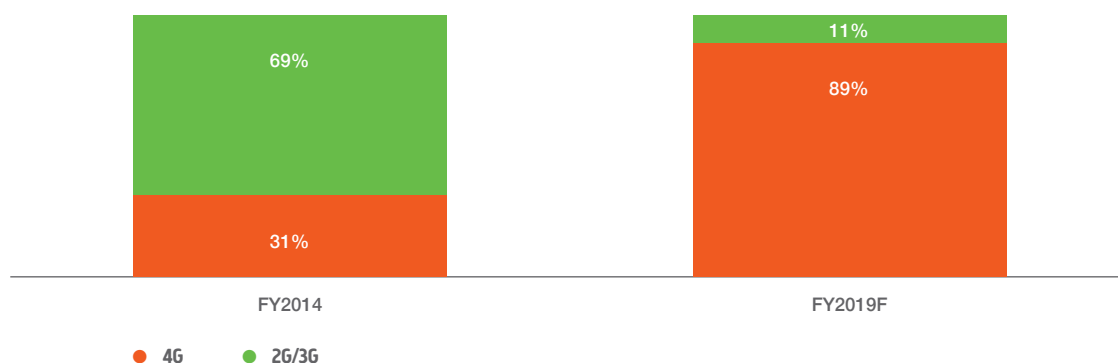
2.3.1 CONTINUED GROWTH IN MOBILE DEVICE PENETRATION

As outlined in Sections 2.1.1.1 and 2.1.1.2, the number of mobile subscriptions in Australia has grown steadily, with a significant portion of people using multiple devices with SIMs. If recent positive growth of the Australian population and the number of mobile devices per household referred to in Sections 2.1.1.1 and 2.1.1.2 continues, amaysim believes the industry is well positioned to experience further increases in mobile device penetration and total Subscriber numbers.

2.3.2 CONTINUED GROWTH IN THE USE OF DATA, DRIVEN BY TECHNOLOGY IMPROVEMENTS AND EVOLVING SUBSCRIBER PREFERENCES

The growth in usage of data highlighted in Section 2.1.1.2 has been supported by the rollout of 4G by MNOs and the uptake of smartphones and tablets in Australia. Telsyte reports that Telstra and Optus are targeting national 4G population coverage of 94% and 90% respectively by mid-2015 up from 90% and 80% respectively in early 2015¹². In FY2014, 31% of Mobile Services were on a 4G network¹². Telsyte estimates that by FY2019F, 89% of Mobile Services operations will be on 4G¹².

Figure 10: Penetration of 4G Services in Operations in Australia (FY2014 and FY2019F)



Source: Telsyte, Australian Mobile Services Market, March 2015.

In addition, a survey conducted by Telsyte showed that 71% and 53% of the population respectively had a tablet and a smartphone in December 2014 compared to 64% and 40% in December 2013¹².

The development and implementation of improved technologies for Mobile Services enables faster data transmission, more sophisticated applications and greater network capacity and efficiency, improving the breadth and function of Mobile Services. Subscribers who have access to these improved technologies (including 4G services) are able to better engage in data-intensive uses and applications on their mobile devices, including music and video streaming, image and video-based social media, high-speed transmission of large files, as well as m-commerce activity (being the ability to conduct commerce over mobile internet) which amaysim expects will continue to grow strongly over the next three years. These uses and applications help to drive the increasing use of data on mobile devices and tablet.

11. ACMA, Communications report (2013-2014), December 2014.

12. Telsyte, Australian Mobile Services Market, March 2015.

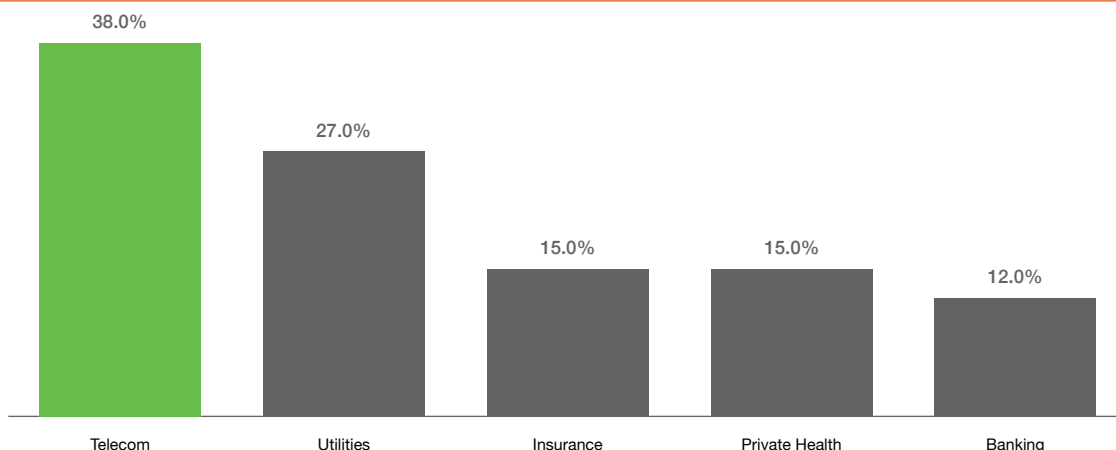
2.3.3 CONTINUED GROWTH IN THE BYO SEGMENT

As outlined in Section 2.1.1.2, the proportion of devices purchased outright in Australia has continued to grow steadily, with a significant portion of people bringing their own devices when subscribing to a mobile and/or data plan. If recent positive growth in the BYO referred to in Section 2.1.1.2 continues, amaysim believes the industry is well positioned to experience further increases in Subscribers using BYO for their Prepaid and postpaid month-to-month plans.

2.3.4 CONTINUED FOCUS ON CUSTOMER SERVICE

Based on a TIO report, the yearly number of complaints across the broader telecommunications industry, of which Mobile Services is a part, has been falling since 2010¹³. However, they remain significant, particularly when compared with many other industries and services sectors. A report by Ernst & Young identified telecommunications, out of 18 services sectors surveyed, as the one where most households felt that their customer experience could have been better, with the five worst performing services sectors shown in Figure 11 below¹⁴.

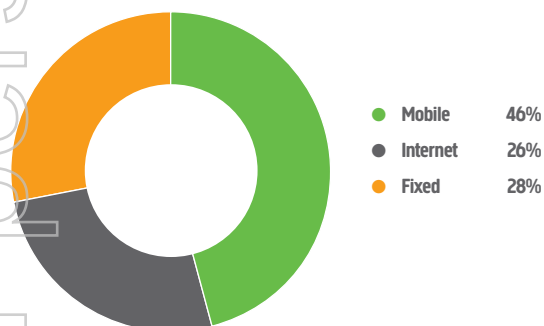
Figure 11: The five services sectors which received the most complaints in Australia (2014)



Source: Ernst & Young, Customer Experience Series™ – Cost of Complaining report, 24 February 2014.

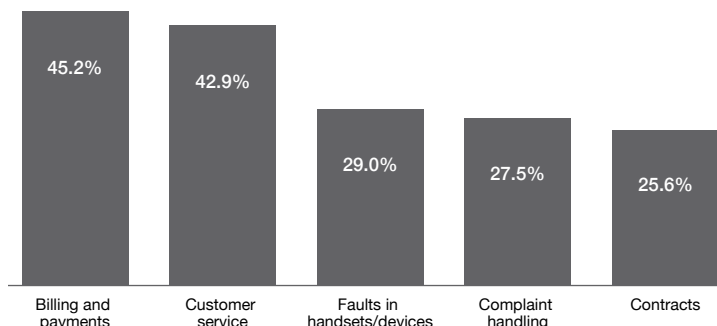
The TIO reported 29,560 new telecommunications complaints in the October to December 2014 period, with 50% of these complaints relating specifically to Mobile Services. Billing & payments and customer service are the top two issues reported to the TIO with 45.2% and 42.9% of new complaints respectively in the quarter ending in December 2014 as shown in Figure 13.

Figure 12: New complaints to the TIO



Source: TIO, Quarterly Statistics (January – March 2015), 30 March 2015.

Figure 13: Top five issues in the new complaints to the TIO



Complaints can be caused by “bill shock” which occurs where a Subscriber experiences a sudden and unexpected increase in bills that is not caused by a change in mobile service plans. Bill shock can occur for a number of reasons including unclear or misunderstood plans and unanticipated extra charges.

Dissatisfaction with existing service levels and other negative experiences such as confusing bills and plans has increased the willingness of Subscribers to change their MSP. A study conducted by Telsyte found that 37% of the sample population surveyed was considering switching to a new MSP in 2015¹⁵.

13. TIO, TIO complaints - the year in review 2013-2014 report.

14. Ernst & Young, Customer Experience Series™ – Cost of Complaining report, 24 February 2014.

15. Telsyte, Australian Mobile Services Market, March 2015. 37% of the population surveyed responded “Yes” to the question “Do you have plans to change you Mobile Services provider in the next 12 months?”.

Bill shock, complex pricing plans, poor customer service and other causes of customer dissatisfaction are factors that have to date assisted new entrants, focussing on simple and transparent pricing and excellent customer service, into the market. In addition, existing MSPs have the opportunity to focus on customer service, include the customer experience and customer satisfaction levels, as key potential differentiators from other MSPs, and as a driver to maintain and grow market share.

2.4 TELECOMMUNICATIONS REGULATORY ENVIRONMENT IN AUSTRALIA

The following is a brief summary of the Australian telecommunications regulatory environment. This summary does not cover all current and proposed laws and policies, and reference should be made to specific legislation and policies for further detail.

amaysim operates in a regulated environment. Australia has two important regulatory bodies which are involved in monitoring and regulating the telecommunications sector¹⁶.

- First, the Australian Communications and Media Authority is an independent statutory agency responsible for regulating the telecommunications industry community under the *Telecommunications Act 1997*. Established under the *Australian Communications and Media Authority Act 2005*, it has broad powers including licensing telecommunications carriers and ensuring compliance with carrier licence conditions and service provider rules. It also monitors the service performance and quality of the Telecommunications sector.
- Second, the Australian Competition and Consumer Commission (**ACCC**) is an independent statutory agency which has a Telecommunications Group. Under the *Competition and Consumer Act 2010*, the ACCC's prime responsibility is to administer competition and economic regulation of telecommunications, including administering telecommunications-specific competitive safeguards, regulating pricing including for the mobile terminating access service and administering a telecommunications-specific regime for facilitating access to the networks of carriers.

Australia's telecommunications industry self-regulates through codes and standards. Bodies that represent one or more section of the industry such as the Australian Communications Industry Forum, may develop industry codes governing the activity of MNOs, MVNOs and other industry participants. These activities mainly relate to consumers, inter-carrier operations, inter-connection and performance of networks. The ACMA may register such codes under the Telecommunications Act and direct industry participants to comply with a registered code. For example, the *Telecommunications Consumer Protection Code (TCP Code)* is a self-regulatory code of conduct for the industry, which was developed by the Communications Alliance, the peak telecommunications body in Australia and registered by ACMA on 1 September 2012. ACMA and the recently established telecommunications compliance body (CommCom) are responsible for enforcing the TCP Code¹⁷.

The Telecommunications Industry Ombudsman is an industry-funded body established to investigate and resolve retail customer complaints about the Telecommunication services industry. Carriers and eligible service providers are required to become members of the Telecommunications Industry Ombudsman Limited. amaysim is registered with the TIO, and any complaints about amaysim can be investigated and resolved via the TIO scheme.

MVNOs like amaysim are not required to hold a licence as a carriage service provider under the Telecommunications Act, generally because they use, but do not own a telecommunications network used to provide carriage of services to the public. MNOs like Optus are however required to hold a licence as a carriage service provider under the telecommunications Act to operate as MNOs and to provide the wholesale services they sell to MVNOs.

16. ABS, The Telecommunications environment in Australia, May 2012.

17. ACMA, Occasional Paper Optimal conditions for self and co-regulatory arrangements, June 2010.

Section 3

Company Overview

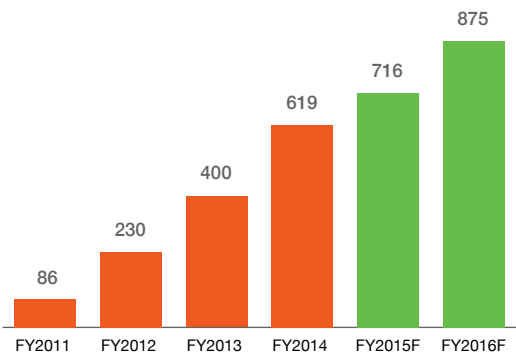


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3.1 INTRODUCTION

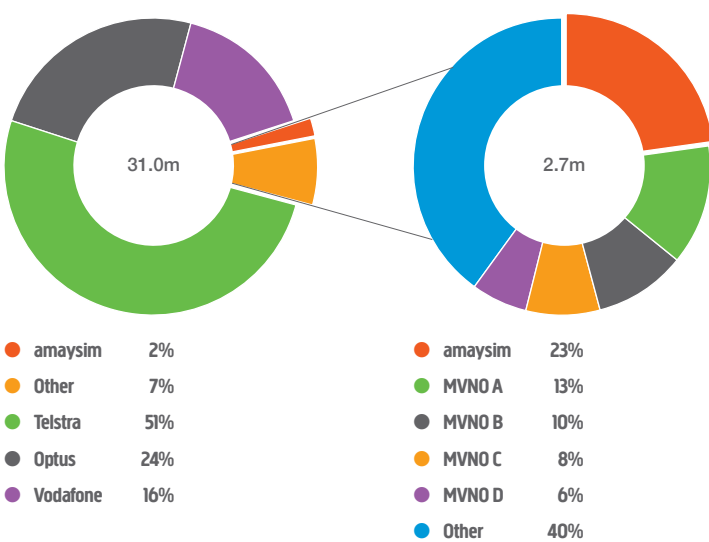
amaysim is a leading Australian online-led Mobile Services Provider, with over 700,000 Subscribers as at the end of May 2015. Since launching in November 2010, amaysim has become one of the fastest growing MSPs, with a 93.2% Subscriber CAGR since FY2011 and is the fourth largest independent MSP in Australia by number of Subscribers¹. amaysim had an estimated 2% market share of the Australian Mobile Services market by number of Subscribers as at June 2014.

Figure 14: amaysim's historical and forecast closing Subscribers (000s) (FY2011–FY2016F)



Note: FY2015F and FY2016F reflect Subscriber numbers forecast by amaysim in this Prospectus. Refer to Section 4.8.2 for assumptions used in preparing these forecasts and Section 5 for key risks.

Figure 15: amaysim market share by number of Subscribers vs. MSPs (FY2014)



Source: Telsyte, Australian Mobile Services Market, March 2015.
Note: Telstra, Vodafone and Optus Subscriber market shares exclude MVNO wholesale customers. Optus' Subscriber market share includes that of its wholly-owned subsidiary, Virgin Mobile.

amaysim launched in November 2010 targeting Subscribers who were dissatisfied with their existing MSPs. amaysim's product offering allows subscription to one or both of the Company's mobile voice plans and data plans, utilising the Optus 3G and 4G networks under an agreement with Optus (discussed in Sections 3.5.1 and 3.7).

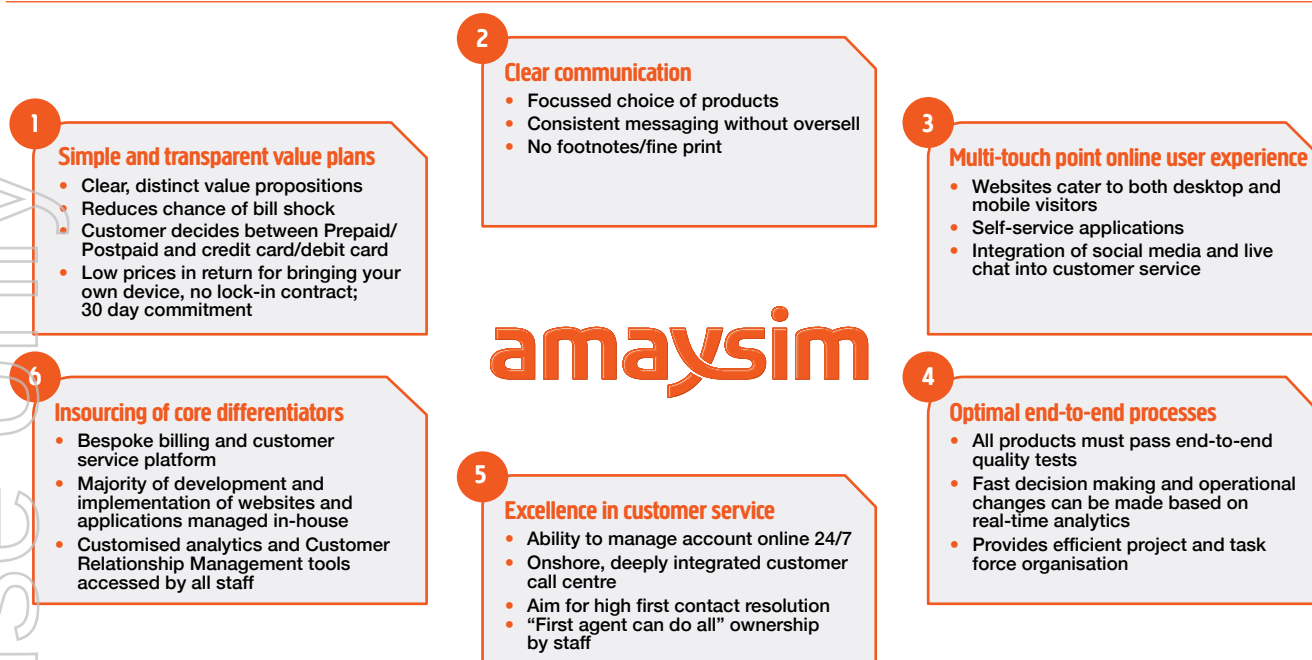
amaysim owns its Subscribers in the sense that it has the direct contractual relationship with them, and provides Subscribers with in-house created products under the amaysim brand using the Optus network. amaysim bills its Subscribers directly and owns its Subscriber-related information.

amaysim has an online-led business model. Its online platform, centred on its website, mobile and tablet applications and proprietary IT infrastructure, is designed to act as a Subscriber acquisition and retention engine, allowing Subscribers to buy Mobile Services and manage their accounts online. Its products are also sold through a national network of over 12,000 physical retail points of sale, operated by its retail partners including Australia Post and grocery, petroleum, convenience and specialty retail chains. The only physical item supplied by amaysim to enable Subscribers to access its plans is a SIM.

amaysim operates a scalable, online-led business model, competing effectively with traditional distribution and service models through its retail pricing, to offer attractive value to Subscribers while maintaining strong margins. Its business model (which is described in further detail in Sections 3.4 and 3.5), supported by the strategy outlined in Figure 16, seeks to differentiate amaysim and develop competitive advantages.

1. Telsyte, Australian Mobile Services Market, March 2015.

Figure 16: amaysim's strategy to differentiate itself from competitors



amaysim's success to date has led to the Company being recognised with a number of industry awards, including:

- Roy Morgan award for "Mobile Services Provider of the Year" (2014, 2013);
- Canstar Blue award for "Most satisfied customers" award for mobile phone plan (2014) and prepaid categories (2014, 2013); and
- Winner of five 'Best of the Best' awards by Money magazine, including best mobile plan – low usage (2013), best unlimited mobile plan (2013) and best broadband plan (mobile) (2013).

amaysim is headquartered in Sydney and employed 143 full-time equivalent employees as at December 2014².

3.2 ORIGIN OF AMAYSIM'S BUSINESS MODEL

The origins of amaysim's business model date back to 2005, when Thomas Enge, Rolf Hansen, Christian Magel and Andreas Perreiter (**simyo Founders**) launched the MVNO "simyo", which pioneered the low-cost annual, online-led business model in Germany. At the end of 2009, simyo had approximately 1.2 million Subscribers and over €37 million of annual revenue. simyo was structured around a simple BYO model seeking to offer a significant value proposition to Subscribers, as an online-only business with leading customer satisfaction. The simyo Founders successfully rolled out the business model to the Netherlands, Belgium, France and Spain.

The simyo Founders sold their shares in simyo to E-Plus in 2007 and exited the business after a three year transition and earn out period. In early 2010, the simyo Founders, together with Peter O'Connell (together, the **amaysim Founders** or **Founders**), identified an opportunity to introduce the subscription-based, online-led business model into the Australian market, which they believed was experiencing relatively high levels of customer dissatisfaction as a result of, for example, the complexity of mobile plan offer structures and high prices, subsidised handset-led models with lock-in contracts, and primarily offshore-based customer care models.

2. Employees include full-time equivalent, contractors and ongoing Board members, Rolf Hansen and Peter O'Connell.

3.3 HISTORY OF AMAYSIM

A brief description of the history of amaysim is provided below.

2010	• Agreed original network supply agreement with Optus for five years with an option to extend for another five years • Launched Mobile Services using the Optus network offering Prepaid and postpaid services based on a simple “AS YOU GO” plan
Mid-2011	• Introduced the “UNLIMITED” plan with unlimited national calls, unlimited national SMS and 4GB of data • Launched data plans (mobile broadband)
December 2011	• Winner of Money magazine “Best of the Best” awards for: – Cheapest postpaid mobile plan-high usage for amaysim UNLIMITED – Cheapest postpaid mobile plan-low usage amaysim AS YOU GO
June 2012	• Introduced FLEXI plan
December 2012	• Winner of Money magazine “Best of the Best” awards for: – Best mobile plan (low usage) for amaysim AS YOU GO – Best unlimited mobile plan for amaysim UNLIMITED – Best broadband plan (mobile) for amaysim mobile broadband 4GB data pack
June 2013	• Winner of Canstar Blue award for overall mobile customer satisfaction in the mobile prepaid category
December 2013	• amaysim became EBITDA positive
January 2014	• amaysim reached 500,000 Subscribers
February 2014	• Winner of Roy Morgan Customer Satisfaction Award for 2013 in the category of mobile phone service provider of the year
June 2014	• Winner of Canstar Blue award for most satisfied customer awards in the mobile prepaid category and mobile phone plan providers categories
September 2014	• Product Repositioning of the UNLIMITED plan by increasing the price while adding further mobile broadband data to the plan
November 2014	• Named third in Deloitte Technology Fast 50 in the Leadership Awards
December 2014	• Varied its NSA with Optus to include 4G services and a second five year term (ending December 2019), with an option for amaysim to extend for another five years
February 2015	• Winner of Roy Morgan Customer Satisfaction Award for 2014 in the category of mobile phone service provider of the year
March 2015	• Launch of 4G product suite to Subscribers

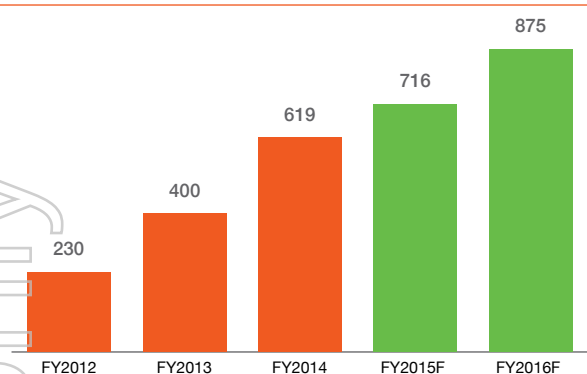
3.4 AMAYSIM'S BUSINESS MODEL

amaysim generates revenue by providing Mobile Services to over 700,000 Subscribers (as at the end of May 2015) across Australia. The Company sells these services to amaysim Subscribers utilising the Optus network. amaysim's key earnings driver is the margin between what it earns from its Subscribers through its product offering, and the service charges that it pays Optus and its transaction costs.

amaysim's key revenue drivers are Subscriber growth and monthly average revenue per Subscriber growth, which have both grown continually and organically since launch (refer to Figures 17 and 18).

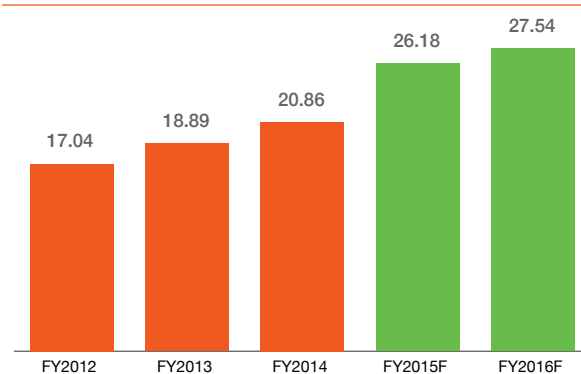
amaysim's focussed product offering centres around its competitive value, with a simple, BYO device concept, no lock-in contracts and transparent pricing paired with outstanding customer service. Subscribers elect from one or more of amaysim's product plans which are outlined in Section 3.5.2 and are typically charged on a monthly basis. The large majority of amaysim's Subscribers pay in advance of using the Mobile Services provided by amaysim each month.

Figure 17: Subscribers (000s) (FY2012 – FY2016F)



Note: FY2015F and FY2016F reflect Subscriber and ARPU numbers forecast by amaysim in this Prospectus. Refer to Section 4.8.2 for assumptions used in preparing these forecasts and Section 5 for key risks.

Figure 18: ARPU (\$) (FY2012 – FY2016F)



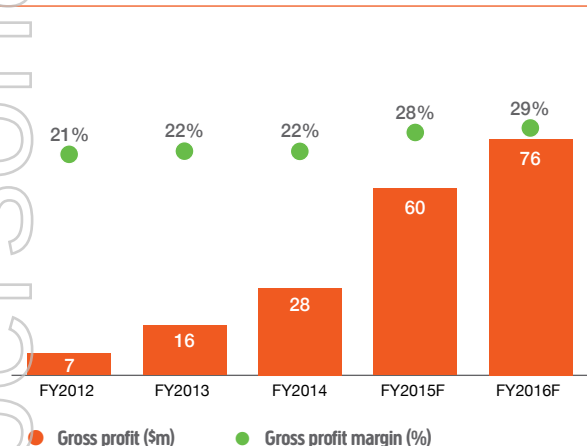
The key costs of amaysim are:

- cost of sales to generate income, which primarily comprises the costs to utilise the Optus network and transaction costs; and
- operating costs, which primarily comprise employee costs and marketing costs and costs to operate amaysim's bespoke IT platform and Sydney-based customer service centre.

amaysim is reliant on a NSA with Optus to deliver its Mobile Services (see Section 3.7).

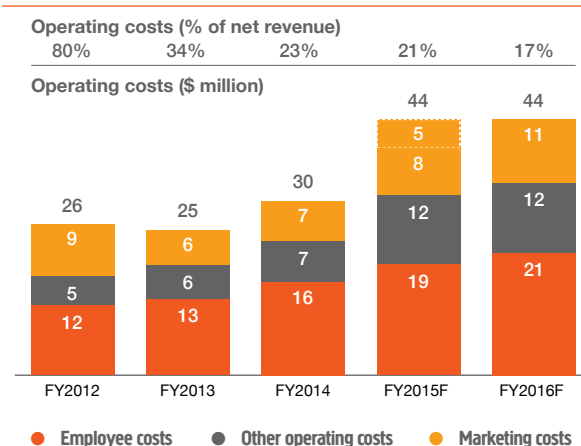
amaysim's strategy is to operate a low-cost online-led business model. amaysim believes that this model is scalable, capable of supporting a larger Subscriber base while maintaining a low cost to serve, and that its high customer satisfaction levels and growing brand support attractive Subscriber acquisition costs. This contributes to amaysim's operational leverage, meaning additional revenue growth has been able to drive a greater percentage increase in gross profit and EBITDA growth (refer Figures 19 and 20).

Figure 19: Gross profit (\$ million) and gross profit margin (%) (FY2012 – FY2016F)



Note: FY2015F and FY2016F reflect gross profit numbers forecast by amaysim in this Prospectus. Refer to Section 4.8.2 for assumptions used in preparing these forecasts and Section 5 for key risks.

Figure 20: Operating costs (\$ million) and operating costs as a percentage of net revenue



Note: FY2015F marketing costs include \$5.0 million marketing costs related to the Product Repositioning and 4G launch. Refer to Section 4.8.2.3 for further information. FY2015F and FY2016F reflect operating cost numbers included in amaysim's forecasts in this Prospectus. Refer to Section 4.8.2 for assumptions used in preparing these forecasts and Section 5 for key risks.

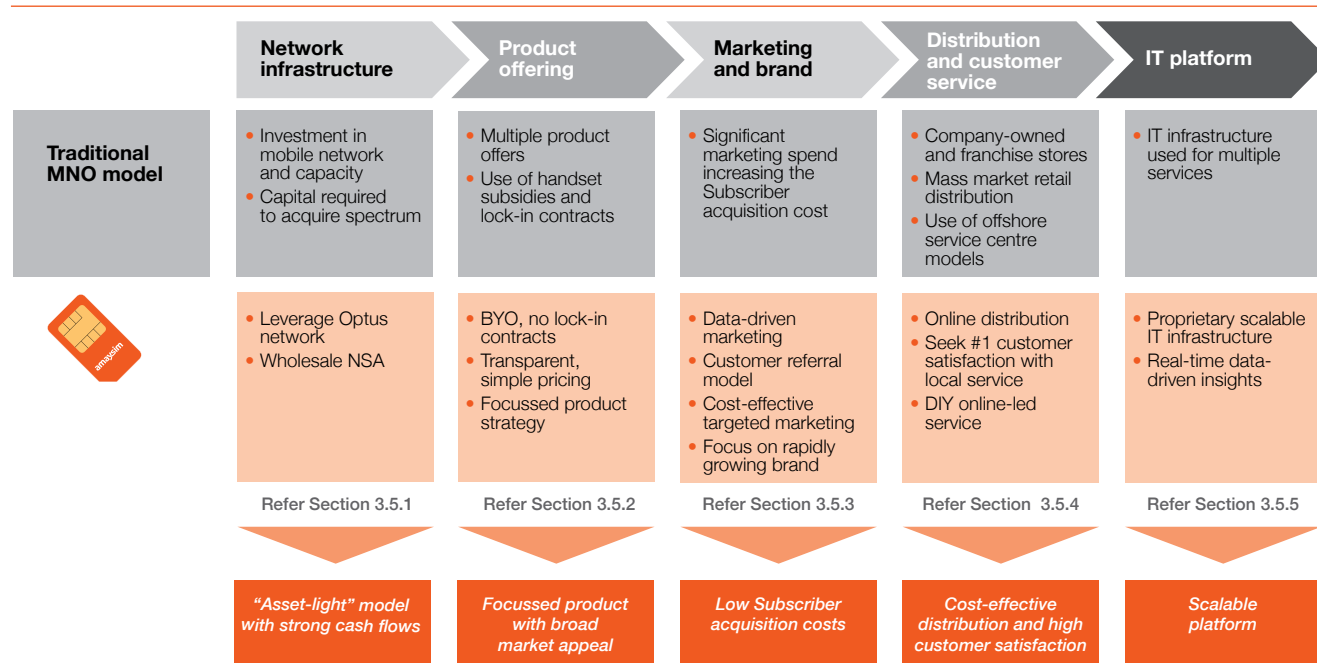
3.5 KEY FEATURES OF AMAYSIM'S BUSINESS MODEL

As described above, amaysim operates a scalable, online-led business model, competing effectively with traditional distribution and service models through its retail pricing to offer attractive value to Subscribers while maintaining strong margins. The key features of amaysim's business, which support this model, include:

- "asset-light" operation with access to Optus' extensive network infrastructure;
- transparent and focussed, value-leading, BYO product offering designed to resonate with the entire market;
- online-led marketing focussed on developing brand and low Subscriber acquisition costs;
- online distribution and leading customer satisfaction driving gross margin benefits; and
- proprietary and scalable IT platform.

These are reflected diagrammatically in Figure 21 and are discussed in this Section 3.5. The other key feature of amaysim's business model is its NSA with Optus which is described in Section 3.7.

Figure 21: amaysim's business model vs. traditional MNO models



3.5.1 NETWORK INFRASTRUCTURE

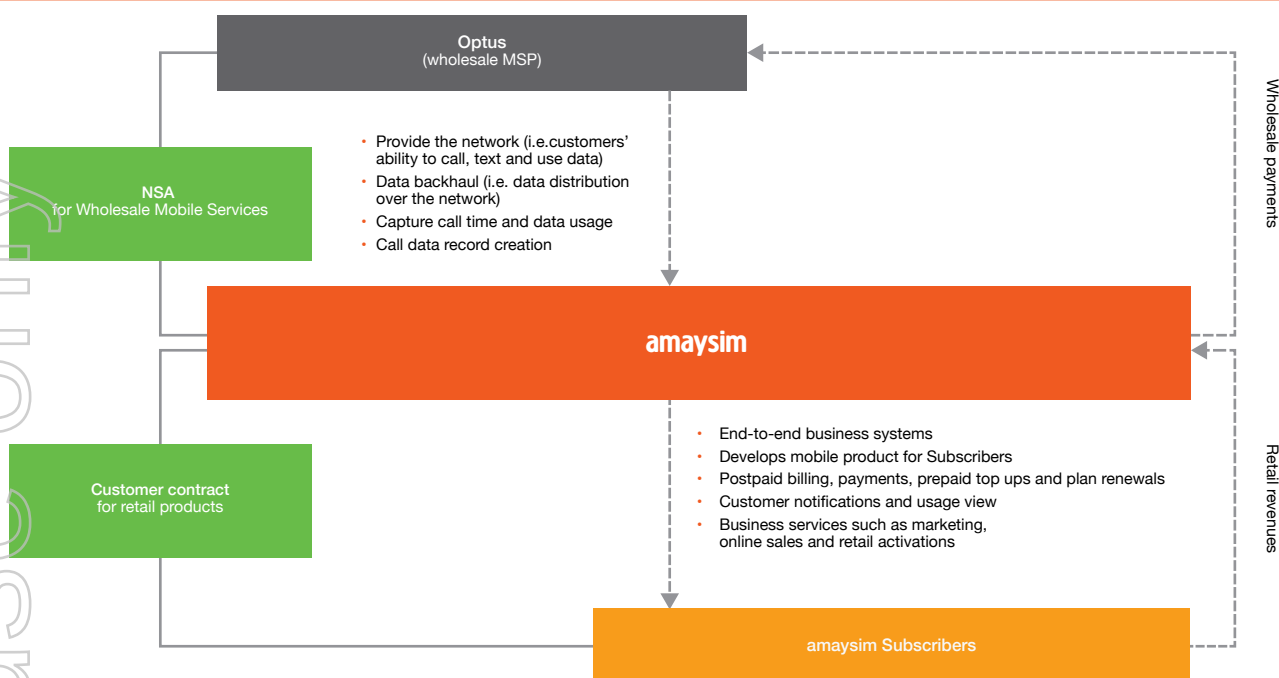
amaysim does not own any mobile network infrastructure, but rather gains access to a MNO's infrastructure (currently Optus) to deliver Mobile Services to its Subscribers.

amaysim first entered its NSA with Optus in September 2010, with the most recent amendment to that agreement in December 2014. Under the NSA, Optus provides the network infrastructure to allow amaysim to access its radio network and provides access to its 3G and 4G networks. The amendment to the NSA in December 2014 included 4G services and provided for a second five year term with an option for amaysim to extend the agreement for a further five years to December 2024.

Under the NSA, Optus must not discriminate between amaysim's Subscribers and Optus' own subscribers in terms of the coverage and quality of services supplied when Subscribers are using the Optus network (refer Section 3.7.4.1). In addition, there is no requirement for amaysim to invest in capital expenditure in the development or maintenance of the Optus mobile network. Optus had its own retail base of approximately 7.3 million Subscribers using this network (as of June 2014), which amaysim believes affords Optus an incentive to invest adequately in and maintain its networks to support this retail base.

Optus' network covers 98.5% of the Australian population and achieved 4G coverage of 86% by May 2015 using the 700MHz spectrum, which Optus has acquired. This spectrum assists providers to drive improved geographic and inside-building 4G coverage. Under the NSA, amaysim is able to access Optus' 700MHz spectrum and 4G network services, and Optus must make available to amaysim for sale to its Subscribers any future mobile services that are generally available to other Optus wholesale customers (e.g. 5G technology). For further information on the NSA, refer to Section 3.7.

Figure 22: Overview of Optus and amaysim's NSA and key responsibilities



As mentioned in Section 3.7, amaysim's business model is designed to resonate with the entire market. amaysim believes that its attractive product and broad market appeal support its highly successful and mutually beneficial relationship with Optus.

3.5.2 PRODUCT OFFERING

amaysim's product offering centres around its competitive value offering, with a simple, BYO device concept, no lock-in contracts and transparent pricing. amaysim operates a fixed subscription-based model, whereby Subscribers purchase Mobile Services on a monthly basis (except for the 10.0GB data plan product outlined below). amaysim has the ability to develop its own plans and to set its own product prices for those plans and change them to reflect changes in the Mobile Services market based on consumer demand. As at the Prospectus Date, amaysim offers mobile voice and data plans across three key categories, being UNLIMITED, flexible and data plans:

- **UNLIMITED:** month-to-month plans across three price points with unlimited or fixed standard national voice allowances, unlimited SMS and data inclusions from 2.0GB to 7.0GB.
- **Flexible:** "AS YOU GO" plans where Subscribers purchase credits and pay for voice, text and mobile data based on unit usage and "FLEXI" plans where Subscribers pay a fixed amount (currently \$19.90 per month) on a month-to-month basis and can use this credit at their discretion for voice and text and are also able to use up to 500MB of data; and
- **Data:** data bolt-ons between 1.0GB and 10.0GB that Subscribers purchase on a month-to-month basis (except for the 10.0GB product which is valid for 365 days) and that can be used on a standalone basis for mobile data only or in combination with the UNLIMITED and flexible plans.

amaysim has successfully introduced, or adjusted pricing on, a number of plans to date. In particular, the launch of the UNLIMITED 3G and FLEXI plans in June 2011 and June 2012, respectively, delivered approximately 64,000 and 28,000 net Subscriber additions, respectively, in their first 12 months following launch.

Following the amendment to the NSA in December 2014, amaysim launched its 4G offering in March 2015 which included the release of three new UNLIMITED 4G plans at various price points and allowances (including 1.5GB, 4.0GB and 6.0GB monthly data allowances, which were increased in April 2015 to 2.0GB, 5.0GB and 7.0GB, respectively). amaysim also released 4G coverage across all flexible and data plans and introduced per kilobyte (KB) rounding on all 4G plans and increased data charges³. Following launch of amaysim's 4G offering, all Subscribers on the flexible and data plans were migrated from 3G to 4G, while existing UNLIMITED 3G Subscribers have the ability to remain on their existing plan or switch to a 4G plan.

3. KB rounding involves Subscriber internet data usage during sessions being rounded up to the nearest KB as compared to the nearest megabyte. With per KB rounding, Subscribers typically are charged for less data per session as compared to megabyte rounding. In conjunction with KB rounding, amaysim increased excess data charges for its 4G plans from 5.0 cents per MB to 7.2 cents per MB.

Figure 23: Comparison of amaysim's current Mobile Services product offering as at 18 June 2015¹

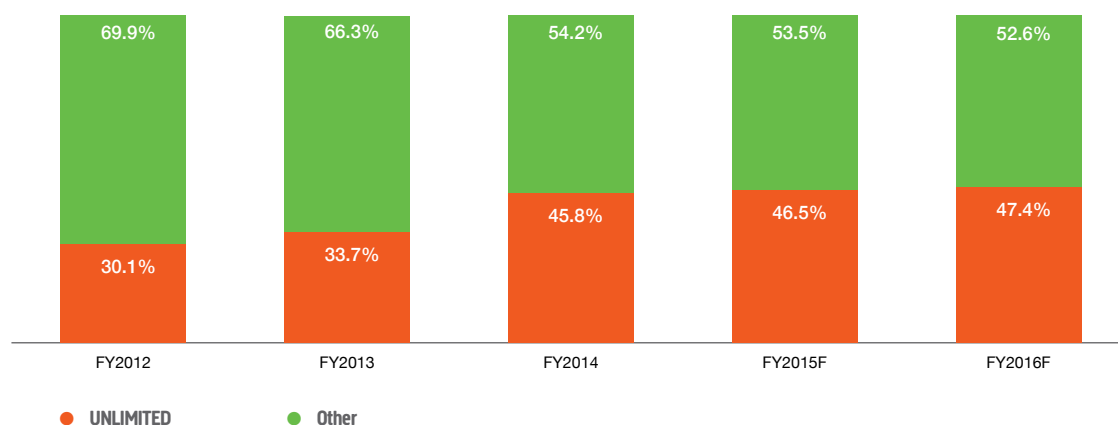
Plan	Cost	Data	Voice + SMS (standard nat.)	Network ²
Unlimited				
UNLIMITED 3G³	\$45/month	5.0GB	Unlimited voice and SMS	Up to 3G
UNLIMITED TEXT 2GB	\$30/month	2.0GB	500mins voice, Unlimited SMS	Up to 4G Plus
UNLIMITED 5GB	\$45/month	5.0GB	Unlimited voice and SMS	Up to 4G Plus
UNLIMITED 7GB	\$55/month	7.0GB	Unlimited voice and SMS	Up to 4G Plus
Flexible				
AS YOU GO	Per usage	7.2c/MB	12c/min voice, 12c/SMS	Up to 4G Plus
FLEXI	\$20/month	0.5GB	9c/min voice, 9c/SMS	Up to 4G Plus
Data				
Data Plans	\$10-\$100	1-10GB	None	Up to 4G Plus

Notes:

1. Pricing and inclusions current as at 18 June 2015 and are subject to change to reflect market conditions.
2. 4G Plus means 4G including 700MHz.
3. Existing Subscribers on the UNLIMITED 3G plan remaining on that plan following the launch of amaysim's 4G service.

amaysim's leading product offering by revenue is its UNLIMITED category of plans. Figure 24 illustrates amaysim's Subscriber mix by product category between FY2012 and FY2016F with the UNLIMITED category representing UNLIMITED plans and the "Other" category representing flexible and data plans. The UNLIMITED category has grown from approximately 30% to 46% of Subscribers between 30 June 2012 and 30 June 2014. However, with recent enhancements to its product offering in April 2015, and these levels still representing less than half of its current Subscribers, amaysim believes that there is significant potential to increase UNLIMITED category take-up further.

Figure 24: Closing subscriber mix by product category (%)



Note: FY2015F and FY2016F reflect closing Subscribers mix by product category in amaysim's forecasts in this Prospectus. Refer to Section 4.8.2 for assumptions used in preparing these forecasts and Section 5 for key risks.

amaysim's expects further Subscriber take-up of its 4G services to be supported by demand from its existing 3G Subscribers who wish to upgrade to 4G, with 41% of 1,971 Subscribers surveyed by amaysim in April 2014 indicating that they were likely to upgrade to a 4G service over the next 12 months. amaysim also expects that being able to offer the more advanced 4G technology will improve Subscriber retention, with recent trends supporting this view (see Section 4.8.2.1).

SUBSCRIBER DEMOGRAPHICS

amaysim's business model is designed to resonate with the entire market. amaysim attracts a diverse Subscriber base, with representation across all age groups and a relatively even distribution between Subscribers transferring from the three MNOs. Over the period from January 2014 to December 2014, approximately 55% of net Subscriber additions were from identified net port-ins, meaning a Subscriber switched over their existing number from another MSP. The balance of approximately 45% represents a variety of new Subscribers, including Subscribers who had previously used another MSP but did not transfer their number, purchasers of new and additional devices, immigrants and young Subscribers (bringing their first device to amaysim).

Figure 25: Subscriber base by age group (as at December 2014)

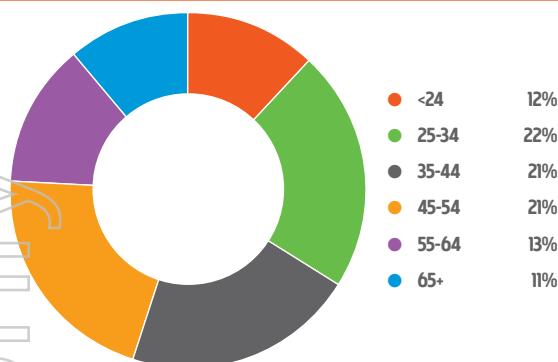


Figure 26: Subscriber base by device (as at December 2013)

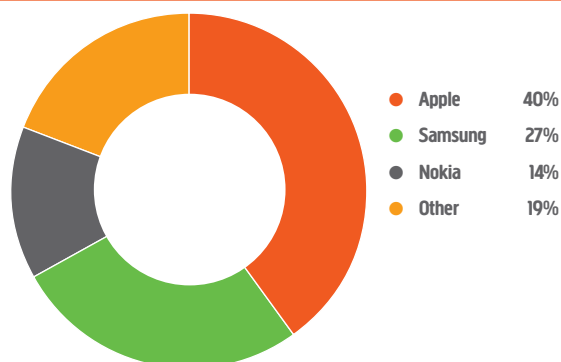


Figure 27: Subscriber net additions by source (January 2014 – December 2014)

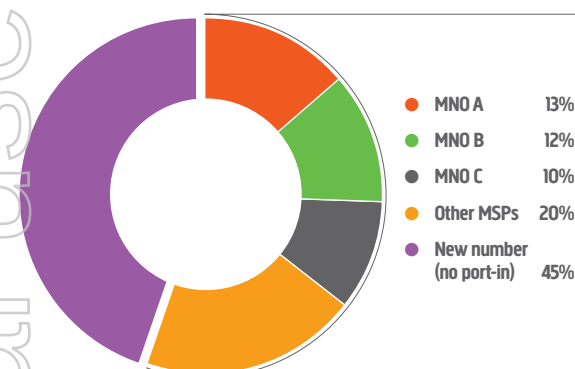
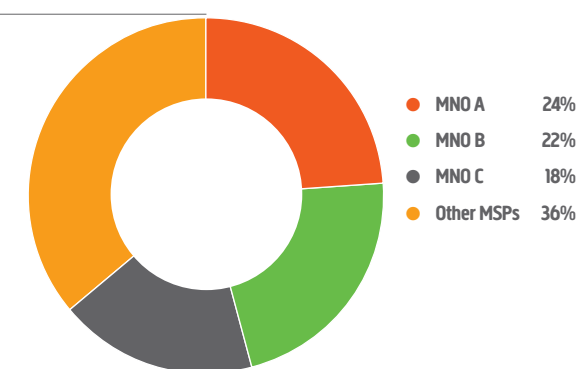


Figure 28: Subscriber port-ins by source (January 2014 – December 2014)



Note: Figure 27 represents total Subscriber additions to amaysim (whether by port-in or as a new mobile number). Figure 28 represents Subscriber port-ins to amaysim only.

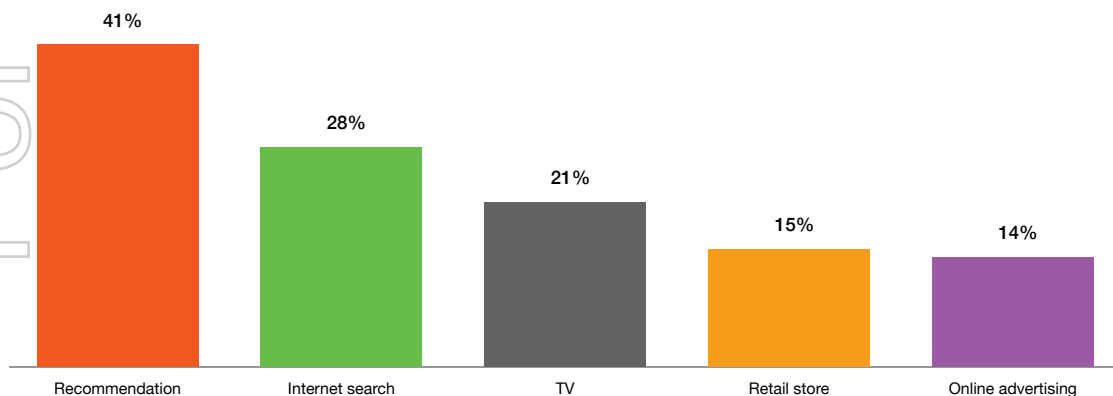
3.5.3 MARKETING AND BRAND

amaysim's ability to grow its Subscriber base profitably depends on cost-effective promotion of its services. Accordingly, a key focus of amaysim is the appropriate allocation of its marketing budget (which it believes would typically be significantly smaller than that of an MNO).

amaysim's marketing strategy is predominantly based on two pillars: the use of technology and innovation (e.g. via social media and leveraging off Subscriber data, and to spend on marketing as effectively as possible to drive a low Subscriber acquisition cost); and strong customer referral through a formalised "member-get-member program" and informal word-of-mouth.

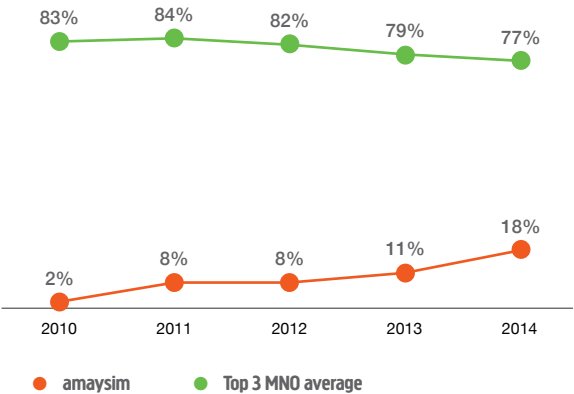
Historically, a significant proportion of amaysim's Subscriber growth has come from customer referrals, with 41% of 2,255 customers surveyed by amaysim in April 2014 indicating that they had heard about amaysim via a recommendation from others (refer to Figure 29). In addition, amaysim held an average NPS of 57% over the last 12 months, which reflects the inclination by amaysim Subscribers to recommend the Company's products to friends and family.

Figure 29: How did Subscribers hear about amaysim?



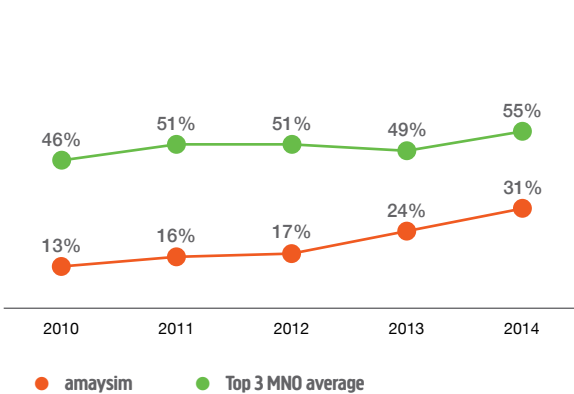
In addition to Subscriber referrals, amaysim utilises real-time data-driven insights (e.g. sales by channel and location) to seek to target its marketing spend and deliver Subscriber growth through targeted marketing channels, including search engine optimisation, search engine marketing, direct TV, outdoor and targeted email marketing to its existing Subscriber base. amaysim believes that its unprompted brand awareness has increased steadily since December 2010 (estimated to have grown from 2% to 18% as at October 2014) and that its MSP brand consideration has also increased over the same period of time (estimated to have grown from 13% to 31%). amaysim plans to continue to drive unprompted awareness and brand consideration (for further detail, refer to Section 3.10.1).

Figure 30: Unprompted brand awareness (%)



Source: Unprompted brand awareness survey conducted as an amaysim-commissioned survey, measuring consumer unprompted brand awareness based on a sample of 650 consumers over the period from December 2010 to October 2014.

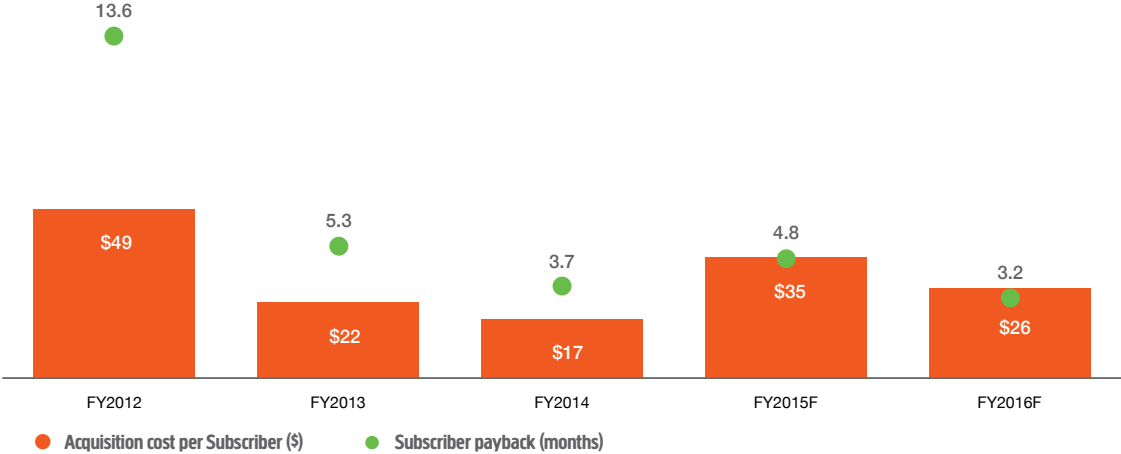
Figure 31: Brand consideration (%)



Source: Brand consideration survey conducted as an amaysim-commissioned survey, measuring likelihood of considering Mobile Service providers based on a sample of 650 consumers over the period from December 2010 to October 2014.

As a result of targeting its marketing spend, amaysim delivers a low acquisition cost per Subscriber, with an attractive Subscriber payback period (meaning the length of time required for amaysim to recover the cost of acquiring a new Subscriber), as represented in Figure 32.

Figure 32: Acquisition cost per Subscriber (\$) vs. Subscriber payback period (months)



Note: Acquisition cost per Subscriber is calculated as total marketing costs divided by gross Subscriber additions over the relevant period. FY2015F marketing costs include a \$5.0 million marketing cost related to the Product Repositioning and 4G launch. Subscriber payback is calculated as acquisition cost per Subscriber divided by ARPU, multiplied by gross profit margin. FY2015F and FY2016F reflect amaysim’s forecasts in this Prospectus. Refer to Section 4.8.2 for assumptions used in preparing these forecasts and Section 5 for key risks.

3.5.4 DISTRIBUTION AND CUSTOMER SERVICE

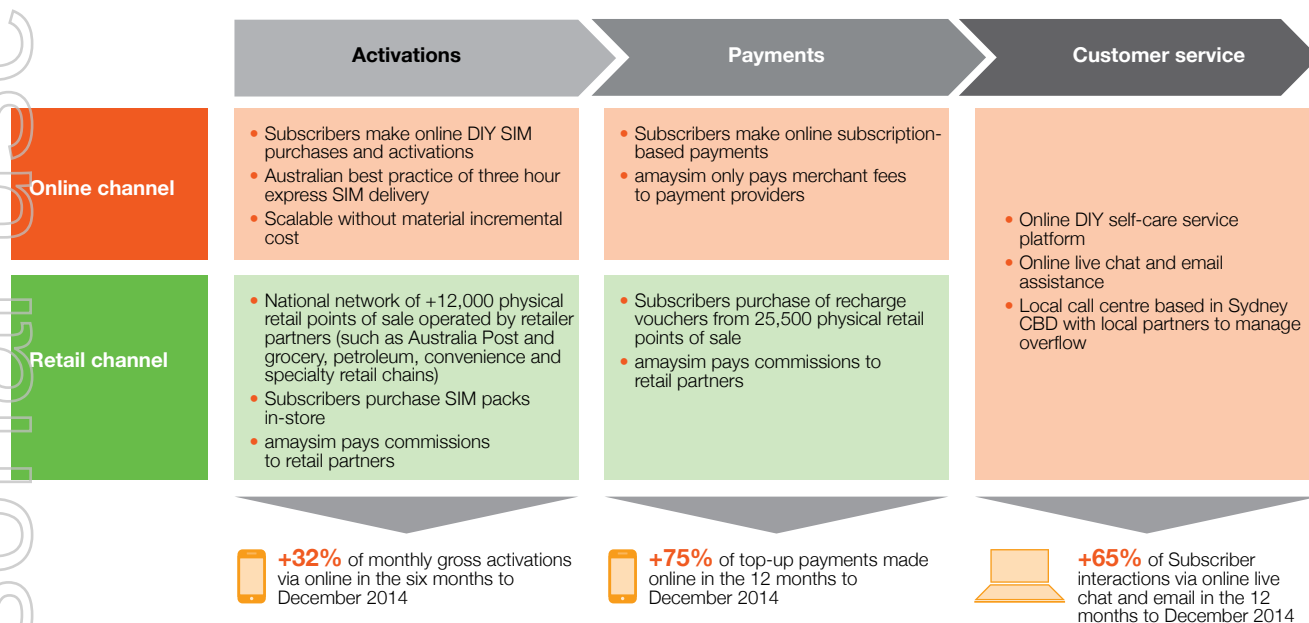
SUBSCRIBER LIFECYCLE ENGAGEMENT

Subscriber lifecycle engagement (being the process of acquiring and maintaining Subscribers) is underpinned by amaysim's online-led operations and is a key component of its business model. It comprises:

- **Activations:** Subscribers initially acquire a SIM either online via amaysim's website or mobile app (and have it delivered to them) or from a national network of over 12,000 physical retail points of sale operated by amaysim's retail partners;
- **Payments:** Subscribers can subsequently top-up their plans online, via direct debit or credit card payments, or by purchasing vouchers from a national network of approximately 25,500 physical retail points of sale operated by its retail partners; and
- **Customer service:** Subscribers can manage their account and seek customer assistance online via self-service, live chat and email services or via amaysim's local call centre.

Following initial SIM activation, 75% of amaysim's Subscriber top-up payments (in the 12 months to December 2014) and 65% of customer service interactions (in the 12 months to December 2014) are conducted via the Company's online channel. amaysim is focussed on driving Subscribers onto the online platform, which drives higher gross margins and lower costs to serve.

Figure 33: Subscriber lifecycle engagement



Activations and payments

Subscriber acquisitions, activations and payments are conducted through amaysim's online distribution platform and retail distribution network.

Online distribution platform

Subscribers are able to initially acquire a SIM through amaysim's website and mobile or tablet application channels with free express shipping, including three hour delivery in select CBD areas. Subsequent online top-up payments are made via direct debit or credit card methods with Subscribers able to choose payment options of prepaid recharge or postpaid month-to-month with automatic renewal. If a customer has purchased a SIM from a retail partner and activates online, then the retailer receives a commission. If a customer purchases a SIM from amaysim's website, then no retailer commissions are paid.

amaysim's proprietary technology platform is scalable and can support substantial growth in its Subscriber base without requiring significant additional capital expenditure.

Figure 34: Online-led customer activations

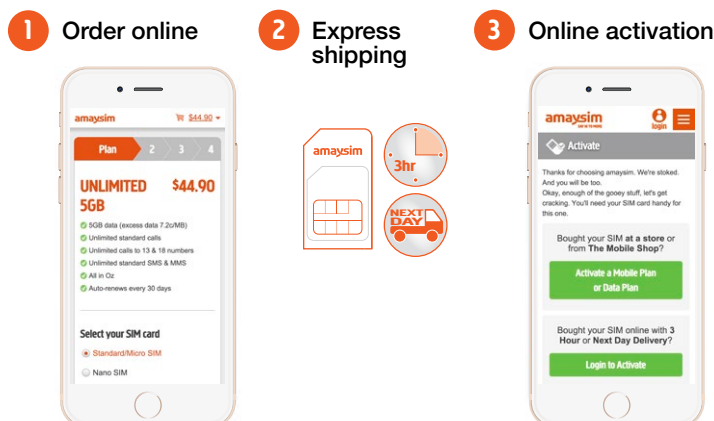
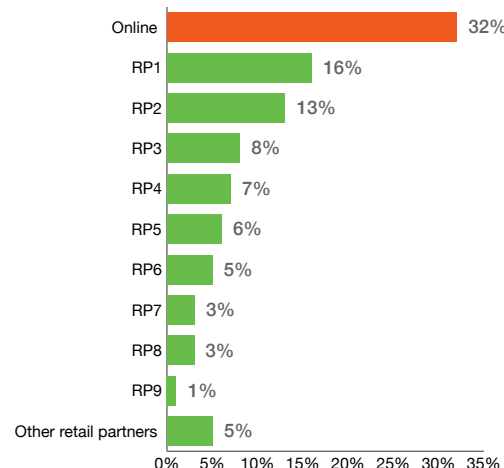


Figure 35: Gross Subscriber activations by channel (%)



Note: Represents activations for the six months to December 2014. "RP" represents "retail partner".

Retail distribution network

amaysim's online distribution is complemented by a broad retail distribution network, providing a fast pick-up solution for SIM. amaysim's SIMs are offered for sale from a national network of over 12,000 physical retail points of presence operated by its retail partners, including Australia Post, grocery, petroleum, convenience and specialty retail chains. amaysim does not own this retail network; however, the retail channel delivers nationwide distribution, brand recognition and marketing benefits and provided amaysim with 68% of new Subscribers across the six months to December 2014. Retail partners are incentivised to grow amaysim's Subscriber base through the receipt of financial incentives on sales of amaysim SIMs.

amaysim has strong relationships with a diversified mix of leading retail partners with no retail partner representing more than 16% of total gross activations. amaysim's retail partners include:

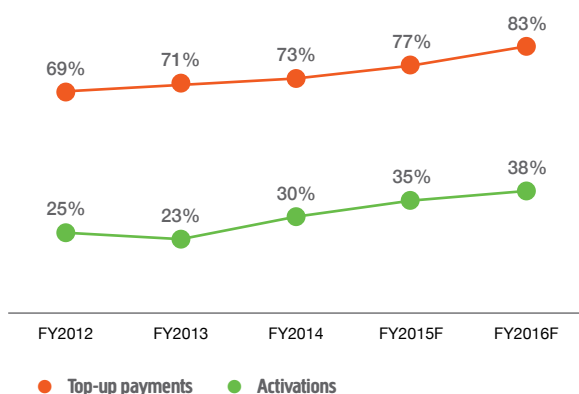
- Government: Australia Post;
- Grocery: Coles, Woolworths, IGA;
- Petroleum: Caltex, Woolworths Petrol;
- Convenience: 7-Eleven; and
- Specialty retail chains: Allphones, Harvey Norman, Dick Smith Electronics, Newslink.

amaysim Subscribers are also able to purchase recharge vouchers from any one of approximately 25,500 physical retail outlets that partner with amaysim.

Trends in online penetration

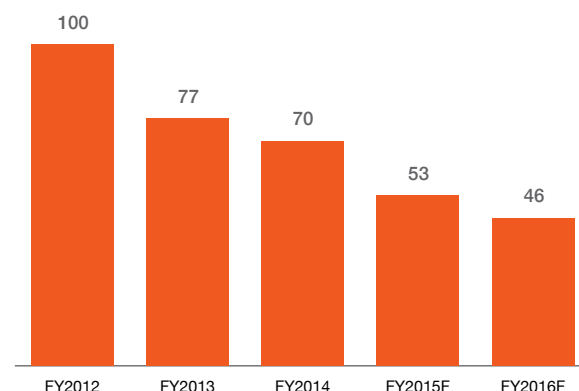
As demonstrated by Figure 36, amaysim has successfully driven new and existing Subscribers onto the online platform for activations and top-up payments, which assists to drive lower transaction costs (see Figure 37) due to lower commission payments (thereby assisting to improve margins). amaysim is focussed on driving Subscribers onto the online platform, in order to generate further cost efficiencies (for further information, refer to Section 3.10.3).

Figure 36: Online platform activations and top-up payments (% of total)



Note: FY2015F and FY2016F reflect activations and top-up payment forecasts by amaysim in this Prospectus. Refer to Section 4.8.2 for assumptions used in preparing these forecasts and Section 5 for key risks.

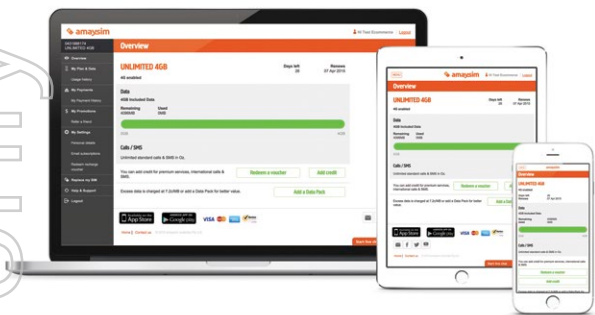
Figure 37: Transaction costs as % of net revenue indexed to 100 as at FY2012



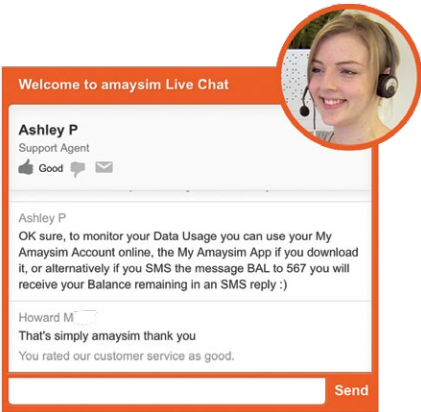
Note: FY2015F and FY2016F reflect transaction cost forecasts by amaysim in this Prospectus. Refer to Section 4.8.2 for assumptions used in preparing these forecasts and Section 5 for key risks.

Figure 38: Why Subscribers consider amaysim

DIY self-service



Local live-chat service



Customer service

amaysim focuses on delivering high levels of customer service and satisfaction via a cost-effective online-led business model. amaysim has implemented comprehensive self-service functionality across all devices, including mobile, tablet and desktop devices to enable Subscribers to access their information and plans and manage their account online. For example, the introduction of self-service SIM swaps and number porting, which were traditionally resource-intensive tasks with the service centre, now require no intervention by amaysim staff. The simple self-service Subscriber experience is supported by detailed automated workflows via the IT platform. amaysim believes these enhancements have led to an improved customer experience for these transactions.

Figure 39: Customer interactions handled by channel (%) (January 2014–December 2014)

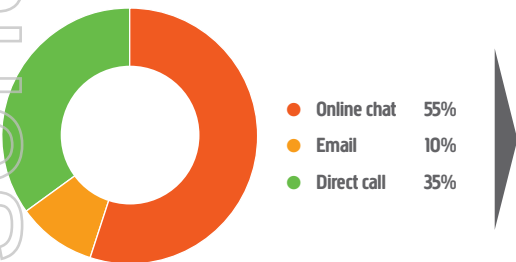
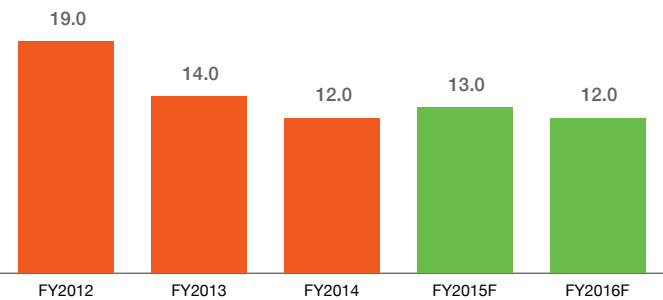


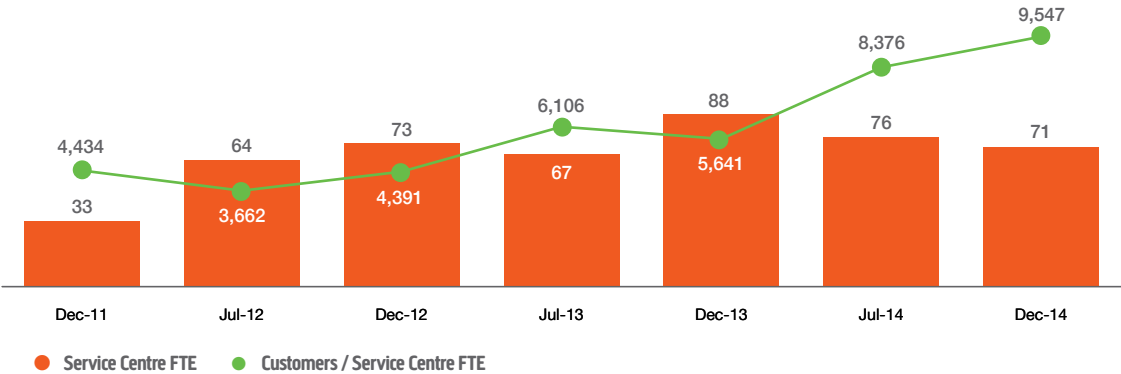
Figure 40: Annual cost to serve per Subscriber (\$)



Note: Annualised cost to serve for FY2015F increased due to increase in costs associated with the Product Repositioning and 4G launch. FY2015F and FY2016F reflect operating cost numbers in amaysim's forecasts in this Prospectus. Refer to Section 4.8.2 for assumptions used in preparing these forecasts and Section 5 for key risks.

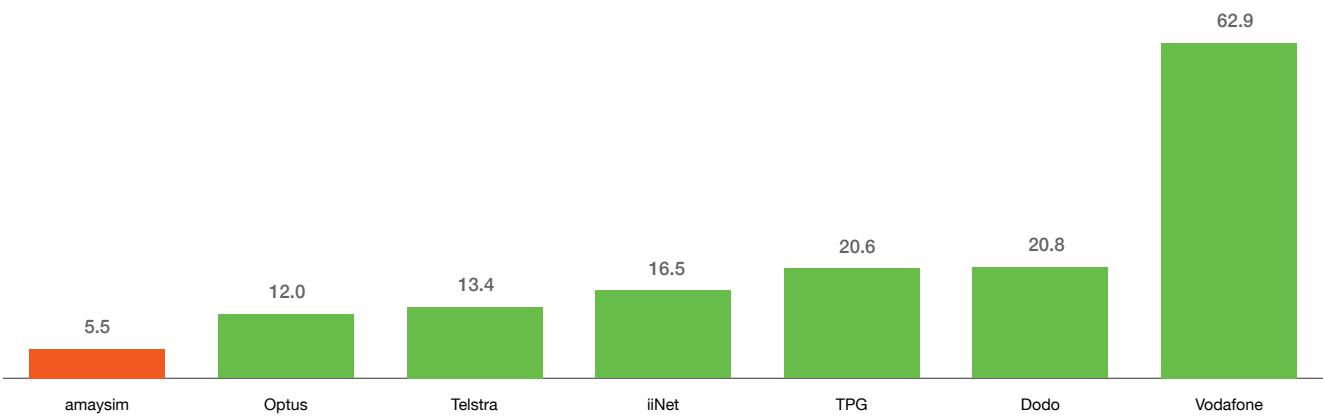
amaysim operates an online-first approach to customer service (meaning Subscribers can seek assistance online before needing to speak to a customer service representative over the phone). This approach is designed to maximise user experience and service efficiency, with 65% of total customer service contacts handled via online live chat and email, for the 12 months to December 2014. This user experience is supported by the Company's service centre, which is located in Sydney and provides online live chat, social media support and email and telephone support services. The service centre employed approximately 71 FTEs as at December 2014, all of whom are based in Sydney, with two additional local partners providing inbound, outbound calls and live chat capacity if required. amaysim has achieved a consistent 94% average customer satisfaction rating for its online live chat service since it was launched in September 2013. Online live chat is particularly effective with each representative being able to support simultaneously up to three Subscribers instead of just one Subscriber using traditional voice channels (reflected in Figure 41).

Figure 41: Service centre FTEs and ratio of FTEs servicing each 1,000 Subscribers



amaysim seeks to deliver “best-in-class” customer service and has achieved a NPS rating of 57% (refer to Section 3.5.3), industry-recognised awards, and the lowest reported complaints per 10,000 Subscriber as compared to key peers (refer to Figure 42).

Figure 42: T10 mobile complaints per 10,000 Subscribers – key peers (FY2014)



Note: Calculated as TIO-reported new mobile complaints between July 2013 and June 2014, divided by MSP closing FY2014 subscribers (excluding wholesale customers). New complaints sourced from TIO, “New complaints, investigations and issues by service providers with more than 25 new complaints 2013-14”.

3.5.5 IT PLATFORM

amaysim operates a proprietary technology platform that it has developed predominantly in-house over the past four years. amaysim believes that an efficient information technology platform and associated IT security, scale and redundancy measures are critical to providing a “best-in-class” customer service, to enhance the user experience and maintain data integrity. amaysim has an experienced IT and e-commerce team, with 27 full-time equivalent employees as at December 2014.

amaysim has built and operates a proprietary customer service platform and internally develops and manages its websites and business support systems. This insourcing assists amaysim to be flexible and to adapt quickly to changing markets and Subscriber needs.

The technology platform underpins key functions of the business, and ultimately amaysim’s business model and growth platform, including:

- supporting amaysim’s website, which had 4.8 million visits with 52% of sessions coming from mobile and tablet devices in the 12 months to 31 December 2014;
- supporting online activations and sales:
 - approximately 32% of monthly gross Subscriber additions during the 12 months to December 2014 were online sales and approximately 75% of top-up payments were managed through online interfaces during the 12 months to December 2014; and
 - approximately 30,000 new activations were processed per month over the 12 months to December 2014 (with current capacity to scale to approximately 60,000 a month);
- integrating with external systems operated by financial institutions and other service providers to facilitate transactions, including information transfer, electronic identity verification and risk management activities;
- online self-service and live chat;
- capturing significant amounts of data to assist management in decision making, tailoring products to Subscriber preferences, improving operational efficiency, managing marketing, improving customer service, responding to competitive threats and reducing risk; and
- capacity to support approximately three times the existing Subscriber base.

3.5.6 DATA-DRIVEN INSIGHTS

amaysim’s dedicated in-house IT team, supported by its proprietary technology platform, has customised real-time data analytics tools and insights to drive business objectives (as illustrated in Figure 43). These include monitoring of:

- **Product offering:** sales by product and usage of allowances, which supports enhancement of existing and new products;
- **Marketing and distribution:** sales by channel and location, which drives effective and targeted marketing to achieve low Subscriber acquisition costs;
- **Customer service:** metrics to assist active response to customer requirements to maintain high NPS and lower the cost to serve; and
- **Competition:** porting activity, which allows amaysim to respond to competitor behaviour and improve Subscriber retention.

Figure 43: Data driven insights supported by IT platform

	Product offering	Marketing and distribution	Customer service	Competition
amaysim business objectives	• Enhance product offering • Revenue and margin growth	• Effective target marketing • Subscriber growth and low Subscriber acquisition cost	• Leading customer satisfaction • Maintain high NPS	• Respond to competitor trends • Reduce churn
Information captured	• Sales by type of product • Subscriber data usage	• Online and retail sales • Sales by location to store level • Subscriber acquisition cost levels	• Wait times and chat satisfaction • Reason for service query	• Porting activity between amaysim and competitors • Expiry analysis • Full churn analysis

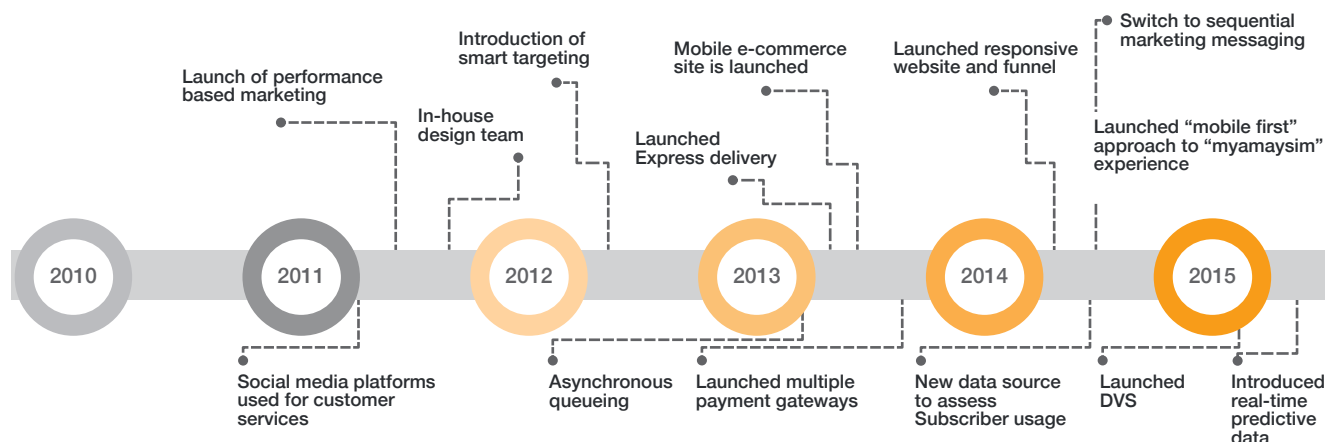
IT SECURITY, SCALE AND REDUNDANCY

Maintaining the security and integrity of the technology platform and its data are key priorities for amaysim. amaysim uses the Amazon web services cloud-based computing and server platform. Amazon web services maintains a fully redundant platform that enables “just in time” production scalability and includes features to enhance reliability (like auto-scaling and self-healing).

amaysim believes that its technology platform represents a strong competitive advantage and that potential market entrants would require significant time, resource and capital investment (in combination with a detailed understanding of the Mobile Services market) to build an equivalent platform.

3.6 INNOVATION AND RESEARCH AND DEVELOPMENT (R&D)

Figure 44: Timeline of amaysim's marketing and IT innovations



amaysim believes that its success to date has been a result of a continued focus on innovation with its operational flexibility and a demonstrated ability to move quickly to adapt to changing customer needs being a key factor. amaysim has a dedicated team of 27 full-time equivalent employees focussed on product innovation. Innovations over the past four years include the following:

3.6.1 INNOVATION IN MARKETING

amaysim uses sophisticated marketing strategies and innovation, which has allowed amaysim to drive Subscriber acquisition and retention, including:

- Digital media attribution technology, which analyses consumer online behaviours (or "path-to-purchase") to enhance conversions of online inquiries into Subscribers activations;
- expanding delivery options to include next day delivery and three hour delivery in Sydney and Melbourne;
- creating a new mobile e-commerce site, utilising campaigns targeting Subscribers by device. 25% of online sales were made on mobile devices during April 2015;
- utilising social media platforms to gain insights from current Subscribers and using their feedback to improve the customer experience, in addition to formulating new products based on such feedback;
- using sequential marketing messaging, which is a digital marketing tactic whereby a user is shown creative messages in a particular order, based on their prior interactions with a brand. This has allowed amaysim to analyse the impact of advertising in real-time during a campaign, assisting to driving a higher conversation rate and lower Subscriber cost;
- smart targeting, which allows amaysim to target competitors' Subscriber bases across paid search and social media and on mobile devices with bespoke messaging on the advantage of amaysim over their current provider; and
- remarketing campaigns that allow amaysim to target non-Subscribers to help convert them to Subscribers, assisting to improve amaysim's Subscriber acquisition costs.

3.6.2 INNOVATION IN IT

amaysim believes that its innovative information technology platform has been critical to growing a strong competitive advantage, including by enabling amaysim to respond quickly to changing markets and Subscriber and business needs. For example:

- using AWS' scalable cloud-based computing and server platform, which allows amaysim to develop new environments (to immediately conduct testing, production or development of programming and code) while minimising costs on unused infrastructure;
- using real-time data analytics to process large amounts of data to generate insights needed to deal with market and Subscriber usage changes (see Section 3.5.6) and to model key business drivers such as churn propensity;
- investigating new data sources and metrics with a view to increasing the efficiency of data usage in the longer term;
- pushing identity verification methods online, with amaysim being one of the first MSPs to use the newly available Commonwealth government Digital Verification Service (DVS);
- providing multiple IT gateways to ensure higher availability of payment systems; and
- establishing back-up infrastructure to ensure a continuous ability to process Subscriber transactions (known as asynchronous queueing).

3.7 NETWORK SUPPLY AGREEMENT

3.7.1 BACKGROUND TO AMAYSIM'S NSA

As outlined in Section 3.1, amaysim launched in 2010. The Founders believed they had identified an underserved market of mobile Subscribers in Australia who were dissatisfied with their existing MSPs and who may be attracted to a customer-centric, BYO model. The Founders approached the three MNOs with a BYO business plan based on an online-led business model with the potential for significant growth in the BYO segment. Following negotiations with the three MNOs, amaysim developed a relationship with Optus and agreed a NSA on 16 September 2010 designed specifically to serve amaysim's proposed business model and business processes. The initial NSA enabled amaysim to build its business, achieve strong Subscriber growth and created the foundation for future negotiations with Optus. The strength of this foundation was most recently reflected in the variation agreement settled with Optus in December 2014: the variation provided amaysim with pricing for 4G and access to Optus' 4G network and extended the term of the NSA.

amaysim has a highly successful and mutually beneficial relationship with Optus, with both parties receiving returns as a result of:

- amaysim's rapidly growing Subscriber base using Optus' extensive network, which covers 98.5% of Australia's population;
- amaysim's broad market appeal, with Subscriber representation across all age groups and a relatively even distribution between Subscribers transferring from the three key MNOs (refer Figures 27 and 28 in Section 3.5.2);
- amaysim's cost-effective Subscriber acquisition and its online business process and customer care; and
- growing earnings for amaysim and wholesale revenues for Optus.

This successful relationship with Optus has assisted amaysim to become the fourth largest independent mobile service provider in Australia (after the three MNOs), and one of Optus' largest mobile wholesale partners.

3.7.2 OVERVIEW OF THE CURRENT NSA

The NSA has underpinned the successful relationship between amaysim and Optus and has led to amaysim becoming a meaningful contributor to Optus' wholesale mobile Subscriber growth and wholesale earnings.

Key terms of the NSA are summarised in the sections below. The agreement provides a platform for:

- a long-term relationship between amaysim and Optus;
- wholesale pricing with a binding review mechanism that expressly aims to ensure wholesale pricing that is appropriate to reflect a competitive offering in the BYO Mobile Services market in Australia; and
- access to future mobile services technologies that are generally available to other Optus wholesale customers.

The NSA also contains termination rights for Optus and amaysim, a Mid-Term Review and certain security obligations and operational restrictions on amaysim as summarised below.

amaysim's current business model is reliant on the continual operation of the NSA. In addition to the description below, refer to the risk factors in Section 5 and the additional information on the NSA in Section 9.4.

3.7.3 TERM

Optus' supply of network services under the NSA commenced in November 2010, and was initially to continue for a five year term ending November 2015, with an option for amaysim to extend for five years ending November 2020. In December 2014, a variation of the NSA was agreed that, among other things, provided amaysim with access to 4G network services and also resulted in extending the NSA for a further term of five years to December 2019, and an option for amaysim to extend for an additional term of five years ending December 2024 (**Optional Term**).

As a result, the NSA provides a platform for the provision of services by amaysim to its Subscribers over an extended period of time, with the Optional Term providing amaysim the flexibility to extend the NSA or seek the provision of network services from other MNOs. If the Optional Term proceeds, the NSA would represent a 14 year relationship between amaysim and Optus.

amaysim does not own its own mobile network infrastructure, therefore to continue to provide Mobile Services beyond the current Optional Term, in 2025 and beyond, amaysim will need to enter into a new or varied NSA with Optus or a wholesale network supply agreement with another MNO.

3.7.4 WHOLESALE SERVICES AND CHARGES

3.7.4.1 WHOLESALE NETWORK SERVICES

Under the NSA, Optus is required to provide wholesale network services to amaysim including 3G and 4G network connectivity and bundled plans (encompassing call, text and data services), SIM, value-added service features (e.g. calls to special numbers and calls to operator services) and connectivity with international roaming networks.

Under the NSA, Optus must not discriminate between amaysim's Subscribers and Optus' own subscribers in terms of the coverage and quality of services supplied when Subscribers are using the Optus network. This is designed to ensure that amaysim's Subscribers receive the same quality and coverage of service as Optus' own retail subscribers.

In December 2014, the parties agreed that amaysim could access Optus' 4G network to provide services to amaysim's Subscribers.

amaysim launched its 4G products commercially on 24 March 2015. From this date, amaysim ceased to offer 3G services to new Subscribers. Existing 3G UNLIMITED Subscribers will continue to be offered 3G services for a period of 24 months (during which period Subscribers are able to switch to 4G products); all other 3G Subscribers will automatically be switched to 4G products as their subscriptions are renewed. No SIM swap is required to implement the 4G offering.

3.7.4.2 WHOLESALE CHARGES

As referred to in Section 3.4, amaysim's key earnings driver is the margin between what it earns from its Subscribers through its product offering, and the service charges that it pays Optus under the NSA (in addition to its transaction costs).

The service charges paid to Optus are based on an agreed price schedule for the bundled and discrete mobile network services (comprising call, text and data) that amaysim acquires from Optus. Charges for bundled services are fixed per Subscriber, whereas charges for discrete services are on a per unit basis. amaysim pays charges on a monthly basis (in arrears).

amaysim constructs its retail product offering (described in Section 3.5.2) from the bundled and discrete services it acquires from Optus, including by blending the two. A significant portion of the call, text and data allowances offered under amaysim's retail products is currently represented by fixed cost, bundled services. amaysim independently sets retail pricing to its Subscribers and inclusions for its products (including whether an inclusion is capped or unlimited) as well as package new products. This pricing model (which amaysim refers to as a "cost-plus" model) assists amaysim to manage the wholesale margins it seeks to generate from its Subscribers. It allows amaysim to choose the extent to which it wishes to fix its per-Subscriber cost for bundled services, as well as either pass on to Subscribers or accept (without passing on to Subscribers) its per unit variable cost for discrete services.

3.7.5 FUTURE TECHNOLOGIES

amaysim may wish to provide its Subscribers with future services as they are developed and adopted by MNOs. Under the NSA, Optus must make available to amaysim for sale to its Subscribers any future mobile services that are generally available to other Optus wholesale customers (e.g. 5G technology, the fifth generation of mobile telecommunications technology as defined by the International Telecommunications Union). Conversely, amaysim may not acquire future services from other MNOs to the extent those services are Competing Services (meaning services substantially similar to or reasonably substitutable for the services Optus does provide to amaysim under the NSA).

With respect to access to 5G technology, if Optus has 5G technology but does not offer (or plan to offer) it to wholesale providers within 12 months of its own launch, and provided that other MNOs are offering 5G technology on a wholesale basis, amaysim may terminate Optus' supply of services under the NSA and acquire those services as well as 5G technology from another MNO.

To date, Optus has made new technologies available or offered to make them available to amaysim on a wholesale basis. To date, networks have preferred to avoid operating on two different technologies or network configurations (versus a single technology) due to inherent inefficiency in doing so. In addition, new network technology has generally been accompanied by efficiency gains for MNOs. amaysim believes these factors (assuming such economics will also be the case with 5G technology), and the potential loss of amaysim's Subscribers and wholesale revenues, would provide strong incentive for Optus to offer amaysim wholesale access to 5G technology.

3.7.6 PRICE REVIEW MECHANISM

As stated in Section 3.7.2, the NSA contains a pricing review mechanism that expressly aims to ensure that wholesale pricing reflects a competitive offering in the Australian BYO Mobile Services market. To facilitate this, the NSA provides for an annual price review process, which the parties agree to carry out in good faith and which involves consideration of a number of market and relationship-specific factors. In addition, each of amaysim and Optus may request one additional discretionary price review per annum if it reasonably believes there is a significant change in the 4G BYO plans offered by MNOs in the Australian Mobile Services market.

The factors to be considered for any price review under the NSA include:

- changes in the Australian market for telecommunication services and mobile telecommunication services in particular; and
- general retail price levels and specific retail pricing plans available in the market for mobile telecommunication services.

The price review mechanism also contains a binding mechanism to resolve deadlocks between the parties.

In addition to pricing discussions occurring outside the formal price review process, there have been a number of variations to Optus' wholesale services and pricing terms to date (including variation of price points, creation of new products, marketing grants and inclusion changes).

3.7.7 EXCLUSIVITY

Optus is not restricted from providing wholesale services to other MSPs. However, it is a condition of the supply of services by Optus and the NSA itself that amaysim and its "related corporations" do not acquire, sell, distribute, provide or otherwise supply any mobile service that is a Competing Service.

As a result of the definition of "related corporations", it would be a breach of this condition for a member of the Telstra or Vodafone groups, but not any other operator of Competing Services, to acquire control of amaysim. A breach of this condition will entitle Optus to terminate the NSA with no transition-out period.

3.7.7.1 GENERAL RESTRAINTS

The NSA also provides that:

- amaysim cannot be involved with a marketing campaign that contacts amaysim's Subscribers using their details and aims to induce them to migrate off the Optus network, or allow the amaysim brand to be used to supply a Competing Service;
- Optus cannot use amaysim's Subscribers' details in a marketing campaign that seeks to transfer those Subscribers away from amaysim;
- amaysim must not transfer any Subscriber to another network except at that Subscriber's request; and
- amaysim must not re-sell Optus' services on a wholesale basis or for re-supply unless such re-supply is approved by Optus, which means amaysim is limited to re-supplying Optus' services to retail Subscribers.

3.7.8 OPTUS MARKETING GRANT

Under the NSA, Optus has agreed to pay amaysim an upfront, lump sum referral fee every time a new amaysim Subscriber activates a service. amaysim must pay Optus a fee (referred to in the NSA as the "marketing access fee") of an equivalent amount for that Subscriber, over a period of 24 months. If the Subscriber cancels its service within that time, the amount of the unpaid marketing access fee for that Subscriber must be paid in full by amaysim to Optus. The aggregate amount of referral fees received by amaysim, less aggregate marketing access fees paid to Optus, is limited at any time to \$13,500,000 (**Optus Marketing Grant**). This is currently the case. While this continues, the amount of referral fees that amaysim may receive in any one month is limited to the amount of the marketing access fees it pays in that month.

Refer to Section 4.5.1 for further information.

3.7.9 CASH SECURITY AND REGISTERED SECURITY INTERESTS

3.7.9.1 CASH SECURITY

amaysim is required to provide incremental financial security to Optus in periodic instalments totalling \$6,750,000 by 1 October 2016.

3.7.9.2 REGISTERED SECURITY INTERESTS

To secure amaysim's performance of its obligations to repay the Optus Marketing Grant under the NSA, Optus has registered two security interests against amaysim. The key security interest is a fixed charge against certain key amaysim assets (including its Subscriber base), securing amaysim's liability to pay marketing access fees as described in Section 3.7.8. The other is a "featherweight floating charge". The "featherweight floating charge" secures a maximum liability of \$1,000 plus enforcement costs. Events which would entitle Optus to enforce the securities include events that would have a material adverse effect on amaysim's assets, operations, business or prospects, or events that would entitle Optus to terminate the NSA for amaysim's failure to pay an outstanding amount, or fundamental breach of the NSA by amaysim (including breach of the restraints described in Section 3.7.7) or amaysim's insolvency.

3.7.10 TERMINATION RIGHTS AND TRANSITION-OUT PERIODS

3.7.10.1 MID-TERM REVIEW

As part of the December 2014 variation to the NSA, Optus and amaysim agreed that amaysim will be measured against two KPIs, which, if not met as at 31 December 2019, would give Optus the right to terminate the NSA upon three months' notice.

amaysim's KPIs are:

- Achieving over one million "active customers"⁴; and
- For the nine months leading up to the test date, amaysim's port-ins from Optus (less an independent estimate of customers that were intending to leave Optus anyway) as a proportion of amaysim's total port-ins not exceeding Optus' percentage share of mobile subscribers in Australia.

Refer to Section 9.4 for a full explanation of the KPIs.

Unless waived by Optus, amaysim's KPIs must first be assessed on 1 January 2019. If a KPI is met on this date, that KPI falls away and will no longer apply. If amaysim does not meet a KPI on this first test date, the relevant KPI is then retested on 31 December 2019.

If amaysim fails to meet the KPI(s) retested on 31 December 2019 by more than 10% (i.e. it has less than 900,000 "active customers", or the proportion of amaysim's port-ins from Optus (after adjusting for customers intending to leave Optus anyway) exceeds Optus' market share by more than 10% of that market share), Optus has the right to terminate the NSA upon three months' notice.

As at 31 May 2015, amaysim had over 700,000 Subscribers, representing a 71% CAGR since 30 June 2011. As at 30 June 2016, being the end of the forecast period addressed in Section 4 (and 2.5 years before 1 January 2019), amaysim expects to have approximately 875,000 Subscribers and would require growth in "active customers" at a CAGR of approximately 5% from the end of the forecast period to 1 January 2019 to satisfy this KPI. If measured from 31 May 2015 (when "active customers" were over 700,000), amaysim would require growth in "active customers" at a CAGR of approximately 10% through to 1 January 2019 to satisfy this KPI. If this KPI is not met at 1 January 2019, the KPI in effect reduces to 900,000 "active customers" and is retested on 31 December 2019.

4. "active customers" means amaysim Subscribers and other customers who have been assigned a telephone number by amaysim. If more than 10% of those customers have not tolled in the preceding 90 days, the number of "active customers" is reduced by the extent of the excess.

Investors should be aware that past performance is not a guarantee of future performance.

A “port-in” is a Subscriber who has transferred their number and service to amaysim from another MSP. amaysim’s experience has seen a relatively even distribution of port-in activity across the key MNOs, without adjusting for customers who were intending to leave Optus in any event, as is permitted when testing the second KPI.

3.7.10.2 OTHER TERMINATION RIGHTS

In addition to the termination rights described in Section 3.7.10.1, Optus and amaysim have a range of termination rights including for counterparty insolvency and fundamental breach, regulatory or change-in-law impasse, and intervening events that interfere with the provision of services.

Optus may also terminate the NSA if a supplier of a particular service (e.g. a telecommunications network or cable infrastructure) to Optus, terminates Optus’ access to all or any part of the supplier network that Optus uses to supply network services to amaysim.

See Section 9.4 for full details of termination rights under the NSA.

3.7.10.3 TRANSITION-OUT PERIOD FOLLOWING TERMINATION

To minimise the disruption that termination of the NSA would cause amaysim’s Subscribers, the parties have agreed to certain ‘transition-out periods’ following termination, during which Optus must continue to supply Mobile Services in accordance with the NSA but amaysim must not request any new activations. During any transition-out period the competitive restraints between amaysim and Optus as described in Section 3.7.7 cease to apply.

The transition-out period, which varies depending on the relevant termination event, allows for an orderly transfer of amaysim’s Subscribers off Optus’ network and potentially on to another network. Notably, there is no transition-out period if Optus terminates the NSA because:

- amaysim fails to pay an outstanding amount;
- amaysim breaches the restraints described in Section 3.7.7; or
- amaysim is insolvent.

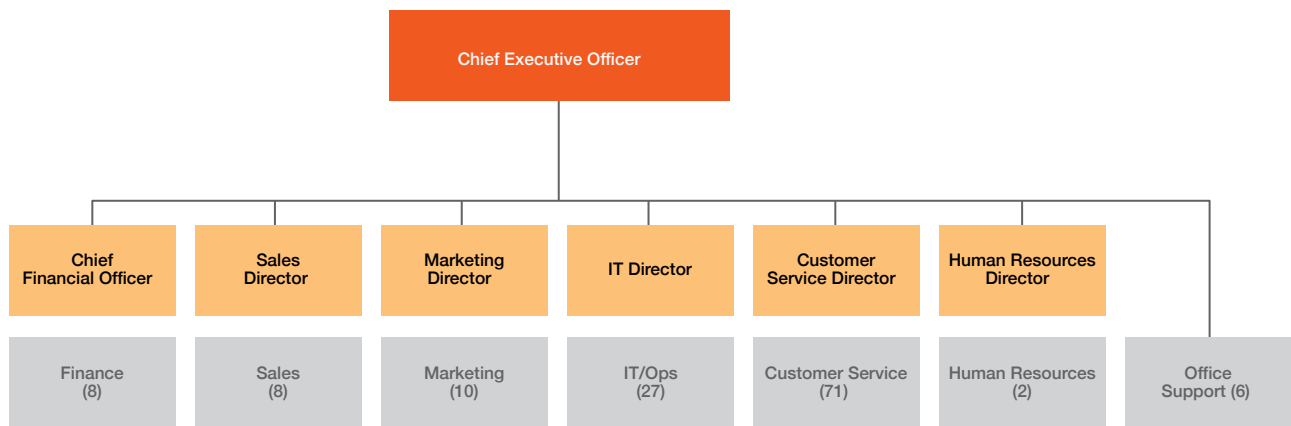
Where no transition-out period operates, Optus would be entitled to cease supplying services on and from termination of the NSA.

3.8 MANAGEMENT AND EMPLOYEES

amaysim has a strong management team, with all director level staff (see middle row of Figure 46) having been with the Company for the past four years. Together, they have overseen the expansion and growth of the business to its current position. Further information on the leadership team is contained in Section 6.4.

In addition to the Founders and the leadership team (as listed in Section 6.4), the Company had approximately 132 full time equivalent employees across the functional lines as outlined in Figure 45 as at December 2014.

Figure 45: Overview of amaysim’s organisational structure



Source: amaysim management as at December 2014

amaysim has the aim of being the “most desirable employer in Australia”. amaysim has strong staff retention, engagement and satisfaction: approximately 90% of employees would refer a friend or family member to work at amaysim and an average of over 85% employees answered “Yes” when asked whether amaysim was “an amazing place to work” over the past four years of survey. amaysim is committed to maintaining and improving the level of engagement and key staff retention through talent acquisition, talent management and organisational development programs. In particular, there is a greater focus on succession management, high potential employee and executive development programs to support identification and development of staff who will assist amaysim to execute effectively its business strategies.

3.9 COMPETITIVE STRENGTHS

The features of amaysim's operating model which have supported it in becoming Australia's fourth largest independent MSP with significant competitive strengths include the following:

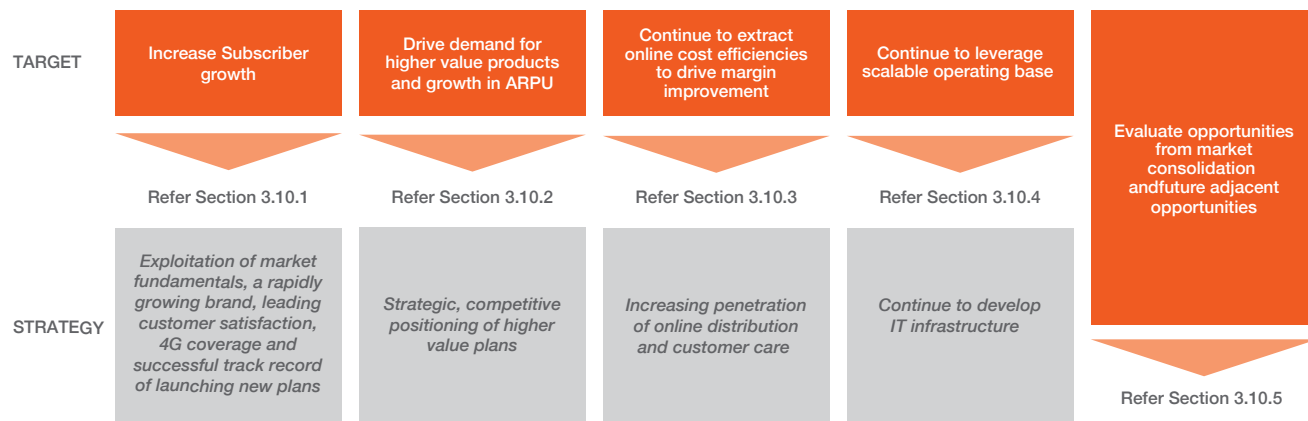
amaysim's business model features and competitive strengths

Feature	Description	amaysim's competitive strengths
Network infrastructure	Competitive offering requires reliable network coverage and access to leading technologies such as 4G coverage	- amaysim has renewed its NSA with Optus - By leveraging Optus' mobile network, amaysim is not required to invest in significant capital and operating expenditure to maintain its network which allows the Company to focus investment into its product offering and customer service
Focussed product offering	Product offering needs to be sufficiently compelling to attract and retain new Subscribers	- amaysim's multiple award-winning product offering has resonated with consumers and is focussed on transparent BYO plans with no lock-in contracts - amaysim's cost-effective online-led business model allows it to offer a compelling and competitive product offering
Delivery channels	Establishing a national Subscriber distribution and payments network takes time and is costly	- amaysim has established a national online and diversified retail distribution network via partnerships with leading retailers - amaysim's online-led distribution and payments platform is cost-effective and scalable and does not rely solely on physical retail distribution
Customer care	High customer satisfaction and user experience are important to attract and retain Subscribers	- amaysim's high NPS and multiple industry awards reflect the Company's focus on customer satisfaction and user experience - amaysim's self-service and online-focussed customer care is 100% locally based which allows it to deliver leading and cost-effective customer service
Proprietary and scalable IT systems	System reliability and user experience are important to attract and retain Subscribers	amaysim's proprietary IT platform has been predominantly developed and serviced in-house and has existing capacity to service a significantly larger Subscriber base without material additional capital expenditure
Real time data led decision making	Utilising its IT platform, amaysim is able to process the significant amounts of data to develop insights required to deal with changes in the market or within amaysim's product set	- amaysim is able to optimise its product offering by tailoring products to Subscribers utilising real-time data-driven insights, including by monitoring sales by individual product and Subscriber data usage - amaysim will seek to develop a predictive analytics model to allow further insight on amaysim's most important business drivers, including churn propensity
Size and scale	Given significant start-up and operating costs a large Subscriber base is required to deliver stand-alone profitability	As Australia's fourth largest independent MSP, amaysim potentially has significant scale advantages over those of new competitors

3.10 AMAYSIM'S GROWTH STRATEGY

amaysim's business model (which includes the features summarised in Section 3.9) has enabled the Company to deliver strong and consistent organic Subscriber and revenue growth. amaysim management aims to continue to grow the business through a number of growth strategies outlined below. These are largely consistent with the successful strategies it has employed since launch:

Figure 46: Outline of amaysim's growth strategy



3.10.1 INCREASE SUBSCRIBER GROWTH

As referred to in Sections 3.1 and 3.4, amaysim has achieved organic net Subscriber and revenue growth in every year since launch. amaysim plans to continue this growth as follows:

- **market fundamentals** – amaysim's primary strategic focus is to apply its business model to increase its share of, and to benefit from, further growth in the Mobile Services market driven by an increasing overall mobile Subscriber base, growing consumer demand for BYO mobile plans and strong consumer demand for data usage (including m-commerce solutions) driving demand for higher price plans (see Section 2.3);
- **rapidly growing brand** – as referred to in Section 3.5.3, amaysim's unprompted brand awareness and MSP brand consideration have increased steadily since December 2010. amaysim plans to continue to drive unprompted awareness and brand consideration in the short to medium term. This will be supported by a continued offering of award winning products and leading customer satisfaction, for example by:
 - introducing new online marketing campaigns to drive increased activations and online transactions;
 - increasing analysis of amaysim's database to improve Subscriber targeting, personalisation and relevance; and
 - increasing personalisation of email marketing content and targeted promotions and increased search engine optimisation to improve brand awareness and lower Subscriber acquisition costs;
- **continue to focus on customer satisfaction** – as referred to in Section 3.5.4, amaysim believes its value proposition is supported by excellence in customer service, which drives Subscriber acquisition and reduces Subscriber acquisition costs through word-of-mouth recommendation. amaysim plans to implement further enhancements to the user experience including by:
 - enhancing simplicity and transparency of its product offering and minimising bill shock;
 - continuing development of its website, mobile and tablet application functionality; and
 - reducing wait times and maintaining high levels of customer satisfaction;
- **access to leading coverage and technology** – amaysim plans to focus on maintaining existing Subscribers and attracting new Subscribers through marketing of its newly launched 4G offering. amaysim plans to continually investigate new mobile technologies that may be attractive to existing and potential new Subscribers; and
- **continue to focus on product innovation** – as referred to in Section 3.5.2, amaysim has successfully introduced, or adjusted pricing on, a number of plans to date to drive Subscriber growth. amaysim plans to continually assess the relevance and effectiveness of its plans to existing and new Subscribers. For example, the launch of new UNLIMITED \$29.90 and \$54.90 plans will target previously unmarketed "4G focussed" price segments to drive incremental Subscriber growth.

3.10.2 DRIVE DEMAND FOR HIGHER VALUE PRODUCTS AND GROWTH IN ARPU

As referred to in Section 3.4, amaysim has continually achieved a higher ARPU each year since launch, driven by optimisation of its product offering, increasing Subscriber demand for data and amaysim's higher ARPU plans. amaysim plans to continue to target higher ARPUs through:

- **harnessing increasing Subscriber demand for data:** targeted marketing and emphasis on higher value UNLIMITED plans;
- **conversion to UNLIMITED Plans:** conversion of existing AS YOU GO and FLEXI Subscribers to higher value UNLIMITED plans;
- **optimisation of product offering:** using the real-time data-driven insights from its IT platform to structure or reposition products, potentially with price increases reflecting additional value (e.g. data inclusions), and ensuring products support growth of higher value Subscribers; and
- **cross-sell opportunities:** selling additional Mobile Services to existing Subscribers.

3.10.3 CONTINUE TO EXTRACT ONLINE COST EFFICIENCIES TO DRIVE MARGIN IMPROVEMENT

amaysim plans to drive operational synergies and generate further cost efficiencies via its online-led business model to drive margin improvement. In particular, it will continue to target reductions in costs to serve, as it has successfully done to date, by increasing the proportion of Subscribers activating and transacting online. Initiatives to drive online penetration further include:

- ensuring retail partners are incentivised to promote amaysim's online platform through the receipt of financial incentives;
- focus on online user experience and customer service, including self-service; and
- integration with external systems operated by financial institutions and other service providers to facilitate an end-to-end online customer experience with all transactions, including information transfer, electronic identity verification and risk management activities.

3.10.4 CONTINUE TO LEVERAGE SCALABLE OPERATING COST BASE

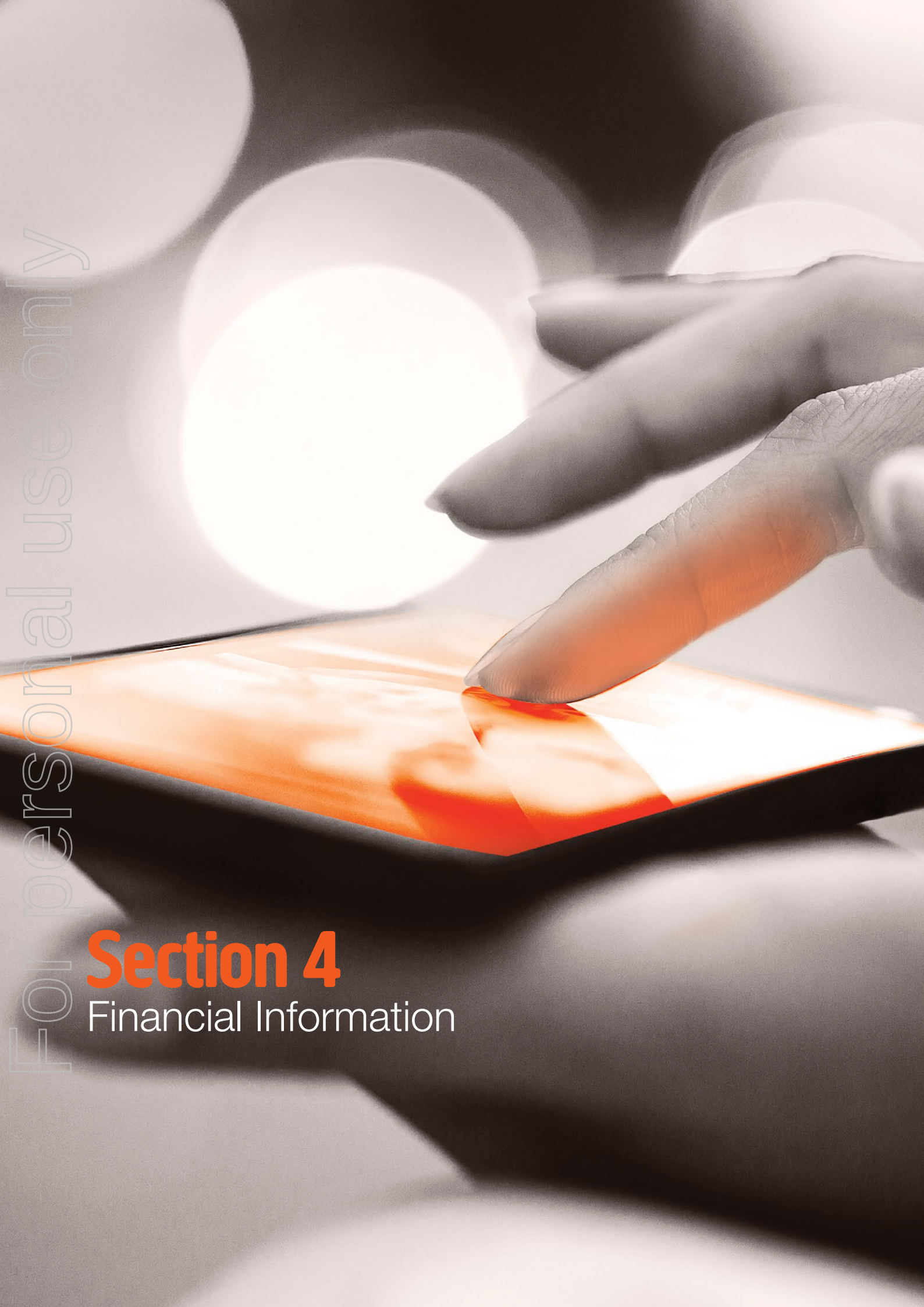
As referred to in Section 3.4, as a result of its low-cost online-led business model, amaysim has significant operational leverage and scalability benefits. amaysim plans to continue to develop its IT infrastructure to enhance further these benefits, including by:

- moving the full database to Amazon web services to provide scalability;
- building its business intelligence platform to incorporate predictive analytics to better understand Subscribers and optimise products;
- increasing focus on enhancing the Company's self-service Subscriber transaction capabilities;
- improving business metric-driven alerts and self-healing platforms to reduce IT operational requirements; and
- continuing automation processes to increase efficiency.

3.10.5 EVALUATE OPPORTUNITIES FROM MARKET CONSOLIDATION AND FUTURE ADJACENT OPPORTUNITIES

amaysim plans to continually assess acquisition opportunities, and opportunities arising from industry consolidation, where it considers it can enhance value for its Shareholders.

In addition, amaysim plans to assess adjacent opportunities to cross-sell and deliver greater value to the Subscriber base. These may include, but are not limited to, other telecommunications services and content services.



Section 4

Financial Information

4.1 INTRODUCTION

The financial information for amaysim contained in this Section 4 includes:

- **Statutory Historical Financial Information**, being the:
 - Statutory consolidated historical income statements for FY2012, FY2013, FY2014, 1H2014 and 1H2015;
 - Statutory consolidated historical cash flow statements for FY2012, FY2013, FY2014, 1H2014 and 1H2015; and
 - Statutory consolidated historical balance sheets as at 31 December 2013 and 31 December 2014.
- **Pro Forma Historical Financial Information**, being the:
 - Pro forma consolidated historical income statements for FY2012, FY2013, FY2014, 1H2014 and 1H2015;
 - Pro forma consolidated historical cash flow statements for FY2012, FY2013, FY2014, 1H2014 and 1H2015; and
 - Pro forma consolidated historical balance sheet as at 31 December 2013 and 31 December 2014.

The Statutory Historical Financial Information and the Pro Forma Historical Financial Information are collectively the **Historical Financial Information**.

- **Statutory Forecast Financial Information**, being the:
 - Statutory consolidated forecast income statements for FY2015F and FY2016F; and
 - Statutory consolidated forecast cash flow statements for FY2015F and FY2016F.
- **Pro Forma Forecast Financial Information** being the:
 - Pro forma consolidated forecast income statements for FY2015F and FY2016F; and
 - Pro forma consolidated forecast cash flow statements for FY2015F and FY2016F.

The Statutory Forecast Financial Information and the Pro Forma Forecast Financial Information are collectively the **Forecast Financial Information**.

The Historical Financial Information and the Forecast Financial Information are collectively the **Financial Information**.

amaysim has a 30 June financial year end. As such, any references in this Section to “FY” refer to a 30 June financial year end.

Also summarised in this Section 4 are:

- The basis of preparation and presentation of the Financial Information (see Section 4.2);
- The general assumptions and specific assumptions underlying the Forecast Financial Information and key sensitivities in respect of the Forecast Financial Information (see Sections 4.8 and 4.9); and
- amaysim’s proposed dividend policy (see Section 4.10).

The Financial Information has been reviewed and reported on by PricewaterhouseCoopers Securities Ltd (**PwCS**) whose Investigating Accountant’s Report is contained in Section 8. Investors should note the scope and limitations of the report.

The information in this Section 4 should also 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 \$100,000.

4.2 BASIS OF PREPARATION AND PRESENTATION OF THE FINANCIAL INFORMATION

4.2.1 OVERVIEW

The Financial Information has been prepared and presented in accordance with the recognition and measurement principles of the Australian Accounting Standards issued by the Australian Accounting Standards Board, which are consistent with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board.

The Financial Information is presented in an abbreviated form insofar as it does not include all 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.

The Prospectus includes Forecast Financial Information based on the general assumptions and specific assumptions set out in Sections 4.8.1 and 4.8.2. The Forecast Financial Information presented in this Prospectus is unaudited. The basis of preparation and presentation of the Forecast Financial Information, to the extent applicable, are consistent with the basis of preparation and presentation for the Historical Financial Information.

amaysim’s key accounting policies have been consistently applied throughout the periods and are set out in Appendix A.

4.2.2 PREPARATION OF PRO FORMA HISTORICAL FINANCIAL INFORMATION

The Pro Forma Historical Financial Information has been prepared for the purposes of inclusion in this Prospectus. The Pro Forma Historical Financial Information is based on the audited statutory consolidated financial statements of amaysim for FY2012, FY2013 and FY2014 (these financial statements are available at www.amaysim.com.au/financialinformation) and the reviewed consolidated financial statements of amaysim for 1H2014 and 1H2015 after adjusting for certain pro forma transactions and/or other adjustments. The statutory consolidated financial statements were audited by PwC. The consolidated financial statements for 1H2015 were reviewed by PwCS.

The Pro Forma Historical Financial Information has been derived from the Statutory Historical Financial Information with adjustments made to reflect the full period impact of the operating and capital structure that will be in place following Completion as if they had occurred at the beginning of the historical period. In addition, certain other adjustments to eliminate non-recurring items have been made in the year in which they occurred together with changes to remuneration arrangements and estimated standalone public company costs over the full period.

Refer to Section 4.6 for a reconciliation between the audited statutory consolidated historical NPAT and the pro forma consolidated historical NPAT for FY2012, FY2013, FY2014, 1H2014 and 1H2015, as well as for a reconciliation between the statutory consolidated historical net cash flow before dividends and the pro forma consolidated historical net cash flow before dividends for FY2012, FY2013, FY2014, 1H2014 and 1H2015. Also refer to Section 4.4 for a reconciliation between the reviewed statutory consolidated historical balance sheet of amaysim, and the pro forma consolidated historical balance sheet, as at 31 December 2014.

4.2.3 PREPARATION OF FORECAST FINANCIAL INFORMATION

The Forecast Financial Information is presented on both a statutory and pro forma basis and has been prepared solely for inclusion in this Prospectus.

The Pro Forma Forecast Financial Information has been derived from the Statutory Forecast Financial Information after adjusting for pro forma transactions and other adjustments to reflect amaysim's operations following Completion, to eliminate non-recurring items and to reflect standalone public company costs. The Statutory Forecast Financial Information is based upon reviewed results for the six months to 31 December 2014, management accounts for the three months to 31 March 2015 and forecasts for the three months to 30 June 2015 and the 12 months to 30 June 2016.

Refer to Section 4.6 for a reconciliation between the FY2015F and FY2016F statutory consolidated forecast NPAT and the pro forma consolidated forecast NPAT for FY2015F and FY2016F, as well as for a reconciliation between the statutory consolidated forecast net cash flow before dividends and the pro forma consolidated forecast net cash flow before dividends for FY2015F and FY2016F.

The Forecast Financial Information has been based on an assessment of present economic and operating conditions and on a number of assumptions, including the general and specific assumptions set out in Sections 4.8.1 and 4.8.2. This information is intended to assist investors in assessing the reasonableness and likelihood of the assumptions occurring, and is not intended to be a representation that the assumptions will occur. 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 negative effect on amaysim's actual financial performance or financial position. Investors are advised to review the general assumptions and specific assumptions set out in Sections 4.8.1 and 4.8.2 in conjunction with the notes to the Financial Information, the sensitivity analysis set out in Section 4.9, the risk factors set out in Section 5 and other information set out in this Prospectus. amaysim considers that the general and specific assumptions, when taken as a whole, to be reasonable at the time of preparing this Prospectus.

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

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 amaysim's actual financial performance or financial position. In addition, the assumptions upon which the Forecast Financial Information is based are by their very nature subject to significant uncertainties and contingencies, many of which will be outside the control of amaysim, the Directors and management, and are not reliably predictable. Accordingly, none of amaysim, the Directors, nor any other person can give investors any assurance that the outcomes discussed in the Forecast Financial Information will arise.

amaysim has no intention to update or revise the Forecast Financial Information or other forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

4.2.4 EXPLANATION OF CERTAIN NON-IFRS MEASURES

amaysim uses certain measures to manage and report on business performance that are not recognised under Australian Accounting Standards (**non-IFRS financial measures**).

These non-IFRS financial measures that are referred to in this Prospectus include the following:

- Net Revenue has the meaning given to it in Section 4.7.1.1;
- ARPU means average revenue per Subscriber, calculated as net revenue for the period divided by average Subscribers for that period, and expressed on a monthly basis;
- EBITDA means earnings before interest, tax, depreciation and amortisation;

- EBIT means earnings before interest and tax; and
- NPATA means NPAT before acquired amortisation as a result of the acquisition of the amaysim brand name from the Founders. In July 2014, amaysim entered into an agreement with the Founders to acquire Eastpoint IP Pty Ltd, an entity owned by the Founders and which held the intellectual property related to the amaysim brand name (**Brand Name Acquisition**). The consideration for Eastpoint IP Pty Ltd was for \$5.1 million and was paid over four installments. This measure is intended to remove the effect of non-cash charges attributable to the amortisation of the Brand Name Acquisition.

Although the Directors believe that these measures provide useful information about the financial performance of amaysim, they should be considered as supplements to the income statement and cash flow measures that have been presented in accordance with the Australian Accounting Standards and not as a replacement for them. Because these non-IFRS financial measures are not based on Australian Accounting Standards, they do not have standard definitions, and the way amaysim has calculated these measures may differ from similarly titled measures used by other companies. Readers should therefore not place undue reliance on these non-IFRS financial measures.

4.3 CONSOLIDATED HISTORICAL AND FORECAST INCOME STATEMENTS

4.3.1 OVERVIEW

The table below sets out the pro forma consolidated historical income statements for FY2012, FY2013, FY2014, 1H2014 and 1H2015, and the pro forma consolidated forecast income statements and statutory consolidated forecast income statements for FY2015F and FY2016F.

The Pro Forma Historical Financial Information and Pro Forma Forecast Financial Information are reconciled to the Statutory Historical Financial Information and Statutory Forecast Financial Information in Section 4.6 which also includes an explanation of the pro forma adjustments. For an explanation of the key income statement line items refer to Section 4.7.1.

Table 1: Summary of consolidated historical and forecast income statements

June year end; \$ millions	Pro forma historical			Pro forma forecast		Statutory forecast		Pro forma historical	
	FY2012	FY2013	FY2014	FY2015F	FY2016F	FY2015F	FY2016F	1H2014	1H2015
Net revenue	32.5	73.5	128.1	213.1	263.6	213.1	263.6	51.9	99.5
Cost of sales	(25.5)	(57.6)	(100.3)	(153.5)	(187.6)	(153.5)	(187.6)	(41.1)	(73.7)
Gross profit	6.9	15.8	27.8	59.7	76.1	59.7	76.1	10.8	25.8
Employee costs	(11.5)	(13.1)	(15.9)	(18.7)	(21.0)	(18.5)	(21.0)	(7.2)	(9.3)
Marketing costs	(9.2)	(5.7)	(7.0)	(13.3)	(11.0)	(13.3)	(11.0)	(3.5)	(6.3)
Facilities and IT costs	(2.9)	(3.2)	(3.5)	(5.6)	(6.3)	(5.6)	(6.3)	(1.8)	(2.6)
Other costs	(2.3)	(3.0)	(3.6)	(6.2)	(6.0)	(5.8)	(6.0)	(1.5)	(3.1)
Offer costs	–	–	–	–	–	(2.7)	(8.6)	–	–
Total operating costs	(26.0)	(25.0)	(29.9)	(43.8)	(44.3)	(45.9)	(52.9)	(13.9)	(21.2)
EBITDA	(19.1)	(9.2)	(2.2)	15.9	31.7	13.8	23.1	(3.1)	4.6
Depreciation and amortisation	(1.3)	(1.5)	(1.6)	(3.0)	(3.5)	(3.0)	(3.5)	(0.8)	(1.4)
EBIT	(20.3)	(10.7)	(3.8)	12.9	28.3	10.7	19.6	(3.9)	3.2
Net interest (expense)/income	0.2	0.1	0.2	0.2	0.2	0.1	0.2	0.1	0.1
Profit before tax	(20.1)	(10.6)	(3.6)	13.1	28.4	10.8	19.8	(3.8)	3.3
Tax (expense)/benefit	5.4	2.6	0.8	(4.6)	(9.1)	9.5	(6.6)	0.9	(1.4)
NPAT	(14.8)	(8.0)	(2.8)	8.5	19.3	20.4	13.2	(2.9)	1.9
Add: Amortisation of brand name	–	–	–	0.7	0.7	–	–	–	0.4
NPATA	(14.8)	(8.0)	(2.8)	9.2	20.0	20.4	13.2	(2.9)	2.3

4.3.2 KEY METRICS

The table below sets out a summary of certain key operating and financial metrics for the financial periods reflected in the Financial Information.

Table 2: Key pro forma historical and pro forma forecast operating and financial metrics

Table 21: Key pro forma historical and pro forma forecast operating and financial metrics								
June year end	Notes	Pro forma historical			Pro forma forecast		Pro forma historical	
		FY2012	FY2013	FY2014	FY2015F	FY2016F	1H2014	1H2015
Key operating metrics								
UNLIMITED category closing Subscribers (000s)		69	135	283	333	414	201	312
Other category closing Subscribers (000s)		161	265	336	383	460	295	367
Closing Subscribers (000s)		230	400	619	716	875	496	679
Net Subscriber additions (000s)	1	144	170	218	98	158	95	60
Average Subscribers (000s)	2	159	324	512	679	798	453	659
ARPU		\$17.04	\$18.89	\$20.86	\$26.18	\$27.54	\$19.12	\$25.17
Total FTE	3	97	105	128	159	164	141	141
Key financial metrics								
Net revenue growth			126%	74%	66%	24%		92%
Gross profit growth			129%	75%	115%	27%		138%
Gross profit margin (gross profit/net revenue)		21%	22%	22%	28%	29%	21%	26%
EBITDA growth						100%		
EBITDA margin (EBITDA/net revenue)					7%	12%		5%
NPATA growth						118%		
NPATA margin (NPATA/net revenue)					4%	8%		2%
Free cash flow conversion	4				117%	110%		

Notes:

1. Net Subscriber additions represents gross Subscriber additions less gross Subscriber deactivations for the period.
2. Average Subscribers represents the average monthly closing Subscriber base for the period.
3. Total FTE represents the total fulltime equivalent (FTE) employees at end of each period including all customer service and corporate FTEs and excluding the two Founders and Directors, Rolf Hansen and Peter O'Connell.
4. Free cash flow conversion is calculated as operating cash flow after capital expenditure before interest, tax and financing activities divided by EBITDA.

4.4 CONSOLIDATED HISTORICAL BALANCE SHEET

4.4.1 OVERVIEW

The table below sets out the reviewed statutory consolidated historical balance sheet as at 31 December 2014, adjusted for certain pro forma adjustments, including the payment of deferred consideration related to the acquisition of the amaysim brand name from the Founders and the impact of the Offer.

The pro forma consolidated historical balance sheet is provided for illustrative purposes only and is not represented as being necessarily indicative of amaysim's view of its future financial position.

Table 3: Statutory historical and pro forma consolidated historical balance sheet as at 31 December 2014

As at 31 December 2014; \$ millions	Notes	Reviewed statutory consolidated historical balance sheet	Payment of deferred consideration ¹	Impact of the Offer ²	Pro forma consolidated historical balance sheet
Cash and cash equivalents		5.9	(3.1)	–	2.8
Trade and other receivables		8.1	–	–	8.1
Total current assets		14.0	(3.1)	–	10.9
Property, plant and equipment		0.6	–	–	0.6
Intangible assets	3	7.6	–	–	7.6
Deferred tax asset	4	13.8	–	3.2	16.9
Term deposits	5	2.0	–	–	2.0
Total non-current assets		24.0	–	3.2	27.2
Total assets		38.0	(3.1)	3.2	38.1
Trade and other payables	6	40.8	–	–	40.8
Other current liabilities		0.1	–	–	0.1
Borrowings		3.1	(3.1)	–	–
Total current liabilities		43.9	(3.1)	–	40.9
Other payables	6	3.8	–	–	3.8
Provisions		0.3	–	–	0.3
Total non-current liabilities		4.1	–	–	4.1
Total liabilities		48.0	(3.1)	–	44.9
Net assets/(liabilities)		(10.0)	–	3.2	(6.8)
Issued capital		35.5	–	11.3	46.8
Accumulated losses		(46.9)	–	(8.1)	(55.0)
Reserves		1.4	–	–	1.4
Total equity		(10.0)	–	3.2	(6.8)

Notes:

1. Payment of deferred consideration: This represents the repayment of \$3.1 million in February 2015 of remaining deferred consideration related to the Brand Name Acquisition (refer to Section 4.2.4) which was funded from cash and cash equivalents. The \$3.1 million of deferred consideration was previously classified as borrowings which, following payment, reduced to nil. amaysim has no borrowings from financial institutions (refer to Section 4.4.2 for further information).
2. Impact of the Offer: As a consequence of the Offer, issued capital is expected to increase by \$11.3 million through the issue of \$11.7 million (exclusive of GST) or \$12.9 million (inclusive of GST) of new equity to pay for the Offer costs, of which \$11.3 million is expensed and \$0.4 million is capitalised. Deferred tax asset impact of \$3.2 million relates to the income tax benefit of the future deductibility of Offer costs. Accumulated losses impact of \$(8.1) million equals the expensed portion of the Offer costs of \$11.3 million (exclusive of GST) less the associated deferred tax asset of \$3.2 million.
3. Intangible assets include \$5.1 million related to the Brand Name Acquisition (refer to Section 4.2.4) with the remainder representing capitalised IT costs relating to acquired and developed software and other miscellaneous intangible assets.
4. Deferred tax asset in the reviewed statutory consolidated historical balance sheet represents the recognition of \$13.8 million related to the carried forward tax losses of \$38.3 million and the carried forward R&D tax credits of \$2.0 million which were recognised for the first time in 1H2015 as Company profitability improved.
5. Term deposits includes \$1.1 million in cash term deposits held as financial security for bank guarantees delivered to Optus pursuant to the NSA (refer to Section 4.7.1.7 for further information), with the remainder representing cash term deposits supporting bank guarantees for amaysim's office lease obligations and merchant facilities.
6. Current and non-current trade and other payables includes \$13.5 million related to the Optus Marketing Grant pursuant to the NSA with \$9.7 million included in current trade and other payables and \$3.8 million included in non-current other payables. Refer to Section 3.7.8 for further information.

4.4.2 INDEBTEDNESS

amaysim has no borrowings from financial institutions. amaysim had pro forma net cash of \$4.8 million on balance sheet as at 31 December 2014, representing \$2.8 million in cash and cash equivalents and \$2.0 million held in cash term deposits.

Based on pro forma net cash of \$4.8 million on balance sheet as at 31 December 2014 (refer to Table 3), forecast 2H2015 statutory net cash flow before dividends of \$11.2 million (refer to Section 4.6.1) and increase in term deposits of \$1.7 million (refer to Section 4.5.1, amaysim expects to have net cash of \$17.8 million on balance sheet as at 30 June 2015, representing \$14.0 million in cash and cash equivalents and \$3.7 million held in term deposits supporting fully cash secured bank guarantees).

Refer to Section 4.7.1.7 for further information related to term deposits secured for bank guarantee purposes. Forward looking statements should be read in conjunction with the assumptions as set out in Sections 4.8.1 and 4.8.2, the sensitivity analysis set out in Section 4.9, the risk factors set out in Section 5 and other information in the Prospectus.

4.4.3 SOURCES OF LIQUIDITY

amaysim's principal source of funds is cash flows from operations. amaysim's operations do not require significant capital expenditure and the business benefits from low working capital requirements. Accordingly, the Directors consider that amaysim has enough working capital to carry out the entity's stated objectives.

amaysim's historical and forecast cash flows are set out in Section 4.5.

4.5 CONSOLIDATED HISTORICAL AND FORECAST CASH FLOW STATEMENTS

4.5.1 OVERVIEW

The table below sets out the pro forma consolidated historical cash flow statements for FY2012, FY2013, FY2014 and 1H2014 and 1H2015 and the pro forma consolidated forecast cash flow statements and statutory consolidated forecast cash flow statements for FY2015F and FY2016F.

Table 4: Summary of consolidated historical and forecast cash flow statements

June year end; \$ millions	Notes	Pro forma historical			Pro forma forecast		Statutory forecast		Pro forma historical	
		FY2012	FY2013	FY2014	FY2015F	FY2016F	FY2015F	FY2016F	1H2014	1H2015
EBITDA		(19.1)	(9.2)	(2.2)	15.9	31.7	13.8	23.1	(3.1)	4.6
Non-cash expenses	1	–	0.2	0.8	0.9	0.7	1.8	0.7	0.4	0.4
Changes in working capital	2	6.3	6.1	10.2	5.4	4.0	5.4	4.0	3.6	(3.0)
Optus Marketing Grant	3	3.9	2.9	3.3	–	–	–	–	2.3	–
Capital expenditure	4	(0.7)	(1.1)	(2.3)	(3.6)	(1.7)	(3.6)	(1.7)	(1.1)	(1.6)
Purchase of brand name	5	–	–	–	–	–	(5.1)	–	–	–
Operating cash flow after capital expenditure		(9.5)	(1.0)	9.8	18.6	34.8	12.4	26.2	2.2	0.4
Income tax paid	6	–	–	–	–	–	–	(2.1)	–	–
Net financing costs	7	0.0	(0.2)	(0.1)	(0.1)	0.1	(0.2)	0.1	(0.1)	(0.1)
Changes in term deposits	8	0.6	0.3	(0.3)	(2.4)	(4.5)	(2.4)	(4.5)	0.0	(0.6)
Proceeds from Share issue		–	–	–	–	–	–	11.7	–	–
Capitalised issuance costs		–	–	–	–	–	–	(0.4)	–	–
Net cash flow before dividends		(8.9)	(0.9)	9.5	16.2	30.4	9.8	31.0	2.1	(0.3)

Notes

1. Non-cash expenses relate to non-cash share-based expenses.
2. Changes in working capital are typically positive due to nature of Subscriber invoicing, the majority of which is invoiced in advance on a monthly basis. Negative change in working capital in 1H2015 was principally driven by amaysim electing to pay supplier invoices early in exchange for payment discounts.
3. This refers to the Optus Marketing Grant pursuant to the NSA and which achieved its aggregate limit of \$13.5 million as at 31 December 2014 (refer to Section 3.7.8 for further information).
4. Capital expenditure principally relates to capitalised IT costs relating to acquired and developed software and investment in IT infrastructure and systems development, with the remainder related to property, plant and equipment spend.
5. Purchase of brand name relates to the Brand Name Acquisition (refer to Section 4.2.4).
6. Income tax paid relates to income tax instalments paid during the income year, less estimated final tax payments/ refunds upon lodgement of the income tax returns during the year. Income tax paid was nil for historical periods due to historical tax losses incurred and generation of R&D tax credits. FY2015F pro forma and statutory and FY2016F pro forma income tax paid are forecast to be nil due to utilisation of historical tax losses and R&D tax credits. FY2016F statutory income tax paid is expected to be \$2.1 million. This relates to PAYG payments which if paid in FY2016F are expected to be refunded during the year ended 30 June 2017.
7. Net financing costs relate to interest income earned on cash less finance lease financing costs.
8. Changes in term deposits relates to changes in cash term deposits held as security for bank guarantee purposes (refer to Section 4.7.1.7 for further information).

4.6 PRO FORMA ADJUSTMENTS TO FINANCIAL INFORMATION

4.6.1 OVERVIEW

The tables below set out the reconciliation between the statutory consolidated historical and forecast EBITDA and NPAT to pro forma consolidated historical and forecast EBITDA and NPAT, as well as the reconciliation between the statutory consolidated historical and pro forma consolidated forecast cash flows.

Table 5: Reconciliation of statutory consolidated historical and forecast EBITDA and NPAT to pro forma consolidated historical and forecast EBITDA and NPAT

June year end; \$ millions	Notes	Historical			Forecast		Historical	
		FY2012	FY2013	FY2014	FY2015F	FY2016F	1H2014	1H2015
Statutory EBITDA		(17.9)	(8.0)	(0.6)	13.8	23.1	(2.3)	4.6
Executive remuneration	1	0.4	0.6	0.7	(0.3)	–	0.4	(0.3)
Employee share plan	2	–	(0.2)	(0.8)	1.0	–	(0.4)	1.0
Public company costs	3	(1.6)	(1.5)	(1.5)	(1.2)	–	(0.8)	(0.7)
Offer costs	4	–	–	–	2.7	8.6	–	–
Pro forma adjustments		(1.2)	(1.1)	(1.6)	2.1	8.6	(0.8)	(0.1)
Pro forma EBITDA		(19.1)	(9.2)	(2.2)	15.9	31.7	(3.1)	4.6

June year end; \$ millions	Notes	Historical			Forecast		Historical	
		FY2012	FY2013	FY2014	FY2015F	FY2016F	1H2014	1H2015
Statutory NPAT		(18.3)	(9.5)	(9.9)	20.4	13.2	(6.3)	15.4
Executive remuneration	1	0.4	0.6	0.7	(0.3)	–	0.4	(0.3)
Employee share plan	2	–	(0.2)	(0.8)	1.0	–	(0.4)	1.0
Public company costs	3	(1.6)	(1.5)	(1.5)	(1.2)	–	(0.8)	(0.7)
Offer costs	4	–	–	–	2.7	8.6	–	–
Market feasibility costs	5	–	–	7.5	–	–	3.0	–
Interest on convertible notes	6	–	–	0.3	0.1	–	0.2	0.1
Pro forma tax	7	4.7	2.6	0.8	(14.2)	(2.6)	0.9	(13.5)
Pro forma adjustments		3.6	1.5	7.1	(12.0)	6.0	3.4	13.5
Pro forma NPAT		(14.8)	(8.0)	(2.8)	8.5	19.3	(2.9)	1.9

Amortisation of brand name		–	–	–	0.7	0.7	–	0.4
Pro forma NPATA		(14.8)	(8.0)	(2.8)	9.2	20.0	(2.9)	2.3

Table 6: Reconciliation of statutory consolidated historical and forecast cash flows to pro forma consolidated historical and forecast cash flows

June year end; \$ millions	Notes	Historical			Forecast		Historical	
		FY2012	FY2013	FY2014	FY2015F	FY2016F	1H2014	1H2015
Statutory net cash flow before dividends		(7.1)	(0.0)	2.4	9.8	31.0	(0.7)	(1.4)
Executive remuneration	1	0.4	0.6	0.7	(0.3)	–	0.4	(0.3)
Public company costs	3	(1.6)	(1.5)	(1.5)	(1.2)	–	(0.8)	(0.7)
Offer costs	4	–	–	–	2.7	(2.7)	–	–
Market feasibility costs	5	–	–	7.5	–	–	3.0	–
Interest on convertible notes	6	–	–	0.3	0.1	–	0.2	0.1
Purchase of brand name	8	–	–	–	5.1	–	–	2.0
Tax	9	(0.7)	0.0	0.0	–	2.1	–	–
Pro forma adjustments		(1.8)	(0.9)	7.1	6.3	(0.6)	2.8	1.1
Pro forma net cash flow before dividends		(8.9)	(0.9)	9.5	16.2	30.4	2.1	(0.3)

Notes

- Executive remuneration: An adjustment has been made to remove the execution remuneration costs paid to the Founders over the historical period and allow for incremental executive remuneration costs for the current management team. The adjustments have been made to better reflect the executive remuneration costs of the Company based on the current management team.
- Employee share plan: Reflects the non-cash accounting cost of the issue of new Shares pursuant to the vesting of Share Rights under the ESP and the exercise of options under the LTIP (refer to Section 9). These costs are not tax deductible. The FY2015F statutory expense includes \$1.8 million relating to the reassessment of the likelihood of a liquidity event (i.e. the Offer) in respect of the Share Rights under the ESP.
- Public company costs: Reflects amaysim's estimate of the incremental annual costs that the Company will incur as a listed entity. These costs include non-executive director fees, additional audit costs, listing fees, share registry fees as well as investor relations and communications costs.
- Offer costs: Total costs of the Offer are expected to be \$12.9 million (inclusive of GST) and \$11.7 million (exclusive of GST), of which \$0.4 million is netted against the equity raised.
- Market feasibility costs: Reflects costs related to the exploration of an offshore opportunity incurred in FY2014 and included costs associated with market feasibility studies, consultant advice and travel and accommodation. The offshore opportunity identified in FY2014 was not subsequently pursued and represented a one-off event. These costs are not tax deductible.
- Interest on convertible notes: Reflects interest on convertible notes (accounted for as liabilities) that were converted to equity in 1H2015. No convertible notes were on issue on the Prospectus Date.
- Pro forma tax: The tax impact of the pro forma NPAT adjustments has been calculated using the company tax rate of 30%. The tax losses incurred and R&D tax credits and other temporary differences received by amaysim in FY2012, FY2013 and FY2014 were not recognised as a deferred tax asset until 1H2015. The \$2.6 million pro forma tax adjustment in FY2016F reflects the tax effect of the Offer costs (exclusive of GST).
- Purchase of brand name: Relates to Brand Name Acquisition (refer to Section 4.2.4). An adjustment has been made to this as it were a one-off event.
- Tax: The pro forma cash tax adjustment of \$0.7 million in FY2012 represents the reversal of the estimated refund in respect of R&D tax credits recorded in FY2012. The pro forma cash tax adjustment of \$2.1 million in FY2016F relates to forecast PAYG payments during FY2016F that amaysim expects to be refunded during the year ended 30 June 2017. The pro forma cash flows have been presented as if no tax related cash flows occurred in the historic period.

4.7 MANAGEMENT DISCUSSION AND ANALYSIS OF THE PRO FORMA HISTORICAL FINANCIAL INFORMATION

4.7.1 OVERVIEW

This Section 4.7 sets out a discussion of the main factors which affected amaysim's operating and relative financial performance in FY2012, FY2013, FY2014, 1H2014 and 1H2015, as well as the factors amaysim expects may affect it in the future.

The discussion of these general factors is intended to provide a brief summary only and does not detail all the factors that affected historical operating and financial performance, nor everything which may affect amaysim's operating and financial performance in the future.

The information in this Section 4 should also be read in conjunction with the risk factors set out in Section 5 and the other information contained in this Prospectus.

4.7.1.1 NET REVENUE

Net revenue is comprised of service revenue net of promotion costs relating to Subscriber acquisition and retention. It also includes other expired credits, lease incentive and asset sales.

Service revenue comprises fixed monthly and usage-based charges from Subscribers using one of amaysim's products. Usage includes data, voice, messaging and roaming charges associated with the particular products.

Key drivers of service revenue depend on a range of factors set out in Sections 2 and 3, including:

- growth in overall mobile Subscribers driven by population growth and smart device penetration;
- demand for SIM only plans with no lock-in contracts;
- amaysim's ability to attract and retain new Subscribers;
- amaysim's brand awareness and consideration;

- ARPU growth driven by growing Subscriber demand for data usage and as a result, demand for higher price plans with greater data inclusions; and
- Adoption of amaysim's new 4G plans.

Promotion costs reflect Subscriber discounts and free credits associated with Subscriber acquisition and retention.

4.7.1.2 COST OF SALES

Cost of sales is largely variable in nature and comprises wholesale costs and transaction costs:

Wholesale costs

Wholesale costs represent service charges paid to Optus for accessing its network. Key terms and costs for the arrangement are reflected in the NSA. The service charges paid to Optus are based on an agreed price schedule for the bundled and discrete mobile network services (comprising call, text and data) that amaysim acquires from Optus. Charges for bundled services are fixed per Subscriber, whereas charges for discrete services are on a per unit basis. amaysim pays charges on a monthly basis (in arrears).

A significant proportion of the call, text and data allowances offered under amaysim's retail products is currently represented by fixed cost, bundled services. amaysim independently sets retail pricing to its Subscribers and inclusions for its products as well as packages new products. Refer to Section 3.7 for further information on the NSA.

Transaction costs

Transaction costs are largely comprised of commissions, payment fees and SIM costs:

- **Commissions:** relate to costs to retailers for in-store SIM acquisitions and top-up payments on a per SIM basis including a limited period of trailing commissions for directing Subscribers towards online top-up payments. Commissions reflect expansion costs and are incurred upfront prior to ongoing service revenue from Subscribers;
- **Payment fees:** relate to costs associated with in-store voucher top-up payment fees (a significant proportion of which is paid to retailers) and online credit card payment fees; and
- **SIM costs:** relate to the costs for physical SIM including packaging, logistics and distribution.

4.7.1.3 OPERATING COSTS

Key operating expenses comprise:

- **Employee costs:** relate to salaries, wages and other employee-related costs. The majority of employee costs relate to call centre and sales and marketing employee FTEs. amaysim's call centre (including all call centre employee FTEs) is located within amaysim's head office in the Sydney CBD;
- **Marketing costs:** principally relates to brand development and advertising-related costs for online, TV and outdoor marketing;
- **Facilities and IT costs:** relate to office lease, IT maintenance, software licences, regulatory charges and other facilities management costs; and
- **Other costs:** principally relate to outsourced logistics, customer service, financial and other administration costs. Pro forma other costs also include the estimated costs amaysim will incur as a publicly listed entity.

4.7.1.4 DEPRECIATION AND AMORTISATION

- **Depreciation:** relates to the depreciation of leasehold improvements, office equipment and leased assets, the majority of which are depreciated on a three to five year straight-line basis.
- **Amortisation:** relates to the amortisation of acquired and developed software, the majority of which is amortised on a three year straight-line basis.
- **Amortisation of brand name:** relates to amortisation of the Brand Name Acquisition on a seven year straight-line basis and is non tax-deductible (refer to Section 4.2.4).

4.7.1.5 CAPITAL EXPENDITURE

amaysim incurs limited capital expenditure due to the nature of its operating model and ability to leverage network infrastructure from wholesale providers. Capital expenditure principally includes capitalised IT costs relating to acquired and developed software and R&D to support amaysim's online-led operating model, with the remainder related to property, plant and equipment spend.

4.7.1.6 WORKING CAPITAL

amaysim traditionally operates with a low working capital requirement due to the nature of Subscriber invoicing, the majority of which is invoiced in advance on a monthly basis.

4.7.1.7 TERM DEPOSITS

Term deposits represents cash term deposits held for bank guarantee purposes, including as financial security delivered to Optus as well as supporting office lease obligations and merchant facilities.

As part of the NSA, amaysim is required to provide financial security to Optus in the form of bank guarantees totalling \$9.0 million by 1 October 2016. amaysim has provided Optus with bank guarantees totalling \$2.2 million and is required to deliver additional bank guarantees of totalling \$6.75 million on a periodic basis by 1 October 2016 (refer to Section 3.7.9.1 for further information).

amaysim currently delivers its bank guarantees supported by cash term deposits. However, amaysim may in future pursue alternative means of delivering bank guarantees which would release its cash term deposits.

4.7.1.8 TAX

amaysim has historically incurred tax losses and continues to carry forward these tax losses from prior years. The rate at which these tax losses can be utilised is determined by an 'available fraction' which was calculated at the time of the formation of the Company's tax consolidated group and adjusted over time in accordance with tax law. amaysim commenced utilising carried forward tax losses in FY2014.

amaysim undertakes R&D activities for which it has and will continue to claim R&D tax incentives. The R&D regime allows a 40% tax credit on certain qualifying R&D expenditure and activities against the Company's amount of income tax payable. The R&D tax credit is non-refundable but can be carried forward to later years.

amaysim recognised a deferred tax asset of \$13.8 million for the carried forward tax losses of \$38.3 million and the carried forward R&D credits of \$2.0 million for the first time in amaysim's 1H2015 reviewed statutory financial statements as the Company's profitability improved. These balances reflect the prior utilisation of carried forward tax losses and R&D credits utilised in FY2014 and reconcile to the historical income tax return lodgements with the Australian Taxation Office (ATO).

4.7.2 REVENUE DRIVERS

4.7.2.1 OVERVIEW

Below are an overview and discussion of the key drivers of amaysim's historical net revenue (presented in Figure 47 below), being Subscriber and ARPU growth, as well as the main factors affecting both key drivers. Figures 48 and 50 below present the closing Subscriber base (by number of Subscribers) and percentage mix across the product categories between FY2012 and FY2016F respectively (refer to Section 3.5.2 for a description of product categories). Figure 49 below presents ARPU between FY2012 and FY2016F.

The Figures for between FY2012 and FY2014 have been prepared using actual unaudited management accounts with the exception of net revenue which is from the Pro Forma Historical Financial Information. FY2015F and FY2016F forecast figures are included below for ease of comparison and are consistent with the Forecast Financial Information. Refer to Section 4.8 for a discussion of the main factors underlining amaysim's forecast Subscriber and ARPU growth.

Figure 47: Net revenue (\$m)

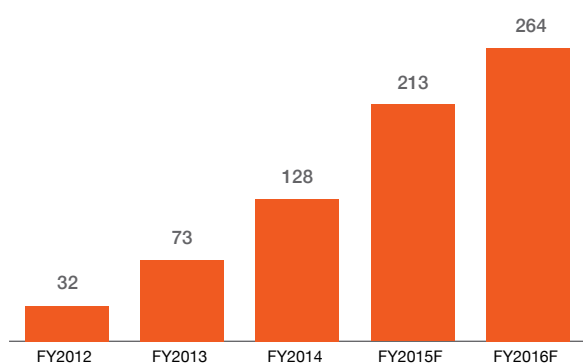


Figure 48: Closing Subscriber base by category (000s)

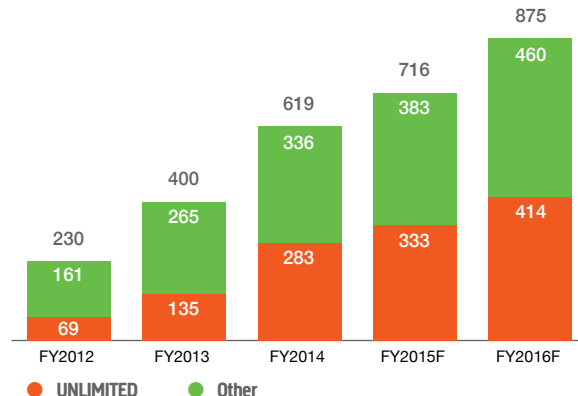


Figure 49: ARPU (\$)

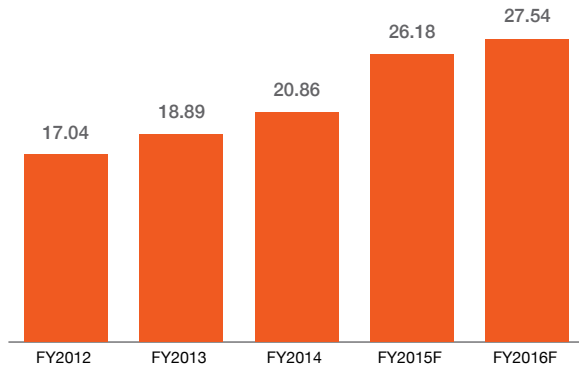
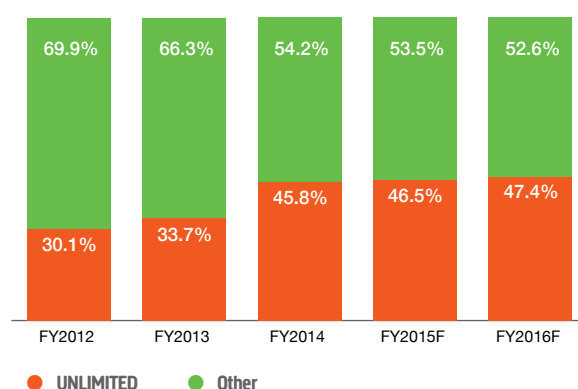


Figure 50: Closing Subscriber mix by product category (%)



The change in the closing Subscriber base between periods is referred to as net Subscriber additions and is represented as gross Subscriber additions less gross Subscriber deactivations over the period. Figures 51 and 52 present average monthly gross Subscriber additions and average monthly Subscriber churn on a yearly basis between FY2012 and FY2016F respectively. Average monthly

Subscriber churn is calculated as gross Subscribers deactivated each month divided by the opening Subscriber base for that month and calculated as an average across the period.

Figure 51: Average monthly gross Subscriber additions (000s)

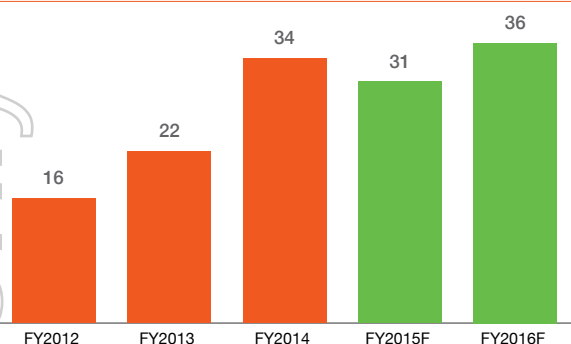
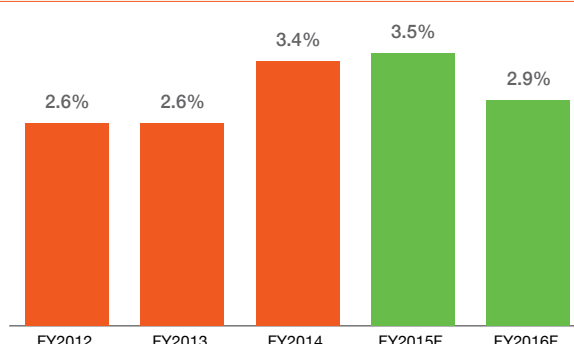


Figure 52: Average monthly Subscriber churn (%)



4.7.2.2 DISCUSSION OF KEY HISTORICAL SUBSCRIBER AND ARPU GROWTH DRIVERS

- **FY2012 and FY2013:** The period between FY2012 and FY2013 was characterised by broadly stable market conditions with steadily improving monthly gross Subscriber additions and stable monthly Subscriber churn supported by growing scale, brand awareness and the launch of new UNLIMITED 3G and FLEXI plans. Improvement in ARPU was driven by a Subscriber mix shift towards the higher price point UNLIMITED category.
- **FY2014:** During August 2013, several small mobile service providers exited the market (e.g. Kogan Mobile) or discontinued certain mobile plans (e.g. ALDI Mobile) and as a consequence their customers were absorbed by incumbent MSPs, including amaysim who was a net beneficiary of this event. This market disruption and consolidation drove an increase in amaysim's monthly gross Subscriber additions during FY2014. This was partly offset by an increase in Subscriber churn during FY2014 impacted by the bulk disconnection by amaysim of non-tolling Subscribers, enacted in accordance with amaysim's internal procedures. Improvement in ARPU was largely driven by the ongoing Subscriber mix shift towards higher price point UNLIMITED category.
- **late 2014:** During September 2014, amaysim launched a product repositioning (**Product Repositioning**) with two key changes:
 - a \$5 monthly retail price increase across UNLIMITED 3G plans with an additional 1.0GB of data inclusions; and
 - the removal of free data usage to social media sites such as Facebook, Twitter and LinkedIn across all amaysim plans (in response to similar steps made by key competitors).

This Product Repositioning increased churn but drove an improvement in ARPU and gross profit margins as a consequence of: the retail price increase, an increase in excess data usage revenues as amaysim began charging for social media access and an increase in deactivations of low ARPU Subscribers who were attracted to free social media access.

4.7.3 PRO FORMA CONSOLIDATED HISTORICAL INCOME STATEMENTS: FY2013 COMPARED TO FY2012

Table 7: Pro forma consolidated historical income statements: FY2013 compared to FY2012

June year end; \$ millions	Pro forma historical		
	FY2012	FY2013	% change
Net revenue	32.5	73.5	126%
Cost of sales	(25.5)	(57.6)	126%
Gross profit	6.9	15.8	129%
Employee costs	(11.5)	(13.1)	14%
Marketing costs	(9.2)	(5.7)	(38%)
Facilities and IT costs	(2.9)	(3.2)	8%
Other costs	(2.3)	(3.0)	32%
Total operating costs	(26.0)	(25.0)	(4%)
EBITDA	(19.1)	(9.2)	(52%)
Depreciation and amortisation	(1.3)	(1.5)	17%
EBIT	(20.3)	(10.7)	(48%)

4.7.3.1 NET REVENUE

amaysim reported a 126% increase in net revenue, from \$32.5 million in FY2012 to \$73.5 million in FY2013. Key factors contributing to amaysim's net revenue growth in FY2013 included:

- growth in average Subscribers of 104% driven by continued strong demand for the UNLIMITED 3G plans and release of new FLEXI plans in June 2012; and
- ARPU increase of 11% driven by Subscriber mix shift towards higher price point UNLIMITED category.

4.7.3.2 GROSS PROFIT

During FY2013, gross profit increased by 129% to \$15.8 million, largely in line with net revenue growth. Overall gross profit margins increased from 21% to 22%.

4.7.3.3 OPERATING COSTS

During FY2013, total operating costs decreased by 4% from \$26.0 million in FY2012 to \$25.0 million. The movements in operating costs were primarily driven by:

- a \$1.6 million increase in employee costs as amaysim increased its employee FTE from 97 to 105 in response to continued Subscriber growth and organic business expansion;
- marketing costs decreased substantially by 38% as amaysim reduced expenditure from FY2012 levels due to strong organic Subscriber growth and growing unprompted brand awareness; and
- a \$0.7 million increase in other costs due to an increase in outsourcing costs to accommodate strong growth in Subscribers over the period.

4.7.3.4 EBITDA AND EBIT

EBITDA loss improved from (\$19.1) million in FY2012 to (\$9.2) million in FY2013 as a result of net revenue growth of 126%, stable gross margins and lower operating costs.

EBIT loss improved from (\$20.3) million in FY2012 to (\$10.7) million in FY2013 as a result of the movement in EBITDA.

4.7.4 PRO FORMA CONSOLIDATED HISTORICAL CASH FLOW STATEMENTS: FY2013 COMPARED TO FY2012

Table 8: Pro forma consolidated historical cash flow statements: FY2013 compared to FY2012

June year end; \$ millions	Pro forma historical	
	FY2012	FY2013
EBITDA	(19.1)	(9.2)
Non-cash expenses	–	0.2
Changes in working capital	6.3	6.1
Optus Marketing Grant	3.9	2.9
Capital expenditure	(0.7)	(1.1)
Operating cash flow after capital expenditure	(9.5)	(1.0)
Income tax paid	–	–
Net financing costs	0.0	(0.2)
Changes in term deposits	0.6	0.3
Net cash flow before dividends	(8.9)	(0.9)

Net cash flow before dividends improved between FY2013 and FY2012 from (\$8.9) million to (\$0.9) million as a result of improved EBITDA, continued positive working capital movements and increase in the Optus Marketing Grant.

Capital expenditure increased over the period, primarily driven by investment in R&D.

Income tax paid was nil due to tax losses incurred and the generation of R&D tax credits for the periods.

The release of cash term deposits of \$0.3 million was due to the switching of merchant credit card facility providers on more favourable terms.

4.7.5 PRO FORMA CONSOLIDATED HISTORICAL INCOME STATEMENTS: FY2014 COMPARED TO FY2013

Table 9: Pro forma consolidated historical income statements: FY2014 compared to FY2013

June year end; \$ millions	Pro forma historical		
	FY2013	FY2014	% change
Net revenue	73.5	128.1	74%
Cost of sales	(57.6)	(100.3)	74%
Gross profit	15.8	27.8	75%
Employee costs	(13.1)	(15.9)	21%
Marketing costs	(5.7)	(7.0)	22%
Facilities and IT costs	(3.2)	(3.5)	9%
Other costs	(3.0)	(3.6)	20%
Total operating costs	(25.0)	(29.9)	20%
EBITDA	(9.2)	(2.2)	nmf
Depreciation and amortisation	(1.5)	(1.6)	6%
EBIT	(10.7)	(3.8)	nmf

4.7.5.1 NET REVENUE

amaysim reported a 74% increase in net revenue, from \$73.5 million in FY2013 to \$128.1 million in FY2014. Key factors contributing to amaysim's net revenue growth in FY2014 included:

- Growth in average Subscribers of 58% supported by market disruption and consolidation of which amaysim was a net beneficiary (see Section 4.7.2.2); and
- ARPU increase of 10% driven by continued improved Subscriber mix shift towards higher price point UNLIMITED category.

4.7.5.2 GROSS PROFIT

During FY2014, gross profit increased by 75% to \$27.8 million largely in line with net revenue growth. Overall gross profit margins remained steady at 22% in FY2014.

4.7.5.3 OPERATING COSTS

During FY2014, total operating costs increased by 20% from \$25.0 million in FY2013 to \$29.9 million in FY2014. The movements in operating costs were primarily driven by:

- A \$2.8 million increase in employee cost as amaysim increased employee FTEs from 105 to 128 during FY2014. New employee FTE were primarily hired in customer service to accommodate greater than expected net Subscriber additions following the exit of various smaller mobile service providers during FY2014. In addition, the increase in employee costs included employee incentive payments related to the outperformance of certain operational KPIs;
- Marketing costs continued to decline as a percentage of net revenue from approximately 8% in FY2013 to approximately 5% in FY2014 as a result of greater than expected Subscriber growth; and
- A \$0.6 million increase in other costs due to an increase in customer service outsourcing costs to accommodate strong growth in Subscribers over the period.

4.7.5.4 EBITDA AND EBIT

EBITDA loss improved from (\$9.2) million in FY2013 to (\$2.2) million in FY2014 as a result of net revenue growth of 74% and lower corresponding increase in operating costs of 20%.

EBIT loss improved from (\$10.7) million in FY2013 to (\$3.8) million in FY2014 as a result of the movement in EBITDA.

4.7.6 PRO FORMA CONSOLIDATED HISTORICAL CASH FLOW STATEMENTS: FY2014 COMPARED TO FY2013

Table 10: Pro forma consolidated historical cash flow statements: FY2014 compared to FY2013

June year end; \$ millions	Pro forma historical	
	FY2013	FY2014
EBITDA	(9.2)	(2.2)
Non-cash expenses	0.2	0.8
Changes in working capital	6.1	10.2
Optus Marketing Grant	2.9	3.3
Capital expenditure	(1.1)	(2.3)
Operating cash flow after capital expenditure	(1.0)	9.8
Income tax paid	–	–
Net financing costs	(0.2)	(0.1)
Changes in term deposits	0.3	(0.3)
Net cash flow before dividends	(0.9)	9.5

Net cash flow before dividends improved between FY2014 and FY2013 from (\$0.9 million) to (\$9.5 million) as a result of improved EBITDA, continued positive working capital movements and increase in the Optus Marketing Grant.

Changes in working capital of \$10.2 million in FY2014 were principally driven by strong net revenue and gross profit growth during late FY2014 as compared to that in late FY2013. As a consequence of amaysim's negative working capital position, the growth in the business has a positive effect on cash flows.

Capital expenditure increased over the period primarily driven by investment in R&D.

Income tax paid remained nil for FY2013 due to tax losses incurred and the generation of R&D tax credits for the period. Nil income tax payable in relation to FY2014.

Increase in cash term deposits of \$0.3 million to support bank guarantees in relation to the set up of new merchant facilities.

4.7.7 PRO FORMA CONSOLIDATED HISTORICAL INCOME STATEMENTS: 1H2015 COMPARED TO 1H2014

Table 11: Pro forma consolidated historical income statements: 1H2015 compared to 1H2014

June year end; \$ millions	Pro forma historical		
	1H2014	1H2015	% change
Net revenue	51.9	99.5	92%
Cost of sales	(41.1)	(73.7)	79%
Gross profit	10.8	25.8	138%
Employee costs	(7.2)	(9.3)	29%
Marketing costs	(3.5)	(6.3)	82%
Facilities and IT costs	(1.8)	(2.6)	41%
Other costs	(1.5)	(3.1)	113%
Total operating costs	(13.9)	(21.2)	53%
EBITDA	(3.1)	4.6	nmf
Depreciation and amortisation	(0.8)	(1.4)	70%
EBIT	(3.9)	3.2	nmf

4.7.7.1 NET REVENUE

amaysim reported a 92% increase in net revenue, from \$51.9 million in 1H2014 to \$99.5 million in 1H2015. The key factor contributing to amaysim's year-on-year net revenue growth in 1H2015 included growth in average Subscribers of 46% and an ARPU increase of 32% largely driven by the Product Repositioning during September 2014 (see Section 4.7.2.2).

4.7.7.2 GROSS PROFIT

Gross profit increased by 138% from \$10.8 million in 1H2014 to \$25.8 million in 1H2015. Overall gross profit margins increased from 21% in 1H2014 to 26% in 1H2015 driven by the benefit of the Product Repositioning during September 2014 which incurred no additional direct wholesale costs as a consequence.

4.7.7.3 OPERATING COSTS

Operating costs increased by 53% from \$13.9 million in 1H2014 to \$21.2 million in 1H2015. The movements in operating costs were primarily driven by:

- a \$2.1 million increase in employee costs driven by increase in employee FTE;
- a \$2.8 million increase in marketing costs largely driven by media spending related to communications and promotions around Product Repositioning estimated to have been in the order of \$2.5 million;
- a \$0.8 million increase in facilities and IT costs driven by greater IT maintenance and software licence costs; and
- a \$1.6 million increase in other costs due to increase in customer service outsourced costs.

4.7.7.4 EBITDA AND EBIT

EBITDA improved from a loss of (\$3.1) million in 1H2014 to a gain of \$4.6 million in 1H2015 driven by strong net revenue growth 92%, compared to correspondingly lower operating cost growth of 53% and higher gross profit margin driven by Product Repositioning.

EBIT improved from a loss of (\$3.9) million in 1H2014 to a gain of \$3.2 million in 1H2015 as a result of the movement in EBITDA.

4.7.8 PRO FORMA CONSOLIDATED HISTORICAL CASH FLOW STATEMENTS: 1H2015 COMPARED TO 1H2014

Table 12: Pro forma consolidated historical cash flow statements: 1H2015 compared to 1H2014

June year end; \$ millions	Pro forma historical	
	1H2014	1H2015
EBITDA	(3.1)	4.6
Non-cash expenses	0.4	0.4
Changes in working capital	3.6	(3.0)
Optus Marketing Grant	2.3	–
Capital expenditure	(1.1)	(1.6)
Operating cash flow after capital expenditure	2.2	0.4
Income tax paid	–	–
Net financing costs	(0.1)	(0.1)
Changes in term deposits	0.0	(0.6)
Net cash flow before dividends	2.1	(0.3)

Net cash flow before dividends declined between 1H2014 and 1H2015 from \$2.1 million to (\$0.3) million because the increase in EBITDA was offset by a negative change in working capital.

The negative change in working capital for 1H2015 of \$3.0 million was largely due to amaysim electing to pay supplier invoices early in exchange for payment discounts and an increase in receivables as a result of increased excess data revenues following the exclusion of free social media data usage following September 2014.

The Optus Marketing Grant achieved its aggregate limit of \$13.5 million as at 31 December 2014 (refer to Section 3.7.8 for further information).

Capital expenditure increased over the period primarily driven by investment in R&D.

Income tax paid remained nil in 1H2014 due to tax losses incurred and the generation of R&D tax credits for the period. Nil income tax was paid and will be payable in relation to 1H2015.

Increase in cash term deposits of \$0.6 million to support bank guarantees delivered to Optus pursuant to the NSA.

4.8 FORECAST FINANCIAL INFORMATION

The Forecast Financial Information has been prepared based on the significant accounting policies adopted by amaysim, which are in accordance with the Accounting Standards and are disclosed in Appendix A. The Forecast Financial Information is based on various general and specific assumptions concerning future events, including those set out below. In preparing the Forecast Financial Information, amaysim has undertaken an analysis of historical performance and applied assumptions in order to predict future performance for FY2015F and FY2016F. In preparing FY2015 forecasts, the Company has used nine months of historical information until 31 March 2015 and then forecasted the remaining three months produce the full year forecasts. amaysim believes that the assumptions, when taken as a whole, to be reasonable at the time of preparing this Prospectus, including each of the general and specific assumptions set out in Sections 4.8.1 and 4.8.2 respectively.

However, the actual results are likely to vary from the forecast and any variation may be materially positive or negative. The assumptions upon which the Forecast Financial Information is based are by their nature subject to significant uncertainties and contingencies, many of which are outside the control of amaysim and its Directors, and are not reliably predictable.

Accordingly, none of amaysim, its Directors, or any other person can give any assurance that the Forecast Financial Information or any prospective statement contained in this Prospectus will be achieved. Events and outcomes might differ in amount and timing from the assumptions, with a material positive or negative impact on the Forecast Financial Information.

The assumptions set out below should be read in conjunction with the sensitivity analysis set out in Section 4.9, the risk factors set out in Section 5 and the Investigating Accountant's Report on the forecast financial information set out in Section 8.

4.8.1 GENERAL ASSUMPTIONS

The following general assumptions are relevant to the Forecast Financial Information:

- there is no material change in the competitive and operating environments in which amaysim operates;
- there is no material change in Subscriber usage of data, voice and SMS allowances offered under amaysim's plans, not otherwise referred to in this Prospectus, as compared to historical amaysim Subscriber usage patterns;
- there are no material losses of Subscribers;
- there is no significant deviation from current market expectations of the Australian or global economic conditions relevant to amaysim, including the market in which it operates;
- there is no material change in the legislative regimes (including tax) and regulatory environment in which amaysim operates;
- there is no material amendment to, or termination of, any material agreement relating to amaysim's business (including the NSA) other than as disclosed in this Prospectus;
- there are no significant disruptions to the continuity of operations of amaysim or Optus and there are no other material changes in amaysim's business;
- there are no material acquisitions, disposals, restructures or investments for amaysim;
- there are no material changes to amaysim's corporate and funding structure other than as set out in, or contemplated by, this Prospectus;
- there is no loss of key management personnel and amaysim will maintain the ongoing ability to recruit and retain required personnel;
- there is no material litigation that will arise or be settled to the benefit or detriment of amaysim;
- there are no contingent liabilities that will arise or be realised to the detriment of amaysim;
- there is no change in applicable Australian Accounting Standards and IFRS that would have a material impact on amaysim's accounting policies, financial reporting or disclosure requirements, or its financial performance or position;
- none of the key risks set out in Section 5 eventuates, or if they do, none of them has a material adverse impact on the operations of amaysim; and
- the Offer proceeds are received in accordance with the timetable set out on page 3 of this Prospectus.

4.8.2 SPECIFIC ASSUMPTIONS

Specific assumptions that have been used in the preparation of the Forecast Financial Information in respect of the forecast periods are set out below.

4.8.2.1 NET REVENUE

Subscriber growth

- **FY2015F:** amaysim assumes average Subscriber growth of 31%, representing a closing Subscriber base of approximately 716,000 by 30 June 2015, up from over 700,000 as at the end of May 2015. FY2015F Subscriber growth reflects the impact of the Product Repositioning in September 2014; the launch of 4G plans on 24 March 2015 which was after equivalent launches by the MNOs and other Optus MVNOs; and significantly reduced marketing spend in early 2015 until following the 4G launch.
- **FY2016F:** amaysim assumes average Subscriber growth of 19%, representing a closing Subscriber base of approximately 875,000 by 30 June 2016. FY2016F Subscriber growth is expected to be driven by average monthly gross Subscriber additions of approximately 36,000 and average monthly Subscriber churn of 2.9% (which fell 3.1% post 4G launch (for May and April 2015) from 3.6% prior to 4G launch (for the period between July 2014 and March 2015)). FY2016F Subscriber growth is expected to be supported by continued growth in amaysim's brand awareness and consideration, the full year benefit of 4G services, the launch of new plans targeting previously unmarketed price segments and a return to ordinary course marketing.

ARPU growth

- **FY2015F:** amaysim assumes ARPU to increase to \$26.18, up from \$25.17 in 1H2015. FY2015F ARPU reflects the Product Repositioning in September 2014, and an increased Subscriber mix shift towards the higher price point UNLIMITED category which is expected to represent 46.5% of total Subscribers by the end of FY2015F.
- **FY2016F:** amaysim assumes ARPU to increase to \$27.54, up from \$26.18 in FY2015F. FY2016F ARPU reflects an increase in the UNLIMITED category mix to 47.4% of total Subscribers by the end of FY2016F (supported by higher consumer demand for data-driving adoption of plans with more inclusions that have higher ARPU), with the majority of new and migrating Subscribers within the UNLIMITED category assumed to adopt the UNLIMITED 4G \$44.90 plan. The majority of marketing spend is expected to be allocated to promoting this plan.

See Figures in Section 4.7.2 for relevant Subscriber and ARPU charts for the periods between FY2012 and FY2016F.

4.8.2.2 COST OF SALES

Cost of sales is largely variable in nature and comprises wholesale costs and transaction costs (see Section 4.7.1.2 for further information):

- **Wholesale costs:** have been forecast based on the current price schedule for bundled services (fixed cost per Subscriber) and discrete services (per unit charges on a per Subscriber basis) and assumptions regarding Subscriber growth and product category mix (see Section 4.8.2.1); and charges for Subscriber usage of product data, voice and SMS inclusions. Growth in charges for Subscriber usage (including data) has been assumed to be in line with historical trends. In relation to usage of data under 4G plans, this is the case because the effect of an expected increase in actual Subscriber data usage is expected to be largely offset by per KB rounding under 4G plans (refer to Section 3.5.2 for an explanation of per KB rounding); and
- **Transaction costs:** have been forecast based on current payment arrangements with external parties and assumptions regarding Subscriber growth (see Section 4.8.2.1); and the proportion of direct online activations and top-up payments compared to retail channels (see Section 3.5.4).

Gross profit is calculated as net revenue less cost of sales. Gross profit margin is calculated as gross profit divided by net revenue. FY2015F gross profit margin is expected to increase to 28% from 26% in 1H2015 principally driven by the benefits of the Product Repositioning. FY2016F gross profit margins are expected to improve slightly to 29%, up from 28% in FY2015F driven by continued increase in the proportion of online activations and top-up payments (see Section 3.5.4), partly offset by an assumed increase in wholesale costs for Subscriber usage of discrete mobile network services.

4.8.2.3 OPERATING COSTS

The majority of operating costs are represented by employee and marketing costs (see Section 4.7.1.3 for further information):

- **Employee costs:** are expected to increase by \$2.8 million and \$2.3 million in FY2015F and FY2016F respectively reflecting the annual increase in wages for existing FTE and new employee hires of 31 and five FTE expected for FY2015F and FY2016F respectively;
- **Marketing costs:** are expected to increase by \$6.3 million in FY2015F principally as a result of campaigns associated with the Product Repositioning and 4G launch (estimated to be in the order of \$5.0 million). Underlying marketing costs in FY2016F are expected to increase by \$2.7 million driven by media and brand spending;
- **Facilities and IT costs:** are expected to increase by \$2.1 million and \$0.7 million in FY2015F and FY2016F respectively. The increase in FY2015F costs is principally due to increased IT spend in preparation of 4G launch; and
- **Other costs:** are expected to increase by \$2.6 million in FY2015F and fall by \$0.2 million in FY2016F. The increase in FY2015F costs are principally due to increased outsourced customer service costs in order to accommodate amaysim's growing Subscriber base.

4.8.2.4 CASH FLOW

- **Working capital:** amaysim traditionally operates with a low working capital requirement due to the nature of Subscriber invoicing, the majority of which is invoiced in advance on a monthly basis. This is anticipated to continue.
- **Capital expenditure:** expected to be \$3.6 million in FY2015F driven by ongoing software R&D and investment in cloud-based infrastructure and internal systems development to support 4G launch. Capital expenditure is expected to fall to \$1.7 million in FY2016F following completion of one-off projects during FY2015F.
- **Optus Marketing Grant:** reached its aggregate limit of \$13.5 million as at 31 December 2014 with no incremental working capital benefit assumed for FY2015F and FY2016F (refer to Section 3.7.8 for further information).
- **Changes in term deposits:** expected to decrease by \$2.4 million in FY2015F and \$4.5 million in FY2016F as a result of increasing cash held in term deposits to support bank guarantees delivered to Optus pursuant to the NSA. Refer to Section 4.7.1.7 for further information.
- **Income tax paid:** expected to be nil for both FY2015F and FY2016F due to utilisation of historical tax losses of \$38.3 million and R&D tax credits of \$2.0 million first recognised in 1H2015. An available fraction of 70% has been assumed in calculating amaysim's forecast tax payable and cash taxes paid.

4.8.3 PRO FORMA CONSOLIDATED INCOME STATEMENTS: FY2015F COMPARED TO FY2014

The table below sets out the summary pro forma consolidated forecast income statement for FY2015F compared to the pro forma consolidated historical income statement for FY2014.

Table 13: Pro forma consolidated income statements: FY2015F compared to FY2014

June year end; \$ millions	Pro forma		
	Historical FY2014	Forecast FY2015F	% change
Net revenue	128.1	213.1	66%
Cost of sales	(100.3)	(153.5)	53%
Gross profit	27.8	59.7	115%
Employee costs	(15.9)	(18.7)	18%
Marketing costs	(7.0)	(13.3)	91%
Facilities and IT costs	(3.5)	(5.6)	63%
Other costs	(3.6)	(6.2)	71%
Total operating costs	(29.9)	(43.8)	46%
EBITDA	(2.2)	15.9	nmf
Depreciation and amortisation	(1.6)	(3.0)	89%
EBIT	(3.8)	12.9	nmf

4.8.3.1 NET REVENUE

Net revenue is forecast to increase by 66% from \$128.1 million in FY2014 to \$213.1 million in FY2015F. This compares to net revenue for the first nine months of FY2015F of \$154.3 million representing \$99.5 million for 1H2015 and \$54.8 million for the period between January and March 2015 (based on unaudited actual management financials with pro forma adjustments consistent with those described in Section 4.6).

FY2015F forecast net revenue growth of 66% is supported by the expected growth in average Subscribers of 33% and expected increase in ARPU of 26%.

4.8.3.2 GROSS PROFIT

Gross profit is forecast to increase by 115% to \$59.7 million in FY2015F, with gross profit margin increasing materially from 22% to 28% (and compares to 1H2015 gross profit margin of 26%).

4.8.3.3 OPERATING COSTS

Total operating costs are forecast to increase by 46% to \$43.8 million in FY2015F from \$29.9 million in FY2014 largely driven by marketing costs related to the Product Repositioning and 4G launch.

4.8.3.4 EBITDA AND EBIT

EBITDA is forecast to increase to \$15.9 million in FY2015F from (\$2.2) million in FY2014 as a result of net revenue growth of 66%, a lower corresponding increase in operating costs of 46% and higher gross profit margins. This compares to EBITDA for the first nine months of FY2015F of \$10.1 million, representing \$4.6 million for 1H2015 and \$5.5 million for the period between January and March 2015 (based on unaudited actual management financials with pro forma adjustments consistent with those described in Section 4.6).

EBIT is forecast to improve from (\$3.8) million in FY2014 to \$12.9 million in FY2015F as a result of forecast movement in EBITDA.

4.8.4 PRO FORMA CONSOLIDATED CASH FLOW STATEMENTS: FY2015F COMPARED TO FY2014

Table 14: Pro forma consolidated cash flow statements: FY2015F compared to FY2014

June year end; \$ millions	Pro forma	
	Historical FY2014	Forecast FY2015F
EBITDA	(2.2)	15.9
Non-cash expenses	0.8	0.9
Changes in working capital	10.2	5.4
Optus Marketing Grant	3.3	–
Capital expenditure	(2.3)	(3.6)
Operating cash flow after capital expenditure	9.8	18.6
Income tax paid	–	–
Net financing costs	(0.1)	(0.1)
Changes in term deposits	(0.3)	(2.4)
Net cash flow before dividends	9.5	16.2

Net cash flow before dividends is expected to increase between FY2014 and FY2015F from \$9.5 million to \$16.2 million as a result of increases in EBITDA and continued positive working capital movements.

Forecast positive change in working capital in FY2015F of \$5.4 million compared to \$10.2 million in FY2014 largely reflects consistent net revenue growth as the Company achieves scale, and increases in receivables driven by increased excess data revenues following the exclusion of free social media in September 2014.

Capital expenditure is expected to increase driven by ongoing software R&D and investment in flexible cloud-based infrastructure and data storage solutions and systems development to support 4G launch.

Income tax paid remained nil in FY2014 due to the recoupment of prior year tax losses and the generation of R&D tax credits for the period. There is no income tax payable in relation to FY2014 which would be payable in FY2015F. Minimal income tax is expected to be paid during FY2015F based on the estimated tax instalment rate to be issued by the ATO.

4.8.5 PRO FORMA CONSOLIDATED FORECAST INCOME STATEMENTS: FY2016F COMPARED TO FY2015F

The table below sets out the summary pro forma consolidated forecast income statement for FY2016F compared to the pro forma, consolidated forecast income statement for FY2015F.

Table 15: Pro forma consolidated forecast income statements FY2016F compared to FY2015F

June year end; \$ millions	Pro forma forecast		
	FY2015F	FY2016F	% change
Net revenue	213.1	263.6	24%
Cost of sales	(153.5)	(187.6)	22%
Gross profit	59.7	76.1	27%
Employee costs	(18.7)	(21.0)	12%
Marketing costs	(13.3)	(11.0)	(17%)
Facilities and IT costs	(5.6)	(6.3)	12%
Other costs	(6.2)	(6.0)	(3%)
Total operating costs	(43.8)	(44.3)	1%
EBITDA	15.9	31.7	100%
Depreciation and amortisation	(3.0)	(3.5)	16%
EBIT	12.9	28.3	119%

4.8.5.1 NET REVENUE

Net revenue is forecast to increase by 24% from \$213.1 million in FY2015F to \$263.6 million in FY2016F. This is supported by the expected growth in average Subscribers of 18% and expected increase in ARPU increase of 5%.

4.8.5.2 GROSS PROFIT

Gross profit is forecast to increase by 27% to \$76.1 million in FY2016F, with gross profit margin improving slightly from 28% to 29%.

4.8.5.3 OPERATING COSTS

Total operating costs are forecast to remain broadly stable as a result of a reduction in marketing costs following completion of campaigns in FY2015 estimated to be in the order of \$5.0 million.

4.8.5.4 EBITDA AND EBIT

EBITDA is forecast to increase to \$31.7 million in FY2016F from \$15.9 million in FY2015F as a result of net revenue growth of 24%, broadly stable operating costs and higher gross profit margin driven by decreasing transaction costs and the full year benefit of Product Repositioning.

EBIT is forecast to increase to \$28.3 million in FY2016F from \$12.9 million in FY2015F as a result of forecast movement in EBITDA.

4.8.6 PRO FORMA CONSOLIDATED FORECAST CASH FLOW STATEMENTS: FY2016F COMPARED TO FY2015F

Table 16: Pro forma consolidated forecast cash flow statements: FY2016F compared to FY2015F

June year end; \$ millions	Pro forma forecast	
	FY2015F	FY2016F
EBITDA	15.9	31.7
Non-cash expenses	0.9	0.7
Changes in working capital	5.4	4.0
Optus Marketing Grant	–	–
Capital expenditure	(3.6)	(1.7)
Operating cash flow after capital expenditure	18.6	34.8
Income tax paid	–	–
Net financing costs	(0.1)	0.1
Changes in term deposits	(2.4)	(4.5)
Net cash flow before dividends	16.2	30.4

Net cash flow before dividends is expected to improve between FY2015F and FY2016F from \$16.2 million to \$30.4 million as a result of increases in EBITDA and continued positive working capital movements.

Capital expenditure is expected to be lower in FY2016F compared to that in FY2015F, reflecting ongoing software R&D and completion of a migration to new cloud-based infrastructure and system development projects in FY2015F.

No income tax will be paid in relation to FY2014 during FY2015F. For FY2016F, the cash income tax payments reflect the expected tax instalments to be paid in FY2016F based on a percentage of revenue ratio (instalment tax rate) which will be advised by the ATO following lodgement of the FY2015F tax return. Based on the forecast taxable income tax position of the Company, an instalment rate has been estimated and applied to the relevant base for instalment tax purposes. However, amaysim expects this to be refunded during the year ended 30 June 2017.

4.9 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 amaysim, its Directors and management, and based upon assumptions with respect to future business developments, which are subject to change.

Investors should be aware that future events cannot be predicted with certainty and as a result, deviations from the figures forecast in this Prospectus are to be expected. To assist investors in assessing the impact of these assumptions on the forecasts, set out in Figure 53 is a summary of the sensitivity of certain Forecast Financial Information to changes in a number of key variables. The changes in the key variables as set out in the sensitivity analysis are not intended to be indicative of the complete range of variations that may be experienced. For the purposes of the analysis below, the effect of the changes in key assumptions on the FY2015F and FY2016F pro forma consolidated forecast NPATA of \$9.2 million and \$20.0 million respectively is presented. The sensitivity analysis is intended as a guide only and variations in actual performance could exceed the ranges shown.

Figure 53: Sensitivity analysis on pro forma consolidated forecast NPATA for FY2015F and FY2016F

Assumption	Notes	Variance	FY2015F pro forma NPATA impact (\$ millions)	FY2016F pro forma NPATA impact (\$ millions)
Net Subscriber additions (000s)	1	+/- 10.0%	+/- 0.1	+/- 0.8
ARPU	2	+/- 1.0%	+/- 0.8	+/- 1.9
Cost of sales	2	-/+ 1.0%	+/- 0.6	+/- 1.4
Operating costs	2	-/+ 1.0%	+/- 0.2	+/- 0.3

Notes

1. Sensitivity based on +/- 10.0% movement in monthly net Subscriber additions from 1H2015 onwards. Sensitivity has been calculated in isolation from change in other variables.
2. Sensitivity based on +/- 1.0% movement in 2H2015 assumption for the FY2015F pro forma impact and +/- 1.0% movement in the FY2016F assumption for the FY2016F pro forma impact. Sensitivity has been calculated in isolation from changes in other variables.

Care should be taken in interpreting these sensitivities. The estimated impact of changes in each of the variables has been calculated in isolation from changes in other variables, in order to illustrate the likely impact on the forecast. In practice, changes in variables may offset each other or be additive, and it is likely that amaysim would respond to any adverse change in one variable by seeking to minimise the net effect on amaysim's NPATA.

4.10 DIVIDEND POLICY

No dividend will be paid following Completion in respect of FY2015F.

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

It is the current intention of the Directors to target a dividend payout ratio of between 60% and 80% of amaysim's NPATA. It is the current intention of the Directors to declare an interim and final dividend for FY2016F in line with the target dividend payout ratio.

amaysim expects that dividends will be unfranked until at least the financial year ending 30 June 2017 due to the utilisation of historical tax losses and R&D tax credits as at 31 December 2014. The date of any franked dividend will depend on the amount of tax payable by amaysim.

No assurances can be given by any person, including the Directors, about the payment of any dividend and the level of franking on any such dividend in future periods. There may be periods in respect of which dividends are not paid. Please read the forecast financial information in conjunction with the assumptions underlying its preparation as set out in Sections 4.8.1 and 4.8.2 and the risk factors set out in Section 5.

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Section 5

Risks

amayyim

5.1 INTRODUCTION

This section describes some of the potential risks associated with amaysim's business and risks associated with an investment in Shares. It does not purport to list every risk that may be associated with an investment in Shares now or in the future. The occurrence or consequences of some of the risks described in this Section are partially or completely outside of the control of amaysim, its Directors and its management.

The selection of risks has been based on the assessment of a combination of the probability of the risk occurring, the ability to mitigate the risk and the impact of the risk if it did occur. That assessment is based on the knowledge of the Directors as at the Prospectus date, but there is no guarantee or assurance that the importance of different risks will not change or that other risks will not emerge.

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.

Before applying for Shares, investors should satisfy themselves that they have a sufficient understanding of these matters and should consider whether Shares are a suitable investment for them, having regard to their own personal circumstances, investment objectives, financial circumstances and tax position. If investors are unclear in relation to any matter or are uncertain as to whether the Company is a suitable investment for them, they should seek professional guidance from their solicitor, stockbroker, accountant or other independent and qualified professional adviser before deciding whether to invest.

5.2 BUSINESS RISKS FACTORS

5.2.1 OPTUS MAY TERMINATE ITS RELATIONSHIP WITH AMAYSIM OR CEASE TO PROVIDE THE SAME SERVICE OR SERVICES ON THE SAME TERMS OF THE NSA

Optus has termination rights under the NSA, including where:

- amaysim fails to meet a KPI on the two testing dates under the Mid-Term Review (refer to Section 3.7.10);
- a supplier to Optus terminates Optus' access to all or part of the telecommunications network, equipment, facilities or cabling controlled by the supplier and that Optus uses to supply services to amaysim;
- service is not supplied by Optus for more than 10 business days as a result of a force majeure-type event;
- amaysim fails to pay an outstanding amount within 30 days after Optus gives an initial default notice;
- amaysim breaches the restraints described in Section 3.7.7;
- amaysim is insolvent; or
- amaysim breaches any other fundamental term of the NSA.

Some of these occurrences are outside the control of amaysim. Some of these would cause the immediate cessation of services being provided to amaysim by Optus. Others provide for the provision of services for a transition-out period following termination of 100 days or 12 months, after which the services provided by Optus would cease. These termination rights are described further in Section 9.4.

Any of these events could have a material adverse effect on amaysim's financial performance and position unless amaysim had in place an alternative agreement for the provision of equivalent services from another MNO on equivalent terms. There is no guarantee that this option will be available to amaysim.

Even if amaysim had such an alternative agreement in place, disruptions may occur following termination of the NSA and in transitioning to the new arrangements (for example amaysim cannot unilaterally move Subscribers from one network to another as this may require amaysim's Subscribers swapping the old SIM for a new one). Further, there is a risk that during a transition-out period, Optus may engage in marketing campaigns specifically targeted at amaysim Subscribers with the objective of transferring those Subscribers away from amaysim, or that amaysim would incur substantial costs (including marketing costs) in migrating its Subscribers to a new network. Any of these matters may have a material adverse effect on amaysim's financial performance and position.

Certain termination events under the NSA are defaults under the registered security interests that Optus holds over amaysim assets (as described in Section 3.7.9.2). Upon a default under those securities, secured monies (being amounts owing in respect of the marketing access fee as referred to in Section 3.7.8) become due and payable, potentially allowing Optus to recover outstanding amounts by enforcing its security over amaysim's assets.

There is also a risk that Optus is unwilling to enter into a new NSA at the end of the Optional Term, or an NSA on terms as favourable as the existing NSA. This would require amaysim to seek to enter into a new NSA with another MNO. There is no guarantee that another MNO would enter into a network supply agreement with amaysim, or a network supply agreement on terms as favourable as the existing NSA.

5.2.2 AMAYSIM IS RELIANT ON A DETAILED NSA WITH A SINGLE MNO IN ORDER TO ACQUIRE NETWORK OPERATIONS AND SERVICES FOR AMAYSIM'S SUBSCRIBERS

amaysim relies on Optus to provide Mobile Services to its Subscribers. There is a risk that Optus suffers a material technical issue or significant problem with its network that directly affects the service amaysim provides to its Subscribers. There is also a risk that the reputation or public perception of the Optus network (including its quality, coverage and speed) deteriorates relative to that of other networks (even where the network itself has not deteriorated). Further, there is also a risk that Optus may suspend without liability the network services it provides to amaysim, or any individual Subscriber's service, in circumstances of fraud, emergency or force majeure, or as necessary to allow network repair or service or to comply with a regulatory order or request. In addition, amaysim has no ability during the term of the NSA to influence Optus' investment decisions or initiatives with respect to future investment in the mobile network or the development and deployment of new technologies and services. The absence of such investment or development could result in Optus having a less attractive or reliable service offering compared to that of other MNOs, or negatively affect the marketing of the quality of Optus network itself.

As a result of any of these issues, amaysim may lose Subscribers or not grow its Subscriber base at the rate it is seeking to, or may be required to incur greater costs than anticipated to attract and maintain Subscribers, any of which may have an adverse effect on its financial position or performance. Further, amaysim may at the end of the Further Term (ending December 2019) or the Optional Term (ending December 2024) of the NSA choose to enter into a network supply agreement with a different MNO, the transition to which may require amaysim to incur additional costs and would require amaysim's Subscribers to swap SIM to a SIM compatible with that of the new MNO.

There are currently only two MNOs other than Optus in the Australian market (Telstra and Vodafone). Each of these MNOs operates its own retail mobile services business in competition with that of amaysim. When seeking to enter into a new wholesale network supply agreement (whether at the expiry of the existing NSA or following any early termination as referred to in Section 5.2.1), there is a risk that these MNOs (including Optus) may not wish to contract with MVNOs like amaysim or contract with amaysim on terms as favourable as those of the current NSA. If amaysim enters a new wholesale network supply agreement with Optus or another MNO that provides for an exclusive supply relationship, amaysim would be reliant on that provider of Mobile Services in the same way that it currently relies on Optus, and therefore exposed to similar risks as outlined in this Section 5.2.2.

In this context, the continuity of amaysim's relationship with Optus, embodied in the NSA, is essential to amaysim's business model. amaysim's NSA with Optus is an important document that has been varied by mutual agreement a number of times since it was first signed in 2010. There is a risk that the parties may adopt differing interpretations of agreements like the NSA, which if not resolved could adversely affect amaysim's financial performance or position.

5.2.3 AMAYSIM FACES RISKS ASSOCIATED WITH ACQUIRING FUTURE MOBILE SERVICES

If future mobile services are developed, there is a risk amaysim is not able to acquire them from Optus or other MNOs at all, or until a period of time has elapsed. There is also a risk that amaysim is not able to acquire such services on favourable terms and conditions. Any of these events may cause amaysim to lose Subscribers or not grow Subscribers at the rate which it had expected and/or, adversely affect amaysim's gross margins, financial performance or position. Further, if amaysim secures arrangements from other MNOs or alternative service providers for future network services, it may still be required to obtain 4G services from Optus and be exposed to economic and operational inefficiencies from acquiring mobile network services from two or more providers.

5.2.4 AMAYSIM FACES SIGNIFICANT COMPETITION

The mobile service market is highly competitive within Australia. Many existing MSPs either compete directly with amaysim or provide services that are potential substitutes for amaysim's services. New competitors, services and business models that compete with amaysim are likely to arise in the future. Many of these existing and potential competitors have substantially more resources than those of amaysim.

There is a risk that an existing or potential new competitor:

- allocates significantly more resources to competing in the Mobile Services market, including resources devoted to promotions, marketing, technology development and/or customer service;
- utilises an existing well-recognised brand to launch new Mobile Services and market to its existing customer base or leverages its brand recognition to build scale;
- develops a lower cost or more effective business model, for example through securing mobile network wholesale contractual arrangements on more favourable terms, by developing or acquiring a more sophisticated technology platform and/or service delivery method or by bundling mobile devices;
- utilises experience in other markets where it operates to launch new Mobile Services in Australia;
- responds to changes to regulations, new technologies or customer needs and requirements faster and more effectively than amaysim; or
- develops new services that compete more directly with amaysim than their current services.

An increase in competition for any of these reasons could result in amaysim's services becoming less attractive to its Subscribers, thereby reducing their attractiveness to potential new Subscribers and reducing the level of retention of existing Subscribers; require amaysim to increase its promotional and marketing expense or capital expenditure; or require amaysim to lower its pricing or alter other aspects of its business model to remain competitive or continue to grow. Any of these outcomes could materially adversely affect amaysim's profitability and financial performance.

Further, while the NSA contains a wholesale price review mechanism that expressly aims to ensure that wholesale prices continue to reflect a competitive offering in the Australian BYO Mobile Services market, there is a risk the process may become drawn out. There is also a risk that the price review, once resolved, may not ultimately fully address the impact of the changed market conditions, or be inadequate to deal with numerous or continual changes in market conditions, or result in an increase in amaysim's wholesale costs. Any of these circumstances may adversely affect amaysim's ability to maintain its gross margins as a result of the changed market conditions, reduce amaysim's Subscriber net additions and retention of existing Subscribers, and adversely affect its financial performance or position.

5.2.5 MSPS MAY LOWER THEIR PRICING AND/OR INCREASE THEIR INCLUSIONS TO COMPETE WITH THAT OF AMAYSIM

A key aspect of amaysim's business model is its ability to offer its Subscribers attractive pricing for its plans and products when compared to comparable BYO offerings from other MSPs. There is a risk that a reduction in pricing on BYO plans and products and/or an increase in inclusions (e.g. data) by MSPs could force amaysim to reduce prices and/or increase such inclusions.

Alternatively, if it did not reduce prices and/or increase such inclusions, amaysim may experience a slowing in the growth of amaysim's Subscriber net additions, reduced levels of retention of existing Subscribers, increased promotional and marketing expenses or a failure to capture, or a reduction in, market share.

Any of these outcomes could materially impact amaysim's income and earnings, financial position or performance.

5.2.6 EXCESSIVE USAGE OF DATA, VOICE AND SMS SERVICES BY AMAYSIM SUBSCRIBERS COULD REDUCE WHOLESALE MARGINS

amaysim's wholesale costs include service charges paid to Optus based on an agreed price schedule for the bundled and discrete mobile network services (comprising call, text and data) that amaysim acquires from Optus. Charges for bundled services are fixed per Subscriber, whereas charges for discrete services are on a per unit basis centred on Subscriber usage of discrete services. A significant portion of the call, text and data allowances offered under amaysim's retail products is currently represented by fixed cost, bundled services. amaysim has made certain assumptions regarding its wholesale costs based on the current price schedule in the NSA and assumptions regarding Subscriber growth, product category mix and usage when constructing retail products. However, there is no guarantee that these assumptions will prove to be correct. If, for example, Subscriber usage is greater than expected and, due to competitive reasons, amaysim is unable or unwilling to react to and adjust the retail pricing of its products and plans, the wholesale margin that amaysim receives from its products and services could be reduced, which may have an adverse impact on the financial performance of the business.

5.2.7 AMAYSIM'S RETAIL PARTNERS MAY SEEK TO MATERIALLY CHANGE OR TERMINATE THEIR RELATIONSHIP WITH AMAYSIM

amaysim has distribution relationships with several large retail partners who provide retail points of presence that enable potential Subscribers to purchase amaysim SIMs and recharge vouchers. There is a risk that a retail partner could choose to withdraw or replace or give less prominence to amaysim's products from these retail points of presence without notice or cause.

The reduction in the number of retail points of presence due to retail partners withdrawing amaysim's products, or less attractive placement of amaysim's products, could materially impact amaysim's growth and financial performance.

5.2.8 THE AMAYSIM TECHNOLOGY PLATFORM INCLUDING ITS ONLINE-LED CUSTOMER SERVICE PLATFORM AND COMMUNICATIONS SYSTEMS MAY BE DISRUPTED, FAIL OR CEASE TO FUNCTION EFFICIENTLY

amaysim depends on the performance, reliability and availability of its technology platform including its online-led customer service platform, its call centre and its communications systems. There is a risk that these platforms and systems may be adversely affected by a number of factors including damage, equipment faults, power failure, computer viruses, misuse by employees or contractors, or external malicious interventions such as hacking, fire, natural disasters or weather interventions. Events of that nature may cause part of the Company's technology platform or websites to become unavailable.

amaysim contracts third party suppliers to manage certain interfaces. Suppliers include vendors providing electronic identity verification, fraud prevention detection capabilities, and software to facilitate the operation of amaysim's technology platform. There is a risk that, if these suppliers' services were interrupted, or if amaysim was unable to continue to contract with these suppliers, the Company may experience a disruption in its service.

Further, there is a risk that amaysim's operational processes, redundancy capacity and capability or disaster recovery plans may not adequately address every potential event and its insurance policies may not cover loss or damage that amaysim suffers as a result of a system failure. This in turn can reduce amaysim's ability to generate income, materially interrupt the level of customer service provided to amaysim Subscribers and cause damage to amaysim's brand, leading to a reduction in the retention rates of existing Subscribers and, potentially, a material adverse effect on amaysim's financial position and performance.

5.2.9 NEW PRODUCTS AND SERVICES MAY NOT PERFORM AS INTENDED

amaysim may introduce new products or services such as the recently launched suite of 4G plans or functionality within the online customer service platform that are intended to enhance the user experience or deliver greater levels of customer satisfaction. There is a risk that these initiatives may result in unforeseen costs or risks, may not perform as intended or may not deliver the growth in Subscribers or ARPU.

In particular, amaysim has made several assumptions in order to develop the Forecast Financial Information in respect of the financial performance of the suite of 4G plans. These include assumptions with respect to Subscriber growth, product category mix and usage, as well as promotional expenses, marketing spend and other operating costs to promote the new suite of 4G services. As amaysim launched 4G plans on 24 March 2015, there is only actual Subscriber data available with respect to performance of those plans since the launch. Consequently, there is a risk that actual results could deviate materially from the assumptions made in developing those plans, which may cause its forecast not to be met.

These risks or events may have an adverse effect on amaysim's future financial position, performance or operating margins.

5.2.10 OPTUS MAY DRAW DOWN ON, OR POTENTIALLY INCREASE THE REQUIRED AMOUNT OF, CASH SECURITY PROVIDED BY AMAYSIM UNDER THE NSA

As described in Section 3.7.9.1, amaysim is required to provide incremental financial security to Optus in periodic instalments totalling \$6,750,000 by 1 October 2016. If amaysim fails to pay outstanding wholesale charges to Optus, Optus may choose to draw down on the bank guarantees that amaysim has already provided. In the future, Optus may also require additional financial security to secure amaysim's payment obligations. Either of these circumstances may adversely affect amaysim's financial performance.

5.2.11 AMAYSIM MAY BE REQUIRED TO REPAY THE OPTUS MARKETING GRANT

As described in Section 3.7.8, amaysim must pay Optus a marketing access fee (referred to in the NSA as the "marketing access fee") of an equivalent amount for that Subscriber, over a period of 24 months. The aggregate amount of referral fees received by amaysim from Optus, less aggregate marketing access fees paid by amaysim to Optus, is limited at any time to \$13,500,000. This is currently the case.

When a Subscriber cancels its service within 24 months of activation, the amount of the unpaid marketing access fee for that Subscriber must be paid in full by amaysim to Optus. amaysim's liability for unpaid marketing access fees may exceed the referral fees amaysim receives if amaysim does not continue to increase sufficiently gross Subscriber activations or if service cancellations increase at a faster rate than anticipated. This could reduce working capital available to spend on marketing and other activities in support of amaysim's business objectives.

5.2.12 THE COST OF MARKETING ACTIVITIES MAY INCREASE AND/OR ITS EFFECTIVENESS MAY DECREASE

The growth in new active Subscribers depends in part on the effectiveness of the marketing efforts of amaysim, particularly online marketing but also in more traditional media such as outdoor advertising, radio and television.

There is a risk that amaysim's online advertising may become less effective or more expensive as a result of:

- changes to the algorithms or terms of service of search engines, such as Google, which cause amaysim websites either to be ranked lower or be excluded from search results;
- increased competition or costs associated with bidding for search engine key words; and
- increases in the cost of online display advertisements.

There is also a risk that amaysim's traditional media advertising may become less effective or more expensive as a result of:

- increased competition or costs associated with the media slots and segments targeted by amaysim for its advertising campaigns;
- increased cost of production of print, television and radio advertisements; and
- reduction in the audience numbers that are reached.

If the costs of either online or traditional advertising materially increase or the effectiveness of amaysim's online and traditional media marketing strategies decreases, amaysim may be unable to continue to grow at the same rate or as profitably.

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

5.2.13 THE AMAYSIM BRAND MAY DIMINISH IN REPUTATION AND VALUE

The amaysim brand name and related intellectual property are key assets of the Company. The reputation and value associated with the brand and related intellectual property could be adversely impacted by a number of factors including failure to provide Subscribers with the quality of service standards they expect, disputes or litigation with third parties such as employees, suppliers and Subscribers, failure to adequately protect amaysim's intellectual property or adverse media (including social media) coverage. Significant erosion in the reputation of, or value associated with, the amaysim brand could have an adverse effect on Subscriber loyalty, levels of Subscriber retention, the relationship with Optus and employee retention rates, all of which could adversely affect amaysim's future financial performance.

5.2.14 AMAYSIM IS EXPOSED TO POTENTIAL BREACHES OF DATA SECURITY

Through the ordinary course of business, amaysim collects a wide range of personal, financial and service usage data from Subscribers. This includes information such as usage data, phone number and Subscriber contact details and addresses. In addition, amaysim is reliant on technology providers and partners, such as Optus which provides access to its mobile network infrastructure and also payment partners which collect certain information about amaysim's Subscribers.

Cyber-attacks, data theft and hacking may lead to a compromise or even breach of the technology and online customer service platforms used by amaysim to protect confidential information. It is possible that the measures taken by amaysim (including firewalls, encryption of Subscriber data location and service usage, a privacy policy, and policies to restrict access to data to authorised employees) will not be sufficient to detect or prevent unauthorised access to, or disclosure of, confidential information or access to such information by hackers or potentially government agencies.

There is a risk that, if a cyber-attack is successful, any data security breaches or amaysim's failure to protect confidential information could result in loss of information integrity, breaches of amaysim's obligations under applicable laws or Subscriber agreements, and website and system outages and fraud, each of which may potentially have a material adverse impact on amaysim's reputation and financial performance.

5.2.15 PRODUCT INNOVATION AND DEVELOPMENT MAY NOT BE AS RELEVANT OR EFFECTIVE AS INTENDED

As outlined in Sections 3.6 and 3.10.1, amaysim believes that its success to date has been a result of a continued focus on innovation and amaysim will continually assess the relevance and effectiveness of its plans to existing Subscribers and new Subscribers. There is a risk that these initiatives may result in unforeseen costs or risks, may not perform as intended or may not deliver the anticipated growth in new Subscribers or ARPU.

These risks or events may have an adverse effect on amaysim's future financial position, performance or operating margins.

5.2.16 NEW BUSINESS MODELS AND METHODS OF SERVICE DELIVERY MAY BE DEVELOPED IN THE MOBILE SERVICES SECTOR

Within the Mobile Services sector, there is continuous development of new technologies and methods of service delivery which can minimise the requirement for voice and data Mobile Services over time as well as change Subscriber behaviour and use of Mobile Services, for example:

- increasing usage of over-the-top services such as VoIP, Skype, FaceTime, WhatsApp, snapchat and other content or data services;
- development of mobile devices that do not require SIMs;
- increasing usage of WI-FI or fixed-line technologies to minimise traffic and data usage on mobile networks; and
- development of enhanced tethering capabilities, enabling multiple mobile devices to use a single mobile service connection.

These changes and future potential developments within the mobile service sector could reduce amaysim's Subscriber requirements for voice and data services. There is a risk that amaysim is not able to react fast enough or is unable to develop and successfully launch services to address these changes in Subscriber requirements, and this could affect the growth prospects of the business and materially adversely affect amaysim's profitability and financial performance.

5.2.17 AMAYSIM OPERATES IN A REGULATED ENVIRONMENT AND THESE REGULATIONS ARE SUBJECT TO CHANGE

amaysim operates in a regulated environment. It is also subject to having its market behaviour monitored and regulated by the Australian Communications and Media Authority, the Australian Competition and Consumer Commission and the Telecommunications Industry Ombudsman as well as state Fair Trading Bodies. There are also a number of consumer groups that monitor the conduct of all mobile service providers and report persistent failure to comply with consumer and trading and telecommunications regulations.

Any substantial failure by amaysim to comply with applicable regulations could result in cessation of, or restrictions on, parts or all of its business, penalties or other liabilities to amaysim, significant remedy costs, damage to amaysim's brand and loss of revenue. Such damage may in turn adversely affect the growth and financial performance of the business.

In addition, changes to regulated access pricing or mobile termination charges may have an adverse impact on amaysim's future financial position, performance or operating margins.

amaysim currently does not require a licence to provide Mobile Services in the Australian market; however, regulation may change and amaysim may be required to obtain a licence in the future to provide those services.

5.2.18 AMAYSIM RELIES UPON ATTRACTING AND RETAINING SKILLED PERSONNEL ACROSS ALL PARTS OF ITS BUSINESS AND OPERATIONS

amaysim's ability to execute effectively its growth strategy depends upon the performance and expertise of its staff. amaysim relies on its executive team to deliver and drive the Company's strategy, trained and technical staff in order to operate its online-led customer service business model and technology platform, and skilled sales and marketing staff to execute effectively its marketing strategies, in addition to expertise in the underlying Mobile Services market.

There is a risk that amaysim may not be able to attract and retain key staff or be able to find effective replacements in a timely manner, the loss of which, or any delay in their replacement, could impact amaysim's ability to operate its business and achieve its growth strategies.

5.3 INVESTMENT RISK FACTORS

5.3.1 PRICE OF SHARES

The price of Shares quoted on ASX may rise or fall and the Shares may trade below or above the Offer Price due to a number of factors, including fluctuations in the domestic and international market for listed stocks, general economic conditions, including interest rates, inflation rates, exchange rates, commodity and oil prices, changes to government fiscal, monetary or regulatory policies, legislation or regulation, inclusion in or removal from market indices, the nature of the markets in which amaysim operates and general operational and business risks. Other factors which may negatively affect investor sentiment and influence the Group specifically or the stock market more generally include acts of terrorism, an outbreak of international hostilities or fires, floods, earthquakes, labour strikes, civil wars and other natural disasters.

Further, the share prices for many companies have in recent times, been subject to wide fluctuations, which in many cases may reflect a diverse range of non-company-specific influences such as global hostilities and tensions, acts of terrorism and the general state of the economy. Such market fluctuations may materially adversely affect the market price of the Shares.

No assurances can be given that the performance of the Shares will not be adversely affected by any such market fluctuations or factors. None of the Company, SaleCo, the Directors, SaleCo directors or any other person guarantees the performance of the Shares.

5.3.2 LIQUIDITY OF SHARES

Prior to the Offer, there has been no public market through which the Shares may be sold. Once the Shares are quoted on ASX, there can be no guarantee that an active trading market for the Shares will develop or that the price of the Shares will increase. There may be relatively few potential buyers or sellers of the Shares on ASX at any time. This may increase the volatility of the market price of the Shares. It may also affect the prevailing market price at which Shareholders are able to sell their Shares. This may result in Shareholders receiving a market price for their Shares that is less than the price that Shareholders paid.

Following Completion, certain Shareholders as described in Sections 6.8.2 and 6.10 will be subject to voluntary escrow arrangements (representing approximately 34% of the issued Shares) which are expected to continue until 4:15pm on the FY2016 Release Date.

In each case, the escrow restrictions are subject to certain exceptions as set out in more detail in Section 6.10. The absence of any sale of Escrowed Shares by the escrowed Shareholders during their Escrowed Period may cause, or at least contribute to, limited liquidity in the market for the Shares. This could affect the prevailing market price at which Shareholders are able to sell their Shares. It is important to recognise that Shareholders may receive a market price for their Shares that is less than the price that Shareholders paid.

Following the end of the relevant Escrow Period, a significant sale of Shares by the Escrowed Shareholders, or the perception that such a sale might occur, could adversely affect the market price of the Shares.

5.3.3 GENERAL ECONOMIC CONDITIONS

The operating and financial performance of amaysim is influenced by a variety of general economic and business conditions in Australia and global economic conditions generally. Prolonged deterioration in general economic conditions, for example a decrease in consumer and business demand which may impact the demand of customers for services, or their capacity to pay for those services, could be expected to have a material adverse impact on amaysim's business or financial condition.

In addition to impacting the financial condition of the underlying business, ongoing uncertainty in the macroeconomic outlook is likely to increase the share price volatility of listed companies, including that of amaysim.

5.3.4 ABILITY TO ACCESS DEBT AND EQUITY MARKETS ON ATTRACTIVE TERMS

In the future, amaysim could be required to raise capital through public or private financing or other arrangements. Such financing may not be available on acceptable terms, or at all, and a failure to raise capital when needed could harm amaysim's business. If amaysim cannot raise funds on acceptable terms, it may not be able to grow its business or respond to competitive pressures.

amaysim may rely on debt funding to help fund its business operations in the future. If debt financing is used in the future, amaysim will face refinancing risk if it is unable to refinance its debt when it falls due. If this occurs, the terms available to amaysim (including in relation to pricing) on refinancing with a new debt facility may not be as favourable as those under its existing debt facilities and, if there is a deterioration in the level of debt market liquidity, this may prevent amaysim from being able to refinance some or all of its debt.

5.3.5 INABILITY TO PAY DIVIDENDS OR MAKE OTHER DISTRIBUTIONS

amaysim's ability to pay dividends or make other distributions in the future is contingent on profits. Moreover, to the extent that amaysim pays any dividends, its ability to offer fully franked dividends is contingent on it generating sufficient franking credits through the payment of income tax. amaysim's obligations to pay income tax is impacted by its carried forward tax losses and R&D credits as well as its ability to generate future R&D credits. Forecasting the availability of future R&D credits and future income tax payments is difficult and unpredictable.

amaysim expects that dividends will not be franked until at least the end of the financial year ending 30 June 2017. The date of any franked dividend will depend on the amount of tax payable by amaysim.

The value and availability of franking credits to a Shareholder will differ depending on that Shareholder's particular tax circumstances. Shareholders should also 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.

5.3.6 RISK OF SHAREHOLDER DILUTION

In the future, the Company may elect to issue Shares or engage in capital raisings to fund acquisitions that the Company may decide to make. While the Company will be subject to the constraints of the ASX Listing Rules regarding the percentage of its capital that it is able to issue within a 12 month period (other than where exceptions apply), Shareholders at the time may be diluted as a result of such issues of Shares and capital raisings.

5.3.7 TAXATION CHANGES

There is the potential for further changes to Australia's tax laws. Any change to the current rates of taxes imposed on the Company is likely to affect returns to Shareholders.

An interpretation of tax laws by the relevant tax authority that is contrary to the Company's view of those laws may increase the amount of tax to be paid. The Company obtains external expert advice on the application of the tax laws to its operations.

5.3.8 AUSTRALIAN ACCOUNTING STANDARDS

Australian Accounting Standards (AAS) are set by the Australian Accounting Standards Board (AASB) and are outside the control of either the Company or its Directors. The AASB may introduce new or refined AAS during the period from 2015 to 2018, which may affect future measurement and recognition of key income statement and balance sheet items, including revenue and receivables.

There is also a risk that interpretations of existing AAS, including those relating to the measurement and recognition of key income statement and balance sheet items, including revenue and receivables, may differ. Changes to Australian Accounting Standards issued by the AASB or changes to the commonly held views on the application of those standards could materially adversely affect the financial performance and position reported in the Company's consolidated financial statements.

5.3.9 FORCE MAJEURE EVENTS

Events may occur within or outside Australia that could impact upon the operations of the Company and the price of the Shares. The 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 the Company's services and its ability to conduct business. The Company has only a limited ability to insure against some of these risks.

5.3.10 NO GUARANTEE IN RESPECT OF INVESTMENT

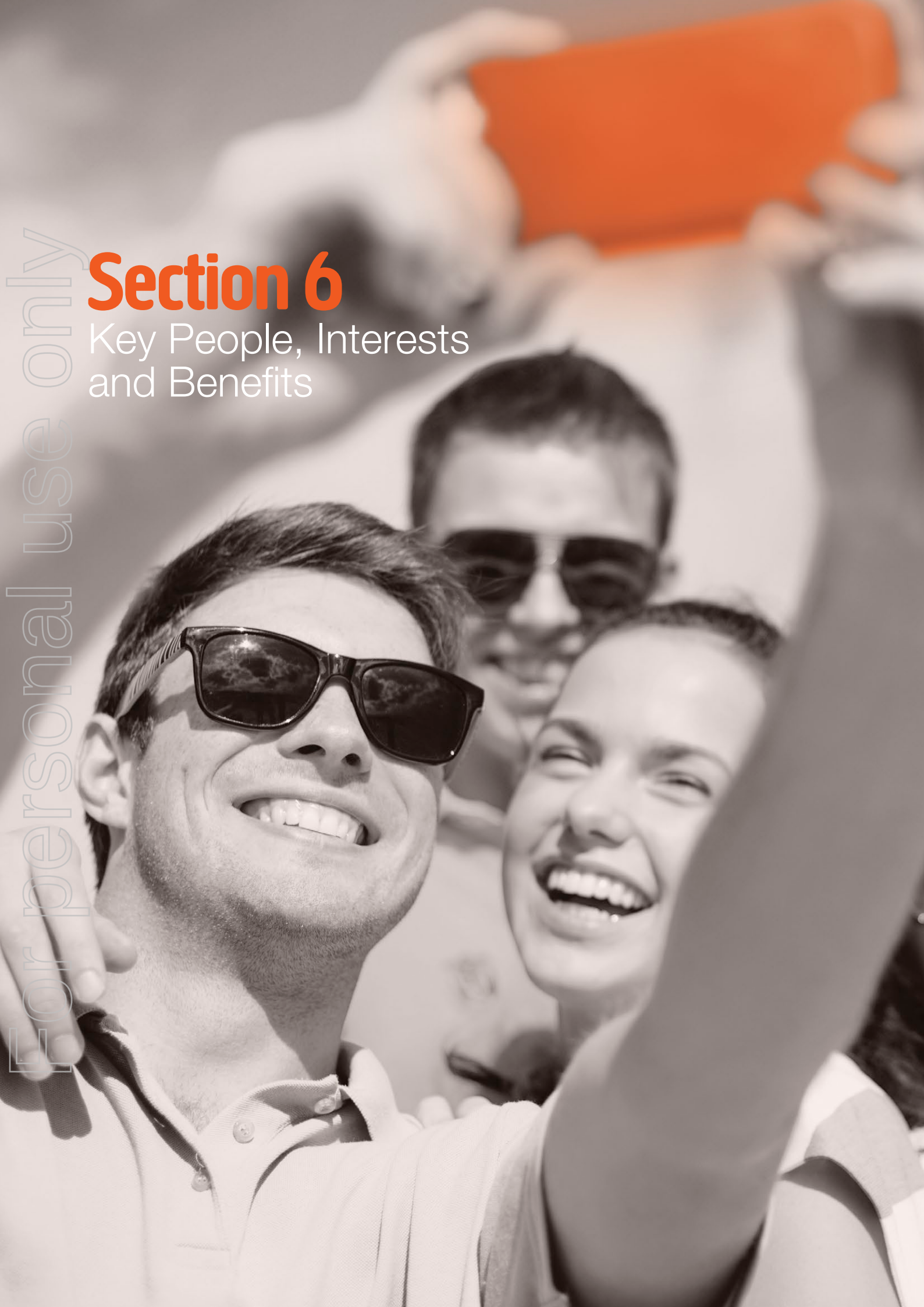
The above list of risk factors should not be taken as an exhaustive list of the risks faced by amaysim or by investors in amaysim. The above factors, and others not specifically referred to above, may materially affect the business, operations and financial performance of amaysim and the value of the Shares under the Offer. The Shares issued and transferred under the Offer carry no guarantee in respect of profitability, dividends, return of capital or the price at which they may trade on ASX. In addition, past performance and the Forecast Financial Information provides no indication or guarantee of amaysim's performance in the future.

Furthermore, there is no guarantee that the Shares will remain continuously quoted on ASX, which could impact the ability of Shareholders to sell their Shares.

Prospective investors should consult their professional adviser before deciding whether to apply for Shares under the Offer.

Section 6

Key People, Interests
and Benefits



6.1 BOARD OF DIRECTORS

The Directors bring to the Board a breadth of relevant expertise and skills, including industry and business knowledge, financial management skills and corporate governance experience.

Directors	Experience
 Andrew Reitzer <i>Independent Non-Executive Chairman</i>	• Andrew Reitzer has over 35 years' experience in both the retail and wholesaling industries. • He is currently the Independent Chairman of SG Fleet. • Andrew was the CEO of Metcash Limited from 1988 to 30 June 2013. Prior to his time as CEO of Metcash, Andrew held management roles at Metro Cash & Carry and led the establishment of Metro's operations in Israel and Russia. Andrew also served as Metro's Group Operations Director. • Andrew holds a Bachelor of Commerce and a Masters of Business Administration from the University of South Africa.
 Julian Ogrin <i>Chief Executive Officer and Managing Director</i>	• Julian Ogrin has over 20 years' experience in the telecommunications industry. • Prior to joining amaysim in 2013, Julian was the CEO of Tele2 Croatia and prior to that was the Chief Commercial Officer of Meteor Mobile Communications Ireland. • Julian also has senior executive experience in the telecommunications industry, which has seen him based in Sydney, London and Hong Kong with organisations such as Allphones Retail Group Australia, SAS, Vodafone and Cable & Wireless Group. • Julian holds a Bachelor of Business from the Avondale College.
 Maria Martin <i>Independent Non-Executive Director</i>	• Maria Martin has over 30 years' experience in accounting, business advisory services, risk and general management. • Maria is currently a non-executive director of OrotonGroup Limited. • Maria was a partner at PwC for 15 years, providing audit and corporate advisory services to major Australian and international companies. During this time, Maria was also the PwC Business Unit Leader for the Sydney Technical Accounting Group. Maria held this position for two years, providing advice on accounting and risk issues. • Maria holds a Bachelor of Commerce from the University of New South Wales, is a Graduate of the Australian Institute of Company Directors and a Fellow of Chartered Accountants, Australia and New Zealand.
 Jodie Sangster <i>Independent Non-Executive Director</i>	• Jodie Sangster has over 17 years' experience in data driven-marketing and advertising. • Jodie is the CEO of the Association for Data-Driven Marketing & Advertising (ADMA). Jodie also serves as the chair of Global DMA, an organisation that represents, supports and brings together over 30 marketing associations from around the globe. • Prior to joining ADMA, Jodie held senior executive roles in sales and marketing in New York and the United Kingdom. • Jodie holds a Bachelor of Laws from Kingston University and a Masters of Laws from University College London.

Directors

Experience



Thorsten Kraemer
*Independent
Non-Executive Director*

- Thorsten Kraemer joined the Board as a Director in 2010 and has over 17 years' experience in the telecommunications industry.
- Thorsten has been a member of the Supervisory Board of freenet AG, a German MVNO that is listed on the Frankfurt Stock Exchange, from 2007 to 2011 and again since 2012. From 2009 to 2011, Thorsten was the Chairman of freenet AG's Supervisory Board.
- Thorsten has held senior roles in funds management of public and private equity and is currently the Managing Director of Crocodile Capital GmbH.
- Thorsten holds a degree in Business Administration and Economics from the University of Cologne.



Rolf Hansen
Non-Executive Director

- Rolf Hansen co-founded amaysim in May 2010 and was CEO of amaysim until February 2015.
- Prior to co-founding amaysim, Rolf worked as founder and CEO of Simyo GmbH, Germany's first no frills MVNO, which launched in May 2005 and was sold to E-Plus Mobilfunk GmbH.
- Rolf also has senior executive experience in the e-commerce and telecommunications industry with Letsbuyit.com, Deutsche Telekom/T-Mobile and Hutchison Telecom Germany.
- Rolf studied at the European Business School in Wiesbaden, London and Paris and at Münster University of Applied Sciences, graduating with a degree in Business Administration, specialising in Marketing and Finance.



Peter O'Connell
Non-Executive Director

- Peter O'Connell is a co-founder of amaysim and was the Executive Chairman of the Company from incorporation until June 2015.
- Peter practised as a lawyer from 1979 to 1994, first as a partner in Minter Ellison and then as a partner in Gilbert & Tobin. Peter was a commercial lawyer acting for large Australian and international corporates with special expertise in the telecommunications and technology sectors and in Asian business law. Peter was actively involved in the formation of Optus and BellSouth New Zealand and served as a director on both boards from inception.
- From 1994 to 1996 Peter was Asia Pacific Counsel for BellSouth and founded a boutique advisory business in telecommunications and technology. Since then, Peter has held senior executive and CEO roles for large Australian organisations. From 2008, Peter focussed on his own investments in largely technology-driven companies.
- Peter has served on a number of boards for private and public companies (including: Ticketek, Sigtech, Perisher Blue, GMD, Stadium Australia) and government boards (including: Film Australia, Trustee of the Australian Museum, NSW Major Events Board and NSW Rail Access Corporation).

The composition of the Board committees and a summary of the key corporate governance policies are set out in Sections 6.11 to 6.17.

6.2 AVAILABILITY OF DIRECTORS

Each Director above has confirmed to amaysim that he or she anticipates being available to perform their duties as a Non-Executive or Executive Director, as the case may be, without constraint from other commitments.

6.3 INDEPENDENCE OF DIRECTORS

In determining whether a Director is “independent”, the Board has adopted the definition of this word in the ASX Recommendations. Consequently, a Director will be considered “independent” if that Director is free of any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the independent exercise of their judgement. The Board will consider the materiality of any given relationship on a case-by-case basis, with the Board Charter to assist in this regard.

The Board considers that each of Andrew, Maria, Jodie and Thorsten are independent Directors, free from any business or any other relationship that could materially interfere with, or could reasonably be perceived to interfere with, the independent exercise of the Director’s judgement and each is able to fulfil the role of an independent Director for the purposes of the ASX Recommendation.

As Chief Executive Officer, Julian is not currently considered by the Board to fulfil the role of an independent Director. As Shareholders with sizeable shareholdings and amaysim Founders, Rolf and Peter are not considered by the Board to fulfil the role of independent Directors.

amaysim is a member of ADMA, an organisation of which Jodie is CEO. To mitigate the risk of a conflict or perception of conflict between Jodie’s role as a Director of amaysim and CEO of ADMA, Jodie has provided undertakings to ADMA which include that she will not provide preferential treatment to amaysim as compared to other members of ADMA. The Directors (excluding Jodie) do not consider Jodie’s role at ADMA affects her ability to be determined to be an independent Director of amaysim.

Maria was a partner of PwC until March 2013. PwC has been the audit firm for amaysim since incorporation and Maria was the lead auditor for amaysim’s audit in FY2011. None of these periods form part of the Historical Financial Information referred to in Section 4. The Board is of the opinion that this former relationship does not compromise Maria’s independence, as it does not meet the definition of a material business relationship as included in the Board Charter (described in Section 6.11.1). In addition, the Board has also considered the length of time that has elapsed since Maria was the lead audit partner for amaysim and a partner of PwC.

None of the Directors are acting as nominees or representatives of any shareholder in amaysim (other than in respect of their own direct or indirect interests), nor as nominees or representatives of the Joint Lead Managers or suppliers to amaysim.

The Board has considered amaysim’s immediate requirements as it transitions to an ASX listed company and is satisfied that the composition of the Board reflects an appropriate range of independence, skills and experience for the Company after listing. The Board will regularly review the independence of each Director in light of interests disclosed to the Board and will disclose any change to ASX, as required by the ASX Listing Rules.

6.4 LEADERSHIP TEAM

Team members	Experience
 Julian Ogrin <i>Chief Executive Officer and Managing Director</i>	See Section 6.1.
 Leanne Wolski <i>Chief Financial Officer</i>	• Leanne Wolski joined amaysim in October 2010 and has over 20 years’ experience in corporate finance and accounting. • Prior to joining amaysim, Leanne’s previous roles included Director of Finance and Company Secretary at Western Union Australia, leading teams across Australia, New Zealand, Oceania, Indochina and the Philippines, and finance roles at Star City and ANZ bank.

Team members

Experience



Julian Dell
IT Director

- Julian Dell joined amaysim in November 2010 and has over 20 years' experience in technology within the banking, media, e-commerce and Mobile Services industries.
- Prior to joining amaysim, Julian's previous roles included Technology Director at Truelocal-News Digital Media and senior technology positions at News Limited and Adstream. Julian has also worked for leading banks such as Merrill Lynch, Citibank and Deutsche Bank.



Roman Sirotin
Customer Service Director

- Roman Sirotin joined amaysim in October 2010 and has over 18 years' experience in the Internet/ Mobile Services and customer service industries.
- Prior to joining amaysim, Roman's previous roles included Customer Service Manager at Virgin Mobile Australia and Customer Service, Team Leader and Operations Manager roles at TeleTech International.



Andrew Balint
Marketing Director

- Andrew Balint joined amaysim in December 2010 and has over 18 years' experience in the marketing, Mobile Services and e-commerce industries.
- Prior to joining amaysim, Andrew's previous roles included Group Brand and Marketing Communications Manager at Optus and senior positions at News Digital Media, EBay and Qantas.



Melissa Gray
Sales Director

- Melissa Gray joined amaysim in April 2011 and has over 12 years' experience in the Mobile Services and fast-moving consumer goods industries.
- Prior to joining amaysim, Melissa's previous roles included national key account manager for E-Pay, and senior account management positions at Aztec and Cerebos Foods.



Mark Roberts
Human Resources Director

- Mark Roberts joined amaysim in September 2010 and has over 16 years' experience in the Mobile Services and human resources industries.
- Prior to joining amaysim, Mark's previous roles included National Human Resource Manager at Dixon Advisory and senior human resource positions at Deacons Australia, an Australian law firm, now Norton Rose Fulbright Australia, the Australian Rugby Union and the International Management Group.

6.5 INTERESTS AND BENEFITS

This Section 6.5 sets out the nature and extent of the interests and fees of certain persons involved in the Offer. Other than as set out below or elsewhere in this Prospectus, no:

- director or proposed director of amaysim or SaleCo;
- 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 amaysim; or
- underwriter to the Offer or financial services licensee named in this Prospectus as a financial services licensee involved in the Offer,

holds 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 amaysim;
- property acquired or proposed to be acquired by amaysim in connection with its formation or promotion, or in connection with 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 persons for services in connection with the formation or promotion of amaysim or the Offer or to any director or proposed director of amaysim to induce them to become, or qualify as, a director.

6.6 INTERESTS OF ADVISERS

amaysim has engaged the following professional advisers:

- Goldman Sachs and Macquarie Capital have acted as Joint Lead Managers and underwriters to the Offer. amaysim has paid, or agreed to pay, the Joint Lead Managers the fees described in Section 9.5 for these services;
- Investec Australia Ltd has acted as Financial Adviser to amaysim in connection to the Offer. amaysim has agreed to pay Investec Australia Ltd a fee up to \$2.2 million (excluding disbursements or GST) for these services;
- PricewaterhouseCoopers Securities Ltd has prepared the Investigating Accountant's Report on Pro Forma Historical Financial Information in Section 8 of this Prospectus and has provided due diligence services on certain financial disclosures in relation to the Offer. In respect of this work, PricewaterhouseCoopers Securities Ltd will be paid approximately \$651,000 (excluding disbursements and GST) for work performed by it up to the date of this Prospectus. Further amounts may be paid to PricewaterhouseCoopersSecurities Ltd in accordance with its time-based charges;
- Ernst & Young has acted as amaysim's tax adviser in relation to the Offer. In respect of this work, Ernst & Young will be paid approximately \$173,812 (excluding GST) for work performed by it up to the date of this Prospectus. Further amounts may be paid to Ernst & Young in accordance with its time-based charges; and
- Clayton Utz has acted as amaysim's legal adviser. In respect of this work, Clayton Utz will be paid approximately \$1.2 million (excluding disbursements and GST) for work performed by it up to the date of this Prospectus. Further amounts may be paid to Clayton Utz in accordance with its time-based charges.

6.7 DIRECTORS' INTERESTS AND REMUNERATION

Each of the Directors has entered into an appointment letter with the Company, confirming the terms of their appointment, their roles and responsibilities and amaysim's expectations of them as directors of the Company.

6.7.1 CHIEF EXECUTIVE OFFICER

Julian Ogrin is employed by amaysim in the position of Chief Executive Officer of amaysim.

From Completion, Julian will be entitled to receive an annual fixed remuneration package of \$650,000 (inclusive of base salary and superannuation). Julian will also be entitled to short-term incentives, payable in cash, which provide him with an annual target opportunity of 75% of annual fixed remuneration (up to \$487,500), subject to qualitative and quantitative performance conditions assessed by the Board. On Completion Julian will receive \$1.5 million for the sale of 833,605 Shares to SaleCo.

On Completion, Julian will hold 1,667,210 Share Rights pursuant to the ESP (described in Section 6.9.1). 50% of these rights are expected to vest into Shares (on a 1:1 basis) for nil consideration on or about the FY2016 Release Date, with the remainder to vest into Shares (on a 1:1 basis) for nil consideration on or about the FY2017 Release Date.

Vesting of Share Rights is subject to Julian's continued employment (unless it ceases for certain qualifying reasons), and unvested Share Rights are subject to adjustment if there is a capital reconstruction.

Julian will also be eligible to participate in the Company's Long Term Incentive Plan under which he may be eligible to receive awards at the Board's discretion. amaysim will grant to Julian \$877,500 worth of options on or around Completion. The actual number of options to be granted will be determined by dividing the aggregate value of the options, by the value per option calculated on or around Completion using a Black Scholes valuation at the Offer Price. For example, based on a calculation undertaken around the date of the Original Prospectus, Julian would be granted 1,926,875 options. Each option will be exercisable over one Share and have an exercise

price equal to the Offer Price. This grant of options to Julian comprises three tranches which, subject to satisfaction of relevant conditions and Completion occurring, are intended to vest on 30 June 2018, 30 June 2019 and 30 June 2020 respectively. Each tranche will be subject to a performance condition based on amaysim's compound annual growth rate of earnings per share (**EPS CAGR**) relative to a target EPS CAGR for the relevant vesting period and Julian's continued employment with amaysim. The percentage of options that vest, if any, will be determined over the relevant vesting period by reference to the following vesting schedule:

EPS CAGR over the vesting period	% of options that vest
< 80% of target EPS CAGR	Nil
80% of target EPS CAGR	50%
Between 80% and 100% of target EPS CAGR	Straight line vesting between 50% and 75%
100% of target EPS CAGR	75%
Between 100% and 125% of target EPS CAGR	Straight line vesting between 75% and 100%
> 125% of target CAGR	100%

The relevant target EPS CAGR for each vesting period will be determined by the Board on or prior to Completion. These options will be issued with disclosure under Chapter 6D of the Corporations Act. The Board does not intend to make any further grants under the Long Term Incentive Plan to Julian before at least 1 July 2017. Refer to Section 6.9.2 for a summary of the terms of the Long Term Incentive Plan.

Julian's employment contract will continue on foot until terminated. amaysim or Julian may terminate Julian's employment by providing at least 12 months' notice in writing before the proposed date of termination, during which time Julian is restrained from providing services to competitors and other third parties. amaysim may also terminate Julian's employment immediately and without payment in lieu of notice for any act of serious misconduct, which includes wilful or deliberate behaviour that is inconsistent with continuation of Julian's contract, or conduct that causes imminent and serious risk to the health or safety of a person or the reputation, viability or profitability of amaysim's business. In this case, Julian's contract provides for a 12 month restraint following termination, enforceability of which is subject to all usual legal requirements.

6.7.2 NON-EXECUTIVE DIRECTOR REMUNERATION

Under the Constitution, the Directors decide the total amount paid to all Directors as remuneration for their services as a Director (excluding, for these purposes, the salary of the Chief Executive Officer and Managing Director). However, under the ASX Listing Rules, the total amount paid to all Directors for their services must not exceed in aggregate in any financial year the amount fixed by amaysim in general meeting. This amount has been fixed by amaysim at \$1,400,000. For FY2016F, it is expected that the fees payable to the current Directors will not exceed \$725,000 in aggregate. Annual Directors' fees currently agreed to be paid by amaysim are \$200,000 to the Chairman, Andrew Reitzer, and \$100,000 to each of the other Non-Executive Directors. In addition, the chair of the Audit and Risk Management Committee will be paid \$22,500 annually. The remuneration of Directors must not include a commission on, or a percentage of, profits or income. Superannuation payments are included in these amounts.

Maria Martin was offered cash compensation of \$30,000 and Andrew Reitzer and Jodie Sangster were offered cash compensation of \$20,000, for their services during the period prior to Completion. This will be paid by the Company on or shortly following Completion.

The non-executive Directors are not entitled to participate in any employee incentive scheme (including the Long Term Incentive Plan).

Non-executive director (direct and indirect) interests on Completion

This table represents Shares in which Directors are expected to have an interest directly, or indirectly through investment vehicles, at Completion.

	Andrew Reitzer	Maria Martin	Jodie Sangster	Thorsten Kraemer	Rolf Hansen	Peter O'Connell
Shares	83,333 ¹	16,666 ¹	16,666 ¹	2,482,012 ²	7,734,010	7,734,010

Notes:

- These Shares will be acquired under the Priority Offer.
- These Shares form part of the current direct and indirect interests of these Directors. Thorsten will hold 1,450,000 Shares in his own name on Completion: the remaining Shares reported against his name above represent his proportionate interest (calculated as at 31 December 2014) in a mutual fund that will be a shareholder of amaysim on Completion. Thorsten has no control over the investment decisions of this fund and these interests may change from time to time in the future.

Rolf and Peter (or entities associated with them) will each receive approximately \$13.9 million (before agreed fees and expenses) in connection with sales of Shares (that each has indirect interests in) through SaleCo to investors on Completion. Thorsten will receive \$5.1 million in respect of the sale of Shares under the Offer.

6.7.3 DEEDS OF INDEMNITY, INSURANCE AND ACCESS FOR DIRECTORS

amaysim has entered into deeds of indemnity, insurance and access with each Director which confirm each person's right of access to certain books and records of amaysim and its wholly-owned subsidiaries for a period of seven years after the Director ceases to hold office. This seven year period may be extended where certain proceedings or investigations commence before the seven year period expires. The deed also requires amaysim to provide an indemnity for liability incurred as an officer of amaysim and its subsidiaries, to the maximum extent permitted by law.

Indemnification: Pursuant to the Constitution, amaysim is required to indemnify Directors and employees, past and present, against liabilities allowed under law. Under the deeds of indemnity, insurance and access, amaysim indemnifies each Director against all liabilities to another person that may arise from their position as a Director of amaysim or its subsidiaries to the extent permitted by law. The deed stipulates that amaysim will meet the full amount of any such liabilities, including reasonable legal costs and expenses.

Insurance: Pursuant to the Constitution, amaysim may arrange and maintain directors' and officers' insurance for its Directors to the extent permitted by law. Under the deed of indemnity, insurance and access, amaysim must obtain such insurance during each Director's period of office and for a period of seven years after a Director ceases to hold office. This seven year period can be extended including where certain proceedings or investigations commence before the seven year period expires.

6.7.4 OTHER INFORMATION

Directors may also be reimbursed for reasonable travel and other expenses incurred in attending to amaysim's affairs. Non-Executive Directors may be paid such additional or special remuneration as the Directors decide is appropriate where a Director performs extra work or services which are not in the capacity as Director of amaysim or a subsidiary. There are no retirement benefit schemes for Directors, other than statutory superannuation contributions.

6.8 LEADERSHIP TEAM INTERESTS AND REMUNERATION

The members of the leadership team described in Section 6.4 (other than the CEO and CFO) are each party to contracts of employment with amaysim under which either the relevant amaysim entity or the leadership team member may terminate the contract of employment after the expiry of a minimum period of either eight weeks or three months' prior written notice. Employment contracts with these leadership team members generally include a restraint of trade period of between one and three months following expiry of the notice period. Enforceability of such restraints of trade is subject to all usual legal requirements.

These leadership team members are entitled to receive annual fixed remuneration packages (inclusive of base salary, non-monetary benefits and superannuation) which generally range from \$150,000 to \$215,500. They are also eligible to participate in the Long Term Incentive Plan (described in Section 6.9.2) and short-term incentives program at the Board's discretion.

6.8.1 CHIEF EXECUTIVE OFFICER

See Section 6.7.1.

6.8.2 CHIEF FINANCIAL OFFICER

amaysim has entered into an employment contract with Leanne Wolski to document Leanne's employment with amaysim. Leanne is Chief Financial Officer of amaysim.

From Completion, Leanne will be entitled to receive an annual fixed remuneration package of \$400,000 (inclusive of base salary and superannuation). Leanne will also be entitled to short-term incentives, payable in cash, which provide her with an annual target opportunity of 50% of annual fixed remuneration (up to \$200,000), subject to qualitative and quantitative performance conditions assessed by the Board.

On Completion, Leanne will hold 233,644 Share Rights pursuant to the ESP (described in Section 6.9.1). 50% of these rights are expected to vest into Shares (on a 1:1 basis) for nil consideration on or about the FY2016 Release Date, with the remainder to vest into Shares (on a 1:1 basis) for nil consideration on or about the FY2017 Release Date. Leanne will not sell to SaleCo under the Offer, any of the 116,821 Shares she will be issued immediately before Completion upon vesting of an equivalent number of Share Rights.

Vesting of Share Rights is subject to Leanne's continued employment (unless it ceases for certain qualifying reasons), and unvested Share Rights are subject to adjustment if there is a capital reconstruction. Leanne may elect to acquire additional Shares under the Priority Offer which will not be subject to escrow restrictions.

Leanne will be eligible to participate in the Long Term Incentive Plan under which she may be eligible to receive awards at the Board's discretion. amaysim will grant to Leanne \$393,750 worth of options on or around Completion. The actual number of options to be granted will be determined by dividing the aggregate value of the options, by the value per option calculated on or around Completion using a Black Scholes valuation at the Offer Price. For example, based on a calculation undertaken around the date of the Original Prospectus, Leanne would be granted 864,625 options. Each option will be exercisable over one Share and have an exercise price equal to the Offer Price. This grant of options to Leanne comprises three tranches which, subject to satisfaction of relevant conditions and Completion occurring, are intended to vest on 30 June 2018, 30 June 2019 and 30 June 2020 respectively. Each tranche will be subject to a performance condition based on amaysim's EPS CAGR for the relevant vesting period, and Leanne's continued employment with amaysim. The percentage of each tranche of options that vest, if any, will be determined over the relevant vesting period by reference to the same vesting schedule as applies to Julian (described in Section 6.7.1), and the relevant target CAGR for each vesting period will be determined by the Board on or prior to Completion. These options will be issued with disclosure under

Chapter 6D of the Corporations Act. The Board does not intend to make any further grants under the Long Term Incentive Plan to Leanne before at least 1 July 2017. Refer to Section 6.9.2 for a summary of the terms of the Long Term Incentive Plan.

Leanne's employment contract will continue on foot until terminated. amaysim or Leanne may terminate Leanne's employment by providing at least six months notice in writing before the proposed date of termination, during which time Leanne is restrained from providing services to competitors and other third parties. amaysim may also terminate Leanne's employment immediately and without payment in lieu of notice for any act of serious misconduct, which includes wilful or deliberate behaviour that is inconsistent with continuation of Leanne's contract, or conduct that causes imminent and serious risk to the health or safety of a person or the reputation, viability or profitability of amaysim's business. In this case, Leanne's contract provides for a six month restraint following termination, enforceability of which is subject to all usual legal requirements.

6.9 EMPLOYEE INCENTIVE ARRANGEMENTS

amaysim has established various incentive arrangements to assist in the attraction, motivation and retention of management and employees of amaysim as set out below.

6.9.1 EMPLOYEE SHARE PLAN

The ESP was designed to permit eligible employees to participate, at the invitation of the Board, in the acquisition of Shares on and from listing of amaysim on ASX on terms and conditions determined by the Board.

Upon vesting, the Board expects to issue one Share per Share Right for nil consideration to each participant. In the event of any capital reconstruction, the number of Share Rights held by each participant will be adjusted accordingly. The Board does not propose to issue any further Share Rights under the ESP.

As described in Sections 6.7.1 and 6.8.2, amaysim has granted Share Rights to Julian Ogrin and Leanne Wolski.

amaysim has also granted Share Rights to 39 other Employee Shareholders. On Completion, these 39 Employee Shareholders will hold 2,783,038 Share Rights, 50% of which are expected to vest into Shares (on a 1:1 basis) on or about the FY2016 Release Date, with the remainder to vest into Shares (on a 1:1 basis) on or about the FY2017 Release Date. Immediately before Completion, these Employee Shareholders will be issued 1,391,512 Shares in total upon vesting of an equivalent number of Share Rights. Unvested Share Rights will automatically lapse when a participant ceases to be employed by amaysim, except for certain qualifying reasons (being death, disablement, retirement or redundancy or as otherwise determined by the Board). If a participant ceases to be employed for a qualifying reason after listing, unvested Share Rights will immediately vest into Shares.

Share Rights are non-transferable. Shares issued to Employee Shareholders (other than Julian Ogrin and Leanne Wolski) upon vesting under the ESP may be sold or transferred on and from listing after the relevant participant submits a notice of withdrawal to the ESP administrator. As described in Section 6.8.2, in relation to Leanne, the tranche of Shares that is expected to be issued in respect of the Share Rights that will vest immediately before Completion (to the extent not sold to SaleCo at the Offer Price under the Offer), will be subject to the voluntary escrow arrangements described in Section 6.10.

6.9.2 LONG TERM INCENTIVE PLAN

The Long Term Incentive Plan is a long term incentive plan, under which options or performance rights to subscribe for or be transferred Shares (**LTI Awards**) may be offered to eligible employees (including executives, officers and permanent employees) selected by the Directors at their discretion.

The invitations issued to eligible employees will include information such as performance conditions and any trading restrictions on dealing with Shares allocated on vesting or exercise of an LTI Award. Upon acceptance of an invitation, the Directors will grant LTI Awards in the name of the eligible employee. On vesting, one LTI Award is exercisable into or entitles the holder to one Share. Unless otherwise specified in an invitation, the Directors have the discretion to settle LTI Awards with a cash equivalent payment. Participants in the Long Term Incentive Plan will not pay any consideration for the grant of the LTI Awards unless the Directors otherwise determine.

LTI Awards will not be listed and may not be transferred, assigned or otherwise dealt with except with the approval of the Directors (or by force of law upon death to the participant's legal personal representative or upon bankruptcy to the participant's trustee in bankruptcy). LTI Awards will only vest where the performance conditions and any other relevant conditions advised to the participant by the Directors have been satisfied. The Directors may determine such conditions (including vesting schedules) at their discretion, and these may be similar to the conditions applicable to the initial grants of LTI Awards to Julian Ogrin and Leanne Wolski described in Sections 6.7.1 and 6.8.2. An unvested LTI Award will lapse in a number of circumstances including where performance conditions are not satisfied within the relevant time period, the participant deals with the LTI Award in breach of the rules of the Long Term Incentive Plan, or in the opinion of the Directors, a participant has acted fraudulently or dishonestly.

If a participant's employment or engagement with amaysim (or its subsidiaries) terminates before the LTI Awards have vested, the LTI Awards will lapse (in the case of resignation or dismissal) or a pro rata proportion of the LTI Awards will lapse (in the case of other cessation of employment), unless the invitation provides otherwise or the Directors in their absolute discretion determine that some or all of the unvested LTI Awards will become vested. Where there is a takeover bid made for shares in amaysim, the Directors must, and where there is a scheme of arrangement proposed in relation to amaysim, the Directors may, consider whether, and may in their absolute discretion determine that, all or a part of the participant's unvested LTI Awards will become vested LTI Awards. If there are certain variations of the share capital of amaysim including a capitalisation or rights issue, subdivision, consolidation or reduction in share capital, the Directors may make such adjustments as they consider appropriate under the Long Term Incentive Plan, in accordance with the provisions of the ASX Listing Rules.

Participants who are holding a LTI Award issued pursuant to the Long Term Incentive Plan have no rights to dividends and no rights to vote at meetings of amaysim until that LTI Award is vested and, where required, exercised, and the participant is the holder of a Share. Shares issued upon vesting and, where required, exercise, of the LTI Awards will upon allotment rank equally in all respects with other Shares. amaysim will apply for quotation on ASX of the Shares issued under the Long Term Incentive Plan. No LTI Awards or Share may be offered under the Long Term Incentive Plan if to do so would contravene the Corporations Act, the ASX Listing Rules or instruments of relief issued by ASIC from time to time.

6.10 ESCROW ARRANGEMENTS

6.10.1 ESCROW RESTRICTION

All of the Shares held on Completion by the Escrowed Shareholders (other than any Shares purchased by them under the Offer) will be subject to voluntary escrow arrangements. The Escrowed Shareholders comprise the Founders, (and associated investment vehicles), the Financial Shareholders, and Leanne Wolski.

Under the terms of these arrangements, subject to certain exceptions described below, Shares held by the Escrowed Shareholders may only be sold after 4:15pm (Sydney time) on the FY2016 Release Date.

6.10.2 ESCROW TERMS

Each Escrowed Shareholder has entered into an escrow deed in respect of their shareholding held on Completion (other than Shares acquired under the Offer), which prevents them from dealing with their respective escrowed Shares for the applicable escrow period as described above. The restriction on 'dealing' is broadly defined and includes, among other things, selling, assigning, transferring or otherwise disposing of any legal, beneficial or economic interest in the Shares, encumbering or granting a security interest over the Shares (except to the extent permitted by the deed as outlined below), doing, or omitting to do, any act if the act or omission would have the effect of transferring effective ownership or control of any of the Shares or agreeing to do any those things.

All of the Escrowed Shareholders may be released early from these escrow obligations to enable, in summary:

- the Escrowed Shareholder to accept an offer under a takeover bid in relation to its Shares, or to tender its Shares into a bid acceptance facility established in connection with a takeover bid, if holders of at least half of the Shares the subject of the bid that are not held by the Escrowed Shareholders have accepted the takeover bid or tendered (and not withdrawn) their Shares into the bid acceptance facility and, in relation to accepting an offer under a takeover bid only, the takeover bid is unconditional or all conditions have been waived;
- the Shares held by the Escrowed Shareholders to be transferred or cancelled as part of a merger by scheme of arrangement under Part 5.1 of the Corporations Act which has received all necessary approvals; or
- Escrowed Shareholders to participate in an equal access buy-back or equal return of capital or other similar pro rata reorganisation which has received all necessary approvals.

During the escrow period, Escrowed Shareholders whose Shares remain subject to escrow may dispose of any of their Shares to the extent the disposal is required by applicable law (including an order of a court of competent jurisdiction), or to the extent the disposal is to an affiliate or affiliated fund entity or to a trust or entity which the Escrowed Shareholder is respectively a beneficiary of or controls, where the transferee also enters into an escrow arrangement with the Company on substantially the same terms.

During the escrow period, Escrowed Shareholders may encumber any or all of their Shares to a bona fide third party financial institution as security for a loan, hedge or other financial accommodation, provided that the encumbrance does not in any way constitute a direct or indirect disposal of the economic interests, or decrease an economic interest, that the Escrowed Shareholder has in any of its escrowed Shares and no escrowed Shares may be transferred to the financial institution in connection with the encumbrance (with the documentation for such encumbrance making it clear that the escrowed Shares remain in escrow and subject to the voluntary escrow arrangements for the term of those arrangements).

6.11 CORPORATE GOVERNANCE

This Section 6.11 explains how the Board will oversee the management of amaysim's business. The Board is responsible for the overall corporate governance of the Group. The Board monitors the operational and financial position and performance of amaysim and oversees its business strategy, including approving the strategic goals of the Company and considering and approving an annual business plan, including a budget. The Board is committed to maximising performance, generating appropriate levels of Shareholder value and financial return, and sustaining the growth and success of amaysim. In conducting business with these objectives, the Board

seeks to ensure that amaysim is properly managed to protect and enhance Shareholder interests, and that amaysim, and its directors, officers and personnel operate in an appropriate environment of corporate governance. Accordingly, the Board has created a framework for managing amaysim, including adopting relevant internal controls, risk management processes and corporate governance policies and practices which it believes are appropriate for amaysim's business and which are designed to promote the responsible management and conduct of amaysim. The main policies and practices adopted by amaysim, which will take effect from listing, are summarised below. In addition, many governance elements are contained in the Constitution. amaysim's Code of Conduct outlines the standards of conduct expected of amaysim's business and personnel in a range of circumstances. In particular, the code requires awareness of, and compliance with, laws and regulations relevant to amaysim's other policies and procedures. Details of amaysim's key policies and practices and the charters for the Board and each of its committees will be available from listing at www.amaysim.com.au.

amaysim is seeking a listing on ASX. The ASX Corporate Governance Council has developed and released corporate governance recommendations for Australian listed entities in order to promote investor confidence and to assist companies to meet stakeholder expectations. The ASX Recommendations are not prescriptions, but guidelines. However, under the ASX Listing Rules, amaysim will be required to provide a statement in its annual report disclosing the extent to which it has followed the recommendations in the reporting period. Where amaysim does not follow a recommendation, it must identify the recommendation that has not been followed and give reasons for not following it. Except as set out below, the Board does not anticipate that it will depart from the recommendations, however, it may do so in the future if it considers that such a departure would be reasonable.

6.11.1 BOARD CHARTER

The Board has adopted a written charter to provide a framework for the effective operation of the Board. The charter addresses the following matters and responsibilities of the Board:

- the Board's composition and processes;
- the Board's role and responsibilities;
- the relationship and interaction between the Board and management; and
- the authority delegated by the Board to management and Board committees.

The charter requires a majority of Directors to be independent. Prima facie, amaysim considers a Director to be independent if they are not a substantial shareholder and are free of any business or other relationship that could materially interfere with the independent exercise of the Director's judgement. A business relationship is considered to be material if it represents over 5% of amaysim's annual turnover or expenses as applicable or over 5% of the individual Director's net worth.

The Board's role is to:

- represent and serve the interests of Shareholders by overseeing and appraising amaysim's strategies, policies and performance. This includes overseeing the financial and human resources amaysim has in place to meet its objectives, overseeing risk management and reporting and reviewing management performance;
- protect and optimise amaysim's performance and build sustainable value for Shareholders in accordance with any duties and obligations imposed on the Board by law and the constitution of amaysim and within a framework of prudent and effective controls that enable risk to be assessed and managed;
- set, review and ensure compliance with amaysim's values and governance framework (including establishing and observing high ethical standards); and
- ensure that Shareholders are kept informed of amaysim's performance and major developments affecting its state of affairs.

Matters which are specifically reserved for the Board or its committees include:

- appointment of a Chairman;
- appointment and removal of the Chief Executive Officer and Chief Financial Officer;
- appointment of Directors to fill a vacancy or as an additional Director;
- establishment of Board committees, their membership and delegated authorities;
- approval of dividends;
- review of corporate codes of conduct;
- approval of major capital expenditure, acquisitions and divestitures in excess of authority levels delegated to management;
- calling of meetings of Shareholders; and
- any other specific matters nominated by the Board from time to time.

The management function is conducted by, or under the supervision of, the Chief Executive Officer as directed by the Board (and by officers to whom the management function is properly delegated by the Chief Executive Officer). Management must supply the Board with information in a form, timeframe and quality that will enable the Board to discharge its duties effectively. Directors are entitled to request additional information at any time they consider it appropriate.

6.11.2 BOARD COMMITTEES

The Board may from time to time establish appropriate committees to assist in the discharge of its responsibilities. The Board has established the Audit and Risk Management Committee and the Remuneration and Nomination Committee.

Other committees may be established by the Board as and when required. Membership of Board committees will be based on the needs of amaysim, relevant legislative and other requirements and the skills and experience of individual Directors.

6.11.3 AUDIT AND RISK MANAGEMENT COMMITTEE

The Audit and Risk Management Committee's charter provides that the committee must comprise only Non-Executive Directors, a majority of independent Directors, an independent Chair who is not the Chairperson of the Board, and a minimum of three members of the Board. In accordance with its charter, it is intended that all members of the committee should be financially literate and have familiarity with both financial and risk management. At least one member should have relevant qualifications and experience and some members should have an understanding of the industries in which amaysim operates. The Audit and Risk Management Committee will comprise:

- Maria Martin (Chairperson);
- Thorsten Kraemer; and
- Rolf Hansen.

Non-committee members, including members of management and the external auditor, may attend meetings of the committee by invitation of the committee Chairperson.

The committee will assist the Board in carrying out its corporate governance and oversight responsibilities in relation to amaysim's financial reports and financial reporting process and internal control structure, risk management systems (financial and non-financial) and the internal and external audit process. The committee's responsibilities include:

- overseeing the process of financial reporting (including to assist the Chief Executive Officer or Chief Financial Officer with providing their declaration under section 295A of the Corporations Act), internal control, continuous disclosure, financial and non-financial risk management and compliance and external audit;
- overseeing amaysim's relationship with the external auditor and the external audit function generally;
- evaluating the adequacy of processes and controls established to identify and manage areas of potential risk; and
- monitoring amaysim's compliance with laws and regulations and amaysim's own codes of conduct and ethics.

Under the charter, it is the policy of amaysim that its external auditing firm must be independent of it. The committee will review and assess the independence of the external auditor on an annual basis.

6.11.4 REMUNERATION AND NOMINATION COMMITTEE

The Remuneration and Nomination Committee's charter provides that the committee must consist of only Non-Executive Directors, a majority of independent Directors, a minimum of three members of the Board, and an independent Director as Chair.

The current members of the committee are:

- Andrew Reitzer (Chairperson);
- Jodie Sangster; and
- Peter O'Connell.

The main functions of the committee are to assist the Board with a view to establishing a Board of effective composition, size, diversity and expertise to adequately discharge its responsibilities and duties, and assist the Board with a view to discharging its responsibilities to Shareholders and other stakeholders to seek to ensure that amaysim:

- has coherent remuneration policies and practices which enable amaysim to attract and retain Directors and executives who will create value for Shareholders, including succession planning for the Board and executives;
- fairly and responsibly remunerates Directors and executives, having regard to the performance of amaysim, the performance of the executives and the general remuneration environment;
- has policies to evaluate the performance of the Board, individual Directors and executives on (at least) an annual basis; and
- has effective policies and procedures to attract, motivate and retain appropriately skilled and diverse persons to meet amaysim's needs.

6.12 RISK MANAGEMENT POLICY

Proper management of amaysim's risks is an important priority of the Board. The Board has adopted a Risk Management Policy appropriate for its business. This policy highlights amaysim's commitment to designing and implementing systems and methods appropriate to identify, minimise and control its risks.

The Board is responsible for establishing risk parameters, overseeing and approving the risk management system and monitoring its effectiveness. The Board may delegate these functions to the Audit and Risk Management Committee or a separate risk committee in the future. The Board will regularly undertake reviews of its risk management procedures to ensure that it complies with its legal obligations. The Board has in place a system whereby management is required to report as to its adherence to policies and guidelines approved by the Board for the management of risks.

6.13 DIVERSITY POLICY

amaysim values a strong and diverse workforce and is committed to developing measurable objectives to achieve diversity and inclusion in its workplace. amaysim has implemented a Diversity Policy which is overseen by the Remuneration and Nomination Committee and which aligns amaysim's management systems with the commitment to develop a culture and business model that values and achieves diversity in its workforce and on its Board. In its annual report, amaysim will disclose the measurable objectives for achieving diversity and progress towards the policy's goals, and will also disclose the proportion of men and women employees in the whole organisation, in senior executive positions and on the Board.

6.14 CODE OF CONDUCT

The Board is committed to a high level of integrity and ethical standards in all business practices. Accordingly, the Board has adopted a formal Code of Conduct which outlines how amaysim expects its representatives to behave and conduct business in the workplace and includes legal compliance and guidelines on appropriate ethical standards. All employees of amaysim (including temporary employees, contractors and Directors) must comply with the Code of Conduct.

The Code of Conduct is designed to:

- provide a benchmark for professional behaviour throughout amaysim;
- support amaysim's business reputation and corporate image within the community; and
- make Directors and employees aware of the consequences if they breach the Code of Conduct.

6.15 CONTINUOUS DISCLOSURE POLICY

Once listed, amaysim will be required to comply with the continuous disclosure requirements of the ASX Listing Rules and the Corporations Act. Subject to the exceptions contained in the ASX Listing Rules, amaysim will be required to disclose to ASX any information concerning the Company which is not generally available and which a reasonable person would expect to have a material effect on the price or value of the Shares. amaysim is committed to observing its disclosure obligations under the ASX Listing Rules and the Corporations Act. amaysim has adopted a Continuous Disclosure Policy, to take effect from Completion, which establishes procedures which are aimed at ensuring that Directors and senior management are aware of and fulfil their obligations in relation to the timely disclosure of material price-sensitive information. Under the policy, the Board will be responsible for managing amaysim's compliance with its continuous disclosure obligations. Information will be communicated to Shareholders through the lodgement of all relevant financial and other information with ASX and continuous disclosure announcements will be made available on amaysim's website at www.amaysim.com.au

6.16 SECURITIES TRADING POLICY

amaysim has adopted a Securities Trading Policy which will apply to amaysim and its Directors and employees (including those persons having authority and responsibility for planning, directing and controlling the activities of amaysim, whether directly or indirectly). The policy is intended to explain the types of conduct in dealings in securities that are prohibited under the Corporations Act and establish procedures for the buying and selling of securities that protects amaysim and its Directors and employees against the misuse of unpublished information which could materially affect the value of securities. Subject to certain exceptions, including exceptional financial circumstances, the policy defines certain 'prohibited periods' during which trading in Shares by amaysim's directors and employees is prohibited.

6.17 SHAREHOLDER COMMUNICATIONS

amaysim's aim is to ensure that Shareholders are kept informed of all major developments affecting the state of affairs of amaysim. In addition to amaysim's continuous disclosure obligations, amaysim recognises that potential investors and other interested stakeholders may wish to obtain information about amaysim from time to time and amaysim will communicate this information regularly to Shareholders and other stakeholders through a range of forums and publications. All ASX announcements made to the market, including annual and half year financial results, will be posted on amaysim's website at www.amaysim.com.au as soon as practicable following their release by ASX. The full text of all notices of meetings and explanatory material, amaysim's annual report and copies of all investor presentations made to analysts and media briefings will be posted on amaysim's website. The website will also contain a facility for the Shareholders to direct queries to amaysim.

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Section 7

Details of the Offer



7.1 THE OFFER

This Prospectus relates to an initial public offering of new Shares by amaysim and the sale of existing Shares by SaleCo. amaysim will issue 7.2 million new Shares raising proceeds of \$12.9 million, and SaleCo will sell 107.9 million existing Shares raising proceeds of \$194.2 million.

On Completion, 59.8 million Shares (representing approximately 34% of the issued Shares) will be subject to certain voluntary escrow arrangements described in Section 6.10.

The total number of Shares on issue at Completion will be 176.2 million and all Shares on issue will rank equally with each other. A summary of the rights attaching to the Shares is set out in Section 7.10.4.

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

7.1.1 STRUCTURE OF THE OFFER

The Offer comprises:

- the **Retail Offer**, which consists of the:
 - **Broker Firm Offer** – which is open to Australian Retail Broker Clients and New Zealand Exempt Broker Clients who receive an invitation from a Broker to acquire Shares under this Prospectus; and
 - **Priority Offer** – which is open to selected investors in eligible jurisdictions who have received a Priority Offer invitation; and
- the **Institutional Offer**, which consists of an offer to Institutional Investors in Australia and certain other jurisdictions around the world, made under this Prospectus.

No general public offer of Shares will be made under the Offer. For further details of the:

- Broker Firm Offer and the allocation policy under it, see Section 7.4.
- Priority Offer and the allocation policy under it, see Section 7.5.
- Institutional Offer and the allocation policy under it, see Section 7.6.

The allocation of Shares between the Retail Offer, the Priority Offer and the Institutional Offer was determined by the Joint Lead Managers in consultation with the Company, having regard to the allocation policies outlined in Sections 7.4.5, 7.5.4 and 7.6.2.

7.1.2 PURPOSE OF THE OFFER AND USE OF PROCEEDS

The Offer is being conducted to provide:

- a liquid market for Shares and an opportunity for others to invest in the Company;
- amaysim with access to the capital markets to improve capital management flexibility;
- amaysim with the benefits of an increased profile that arises from being a listed entity;
- funds to pay the transaction costs associated with the Offer;
- an enhanced profile to assist amaysim to attract and retain quality employees; and
- Existing Shareholders with an opportunity to realise, in whole or in part as the case may be, their investment in amaysim.

Figure 54: Sources and uses of Offer proceeds

Sources		Uses	
Cash proceeds received from issue of New Shares	\$12.9 million	Payment of costs of the Offer	\$12.9 million
Cash proceeds received from the sale of Shares by SaleCo	\$194.2 million	Payment to Existing Shareholders	\$194.2 million
Total sources	\$207.0 million	Total uses	\$207.0 million

7.1.3 PRO FORMA CONSOLIDATED HISTORICAL BALANCE SHEET

The Company's pro forma balance sheet following Completion, including details of the pro forma adjustments is set out in Section 4.4.1.

7.1.4 CAPITALISATION AND INDEBTEDNESS

The Company's capitalisation and indebtedness before and following Completion, is set out in Section 4.4.2.

7.1.5 CAPITAL STRUCTURE

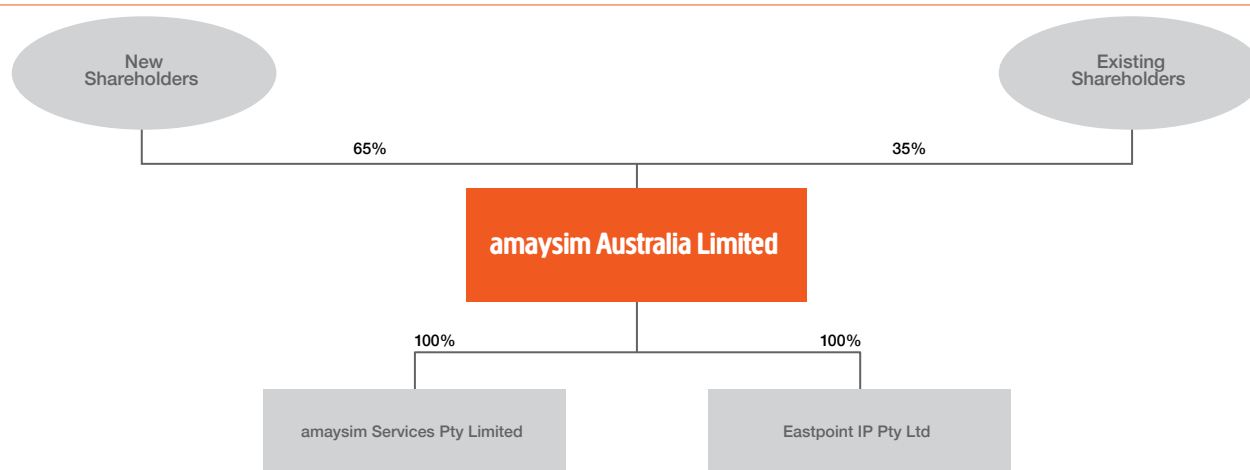
The details of the ownership of Shares and other securities immediately prior to and on Completion are set out below.

Figure 55: Capital structure

	Shares held pre-Completion ¹		Shares issued/ acquired/ (sold)	Shares held on Completion		Share Rights held on Completion	Value of options held on Completion
	(m)	%	(m)	(m)	%	(m)	(m)
Shark Holding/Founders ¹	72.8	43.1%	(36.4)	36.4	20.7%	–	–
Financial Shareholders ²	93.9	55.5%	(70.6)	23.2	13.2%	–	–
Employee Shareholders ³	2.3	1.4%	(0.8)	1.5	0.9%	4.7	\$1,271,250 ⁴
New Shareholders	–	–	115.0	115.0	65.3%	–	–
Total	169.0⁵	100.0%	7.2	176.2	100.0%	4.7	\$1,271,250

1. The Founders includes Directors, Peter O'Connell and Rolf Hansen. Peter currently has indirect economic interests in 15,467,905 Shares. After the sale of certain of the Shares through SaleCo to investors, on Completion, Peter will have interests (direct or indirect) in 7,734,010 Shares (being 4.4% of Shares). Rolf currently has indirect economic interests in 15,467,905 Shares. After the sale of certain of the Shares through SaleCo to investors, on Completion, Rolf will have interests (direct or indirect) in 7,734,010 Shares (being 4.4% of Shares). On or after Completion, each Founder will choose to hold his remaining interest in amaysim in his own name or an investment vehicle not associated with Shark Holding.
2. The Financial Shareholders represent 17 financial investors in amaysim, the largest of which (and the only one that currently holds more than 10% of the Shares) is HSBC Bank Malta plc as trustee of a trust for Iren Investments Ltd, whose majority shareholder is the Libyan Investment Authority. Iren has agreed to sell its entire 11.3% shareholding to SaleCo as described in Sections 7.1.6 and 7.2.2.
3. As at the date of the Original Prospectus, the 41 Employee Shareholders hold 7,025,830 Share Rights (adjusting for the Share split described in Section 7.1.6). On or before Completion, 2,341,938 million Shares are expected to be issued (including 833,605 to Julian Ogrin and 116,821 to Leanne Wolski) to these Employee Shareholders pursuant to vesting of an equivalent number of Share Rights under the ESP, as described in Sections 6.7.1, 6.8.2 and 6.9.1. Julian intends to sell his Shares through SaleCo under the Offer. Shares held by other Employee Shareholders following Listing may be sold by those Shareholders (other than Leanne, whose Shares are subject to the escrow arrangements described in Section 6.10). The 41 Employee Shareholders will hold 4,683,892 Share Rights on Completion. This figure excludes any additional Shares which may be acquired by Existing Shareholders under the Offer.
4. On or before Completion, Julian and Leanne will be granted \$877,500 and \$393,750 worth of options under the Long Term Incentive Plan – refer to Sections 6.7.1, 6.8.2 and 6.9.2. The actual number of options to be granted to Julian and Leanne will be determined by dividing the aggregate value of their options, by the value per option calculated on or around Completion using a Black Scholes valuation at the Offer Price. For example, based on a calculation undertaken around date of the Original Prospectus, Julian would be granted 1,926,875 options, and Leanne would be granted 864,625 options.
5. As at date of the Original Prospectus, amaysim has 166,668,075 total Shares on issue (adjusting for the Share split described in Section 7.1.6) to Shark Holding and the Financial Shareholders. On or before Completion, a further 2.3 million Shares will be issued to 41 Employee Shareholders as described in footnote 3.

Figure 56: Group structure diagram on Completion



amaysim Australia Limited is the parent of the amaysim group of companies. amaysim Services Pty Ltd employs amaysim's service centre staff. Eastpoint IP Pty Ltd holds intellectual property related to the amaysim brand name, and was acquired from the Founders in the Brand Name Acquisition described in Section 4.2.4. Both amaysim Services Pty Ltd and Eastpoint IP Pty Ltd are wholly-owned subsidiaries.

7.1.6 PRE-COMPLETION STEPS

SaleCo, a special purpose vehicle, has been established to facilitate the sale of Shares by the Existing Shareholders. SaleCo was registered on 13 April 2015 and has no material assets, liabilities or operations other than its interest in the sale agreements described in Section 7.2. The sole shareholder of SaleCo is Julian Ogrin. The directors of SaleCo are Julian Ogrin, Leanne Wolski and Maik Retzlaff. amaysim has agreed to provide such resources and support as are necessary to enable SaleCo to discharge its functions in relation to the Offer and has indemnified SaleCo in respect of certain costs of the Offer. amaysim has indemnified SaleCo and the shareholder and the directors of SaleCo for any loss which SaleCo or the shareholder or the directors of SaleCo may incur in relation to certain documents related to the Offer (including this Prospectus) or the Offer.

Before the Prospectus Date, Existing Shareholders executed sale agreements as described in Section 7.2 which set out the terms upon which Existing Shareholders may sell Shares to SaleCo on or before Completion for cash consideration equal to the Offer Price per Share. SaleCo is offering these Shares to investors under the Offer at the Offer Price and will transfer them to Successful Applicants as part of Completion. SaleCo will pay proceeds received by it from Successful Applicants to or at the direction of Existing Shareholders. amaysim is also offering 7.2 million Shares to investors under the Offer at the Offer Price per Shares. It will issue those Shares to Successful Applicants as part of Completion and be entitled to retain (or direct payment of) proceeds from that issue.

As part of or prior to Completion, each Share will be subdivided into 145 Shares. The numbers of Shares (and Share Rights) in this Prospectus are presented on the basis that the Share split has occurred. The Share split will ensure that the number of Shares acquired by Successful Applicants under the Offer, and on issue on Completion, equals the equivalent numbers of Shares referred to in this Prospectus (and that the number of Share Rights is appropriately adjusted to take account of the Share split).

7.1.7 CONTROL IMPLICATION OF THE OFFER

The Directors do not expect any Shareholder will control (as defined by section 50AA of the Corporations Act) amaysim on Completion. On Completion, it is expected that approximately 34% of Shares will be subject to the voluntary escrow arrangements described in Sections 6.8.2 and 6.10.

7.1.8 POTENTIAL EFFECT OF THE FUNDRAISING ON THE FUTURE OF AMAYSIM

The Directors believe that on Completion, amaysim will have sufficient funds available from the proceeds of the Offer and its operations to fulfil the purposes of the Offer and meet the Company's stated business objectives.

7.2 SALE AGREEMENTS

The sale agreements set out below are governed by Australian law.

7.2.1 SHARK HOLDING

Under a share sale agreement, the formation of which is subject to a condition precedent that the Exposure Period has ended and that amaysim and SaleCo are capable of accepting applications under section 727(3) of the Corporations Act, Shark Holding agrees to sell 36.4 million Shares to SaleCo as part of Completion, free from encumbrances and third party rights.

Under a further share sale agreement, the formation of which is also subject to a condition precedent that the Exposure Period has ended and amaysim and SaleCo are capable of accepting applications under section 727(3) of the Corporations Act, Shark Holding also agrees to transfer as part of Completion all its remaining Shares to, or at the direction of, the Founders or associated investment vehicles.

This Prospectus is prepared and presented on the basis that Shark Holding and the Founders (or associated investment vehicles) have not elected to withdraw from the above sale agreements prior to satisfaction of this condition precedent, and that those arrangements complete on Completion. For example, references in this Prospectus to the number of Shares Shark Holding or a Founder may or will sell (or hold), or the size of the Offer, are presented on the basis of this assumption. On completion of these transfers, Shark Holding will cease to be a shareholder in amaysim, and SaleCo, following the acquisition of Shares from Shark Holding, would sell them to Successful Applicants under the Offer. If this does not occur, the Joint Lead Managers, amaysim and SaleCo may determine to withdraw the Offer. If the Offer is withdrawn, any application monies held by amaysim and SaleCo will be returned to investors (without interest). If the Offer proceeds, fewer proceeds will be returned to Shark Holding and Shark Holding or the relevant Founder (or associated investment vehicle) will, on Completion, hold the Shares not sold. All Shares held by the Founders (or associated investment vehicles) or Shark on Completion will be subject to the escrow arrangements described in Section 6.10.

7.2.2 OTHER SALE AGREEMENTS

The Existing Shareholders (other than Shark Holding) who are selling Shares as described in this Section 7, have executed agreements in favour of, and for the benefit of, SaleCo under which they agree to sell some of their Shares to SaleCo (in aggregate 71.5 million Shares), free from encumbrances and third party rights and conditional on Completion.

The Shares that SaleCo acquires from those Existing Shareholders will be transferred to Successful Applicants under the Offer at the Offer Price.

7.3 TERMS AND CONDITIONS OF THE OFFER

Topic	Summary
What is the type of security being offered?	Shares (being fully paid ordinary shares in amaysim).
What are the rights and liabilities attached to the securities?	A description of the Shares, including the rights and liabilities attaching to them, is set out in Section 7.10.4.
What is the consideration payable for each security being offered?	Successful Applicants under the Offer will pay the Offer Price, being \$1.80 per Share.
What is the Offer Period?	The key dates, including details of the Offer Period relating to each component of the Offer, are set out on page 3. The timetable is indicative only and may change. Unless otherwise indicated, all times are stated in Sydney time. The Company, SaleCo and the Joint Lead Managers may vary the times and dates without notice (including, subject to the ASX Listing Rules and the Corporations Act, to close the Offer early, to extend the Offer Period relating to any component of the Offer, to accept late applications, either generally or in particular cases, or to cancel or withdraw the Offer before Completion, in each case without notifying any recipient 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.
What are the cash proceeds to be raised?	\$207.0 million will be raised under the Offer (\$194.2 million to be paid to or at the direction of SaleCo and \$12.9 million to be paid to or at the direction of amaysim).
Is the Offer underwritten?	Yes. The Joint Lead Managers have underwritten the Offer pursuant to the Underwriting Agreement. Details are provided in Section 9.5.
Who are the Joint Lead Managers for the Offer?	The Joint Lead Managers are Goldman Sachs and Macquarie Capital.
What is the minimum and maximum application size under the Offer?	The minimum application under the Broker Firm Offer is as directed by the applicant's Broker and there is no maximum value of Shares that may be applied for under the Broker Firm Offer. The Joint Lead Managers, the Company and SaleCo reserve the right to treat any applications in the Broker Firm Offer that are from persons who they believe may be Institutional Investors, as bids in the Institutional Offer or to reject the applications. The Joint Lead Managers, the Company and SaleCo also reserve the right to aggregate any applications that they believe may be multiple applications from the same person. Applications under the Priority Offer must be for a minimum of \$2,000 worth of Shares, and in multiples of \$500 worth of Shares thereafter.
What is the allocation policy?	The allocation policies for the Offer are set out in: • Section 7.4.5 (Broker Firm Offer); • Section 7.5.4 (Priority Offer); and • Section 7.6.2 (Institutional Offer).

Topic	Summary
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 Wednesday, 15 July 2015. Refunds to applicants under the Priority Offer who make an application and are scaled back will be made as soon as possible following Completion, which is expected to occur on or about Tuesday, 14 July 2015.
Will the Shares be quoted on ASX?	amaysim has applied to ASX for admission to the Official List and quotation of Shares on ASX (which is expected to be under the code AYS). Completion is conditional on 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 Offer 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. amaysim will be required to comply with the ASX Listing Rules, subject to any waivers obtained by the Company from time to time. ASX takes no responsibility for this Prospectus or the investment to which it relates. The fact that ASX may admit the Company to the Official List is not to be taken as an indication of the merits of amaysim or the Shares offered for subscription.
When are the Shares expected to commence trading?	It is expected that trading of the Shares on ASX will commence on or about Wednesday, 15 July 2015, initially on a deferred settlement basis. Trading will be on a deferred settlement basis until amaysim has advised ASX that holding statements have been dispatched to Shareholders. Normal settlement trading is expected to commence on or about Thursday, 16 July 2015. It is the responsibility of each applicant to confirm their holding before trading in Shares. Applicants who sell Shares before they receive an initial holding statement do so at their own risk. The Company, SaleCo, the Share Registry and the Joint Lead Managers disclaim all liability, whether in negligence or otherwise, to persons who sell Shares before receiving their initial holding statement, even if such person received confirmation of allocation from the amaysim Offer Information Line, from a Broker or otherwise.
Are there any escrow arrangements?	Yes. Details are provided in Section 6.10.
Has an ASIC relief or ASX waiver been sought, obtained or been relied on?	No, except as described in Section 9.6.
Are there any tax considerations?	Refer to Section 9.8.
Is there any brokerage, commission or stamp duty considerations?	No brokerage, commission or stamp duty is payable by applicants on acquisition of Shares under the Offer. See Section 6.6 for details of various fees payable by amaysim to the Joint Lead Managers and by the Joint Lead Managers to Brokers.
What should you do with any enquiries?	All enquiries in relation to this Prospectus should be directed to the amaysim Offer Information Line on 1300 374 815 (within Australia) or +61 3 9415 4114 (outside Australia) from 8:30am until 5:00pm (Sydney time), Monday to Friday. All enquiries in relation to the Broker Firm Offer should be directed to your Broker. If you are unclear in relation to any matter or are uncertain as to whether amaysim is a suitable investment for you, you should seek professional guidance from your stockbroker, solicitor, accountant, financial adviser or other independent professional adviser before deciding whether to invest.

7.4 BROKER FIRM OFFER

7.4.1 WHO MAY APPLY

The Broker Firm Offer is open to Australian Retail Broker Clients and New Zealand Exempt Broker Clients who receive an invitation from a Broker to acquire Shares under this Prospectus and are not located in the United States. You should contact your Broker to determine whether you can receive an allocation of Shares under the Broker Firm Offer.

7.4.2 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 Application Forms or payment to the Share Registry.

Australian Retail Broker Clients should contact their Broker to request a Prospectus and Application Form, or download a copy at www.amaysimsharesoffer.com.au. New Zealand Exempt Broker Clients should follow the instructions given by their Broker. Your Broker will act as your agent and it is your Broker's responsibility to ensure that your Application Form and application monies are received before 5:00pm (Sydney time) on the Closing Date or any earlier closing date as determined by your Broker.

Australian Retail Broker Clients should complete and lodge your Broker Firm Offer Application Form with the Broker from whom you received your invitation to acquire Shares under this Prospectus. 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 Application Form. New Zealand Exempt Broker Clients should follow the instructions given by their Broker.

By making an application, you declare that you were given access to the 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.**

Applicants under the Broker Firm Offer should contact their Broker about the minimum and maximum application size. The Company, SaleCo and the Joint Lead Managers reserve the right to aggregate any applications that they believe may be multiple applications from the same person. The Company 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 Company, SaleCo, the Joint Lead Managers and the Share Registry take no responsibility for any acts or omissions committed by your Broker in connection with your application.

The Broker Firm Offer opens at 9:00am (Sydney time) on Wednesday, 1 July 2015 and is expected to close at 5:00pm (Sydney time) on Thursday, 9 July 2015. The Company, SaleCo and the Joint Lead Managers may elect to close the Offer or any part of it early, extend the Offer or any part of it, or accept late applications either generally or in particular cases. The Offer or any part of it may be closed at any earlier time and date, without further notice. Your Broker may also impose an earlier closing date. Applicants are therefore encouraged to submit their applications as early as possible. Please contact your Broker for instructions.

7.4.3 HOW TO PAY

Applicants under the Broker Firm Offer must pay their application monies to their Broker in accordance with instructions provided by that Broker.

7.4.4 ACCEPTANCE OF APPLICATIONS UNDER THE BROKER FIRM OFFER

An application in the Broker Firm Offer is an offer by you to the Company and SaleCo to apply for Shares in the dollar amount specified in the Application Form at the Offer Price on the terms and conditions set out in this Prospectus (including any supplementary or replacement Prospectus) and the Application Form. At the time of making an application, an applicant will not know the precise number of Shares they will be allocated. To the extent permitted by law, an application by an applicant may not be varied and is irrevocable.

An application may be accepted in respect of the full amount, or any amount lower than that specified in the 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, conditional on Completion.

The Joint Lead Managers, in consultation with the Company, reserve 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 the applicant in completing their application.

Applicants whose applications are accepted in full will receive the whole number of Shares calculated by dividing the application monies provided, by the Offer Price. Where the Offer Price does not divide evenly into the application monies, the number of Shares to be allocated will be determined by the applicant's Broker.

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

7.4.5 ALLOCATION POLICY UNDER THE BROKER FIRM OFFER

The allocation of firm stock to Brokers was agreed by the Joint Lead Managers in consultation with the Company. Shares that have been allocated to Brokers for allocation to their clients will be issued or transferred to the applicants nominated by those Brokers (subject to the right of the Company and the Joint Lead Managers to reject, aggregate or scale back applications). It will be a matter for each Broker as to how they allocate Shares among their retail clients, and they (and not the Company, SaleCo or the Joint Lead Managers) will be responsible for ensuring that retail clients who have received an allocation from them receive the relevant Shares.

The Company expects to announce the final allocation policy under the Broker Firm Offer on or about Completion. Applicants in the Broker Firm Offer will be able to call the amaysim Offer Information Line on 1300 374 815 (within Australia) or +61 3 9415 4114 (outside Australia) from 8:30am to 5:00pm (Sydney time) to confirm their allocation. Applicants under the Broker Firm Offer, including those outside Australia, will also be able to confirm their allocation through the Broker from whom they received their allocation.

However, 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 amaysim Offer Information Line or confirmed your allocation through a Broker.

7.5 PRIORITY OFFER

7.5.1 WHO MAY APPLY

The Priority Offer is open to investors in Australia who have received a Priority Offer invitation to participate. If you are a Priority Offer Applicant, you should have received a personalised invitation to apply for Shares in the Priority Offer.

The Priority Offer is not open to persons in the United States.

7.5.2 HOW TO APPLY

If you have received a personalised invitation to apply for Shares under the Priority Offer and you wish to apply for all or some of those Shares, you should follow the instructions on your personalised invitation to apply.

You may apply for an amount up to and including the amount indicated on your personalised invitation. Applications under the Priority Offer must be for a minimum of \$2,000 worth of Shares and in multiples of \$500 worth of Shares thereafter.

By making an application, you declare that you were given access to this Prospectus (or any supplementary or replacement Prospectus), together with an Application Form. The Corporations Act prohibits any person from passing an Application Form to another person unless it is included in, or accompanied by, a hard copy of this Prospectus or the complete and unaltered electronic version of this Prospectus.

An application in the Priority Offer is an offer by an applicant to the Company to apply for Shares in the amount specified the Application Form at the Offer Price on the terms and conditions set out in this Prospectus (including any supplementary or replacement prospectus) and the Application Form (including the acknowledgements in Section 7.7). To the extent permitted by law, an application by an applicant under the Offer is irrevocable.

An application may be accepted by the Company, SaleCo and the Joint Lead Managers in respect of the full number of Shares specified in the Application Form without further notice to the applicant. The Company reserves the right to decline any application if it believes any provisions or procedures in this Prospectus, the Application Form or other laws or regulations may not be complied with in relation to the application.

Applicants whose applications are accepted in full will receive the whole number of Shares calculated by dividing the application monies provided by the Offer Price. Where the Offer Price does not divide evenly into the application monies, the number of Shares to be allocated will be rounded down (without refund or interest on any excess).

If the amount of your application monies that you pay is less than the amount specified on your Application Form, you may be taken to have applied for such lower Australian dollar amount of Shares for which your cleared application monies will pay (and to have specified that amount on your online Application Form) or your application may be rejected.

Acceptance of an application will give rise to a binding contract, conditional on Completion.

7.5.3 HOW TO PAY

If you are a Priority Offer Applicant, you must pay for Shares applied for following the instructions on your personalised invitation.

7.5.4 ALLOCATION POLICY UNDER THE PRIORITY OFFER

Offers under the Priority Offer will be at the absolute discretion of the Company.

Priority Offer Applicants will receive a guaranteed allocation up to and including the amount indicated on their personalised invitation. Allocations under the Priority Offer will be at the discretion of the Company, in consultation with the Joint Lead Managers, provided that those allocations (in aggregate) do not exceed \$1 million.

7.6 INSTITUTIONAL OFFER

7.6.1 INVITATIONS TO BID

The Institutional Offer consists of an invitation to certain Institutional Investors in Australia and a number of other eligible jurisdictions to apply for Shares at the Offer Price. The Joint Lead Managers have separately advised Institutional Investors of the application procedures for the Institutional Offer.

7.6.2 ALLOCATION POLICY UNDER THE INSTITUTIONAL OFFER

The allocation of Shares among applicants in the Institutional Offer was agreed by the Joint Lead Managers, in consultation with the Company. The Joint Lead Managers (in consultation with the Company) have absolute discretion regarding the basis of allocation of Shares among Institutional Investors.

Participants in the Institutional Offer have been advised of their allocation of Shares, if any, by the Joint Lead Managers. 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 for an informed and active trading market following Completion;
- the Company's desire to establish a wide spread of institutional Shareholders;
- overall level of demand under the Broker Firm Offer, Priority Offer and the 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 and the Joint Lead Managers considered appropriate.

7.7 RESTRICTIONS ON DISTRIBUTION

No action has been taken to register or qualify this Prospectus, the Shares that are the subject of the Offer or otherwise to permit a public offering of the Shares in any jurisdiction outside Australia. The Offer is not an offer or invitation in any jurisdiction where, or to any person to whom, such an offer or invitation would be unlawful.

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

This Prospectus does not constitute an offer or invitation to apply for Shares in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or invitation or issue under this Prospectus. In particular, the Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold, directly or indirectly, in the United States, except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

This Prospectus may not be released or distributed in the United States, and may only be distributed to persons to whom the Offer may lawfully be made in accordance with the laws of any applicable jurisdiction.

Each applicant under the Offer, and each person to whom the Offer is made under this Prospectus, 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 in the United States except in transactions exempt from, or not subject to, registration requirements of the US Securities Act and applicable US state securities laws;
- it is not in the United States;
- it has not and will not send the 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 pursuant to transactions exempt from, or not subject to, registration requirements of the US Securities Act and in compliance with all applicable laws in the jurisdiction which Shares are offered and sold.

Each applicant under the Institutional Offer will be required to make certain representations, warranties and covenants set out in the confirmation of allocation letter distributed to it.

If you are applying for Shares as a New Zealand Exempt Broker Client, you represent, warrant and acknowledge: (a) that you are a person within the meaning of that expression; (b) that Part 3 of the Financial Markets Conduct Act 2013 (New Zealand) shall not apply in respect of the offer of Shares to you, (i) no product disclosure statement under that Act may be prepared in respect of the offer of Shares and (ii) any information provided to you in respect of the offer is not required to, and may not, contain all of the information that a product disclosure statement under New Zealand law is required to contain; (c) that if in the future you elect to directly or indirectly offer or sell any of the Shares allotted to you, you undertake not to do so in a manner that could result in (i) such offer or sale being viewed as requiring a product disclosure statement or other similar disclosure document or any registration or filing in New Zealand, (ii) any

contravention of that Act or (iii) the Company or its directors incurring any liability; and (d) that any person for whom you are acquiring Shares is a New Zealand Exempt Broker Client and that you have received, where required, a safe harbour certificate in accordance with clause 44 of Schedule 1 of that Act.

7.8 UNDERWRITING ARRANGEMENTS

The Offer is fully underwritten. The Joint Lead Managers, the Company and SaleCo have entered into an Underwriting Agreement under which the Joint Lead Managers have been appointed as managers and underwriters of the Offer. The Joint Lead Managers agree, subject to certain conditions and termination events, to underwrite severally applications for all Shares under the Offer in equal proportions. The Underwriting Agreement sets out a number of circumstances under which the Joint Lead Managers may terminate the Underwriting Agreement and their underwriting obligations.

A summary of certain terms of the agreement and underwriting arrangements, including the termination provisions, is provided in Section 9.5.

7.9 DISCRETION REGARDING THE OFFER

The Company and SaleCo may withdraw the Offer at any time before Completion. If the Offer, or any part of it, does not proceed, all relevant application monies will be refunded (without interest).

The Joint Lead Managers, 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 or bids either generally or in particular cases, reject any application or bid, or (subject to the terms of any guaranteed allocations referred to in this Prospectus) allocate to any applicant or bidder fewer Shares than applied or bid for.

7.10 ASX LISTING, REGISTERS AND HOLDING STATEMENTS AND DEFERRED SETTLEMENT TRADING

7.10.1 APPLICATION TO ASX FOR THE LISTING OF COMPANY AND QUOTATION OF SHARES

The Company has applied for admission to the Official List and quotation of the Shares on ASX. amaysim's expected ASX code will be AYS.

If permission is not granted for the official quotation of the Shares on ASX within three months after the date of the Original Prospectus (or any later date permitted by law), all application monies received by amaysim will be refunded without interest as soon as practicable in accordance with the requirements of the Corporations Act.

ASX takes no responsibility for this Prospectus or the investment to which it relates. The fact that ASX may admit amaysim to the Official List is not to be taken as an indication of the merits of amaysim or the Shares offered under this Prospectus.

Subject to certain conditions (including any waivers obtained by amaysim from time to time), amaysim will be required to comply with the ASX Listing Rules.

7.10.2 CHESS AND ISSUER SPONSORED HOLDINGS

amaysim will apply to participate in ASX's Clearing House Electronic Subregister System (**CHESS**) and will comply with the ASX Listing Rules and the ASX Settlement Operating Rules. CHESS is an electronic transfer and settlement system for transactions in securities quoted on ASX under which transfers are effected in an electronic form.

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

Following Completion, Shareholders will be sent a holding statement that sets out the number of Shares that have been allocated to them. This statement will also provide details of a Shareholder's Holder Identification Number for CHESS holders or, where applicable, the Securityholder Reference Number of issuer sponsored holders. 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 subregister or through the Share Registry in the case of a holding on the issuer sponsored subregister. amaysim and the Share Registry may charge a fee for these additional issuer sponsored statements.

7.10.3 DEFERRED SETTLEMENT TRADING AND SELLING SHARES ON-MARKET

It is expected that trading of the Shares on ASX (on a deferred settlement basis) will commence on or about 15 July 2015.

It is the responsibility of each person who trades in Shares to confirm their own holding before trading in Shares. If you sell Shares before receiving a holding statement, you do so at your own risk. The Company, SaleCo, the Share Registry, the Joint Lead Managers and the Existing Shareholders disclaim all liability, whether in negligence or otherwise, if you sell Shares before receiving your holding statement, even if you obtained details of your holding from the amaysim Offer Information Line or confirmed your firm allocation through a Broker.

7.10.4 SUMMARY OF RIGHTS AND LIABILITIES ATTACHING TO SHARES AND OTHER MATERIAL PROVISIONS OF THE CONSTITUTION

The rights and liabilities attaching to the ownership of the Shares arise from a combination of the Constitution, statute, the ASX Listing Rules and general law.

A summary of the significant rights, liabilities and obligations attaching to the Shares and a description of other material provisions of the Constitution are set out below. This summary is not exhaustive nor does it constitute a definitive statement of the rights and liabilities of Shareholders. The summary assumes that the Company is admitted to the Official List.

VOTING AT A GENERAL MEETING

At a general meeting of the Company, every Shareholder present in person or by proxy, representative or attorney has one vote on a show of hands and, on a poll, one vote for each Share held by the Shareholder.

MEETINGS OF MEMBERS

Each Shareholder is entitled to receive notice of, attend and vote at, general meetings of the Company and to receive all notices, accounts and other documents required to be sent to Shareholders under the Constitution, the Corporations Act and the ASX Listing Rules.

Except as permitted by the Corporations Act, general meetings must be called on at least the minimum number of days' notice required by the Corporations Act (which at the date of this Prospectus is 28 days) and otherwise in accordance with the procedures set out in the Corporations Act.

DIVIDENDS

The Board may by resolution either:

- declare a dividend and fix the amount, the time for and method of payment; or
- determine a dividend or interim dividend is payable and fix the amount, the time for and method of payment.

For further information in respect of the Company's proposed dividend policy, see Section 4.10.

TRANSFER OF SHARES

Subject to the Constitution, Shares may be transferred by a proper transfer effected in accordance with the ASX Listing Rules or the ASX Settlement Operating Rules. Subject to compliance with the ASX Listing Rules and ASX Settlement Operating Rules, Shares may be transferred by a written instrument of transfer in any usual form or by any other form approved by the Directors.

The Board may, in its absolute discretion, refuse to register a transfer of Shares in any of the circumstances permitted by the ASX Listing Rules. The Board must refuse to register a transfer of Shares when required to do so by the ASX Listing Rules.

ISSUE OF FURTHER SHARES

Subject to the Corporations Act, the ASX Listing Rules, and the Constitution, the Directors may issue and allot, or dispose, of shares on terms determined from time to time by the Directors at an issue price that the Directors determine from time to time and to shareholders whether in proportion to their existing shareholdings or otherwise, or to such other persons as the Directors may determine from time to time. The Directors' power under the Constitution includes the power to grant options to acquire shares and issue and allot shares: with any preferential, deferred or special rights, privileges or conditions; with any restrictions in regard to dividend, voting, return of capital or otherwise; which are liable to be redeemed or converted; or which are bonus shares for whose issue no consideration is payable to the Company.

WINDING UP

Without prejudice to the rights of the holders of shares issued on special terms and conditions, if the Company is wound up, the liquidator may, with the sanction of a special resolution of the Company, divide among the shareholders in kind all or any of the Company's assets; and for that purpose, determine how it will carry out the division between the different classes of Shareholders, but the liquidator may not require a Shareholder to accept any shares or other securities in respect of which there is any liability.

NON-MARKETABLE PARCELS

Where the Company complies with the relevant procedure outlined in the Constitution, the Company may sell the shares of a shareholder who holds less than a marketable parcel of shares.

SHARE BUY-BACKS

Subject to the Corporations Act and the ASX Listing Rules, the Company may buy shares on terms and at times determined by the Board.

VARIATION OF CLASS RIGHTS

As of Completion, the Company's only class of shares on issue will be ordinary shares. The rights attached to any class of shares may be varied in accordance with the Corporations Act.

DIVIDEND REINVESTMENT PLAN

The Directors may establish a plan under which shareholders may elect to reinvest cash dividends paid or payable by the Company, by acquiring by way of issue or transfer (or both) shares. The Directors have no current intention to establish a dividend reinvestment plan.

AUTHORITY TO CAPITALISE PROFITS

The Constitution authorises the Board to resolve to capitalise any part of the Company's profit. If this occurs, it may use it to benefit those shareholders who are entitled to dividends in the proportions that would apply if the entire amount of the profits to be capitalised were a dividend. The benefit may be given in any or all of the following ways:

- in paying up an amount unpaid on shares already issued;
- in paying up in full any unissued shares or other securities in the Company; and/or
- any other method permitted by law or the ASX Listing Rules.

DIRECTORS – APPOINTMENT, ROTATION AND REMOVAL

Under the Constitution, the minimum number of Directors that may comprise the Board is three and the maximum number of Directors is 10 or such lesser number as determined by the Board in accordance with the Corporations. Directors are elected at general meetings of the Company. Retirement will occur on a rotational basis so that no Director (excluding the Chief Executive Officer and Managing Director) holds office without re-election beyond the third annual general meeting following the meeting at which the Director was last elected or three years, whichever is longer.

The Directors may also appoint a Director to fill a casual vacancy on the Board or in addition to the existing Directors, who will then hold office until the next annual general meeting of the Company.

DIRECTORS – VOTING

Questions arising at a meeting of the Board will be decided by a majority of votes of the Directors present at the meeting and entitled to vote on the matter. Subject to the ASX Listing Rules, in the case of an equality of votes on a resolution, the chairperson of the meeting has a casting vote in addition to a deliberative vote.

DIRECTORS – REMUNERATION

The Directors, other than an executive director, will be paid by way of fees for services up to the maximum aggregate sum per annum as may be approved from time to time by the Company in general meeting. The current maximum aggregate sum per annum for fees for non-executive directors is \$1.4 million with the initial remuneration of these Directors set out in Section 6.7. Any change to that maximum aggregate sum needs to be approved by Shareholders. Pursuant to the Constitution, non-executive directors may also be paid all reasonable travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Directors or any committee of the Directors or general meetings of the Company or otherwise in connection with the Company's business.

INDEMNITIES

The Company, to the extent permitted by law, indemnifies every person who is or has been a director or secretary of the Company against any liability incurred by that person as an officer of the Company (including liabilities incurred by the officer as a director or secretary of a subsidiary of the Company where the Company requested the officer to accept that appointment), and reasonable legal costs incurred or allegedly incurred by that person as an officer of the Company (including such legal costs incurred by the officer as an officer of a subsidiary of the Company where the Company requested the officer to accept that appointment). The Company, to the extent permitted by law, may advance to an officer an amount which it might otherwise be liable to pay to the officer in respect of legal costs under the terms of the indemnity outlined above. The Company may enter into a deed with any officer of the Company to give effect to those matters outlined in this paragraph.

The Company, to the extent permitted by law, may pay a premium for a contract insuring a person who is or has been a Director against liability incurred by that person as a Director.

AMENDMENTS TO THE CONSTITUTION

The Constitution may be amended only by special resolution passed by at least three-quarters of the Shareholders present (in person or by proxy) and entitled to vote on the resolution at a general meeting of the Company.

Section 8

Investigating
Accountant's Report





The Directors
amaysim Australia Ltd
Level 6, 17-19 Bridge Street
Sydney NSW 2000

The Directors
amaysim Australia Sale Co Ltd
Level 6, 17-19 Bridge Street
Sydney NSW 2000

29 June 2015

Dear Directors

Investigating Accountant's Report

Independent Limited Assurance Report on amaysim Australia Limited financial information and Financial Services Guide

We have been engaged by amaysim Australia Limited (the **Company**) and amaysim SaleCo Limited (**SaleCo**) (collectively, **you**) to report on the historical and forecast financial information of the Company for the periods ended 30 June 2012 through to 30 June 2016, together with the half years ended 31 December 2013 and 2014, for inclusion the prospectus (**Prospectus**) dated on or about 29 June 2015 relating to the proposed initial public offering of fully paid ordinary shares in the Company (the **Offer**).

Expressions and terms defined in the Prospectus have the same meaning in this report unless otherwise specified.

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. PricewaterhouseCoopers Securities Ltd, which is wholly owned by PricewaterhouseCoopers holds the appropriate Australian financial services licence under the Corporations Act 2001. This report is both an Investigating Accountant's Report, the scope of which is set out below, and a Financial Services Guide, as attached at Appendix A.

Scope

You have requested PricewaterhouseCoopers Securities Ltd to review the following financial information of the Company included in the Prospectus, collectively the **Financial Information** :

- a. **historical financial information** being the :
 - i. Statements of Financial Performance and Cash Flows for the years ended 30 June 2012, 30 June 2013 and 30 June 2014, together with the half years ended 31 December 2013 and 31 December 2014

PricewaterhouseCoopers Securities Ltd, ACN 003 311 617, ABN 54 003 311 617, Holder of Australian Financial Services Licence No 244572
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- ii. Statement of Financial Position at 31 December 2014
- b. pro forma historical financial information being the :
 - i. pro forma historical Statements of Financial Performance and Cash Flows for the years ended 30 June 2012, 30 June 2013 and 30 June 2014, together with the half years ended 31 December 2013 and 31 December 2014, and
 - ii. pro forma historical Statement of Financial Position at 31 December 2014in each case, which assumes completion of the Offer
- c. forecast Statements of Financial Performance and Cash Flows for the years ending 30 June 2015 and 30 June 2016 (the **Statutory Forecast**) which assumes completion of the Offer, and
- d. pro forma forecast Statements of Financial Performance and Cash Flows for the years ending 30 June 2015 and 30 June 2016 which assumes completion of the Offer (the **Pro Forma Forecast**)

Historical financial information

The 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 the Company's adopted accounting policies as described in section 9 of the Prospectus. The historical financial information has been extracted from financial reports of the Company for the years ended 30 June 2012, 30 June 2013 and 30 June 2014, and the periods ended 31 December 2013 and 31 December 2014, which were audited and reviewed respectively by PricewaterhouseCoopers in accordance with Australian Auditing Standards. PricewaterhouseCoopers issued unmodified audit and review opinions on the financial reports in relation to each of these financial years and periods respectively. The historical 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.

Pro forma historical financial information

The pro forma historical financial information has been derived from the historical financial information of the Company, after adjusting for the effects of pro forma adjustments described in section 4.6 of the Prospectus. The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards and the Company's adopted accounting policies applied to the historical financial information and the events or transactions to which the pro forma adjustments relate, as described in section 4.6, of the Prospectus, as if those events or transactions had occurred as at the date of the 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 cash flows.

Statutory Forecast

The directors' best-estimate assumptions underlying the Statutory Forecast are described in section 4.8 of the Prospectus. The stated basis of preparation used in the preparation of the Statutory Forecast



being the recognition and measurement principles contained in Australian Accounting Standards and the Company's adopted accounting policies.

Pro Forma Forecast

The Pro Forma Forecast has been derived from the Statutory Forecast, after adjusting for the effects of the pro forma adjustments described in section 4.6 of the Prospectus. The stated basis of preparation used in the preparation of the Pro Forma Forecast being the recognition and measurement principles contained in Australian Accounting Standards applied to the Statutory Forecast and the events or transactions to which the pro forma adjustments relate, as described in section 4.6 of the Prospectus, as if those events or transactions had occurred at the date of the Statutory Forecast. Due to its nature, the Pro Forma Forecast does not represent the Company's actual prospective financial performance and cash flows for the periods ending 30 June 2015 or 30 June 2016.

Directors' responsibility

The directors of the Company are responsible for the preparation of the historical financial information and the pro forma historical financial information, including its basis of preparation and the selection and determination of pro forma adjustments made to the historical financial information and included in the pro forma historical financial information.

The directors of the Company are also responsible for the preparation of the Statutory Forecast, including its basis of preparation and the best-estimate assumptions underlying the Statutory Forecast. They are also responsible for the preparation of the Pro Forma Forecast, including its basis of preparation and the selection and determination of the pro forma adjustments made to the Statutory Forecast and included in the Pro Forma Forecast. This includes responsibility for its compliance with applicable laws and regulations and for such internal controls as the directors determine are necessary to enable the preparation of historical financial information, pro forma historical financial information, a Statutory Forecast and a Pro Forma Forecast that are free from material misstatement.

Our responsibility

Our responsibility is to express a limited assurance conclusion on the Financial Information, the best-estimate assumptions underlying the Statutory Forecast and Pro Forma Forecast, and the reasonableness of the Statutory Forecast and Pro Forma Forecast themselves, based on our review. 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.

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 Financial Information.



Conclusions

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 historical financial information of the Company, as described in section 4.2.2 of the Prospectus, and comprising :

- the Statements of Financial Performance and Cash Flows for the years ended 30 June 2012, 30 June 2013 and 30 June 2014 together with the half years ended 31 December 2013 and 31 December 2014, and
- the Statement of Financial Position as at 31 December 2014

are not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in section 4.2.1 of the Prospectus being the recognition and measurement principles contained in Australian Accounting Standards and the Company's adopted accounting policies.

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 of the Company as described in section 4.2.2 of the Prospectus, and comprising :

- the pro forma historical Statements of Financial Performance and Cash Flows for the years ended 30 June 2012, 30 June 2013 and 30 June 2014 together with the half years ended 31 December 2013 and 31 December 2014, and
- the pro forma historical Statement of Financial Position as at 31 December 2014

are not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in section 4.2.1 of the Prospectus being the recognition and measurement principles contained in Australian Accounting Standards and the Company's adopted accounting policies applied to the historical financial information and the events or transactions to which the pro forma adjustments relate, as described in section 4.6 of the Prospectus, as if those events or transactions had occurred as at the date of the historical financial information.

Statutory Forecast

Based on our review, which is not an 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 Statements of Financial Performance and Cash Flows of the years ending 30 June 2015 and 30 June 2016 do not provide reasonable grounds for the Statutory Forecast; and
- in all material respects, the Statutory Forecast :
 - is not properly prepared on the basis of the directors' best-estimate assumptions as described in section 4.8 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 Company's adopted accounting policies; and
- the Statutory Forecast itself is unreasonable.

Pro Forma Forecast

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that:

- the directors' best-estimate assumptions used in the preparation of the Pro Forma Forecast Statements of Financial Performance and Cash Flows for the years ending 30 June 2015 and 30 June 2016 do not provide reasonable grounds for the Pro Forma Forecast; and
- in all material respects, the Pro Forma Forecast:
 - is not properly prepared on the basis of the directors' best-estimate assumptions, as described in section 4.8 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 Company's adopted accounting policies, applied to the Statutory Forecast and the pro forma adjustments as if those adjustments had occurred as at the date of the Statutory Forecast; and
- the Pro Forma Forecast itself is unreasonable.

Statutory Forecast and Pro Forma Forecast

The Statutory Forecast and Pro Forma Forecast have been prepared by management and adopted by the directors in order to provide prospective investors with a guide to the potential financial performance of the Company for the years ending 30 June 2015 and 30 June 2016. There is a considerable degree of subjective judgment involved in preparing forecasts since they relate to events and transactions that have not yet occurred and may not occur. Actual results are likely to be different from the Statutory Forecast and Pro Forma Forecast since anticipated events or transactions frequently do not occur as expected and the variation may be material.

The directors' best-estimate assumptions on which the Statutory Forecast and Pro Forma Forecast are based relate to future events and/or transactions 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 the Company. Evidence may be available to support the directors' best-estimate assumptions on which the Statutory Forecast and Pro Forma Forecast are based however such evidence is generally future-oriented and therefore speculative in nature. We are therefore not in a position to express a reasonable assurance conclusion on those best-estimate assumptions, and accordingly, 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.



Prospective investors should be aware of the material risks and uncertainties in relation to an investment in the Company, which are detailed in the Prospectus, and the inherent uncertainty relating to the Statutory Forecast and Pro Forma Forecast. Accordingly, prospective investors should have regard to the investment risks and sensitivities as described in section 5 of the Prospectus. The sensitivity analysis described in section 4.9 of the Prospectus demonstrates the impact on the Pro Forma Forecast of changes in key best-estimate assumptions. We express no opinion as to whether the Statutory Forecast or Pro Forma Forecast will be achieved.

The Statutory Forecast and Pro Forma Forecast have been prepared by the directors for the purpose of inclusion in Prospectus. We disclaim any assumption of responsibility for any reliance on this report, or on the Statutory Forecast or Pro Forma Forecast 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 of the Company, that all material information concerning the prospects and proposed operations of the Company 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.

Notice to investors outside Australia

Under the terms of our engagement this report has been prepared solely to comply with Australian Auditing Standards applicable to review engagements.

This report does not constitute an offer to sell, or a solicitation of an offer to buy, any securities. We do not hold any financial services licence or other licence outside Australia. We are not recommending or making any representation as to suitability of any investment to any person.

Restriction on Use

Without modifying our conclusions, we draw attention to section 4.2 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

PricewaterhouseCoopers Securities Ltd has consented to the inclusion of this assurance report in the public document in the form and context in which it is included.

Liability

The liability of PricewaterhouseCoopers Securities Ltd is limited to the inclusion of this report in the Prospectus. PricewaterhouseCoopers Securities Ltd makes no representation regarding, and has no liability for, any other statements or other material in, or omissions from the Prospectus.

Independence or Disclosure of Interest

PricewaterhouseCoopers Securities Ltd does not have any interest in the outcome of this transaction other than the preparation of this report and participation in due diligence procedures for which normal professional fees will be received.



Financial Services Guide

We have included our Financial Services Guide as Appendix A to our report. The Financial Services Guide is designed to assist retail clients in their use of any general financial product advice in our report.

Yours faithfully

A handwritten signature in black ink, appearing to read "M. Haberlin", with a long, sweeping horizontal stroke at the end.

Mark Haberlin
Authorised Representative of
PricewaterhouseCoopers Securities Ltd



Appendix A – Financial Services Guide

PRICEWATERHOUSECOOPERS SECURITIES LTD

This Financial Services Guide is dated 29 June 2015

1. About us

PricewaterhouseCoopers Securities Ltd (ABN 54 003 311 617, Australian Financial Services Licence no 244572) ("**PwC Securities**") has been engaged by amaysim Australia Limited (the "**Company**") and amaysim SaleCo Limited (**SaleCo**) (collectively, "**you**") to provide a report in the form of an Independent Limited Assurance Report in relation to the Company's Financial Information (the "**Report**") for inclusion in the proposed issue and sale of Share in the Company and listing of the Company on the Australian Securities Exchange, for inclusion of the prospectus dated on or about 29 June 2015.

You have not engaged us directly but have been provided with a copy of the Report as a retail client because of your connection to the matters set out in the Report.

2. This Financial Services Guide

This Financial Services Guide ("**FSG**") is designed to assist retail clients in their use of any general financial product advice contained in the Report. This FSG contains information about PwC Securities generally, the financial services we are licensed to provide, the remuneration we may receive in connection with the preparation of the Report, and how complaints against us will be dealt with.

3. Financial services we are licensed to provide

Our Australian financial services licence allows us to provide a broad range of services, including providing financial product advice in relation to various financial products such as securities, interests in managed investment schemes, derivatives, superannuation products, foreign exchange contracts, insurance products, life products, managed investment schemes, government debentures, stocks or bonds, and deposit products.

4. General financial product advice

The Report contains only general financial product advice. It was prepared without taking into account your personal objectives, financial situation or needs.

You should consider your own objectives, financial situation and needs when assessing the suitability of the Report to your situation. You may wish to obtain personal financial product advice from the holder of an Australian Financial Services Licence to assist you in this assessment.

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5. Fees, commissions and other benefits we may receive

PwC Securities charges fees to produce reports, including this Report. These fees are negotiated and agreed with the entity who engages PwC Securities to provide a report. Fees are charged on an hourly basis or as a fixed amount depending on the terms of the agreement with the person who engages us. In the preparation of this Report our fees are charged on an hourly basis and as at the date of this Report amount to \$651,000 (excluding disbursements and GST) for the above services up until the Prospectus Date.

Directors or employees of PwC Securities, PricewaterhouseCoopers, or other associated entities, may receive partnership distributions, salary or wages from PricewaterhouseCoopers.

6. Associations with issuers of financial products

PwC Securities and its authorised representatives, employees and associates may from time to time have relationships with the issuers of financial products. For example, PricewaterhouseCoopers may be the auditor of, or provide financial services to, the issuer of a financial product and PwC Securities may provide financial services to the issuer of a financial product in the ordinary course of its business. In relation to amaysim Australia Limited, PricewaterhouseCoopers is the auditor.

7. Complaints

If you have a complaint, please raise it with us first, using the contact details listed below. We will endeavour to satisfactorily resolve your complaint in a timely manner. In addition, a copy of our internal complaints handling procedure is available upon request.

If we are not able to resolve your complaint to your satisfaction within 45 days of your written notification, you are entitled to have your matter referred to the Financial Ombudsman Service ("FOS"), an external complaints resolution service. FOS can be contacted by calling 1300 780 808. You will not be charged for using the FOS service.

Contact Details

PwC Securities can be contacted by sending a letter to the following address:

Mark Haberlin
Authorised Representative of
PricewaterhouseCoopers Securities Ltd
Darling Park Tower 2
201 Sussex Street
Sydney NSW 2000
GPO BOX 2650

Sydney NSW 1171

For personal use only

Section 9

Additional Information



9.1 REGISTRATION

The Company was registered in Victoria, Australia on 12 May 2010 as a private company and was converted to a public company on 28 May 2015.

9.2 COMPANY TAX STATUS

The Company will be taxed as a public company for the purposes of Australian income tax law.

9.3 PARTICIPATION IN ISSUES OF SECURITIES

Except as described in this Prospectus, the Company has not granted, or proposed to grant, any rights to any person, or to any class of person, to participate in an issue of the Company's securities.

9.4 ADDITIONAL TERMS OF THE NSA

Below is a summary of further provisions of the NSA which supplements the descriptions in Sections 3.5.1 and 3.7. The below should be read in conjunction with the information in those sections.

MARKETING AND PRESERVING THE ASSOCIATION AND RELATIONSHIP BETWEEN AMAYSIM AND OPTUS

Marketing rights	amaysim is permitted to hold itself out as an "Optus Service Provider" that supplies services on Optus' network, and has a conditional right to use Optus' trademarks in the course of amaysim's business.
Restraints – sale of business	There is also a prescriptive process for amaysim to dispose all or any part of its customer base or incidental assets, which does not apply to the Offer itself or any share sale. Optus has time-limited rights to be notified first of any proposal or offer to sell all or part of amaysim's customer base or its assets and to conduct exclusive due diligence and acquire the relevant customers or assets, before amaysim may proceed with a bona-fide, arms' length transaction with a third party on terms no less favourable than those notified to Optus.
Subscribers	
Positive tolling requirement	If an amaysim prepaid Subscriber does not incur a charge for three consecutive months, Optus may require amaysim to cancel that Subscriber's contract.
Termination	
Mutual termination rights	Either party may terminate the NSA: a. immediately if Optus can no longer supply services due to regulatory causes; b. immediately if there is a material change in law in respect of which the parties cannot agree a resolution within 90 days; c. on 90 days' notice following conclusion of contract term; or d. immediately if amaysim ceases its Australian operations.

Optus termination rights	Optus may terminate the NSA: a. upon three months' notice to be given in the first 30 days of the Optional Term commencing 1 January 2020 (assuming amaysim elects to extend the NSA for an Optional Term) if amaysim fails to achieve each KPI by 1 January 2019, and by 31 December 2019 fails by more than 10% to meet any previously failed KPI¹: The KPIs are: i. 1 million "active customers" by 1 January 2019;² and ii. for the nine months leading up to the test date, the proportion of total amaysim "Port-Ins" that are port-ins from the Optus network³ (excluding "Saved Transfers" being an independent estimate of those customers intending to leave the Optus network entirely⁴) not exceeding Optus' percentage share of mobile subscribers in Australia; b. if a supplier of a particular service (e.g. a telecommunications network or cable infrastructure) to Optus, terminates Optus' access to all or any part of the supplier network that Optus uses to supply network services to amaysim, provided Optus gives amaysim reasonable notice (not exceeding the period of notice that Optus receives from the supplier); c. immediately if there is a supply failure of 10 business days caused by a force majeure-type event; d. on 30 days' notice if amaysim fails to pay an outstanding amount within 30 days after Optus gives an initial default notice; e. on 30 days' notice if amaysim breaches the restraints described in section 3.7.7; f. immediately if amaysim is insolvent; or g. on 30 days' notice if amaysim breaches any other fundamental term of the NSA (and, in relation to a remediable breach only, amaysim fails to remedy that breach within 30 days of Optus giving an initial default notice).
amaysim termination rights	amaysim may terminate the NSA: a. on 30 days' notice if Optus breaches a fundamental term of the NSA that is not remediable; b. immediately if Optus fails to remedy a breach of a fundamental term of the NSA (including by failing to meet certain key service levels) within 14 business days of amaysim giving an initial default notice; c. on 90 days' notice if Optus does not offer (or plan to offer) 5G technology to wholesale providers within 12 months of Optus' own launch and other MNOs are offering 5G technology on a wholesale basis; d. immediately if there is a supply failure of 10 business days caused by a force majeure-type event; or e. immediately if Optus is insolvent.

Notes:

1. amaysim fails to have at least 900,000 "active customers" by 31 December 2019, or the proportion of amaysim's port-ins from Optus (excluding Saved Transfers) exceeds Optus' market share by more than 10% of that market share.
2. "active customers" means amaysim Subscribers and other customers who have been assigned a telephone number by amaysim. If more than 10% of those customers have not tolled in the preceding 90 days, the number of "active customers" is reduced by the extent of the excess.
3. For the purposes of this calculation, the total number of "Port-Ins" to amaysim, and the number of port-ins from the Optus network ("Transfers"), are cumulated over the nine month period prior to the independent survey (refer to footnote 4).
4. "Saved Transfers" are those "Transfers" (refer to footnote 2) intending to leave the Optus network in the three months prior to joining amaysim. An independent survey to assess the number of Saved Transfers is required unless: (A) this second KPI is satisfied without deducting "Saved Transfers"; or (B) in the nine months preceding 1 January 2019, the ports from amaysim to Optus exceed the number of ports from Optus to amaysim. In either case (A) or (B), the second KPI is deemed to be satisfied.

9.5 UNDERWRITING AGREEMENT

The Joint Lead Managers, the Company and SaleCo have entered into an Underwriting Agreement dated 22 June 2015 (**Underwriting Agreement**). Under the Underwriting Agreement, the Joint Lead Managers have agreed to manage and underwrite the Offer.

9.5.1 COMMISSIONS, FEES AND EXPENSES

The Company must pay to the Joint Lead Managers in equal proportions and in accordance with the Underwriting Agreement an underwriting fee equal to 2.0% of the Offer proceeds and a selling and management fee equal to 0.5% of the Offer proceeds. The Company may also elect, at its absolute discretion, to pay the Joint Lead Managers an incentive fee of up to 0.8% of the total Offer proceeds. The Company has agreed to reimburse the Joint Lead Managers for reasonable costs and expenses, including legal expenses, incurred by the Joint Lead Managers in relation to the Offer. The Company has authorised the Joint Lead Managers to pay any fees or expenses of Co-Managers or Brokers out of fees payable to them (and such fees will not be borne by the Company).

9.5.2 TERMINATION EVENTS

A Joint Lead Manager may terminate the Underwriting Agreement, at any time after the date of the Underwriting Agreement and on or before 10.00am Sydney time on the date of Settlement by notice to the other parties if any of the following events occur:

- the Company and SaleCo issue, or in the reasonable opinion of the Joint Lead Managers, are required to issue, a supplementary prospectus to comply with section 719(1) of the Corporations Act or the Company and SaleCo lodge a supplementary prospectus with ASIC in a form that has not been approved by the Joint Lead Managers (acting reasonably);
- at any time, the S&P/ASX 200 Index falls to a level that is 90% or less of the level as at the close of trading on the date of close of the institutional bookbuild and is at or below that level at the close of trading for a period of two consecutive business days during any time after the date of the Underwriting Agreement or on the business day immediately prior to, either, the date of Settlement or date the Shares are allotted;
- any of the voluntary escrow arrangements referred to in this Prospectus are withdrawn, varied, terminated, rescinded, altered or amended, breached or failed to be complied with (other than with the consent of the Joint Lead Managers);
- a sale agreement between an Existing Shareholder and SaleCo described in Section 7.2 is withdrawn, varied, terminated, rescinded, altered or amended, breached or failed to be complied with;
- any forecast that appears in the Prospectus is or becomes incapable of being met in the projected timeframe (including financial forecasts);
- the Company or SaleCo or any of their respective directors or officers (as those terms are described in the Corporations Act) engage, or have engaged since the date of the Underwriting Agreement, in any fraudulent conduct or activity whether or not in connection with the Offer;
- approval is refused or not granted, or approval is granted subject to conditions other than customary conditions, to: (i) the Company's admission to the Official List within the specified time or (ii) the quotation of Shares on ASX or for the Shares to be traded through CHESS within the specified time and in either case if approval is granted, that 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;
 - ASIC holds a hearing under section 739(2) of the Corporations Act;
 - an application is made by ASIC for an order under Part 9.5 of the Australian Securities and Investments Commission Act 2001 (Cth) in relation to the Offer or an offer document or the pathfinder version of this Prospectus or ASIC commences any investigation or hearing under Part 3 of the Australian Securities and Investments Commission Act 2001 (Cth) in relation to the Offer or an offer document or the pathfinder version of this Prospectus;
 - any person (other than a Joint Lead Manager) who has previously consented to the inclusion of its name in any offer document or the pathfinder version of this Prospectus withdraws that consent; or
 - any person (other than a Joint Lead Manager) gives a notice under section 730 of the Corporations Act in relation to the Prospectus;
- the Company or SaleCo does not provide a closing certificate as and when required by the Underwriting Agreement;
- if any of the obligations of the relevant parties under any contracts that are material to the business of the Company, SaleCo and their respective subsidiaries (together, the Group) (including the NSA) are not capable of being performed in accordance with their terms (in the reasonable opinion of the Joint Lead Managers) or if all or any part of any such contracts (i) is amended or varied without the consent of the Joint Lead Managers (acting reasonably), (ii) is terminated, (iii) is breached, (iv) ceases to have effect, otherwise than in accordance with its terms or (v) is or becomes void, voidable, illegal, invalid or unenforceable (other than by reason only of a party waiving any of its rights) or capable of being terminated, rescinded or avoided or of limited force and effect, or its performance is or becomes illegal (provided that the events noted in item (iii) is subject to the condition of termination noted in Section 9.5.3 of this Prospectus);
- the Company or SaleCo withdraws an offer document or the Offer or indicates that it does not intend to proceed with the Offer or any part of the Offer;
- any member of the Group becomes insolvent or there is an act or omission that is likely to result in any of them becoming insolvent;
- except in certain cases, an event specified in the Offer timetable up to and including the date of Settlement is delayed by more than two business days;
- the Company is prevented from allotting and issuing (as applicable) the Shares or SaleCo is prevented from transferring the Shares, within the time required by the Underwriting Agreement, the offer documents, the ASX Listing Rules, applicable laws, an order of a court of competent jurisdiction or a governmental authority;
- the Company: (i) alters the issued capital of the Company or a Group member or (ii) disposes or attempts to dispose of a substantial part of the business or property of the Company or a Group member, without the prior written consent of the Joint Lead Managers or as otherwise disclosed in the Prospectus;
- if a regulatory body withdraws, revokes or materially amends any regulatory approvals required for the Company or SaleCo to perform their obligations under the Underwriting Agreement or to carry out the transactions contemplated by the offer documents;
- there is an event or occurrence, including any statute, order, rule, regulation, directive or request (including one compliance with which is in accordance with the general practice of persons to whom the directive or request is addressed) of any governmental

authority which makes it illegal for the Joint Lead Managers to satisfy an obligation under the Underwriting Agreement, or to market, promote or settle the Offer;

- the Company varies any term of its constitution without the prior written consent of the Joint Lead Managers;
- a change in the leadership team as described in section 6.4 of the Prospectus occurs, or there is a change in or the Board or the board of SaleCo;
- any of the following occur: (i) a director or proposed director named in the pathfinder version of this Prospectus or this Prospectus, of the Company or SaleCo is charged with an indictable offence, (ii) any governmental authority commences any public legal or regulatory action against any of the Company's or SaleCo's respective directors in their capacity as a director of the Company or SaleCo (as applicable) or announces that it intends to take action or (iii) any director or proposed director named in the pathfinder version of this Prospectus or this Prospectus, of the Company or SaleCo is disqualified from managing a corporation under Part 2D.6 of the Corporations Act (provided that the event noted in item (ii) is subject to the condition of termination noted in Section 9.5.3 of this Prospectus); or
- the chairman, CEO or CFO or Chief Operating Officer of the Company vacates his or her office.

9.5.3 TERMINATION SUBJECT TO MATERIALITY

A Joint Lead Manager may terminate the Underwriting Agreement, at any time after the date of the Underwriting Agreement and on or before 10.00am Sydney time on the date for Settlement by notice to the other parties, if any of the following events, among others, occur and the Joint Lead Manager has reasonable grounds to believe that the event (i) has or is likely to have a material adverse effect on the success, settlement or marketing of the Offer, on the ability of the Joint Lead Manager to market, promote or settle the Offer or (ii) will, or is likely to, give rise to a liability of the Joint Lead Manager under, or give rise to, or result in, a contravention by the Joint Lead Manager or its affiliates under, or the Joint Lead Manager or its affiliates being involved in a contravention of, any applicable law:

- there is a new circumstance that arises after the Prospectus is lodged with ASIC that would have been required to be included in the Prospectus if it had arisen before lodgement;
- in the reasonable opinion of the Joint Lead Manager, a statement in any of the offer documents or certain public and other media statements made by, or on behalf and with the knowledge and consent of the Company, SaleCo or any other Group Member in relation to the business or affairs of the Company, SaleCo, the Group or the Offer on or after 8 June 2015 other than the offer documents (Public Information) is or becomes misleading or deceptive or is likely to mislead or deceive, or a matter required to be included is omitted from an offer document;
- the due diligence report or verification material or any other information supplied by or on behalf of the Company or SaleCo to the Joint Lead Managers in relation to the Group or the Offer is (or is likely to), or becomes (or becomes likely to be), misleading or deceptive, including by way of omission;
- any adverse change occurs in the assets, liabilities, financial position or performance, profits, losses or prospects of the Company and the Group (insofar as the position in relation to an entity in the Group affects the overall position of the Company), including any adverse change in the assets, liabilities, financial position or performance, profits, losses or prospects of the Company or the Group from those disclosed in any offer document or the Public Information;
- hostilities not presently existing commence (whether war has been declared or not) or an escalation in existing hostilities occurs (whether war has been declared or not) involving any one or more of Australia, New Zealand, the United States, the United Kingdom, the People's Republic of China, Singapore or any member state of the European Union, or a major terrorist act is perpetrated on any of those countries or any diplomatic, military, commercial or political establishment of any of those countries;
- a new law is introduced, or there is a public announcement of a proposal to introduce a new law, into the Parliament of Australia, New Zealand, the United States, Canada, the United Kingdom, Japan, Hong Kong, any member state of the European Union or any state or territory of Australia, or the Reserve Bank of Australia or Reserve Bank of New Zealand, or any Commonwealth or state authority, including ASIC, adopts or announces a proposal to adopt a new policy (other than a law or policy that has been announced before the date of the Underwriting Agreement);
- there is a contravention by the Company, SaleCo or any member of the Group of the Corporations Act, the Competition and Consumer Act 2010 (Cth), the Australian Securities and Investments Commission Act 2001 (Cth), any regulations under those acts or any of the ASX Listing Rules;
- any of the offer documents or any aspect of the Offer does not comply with the Corporations Act (and all regulations under the Corporations Act), the Company's constitution, the ASX Listing Rules or any other applicable law or regulation;
- a representation, warranty or undertaking or obligation contained in the Underwriting Agreement on the part of the Company is not true or correct except in relation to the pathfinder version of the Prospectus where any statement that is not true or correct in the pathfinder version of the Prospectus is rectified with the prior written consent of the Joint Lead Managers in the Prospectus;
- the Company or SaleCo defaults on one or more of its obligations under the Underwriting Agreement;
- legal proceedings are commenced against the Company, SaleCo, any other Group member or against any of their respective directors in their capacity as a director or any regulatory body commences an enquiry or public legal or regulatory action against any Group member, or announces that it intends to take action;
- a statement in any closing certificate given by the Company or SaleCo to the Joint Lead Managers pursuant to the Underwriting Agreement, is false, misleading, inaccurate or untrue or incorrect;

- or any of the following occur: (i) a general moratorium on commercial banking activities in Australia, Canada, the People's Republic of China, Japan, Singapore, Hong Kong, the United Kingdom, the United States or a member state of the European Union is declared by the relevant central banking authority in those countries, or there is a disruption in commercial banking or security settlement or clearance services in any of those countries, (ii) any adverse effect on the financial markets in Australia, Japan, Canada, the People's Republic of China, Singapore, Hong Kong, the United Kingdom, the United States or a member state of the European Union, or in foreign exchange rates or any development involving a prospective change in political, financial or economic conditions in any of those countries occurs or (iii) trading in all securities quoted or listed on ASX, the New York Stock Exchange, the London Stock Exchange, the Hong Kong Stock Exchange or the Tokyo Stock Exchange is suspended, or limited, in a material respect for one day (or a substantial part of one day) on which that exchange is open for trading;
- other than as fully and fairly disclosed in writing to the Joint Lead Managers prior to the date of the Underwriting Agreement, there is a breach of any warranty provided by the Existing Shareholder, HSBC Bank Malta plc as trustee of the Itren Investments Trust, to the Company and SaleCo in respect of the Sale Agreement between SaleCo and HSBC Bank Malta plc as trustee of the Itren Investments Trust.

9.5.4 REPRESENTATIONS, WARRANTIES, UNDERTAKINGS AND OTHER TERMS

The Underwriting Agreement contains certain standard representations, warranties and undertakings by the Company and SaleCo to the Joint Lead Managers (as well as common conditions precedent, including the entry into a voluntary escrow deed by certain of the Escrowed Shareholders, execution of a Sale Agreement between Shark Holding and SaleCo as described in Section 7.2.1 of this Prospectus and ASX granting the confirmations necessary to enable the Offer to proceed in accordance with the timetable).

The representations and warranties given by the Company and SaleCo relate to matters such as the conduct of the Company and SaleCo, power and authorisations, information provided by the Company, information in this Prospectus, the conduct of the Offer, compliance with laws, the ASX Listing Rules, litigation, non-disposal of escrowed Shares and other legally binding requirements. The Company also provides additional representations and warranties in connection with matters including in relation to its assets, financial information, entitlements of third parties, tax, insurance, authorisations, eligibility for Listing and internal accounting controls.

The Company's undertakings include that it will not, during the period following the date of the Underwriting Agreement until 120 days after Shares have been issued or transferred under the Offer, issue (or agree to issue) any equity securities without the prior written consent of the Joint Lead Managers subject to certain exceptions. These exceptions include an issue of securities pursuant to the LTIP, as described in the pathfinder version of this Prospectus or a proposed transaction fully and fairly disclosed in the pathfinder version of this Prospectus and the Prospectus.

9.5.5 INDEMNITY

Subject to certain exclusions relating to, among other things, gross negligence, wilful default, fraud or wilful misconduct of an indemnified party, the Company and SaleCo have agreed in the Underwriting Agreement to keep the Joint Lead Managers and certain affiliated parties indemnified from losses suffered in connection with the Offer and the Joint Lead Managers' appointment pursuant to the Underwriting Agreement.

9.6 ASX CONFIRMATIONS

The Company has sought from ASX confirmation of the applicability or otherwise of, and (if applicable) a waiver of, the shareholder approval requirements in Listing Rules 10.11 and 10.14 to issuances to Julian Ogrin of options under the Long Term Incentive Plan (or Shares on the vesting of options) and Shares on the vesting of Share Rights under the ESP, each as described in Section 6.7.1.

9.7 LEGAL PROCEEDINGS

As at the Prospectus Date, so far as the Directors are aware, there is no current or threatened civil litigation, arbitration proceedings or administrative appeals, or criminal or governmental prosecutions of a material nature in which amaysim is directly or indirectly concerned which is likely to have a material adverse impact on the business or financial position of amaysim.

9.8 AUSTRALIAN TAXATION CONSIDERATIONS

9.8.1 SUMMARY OF AUSTRALIAN TAXATION CONSIDERATIONS

This summary does not constitute financial product advice as defined in the Corporations Act and is confined to tax issues and is only one of the matters you need to consider when making a decision about your investments. You should consider taking advice from a licensed adviser, before making a decision about your investments. The partnership of Ernst & Young is not required to hold an Australian Financial Services Licence under the Corporations Act to provide you with this tax advice. Ernst & Young has not caused and take no responsibility for the publication of any part of the Prospectus in which this summary appears, other than this summary itself.

The following tax comments are based on the Income Tax Assessment Act 1936 (Cth), Income Tax Assessment Act 1997 (Cth), New Tax System (Goods and Services Tax) Act 1999 (Cth), applicable case law and published Australian Taxation Office rulings, determinations and administrative practice in force as at the Prospectus Date. Australian tax laws are complex. This summary is general in nature and is not intended to be an authoritative or complete statement of all potential tax implications for each investor or relied upon as tax advice. During the period of ownership of the Shares by investors, the tax laws of Australia, or their interpretation, may change.

The precise implications of ownership or disposal will depend upon each investor's specific circumstances. Investors should seek their own professional advice on the tax implications of holding or disposing of the Shares, taking into account their specific circumstances.

The following information is a general summary of the Australian income tax implications for Australian resident individuals, complying superannuation entities, trusts, partnerships and corporate investors. These comments do not apply to non-resident investors, investors that hold Shares on revenue account or as trading stock, investors who are exempt from Australian income tax or investors subject to the Taxation of Financial Arrangements regime in Division 230 of the Income Tax Assessment Act 1997 (Cth) which have made elections to apply the fair value or reliance on financial reports methodologies.

9.8.2 DIVIDENDS PAID ON SHARES

9.8.2.1 INDIVIDUALS AND COMPLYING SUPERANNUATION ENTITIES

Dividends paid by the Company on a Share will constitute assessable income of an Australian tax resident investor. Australian tax resident investors who are individuals or complying superannuation entities should include the dividend in their assessable income in the year the dividend is paid, together with any franking credit attached to that dividend.

Such investors should be entitled to a tax offset equal to the franking credit attached to the dividend. The tax offset can be applied to reduce the tax payable on the investor's taxable income. Where the tax offset exceeds the tax payable on the investor's taxable income, such investors should be entitled to a tax refund.

To the extent that the dividend is unfranked, the investor will generally be taxed at his or her prevailing marginal rate on the dividend received with no tax offset.

9.8.2.2 CORPORATES

An Australian resident corporate investor should further be entitled to a credit in its own franking account to the extent of the franking credits on the distribution received. This will allow the corporate investor to pass on the benefit of the franking credits to its own investor(s) on the payment of dividends.

Corporate investors are also required to include both the dividend and the associated franking credit in their assessable income. They are then allowed a tax offset up to the amount of the franking credit on the dividend.

Excess franking credits received cannot give rise to a refund for a company but can be converted into carry forward tax losses.

9.8.2.3 TRUSTS AND PARTNERSHIPS

Investors who are trustees (other than trustees of complying superannuation entities) or partnerships should include the franking credit in determining the net income of the trust or partnership. The relevant beneficiary or partner may be entitled to a tax offset equal to the beneficiary's or partner's share of the net income of the trust or partnership.

9.8.2.4 SHARES HELD "AT RISK"

The benefit of franking credits can be denied where an investor is not a "qualified person", in which case the investor will not need to include an amount for the franking credits in their assessable income and will not be entitled to a tax offset.

Broadly, to be a 'qualified person', two tests must be satisfied, namely the holding period rule and the related payment rule.

Under the holding period rule, an investor is required to hold Shares 'at risk' for more than 45 days continuously (which is measured as the period commencing the day after the Shares were acquired and ending on the 45th day after the Shares become ex-dividend) in order to qualify for franking benefits, including franking credits. This holding period rule is subject to certain exceptions, including where the total franking offsets of an individual in a year of income do not exceed \$5,000.

Under the related payment rule, a different testing period applies where the investor has made, or is under an obligation to make, a related payment in relation to the dividend. The related payment rule requires the investor to have held the Shares at risk for the continuous 45 day period as above but within the period commencing on the 45th day before, and ending on the 45th day after the day the Shares become ex-dividend. Investors should seek professional advice to determine if these requirements, as they apply to them, have been satisfied.

The Australian Government has recently enacted a specific integrity rule that prevents taxpayers from obtaining a tax benefit from additional franking credits where dividends are received as a result of 'dividend washing' arrangements. On 30 June 2014, the measure received royal assent and the new rule will apply to distributions made on or after 1 July 2013. Shareholders should consider the impact of this legislative change and any guidance issued by the Australian Taxation Office in this regard, given their own personal circumstances.

9.8.3 DISPOSAL OF SHARES

Most Australian resident investors will be subject to Australian capital gains tax (CGT) on the disposal of their Shares. Some investors may hold their Shares on revenue account, trading stock or under the Taxation of Financial Arrangements regime. These investors should seek their own professional advice.

An investor will derive a capital gain on the disposal of a particular Share where the capital proceeds received on disposal exceeds the CGT cost base of the Share. The CGT cost base of the Share is broadly the amount paid to acquire the Share plus any transaction/incidental costs (the cost base of the Share may be different if a CGT roll-over applied to the acquisition of the Share).

A CGT discount may be available on the capital gain for individual investors, trustee investors and investors that are complying superannuation entities provided the particular Shares are held for at least 12 months prior to sale. Any current year or carry forward capital losses should offset the capital gain first before the CGT discount can be applied.

The CGT discount for individuals and trusts is 50% and for complying superannuation entities is 33%. In relation to trusts, the rules are complex, but this discount may flow up to beneficiaries of the trust.

An investor will incur a capital loss on the disposal of their particular Shares to the extent that the capital proceeds on disposal are less than the CGT reduced cost base of the Shares.

If an investor derives a net capital gain in a year, this amount is, subject to the comments below, included in the investor's assessable income. If an investor incurs a net capital loss in a year, this amount is carried forward and is available to offset against capital gains derived in subsequent years, subject in some cases to the investor satisfying certain rules relating to the recoupment of carried forward losses.

9.8.4 TAX FILE NUMBER

An investor is not required to quote their tax file number (TFN) to the Company. However, if TFN or exemption details are not provided, Australian tax may be required to be deducted by the Company from dividends at the maximum marginal tax rate plus the Medicare levy.

An investor that holds Shares as part of an enterprise may quote its Australian Business Number instead of its TFN.

9.8.5 STAMP DUTY

No stamp duty should be payable by investors on the acquisition of Shares.

Investors should seek their own advice as to the impact of stamp duty in their own particular circumstances.

9.8.6 GOODS AND SERVICES TAX

The acquisition, redemption or disposal of the Shares by an Australian resident (that is registered for GST) will be an input taxed financial supply, and therefore is not subject to GST.

No GST should be payable in respect of dividends paid to investors.

An Australian resident investor that is registered for GST may not be entitled to claim full input tax credits in respect of GST on expenses they incur that relate to the acquisition, redemption or disposal of the Shares (e.g. lawyers' and accountants' fees). Investors should seek their own advice on the impact of GST in their own particular circumstances.

9.9 CONSENTS AND IMPORTANT INFORMATION

Each of the parties referred to below has given and has not, before the lodgement of the Prospectus with ASIC, withdrawn its written consent to be named in this Prospectus in the form and context in which it is named, but has not authorised or caused the issue, dispatch or lodgement of this Prospectus, does not make any offer of Shares and, to the maximum extent permitted by law, they (and their affiliates, officers and employees) expressly disclaim all liabilities in respect of, make no representations or warranties regarding and take no responsibility for any statements in or omissions from this Prospectus, and has not made any statement that is included in this Prospectus or any statement on which a statement which is made in this Prospectus is based, other than the reference to its name in the form and context in which it is named and a statement or report included in this Prospectus with its consent as specified below:

- Goldman Sachs;
- Macquarie Capital;
- JBWere Limited and Macquarie Equities Limited;
- Investec Australia Limited;
- Clayton Utz;
- Ernst & Young;
- PricewaterhouseCoopers Securities Limited;
- PricewaterhouseCoopers;
- Computershare Investor Services Pty Limited;
- simyo Founders; and
- Telsyte.

PricewaterhouseCoopers Securities Ltd has given, and not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in the Prospectus as Investigating Accountant to the Company in relation to the Financial Information in the form and content in which it is named and to the inclusion in this Prospectus of its Investigating Accountant's Report in Section 8 and the statements specifically attributed to it in the text of, or by a footnote in, this Prospectus, in the form and context in which they appear in this Prospectus.

PricewaterhouseCoopers has given and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as auditor to the Company in the form and context in which it is so named.

Each simyo Founder has given and has not withdrawn prior to lodgement of this Prospectus with ASIC, its consent to the statements attributed to the simyo Founders in Section 3.2 of this Prospectus, in the form and context in which they appear in this Prospectus.

Telsyte has given and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to the statements attributed to it in this Prospectus whether in the text of, or by a footnote in, this Prospectus, in the form and context in which they appear in this Prospectus.

Ernst and Young has given and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to the statements attributed to it in section 2.3.4 of this Prospectus as the author of the “Customer Experience Series™ – Cost of Complaining report, 24 February 2014”, in the form and context in which they appear.

9.10 DESCRIPTION OF THE SYNDICATE

The Joint Lead Managers to the Offer are Goldman Sachs and Macquarie Capital.

The Co-Managers to the Offer are JBWere Limited and Macquarie Equities Limited.

9.11 OWNERSHIP RESTRICTIONS

The sale and purchase of Shares is regulated by Australian laws that restrict the level of ownership or control by any one person (either alone or in combination with others). This Section 9.11 contain a general description of these laws.

9.11.1 CORPORATIONS ACT

The takeover provisions in Chapter 6 of the Corporations Act restrict acquisitions of shares in listed companies and unlisted companies with more than 50 members, if the acquirer’s (or another party’s) voting power would increase to above 20% or would increase from a starting point that is above 20% and below 90%, unless certain exceptions apply.

The Corporations Act also imposes notification requirements on persons having voting power of 5% or more in the Company.

9.11.2 FOREIGN ACQUISITIONS AND TAKEOVERS ACT 1975 (CTH)

Generally, the Foreign Acquisitions and Takeovers Act 1975 (Cth) applies to an acquisition of shares and voting power in a company of 15% or more by a single foreign person and its associates (**substantial interest**), or 40% or more by two or more unassociated foreign persons and their associates (**aggregate substantial interest**). Where an acquisition of a substantial interest meets certain criteria, the acquisition may not occur unless notice of it has been given to the Federal Treasurer and the Federal Treasurer has either stated that there is no objection to the proposed acquisition in terms of the Australian Federal Government’s Foreign Investment Policy or a statutory period has expired without the Federal Treasurer objecting.

An acquisition of a substantial interest or an aggregate substantial interest meeting certain criteria may also lead to divestment orders unless a process of notification and either a statement of non-objection or expiry of a statutory period without objection has occurred.

9.12 PRIVACY

By completing an Application Form or otherwise applying for securities, you are providing personal information to the Company and the Share Registry, which is contracted by the Company to manage applications. For information on how this information may be used, your rights to request access to it and the Company’s privacy practices, refer to the section of the Important Notices titled “Privacy”.

9.13 CONTRACT SUMMARIES

Summaries of contracts set out in this Prospectus (including the summary of the NSA set out in Sections 3.5.1, 3.7, 3.9 and 9.4, and the Underwriting Agreement set out in Section 9.5) are included for the information of potential investors but do not purport to be complete and are qualified by the text of the contracts themselves.

9.14 PHOTOGRAPHS AND DIAGRAMS

Photographs and diagrams used in this Prospectus that do not have descriptions are for illustration only and should not be interpreted to mean that any person shown in them endorses this Prospectus or its contents or that the assets shown in them are owned by amaysim. Diagrams used in this 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 the Original Prospectus.

9.15 GOVERNING LAW

This Prospectus and the contracts that arise from the acceptance of the applications and bids under this Prospectus are governed by the law applicable in New South Wales and each applicant and bidder submits to the exclusive jurisdiction of the courts of New South Wales.

9.16 STATEMENT OF DIRECTORS AND SALECO DIRECTORS

The issue of this Prospectus has been authorised by each Director and each SaleCo director. Each Director and each SaleCo director has consented to lodgement of this Prospectus with ASIC and issue of this Prospectus and has not withdrawn that consent.



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Appendix A

Significant accounting policies relevant to the financial information

The following significant accounting policies have been adopted in the preparation of the Financial Information included in Section 4.

REVENUE AND RECEIVABLES

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

(i) SERVICE REVENUE

Service revenue is recognised based on customer usage. When a customer uses the amaysim SIM to make voice, SMS and/or other services, this will trigger revenue being recognised for customers on the AS YOU GO product. Revenue from the UNLIMITED plan and data bolt-on are recognised on a straight-line basis over the period after the plan is bought. Revenue from the FLEXI plan is recognised based on customer usage and expiry of FLEXI credits.

(ii) INTEREST REVENUE

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

EXPENSES

All expenses including rates and taxes, and other outgoings are recognised in the consolidated statement on an accruals basis.

PROPERTY, PLANT AND EQUIPMENT

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

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

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

- | | |
|-------------------------------------|-----------|
| • Leasehold improvements | 5 years |
| • Office equipment | 4 years |
| • Electronic data processing | 3 years |
| • Telecommunications equipment | 3-4 years |
| • Furniture, fittings and equipment | 2 years |
| • Leased plant and equipment | 4 years |

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

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

INTANGIBLE ASSETS – ACQUIRED SOFTWARE

Costs incurred in developing products or systems and costs incurred in acquiring software and licences that will contribute to financial benefits in future years through revenue generation and/or cost reduction are capitalised to software and systems. Costs capitalised include external direct costs of materials and service and direct payroll and payroll-related costs of employees' time spent on the project. Amortisation is calculated on a straight-line basis over years generally ranging between 2.5 and 3.0 years.

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

INTANGIBLE ASSETS – TRADEMARK

The amaysim trademark has a finite life and will be amortised over a period of seven years.

LEASES – OPERATING AND FINANCE LEASES

amaysim has two types of leases as follows:

(i) OPERATING LEASES

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

In accordance with their lease agreements with the lessor, the Company must make good the leased premises before 30 June 2020.

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

(ii) FINANCE LEASES

The finance leases consist of the motor vehicles acquired for the founders of amaysim. The lease is capitalised as an asset under leased assets – mv. The value of the asset is depreciated over the four year life of the lease.

EMPLOYEE BENEFITS

(i) SHORT-TERM OBLIGATIONS

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

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

(iii) CURRENT RETIREMENT BENEFIT OBLIGATIONS

All employees of amaysim are entitled to benefits of the 9.25% statutory superannuation guarantee. This increases to 9.50% from 1 July 2014. All entitlements are settled monthly with the employee's nominated superannuation fund. Contributions to the superannuation funds are recognised as an expense as they become payable.

LEASING INCENTIVES

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

DISCONTINUED OPERATIONS

A discontinued operation is a component of amaysim that has ceased operations in the current financial period, represents a separate major geographical area of operations and is a subsidiary developed exclusively with a view to expand amaysim into international markets namely the United States of America. The results of discontinued operations are presented separately in the consolidated income statement.

CASH AND CASH EQUIVALENTS

For the purposes of the consolidated statement, cash flow, cash and cash equivalents include deposits held at call with a bank or financial institution with an original maturity date of three months or less. Cash and cash equivalents also include highly liquid investments which are readily convertible to cash on hand at the Directors' option and which the Company uses in its day to day management of the Company's cash requirements.

PAYABLES

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

(i) OPTUS ACTIVATION FEE LIABILITY

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

CONTRIBUTED EQUITY

Ordinary shares are classified as equity.

TAXATION

Under current legislation, the Company is not liable to pay income tax since, the Company has a reportable taxable loss for the current financial year. No deferred tax asset on tax losses and temporary differences has or will be recognised until it is probable reportable gains will arise in future years.

Deferred tax liabilities are recognised for temporary differences at the tax rates expected to apply when liabilities are settled, based on those tax rates which are enacted or substantively enacted by the reporting date. The relevant tax rates are applied to the cumulative amounts of taxable temporary differences to measure the deferred tax liability.

DIVIDENDS

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

GOODS AND SERVICES TAX

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

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from or payable to the tax authorities is included as a receivable or payable in the consolidated balance sheet.

Cash flows are reported on a gross basis reflecting any GST paid or collected. The GST component of cash flows arising from investing or financing activities which are recoverable from, or payable to, local tax authorities are classified as operating cash flows.

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Appendix B

Glossary

Term	Meaning
1H2014	Half year ended 31 December 2013
1H2015	Half year ended 31 December 2014
2G	Second generation mobile telecommunications
3G	Third generation mobile telecommunications. These are broadband mobile telecommunication services which support voice channels, IP-based video and data service
4G	Fourth generation mobile telecommunications. These are enhanced broadband mobile telecommunication services which support voice, video and data services over an all-IP network
4G Plus	4G including 700MHz network
5G	Fifth generation mobile telecommunications technology as defined by the International Telecommunications Union
AAS	Australian Accounting Standards
AASB	Australian Accounting Standards Board
ABS	Australian Bureau of Statistics
ACCC	Australian Competition and Consumer Commission
ACMA	Australian Communications and Media Authority
ADMA	Association for Data-Driven Marketing & Advertising
amaysim or Company	amaysim Australia Limited (ACN 143 613 478) or where context permits, the business carried out by amaysim and its subsidiaries
amaysim Founders or Founders	Thomas Enge, Rolf Hansen, Christian Magel, Andreas Perreiter and Peter O'Connell
Appendix	An appendix to this Prospectus
Application Form	The application form attached to or accompanying this Prospectus (including the electronic form provided by an online application facility)
ARPU	Average revenue per Subscriber, calculated as net revenue for the period divided by average Subscribers for that period, and expressed on a monthly basis
ASIC Act	Australian Securities and Investments Commission Act 2001 (Cth)
ASX	ASX Limited (ACN 008 624 691) or the market operated by ASX Limited, as the context requires
ASX Listing Rules	Official listing rules of ASX
ASX Recommendations	ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (3rd edition)
ASX Settlement Operating Rules	Rules of ASX Settlement Pty Limited (ACN 008 504 532)
Audited Financial Statements	The audited financial statements of the Company for FY2012, FY2013 and FY2014
Australian Retail Broker Client	An Australian resident retail client of a Broker.

Term	Meaning
AWS	Amazon Web Services
BBSW	The Australian Financial Markets Association Bank Bill Reference Rate
Board or Board of Directors	The board of directors of the Company
Broker	A Joint Lead Manager, Co-Manager, an affiliate of any one of them, or any other ASX participating organisation selected by the Joint Lead Managers and amaysim to act as a broker for the Offer
Broker Firm Offer	The offer of Shares under this Prospectus to Australian Retail Broker Clients and New Zealand Exempt Broker Clients who have received an invitation from a Broker to acquire Shares under this Prospectus provided that such clients are not located in the United States, as described in Section 7.4.1
BYO or Bring Your Own	Subscribers that use Mobile Services by way of their own devices instead of purchasing a device from the Mobile Service Provider
CAGR	Compound annual growth rate
capital expenditure	A combination of capitalised product development costs and other costs primarily related to property, plant and equipment
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CHESS	ASX's Clearing House Electronic Subregister System
churn	A telecommunications industry measure of the number or proportion of subscriptions that disconnected from a telecommunications provider's service over a period of time
Closing Date	The date of which the Retail Offer is expected to close, being 9 July 2015 (this date may be varied without notice)
Co-Managers	JBWere Limited (ACN 137 978 360) and Macquarie Equities Limited (ACN 002 574 923)
Competing Services	Services substantially similar to or reasonably substitutable for the services Optus provides to amaysim under the NSA
Completion	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
Consenting Party	The parties referred to in Section 9.9
Corporations Act	Corporations Act 2001 (Cth)
Data traffic	The volume of data transferred in both directions between a customer and their ISP. Data traffic is measured in bytes
Director	Each of the directors of the Company from time to time
DVS	The newly available Commonwealth government Digital Verification Service
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
Employee Shareholders	Julian Ogrin, Leanne Wolski and 39 other amaysim employees who are participants in the ESP
EPS CAGR	CAGR of earnings per Share

Term	Meaning
Escrowed Period	The period described in Section 6.10.1 during which the Escrowed Shareholders will have a portion of their shareholdings in escrow
Escrowed Shareholders	The Founders (and associated investment vehicles), the Financial Shareholders and Leanne Wolski
ESP	The employee share plan described in Section 6.9.1
Existing Shareholders	Shark Holding (which holds Shares in which the Founders have an interest), the Financial Shareholders, and the Employee Shareholders who are to be issued Shares on or before Completion
Expiry Date	The date on which this Prospectus expires, being the date which is 13 months after the date of the Original Prospectus
Exposure Period	The seven day period after the date of the Original Prospectus, which may be extended by ASIC by up to a further seven days, during which an application must not be accepted
Financial Adviser	Investec Australia Limited
Financial Information	Historical Financial Information and Forecast Financial Information
Financial Shareholders	Represent 17 financial investors in amaysim, the largest of which is HSBC Bank Malta plc as trustee of a trust for Itren Investments Ltd, whose majority shareholder is the Libyan Investment Authority. Itren has agreed to sell its entire 11.3% shareholding to SaleCo, as described in Sections 7.1.6 and 7.2.2
Forecast Financial Information	Pro Forma Forecast Financial Information and Statutory Forecast Financial Information
FTEs	Full-time equivalent employees, contractors and ongoing Board members, Rolf Hansen and Peter O'Connell
FY2012	Financial year ended 30 June 2012
FY2013	Financial year ended 30 June 2013
FY2014	Financial year ended 30 June 2014
FY2015F	Financial year ending 30 June 2015
FY2016F	Financial year ending 30 June 2016
FY2016 Release Date	the date on which the Company releases its preliminary final report with respect to the full financial year ending 30 June 2016
FY2017 Release Date	the date on which the Company releases its preliminary final report with respect to the full financial year ending 30 June 2017
GB	Gigabyte
Goldman Sachs	Goldman Sachs Australia Pty Ltd (ACN 006 797 897)
Historical Financial Information	Statutory Historical Financial Information and Pro Forma Historical Financial Information
IFRS	International Financial Reporting Standards
IMF	International Monetary Fund

Term	Meaning
Institutional Investors	Investors who are (a) persons in Australia who are wholesale clients under section 761G of the Corporations Act and either “professional investors” or “sophisticated investors” under sections 708(11) and 708(8) of the Corporations Act; or (b) institutional investors in certain other jurisdictions, as agreed by the Company and the Joint Lead Managers, to whom offers of Shares may lawfully be made without the need for a lodged or registered prospectus or other form of disclosure document or filing with, or approval by, any government agency (except one with which the Company is willing in its discretion to comply), in either case
Institutional Offer	The invitation of Institutional Investors under this Prospectus to acquire Shares as described in Section 7.6
IP	Internet Protocol
ISP	Internet Service Provider
IT	Information Technology
Joint Lead Managers	Goldman Sachs and Macquarie Capital
KPI	Key Performance Indicator
LTI Awards	Options or performance rights to subscribe for or be transferred Shares, which may be offered to eligible employees (including executives, officers and permanent employees) selected by the Directors at their discretion
LTIP or Long Term Incentive Plan	amaysim's long term incentive plan, under which LTI Awards may be offered to eligible employees (including executives, officers and permanent employees) selected by the Directors at their discretion
Macquarie Capital	Macquarie Capital (Australia) Limited (ACN 123 199 548)
MMS	Multimedia Messaging Service; an evolution of SMS that enables users to send multimedia content including images, audio and video clips to other users
MNO or Mobile Network Operator	Mobile network operator which holds licences to use radio frequency spectrum and owns or operates wireless communications networks, including towers, base stations and switching centres. They are the dominant type of MSP and typically offer lock-in contracts with subsidised handsets
Mobile Services	2G, 3G and 4G mobile services including voice calling, video calling, SMS and multimedia messaging throughout Australia and between Australia and international destinations, data and a range of information, entertainment and connectivity services related to those services
MSP or Mobile Services Provider	A provider of Mobile Services
MVNO or Mobile Virtual Network Operator	Mobile virtual network operator which purchases wholesale services from MNOs and does not operate mobile network infrastructure. A MVNO inserts its own brand and addresses a particular market segment. MVNOs are generally free to set their own tariffs and distribute SIMs under their brand through their own distribution channels. They also provide their own customer service
Net debt	Interest bearing loans and borrowings (before capitalised borrowing costs) net of cash and cash equivalents
New Zealand Exempt Broker Clients	A New Zealand resident client of a Broker who (i) is an investment business within the meaning of clause 37 of Schedule 1 of the Financial Markets Conduct Act 2013 (New Zealand); (ii) meets the investment activity criteria specified in clause 38 of Schedule 1 of that Act; (iii) is large within the meaning of clause 39 of Schedule 1 of that Act; or (iv) is an eligible investor within the meaning of clause 41 of Schedule 1 of that Act
NPAT	Net profit after tax
NPATA	NPAT after adding back the tax effected amortisation expense related to acquired intangibles

Term	Meaning
NPS	Net Promoter Score is a management tool that can be used to gauge the loyalty of a firm's customer relationships; it serves as an alternative to traditional customer satisfaction research
NSA	amaysim's wholesale network supply agreement with Optus
Offer	The offer under this Prospectus of 7.2 million Shares to be issued by the Company and of 107.9 million Shares to be sold by Saleco
Offer Period	The period whereby applicants can register their interest in participating in the offer
Offer Price	\$1.80 per Share
Official List	The official list of entities that ASX has admitted to and not removed from listing
Optional Term	The optional term of the NSA, which is at amaysim's option and would end in December 2024
Optus	Each of Optus Mobile Pty Limited (ACN 054 365 696) and Optus Networks Pty Limited (ACN 008 570 330) when used in reference to amaysim's NSA counterparty. Otherwise, Optus refers to Singtel Optus Pty Limited (ACN 052 833 208)
Optus Marketing Grant	The difference between aggregate referral fees (received by amaysim from Optus) and aggregate marketing access fees (paid by amaysim to Optus), as described in Section 3.7.8
Original Prospectus	The prospectus issued by amaysim and SaleCo dated 23 June 2015, which was lodged with ASIC on that date and is replaced by this Prospectus
PBT	Profit before tax
penetration	A measurement, usually as a percentage, of the take-up of telecommunication services or devices. Penetration is typically calculated by dividing the number of subscriptions or devices by either the number of households or the population to which the service or device is available
Plan Rules	The rules of the LTIP which provide a framework under which the plan and individual grants will operate
Postpaid BYO plan	Mobile subscriptions paid for in arrears on a recurring basis. This arrangement is not pre-determined by a contract and the Subscriber has the flexibility to switch provider at any time. Subscribers also bring their own devices instead of purchasing a device from the Mobile Service Provider
Postpaid lock-in plan	Mobile subscription paid for in arrears on a recurring basis and requiring Subscribers to remain Subscribers for a specified duration, for example 12 to 24 months. These plans often come with subsidised handsets
Prepaid or Prepaid Plan	Mobile subscription requiring Subscribers to pay for usage credit in advance without any durational commitment
Product Repositioning	amaysim's product repositioning in September 2014, as described in Section 4.7.2.2
Priority Offer	Offer made to selected investors nominated by the Company who have received a Priority Offer invitation
Priority Offer Applicant	Persons who apply under the Priority Offer having received a Priority Offer invitation
Priority Offer invitation	An invitation to participate in the Priority Offer which is made to a select group of investors nominated by the Company
Pro Forma Forecast Cash Flows	Pro forma consolidated forecast cash flow statements for FY2015F and FY2016F
Pro Forma Forecast Financial Information	Pro Forma Forecast Results and Pro Forma Forecast Cash Flows
Pro Forma Forecast Results	Pro forma consolidated forecast income statements for FY2015F and FY2016F

Term	Meaning
Pro Forma Historical Balance Sheet	Pro forma consolidated historical balance sheet as at 31 December 2013 and 31 December 2014
Pro Forma Historical Cash Flows	Pro forma consolidated historical cash flow statements for FY2012, FY2013, FY2014, 1H2014 and 1H2015
Pro Forma Historical Financial Information	Pro Forma Historical Results, Pro Forma Historical Cash Flows and Pro Forma Historical Balance Sheet
Pro Forma Historical Results	Pro forma consolidated historical income statements for FY2012, FY2013, FY2014, 1H2014 and 1H2015
Prospectus	This document dated 29 June 2015 and any replacement or supplementary prospectus in relation to this document
Prospectus Date	The date on which a copy of this Prospectus was lodged with ASIC, being 29 June 2015
PwC	PricewaterhouseCoopers
PwCS or Investigating Accountant	PricewaterhouseCoopers Securities Ltd
Regulations	Corporations Regulations 2001 (Cth)
Retail Offer	The Retail Offer consists of the Broker Firm Offer and the Priority Offer
SaleCo	amaysim SaleCo Limited (ACN 605 248 315)
Services in Operation	A term used by MSPs to describe the number of services they provide at a particular time. Used interchangeably with Subscribers in this Prospectus
Share Registry	Computershare Investor Services Pty Limited
Share Rights	Rights granted to certain employees pursuant to the ESP described in Section 6.9.1
Shareholder	The registered holder of a Share
Shares	Fully paid ordinary shares in the capital of the Company
Shark Holding	Shark Holding GmbH, the company through which the Founders have interests in amaysim at the Prospectus Date
simyo Founders	Thomas Enge, Rolf Hansen, Christian Magel and Andreas Perreiter
SIM	Subscriber Identity Module cards that contain a smart chip with memory that allows for data storage and software applications
smartphone	A mobile phone built on a mobile operating system, with more advanced computing capability and connectivity
SMS	Short Message Service; a text message service which enables users to send short messages (160 characters or less) to other users
Statutory Forecast Cash Flows	Statutory consolidated forecast cash flow statements for FY2015F and FY2016F
Statutory Forecast Financial Information	Statutory Forecast Results and Statutory Forecast Cash Flows
Statutory Forecast Results	Statutory consolidated forecast income statements for FY2015F and FY2016F

Term	Meaning
Statutory Historical Balance Sheet	Statutory consolidated historical balance sheet as at 31 December 2013 and 31 December 2014
Statutory Historical Cash Flows	Statutory consolidated historical net free cash flow before financing, tax and dividends for FY2012, FY2013, FY2014, 1H2014 and 1H2015
Statutory Historical Financial Information	Statutory Historical Results, Statutory Historical Cash Flows and Statutory Historical Balance Sheet
Statutory Historical Results	Statutory consolidated historical income statements for FY2012, FY2013, FY2014, 1H2014 and 1H2015
Subscribers	The number of active mobile accounts or active SIMs in the market rather than individual users. When used in reference to amaysim Subscribers, it refers to amaysim's prepaid Subscribers who have tolled (i.e. used the service) over the last 180 days and amaysim's postpaid Subscribers (who are required to provide active payment details)
Successful Applicants	Applicants of either the Broker Firm Offer or the Institutional offer who are transferred Shares upon Completion
TCP Code	<i>Telecommunications Consumer Protection Code</i>
Telecommunications Act	<i>Telecommunications Act 1997 (Cth)</i>
Telstra	Telstra Corporation Limited (ACN 051 775 556)
TIO	Telecommunications Industry Ombudsman
Underwriting Agreement	The agreement of the same name between the Company, SaleCo and the Joint Lead Managers as described in Section 9.5
Vodafone	Vodafone Hutchison Australia Pty Limited (ACN 096 304 620)
VoIP	Voice over IP

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Corporate Directory

COMPANY'S REGISTERED OFFICE

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

SHARE REGISTRY

Computershare Investor Services Pty Limited
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Sydney NSW 2000 Australia

AMAYSIM OFFER INFORMATION LINE

1300 374 815 (within Australia) or
+61 3 9415 4114 (outside Australia)
Hours of operation: 8:30am to 5:00pm Sydney time,
Monday to Friday (business days only)

FINANCIAL ADVISER

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Sydney NSW 2000 Australia

JOINT LEAD MANAGERS

Goldman Sachs Australia Pty Ltd
Level 46
Governor Phillip Tower
1 Farrer Place
Sydney NSW 2000 Australia

Macquarie Capital (Australia) Limited
50 Martin Place
Sydney NSW 2000 Australia

AUSTRALIAN LEGAL ADVISER

Clayton Utz
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1 Bligh Street
Sydney NSW 2000 Australia

INVESTIGATING ACCOUNTANT

PricewaterhouseCoopers Securities Ltd
Darling Park Tower 2
201 Sussex Street
Sydney NSW 2000 Australia

AUDITOR

PricewaterhouseCoopers
Darling Park Tower 2
201 Sussex Street
Sydney NSW 2000 Australia

TAX ADVISER

Ernst & Young
The EY Centre
680 George Street
Sydney NSW 2000 Australia

CO-MANAGERS

JBWere Limited
Level 16
101 Collins Street
Melbourne VIC 3000 Australia

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Sydney NSW 2000 Australia

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