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ABN: 65 143 613 478

ASX ANNOUNCEMENT

27 August 2018

The Manager

Market Announcements Office
Australian Securities Exchange
4th Floor, 20 Bridge Street
Sydney NSW 2000

Dear Sir/Madam

amaysim Australia Limited (ASX Code: AYS) – Financial results for the full year ended 30 June 2018

In accordance with the Listing Rules, I enclose the following for immediate release to the market:

1. Appendix 4E
2. Annual Report
3. Corporate Governance Statement and Appendix 4G

Yours faithfully,

Alexander Feldman
amaysim | Chief Strategy Officer & General Counsel

amaysim

amaysim Australia Limited and its controlled entities (ABN: 65 143 613 478)

Appendix 4E (rule 4.3A)

Preliminary final report for the financial year ended 30 June 2018.

This Appendix 4E should be read in conjunction with the consolidated financial statements and accompanying notes to the accounts.

RESULTS FOR ANNOUCMENT TO THE MARKET (All comparisons to financial year ended 30 June 2017)	$'000	Up/(down)	Movement %
Revenues from ordinary activities	577,834	250,999	76.8%
Revenues from ordinary activities excluding interest income	577,633	250,953	76.8%
Earnings before interests, tax, depreciation and amortisation	37,552	3,710	11.0%
Underlying earnings before interests, tax, depreciation and amortisation*	47,825	4,283	9.8%
Net profit after tax from ordinary activites	2,715	-8,797	(76.4%)
Net profit attributable to members	2,715	-8,797	(76.4%)
Underlying profit after tax*	12,320	-8,865	(41.8%)

COMMENTS

Underlying figures have been calculated from statutory data and exclude the impact of non-core income and expenses, strategic investments, any acquisition related expenses including consequential changes in the value of tax assets, integration and transaction costs with a related tax adjustment where applicable and impairment costs.

No dividends have been declared for the financial year ended 30 June 2018.

NET TANGIBLE ASSETS	30-Jun-18	30-Jun-17
Net tangible assets per security	($0.69)	($0.64)

Additional Appendix 4E disclosure requirements can be found in the director's report and the 30 June 2018 financial report and accompanying notes (as set out in the Annual Report).

This Appendix 4E report is based on the financial report for the year ended 31 June 2018 that has been audited by PricewaterhouseCoopers.

annual report 2018

amaysim Australia Ltd

amaysim

Contents

We are an asset-light utility service provider, focusing on mobile and energy and delivering excellent customer service

amaysim is a leading Australian mobile services provider that also provides energy.

We are Australia's fourth largest mobile service provider, with 1.158 million subscribers.

All amaysim branded products feature no lock-in contracts, transparent pricing, and are built to deliver great customer experience, convenience and outstanding value.

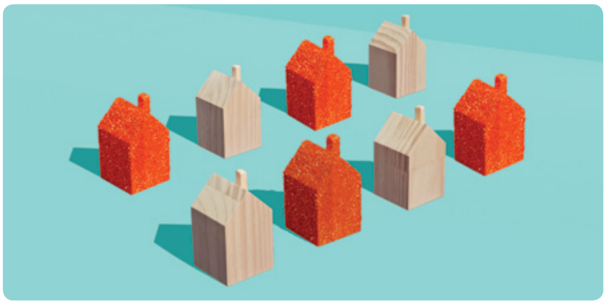
At its core, amaysim is a technology-driven company, offering customers DIY account management backed by award-winning, online-first customer support. The Company operates an asset-light, technology-led business model.

Our strategy focuses on defending and growing mobile subscribers and disrupting the retail energy market. We are excited to apply our marketing capabilities to cross-sell and up-sell our significant mobile subscriber base with energy.

Going forward, we will continue to extend our technology platforms to enhance the speed to launch new services and will apply amaysim's customer-centric approach as we expand into other aligned services and segments.

Highlights and awards

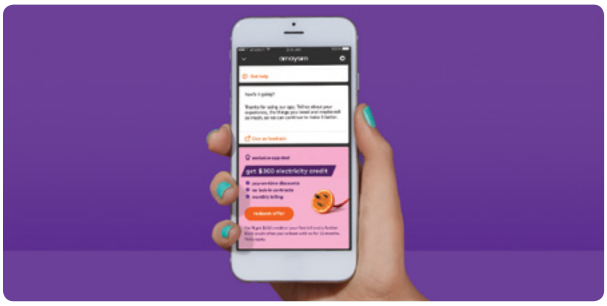
$577.6m	$37.6m	$47.8m
statutory net revenue	statutory EBITDA	underlying EBITDA
+76.8%	+11.0%	+9.8%



~17k subscribers with more than one product across verticals since November 2017 with a strong sales pipeline

Launched amaysim energy plans in Oct 2017

Trialed 400+ cross-sell campaigns in FY18



Launched cross-sell feature in the amaysim app in May 2018

Doubled brand awareness with our 'Just What You Need' marketing campaign in Nov 2017 & Feb 2018

Strategically broadened the mobile portfolio in Jul & Nov 2017 and launched amaysim's "Small But Mighty" $10 mobile plan

1.158m
mobile subscribers
+7.8%

191k
energy subscribers
+15.9%

15k
broadband subscribers
+196.0%

2017 Canstar Blue award for **Most Satisfied Customers - Mobile SIM Only**; the fifth such award since 2013[1]

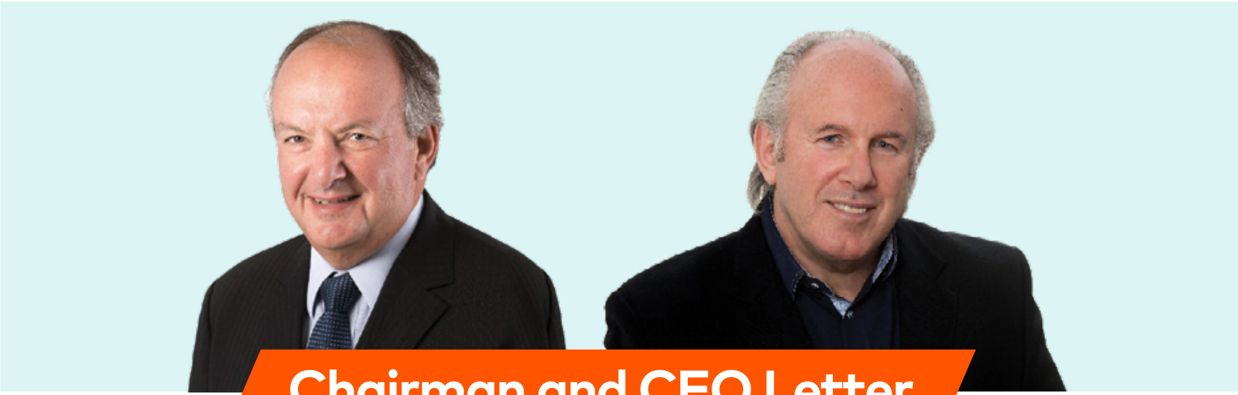
2018 Money Magazine 'Best of the Best' winner for **Best-Value Prepaid Mobile Plan (Low Usage)** category[2]

2018 Money Magazine 'Best of the Best' winner for **Best-Value Mobile Plan in the International Calls** category[3]

2018 Comms Day Edison Awards Winner — **Best virtual network operator**; the second year running

Roy Morgan's Australian Customer Satisfaction Award for **Mobile Phone Service Provider of the Year** 2017; the third such award in the past five years[4]

1. Canstar Blue Most Satisfied Customers – Prepaid Mobile Services award in 2013 & 2014; Canstar Blue Most Satisfied Customers – Mobile Phone Plan Providers in 2014; Canstar Blue Most Satisfied Customers – Mobile SIM Only Postpaid in 2016 & 2017
2. Money Magazine Best of the Best Awards 2018: gold winner in Best-Value Prepaid Mobile Plan (Low Usage) category for its $10 UNLIMITED 1GB mobile plan
3. Money Magazine Best of the Best Awards 2018: gold winner in Best-Value Mobile Plan in the International Calls category for its $30 UNLIMITED 5GB plan
4. Roy Morgan's Australian Customer Satisfaction Award for Mobile Phone Service Provider of the Year 2017; amaysim won the third such award in the past five years



Chairman and CEO Letter

The amaysim Group is a more diversified and resilient business than when it listed on the ASX and the Board is committed to overseeing sustainable growth for the benefit of our shareholders.

Dear Shareholders

Welcome to the amaysim annual report for the full year ending 30 June 2018.

The 2018 financial year has been transformational for the company. We executed on our strategy of diversification, reinforcing that amaysim is no longer just a telco - we are well on our way to being Australia's best customer focused, utilities provider.

This strategy required us to make significant investments across the company, particularly to target a new and growing segment of the mobile market and to launch and promote amaysim's simple energy plans and online device store, while continuing to grow.

In October 2017, we repositioned our mobile product portfolio into lower priced segments, much earlier than others in the market, allowing us to maintain our competitiveness and grow mobile subscribers.

We have made good progress on our mobile-led cross sell strategy since we began to market our multiple services across targeted segments of our subscriber base in November 2017.

The market

The telecommunications sector continues to face unprecedented competition. Consumers want greater freedom and value obtained by de-coupling their phone from their mobile plans and the desire to easily switch plans as their needs change.

amaysim's bring-your-own device, no-lock in contract, online-led offering positions us well to take advantage of this structural shift in consumer expectations and demand.

Australian consumers are also demanding better value, simplicity and customer experience across their household utilities. Over the years, amaysim has built a brand that Australian consumers can trust to deliver an excellent customer experience. Now, with multiple product offerings in the market, we believe our success in these competitive markets will be driven by our ability to leverage these core capabilities to cross sell multiple products and differentiate amaysim in a crowded telco market.

Financial performance

The 2018 financial year was another solid performance by the Company.

Statutory net revenue was a record $577.6 million compared with $326.7 million in the previous year an increase of 76.8%.

Statutory EBITDA was $37.6 million compared with $33.8 million in the previous year an increase of 11.0%. Underlying EBITDA was $47.8 million compared with $43.5 million in the previous year an increase of 9.8%.

The result reflects solid growth in subscribers across mobile, energy and broadband, with new product launches, the refresh of the mobile product suite and successful marketing campaigns all contributing.

The mobile business performed well in the face of challenging market conditions. The strategic broadening of amaysim's mobile product portfolio enabled the business to grow subscribers by 7.9% to 1.158 million as at 30 June 2018. Despite subscriber growth, a reduced mobile ARPU, affected revenue and mobile statutory net revenue was down -7.0% to $259.0 million. Excluding devices from the mobile result, statutory net revenue decreased by -13.3% to $241.5 million, gross margin remained strong at 33.8% and underlying EBITDA decreased 27.5% to $31.2 million.

The energy business delivered a strong 2018 full year performance with statutory net revenue of $310.0 million and underlying EBITDA of $22.9 million. Despite increased competition in the sector, energy subscribers grew by 15.9% to approximately 191,000 as at 30 June 2018. This was driven through Click's existing channels, the launch of amaysim energy in late October 2017 and sustained campaigning with strong offers. Through the period, energy ARPU increased 2.2% to $142.96 and generated a strong gross margin of 23.7% driven by disciplined retail pricing.

Our ability to achieve strong subscriber growth across the business, year-on-year, is made possible by:

- our unwavering commitment to ensure everything that we do for our customers is simple and transparent;
- a disciplined approach to pricing and positioning our products and utilising quality channels to market to minimise our exposure to subscribers who are prone to rotational churn; and
- an unmatched customer experience. Most of our customers have never had to contact us because they are able to self-serve at their own convenience using our DIY online tools. This has always been a key strength of the amaysim business model and we continue to invest in maintaining this competitive edge.

Cross-sell

In the 2018 financial year, we built on our success as Australia's fourth largest mobile services provider by commencing a cross-sell strategy into our existing subscriber base. This began in November 2017 with the launch of amaysim energy and the amaysim device store. Since November, our sales and marketing teams have executed over 400 tactical cross-sell campaigns. We also made headlines by offering free mobile for a year to customers who also took up energy.

At around 54% of statutory net revenue, energy has, for the first time, contributed the majority of the Groups' revenue. The greater proportion of revenue from energy has provided growth and resilience in our business.

Looking ahead, the amaysim Group will continue to focus on increasing the cross-sell of services, with both tactical and strategic campaigns, to drive the uptake of multiple services per customer. We are also concentrating on building trusted relationships with our base to create profitable and long-term customers, with low churn rates. This will be achieved through a combination of:

- cut through marketing and brand awareness campaigns;
- market leading product innovation; and
- continuous system improvements to make the experience of taking multi-products from the amaysim brand as seamless and convenient as possible.

We expect to be able to continue to grow and will continue to pursue operating efficiencies. Our view is that this can be achieved through a continued focus on automation and the pursuit of the ultimate online self-service experience.

Review of Broadband and discontinuation of Devices

In line with the company's goal to maximise shareholder returns, the management team and Board have undertaken an assessment of the risk-return profile of the company's portfolio of products and services.

Part of that assessment was reviewing the markets in which the company competes. In the 2019 financial year, the company believes that competition in mobile and energy will continue and with its capability to be Australia's best customer focused, asset-light utilities provider, amaysim is well positioned to succeed. We will achieve this by leveraging our core skills to defend and grow in mobile and disrupt the energy sector.

Broadband and devices are, relative to mobile and energy, capital intensive businesses and, due to prevailing market conditions, amaysim broadband and devices are expected to deliver low returns over the foreseeable medium term. As a result, the Board has determined that it is in the interests of shareholders to review the broadband business and to discontinue selling devices in the first half of the 2019 financial year. These decisions are expected to enable the company to redirect capital to the higher growth and return mobile and energy businesses. The company will provide an update on the review of the broadband business at the upcoming Annual General Meeting.

Outlook

Our view remains that there are opportunities in the 2019 financial year and we expect underlying EBITDA for the Group to reflect:

- continued earnings growth in energy driven by amaysim energy and Click's existing channels
- competition to continue to put pressure on mobile ARPU and margins despite mobile subscriber growth
- reduction in underlying operating costs driven by simplification of the Group's structure and a more disciplined approach to cost management

- discontinuation of devices

The company also considers the following 2019 financial year catalysts may drive earnings:

- plans to defend and grow the mobile business, including the launch of new mobile products
- continued investment in spectrum and mobile networks (4.5G and 5G) by carriers and potential consolidation of TPG and VHA, which may set the trend for a more rational market and lead to an increase in mobile ARPU and margin by the end of the financial year
- outcome from the review of the broadband business

While competition in mobile will remain intense in the 2019 financial year , we are still confident about the sector over the medium to long-term. We continue to achieve strong mobile subscriber growth in July 2018 and expect the roll out of 4.5G and 5G networks in Australia over he 2019 and 2020 financial years to provide increased rationality and a slowing of competitive excess.

In energy, we will closely monitor the government's response to the ACCC enquiry into the sector and finalisation of the National Energy Guarantee, participating in industry consultations where we get the opportunity to do so. We agree with the ACCC's recommendations and the overall theme that the whole sector requires fixing.

Notwithstanding the difficult market, the company is actively reshaping itself to access new services, when ready, by developing our technology platforms to deploy additional services quickly; improving our analytics and marketing capability to attract and serve customers; increasing cross-sell of mobile and energy; and elevating our marketing capabilities.

We are focused on delivering strong value by growing awareness of amaysim as a utilities service provider to increase cross-sell of energy to our mobile subscriber base. We intend to push hard on this strategy to achieve profitable growth.

Dividend

The Board regularly reviews its approach to capital allocation with a view to ensuring that returns to shareholders are maximised. If, in the future, the company has capital in excess of its investment needs, then the Board will consider all appropriate avenues of returning value to shareholders.

In light of the strategy, the Board holds the view that it is in the interests of shareholders for the company to retain a greater proportion of profits in the business. Accordingly, it made the decision not to declare a dividend for the 2018 financial year.

Board and management changes

We saw the retirement of Rolf Hansen as Independent Non-Executive Director in November 2017. Rolf made an immense and valuable contribution as co-founder of amaysim and to the Board. We wish Rolf the very best for the future. It is the Board's intention to appoint an experienced Independent non-executive Director to replace Mr Hansen.

At the end of June, amaysim's CEO Julian Ogrin made the decision to leave the company to take up an executive position in the newly merged Foxtel and Fox sports. Julian worked tirelessly and was steadfast in his determination to execute on amaysim's strategy to diversify into new markets and build a more successful and resilient business. Julian leaves a terrific legacy at amaysim and the Board wishes him all the best in his future endeavours. On 1 July 2018, the role of CEO and Managing Director was assumed by Peter O'Connell.

Thank you

We would like to take this opportunity to thank the management team and talented staff across the amaysim Group for their hard work and commitment to the business during this particularly Intensive period. Thank you also to our fellow Board members, whose depth of experience, particularly around running successful businesses, M&A and risk management, has been invaluable over the past year.

On behalf of the Board, thank you to all our shareholders for their continued support and interest in the company. We look forward to updating you on our progress over the course of the coming year.

Andrew Reitzer
Chairman

Peter O'Connell
CEO & Managing Director

Our vision

To be Australia's best customer focused utilities provider

Strategic pillars

Defend and grow mobile

Disrupt retail energy

Expand into other aligned services and segments

Strategic priorities

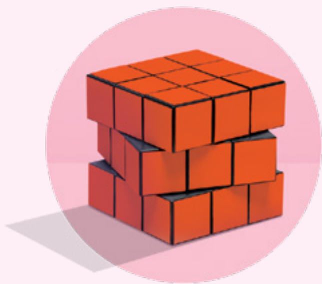
Cross-sell, up-sell and focus on quality customer relationships

Expand and improve product range across mobile and energy

Enter one new segment or market, including energy/mobile B2B, organically or via M&A

Our values

agility



simplicity

Extend technology platforms to enhance speed to deploy additional services

Refine and sharpen our marketing capabilities

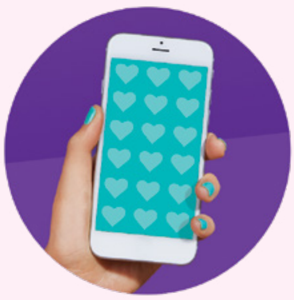
Unify the sales funnels and invest in tech stack to deploy additional services

Add features available in the amaysim mobile app

Enhance analytics capabilities to deliver insights that will drive customer value

Optimise operating costs, remaining lean and agile

reliability



empathy

Corporate Governance Statement

The Board of Directors of the Company is responsible for the overall governance of the Company and its subsidiaries.

In order to promote stakeholder confidence and protect shareholder value, the Company is committed to ensuring it maintains a corporate governance system reflective of best practice. Accordingly, the Company has established a framework for overseeing the Group's corporate governance which is designed to comply with regulatory requirements applicable to entities listed on the ASX.

The Company's Corporate Governance Statement is structured with reference to the ASX Corporate Governance Council Corporate Governance Principles and Recommendations (3rd Edition) (the "Principles"). The Principles are outlined below:

ASX Corporate Governance Principles and Recommendations	
Principle 1	Lay solid foundations for management and oversight
Principle 2	Structure the Board to add value
Principle 3	Act ethically and responsibly
Principle 4	Safeguard integrity in corporate reporting
Principle 5	Make timely and balanced disclosure
Principle 6	Respect the rights of security holders
Principle 7	Recognise and manage risk
Principle 8	Remunerate fairly and responsibly

This Corporate Governance Statement reports the Company's implementation of its corporate governance since listing on the ASX. We intend to regularly review our governance arrangements as well as developments in market practice, expectations and regulation. This statement, together with our ASX Appendix 4G, have both been lodged with the ASX.

More information on specific matters to note in relation to our current corporate governance arrangements, including policies and charters, can be found on the Company's website.

This statement provides an outline of the main corporate governance policies and practices the Company had in place during the financial year and how the Company's framework aligns with the Principles (unless otherwise noted).

This statement was approved by the Board of Directors of the Company on 24 August 2018.

1. Laying solid foundations

Shareholders should refer to the Corporate Governance section of the Company's website for a comprehensive list of governance documents.

The Board Charter governs the operations of the Board and sets out the Board's roles and responsibilities, composition, structure and membership requirements. The Board Charter also sets out the responsibilities delegated to the CEO and the management team.

1.1 Responsibilities of the Board

The Board is responsible for providing strategic direction, defining broad issues of policy and overseeing the management of the Company to ensure it is conducted appropriately and in the best interests of Shareholders.

In summary, the Board is responsible for managing the affairs of the Company, including its financial and strategic objectives; evaluating, approving and monitoring the Company's annual budgets and business plans, approving and monitoring major capital expenditure and all major corporate transactions, including the issuance of any Company securities and approving all financial reports and material reporting and external communications by the Company in accordance with Company's Communications Policy.

The Board has delegated certain responsibilities and authorities to the CEO and management team to enable them to conduct the Company's day-to-day activities. The management team's role is to support the CEO and to implement the running of the general operations and financial business of the Company. This includes developing business plans, budgets and strategies and operating the business within the parameters set by the Board from time to time.

The Company Secretary is accountable to the Board through the Chairman and will be responsible for the proper functioning of the Board and the Board Committees.

The Company's Directors and senior executives have entered into written agreements with the Group setting out the terms of their appointment.

Board of Directors

The Board's responsibilities, as set out in the Board Charter, include:

- Providing input to, and approval of, the Company's strategy and budget as developed by management;
- Appointing, rewarding and determining the duration of the appointment of the CEO;
- Ensuring the Company has in place, an appropriate risk management framework and establishing the acceptable levels of risk within which the Board expects the senior executives of the Company to operate;
- Approving criteria for assessing performance of senior executives and monitoring and evaluating their performance;
- Monitoring and evaluating the Company's compliance with its corporate governance standards.

Delegation and oversight

Accountability and reporting

CEO

Company Secretary

The Company Secretary plays an important role in supporting the effectiveness of the Board and its Committees.

Delegation and oversight

Accountability and reporting

Senior Management

Delegation and oversight

Recommendations and reporting

Board Committees

Audit & Risk Management Committee

The Audit & Risk Management Committee assists the Board in relation to the Company's financial reports, reporting process, internal control structure, risk management systems and external audit process.

Remuneration & Nomination Committee

The Remuneration & Nomination Committee assists the Board in relation to the Company's remuneration policy and appointment and re-election of members of the Board and its committees.

Energy Committee

The Energy Committee assists the Board in fulfilling its corporate governance and oversight responsibilities in relation to the Company's energy business.

1.2 Board composition and Director independence

The Chairman is Andrew Reitzer, who is an independent and non-executive Director.

The Managing Director and CEO throughout the 2018 financial year was Julian Ogrin. On 1 July 2018, Julian Ogrin resigned from these roles and was replaced by Peter O'Connell.

With the exception of Mr Ogrin and Mr O'Connell, the Board is of the view that all Directors are independent Directors. The Board therefore comprises a majority of independent, non-executive Directors. This view is formed on the basis of information made available to the Board by its Directors.

The Board considers the independence of each Director in light of the interests disclosed by them from time to time. That assessment is made at least annually at, or around the time, the Board considers the composition of the Board, and each Director is required to provide the Board with all relevant information for this purpose.

If the Board determines that a Director's independent status has changed, that determination will be disclosed to the market. The Company is of the opinion that currently there is no independent Director that has an interest, position, association or relationship of the type described in Box 2.3 of the Principles that would compromise the independence of that Director.

1.3 Skills and diversity of the Board

The Board considers the composition of the Board reflects an appropriate range of independence, skills and experience.

The Company has developed a skills matrix which sets out the mix of skills and diversity currently reflected in its membership.

The Board recognises that for the effective governance of the business, a diverse set of skills, backgrounds, knowledge and experience, is required. The Board and its Remuneration and Nomination Committee focus on ensuring the Board maintains the appropriate balance of experience, skills, independence and knowledge which is needed to meet its responsibilities in accordance with recognised governance standards.

The skills were determined by reference to what is considered important for the management of a publicly listed company and skills specific to Company.

The following table sets out the experience and skills deemed necessary or desirable by the Board in the Company's Directors and whether they are represented on the Board.

Skills Matrix

Competency	Requirements Overview	Board experience
Legal	Legal experience	✓
Technology	Knowledge of IT governance including privacy, data management and security	✓
Finance	Experience in accounting and finance	✓
Human resources	Experience in managing human capital, remuneration and reward, industrial relations, safety, strategic workforce planning	✓
Risk and compliance	Experience in identifying and managing risks as they relate to an organisation, managing regulatory compliance	✓
Acquisitions and integration	Experience in acquisitions and post-acquisition integration	✓
Debt and equity raising	Experience with debt facilities, hedging and capital raisings	✓
Multi-country experience	Experience gained in positions outside Australia	✓
Large enterprise experience	Experience gained within a large enterprise	✓
Non-executive Director experience	Experience in this capacity	✓
Executive Director experience	Experience in this capacity	✓
Executive management	Experience at an executive level including the ability to appoint and evaluate executive performance	✓
Organisational change	Experience in this capacity	✓
Commercial experience	Possess a broad range of skills across technology, communications, marketing and business operations	✓

1.4 Induction and training

In accordance with the Board Charter and the Remuneration and Nomination Committee Charter, the Directors will be expected to participate in any induction or orientation programs on appointment, and any continuing education or training arranged for them.

The Company Secretary and the Company's head of human resources will help to organise and facilitate the induction and professional development of Directors from time to time.

1.5 Performance evaluation

The Company is committed to carrying out periodic Board performance evaluations. The Remuneration and Nomination Committee has been established by the Board to assist the Board in reviewing the performance of senior executives and members of the Board at least annually.

This process includes undertaking an evaluation of the performance of the Board, each Board Committee and individual Directors, comparing their performance with the requirements of the Board Charter, relevant Board Committee Charters and the reasonable expectations of individual Directors.

An internal review was conducted in the 2018 financial year, which consisted of peer-assessments, where each individual Director assesses the performance of each other Director and the Chairman, both in their roles as Directors and Committee members. The Chairman also assessed the performance of individual Directors and of the overall Board.

In addition to evaluating the performance of the Board, the Remuneration and Nomination Committee is also responsible for developing and implementing a plan for identifying, assessing and enhancing competencies of senior executives and non-executive Directors.

The Company undertakes 360-degree reviews of all staff, including its senior executives. In addition, the Board and its Committees regularly include time without management as an agenda item, allowing for discussion and consideration of senior executive and Board and Committee performance. The Company regularly undertook these informal reviews during the 2018 financial year.

In addition, the remuneration structure (including the Long Term Incentive Plan and short term incentives) focuses on rewarding performance over and above expectations and various performance indicators (refer to the Remuneration Report as applicable).

1.6 Director succession planning

The Board, together with the Remuneration and Nomination Committee, plans for its own succession by:

- considering the skills, backgrounds, knowledge and experience, and gender diversity necessary to allow it to meet the Group's objectives;
- assessing the skills, backgrounds, knowledge, experience and diversity currently represented;
- identifying any inadequate representation of the above attributes and establishing a process necessary to ensure a candidate is selected who brings them to the Board; and
- assessing how Board performance could be enhanced.

The Remuneration and Nomination Committee will continue to ensure the Board monitors its succession requirements and implements an approach to Board renewal through a regular cycle of Director elections.

2. Board Committees

2.1 Composition and responsibilities of Committees

As at the date of this statement, the following standing Committees have been established to assist the Board in carrying out its responsibilities:

- Audit and Risk Management Committee;
- Remuneration and Nomination Committee; and
- Energy Committee.

Each Committee is governed by a formal charter approved by the Board documenting composition and responsibilities. Copies of these Charters are available on the Company's website.

The table below outlines the composition and responsibilities of each of these Committees.

	Audit and Risk Management Committee	**Remuneration and Nominations Committee**	**Energy Committee (dissolved 1 July 2018)**
Composition	During the relevant reporting period, the Audit and Risk Management Committee was comprised of three non-executive Directors, a majority of whom are independent Directors (including an independent Director as Chair). Certain members of management, external advisors and the external auditor may attend meetings of the committee by invitation of the committee Chairperson.	During the relevant reporting period, the Remuneration and Nomination Committee was comprised of three non-executive Directors, a majority of whom are independent Directors (including an independent Director as Chair). Certain members of management and external advisors may attend meetings of the Committee by invitation of the Committee Chairperson.	During the relevant reporting period, the Energy Committee was comprised of two non-Executive Directors (including an independent Director as Chair). Certain members of management and external advisors may attend meetings of the committee by invitation of the committee Chairperson.
Roles and responsibilities	The Committee will assist the Board in carrying out its corporate governance and oversight responsibilities in relation to the Company's financial reports, financial reporting process, internal control structure, risk management systems (financial and non-financial) and the external audit process. Further information is set out in the relevant Charter which is made available on the Company's website.	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. Further information is set out in the relevant Charter which is made available on the Company's website.	The main functions of the committee are to assist the Board in respect of managing risks and opportunities in connection with the Company's energy business. Further information is set out in the relevant Charter which is made available on the Company's website.
Membership as at 1 July 2018	Maria Martin (Independent, non-executive Director and Chairperson); Thorsten Kraemer (Independent, non-executive Director); and Jodie Sangster (Independent, non-executive Director).	Andrew Reitzer (Committee Chairperson and independent, non-executive Chairman); Thorsten Kraemer (Independent, non-executive Director); and Maria Martin (Independent, non-executive Director).	

3. Acting ethically and responsibly

Relevant governance document:

- Code of Conduct

3.1 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 the Company expects its representatives to behave and conduct business in the workplace and includes legal compliance and guidelines on appropriate ethical standards.

All employees of the Company (including temporary employees, contractors and Directors) must comply with the Code of Conduct.

The Code of Conduct is available on the Company's website on the "Corporate Governance" landing page.

4. Engagement with Shareholders

Relevant governance documents:

- Communications Policy
- Continuous Disclosure Policy

4.1 Communication with our investors

The Company has designed and implemented an investor relations program which facilitates effective two way communication with investors. The Company communicates with its Shareholders by making timely market announcements, by posting relevant information on to its website, by inviting Shareholders to make direct inquiries to the Company via its website and through the use of general meetings which shareholders are encouraged to attend.

The Company respects the environment and has a policy of communicating electronically with shareholders. However, Shareholders may still elect to receive certain information from the Company and its registry by post.

The Company encourages all shareholders to receive information electronically as this reduces costs, waste and is better for the environment.

5. Risk management and reporting

Proper management of the Company's risks is an important priority of the Board. The Board has adopted a Risk Management Policy appropriate for its business which includes that the Board or Committee of the Board will review the entity's risk management framework at least annually.

This policy highlights the Company's commitment to designing and implementing systems and methods appropriate to identify, minimise and control its risks.

Relevant governance documents:

- Audit and Risk Management Committee Charter
- Risk Management Policy

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 periodically undertake reviews of its risk management procedures to ensure that they comply 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.

The Company's risk management framework includes various internal controls and written policies, such as a hedging policy and other policies regarding authority levels for expenditure, commitments and general decision making and procedures relating to health and safety to ensure a high standard of performance and regulatory compliance.

Communication to investors of any material changes to the Company's risk profile is covered by the Company's Continuous Disclosure Policy.

Additional information on the Company's risk management framework is described in the "Risks" section of this report.

5.1 CEO and CFO declarations

Before the Board approves the Company's financial statements for a financial period, the CEO and CFO are required to issue a written declaration to the Audit and Risk Management Committee that, in their opinion, the financial records of the Company have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

5.2 External audit

Under the Audit and Risk Management Committee Charter, the Committee will make recommendations to the Board on the appointment, reappointment or replacement, remuneration, monitoring of the effectiveness and independence of the external auditors and resolution of disagreements between management and the auditor regarding financial reporting. The Committee will also consider the scope and adequacy of the external audit.

The Audit and Risk Management Committee Charter contains a requirement for the external auditor to attend the AGM and to be available to answer questions relevant to the audit.

5.3 Internal audit

The Audit and Risk Management Committee is responsible for overseeing processes to ensure there is an adequate system of internal control, reviewing internal control systems and the operational effectiveness of the policies and procedures related to risk and control.

Given the size of the Company, it does not have an internal audit function. However, this position will be reviewed from time to time and may change if the size of the Company materially changes.

The Audit and Risk Management Committee will ensure that the Board is made aware of audit, financial reporting, internal control, risk management and compliance matters which may significantly impact upon the Company in a timely manner and will be responsible for engaging external parties to provide internal audit services to the Company (if required).

5.4 Disclosure obligations

The Company is committed to observing its continuous disclosure obligations under the ASX Listing Rules and the Corporations Act.

The Company has adopted a Continuous Disclosure Policy, which establishes procedures aimed at ensuring Directors and executive management are aware of and fulfil their obligations in relation to the timely disclosure of material price-sensitive information.

The Company complies with its continuous disclosure obligations by ensuring that price sensitive information is identified, reviewed by management and disclosed to the ASX and any applicable regulators in a timely manner and that all such information is posted on the Company's website as soon as possible after disclosure.

The Company Secretary manages compliance with the Company's continuous disclosure obligations and communications with applicable regulators.

5.5 Sustainability

For additional information on the Company's exposure to material risks and, how it manages or intends to manage these risks, please refer to the "Risks" section of this report.

6. People and remuneration

The Company has developed a set of key cultural values: simplicity, empathy, agility and reliability.

These cultural pillars helped build amaysim and the Company's strong culture. The pillars and our remuneration practices enable us to attract and retain high quality Directors and senior executives while aligning the interests of these individuals with the creation of value for shareholders.

We regularly review skills, offer training programs to fill perceived gaps, and foster continuous improvement of our people.

6.1 Diversity

The Company is proud of its diverse and inclusive workplace and team which is made up of individuals with diverse skills, values, experiences, backgrounds and attributes. The Company is committed to developing measurable objectives to further promote gender diversity and inclusion in its workplace.

The Company has implemented the Diversity Policy which is overseen by the Remuneration and Nomination Committee and which aligns the Company's management systems with its commitment to develop a culture and business model that values and achieves diversity in its workforce and on its Board.

In order to transform its diversity goals into achievable outcomes, the Company intends to consider the implementation of measurable objectives for achieving gender diversity across the organisation moving forward. It is intended that these objectives will complement policies already in place which facilitate the development of a diverse workforce.

The Company has adopted the Australian Institute of Company Directors' recommendation of ensuring that the Board diversity has not less than 30% female representation. In addition, the Company has applied this target across all levels and broadened it to include a minimum of 30% male and female representation to support our inclusive workforce.

Gender Diversity statistics as at 30 June 2018 are outlined in the following table.

Level	Number of Directors/ employees at 30 June 2018	Number of women at 30 June 2018	Percentage of women at 30 June 2018
Board composition (NEDs)	5	2	40%
Key Management Personnel (incl. CEO)	4	1	25%
Managers/ Team Leaders	109	53	49%
Non-management	660	334	51%
All employees (excl. Board)	773	388	50%

The above table includes all amaysim Group employees, including Click's Melbourne-based team and our team in Manila.

We are required by the Workplace Gender Equality Act 2012 (WGEA) to report our workforce gender profile as at 31 March each year. Our latest report was lodged with the WGEA and is available on the Corporate Governance page of our online Investor Centre.

6.2 Executive succession planning

The Remuneration and Nomination Committee meets periodically to discuss and consider executive succession planning.

6.3 Equity-based remuneration scheme

Under the Company's Remuneration Policy, the entry into transactions which limit the economic risks of participating in an equity based remuneration scheme is not permitted unless the contemplated transaction is permitted under the Securities Trading Policy.

The Securities Trading Policy expressly prohibits Directors and all employees from using, or allowing to be used, any derivatives or other products which operate to limit the economic risk of unvested Company securities.

Further, no Director or employee may enter into a margin loan or similar funding arrangement to acquire any Company securities, or grant lenders any rights over their Company securities without first obtaining prior written approval.

6.4 Remuneration for non-executive Directors

As noted above, the Board maintains a Remuneration and Nomination Committee responsible for making recommendations to the Board regarding remuneration. The Remuneration and Nomination Committee Charter is available on the Company's website.

The Remuneration and Nomination Committee Charter forms the basis for the Company's remuneration policies and procedures.

The policies regarding remuneration of non- executive Directors and the remuneration and employment arrangements of executive Directors are disclosed separately in this Report.

7. Other information

This Corporate Governance Statement has been approved by the Board of amaysim Australia Limited and the information contained in it is current as at 24 August 2018, unless stated otherwise.

This statement, together with our 2017 ASX Appendix 4G (which is a checklist cross-referencing the ASX Recommendations to the relevant disclosures in this statement and our website (our ASX Appendix 4G)), have both been lodged with the ASX and can be found on the Corporate Governance page of our online Investor Centre.

More information on our governance arrangements, including our Board and Board Committee Charters and key policies, can also be found on our Investor Centre.

Risks

The amaysim Group operates in a rapidly changing environment characterised by profound change in the way people interact with their service providers, connect and communicate.

Risk management

The Company operates within a highly competitive, technology-based industry and is exposed to a range of risks that have the potential to impact on our financial, operational and strategic business performance. Risk recognition and management are viewed by the Company as integral to its objectives of creating and maintaining shareholder value, and to the successful execution of the Company's strategies.

Board responsibility

The Board is responsible for establishing acceptable levels of risk within which the Board expects management of the Company to operate, risk management and reporting. This includes ensuring the Company has in place an appropriate risk management framework, reviewing and ratifying the Company's systems of internal compliance and approving and monitoring material internal and external financial and other reporting.

Audit and Risk Management Committee

The Audit and Risk Management Committee has been established to assist the Board in fulfilling its corporate governance and oversight responsibilities in relation to the Company's financial reports and financial reporting process and internal control structure, risk management systems (financial and non-financial) and the audit process.

Accordingly, the Committee meets on a regular basis to:

- review and approve external audit plans;
- review and approve financial reports; and
- review the effectiveness of the Company's compliance and risk management functions.

Risk management framework

The amaysim risk management framework enables the strategy by establishing the processes, structures and culture to identify, assess, treat and monitor various risks. The key elements of this framework include:

- The Board and CEO who provide ultimate oversight and accountability for risk management and set the risk parameters through an agreed "Risk Appetite Statement". This statement is a process through which the Board has identified and agreed on the material business risks and has determined its appetite in respect of each of these material business risks (set out below in more detail).
- The Audit and Risk Committee assists the Board in fulfilling its corporate governance and oversight responsibilities.
- Responsible managers who operationalise and work within the agreed risk parameters.
- The Company's disciplined staff who are empowered to identify and manage risk on a day-to-day basis.

One of the core components of our framework is a regular reporting to the Audit and Risk Management Committee. This report identifies how the business is tracking against the Risk Appetite Statement. This report is inclusive of many types of risks from internal and external sources, including strategic, operational, financial and regulatory.

Any new risks that are identified are brought to the attention of the management team, the CEO and the Audit and Risk Management Committee on an ongoing basis. Material risks are escalated to the Board.

Material business risks

The Company is committed to the proactive identification and management of material risks by way of a Board risk appetite survey. The following information represents a summary of those identified material risks and the applicable management strategies in respect of each risk. These risks are not all encompassing, nor listed in any order of significance. Except as described in the table on the following page, the Company does not consider that it has a material exposure to economic, environmental or social sustainability risks.

Material Business Risks	Management Strategy
Industry, market & structure Inability to keep pace with changes in industry or that market disruption (including through increased competition or the entry of new competitors) may reduce the Group's ability to compete and profitably grow subscribers	We manage our exposure to this risk by proactively monitoring changes in our industry, new participants and products. We manage this risk through our wholesale contracts and by continuing to invest in data-analytics and platforms that help us understand our current and potential customers better, as well as our competitors' behaviours.
People, culture & change management Inability to maintain and develop the culture and people capability to enable and facilitate effective business growth.	We have a strong emphasis on our values-led culture, which we strive to live everyday with our staff, our customers and our business partners.
Business critical systems (internal & external) Failure to adequately respond to business-critical system issues impacting internal and external reporting, service delivery and informed decision making, which may have an adverse financial, brand perception, or customer experience impact.	As an online business, we are reliant on our distribution and network service providers to work with us to quickly identify and remediate any issues. For our internal systems, we continue to invest in our systems' resilience and capabilities, business continuity plan and disaster recovery plan.
Corporate image (governance) Not maintaining shareholder (current or prospective) and broader investment community confidence in the corporate image of the Board and management team.	We understand that maintaining confidence in our Board and management team is very important. We have an investor relations team who manage an active calendar of events and market communications to engage with our shareholders and the broader investor community.
Data security and integrity Actual or perceived lack of integrity and/or security in our sensitive data and critical software infrastructure which adversely impacts brand equity.	Our customers' privacy and data security is very important to us, and we are continually working to develop and refine our security systems. As part of our compliance with stringent Payment Card Industry Data Security Standard requirements, we maintain and continuously improve advanced security and monitoring measures across all IT platforms.
Innovation, disruption, diversification capabilities Inability to innovate, disrupt or diversify the products and services offered to the market which adversely impacts the ability to maintain or increase market share.	We cultivate a culture in our people which supports ongoing innovation and product development. With agility as a core value of our company, our people have the freedom to be creative and regularly challenge ourselves.
Business partner relationships Ineffective management of business partner relationships which may impact extent and pricing of services and therefore profitability of operations.	We work closely with all of our major business partners and network service providers. Our goal is to ensure that our culture and values are fulfilled and adhered to in all of our relationships.
Brand Reducing brand equity and relevance in the market which may adversely impact ability to maintain or increase market share.	We are proud of our brands and of their performance. We manage this risk through active monitoring of our brand metrics, targeted marketing budgets, strong retail products and leading customer experience.
Customer experience Failure to deliver on customer expectations for services and products which reduces ability to maintain or increase market share.	We maintain a strong focus on customer experience and closely monitor key metrics such as social media sentiment, net promoter score, customer service satisfaction levels and ombudsman complaints. We mitigate this risk by making customer experience a focus of our strategy, and a key differentiator for us in the market.

Corporate Social Responsibility

The amaysim Group is powered by a team of innovators who strive to make a difference to its customers and the wider communities in which it operates.

Our Communities

We aim to share our passion and the socioeconomic benefit created by our business with the communities that surround us. Employees are encouraged to support charities and community causes that are close to their hearts, and the amaysim Group provides leadership and coordination in these initiatives. This year the amaysim Group and its employees:

- Donated blood quarterly as part of the **Australian Red Cross** Red25 group donation program.
- Sponsored **The White Knight Foundation**, including its annual Fundraiser Dinner to help the foundation continue its mission of providing financial and emotional support to young victims of violence and their families.
- Brought the joy of Christmas to under-privileged Aussie kids by donating over 100 toys to the **Salvation Army** Christmas Appeal.
- Participated in and raised funds for Wear Orange to Work Day in support of **State Emergency Services**.
- Participated in and raised funds for Jeans 4 Genes Day in support of **CanTeen Australia**.
- Participated in National Bandana Day in support of **Children's Medical Research Institute**.
- Raised funds for the **Cancer Council** by hosting a 'Biggest Morning Tea'.
- Donated office furniture to **Saints Peter & Paul's Church** in Melbourne for people in need.

In addition, the amaysim Group operates part of its business within the Philippines, bringing employment and community benefit to a large number of people.

This year amaysim Philippines and its employees participated in the following activities:

- Christmas party and gift giving for children in Taguig City.
- Donated to Fire Victims in Taguig city.
- Donated dust masks for survivors of the Mayon Volcano eruption.
- Donated solar lamps to a Dumagat tribe in Angat Bulacan.
- Donated school supplies to a school for disadvantaged children in Bagac Bataan.

Our core values – **empathy, agility, reliability and simplicity** – are at the heart of everything we do.

Our People

The amaysim Group considers its people to be its greatest asset and recognises their individual identities as an intrinsic part of its culture. Our ability to create sustainable shareholder value is linked to our ability to recruit, motivate and retain a high calibre of staff. We strive to maintain high achievement by recognising and rewarding great efforts and outcomes and to create opportunities for individuals at all levels of our business through a range of contemporary learning experiences. In all employee matters, we act in compliance with national regulatory requirements and our obligations under relevant national laws.

Equal opportunity

The amaysim Group is proud of its inclusive workplace and our team which is made up of individuals with diverse skills, values, experiences, backgrounds and attributes. As an Australian business headquartered in Sydney, we celebrate the diversity of the country and provide opportunities to people who reflect Australia's multiculturalism. With the addition of a strong presence in Manila and the Click office in Melbourne, the amaysim Group is embracing its cultural and geographic diversity.

To nurture and foster its diverse and inclusive workplace, the amaysim Group has a strong diversity policy and ethic. As an example, the we provide:

- Paid Parental leave for primary and secondary carers.
- A parents' room at the Sydney headquarters.
- Flexible working arrangements.
- Paid domestic violence leave.

Occupational health & wellbeing

The amaysim Group strives to make work not feel like work, and to find creative ways of improving employee life balance. These include:

- Flexibility in leave entitlements towards study programs.
- Rewarding those who model the amaysim values, this includes a quarterly values reward lunch.
- Access to a quality Employee Assistance Program for employees and their families, including a free, third party, confidential counselling service.

Supporting and enhancing the physical wellbeing of its employees by offering complimentary yoga/Pilates and F45 classes. Team members also battle it out in a lunchtime competition known as 'Lunchtime Legends' and participate in events such as the annual City2Surf.

Performance and reward

Our aim is to ensure all employees are remunerated fairly and competitively. Remuneration includes competitive base salaries, a performance-based bonus scheme, extra annual leave to celebrate birthdays and subsidised mobile, nbn plans and devices.

Health, safety and environment

The amaysim Group conducts its business in accordance with all workplace health and safety laws, standards and codes of practice to protect the health and safety of its employees, contractors and visitors.

We aim to make a positive contribution to the protection of the environment in which we operate and to minimise the adverse effects of our operations. As a collective group, we strive to contribute positively to global sustainability through our operations, the development of new technologies and in the conduct of our relationships with all our stakeholders.

In a continued bid to save paper, we drive the use of technology to sign and negotiate documents online. This has been a huge success and has also improved efficiencies for our legal team.

Business conduct

Treatment of customers

The amaysim Group believes all Australians should have access to telecommunications and energy services that represent fairness and good value. As well as providing our customers with award winning service and great products, we also have Financial Hardship Policies ready to protect and assist all customers that fall on hard times.

We understand that customers will receive better service and experience when its staff are happy and motivated. To foster and nurture a mentally and physically supportive workplace, the amaysim Group has a wellbeing program which is broken down into the five following pillars – Career, Financial, Personal, Community and Social.

Competition

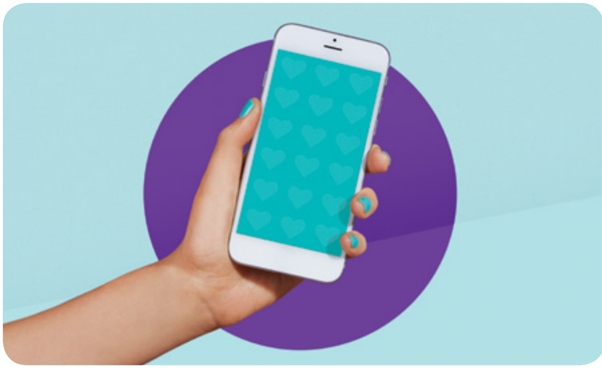
We always aim to compete vigorously with our competitors, but in a fair and responsible way. We strive to ensure our success is built on excellence. Employees are encouraged to act with integrity and are prohibited from entering into any arrangements or engaging in practices that may conflict with codes or laws applicable to the conduct of our business.

Bribery and corruption

The amaysim Group is committed to promoting and supporting a culture of corporate compliance and ethical behaviour. As such it has a whistleblowers' policy in place that encourages employees to raise any concerns and report instances of Reportable Conduct where there are reasonable grounds to support such action, without fear of intimidation, disadvantage or reprisal.

Relations with suppliers

We ensure that we treat all our suppliers in the same way as we treat our staff. We ensure that our suppliers are treated fairly and responsibly and in accordance with our core values of **empathy, agility, reliability and simplicity.**



empathy

agility

reliability

simplicity

Environment

The amaysim Group is an online business that is not involved in the manufacture or distribution of goods, extraction of resources, or generation of electricity or gas.

The Group conducts its operations over three locations – Sydney, Melbourne and Manilla – and our staff primarily comprise of office-based employees. Accordingly, our environmental footprint is low and is the result of the energy we use, the materials we consume and our employee travel. Accordingly, we are not subject to any particular or significant environmental regulations under a Commonwealth, State or Territory Law.

The amaysim Group is committed to minimising its environmental footprint and continually improving our sustainability practices. We do this, where practical, by:

- partnering with suppliers that have high quality sustainability practices
- minimising waste and the consumption of materials, energy and water.

Partnering with suppliers that have high quality sustainability practices

amaysim does not own any mobile network infrastructure, but rather gains access to a mobile network operators' infrastructure (currently Optus) to deliver mobile services to its subscribers. Optus continue to explore ways to reduce their environmental footprint, which primarily consists of carbon emissions generated through electricity use in their network.

Optus' ambition is to have the smallest environmental footprint possible. Its environment strategy is focused on: Leading with Science; Climate & Carbon; and Product Stewardship.

Optus, along with Singtel, have become the first company in the Asia Pacific region (excluding Japan) to have its carbon reduction targets approved by the Science Based Targets initiative (SBTi), a global collaborative effort that aims to keep global warming below 2ºC. Another significant environment-related initiative this year has been adopting the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). These were created by the Financial Stability Board to provide a set of voluntary climate-related financial risk disclosures.

In 2018, Optus offset 100% of the carbon emissions arising from its Gold Coast 2018 Commonwealth Games operations, recycled 474 tonnes of waste, won the 2017 "Sustainable Transport Award" from the Australian and New Zealand Division of the Institute of Transport Engineers and removed 1,400 cars of Macquarie Park, Sydney roads each day via Optus Express buses.

amaysim also uses the Amazon web services (AWS) scalable cloud-based computing and server platform, which allows us to develop new environments (to immediately conduct testing, production or development of programming and code) while helping us deliver on our commitment to reduce our environmental footprint.

AWS is focused on working towards its long-term commitment to power its global infrastructure footprint with 100% renewable energy. At the end of 2016, AWS exceeded its goal of 40% renewable energy and set the goal of being powered by 50% renewable energy by the end of 2017.

Minimising waste and the consumption of materials, energy and water

amaysim's approach to environmental impact reduction includes:

- investing in Zoom video conferencing facilities to connect amaysim Group sites and reduce the need for air travel
- using recycling bins throughout our offices with a clear explanation on how to correctly recycle
- implementing timed lights in all meeting rooms
- reducing bottled water consumables by installing filtered water taps
- using crockery and steel cutlery to minimise disposable utensils
- investing in low-power ENERGY STAR certified printers and recycling all toner cartridges
- utilising zoned air conditioning to reduce power or switch off outside office hours.

Directors' Report

Information on Directors

The amaysim Group's Board of Directors has a broad range of skills, including extensive experience in running successful businesses and a broad range of professional skills such as finance, legal, marketing and accounting.

Andrew Reitzer

Independent Non-Executive Chairman

Experience & expertise

Andrew Reitzer has over 35 years' experience in both the retail and wholesaling industries. He is currently the Independent Chairman of SG Fleet and ARQ Group Limited, as well as a Director of several private companies. Andrew was the CEO of Metcash Limited from 1988 to 30 June 2013. Prior to this, 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 has extensive experience in M&A, post-acquisition integration and organizational change.

Qualification

Bachelor of Commerce and a Masters of Business Administration from the University of South Africa.

Special responsibilities

Remuneration and Nomination Committee (Chairperson)

Interest in shares and options

83,333 Shares

Peter O'Connell

Non-Executive Director (FY2018), Chief Executive Officer and Managing Director effective on 1 July 2018

Experience & expertise

Peter O'Connell co-founded and was Chairman of amaysim from incorporation until June 2015. Previous professional experience includes partner at MinterEllison and Gilbert & Tobin where he acted on major defence contracts, and energy and telecommunications projects for global clients, 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 was part of a group which helped establish Optus Communications and was founding Director of the company. Peter has served on a number of

Boards for private and public companies and on government boards, including serving as an advisor to the Australian Government on I.T reform.

Qualification
Bachelor of Arts (Hons) from the University of Sydney and a LLB Bachelor of Law from Australian National University.

Special responsibilities
Remuneration and Nomination Committee

Interest in shares and options
3,567,005 Shares

Maria Martin

Independent Non-Executive Director

Experience & expertise
Maria Martin joined amaysim in 2015 and is a professional non-executive Director with over 30 years' experience as a business person and chartered accountant. Maria's expertise includes accounting, M&A, risk management and corporate governance across a variety of sectors including telecommunications, technology and consumer facing industries. Maria was an Independent non-executive Director of OrotonGroup Limited, Chair of their Audit Committee and Chair of their People and Organisation Committee. Maria is an alumni of the AICD's Chair Mentoring Programme, and was previously an Assurance Partner at PricewaterhouseCoopers for 15 years, including 2 years as business unit leader of their Sydney technical accounting group.

Qualification
Bachelor of Commerce from UNSW, Graduate of the Australian Institute of Company Directors and a Fellow of Chartered Accountants (ANZ).

Special responsibilities
Audit and Risk Management Committee (Chairperson)
Remuneration and Nomination Committee

Interest in shares and options
16,666 Shares

Thorsten Kraemer

Independent Non-Executive Director

Experience & expertise
Thorsten Kraemer joined the Board as a Director in 2010 and has over 20 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. Thorsten was also 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, which he founded in 2012. Thorsten is also experienced in software development, and has an in-depth knowledge of and experience in investing in the software industry. In addition to his equity capital markets experience, Thorsten has a wealth of hands-on experience with debt and hedging.

Qualification
Degree in Business Administration and Economics from the University of Cologne.

Special responsibilities
Audit and Risk Management Committee
Remuneration and Nomination Committee

Interest in shares and options
1,450,000 Shares

Jodie Sangster

Independent Non-Executive Director

Experience & expertise
Jodie Sangster was trained as a lawyer and has over 17 years' experience in data driven-marketing and advertising. Jodie is currently CMO for IBM Watson Customer Engagement (Asia Pacific). Prior to this role, Jodie held

the position of CEO of the Association for Data- Driven Marketing & Advertising (ADMA) from 2011-2018 and served as Chief Data Officer of Acxiom Asia Pacific from 2005-2007, responsible for data protection compliance throughout the Asia-Pacific region. Jodie also served as the chair of Global DMA for 10 years, 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 Washington DC, New York and the United Kingdom.

Qualification
Bachelor of Laws from Kingston University and a Masters of Laws from University College London.

Special responsibilities
Audit and Risk Committee

Interest in shares and options
16,666 Shares

Directors' Report

The amaysim Group operates in a rapidly changing environment characterised by profound change in the way people interact with their service providers, connect and communicate.

Directors

The Directors of the Group during the year and up to the date of this report are shown below. The Directors were in office for this entire period unless otherwise noted below:

Andrew Reitzer
Chairman and Independent Non-Executive Director

Julian Ogrin
Chief Executive Officer and Managing Director resigned on 1 July 2018

Rolf Hansen
Non-Executive Director resigned on 9 November 2017

Thorsten Kraemer
Independent Non-Executive Director

Maria Martin
Independent Non-Executive Director

Peter O'Connell
Non-Executive Director (FY2018), Chief Executive Officer and Managing Director effective on 1 July 2018

Jodie Sangster
Independent Non-Executive Director

Company secretary

Alex Feldman holds the position of Chief Strategy Officer and General Counsel, he is also the Company Secretary. Alex has been with amaysim since it listed in 2015 and is responsible for the Group's legal and regulatory functions, as well as investor relations and strategic corporate development opportunities such as mergers and acquisitions and significant partnerships. Before joining amaysim, Alex worked as a Senior Associate at King & Wood Mallesons, specialising in major projects across various sectors including energy, infrastructure and technology.

Board meetings

The Board believes all Directors should attend meetings of the Board and all meetings of each Committee of which a Director is a member. During the 2018 financial year, participation by Directors in meetings of the Board and Committees is outlined below. To foster a culture of openness and collaboration, each of the committees had a standing invitation throughout the year for Directors who were not members to attend committee meetings at their discretion.

			Committees[1]					
	Board		Audit and Risk		Remuneration and Nomination		Energy	
	a	b	a	b	a	b	a	b
Andrew Reitzer	8	9	(4)	5	4	4	3	3
Julian Ogrin	9	9	(5)	5	(4)	4	3	3
Rolf Hansen[2]	3	3	3	3	(1)	2	-	1
Thorsten Kraemer[2]	9	9	5	5	1(2)	4	-	3
Maria Martin	9	9	5	5	(4)	4	-	3
Peter O'Connell	9	9	(4)	5	3	4	3	3
Jodie Sangster[2]	9	9	2(2)	5	2	4	-	3
Total number of meetings held	**9**		**5**		**4**		**3**	

Column (a): number of meetings attended.
Column (b): number of meetings held while a director.
1. Committee meetings are open to all Directors to attend. Where a Director has attended a meeting of a Committee of which he or she was not a member, this is indicated by ( ).
2. Upon Rolf Hansen's retirement as a Director on 10 November 2017, Jodie Sangster joined the ARMC. On 23 February 2018, Jodie Sangster ceased to be a member of the RNC and Thorsten Kraemer joined the RNC.

Principal activities

The principal activity of the Group during the financial year was the provision of mobile telecommunication and retail energy services. On 1 May 2017, the Company acquired Click and as a result diversified into the provision of retail energy services.

Dividends

On 25 October 2017, a final fully franked dividend of 5.1 cents per share for the year ended 30 June 2017 was paid, which totalled $10,750k.

In light of the company's growth and cross-sell strategy, the Board decided to review the Company's capital allocation and dividend policy for the half year ending 31 December 2017.

The Board formed a view that it is in the best interest of shareholders for the Company to retain a greater proportion of profits in the business.

This change will ensure it has the ability to continue to invest and set the Company up for long-term success. While investment is likely to be focused on incremental near term organic growth and cross-sell, the Company also needs the flexibility to consider any potential accretive M&A opportunities across its key sectors.

To achieve this, the Board has made the decision not to declare any dividends for the 2018 financial year. The Board expects this approach to continue for the short to medium term.

The Board regularly reviews its approach to capital allocation with a view to ensuring that returns to shareholders are maximized. If, in the future, the Company has capital in excess of its investment needs, then the Board will consider all appropriate avenues of returning value to shareholders, including through dividends and/or accretive share buy-backs.

Operating and Financial review

A review of the operations of the Group for the financial year is set out in the Operating and Financial Review (p.35 to 38) which forms part of this Directors' Report.

Remuneration report

Information on The Group's remuneration framework and strategy for the Board, the CEO and other Executive KMP, is included in the Remuneration Report (p.39 to 55) which forms part of this Directors' Report.

Significant changes in the state of affairs

Employee share right plans

On 28 August 2017, the last tranche of the legacy employee share rights plan was issued: 13,366 employee share rights converted to 1,938,071 ordinary shares in amaysim Australia Limited at a price of $1.68 each.

Other than the above mentioned matters, no matter or circumstance has arisen since 30 June 2018 to the date of signing this report that has significantly affected, the Group's operations, results or state of affairs, or may do so in future years.

Event subsequent to balance date

Peter O'Connell appointed Chief Executive Officer and Managing Director

On 1 July 2018, Julian Ogrin ceased to be the Chief Executive Officer and Managing Director. On the same day, Peter O'Connell ceased to be a Non-Executive Director to become Chief Executive Officer and Managing Director.

ACCC proceedings

On 9 July 2018, the Australian Competition and Consumer Commission (ACCC) commenced proceedings in the Federal Court of Australia against an amaysim subsidiary, amaysim Energy Pty Ltd (previously Click Energy Pty Ltd and trading as Click Energy), in relation to statements about discounts and savings of its energy products that it considers to have contravened the false or misleading conduct provisions of the Australian Consumer Law. The Company takes its obligations under Australian Consumer Law very seriously and rejects the claims being made by the ACCC. The parties are expected to appear in the Federal Court for a case management hearing on 7 December 2018 and, at the time of this report, the outcome of the matter remains unknown.

Review of operations

Since the end of the period as part of the Company's regular review of its capital allocation strategy, the Company has decided to review its broadband business and to discontinue selling devices. It was determined that the Company has more effective operating segments into which it should continue to allocate capital.

The Company will own all of the intellectual property which was developed as part of the devices venture and may revisit the sale of mobile devices and accessories in the future.

Likely developments

The Company is focused on growing awareness of amaysim as a utilities service provider delivering excellent customer service. The Group will continue with its strategy of capturing mobile market share, leveraging customer experience and satisfaction for retention and expanding its 'amazingly simple' brand. We are also excited to apply our marketing capabilities to cross-sell and up-sell our significant mobile subscriber base with energy. Refer to the Chairman and CEO letter for further information about likely developments and the Company's outlook.

Environmental regulation

The operations of the Group are not subject to any particular or significant environmental regulations under a Commonwealth, State or Territory Law.

Unissued shares

(a) Long term incentive plan (LTIP)

At the date of this report, amaysim had 4,248,863 LTIP rights that could convert to 4,248,863 ordinary shares in the Company. For further details of the long term incentive plan, refer to Note 28 (b) of this financial report.

(b) Employee share plan rights (ESRP)

At the date of this report, amaysim had 985,561 outstanding employee share rights under the LTIP that could convert to 985,561 ordinary shares in amaysim Australia Limited. For further details of the employee share plan rights, refer to Note 28 (c) of this financial report.

Issued shares

During the financial year and up to the date of this report, 13,366 employee share plan rights converted to 1,938,071 ordinary shares in the Company.

Refer to Note 28 (d) of the Financial Report for further detail.

Indemnification and insurance of officers

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

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

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

During the financial year amaysim paid premiums in respect of a contract insuring all the Directors against costs incurred in defending proceedings for conduct involving: a wilful breach of duty or a contravention of Sections 182 or 183 of the Corporations Act 2001 as permitted by Section 199B of the Corporations Act.

Proceedings on behalf of the Group

No application has been made under section 237 of the Corporations Act in respect of the Group and no proceedings have been brought or intervened in on behalf of the group under that section.

Operating and Financial Review

The amaysim Group is an asset-light utilities provider focused on customer experience. During the year, the Group's diversification strategy through recent acquisitions delivered growth and resilience in the business, with successful cross-sell offers which provided valuable insights into customer behaviour and demand for particular offers.

Over the period, our highly competitive mobile plans and customer-first approach were recognized with amaysim winning 2 gold Money Magazine Best of the Best 2018 awards, and the 2018 CommsDay Edison Award for 'Best Virtual Network Operator', maintaining a high customer referral rate of 90%.

Group performance summary

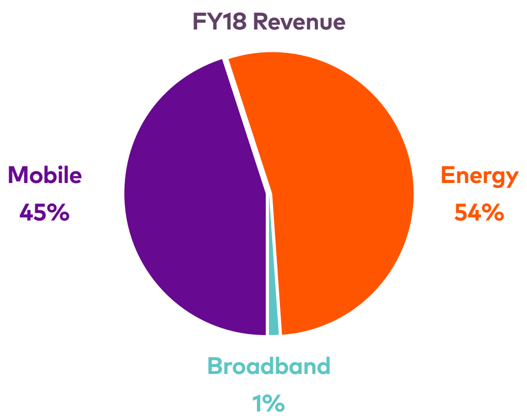
The key performance indicators for the current period and prior period are set out below:

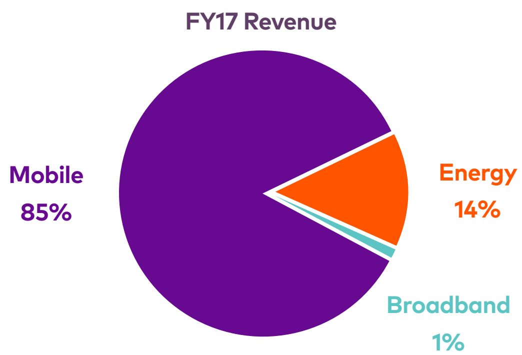
Financial year ended 30 June 2018 ($'000)	FY2018*	FY2017**	%
Net revenue	**577,633**	326,680	77%
Gross profit	**153,083**	99,073	55%
Gross profit margin (%)	**27%**	30%	-3pp
Operating expenses	**115,531**	67,263	72%
EBITDA ***	**37,552**	33,841	11%
NPAT ***	**2,715**	11,512	-76%
NPATA ***	**12,777**	15,510	-18%
Underlying EBITDA	**47,825**	43,542	10%
Underlying NPAT	**12,320**	21,185	-42%
Underlying NPATA	**22,382**	25,183	-11%
EPS	**1.3**	6.1	-79%
Underlying EPS	**5.9**	11.3	-48%

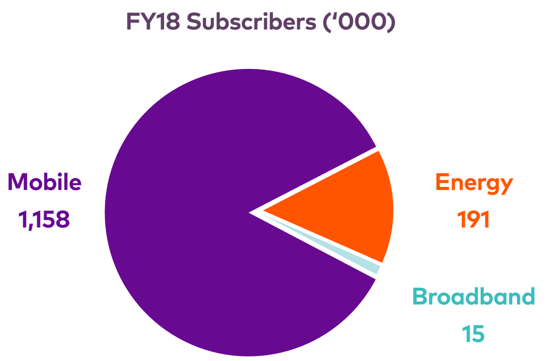
* FY2018 includes amaysim Energy launch in Oct 2017
** FY2017 includes 10 months contribution from AusBBS acquired on 23 August 2016, amaysim nbn (launch in May 2017), and 2-months contribution from Click (acquired 1 May 2017)
*** EBITDA refers to Earnings before Interests, Tax, Depreciation, Amortisation and Impairment.
NPAT refers to Net Profit After Tax.
NPATA refers to Net Profit After tax and after adding back the tax affected amortisation relating to acquired contracts and intangibles other than software.

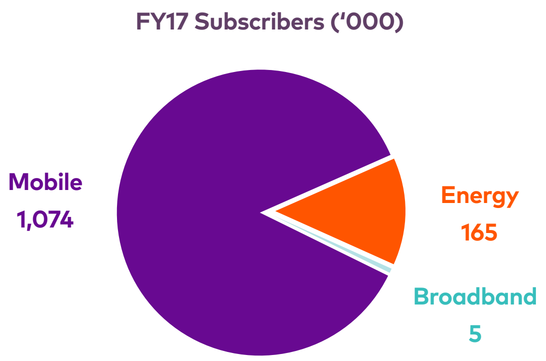
At 30 June 2018, the Group reported a net revenue of $577,633k, earnings before interest, tax, depreciation, amortisation and impairment (EBITDA) of $37,552k and net profit after tax (NPAT) of $2,715k, driven by the new product launches, the refresh of the mobile product suite and successful marketing campaigns, including targeted cross-sell campaigns, which all contributed to the growth in subscribers across the Group.

Revenue







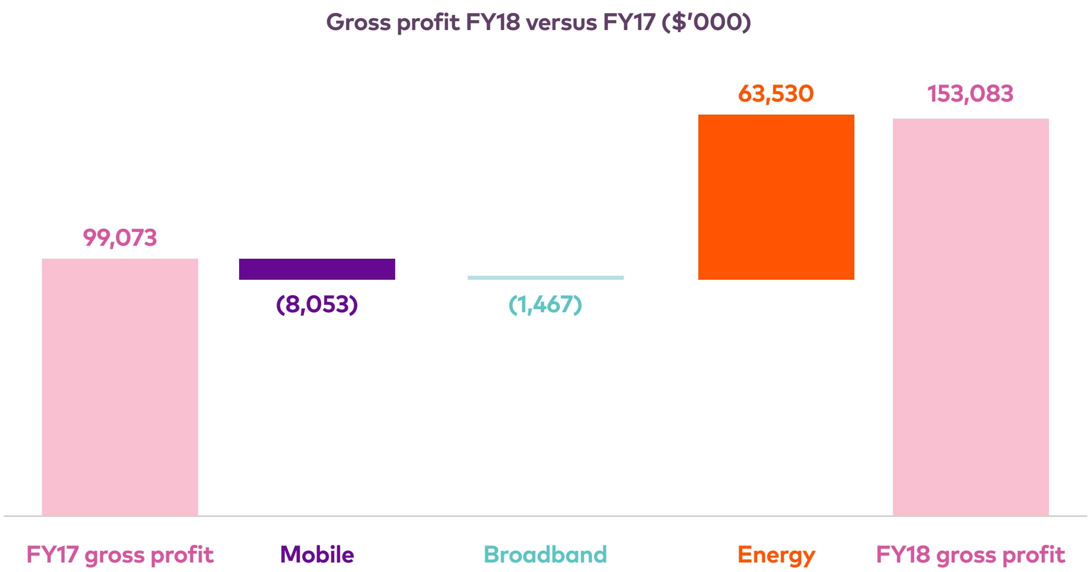


Net revenue of $577,633k for the period represented a 77% increase compared to $326,680K in the prior corresponding period, driven by the strong 12-months contribution of energy, a solid growth in subscribers across the Group and new product launches (devices and amaysim energy).

Mobile revenue (excluding devices) decreased by $36,936k (13.3%) to $241,545k, primarily because of a reduction in mobile ARPU (excluding devices) following the broadening of the mobile product portfolio into lower priced segments, which supported subscriber's growth of 7.8% to 1,158k at 30 June 2018, and increased competition.

Energy revenue was $310,038k at 30 June 2018 ($45,673k at 30 June 2017 for 2-months contribution). Despite increased competition in the sector, energy subscribers grew by 15.9% to 191k as at 30 June 2018 driven through Click's existing channels, the launch of amaysim Energy in late October 2017 and sustained campaigning with strong offers. Energy ARPU increased 2.2% to $142.96.

Gross profit

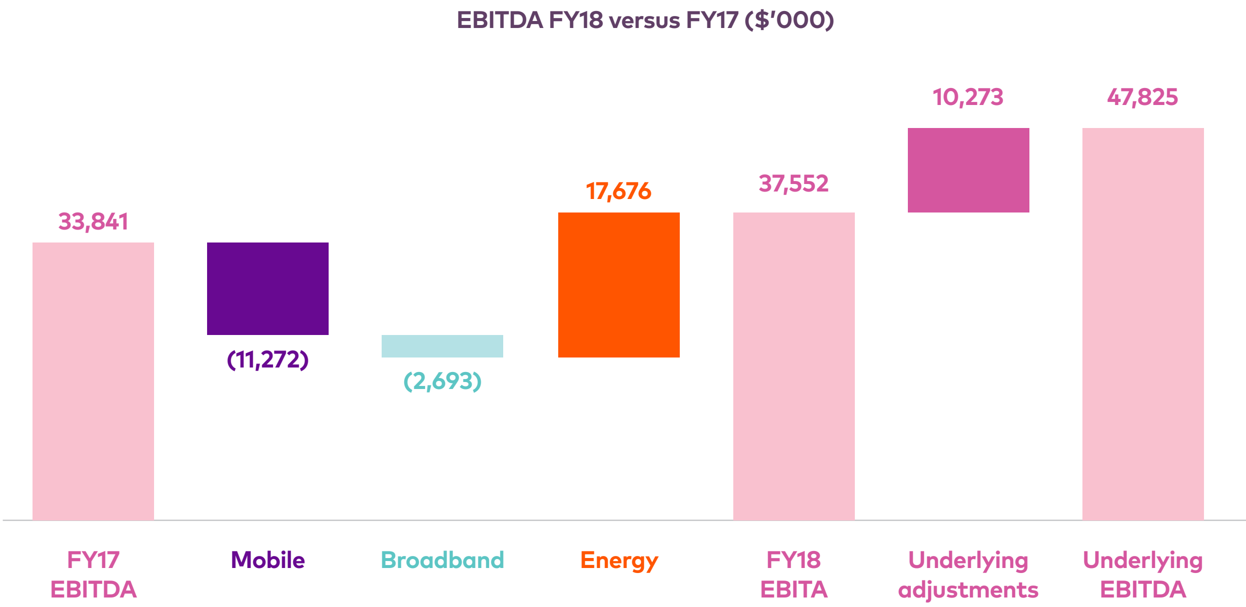


Gross Profit increased by 55% to $153,083k driven by the 12-months contribution from the energy segment. Mobile gross profit margin (excluding devices) was strong at 33.8% (up 189 bps) reflecting the Group's robust NSA.

Energy gross profit reflects 12 months contribution from Click, strong subscriber growth and gross profit margins of 23.7% driven by disciplined retail pricing.

Broadband gross margin was a loss of $1,315k reflecting the business being a start up, promotional activity to drive customer growth and higher than expected churn in 2H18. The churn was caused by increased competition, end to promotional pricing and higher than anticipated number of customers relocating.

EBITDA (Earnings before interest, tax, depreciation and amortisation)



Earnings before interest tax depreciation, amortisation and impairment (EBITDA) increased by $3,710k, or 11%, to $37,552k in FY2018. The increase is primarily driven by the strong full year contribution of energy partially offset by the softer performance of mobile and investment in broadband. Similarly, FY2018 underlying EBITDA increased by 9.8% to $47,825k.

In addition, during the year, the Group's operating expenses (excluding expenses related to network, wholesale, finance, depreciation, amortisation and impairment) increased by $48,267k. This is in line with acquisitions made by the Group in FY2017, and primarily reflects:

- employee expenses increased $18,097k due to the increase in headcount in line with acquisitions made in FY2017, and include employee costs related to the energy business (not included in the comparison period) and employee costs related to the integration of Click. The latter being $1,438k and are included in integration expenses when reporting underlying results.
- marketing expenses increased $18,552k because of the 12-months contribution of energy, the broadening of the mobile products to target the new and growing sub-$20 market, and launch of amaysim energy.
- integration and acquisition expenses decreased $6,483k due to the acquisition of Click in FY2017 (excluding any integration expenses related to employee costs as mentioned above).
- IT and facilities expenses increased $4,548k and other expenses increased $13,554k, in both cases primarily driven by the 12-months contribution of energy. It also includes higher provisioning for doubtful debt which is broadly aligned with revenue growth in energy.

Net Profit After Tax (NPAT)

NPAT decreased from $11,512k to $2,715k at 30 June 2018, reflecting largely the tax effect of the full year depreciation of the energy assets, amortised intangibles acquired and the impairment charge for devices and broadband as result of the strategic review (refer to Note 16 of the Financial Report).

Refer to the following sections in relation to additional financial information provided and reconciliation of underlying results.

Reconciliation of statutory results to underlying results

Additional financial performance information

Given the nature of certain expenses included in the statutory results, the Directors are of the opinion that underlying financial information provides useful information about the financial performance of the Group. This information should be considered as supplementary to the consolidated statement of comprehensive income that has been presented in accordance with the Australian Accounting Standards and not as a replacement for them. Because these non-IFRS financial measures are not based on Australian Accounting Standards, they do not have standard definitions, and the way amaysim has calculated these measures may differ from similarly titled measures used by other companies. Readers should therefore not place undue reliance on these non-IFRS financial measures. These measures are reconciled as followed at 30 June 2018:

Financial year ended 30 June 2018 ($'000)		EBITDA	NPAT	NPATA
Statutory results		37,552	2,715	12,777
Add back / (deduct)				
Integration and acquisition expenses	(i)	3,734	3,734	3,734
Investments in strategic initiatives	(ii)	5,886	5,886	5,886
Non-core expenses	(iii)	653	653	653
Impairment	(iv)	-	3,448	3,448
Income tax adjustments	(v)	-	(4,116)	(4,116)
Underlying results		47,825	12,320	22,382

i. Integration expenses are costs directly related to the integration and reorganisation of the Group following the acquisition of Click on 1 May 2017 and allocated employee costs.

ii. During the period, the Group invested in strategic initiatives to drive future growth, including investment relating to the launch and trading of amaysim online devices store and the "Just What You Need" marketing campaign to promote amaysim's new sub-$20 mobile plan and support the Group's brand awareness.

iii. Non-core expenses relate to staff redundancy expenses associated with restructuring and costs associated with the implementation project for new accounting standards which are effective in 2019.

iv. Impairment of intangible assets related to the devices and broadband business due to reassessment of future capital allocation strategy. Refer to note 16.

v. Income tax adjustments is the tax impact of the underlying NPAT and NPATA adjustments.

Review of financial position

The Group has net assets total $57,635k as at 30 June 2018 (30 June 2017: net assets of $76,236k) reflecting the performance of the year.

As at 30 June 2018, the Group's current liabilities exceed current assets by $67,306k (30 June 2016: $50,077k). Despite these historical working capital deficits, the Company continues to operate successfully and generates strong positive operating cash inflows. This is because of a positive trading cash flow cycle for both the mobile and energy segments, where inflows from customer payments are received faster than the Company is required to pay major creditors which are on fixed payment terms, and certain liabilities which, in practice, can be deferred beyond the short term. For further details, refer to Note 1 (a) (iii) of the financial report.

Business risks

Like other businesses, the Group is exposed to a number of risks which may affect future financial performance. The Directors have identified certain risks which are set out on p23-24 of the Annual Report, as well as in Note 22 of the Financial Report.

Remuneration report

Letter from the Remuneration and Nomination Committee (Unaudited)

Dear Shareholders

On behalf of the Board, I am pleased to present amaysim's 2018 remuneration report.

During FY2018, the Group's performance was underpinned by solid growth across our mobile, energy and broadband subscriber base, the mobile base growing by 7.8%, the broadband base growing by 196%, and our energy base growing by 15.9%.

Despite a solid financial performance throughout the financial year, Executive KMPs other than Dominic Drenen did not realise any of the STI opportunity due to stretch targets not being met. In addition, Executive KMPs did not receive any allocation under Tranche 1 of the current options-based LTIP which was tested against targets at the close FY2018. These outcomes are reflected in this remuneration report.

Separately, the final tranche of the Awards granted to several Executive KMPs under the legacy Employee Share Plan granted in FY15 vested in early FY18. This was the final potential entitlement under the legacy plan, which was replaced on the Company's listing with the LTI Options Pan.

A new performance rights-based LTI plan has been granted to Executive KMPs during the financial year. The first testing period in respect of this plan is FY2019.

Further detail regarding executive remuneration for FY2018 is set out in the "Executive KMPs Remuneration Outcomes for FY2018" section of this report.

The objective of the Remuneration and Nomination Committee is to align the interests of KMPs to that of shareholders by linking the Group's financial performance to remuneration, and by attracting and retaining talent which will help the Company deliver on its targets.

I look forward to the opportunity to discuss this with you at the Company's Annual General Meeting.

Andrew Reitzer
Chair - Remuneration and Nomination Committee

Remuneration report (audited)

Introduction

The Directors are pleased to present the remuneration report for the period 1 July 2017 to 30 June 2018. The Report outlines the remuneration arrangements of the Company's Key Management Personnel (KMPs) who, directly or indirectly, have authority and responsibility for planning, directing and controlling the activities of the Company, being the Non-executive Directors, the Managing Director and other Senior Executives of the Company. In this report, Executive Directors and other Senior Executives are collectively referred to as 'Executive KMPs'. Non-executive Directors are referred to specifically throughout the report.

This report forms part of the Directors' Report and has been prepared in accordance with section 300A of the Corporations Act 2001 (the Corporations Act). The information contained in this report has been audited as required by section 308(3C) of the Corporations Act.

The key sections of this report include:

1. Remuneration report overview, including Key Management Personnel and Remuneration Governance
2. Executive remuneration framework and link to the Company's performance
3. Executive KMPs remuneration outcomes
4. Statutory remuneration tables
5. Non-executive Director fees
6. KMP's Shareholdings and other transactions

1. Remuneration report overview

1.1 Key Management Personnel

The Group assesses the definition of who is a KMP each year to ensure appropriate disclosure. In FY2018, there have been no changes in the KMP's compared to KMPs at 30 June 2017. Refer to the below tables which outlines KMPs during the financial year:

Name	Position title	Term as KMP
Non-executive Directors		
Andrew Reitzer	Non-executive Chair	Full year
Maria Martin	Non-executive Director	Full year
Jodie Sangster	Non-executive Director	Full year
Thorsten Kraemer	Non-executive Director	Full year
Rolf Hansen	Non-executive Director	Part year — ceased KMP designation following resignation on 9 November 2017
Peter O'Connell*	Non-executive Director	Full year
Executive KMP		
Julian Ogrin*	Chief Executive Officer and Managing Director	Full year
Leanne Wolski	Chief Financial Officer	Full year
Isaac Ward	Chief Operating Officer	Full year
Dominic Drenen	Click Chief Executive Officer	Full year

*Subsequent to 30 June 2018, Julian Ogrin ceased to be Chief Executive Officer and Managing Director on 1 July 2018. On the same day, Peter O'Connell ceased to be Non-executive Director to become Chief Executive Officer and Managing Director.

1.2 Remuneration Governance

1.2.1 Remuneration and Nomination Committee

The Remuneration and Nomination Committee (Committee) reviews and advises the Board on matters relating to:

- Board and Executive KMPs succession planning;
- Non-executive Director fees and the aggregate fee pool;
- Executive KMPs' remuneration arrangements including the Company's equity-based incentives;
- The Company's remuneration policy, and other relevant policies including recruitment, retention and termination policies;
- The annual assessment of Board and Executive KMPs' performance; and
- The assessment of the Board's skills, size and composition.

The Committee regularly reviews and monitors policies and practices related to the remuneration of KMPs and ensures that their remuneration is linked to the Company's strategy and performance.

Further information regarding the Committee's role, responsibilities and membership can be found in the Remuneration and Nomination Committee's Charter, a copy of which can be found on the Company's website.

1.2.2 Remuneration consultants

Under the provisions of the Committee's Charter, the Committee may engage assistance and advice from external remuneration consultants from time to time. No external remuneration recommendation was sought by the Committee in FY2018 or FY2017.

Throughout the reporting period, the Remuneration and Nomination Committee engaged Egan Associates to provide independent advice in respect of executive short-term and long-term incentive plan design. Egan Associates were paid $5,313 for these services. No external executive framework advice was obtained in the 2017 financial year.

The following arrangements were made to ensure that the recommendations were free from undue influence:

- Egan Associates prepared written advice to the Chair of the Remuneration and Nomination Committee; and
- to the extent that Egan Associates required input from management, they were only permitted to speak to the Company Secretary throughout the engagement and the Chair of the Remuneration and Nomination Committee was made aware of such communications.

As a consequence, the Board is satisfied that the recommendations were made free from undue influence from any members of the key management personnel.

1.2.3 Hedging of remuneration

In accordance with provisions of the Corporations Act, all KMPs and amaysim employees are prohibited from hedging unvested equity-based remuneration as outlined in the Company's Remuneration Policy and Securities Trading Policy, which is available on the Company's website.

2. Executive remuneration framework and link to the Company's performance

The Company is committed to attracting and retaining the best people to work in the organisation, including senior management.

The Group's remuneration strategy focuses on:

- attracting, retaining and rewarding key executives;
- driving continuous top line and earnings growth;
- establishing a clear and transparent relationship between performance and remuneration; and
- aligning the Company's strategic objectives to the interests of its shareholders.

For Executive KMPs, amaysim's remuneration strategy supports the Company strategy of offering competitively positioned remuneration relative to the market. Additionally, the Executive KMPs remuneration framework incorporates 'at risk' components (i.e., STI and LTI) with performance measures aligned to key business metrics as detailed in the sections below.

In FY2018, the remuneration strategy remained consistent with previous years and was based on linking financial performance and employee contribution to rewards.

2.1 Remuneration structure

Executive KMPs remuneration consists of fixed and variable remuneration; the remuneration structure is outlined below.

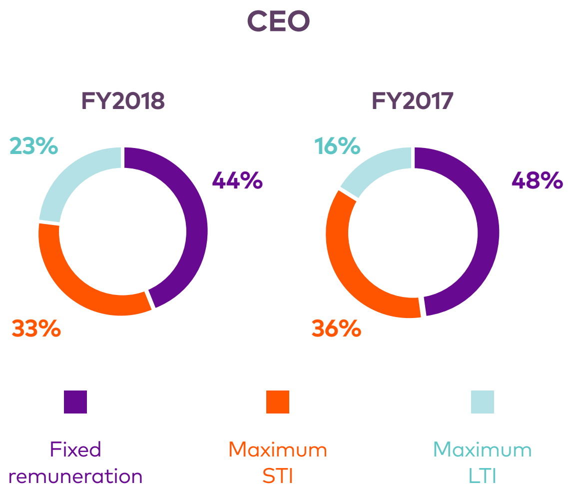
Attract, retain and reward key executives	Drive continuous top line and earnings growth	Establish a transparent relationship between financial performance and remuneration	Align the Company's strategic objectives to the interests of its shareholders
Fixed remuneration	**Short term incentive (STI) (at risk)**		**Long term incentive (LTI) (at risk)**
Cash			**Equity settled***
Includes: • Base salary • Superannuation • Other benefits (e.g car parking)	In FY18, the STI components were measured as follows for Julian Ogrin, Leanne Wolski and Isaac Ward: • 80% of STI outcome is measured based on financial performance (underlying EPS). • 20% of non-financial KPIs (Net Promoter Score). For Dominic Drenen, the STI was based on 100% of Click financial performance with Click underlying EBITDA being the measure.		• LTI awards vest subject to an underlying EPS growth performance and service condition. For the Click CEO, the first tranche is subject to FY18 Click EBITDA; the other two tranches are based on the same performance hurdles disclosed above for other executive KMP. • Performance is measured over two to five years performance period.
Competitively positioned relative to the market	**Aligns the Company's strategic objectives to the interests of its shareholders**		

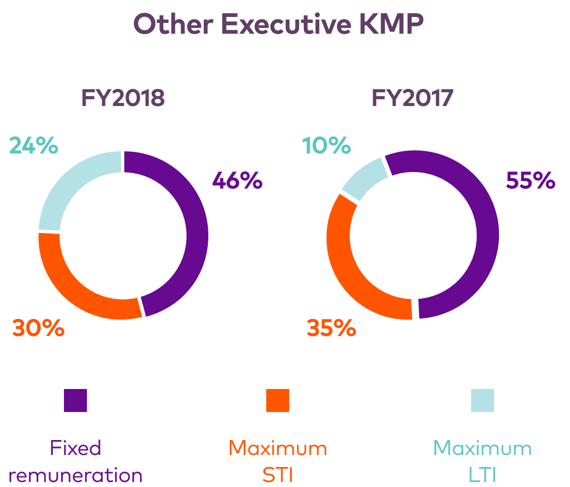
* The Board may decide at its discretion to settle the LTI in cash, however there is no intention or precedent at the time of this report to do so.

2.2 Remuneration mix

The chart below outlines the maximum remuneration mix expressed as a percentage of total maximum remuneration for the CEO and an average of the total maximum remuneration mix for other Executive KMPs (including a prior year comparison calculated on a like-for-like basis).

- Fixed remuneration represents the contracted amount for FY2018;
- Short Term Incentive Plan (STI Plan) represents the maximum opportunity for FY2018;
- Long Term Incentive Plan (LTI Plan) represents the maximum FY2018 opportunity with respect to:
  - LTIs issued in previous years (Options): in respect of the Executive KMPs, the first tranche of these has been tested at 30 June 2018. Refer to sections "2.3.3 LTI Plans (i) Options granted under the LTIP" for additional information;
  - LTIs issued FY2018 (share rights plans): the first tranche of this plan will reach the first performance date on 30 June 2019. Refer to below section "2.3.3 LTI Plans (ii)" for additional information.





2.3 Remuneration Components

2.3.1 Fixed remuneration

Fixed remuneration includes base salary, superannuation and other non-monetary benefits (e.g. car parking) and is competitively positioned relative to the market. Factors such as industry, company size by market capitalisation and company growth profile are used to determine appropriate comparator groups. Fixed remuneration for Executive KMPs is reviewed periodically, taking into account the following factors:

- the Company's and executive's performance;
- the executive's skills and experience;
- labour market conditions; and
- the size and complexity of the role and of the Company.

2.3.2 STI Plan

This component of remuneration is at risk and is directly linked to the Group's performance, with the purpose of motivating and rewarding Executive KMPs for the achievement of annual performance targets.

What is the STI Plan?

All Executive KMPs are eligible to participate in the STI plan. A maximum STI opportunity is set for each Executive KMPs based on that executive's role and responsibilities.

Participants in the STI Plan have a target cash payment that is set up every year. In 2018, the maximum target as a percentage of their Fixed remuneration was 75% for the CEO, 75% for the CFO and the COO, and 55% for Click CEO.

Payments under the STI Plan are subject to satisfying key performance indicators (KPIs) to ensure they are aligned to the Company's growth strategy and financial objectives.

What are the performance conditions?

Julian Ogrin, Leanne Wolski, Isaac Ward

The KPIs used to determine STI are approved by the Board and reflect key components of the Company's growth strategy, underlying financial performance and focus on customer satisfaction.

These KPI's for FY2018 are outlined below:

- Underlying Earnings Per Share (EPS) – 80% weighting of the STI award.
- Net Promoter Score (NPS) – 20% weighting of the STI award

Each KPI operates independently and is expressed as a percentage of maximum STI. The relevant targets and possible outcomes are set out below.

Underlying EPS Target (80% of STI)	% of STI realising (of the 80%)
Less than 8.1 cents	Nil
8.1 cents	75%
Between 8.1 cents and 10.8 cents	Straight line vesting between 75% and 100%
10.8 cents	100%
Between 10.8 cents and 11.88 cents	Straight line vesting between 100% and 110%
Equal to or greater than EPS of 11.8	110%

NPS Target (20% of STI)	% of STI realising (of the 20%)
Less than NPS of 35	Nil
NPS of 35	50%
Between 35 and 50 NPS	Straight line vesting between 50% and 100%
Equal to or greater than NPS of 50	100%

Dominic Drenen

The STI award performance is entirely based on Click's underlying EBITDA target for FY18, with the targets and possible outcomes disclosed below:

Underlying EBITDA	% of STI realising
Less than $20.2m	Nil
Equal $20.2m	90%
Between $20.2m and $23.6m	Straight line vesting between 90% and 110%
Equal to or greater than $23.6m	110%

Why have these performance conditions been chosen?

Julian Ogrin, Leanne Wolski, Isaac Ward

Underlying EPS is a key financial metric of the business strategy, incorporates items Executive KMPs can control and allows the Board to measure operational management of the Company.

NPS is an important measure of customer satisfaction and is critical to amaysim's success. NPS is measured throughout the year by an independent external firm. Four NPS surveys were conducted during the financial year, and an average NPS score is calculated and used to determine performance relative to the NPS performance hurdle set at the beginning of the financial year.

Dominic Drenen

As this was the first full financial year following the acquisition of Click, these targets are linked entirely to the earnings performance of the energy business, which is a key financial metric of the business strategy controlled by the Executive KMP.

Performance assessment

The CEO's performance relative to annual KPIs is assessed by the Chair of the Board, in conjunction with the Remuneration and Nomination Committee. Any applicable STI award for the CEO is approved by the Board.

The performance of all other Executive KMPs is assessed by the CEO, for recommendation to the Remuneration and Nomination Committee and approval by the Board.

STI outcome

STI outcomes for FY2018 are detailed in the section titled "3.2 STI Outcome" below.

STI in case of termination

Executives who cease employment prior to the end of the financial year are generally not entitled to an STI award, unless the Board, at its sole discretion, determines otherwise.

2.3.3 LTI plans

(i) Options granted under the LTIP

What is the LTI Options Plan?

The Company's LTI plan was introduced in conjunction with the Company's listing on the ASX. This component of the remuneration is also at-risk and aligns the interests of Executive KMPs with shareholders, by incentivising Executive KMPs to deliver sustainable long-term growth and create value for shareholders.

All Executive KMPs and other senior executives are eligible to participate in the LTI plan.

This is an options based plan which enables participants to acquire fully paid ordinary shares in the Company, with an exercise price of $1.80 for most Executive KMPs (being the offer price set out in the prospectus), and of $1.79 for Dominic Drenen (being the VWAP used in the acquisition of Click).

The Company may, at its discretion, determine to settle any award in cash upon the exercise of the Options. Unvested LTI awards carry no rights to dividends nor voting rights.

LTI awards were granted to Julian Ogrin and Leanne Wolski on 15 July 2015, to Isaac Ward on 7 February 2017, and to Dominic Drenen on 1 May 2017.

How are the LTI awards calculated?

The number of options granted was determined by dividing the Executive KMPs' LTI opportunity (expressed as a percentage of fixed remuneration) by the fair value per instrument, calculated using a Black-Scholes option pricing model for amaysim employees.

For Dominic Drenen, the number of options was determined using a Black-Sholes option pricing model with reference to the legacy Click LTI Plan in place prior to the acquisition of Click.

What are the vesting conditions?

Julian Ogrin, Leanne Wolski, Isaac Ward

Vesting of LTI awards is subject to the following two performance conditions:

- achievement of an underlying EPS compound annual growth rate (EPS CAGR) target over three, four and five year performance periods. The target for FY2018 ranges from 10% to 20%, or from 7.7 cents to 10.0 cents; and
- continued employment with the Group.

The percentage of each tranche of the LTI award that may vest is outlined in the table below:

EPS CAGR over the performance period	% of options vesting
Less than 10% of EPS CAGR target	Nil
10% of EPS CAGR target	50%
Between 10% and 15% of target EPS CAGR target	Straight line vesting between 50% and 75%
15% of EPS CAGR target	75%
Between 15% and 20% of EPS CAGR target	Straight line vesting between 75% and 100%
Equal to or greater than 20% of EPS CAGR target	100%

If an EPS performance condition is not met, the relevant tranche of the LTI award will lapse and will not be re-tested at a later date.

Dominic Drenen

The LTIP splits the performance hurdle between the first tranche and the last 2 tranches as follows:

- Tranche 1 is subject to achievement of a specific EBITDA Target for Click (inclusive of post-acquisition cost synergies) in FY2018, outlined in the table below:

Click EBITDA in FY2018	Vesting %
Equal to 100% of underlying EBITDA (being $21.9m)	100%
Equal to 90% of target EBITDA (being $20.2m)	90%

- Tranches 2 and 3 are subject to achievement of underlying Group EPS compound annual growth rate (EPS CAGR) targets for FY2019 and FY2020;
  The percentage of each tranche of the LTI award that may vest in FY19 and FY20 is the same as that for other KMPs and is disclosed in the table above.
- The plan is also subject to continued employment with the Group.

Why have these performance conditions been chosen?

The EPS CAGR target for each performance period is determined by the Board from time to time. The Board believes EPS is an appropriate long-term performance measure as it reflects sustainable long-term growth and shareholder returns over the performance periods.

Underlying EPS has been selected as it is a key financial metric of the business strategy, measures business performance within the reasonable control of Executive KMPs and aligns Executive KMPs interests with long-term shareholder value creation.

The first year performance condition for the Click CEO was directly related to the performance of the Energy business.

What are the performance and vesting periods?

The LTI award is split into three tranches with performance measured over different performance periods, as described below:

- Tranche 1 (50% of LTI award):
  - For Julian Ogrin, Leanne Wolski and Isaac Ward performance is measured from the date of grant to 30 June 2018;
  - For Dominic Drenen: from 30 June 2017 to 30 June 2018;
- Tranche 2 (25% of LTI award):
  - For Julian Ogrin, Leanne Wolski and Isaac Ward, performance is measured from the date of grant to 30 June 2019;
  - For Dominic Drenen: from 30 June 2018 to 30 June 2019;
- Tranche 3 (25% of LTI award):
  - For Julian Ogrin, Leanne Wolski and Isaac Ward performance is measured from the date of grant to 30 June 2020;
  - For Dominic Drenen: from 30 June 2019 to 30 June 2020.

What happens in case of cessation of employment?

In the event of resignation or dismissal (for cause) all unvested LTI awards will lapse on cessation of employment, unless the Board in its absolute discretion determines otherwise. Vested and unexercised options can be exercised within a period of 60 days from termination, unless the Board determine otherwise, in its absolute discretion.

In all other instances, a pro-rata portion based on time served of the unvested LTI award will remain on foot. The performance and vesting conditions (except for the continuous employment condition) will continue to apply to the pro-rated unvested Options.

Any unvested and vested but not exercised LTI awards will lapse if in the opinion of the Directors, a participant has acted fraudulently or dishonestly.

What happens in case of change of control?

The Board may, in its absolute discretion, determine that all, a part of, or no unvested LTI awards will vest.

What is the accounting treatment?

The fair value of the options has been recognised as an expense with a corresponding adjustment to the equity compensation reserve in equity. This is because the LTIP has been treated as equity settled. Although they can either be settled in shares or cash at the discretion of the Board, there is no precedent of cash settlement, nor current intention to settle these awards in cash.

Options LTI– Outcome

LTIP outcomes for FY2018 are detailed in the section titled “3.3 LTIP Outcome” below.

(ii) Employee Share rights granted under the LTIP

What is the LTI Employee Share Rights (ESR) Plan?

In 1HY2018, the Group issued a new share-based payment plan to KMPs other than Dominic Drenen, with the same objective of the Options LTI disclosed above. The awards take form of performance rights with a nil exercise price. The conditions of this plan are very similar to the LTI Options plan.

The Company may, at its own discretion, determine to settle the award in cash upon the exercise of the performance rights. Unvested LTI awards carry no rights to dividends nor voting rights.

These ESR awards were granted in October 2017 to Julian Ogrin, Leanne Wolski, and Isaac Ward.

How are the ESR awards calculated?

The number of performance rights granted was determined by dividing the Executive KMPs LTI opportunity (expressed as a percentage of fixed remuneration) by the 7 days average of the volume weighted average share price of the Company' over the 7 trading days up to and including the day of the grant date.

What are the vesting conditions?

Vesting of LTI awards is subject to the same hurdles as the LTI Options plan, i.e.:

- achievement of an underlying EPS compound annual growth rate (EPS CAGR) target over two, three and four year performance period, and
- continuous employment condition.

The percentage of each tranche of the LTI award that may vest is outlined in the table below.

EPS CAGR over the performance period	% of options vesting
Less than 10% of EPS CAGR target	Nil
10% of EPS CAGR target	50%
Between 10% and 15% of target EPS CAGR target	Straight line vesting between 50% and 75%
15% of EPS CAGR target	75%
Between 15% and 20% of EPS CAGR target	Straight line vesting between 75% and 100%
Equal to or greater than 20% of EPS CAGR target	100%

If an EPS performance condition is not met, the balance of the relevant tranche of the LTI award will roll over to the next testing point where it will be re-tested. This occurs for tranche 1 and tranche 2 but testing point 3 is the final opportunity for any rights to vest.

Why have these performance conditions been chosen?

The rationale for the use of EPS CAGR target is the same as that for the LTI Options disclosed in section 2.3.3(i) of this report.

What are the performance and vesting periods?

The LTI award is split into three tranches with performance measured over the following performance periods:

- Tranche 1 (50% of LTI award): performance is measured from 1 July 2017 to 30 June 2019
- Tranche 2 (25% of LTI award): performance is measured from 1 July 2017 to 30 June 2020
- Tranche 3 (25% of LTI award): performance is measured from 1 July 2017 to 30 June 2021

What happens in case of cessation of employment?

The same conditions apply than for the LTI Plan, refer to section 2.3.3 (i).

What happens in case of change of control?

The same conditions apply than for the LTI Plan, refer to section 2.3.3 (i).

What is the accounting treatment?

The same accounting treatment apply than for the LTI Plan, refer to section 2.3.3 (i).

Employee Share Rights LTI – Outcome

ESR LTI outcomes for FY2018 are detailed in the section titled "3.3 LTIP Outcome" below.

2.4 Executive employment agreements

Each Executive KMP has an ongoing (i.e. no fixed term) employment agreement with the Company which sets out each Executive KMP's remuneration, termination, confidentiality, restraint period and other terms. The key terms of employment for Executive KMPs are summarised below.

Term	Group CEO	Other Executive KMP
Length of agreement	Ongoing, no fixed term	Ongoing, no fixed term
Notice period (by Executive KMP)	12 months	6 months (12 months applied in respect of Dominic Drenen)
Notice period (by the Company)	12 months	6 months (12 months applied in respect of Dominic Drenen)
Termination payments	12 months' fixed remuneration in lieu of notice. Treatment of STI and unvested LTI awards on termination is outlined in section 2 "Executive remuneration framework and link to the Company's performance" above.	Leanne Wolski, Isaac Ward – 6 months' fixed remuneration in lieu of notice. Treatment of STI and unvested LTI awards on termination is outlined in section 2 "Executive remuneration framework and link to the Company's performance" above.
		Dominic Drenen – 12 months' fixed remuneration in lieu of notice. Treatment of STI and unvested LTI awards on termination is outlined in section 2 "Executive remuneration framework and link to the Company's performance" above.

3. Executive KMP remuneration outcomes

This section provides a summary of the key financial results for the Group, share price and dividends for the past three years since listing of the Company.

3.1 Group's financial performance

The table below sets out the Group's financial performance for FY2018:

Financial measure[1]	FY2018 ($'000 unless stated)	FY2017 ($'000 unless stated)	FY2016 ($'000 unless stated)
Earnings			
Statutory Net Revenue	**$577,633**	$326,680	$253,537
Underlying EBITDA	**$47,825**	$43,542	$35,443
Underlying NPAT	**$12,320**	$21,185	$19,926
Underlying NPAT Growth	**-42%**	6%	108.70%
Underlying EPS	**5.9c**	11.3c	11.3c
Shareholder value			
Total dividends declared (cents per share)	**-**	9.1	8.3
Share price at 30 June	**$1.06**	$1.56	$1.67

1 Refer to the Operating and Financial Review for definition of financial measures.

3.2 STI outcome

At 30 June 2018, for KMP other than Dominic Drenen, the STI opportunity was nil due to:

- the underlying EPS target not being met;
- the NPS score was 35 and resulted in 10% of STI achieved, however, due to overall stretch targets not being met in FY2018, the Board decided that no STI would be achieved.

Dominic Drenen achieved 105.9% of his STI due to Click target being met.

3.3 LTIP Outcome

3.3.1 Option LTI

The first Tranche of the Options LTI Plan was due for testing at 30 June 2018. Due to the performance conditions not being met for this first tranche, the options associated with Tranche 1 were forfeited at 30 June 2018 for Julian Ogrin, Leanne Wolski, and Isaac Ward.

The options associated with Tranches 2 and 3 were forfeited at 30 June 2018 for Julian Ogrin, further to his cessation of employment with the Company on 1 July 2018.

The options associated with Tranche 1 for Dominic Drenen do not vest as they will vest at 30 June 2020 if the service condition is met. However the performance hurdle (FY2018 Click EBITDA) has been met at 30 June 2018.

3.3.2 ESR LTI

At 30 June 2018, none the of the Employee Share Rights granted under the LTI Plan issued in FY2018 vest. The first tranche will be tested for vesting at 30 June 2019.

3.4 Legacy Employee Share rights plan outcome

On 28 August 2017, the last tranche of the legacy plan vested for Julian Ogrin and Leanne Wolski, resulting in respectively 833,605 and 116,822 shares being issued. There are no outstanding share rights under this plan at 30 June 2018, and no further rights can be issued under this plan, as it was replaced by the LTI plans after the Company was listed.

4. Statutory remuneration tables

4.1 Executive KMP statutory remuneration for FY18

The following table shows the accounting expense of remuneration received by Executive KMPs during FY2018 with FY2017 comparatives. The information presented below has been prepared in accordance with Australian Accounting Standards.

		Short-term employee benefits		
Executive KMP	Year	Salary & fees[1] ($)	Bonus Accrued[2] ($)	Non-monetary benefits[3] ($)
Julian Ogrin	**2018**	**779,612**	**-**	**53,876**
Chief Executive Officer and Executive Director	2017	678,292	292,500	35,476
Leanne Wolski	**2018**	**483,541**	**-**	**11,770**
Chief Financial Officer	2017	442,534	120,000	8,590
Isaac Ward	**2018**	**429,191**	**-**	**18,384**
Chief Operations Officer	2017	157,860	31,990	3,253
Dominic Drenen	**2018**	**426,750**	**211,760**	**5,703**
Chief Executive Officer — Click	2017	98,552	60,164	1,427
Total	**2018**	**2,119,094**	**211,760**	**89,733**
Total	2017	1,377,238	504,654	48,746

1. Salary & fees include annual leave accrual.
2. Accrued bonus approved by the Board of Directors.
3. Non-monetary benefits outlined in the table above include packaged items and other non-cash benefits, including fringe benefits.
4. Comparative numbers for FY2017 accrued long service leave have been corrected in this report with immaterial differences compared to last year's report. Negative amounts correspond to reversal of provisions when an employee has left.
5. Rights includes legacy share plan and LTI rights granted unless they have been forfeited in period of issue.
6. The expense recognised for the year in relation to certain options is negative as a result of certain options not vesting at 30 June 2018. For Isaac Ward, the expense is positive due to the LTI Options granted in February 2017, as opposed to July 2015 for Julian Ogrin and Leanne Wolski. Options granted to Dominic Drenen are all outstanding at 30 June 2018. Refer to section 3.3.1 of the Remuneration Report and to Note 28 of the Financial Report for additional information.

Post-employment benefits	Other long term benefits	Share-based payments		
Superannuation ($)	Accrued Long Service Leave[4] ($)	Rights[5] ($)	Options[6] ($)	Total Remuneration ($)
20,049	**(18,359)**	**8,843**	**(443,844)**	**400,177**
19,616	6,270	116,053	224,692	1,372,899
20,049	**16,485**	**102,100**	**(74,177)**	**559,768**
19,616	14,010	5,423	100,823	710,996
20,049	**1,936**	**90,867**	**11,466**	**571,893**
7,332	634	-	64,501	265,570
20,049	**6,962**	**-**	**208,219**	**879,443**
3,772	1,135	-	34,228	199,278
80,196	**7,024**	**201,810**	**(298,336)**	**2,411,281**
50,336	22,049	121,476	424,244	2,548,743

4.2 Option LTI Awards

No Non-Executive Director holds any Options or Share Rights.

4.2.1 Terms and Conditions

Executive KMP	Tranche	Grant date	Fair Value per Option at grant date	Number of Options granted	Fair value at grant date	Exercise price per Option	Vesting / first exercise date	Expiry date	Outcome at 30 June 2018
Julian Ogrin	1	15-Jul-15	$0.40	975,000	$390,000	$1.80	30-Jun-18	30-Jun-20	Forfeited
	2		$0.42	487,500	$204,750		30-Jun-19	30-Jun-21	Forfeited
	3		$0.43	487,500	$209,625		30-Jun-20	30-Jun-22	Forfeited
Total				**1,950,000**	**$804,375**				
Leanne Wolski	1	15-Jul-15	$0.40	437,500	$175,000	$1.80	30-Jun-18	30-Jun-20	Forfeited
	2		$0.42	218,750	$91,875		30-Jun-19	30-Jun-21	Outstanding
	3		$0.43	218,750	$94,063		30-Jun-20	30-Jun-22	Outstanding
Total				**875,000**	**$360,938**				
Isaac Ward	1	7-Feb-17	$0.49	312,596	$153,172	$1.80	30-Jun-18	30-Jun-20	Forfeited
	2		$0.49	156,297	$76,586		30-Jun-19	30-Jun-21	Outstanding
	3		$0.49	156,297	$76,586		30-Jun-20	30-Jun-22	Outstanding
Total				**625,190**	**$306,344**				
Dominic Drenen	1	1-May-17	$0.44	799,297	$351,691	$1.79	28-Jun-20	1-Jul-22	Outstanding
	2		$0.44	399,649	$175,846		29-Jun-20	1-Jul-22	Outstanding
	3		$0.44	399,649	$175,846		30-Jun-20	1-Jul-22	Outstanding
Total				**1,598,595**	**$703,383**				

4.2.2 Movements in Option Holdings of Key Management Personnel

Executive KMP	Balance at 1 July 2017	Options granted as remuneration	Options exercised	Options forfeited / expired	Disposed	Balance at 30 June 2018
Julian Ogrin	1,950,000	-	-	(1,950,000)	-	-
Leanne Wolski	875,000	-	-	(437,500)	-	437,500
Isaac Ward	625,190	-	-	(312,596)	-	312,594
Dominic Drenen	1,598,595	-	-	-	-	1,598,595
Total	**5,048,785**	**-**	**-**	**(2,700,096)**	**-**	**2,348,689**

4.3 ESR LTI Awards

4.3.1 Terms and Conditions

Executive KMP	Tranche	Grant date	Fair Value per Option at grant date	Number of Share Rights granted	Fair value at grant date	Vesting / first exercise date	Expiry date	Outcome at 30 June 2018
Julian Ogrin	1			141,332	$258,638			Forfeited
	2			70,666	$123,666			Forfeited
	3			70,666	$118,012			Forfeited
Total				**282,664**	**$500,316**			
Leanne Wolski	1			89,467	$163,725			Outstanding
	2	18-Oct-17	$1.83 $1.75 $1.67	44,734	$78,285	30-Jun-19 30-June-20 30-June-21	30-Jun-21 30-Jun-22 30-Jun-23	Outstanding
	3			44,734	$74,706			Outstanding
Total				**178,935**	**$316,716**			
Isaac Ward	1			79,949	$146,307			Outstanding
	2			39,975	$69,956			Outstanding
	3			39,975	$66,758			Outstanding
Total				**159,899**	**$283,021**			

4.3.2 Share rights holdings of key management personnel

Executive KMP	Balance at 1 July 2017	Share Rights Granted as remuneration	Options forfeited / expired	Disposed	Balance at 30 June 2018
Julian Ogrin	-	282,664	(282,664)	-	-
Leanne Wolski	-	178,935	-	-	178,935
Isaac Ward	-	159,899	-	-	159,899
Total	-	621,498	(282,664)	-	338,834

5. Non-executive Director fees

5.1 Fee policy and structure

Non-executive Directors receive fees for their services to the Company, which reflect the demands and responsibilities of the role. Non-executive Director fees are reviewed by the Committee to ensure they are appropriate and in line with the market.

Non-executive Director fees consist of base fees and other fees for chairing on Board Committees (inclusive of statutory superannuation contributions). The Chair of the Group receives an overall fee that is inclusive of base fees, Board Committee fees and statutory superannuation contributions.

Non-executive Directors do not receive incentive or performance-based remuneration, nor are they entitled to retirement or termination benefits. Non-executive Directors may be reimbursed for expenses reasonably incurred in performing their duties as a Director.

The table below summarises the Board and Committee fees (inclusive of superannuation contributions) for FY2018.

Board and Committee fees	FY2018
Non-executive Chairman	$200,000
Non-executive Director	$100,000
Audit & Risk Management Committee Chair	$22,500

The current maximum aggregate Non-executive Director fee pool is $1,400,000. The Board will not seek an increase to the aggregate Non-executive Director fee pool at the 2018 Annual General Meeting.

5.2 Non-executive Director fees

The following table shows the fees received by Non-executive Directors in FY2018 with FY2017 comparatives. The information presented below has been prepared in accordance with Australian Accounting Standards.

			Short-term benefits	Post-employment benefits	
Non-executive Director	**Year**	**Board & Committee fees ($)**	**Non-monetary benefits ($)**	**Superannuation ($)**	**Total ($)**
Andrew Reitzer	**2018**	**182,648**	**-**	**17,352**	**200,000**
Non-executive Chair	2017	182,648	-	17,352	200,000
Maria Martin	**2018**	**111,872**	**-**	**10,628**	**122,500**
Non-executive Director	2017	111,942	-	10,558	122,500
Jodie Sangster	**2018**	**91,324**	**-**	**8,676**	**100,000**
Non-executive Director	2017	91,324	-	8,676	100,000
Thorsten Kraemer	**2018**	**100,000**	**-**	**-**	**100,000**
Non-executive Director	2017	100,000	-	-	100,000
Rolf Hansen[1]	**2018**	**33,209**	**-**	**3,155**	**36,364**
Non-executive Director	2017	91,324	-	8,676	100,000
Peter O'Connell	**2018**	**91,324**	**-**	**8,676**	**100,000**
Non-executive Director	2017	91,324	-	8,676	100,000
Total	**2018**	**610,377**	**-**	**48,487**	**658,864**
Total	2017	668,562	-	53,938	722,500

1. Director fees for Rolf Hansen is included until 30 November 2017, when he ceased to be a Director within the Company.

Peter O'Connell ceased to be Non-executive Director as of 1 July 2018 and became Chief Executive Officer and Managing Director on the same day, as mentioned previously in this report. The above table represents the amounts paid to Non-Executive Directors during the financial year ending 30 June 2018.

6. KMPs Shareholdings and other transactions

6.1 Movement in shares

KMP	Balance at 1 July 2017	Acquired	Granted as remuneration	On vesting of Share Rights*	Rights forfeited / lapsed	Disposed	Net change	Balance at 30 June 2018
Non-executive Directors								
Andrew Reitzer	83,333	-	-	-	-	-	-	83,333
Maria Martin	16,666	-	-	-	-	-	-	16,666
Jodie Sangster	16,666	-	-	-	-	-	-	16,666
Thorsten Kraemer	1,450,000	-	-	-	-	-	-	1,450,000
Peter O'Connell	3,567,005	-	-	-	-	-	-	3,567,005
Rolf Hansen	3,867,010	-	-	-	-	(1,000,000)	(1,000,000)	2,867,010
Total	**9,000,680**	**-**	**-**	**-**	**-**	**(1,000,000)**	**(1,000,000)**	**9,000,680**
Executive KMP								
Julian Ogrin	0	-	-	833,605	-	-	833,605	833,605
Leanne Wolski	372,531	-	-	116,822	-	(372,531)	(255,709)	116,822
Isaac Ward	0	-	-	-	-	-	-	-
Dominic Drenen	604,604	-	-	-	-	-	-	604,604
Total	**977,135**	**-**	**-**	**950,427**	**-**	**(372,531)**	**577,896**	**1,555,031**

* Share issued under legacy employee share rights plan – refer to section 3.4

6.2 Loans and other transactions with KMPs

There were no loans or other transactions with KMPs or their related parties during 2018.

This concludes the remuneration report, which has been audited.

The following section does not form part of the remuneration report.

Directors' declaration on satisfaction with independence of auditor

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

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

Fees paid to the external auditor, including a breakdown of fees for non-audit services, are reported in Note 29 to the financial statements.

As noted in the corporate governance statement published on amaysim's website, a component of the Audit and Risk Management Committee's role is the appointment of the external auditor and overseeing the independence of the external auditor. PricewaterhouseCoopers was originally appointed as external auditor by the former Board in the year ended 30 June 2011. At the first annual general meeting of the Company in November 2016 (subsequent to listing), this appointment lapsed, and the shareholders subsequently reappointed PricewaterhouseCoopers as the Company's auditor. Mr Sumanth Prakash has been appointed as the company's lead audit engagement partner since the year ended 30 June 2012. The Corporations Act requires the rotation of the lead audit partner of a company at least every five years. This means that, in the ordinary course, Mr Prakash would have been rotated and been replaced with another audit engagement partner at the conclusion of the 2016 reporting season. However, in February 2016 and in February 2017, the Audit and Risk Management Committee and Board considered the impact of the rotation of Mr Prakash at the conclusion of the 2016 and 2017 reporting seasons. The Audit and Risk Management Committee and Board resolved that compliance with the rotation requirements for the 2017 and 2018 years would impose an unreasonable burden on the Company.

In providing this approval the Audit and Risk Management Committee and Board were satisfied that the extension:

- was consistent with maintaining the quality of the audit provided to the Company; and
- would not give rise to a conflict of interest situation (as defined in the Corporations Act 2001) and, thereby, impair Mr Prakash's independence.

In particular, in relation to audit quality, the Board noted that, amongst other things:

- the Company had undergone substantial change over the past five years and the Company will undergo further significant transformation and increased complexity in the next two to five years.
- As such, the Board and Audit and Risk Management Committee considered that while the Company continued its transformation activities, it was important that the detailed knowledge and understanding that Mr Prakash had built up in relation to amaysim and its industry over the past five years is retained to ensure the quality of the audit of amaysim for shareholders over the coming years.

The Audit and Risk Management Committee was satisfied that the approval would not give rise to a conflict of interest situation because:

- management and the Audit and Risk Management Committee were not aware of any such conflicts in relation to PricewaterhouseCoopers or Mr Prakash and did not believe that the extension of his term would give rise to any such conflicts; and
- the Company has in place a detailed governance framework to ensure that such conflicts do not arise.

Accordingly, the Company sought and obtained a declaration from the Australian Securities and Investments Commission under section 342A of the Corporations Act 2001 to extend the term of Mr Prakash for additional years.

This allowed Mr Prakash to remain as lead auditor for the financial years ending 30 June 2017 and 30 June 2018.

As required by the Corporations Act 2001 the external auditor is required to provide an annual declaration of their independence to the Directors, which is included on the following page.

Auditor

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

Non-audit services

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

Details of the amounts paid or payable to the Company's auditor, for audit and non-audit services provided during the financial year are set out in Note 29 of the financial statements.

Rounding of amounts

The amounts contained in this report and in the financial report have been rounded under the option available to the Group under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. The Group is an entity to which the Class Order applies, and in accordance with the Class Order, amounts in the Directors' report and the financial report have been rounded to the nearest thousand dollars (where rounding is appropriate), or in certain cases, to the nearest dollar.

This report is signed in accordance with a resolution of Directors:

Andrew Reitzer
Chairman

Peter O'Connell
Chief Executive Officer and Managing Director

Sydney

27 August 2018

Auditors Declaration

pwc

Auditor's Independence Declaration

As lead auditor for the audit of amaysim Australia Limited for the year ended 30 June 2018, I declare that to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of amaysim Australia Limited and the entities it controlled during the period.

S Prakash
Partner
PricewaterhouseCoopers

Sydney
27 August 2018

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Financial Report

Consolidated statement of comprehensive income

for the year ended 30 June 2018

	Notes	2018 $'000	2017 $'000
Revenue and other income			
Service revenue		**555,178**	314,268
Other revenue		**22,455**	12,412
Other income		**-**	2,032
Interest income		**201**	155
Total revenue and other income	3	**577,834**	328,867
Expenses			
Network and wholesale related expenses		**(424,550)**	(227,607)
Employee expenses		**(44,027)**	(25,930)
Marketing expenses		**(27,731)**	(9,179)
IT and facilities expenses		**(13,094)**	(8,546)
Depreciation, amortisation and impairment	4	**(26,640)**	(9,503)
Finance expenses	5	**(8,092)**	(3,421)
Integration and acquisition expenses		**(2,345)**	(8,828)
Other expenses	4	**(28,334)**	(14,780)
Total expenses		**(574,813)**	(307,794)
Profit before income tax		**3,021**	21,072
Income tax expense	6	**(306)**	(9,560)
Profit after tax		**2,715**	11,512
Profit attributable to members of amaysim Australia Ltd		**2,715**	11,512
Other comprehensive income for the year net of tax		**(10,973)**	5,157
Items that may subsequently reclassify to profit or loss		**(10,973)**	5,157
Total comprehensive income for the year attributable to members of amaysim Australia Ltd		**(8,258)**	16,669
Earnings per share		**Cents**	**Cents**
Basic earnings per share	8	**1.3**	6.1
Diluted earnings per share	8	**1.3**	5.9

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

Consolidated balance sheet

as at 30 June 2018

	Notes	2018 $'000	2017 $'000
CURRENT ASSETS			
Cash and cash equivalents	9	**9,778**	18,068
Trade receivables	10	**60,032**	43,837
Derivative financial instruments	22(a)	**94**	7,573
Current tax assets		**3,204**	-
Other current assets	11	**5,428**	6,190
Total current assets	1(a)(iii)	**78,536**	75,668
NON-CURRENT ASSETS			
Property, plant and equipment	15	**4,412**	3,077
Intangible assets	16	**203,305**	209,664
Derivative financial instruments	22(a)	**-**	3,258
Other non-current assets	18	**537**	874
Total non-current assets		**208,254**	216,873
TOTAL ASSETS		**286,790**	292,541
CURRENT LIABILITIES			
Trade and other payables	12	**107,632**	82,755
Customer deposits		**2,432**	3,177
Deferred revenue		**8,385**	9,870
Borrowings	13	**13,585**	13,604
Derivative financial instruments	22(a)	**7,724**	-
Provisions	19	**6,084**	6,235
Current tax liabilities		**-**	10,104
Total current liabilities	1(a)(iii)	**145,842**	125,745
NON-CURRENT LIABILITIES			
Derivative financial instruments	22(a)	**197**	-
Borrowings	13	**75,989**	82,558
Provisions	19	**4,097**	3,071
Deferred tax liabilities	6(d)	**3,030**	4,931
Total non-current liabilities		**83,313**	90,560
TOTAL LIABILITIES		**229,155**	216,305
NET ASSETS		**57,635**	76,236
EQUITY			
Contributed equity	20(a)	**118,290**	114,733
Equity compensation reserve		**(8,160)**	(5,010)
Cashflow hedge reserve		**(5,473)**	5,405
Foreign currency translation reserve		**(343)**	(248)
Retained profits		**17,292**	25,327
Accumulated losses (prior years)		**(63,971)**	(63,971)
TOTAL EQUITY		**57,635**	**76,236**

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

Consolidated statement of changes in equity

for the year ended 30 June 2018

	Notes	Contributed equity $'000	Equity compensation reserve $'000	Cash flow hedge reserve $'000	Foreign currency translation reserve $'000	Retained earnings / (Accumulated losses) $'000	Total $'000
Opening Balance at 1 July 2016		62,538	2,780	-	-	(33,007)	32,311
Profit after tax for the year		-	-	-	-	11,512	11,512
Other comprehensive income		-	-	5,405	(248)	-	5,157
Total comprehensive income for the year		-	-	5,405	(248)	11,512	16,669
Transactions with owners in their capacity as owners:							
Issue of ordinary shares as consideration for a business combination	20(a)	43,308	-	-	-	-	43,308
Dividends paid	7(a)	-	-	-	-	(17,149)	(17,149)
Share based payments expense	28(a)	-	1,097	-	-	-	1,097
Fair value of shares issued	20(a)	8,887	(8,887)	-	-	-	-
Closing Balance at 30 June 2017		114,733	(5,010)	5,405	(248)	(38,644)	76,236
Opening Balance at 1 July 2017		**114,733**	**(5,010)**	**5,405**	**(248)**	**(38,644)**	**76,236**
Profit after tax for the year		-	-	-	-	2,715	2,715
Other comprehensive income*	14(ii)	-	-	(10,878)	(95)	-	(10,973)
Total comprehensive income for the year		**-**	**-**	**(10,878)**	**(95)**	**2,715**	**(8,258)**
Transactions with owners in their capacity as owners:							
Issue of ordinary shares as consideration for a business combination	20(a)	302	-	-	-	-	302
Dividends paid	7(a)	-	-	-	-	(10,750)	(10,750)
Share based payments expense	28(a)	-	105	-	-	-	105
Fair value of shares issued	20(a)	3,255	(3,255)	-	-	-	-
Closing Balance at 30 June 2018		**118,290**	**(8,160)**	**(5,473)**	**(343)**	**(46,679)**	**57,635**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.
* $10,878k movement in other comprehensive income corresponds to the fair value of derivatives financial instruments as disclosed in Note 14 (ii) Fair value measurements. $95k corresponds to a foreign currency hedge recognised through profit or loss.

Consolidated statement of cash flows

for the year ended 30 June 2018

	Notes	2018 $'000	2017 $'000
Cash flows from operating activities			
Receipts from customers (incl. of GST)		**615,836**	355,866
Payments to suppliers and employees (incl. of GST)		**(558,146)**	(317,250)
Repayment of Optus activation fee liability on debt restructure		**-**	(13,358)
Repayment of Optus liability acquired on Vaya acquisition		**(11,835)**	(20,347)
Income taxes paid		**(13,713)**	(2,895)
Finance expenses		**(6,446)**	(365)
Interest received		**177**	155
Net cash inflows from operating activities	21 (a)	**25,873**	1,806
Cash flows from investing activities			
Payments for acquisition of subsidiary net of cash acquired		**-**	(79,760)
Payments for property, plant and equipment		**(2,922)**	(2,592)
Proceeds from sale of investments		**-**	2,051
Payments for intangible assets		**(12,386)**	(8,867)
(Increase) / Decrease in security deposits and bank guarantees		**(155)**	13,029
Net cash outflows from investing activities		**(15,463)**	(76,139)
Cash flows from financing activities			
Dividends paid	7	**(10,750)**	(17,149)
Repayment of borrowings	13	**(15,000)**	-
Proceeds from borrowings	13	**7,050**	100,000
Payments of capitalised transaction costs		**-**	(3,838)
Net cash (outflows)/inflows from financing activities		**(18,700)**	79,013
Net (decrease)/increase in cash and cash equivalents		**(8,290)**	4,680
Cash and cash equivalents at the beginning of the financial year		**18,068**	13,388
Cash and cash equivalents at end of year	9	**9,778**	18,068

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

Notes to the consolidated financial statements

for the year ended 30 June 2018

1. Summary of significant accounting policies

This note provides a list of the significant accounting policies adopted by the Group in the preparation of these consolidated financial statements for the financial year ended 30 June 2018.

a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and interpretations issued by the Australian Accounting Standards Board and the Corporations Act 2001 as appropriate for profit-orientated entities. amaysim Australia Limited is a company limited by shares, incorporated and domiciled in Australia.

The financial statements were authorised for issue by the Directors on 27 August 2018. The Directors have the power to amend and reissue the financial statements.

(i) Compliance with IFRS

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

(ii) Historical cost convention

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

(iii) Working capital deficiency

The Group has net assets of $57,635k as at 30 June 2018 (30 June 2017: net assets of $76,236k).

As at 30 June 2018, the Group's current liabilities exceed current assets by $67,306k (30 June 2017: $50,077k). Despite these historical working capital deficits, the Group continues to operate successfully and generate strongly positive operating cash inflows. This is a result of a positive trading cash flow cycle for both the mobile segment and energy segment. Inflows from customer payments are received faster than the Group is required to pay major creditors which are on fixed payment terms, and certain liabilities which, in practice, can be deferred beyond the short term.

The Group's working capital deficit includes deferred revenue of $8,385k (30 June 2017: $9,870k) for which there is minimal future outflows expected. In addition, major creditors included in current liabilities have fixed repayment terms. Out of the total customer deposits of $2,432k (30 June 2017: $3,177k), $2,015k are only payable if a customer disconnects and requests a refund.

The Group transacts in energy derivatives to manage its exposure to wholesale energy prices. In line with AASB 139, these derivatives are measured at fair value with movements in fair value processed via the Other Comprehensive Income account in Equity. This movement from an asset at 30 June 2017 of $7,724k (excluding acquired contracts) to a liability of $7,912k at 30 June 2018, represents the negative fair value of the Group's energy derivatives at 30 June 2018 and is the primary reason for the working capital deficiency increase over the financial year. This is expected to unwind over the next financial year as the energy purchases the Group hedge are passed through to customers in retail sales.

The Group also has a history of generating positive operating cash flows and managing the business to ensure debts are paid as and when they fall due, despite the net working capital deficits detailed above. The Group generated $25,873k from operating activities during the year (2017: $1,806k) and this was after a number of significant cash outflows that manifest in the operating section of the cashflow statement under accounting standards but are more akin to investing cash outflows. Specifically, in the current year these cash outflows include $11,835k to Optus for the repayment of the liability acquired on the Vaya acquisition ($20,347k in FY2017) with the final payment in January 2018, and $2,345k of acquisition and integration costs in relation to recent acquisitions.

With the company generating positive operating cashflows and paying liabilities as and when they fall due, the financial statements are prepared on a going concern basis.

b) Principles of consolidation

(i) Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Group as at 30 June 2018 and the results of all subsidiaries for the year then ended. The Group and its subsidiaries together are referred to in this financial report as the Group, the Company or the consolidated entity.

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies so as to obtain benefits from their activities.

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

c) Foreign currency translation

The Group's customers and almost all operational aspects of the business are in Australia. The Group's functional and presentational currency is the Australian dollar (AUD).

Foreign exchange gains and losses resulting from translation are recognised in the statement of profit or loss, except for qualifying cash flow hedges which are deferred to equity. Refer to Note 1 (k) for further information.

Foreign exchange differences resulting from translation of foreign operations are initially recognised in the foreign currency translation reserve and only transferred to the profit or loss if the foreign operations is disposed of.

d) Significant accounting judgements, estimates and assumptions

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

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

(i) Income taxes

The Group is subject to income taxes in Australia. Significant judgement is required in determining the income tax expense and unbooked tax losses. There are certain transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain.

The Group estimates its tax based on the Group's understanding of the tax law, including the assumption that it will both generate sufficient future taxable profits and continue to satisfy the Continuity of Ownership and/or Same Business tests in future periods. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences could impact the availability of booked tax assets in future periods in which any determination is made. The Group has recognised a current tax receivable of $3,204k relating to tax paid in FY2018 and a net deferred tax liability of $3,030k relating to temporary differences at 30 June 2018.

Assumptions about the generation of future taxable profits depend on the Group's estimates of future cash flows, which in turn depend on estimates of future revenue volumes, operating costs, capital expenditure, dividends to shareholders and other capital management transactions.

(ii) Share based payments

The Group has issued share rights and options to certain employees. The cost of the long term incentive plans recognised in the Group's financial statements is an estimation of the fair value of the share rights or options at grant date. This requires judgement in respect of the valuation methodology adopted and the valuation assumptions embedded within the methodology. Further details of the valuation methodology and assumptions are set out in Note 28.

(iii) Intangible assets – goodwill and other intangibles

Judgements and estimates relating to the impairment testing of goodwill are set out in Note 16 to this report

(iv) Unbilled revenue

The Group recognises revenue from energy services once the energy has been consumed by the customer. Customers are billed on a periodic and regular basis. Management estimates customer consumption between the last invoice date and the end of the reporting period when determining energy revenue for the financial period. Various assumptions and financial models are used to determine the estimated unbilled revenue, including average unbilled days, monthly wholesale purchases, distribution loss factor, average gross billed rate, average level of rebates and discounts.

If any of the utilised assumptions are different from the actual observed in the subsequent period, the profit or loss may change materially.

(v) Provision for doubtful debts

The collectability of trade receivables is reviewed on an ongoing basis. A provision for doubtful debts is recognised when there is objective evidence that the entity will not be able to collect all amounts due. Management uses its judgment in determining the level of doubtful debt provisioning, taking into account the historic analysis of bad debt trends and the prevailing economic conditions.

(vi) Unbilled wholesale and network costs

The Group recognises an accrual for wholesale and network costs relating to energy consumed by its customers during the period which have not been billed by the network providers. Various assumptions and financial models are used to determine the estimated unbilled costs, including average unbilled days, monthly wholesale purchases, distribution loss factor, average gross rate and consumption estimates.

If any of the utilised assumptions are different from the actual observed in the subsequent period, the profit or loss may change materially.

(vii) Valuation of derivatives

Fair valuation of derivative electricity energy purchase contracts is performed each month. In performing fair valuation management uses a financial model with reference to a number of key judgemental assumptions including forward curves for the energy prices, premium for the load following hedge option in the contracts and forecast volume. If any of these assumptions are different from those applied, the valuation would be different with respective changes in net assets of the Group.

(viii) Business combinations

Refer to Note 1 (m).

e) Revenue recognition

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

(i) Service revenue from Mobile services

Service revenue from Mobile services is comprised of service revenue net of promotion costs relating to subscriber acquisition and retention. Service revenues are recognised based on customer usage. When a customer uses the services 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 are broken down between components of revenue which, under AASB 118 "Revenue" can be recognised upfront, on a straight-line basis, or on a usage basis. Mobile data plans revenue is recognised on a usage basis. Revenue from the Flexi plan is recognised based on customer usage and expiry.

Any accrued revenue or cash received in advance for services not provided yet are recognised through deferred revenue.

(ii) Service revenue from Broadband services

Revenue from Broadband services is recognised when the service is provided to the customer net of promotion costs.

(iii) Service revenue from Energy services

Revenue from energy services supplied is recognised once the energy has been delivered to the customer and is measured through a regular review of usage meters. Customers are billed on a periodic and regular basis. At the end of each reporting period, energy revenue includes an accrual for energy delivered to customers but not yet billed (unbilled revenue).

Revenue from utility connection services is recognised in the accounting period in which the services are rendered.

(iv) Other service revenue and other income

Other revenue is comprised of expired credits, recognised when they are earnt, various fees recognised when the related service has occurred, and revenue from the sale of devices which is recognised upon delivery to the customer. Other income represents asset sales and is recognised upon sale of the asset.

(v) Interest revenue

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

f) Expenses

All expenses are recognised in the profit or loss on an accrual basis and disclosed by nature.

(i) Network and wholesale related expenses

Network and wholesale related expenses include service charges paid to mobile and energy network operators for accessing their network, and other direct costs related to revenue.

(ii) Marketing expenses

Includes customer acquisition costs, brand development, advertising related costs for online, TV and outdoor marketing.

(iii) IT and facilities expenses

Includes IT maintenance, software licences, operating leases and other facilities management costs.

(iv) Other expenses

Other expenses includes regulatory charges, bad debt expenses, and other administrative expenses.

g) Cash and cash equivalents

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

h) Payables

Payables are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Group. Payables are measured at their fair value. Expenses and payables are recognised as incurred in accordance with the respective supply, access or other supplier agreements. Trade payables are generally paid in accordance with terms which range between 30 to 60 days.

Expenses and payables are recognised as incurred in accordance with the network supply agreement, or other supplier agreements.

i) Property, plant and equipment

All property, plant and equipment are recognised at historical cost less depreciation and impairment (if any). Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

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

Leasehold improvements	5 years
Office equipment	4 years
EDP equipment	3 years
Telecommunication equipment	3-4 years
Network equipment	7 years
Furniture and fittings	8 years
Leased plant and equipment	4 years

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

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

j) Intangible assets

The Group has five types of intangible assets as follows:

(i) Goodwill

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

(ii) Trademarks/brands

Separately acquired trademarks/brands are shown at historical cost. Trademarks/ brands acquired in a business combination are recognised at fair value at the acquisition date. They are amortised over their useful life, deemed between 5 to 7 years.

(iii) Customer lists

Customer lists on acquisition of subsidiaries are included in intangible assets. They are amortised over their useful life, deemed between 5 to 7 years.

(iv) Distributor relationships

Distributor relationships on acquisition of Click relate to On The Move and other Channel partners are included in intangible assets. During the year, the Purchase Price Accounting has been finalised (refer to Note 17 for additional information). They are amortised over their useful life deemed between 4 to 7 years.

(v) Software development

Costs incurred in acquiring software and licenses and in developing internally generated software that will contribute to financial benefits in future years through revenue generation and/or cost reduction are capitalised to Software development. Costs capitalised include only those costs directly attributable to the development phase and are only recognised following completion of technical feasibility and where the Group has an intention and ability to use the asset; these costs include payroll related costs of employees' time spent on the project, external direct costs of materials and services, and any direct attributable costs to the generation or the acquisition of the software. Amortisation is calculated on a straight–line basis over years generally ranging from 2.5 to 3 years from when the software is available for use (i.e. when the asset is capable of operating in the manner it is intended by the Group).

k) Derivatives and hedging activities

The Group documents at inception of the hedge transactions the relationship between hedging instruments and hedge items and its risk management objective and strategy for undertaking various hedge transactions. The Group documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivative used to hedge transactions is highly effective in offsetting changes in the cash flows of the hedged item. The fair value of the hedge derivative is classified as a non-current asset or liability where the remaining maturity of the hedge is more than 12 months. Otherwise it is classified as a current asset or liability. The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated in reserves in equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss within other income and other expenses. Amounts accumulated in equity are reclassified to profit or loss in the period when the hedged item affects profit or loss, which is when the forecast purchase of energy takes place.

When a hedging instrument expires or is sold or terminated, or when the hedge no longer meets criteria for hedge accounting, any accumulated gain or loss existing in equity at the time remains in equity for as long as the forecast transaction is expected to occur and is recognised when the forecast transaction is ultimately recognised in the profit and loss. When the forecast transaction is no longer expected to occur, the gain or loss that was reported in equity is recognised in the profit or loss.

Under the Group's risk management policy, all derivative hedges are held against expected sales though the energy business, and consequently are held to maturity. At the point of the sale, the values of the expected sales, as well as the cost of the hedges, are recognised in the profit or loss.

The fair value as at balance date represents the value of the financial assets and liabilities that would be realised through sale of the derivative hedges through an arm's length transaction between willing parties as at balance date.

The value of cash flow hedges that were in place at the time of the acquisition of Click (where the corresponding hedging reserve was eliminated at acquisition) are amortised to profit and loss in the amortisation line on a straight-line basis over the weighted average period of the acquired contracts.

Notes 14 and 22 provide additional information in relation to hedging.

l) Renewable energy certificates held for own use

Renewable energy and energy efficiency schemes operate through the creation, trade and surrender of energy certificates. The major schemes affecting the business require the surrender of Large Scale Generation Certificates (LGCs) and Small Scale Technology Certificates (STCs), New South Wales Energy Savings Certificates (ESCs) and Victorian Energy Certificates (VEECs).

Forward purchased renewable energy certificates are designated as held for own use to satisfy relevant regulatory requirements. Renewable and efficiency held for own use are accounted for on an accrual basis. That is, when a buy or sell contract is entered into, no recording is made until legal title transfers. Renewable energy certificates on hand are held at historical cost.

m) Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the Group; and
- fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

Acquisition–related costs are expensed as incurred.

The excess of the:

- consideration transferred,
- amount of any non–controlling interest in the acquired entity, and
- acquisition–date fair value of any previous equity interest in the acquired entity.

over the fair value of the net identifiable assets acquired is recorded as goodwill.

If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional accounts recognised and also recognises assets and liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition date.

The measurement period ends on the earlier of:

(a) 12 months from the date of acquisition or

(b) when the acquirer receives all the information to determine fair value.

n) Impairment of non-financial assets

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested at least annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non–financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. The value in use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash generating unit to which the asset belongs.

Assets that do not have independent cash flows are grouped together to form a cash generating unit.

o) Employee benefits

(i) Short–term obligations

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

The liability for annual leave is recognised in current provisions.

(ii) Other long–term employee benefit obligations

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

(iii) Retirement benefit obligations

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

(iv) Share–based payments

Share–based compensation benefits are provided to employees via the employee share rights. Information relating to these plans are set out in Note 28.

The fair value of options granted under the employee share rights plan is recognised as an employee benefits expense with a corresponding increase in equity through the equity compensation reserve. The total amount to be expensed is determined by reference to the fair value of the rights granted adjusted for the number of rights or options expected to vest. The share based payment expense is then recognised on a straight-line basis over the performance period.

p) Leases

(i) Operating leases

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

(ii) Lease incentives

Lease incentives are capitalised upon receipt and recognised in the consolidated statement of comprehensive income over the life of the lease.

q) Provisions

Provisions are recognised when:

- the Group has a legal or constructive obligation as a result of past events;
- it is probable that an outflow of resources will be required to settle the obligation.
- the amount of the obligation can be measured with sufficient reliability.

Provisions include:

(i) Employee entitlements provisions

Employee entitlements provisions include accrued annual leave, long service leave or employee bonus provisions.

(ii) Provision for make good

The Group is required to restore the leased premises to their original condition at the end of the respective lease terms. A provision has been recognised for the present value of the estimated expenditure required to remove and restore leasehold improvements. The provision has been estimated based on cost per square metre and number of square metres occupied.

(iii) Other provisions

Other provisions include any other expected liability to be incurred if there is an obligation whose existence will be confirmed by future events.

r) Contributed equity

Ordinary shares are classified as equity.

s) Income tax

(i) Accounting policy

Tax expense comprises current and deferred tax and is recognised in the statement of comprehensive income according to the accounting treatment of the related transaction.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to tax in respect of previous years.

Deferred tax expense represents the tax expense in respect of the future tax consequences of recovering or settling the carrying amount of an asset or liability.

Both are calculated using tax rates for each jurisdiction, enacted or substantially enacted at the reporting date, and for deferred tax those that are expected to apply when the asset is realised or the liability is settled.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- initial recognition of assets or liabilities, other than in a business combination, that affect neither accounting nor taxable profit;
- recognition of goodwill; and
- investments in subsidiaries to the extent that they will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset deferred tax assets and liabilities and they relate to the same taxable entity and the same taxation authority.

(ii) Tax consolidation

amaysim Australia Limited and its wholly owned Australian resident entities are part of a tax consolidated group and are therefore taxed as a single entity; the consolidated group has entered into a tax sharing agreement, with amaysim Australia Limited being the head entity of the tax consolidated group. The tax sharing agreement details how the income tax liabilities is allocated between the entities should amaysim Australia Limited default on its tax obligations.

Current tax expense/income, deferred tax liabilities and deferred tax assets of the members of the tax consolidated group are recognised in the separate financial statements of the members using the "separate tax payer method", by reference to the carrying amounts in the separate financial statements of each entity and the tax values applying under tax consolidation. Income tax payable and receivable as calculated under the "separate tax payer method" are recognised as amounts receivable from or payable to other entities in the group, and are due and payable as requested by the head entity.

(iii) Recoverability of deferred tax assets

The amaysim tax consolidated group has $3,030k of deferred tax liabilities relating to temporary differences. Refer Note 1 (d)(i) accounting estimates for further information.

(iv) Investment allowances and similar tax incentives

The Group is entitled to claim special tax incentives for investments in qualifying expenditure with respect to the Research and Development Tax Incentive regime in Australia. The Group accounts for such allowances as tax credits, which means that the allowance reduces income tax payable and current tax expense.

t) Dividends

A liability is recognised for the amount of any dividends determined on or before the end of the financial year but not paid at the balance sheet date. Typically, interim and final dividends in respect of the financial period are determined after period end and are therefore not included as a provision at period end.

u) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares.
- by the weighted average number of ordinary shares outstanding during the financial year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interests and other financing costs associated with dilutive potential ordinary shares; and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

v) Goods and Services Tax (GST)

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

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

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

w) Parent entity financial information

The financial information for the parent entity, amaysim Australia Limited, disclosed in Note 30 has been prepared on the same basis as the consolidated financial statements, except as set out below:

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

x) Rounding of amounts

The amounts contained in this report and in the financial report have been rounded under the option available to the Group under ASIC Corporations (Rounding in Financial) Instrument 2016/191. The Group is an entity to which the Class Order applies, and in accordance with the Class Order, amounts in the Financial Report have been rounded to the nearest thousand dollars (where rounding is appropriate), or in certain cases, to the nearest dollar.

y) Borrowings and Financing Arrangements

Borrowings (excluding bank guarantees) are initially recognized at fair value, net of transaction costs. They are subsequently measured at amortised cost. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that some of the facility will be drawn down. This transaction cost is capitalised as a prepayment (capitalised transaction costs) and amortised over the period of the facility. Borrowings are removed from the consolidated balance sheet when the obligation specified in the contract is satisfied, discharged, cancelled or expired.

z) New and amended standards not yet adopted by the Group

The new and amended standards not yet adopted by the Group, and their impact when assessed, are disclosed below.

(i) AASB 9 Financial Instruments

AASB 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. The standard is effective for accounting periods beginning on or after 1 January 2018 and will be adopted by the Group on 1 July 2018.

The Group does not expect the adoption of AASB9 to have a material impact on the classification and measurement of financial assets or financial liabilities.

A new impairment model to financial assets is introduced and requires provision to based on an expected credit loss model and not on incurred losses. The Group expects this impact to result in a reduction of retained earnings on 1 July 2018 of circa 100k-570k.

Whilst hedge accounting requirements are revised under AASB 9, no material changes to the Group's hedge accounting have been identified. Existing hedge relationships should continue to qualify as effective hedge relationships upon adoption of the new standard.

(ii) AASB 15: Revenue from contracts with customers

In December 2015, the Australian Accounting Standards Board issued a new, comprehensive revenue recognition standard, AASB 15 *Revenue from Contracts with Customers* ("**AASB 15**" or "the new revenue standard"). The new revenue standard requires entities to recognise revenue through the application of a five-step model, which includes: identification of the contract; identification of the performance obligations; determination of the transaction price; allocation of the transaction price to the performance obligations; and recognition of revenue as the entity satisfies the performance obligations.

The Group will adopt the new revenue standard on 1 July 2018, using the modified retrospective method with the cumulative effect of initially applying AASB 15 as an adjustment to the opening balance of retained earnings as at 1 July 2018. In accordance with the new revenue standard, the Group plans to apply this Standard retrospectively to all contracts, i.e. completed and not completed contracts at 30 June 2018.

Judgments and estimates are used in determining the impacts, such as average customer life and likelihood of customers' redemption of incentives and discounts. In making these estimates, the Group has considered historical customer data, as well as current financial information.

In the current year, a project team was established to allow the Group to transition towards the adoption of AASB15 and implementing these changes in its accounting and reporting processes. The Group estimates the financial impact of all changes on the consolidated balance sheet on adoption is a cumulative net increase in retained earnings of $12.2m (before tax). The primary movement contributing in the increase in retained earnings is the deferral of previously expensed contract acquisition costs. The key effects of the application of AASB 15 are described below:

Contract costs

The Group incurs certain incremental costs to obtain customer contracts that it expects to recover, such as fees paid to mobile retailers, and commissions paid to Energy channel partners. The Group also incurs contract fulfilment costs, such as Sim card costs.

Under the new standard, costs to obtain and to fulfil a contract should be capitalised and amortised on a straight-line basis over the expected customer life. Consequently, at 1 July 2018, the Group will cease to recognise commissions paid to channel partners through marketing expenses (Energy) or retail fees in network related expenses (Mobile) and will recognise an intangible asset. The Group estimates the impact on 1 July 2018 to be a $13.5m increase on retained earnings.

Mobile Unlimited plan deferred revenue

Revenue is currently recognised by the Group using the respective revenue recognition patterns of transfer of each identifiable component in the contract. Some of these components (such as network access fees), may not meet the definition of a performance obligation, in addition, the revenue recognition pattern of some of these components may not reflect the appropriate timing of the service transferred under the new revenue standard.

These changes will result in a net decrease of $0.5m in retained earnings.

Energy occupier accounts

Occupier accounts are used to monitor electricity and gas usage when the occupant of the site cannot be identified. Due to their nature, collectability on these contracts is low. AASB 15 requires the consideration of a transaction to be probable for it to be defined as a contract. Consequently, the Group should only recognise revenue from occupier accounts when cash is received. This will result in an estimated decrease of receivables of $0.9m at 1 July 2018 and a corresponding decrease in retained earnings.

Connection fees

Some Energy and Broadband contracts require non-refundable, upfront connections fees. Revenue for connection fees is currently recognised when the customer is connected. Under AASB 15 a service connection will not be considered as a performance obligation therefore the revenue will form part of the overall transaction price being allocated to each of the actual performance obligations of the contract based on their relative standalone prices. The Group does not expect a material impact of AASB 15 in relation to the connection fees.

Cross-sell contracts

The Group offers contracts that bundle services and/or products to customers involving different operating segments. Under AASB 15 revenue will be allocated based on the relative standalone selling price of each performance obligation in the bundle. This will not impact the revenue recognised at group level, but it may impact the timing and amount of revenue recognised in the respective operating segments.

As the Group also provides bundle offers with the option to purchase additional goods or services at a discounted price, this will result in less revenue recognised at the commencement of the contract, with a portion of the transaction price recognised as revenue either when the option is exercised or when it expires.

The impact on adoption will not be material. However, the Group expects the impact of cross-sell promotions to become more material in the next financial year as the volume of cross sell increase.

(iii) AASB 16 Leases

AASB 16 "Leases" was issued on 1 January 2016 to replace AASB 117 "Leases" and is effective for accounting period beginning on or after 1 January 2019.

The new standard will require a majority of operating leases to be accounted for on the balance sheet as the distinction between an operating and finance lease is removed. The change in accounting for lessees will have the followings impacts:

- An asset representing the right to use the leased item and a financial liability for future lease payable will be recognised. The only exceptions are short-term and low-value leases.
- Lease expenses will be recognised as depreciation of the right to use asset and interest on lease liability. Currently operating lease rentals are expensed on a straight-line basis over the lease term within operating expenses.
- Operating lease cash flows will be recorded as cash flow from financing activities reflecting the repayment of the lease liabilities and related interest. Currently operating lease cash flows are included within operating cash flow in the consolidated financial statement of cash flows.

Accounting for lessors remains largely unchanged. The Group does not plan to early adopt the new leases standard and is still assessing the impact of the standard on the Group's financial statements after adoption on 1 July 2019.

2. Operating segments

Description of segments

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

In line with 30 June 2017, there are three reportable segments identified to measure the financial performance of the Group:

- **Mobile:** the services provided to amaysim and Vaya customers, as well as devices sold through the Vaya and amaysim handset stores.
- **Broadband:** include the services provided to customers of AusBBS and since May 2017, to amaysim Broadband customers.
- **Energy:** for retail energy services provided to Click and amaysim Energy customers.

The CODM primarily uses a measure of earnings before interest, tax, depreciation and amortisation (EBITDA) to assess the performance of the operating segments. The CODM also receives information about the segments revenue, asset allocation and other non-statutory measures on a monthly basis.

Segment information

For the financial year ended 30 June 2018	Mobile $'000	Broadband $'000	Energy $'000	Total $'000
Service revenue	238,912	7,338	308,928	555,178
Other revenue	20,057	1,288	1,110	22,455
Net Revenue	**258,969**	**8,626**	**310,038**	**577,633**
Network and wholesale related expenses	(178,101)	(9,941)	(236,508)	(424,550)
Gross profit	**80,868**	**(1,315)**	**73,530**	**153,083**
Operating expenses	(57,453)	(4,995)	(53,083)	(115,531)
EBITDA	**23,415**	**(6,310)**	**20,447**	**37,552**
Depreciation, amortisation & impairment				(26,640)
Net Finance cost				(7,891)
Profit before tax				**3,021**
Income tax				(306)
Profit after tax				**2,715**
Total Assets*	**90,130**	**8,342**	**188,318**	**286,790**
Total Liabilities**	**(161,190)**	**(3,914)**	**(64,051)**	**(229,155)**

*Assets for Mobile include the current tax assets for the Group.
**Liabilities for Mobile include total Group borrowings (Note 13), accrued interest expense and deferred tax liabilities (Note 6).

In addition to the above, the Group recognised impairment losses during the financial year. Refer to Note 16 for additional information.

Segment information

For the financial year ended 30 June 2017	Mobile $'000	Broadband $'000	Energy $'000	Total $'000
Service revenue	266,262	2,505	45,501	314,268
Other revenue	12,218	22	172	12,412
Net Revenue	**278,480**	**2,527**	**45,673**	**326,680**
Network and wholesale related expenses	(189,559)	(2,375)	(35,673)	(227,607)
Gross profit	**88,921**	**152**	**10,000**	**99,073**
Other income*	2,032	-	-	2,032
Operating expenses	(56,266)	(3,769)	(7,229)	(67,264)
EBITDA	**34,687**	**(3,617)**	**2,771**	**33,841**
Depreciation & amortisation				(9,503)
Interest income				155
Interest expense				(3,421)
Profit before tax				**21,072**
Income tax				(9,560)
Profit after tax				**11,512**
Total Assets**	**95,656**	**7,795**	**189,090**	**292,541**
Total Liabilities	**(160,367)**	**(1,175)**	**(54,763)**	**(216,305)**

*Other income for the year ended 30 June 2017 related to the sale of investment in Airtasker Pty Limited for a gain of $2,032k.
**The year ended 30 June 2017 comparative figure for total assets has been amended to be consistent with the 30 June 2018 presentation, with the major changes being the allocation of goodwill and also work in progress assets across segments.

3. Revenue and other income

The Group derives the following types of revenue and other income:

	2018 $'000	2017 $'000
Service revenue	555,178	314,268
Other revenue	22,455	12,412
Net revenue	577,633	326,680
Other Income	-	2,032
Interest income	201	155
Total revenue and other income	577,834	328,867

Service revenue includes revenue generation from Mobile, Broadband and Energy whilst other revenue includes the revenue generated through the sales of devices as well as other revenue as defined in Note 1.e (iv).

4. Expense items

	Notes	2018 $'000	2017 $'000
Depreciation			
Property, plant and equipment	15	**1,585**	840
Amortisation			
Intangible assets	16	**18,497**	8,142
Acquired derivative contracts		**3,110**	521
Total Amortisation		**21,607**	8,663
Impairment	16	**3,448**	-
Total depreciation, amortisation and impairment		**26,640**	9,503
Bad Debts			
Bad debt write offs		**2,781**	3,678
Provision for doubtful debts	10	**12,323**	3,178
Total bad and doubtful debt expense		**15,104**	6,856
External customer service centre expenses		**6,820**	2,867
Other expenses		**6,410**	5,057
Total other expenses		**28,334**	14,780
Operating lease expenses		**3,293**	1,731
Finance costs	5	**8,092**	3,421

The impairment charge of $3,448k relates to the devices and broadband impairment. Refer to Note 16 for further details.

5. Finance and Income Expenses

	2018 $'000	2017 $'000
Finance income	**201**	155
Finance income	**201**	155
Finance costs		
Interest charges	**(1,555)**	(98)
Unwinding of discount on Optus liability	**(331)**	(1,980)
Interest charges syndicated finance facility	**(4,801)**	(994)
Unwinding of borrowing costs	**(1,405)**	-
Expensing of capitalised transaction costs	**-**	(349)
Finance costs expensed	**(8,092)**	(3,421)
Net finance costs	**(7,891)**	(3,266)

The syndicated loan facility was entered into on 1 April 2017 and the expense for the year ended 30 June 2017 was for a 3 month period compared to a 12 month period for the year ended 30 June 2018.

6. Income tax

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

	2018 $'000	2017 $'000
a) Income tax expense		
Current tax	**3,912**	10,632
Deferred tax	**(3,225)**	(1,072)
Prior year over provision	**(381)**	-
Total income tax expense	**306**	9,560
Deferred income tax		
Decrease/(increase) in deferred tax assets	**3,888**	(970)
Increase/(decrease) in deferred tax liabilities	**4,022**	(102)
Total deferred tax expense/(benefit)	**7,910**	(1,072)
(b) Tax reconciliation		
Profit before tax	**3,020**	21,072
Tax at 30% (2017 - 30%)	**906**	6,321
Tax effect of amounts which are not deductible (assessable) in calculating taxable income:		
Amortisation of intangibles	**218**	221
Research and development expenditure	**(650)**	(212)
Impairment Loss	**127**	-
Acquisition expenses	**-**	1,095
Share-based payments	**31**	283
Entertainment	**55**	64
Prior year over provision	**(381)**	-
Derecognition of losses*	**-**	1,788
Income tax expense	**306**	9,560
(c) Amounts recognised directly in equity		
Net deferred tax - (credited)/debited directly to equity	**(4,663)**	2,319

*In FY2017, tax losses have been written off as the Group failed the same business test when acquiring Click. The amount of $1,788k at 30 June 2017 included $269k of FY2016 true up.

	2018 $'000	2017 $'000
(d) Deferred tax balances		
The balance comprises temporary differences attributable to:		
Capital raising expenditure	**2,527**	3,309
Employee benefits	**807**	1,867
Superannuation	**104**	137
Deferred revenue	**1,609**	2,239
Accrued expenses	**1,095**	1,988
Make good provision	**121**	118
Doubtful debts	**2,730**	3,371
Other	**414**	266
Gross deferred tax assets	**9,407**	13,295
Set-off of deferred tax liabilities pursuant to set-off provisions:		
Fixed assets	**(1,564)**	(695)
Other	**(25)**	(304)
Intangible assets	**(13,261)**	(13,447)
Derivative financial instruments	**2,413**	(3,780)
Gross deferred tax liabilities	**(12,437)**	(18,226)
Net deferred tax liabilities	**(3,030)**	(4,931)
Amount expected to be recovered within 12 months	**9,038**	9,406
Amount expected to be recovered after 12 months	**(12,068)**	(14,337)
Movement schedule in deferred tax balances		
Opening Balance	**(4,931)**	1,399
Net deferred tax liabilities acquired from business combination	**(2,897)**	(5,083)
Charged to Profit and Loss	**134**	1,072
Charged to Equity	**4,664**	(2,319)
Closing deferred tax liabilities	**(3,030)**	(4,931)

7. Dividends

a) Dividends paid and payable

Year ended 30 June 2018	Cents per share	Franking percentage	$'000
Dividends paid during the reporting period			
Final Dividend for year ended 30 June 2017	5.1	100%	10,750
Total dividends paid	**5.1**	**100%**	**10,750**

No dividends have been declared for the financial year ended 30 June 2018.

Year ended 30 June 2017	Cents per share	Franking percentage	$'000
Dividends paid during the reporting period			
Final Dividend for year ended 30 June 2016	5.3	100%	9,716
Interim dividend for the year ended 30 June 2017	4.0	100%	7,433
Total dividends paid	**9.3**	**100%**	**17,149**
Dividends not recognised at the end of the reporting period			
Final dividend for the year ended 30 June 2017	5.1	100%	10,710
Total dividends not recognised	**5.1**	**100%**	**10,710**

b) Franking credits

The franking account balance at 30 June 2018 is $8.4m both for the consolidated entity and the parent entity ($12.1m for the consolidated entity and $11.1m for the parent entity at 30 June 2017, due to the Click stub period which was included in the consolidated entity but not in the parent entity).

The consolidated amounts include franking credits that would be available to the parent entity if distributable profits of subsidiaries were paid as dividends.

These amounts are calculated from the balance of the franking account as at the end of the reporting period, adjusted for franking credits and debits that will arise from the settlement of liabilities or receivables for income tax and dividends after the end of the year.

8. Earnings per share

	2018 $'000	2017 $'000
Net profit after tax	**2,715**	11,512
Weighted average number of ordinary shares (WANOS) used as the denominator in calculating basic EPS	**210,343,822**	187,758,355
Employee share rights under legacy plan	**-**	1,943,379
Options under the LTIP Plan	**-**	4,783,007
Employee share rights under the LTIP Plan	**666,197**	-
WANOS used as the denominator in calculating diluted EPS	**211,010,019**	194,484,741
Basic EPS (cents per share)	**1.3**	6.1
Diluted EPS (cents per share)	**1.3**	5.9

Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding.

Diluted earnings per share

The calculation of diluted earnings per share is based on the profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding after adjustments for the effects of all dilutive potential ordinary shares.

Information concerning the classification of securities

(i) Legacy Employee Share Plan

At 30 June 2017, employee share rights granted to employees under the legacy Employee Share Plan were considered to be potential ordinary shares and had been included in the determination of diluted earnings per share to the extent to which they are dilutive. This plan entirely vested in August 2017 and therefore does not impact the Diluted EPS at 30 June 2018.

(ii) Options granted under the Long term incentive plan

In accordance with Accounting Standards, no options have been considered dilutive at 30 June 2018 as the average market price of ordinary shares during the period was lower than the exercise price of any options plans granted by the Group. At 30 June 2017, these options were considered as potential ordinary shares and had been included in the determination of diluted earnings per share. Details relating to the LTIP are set out in Note 28 (b).

(iii) Employee Share rights granted under the Long term incentive plan

All employee share rights granted are considered to be potential ordinary shares and have been included in the determination of diluted earnings per share. Details relating to the LTIP are set out in Note 28 (c).

9. Cash and cash equivalents

	2018 $'000	2017 $'000
Cash and cash equivalents	**9,778**	18,068
Total cash and cash equivalents	**9,778**	18,068

10. Trade and other receivables

	2018 $'000	2017 $'000
Trade and other receivables		
Unbilled revenue from energy services	**21,039**	16,417
Trade receivables and accrued revenue	**48,094**	35,385
Provision for doubtful debts	**(9,101)**	(7,965)
Total trade and other receivables	**60,032**	43,837
Movement in the provision for doubtful debt		
Balance at the start of the reporting period	**(7,965)**	(1,011)
Charge for the year	**(12,323)**	(3,178)
Acquired	**-**	(4,760)
Amounts written off	**11,187**	984
Balance at reporting date	**(9,101)**	(7,965)

At 30 June, the aging analysis of the trade receivables is as follows:

	2018 Gross $'000	2017 Gross $'000
Balance at end of the reporting period	**48,094**	35,385
Current	**28,654**	18,660
31 - 60 days	**3,841**	4,277
61 - 90 days	**2,783**	2,889
91 days and over	**12,816**	9,559

(i) Fair value of trade and other receivables

Due to the short–term nature of these receivables, their carrying value is assumed to approximate their fair value.

The maximum exposure to credit risk is the fair value of receivables. Collateral is not held as security, nor is it the Group's policy to transfer (on–sell) receivables to special purpose entities.

11. Other current assets

	2018 $'000	2017 $'000
Energy Trade Certificates	117	3,244
Prepayments	4,589	2,899
Other	722	47
Total other current assets	5,428	6,190

(i) Renewable energy certificates held for own use

Renewable energy and energy efficiency schemes operate through the creation, trade and surrender of energy products. The major schemes affecting the business require the surrender of Large-scale Generation Certificates (LGCs), Small Scale Technology Certificates (STCs), New South Wales Energy Savings Certificates (ESCs) and Victorian Energy Efficiency Certificates (VEEC).

Energy trade certificates on hand are recognised at cost in other current assets.

Forward purchased renewable energy products are designated as held for own use and held as commitments in Note 26(b) to satisfy relevant regulatory requirements. Renewable and efficiency products held for own use are accounted for on an accrual basis.

12. Trade and other payables

	2018 $'000	2017 $'000
Trade payables	37,809	21,172
Accrued expenses	37,325	21,637
Optus liability acquired on Vaya acquisition	-	11,514
Unbilled wholesale accrual	10,853	4,463
Unbilled network accrual	16,296	18,446
Renewable cost liability	5,349	5,523
Total trade and other payables	107,632	82,755

Terms and conditions

Terms and conditions relating to the above financial liabilities:

(i) Trade payables and accrued expenses are non-interest bearing and are normally settled on 30-60 day terms.

(ii) Optus liability acquired on Vaya acquisition was settled monthly over 24 months from the date of acquisition of Vaya (1 January 2016); the liability was discounted at 9.50% which represents the fair value cost of debt. At 30 June 2018, there is no remaining liability as it has been fully repaid in January 2018.

Details regarding interest rate, foreign exchange and liquidity risk exposure are set out in Note 22.

13. Borrowings

	2018 $'000	2017 $'000
Current		
Secured		
Bank loans	**15,000**	15,000
Capitalised Borrowing Costs	**(1,415)**	(1,396)
Total current borrowings	**13,585**	13,604
Non Current		
Secured		
Bank loans	**77,050**	85,000
Capitalised Borrowing Costs	**(1,061)**	(2,442)
Total non current borrowings	**75,989**	82,558
Total borrowings	**89,574**	96,162

(i) Syndicated Facility

In April 2017 a Syndicated loan facility ("Facility") was entered into with the Commonwealth Bank of Australia ("CBA"). The Facility has a 3 year-term and will mature on 31 March 2020. The facility totals $138 millions at 30 June 2018 and is made of the following three components:

- Facility A is a multi-option facility consisting of a revolving loan facility and a revolving bank guarantee facility totalling $19.5 million (fully utilised at 30 June 2018 and $10m utilised at 30 June 2017)
- Facility B is a revolving bank guarantee facility totalling $28.5 million (fully utilised at 30 June 2018 and $28.4m utilised at 30 June 2017); and
- Facility C is a term loan facility totalling $90 million (fully utilised at 30 June 2018 and fully utilised at 30 June 2017).

The majority of the facility was drawn down in FY2017 to fund the acquisition of Click and used as bank guarantees.

On 3 July 2017, Westpac Corporation joined the Facility on the same terms as CBA sharing 50% of the Facility.

The Facility has a floating interest rate, as a result the Group is exposed to fluctuations in interest rates. On 5 September 2017 amaysim purchased an interest rate collar, protecting the Group from rising interest rates with a maturity date of 31 March 2020.

Under the Facility, the Group is subject to financial covenants, typical for a facility of this nature, tested on a quarterly basis. There has been no breach of the financial covenants during the period.

(ii) Bank Guarantee

Bank guarantees are primarily used for operational purposes by the Mobile and Energy businesses. On 30 June 2018, the total bank guarantees on issue is A$32.1 million.

(iii) Capitalised transaction costs

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that some of the facility will be drawn down. This transaction cost is capitalised and amortised over the period of the facility.

14. Fair value measurements

As at 30 June 2018 the Group holds energy derivatives and currency hedges that require fair value measurement. The fair values of all financial instruments held on the balance sheet as at 30 June 2018 equal the carrying amount and are a net liability of $7,827k ($94k of an asset and $7,921k of a liability). At 30 June 2017, derivatives represented an asset of $7,724k and an asset of $3,107k of acquired contracts which have been fully amortised at 30 June 2018. Other fair value measurements and their fair value hierarchy is outlined in (i) below.

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows in the table below.

Recurring fair value measurements ($'000)	Level 1	Level 3
For the financial year end 30 June 2018		
Financial assets		
Derivatives used for hedging – customer load contracts	-	-
Fair value less cost to cell of a CGU	-	-
Currency hedges	94	-
Total financial assets	**94**	**-**
Financial liabilities		
Interest rate collar	(9)	-
Derivatives used for hedging – customer load contracts	-	(7,912)
Total financial liabilities	**(9)**	**(7,912)**

Recurring fair value measurements ($'000)	Level 1	Level 3
For the financial year end 30 June 2017		
Financial assets		
Derivatives used for hedging – customer load contracts	-	7,724
Fair value less cost to cell of a CGU	-	-
Currency hedges	-	-
Total financial assets	**-**	**7,724**
Financial liabilities	-	-
Derivatives used for hedging – customer load contracts	-	-
Total financial liabilities	**-**	**-**

There have been no transfer between levels 1 and 2 for recurring fair value measurements during the year. For transfers in and out of level 3 measurements see (ii) and (iii) below.

The group's policy is to recognise transfers into and transfers out of fair value hierarchy.

Fair value hierarchy levels	Definition	Valuation technique
Level 1	Fair value of financial instruments traded in active markets and based on quoted market prices.	Level 1 inputs are used to value the Currency Hedges and Interest Rate Collar. The level 1 inputs used are a combination of quoted AUD, USD and PHP rates as well as interest rates.
Level 2	Fair value of financial instruments that are not traded in an active market.	Level 2 financial instruments are nil at at the end of the current and prior reporting periods.
Level 3	If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for load following electricity contracts and gas hedges.	There are two level 3 inputs used by the Group to value the electricity derivatives. These are price and notional volume. These are derived as follows: - Price derived from the use of an average of forward electricity derivatives obtained independently from the ASX Energy Futures website on relevant dates leading up to balance date, adjusted for factors specific to the hedges. - Notional volumes derived from internal modelling based on historical performance which eventually form part of Board approved budgets and forecasts. The forecast notional volume used to calculate the fair value of financial instruments is based on customer demand and may range from 905 GWh to 1,106 GWh (1,127 GWh to 1,378 GWh at 30 June 2017), and are based on internal models and historical usage. A sensitivity analysis is provided in (iii) below. There is one level 3 input used by the Group to value the gas hedges which is the price. The gas forward market is very immature and not very liquid. In addition, these are quite large, bespoke contracts designed for amaysim. As a result, and after considering a number of other market factors and timing of entering into the hedge, the price used to value these contracts is the contract price. The remaining contractual volumes for the gas derivatives that have also been used to value the hedge are 3,214,342 GJ.

(ii) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in cash flow hedge reserve for level 3 items for the period ended 30 June 2018:

$'000	Load following derivatives
Opening balance at 1 July 2016	-
Settled contracts recycled through profit and loss	-
Fair value recognised in other comprehensive income	7,724
Tax Effect	(2,319)
Closing balance at 30 June 2017	**5,405**
Opening balance at 1 July 2017	**5,405**
Settled contracts recycled through profit and loss	(4,463)
Fair value recognised in other comprehensive income	(11,078)
Tax Effect	4,663
Closing balance at 30 June 2018	**(5,473)**

(iii) Sensitivity analysis in respect of Level 3 derivatives

The values of forward contracts and options that are determined using unobservable inputs are calculated using an average of quoted prices and estimated volumes based on forecasted customer demand. An increase of 10% or decrease of 10% in forecast customer demand would increase/(decrease) the fair value by $0.79m.

(iv) Valuation processes

The finance team of Click, including the Chief Financial Officer (CFO), perform the valuations of non-property items required for financial reporting purposes, including level 3 fair values. Discussions of valuation processes and results are held between the CFO and Chief Executive Officer (CEO), at least once every six months, in line with the group's half-yearly reporting periods.

Changes in level 3 fair values are analysed at the end of each reporting period during the half-yearly valuation discussion between the CFO and the CEO.

15. Property, plant and equipment

	Leasehold improvements $'000	Office equipment $'000	EDP equipment $'000	Tele-communication equipment $'000	Network equipment $'000	Furniture & fittings $'000	Leased assets – MV $'000	Total $'000
At 1 July 2017								
Cost	2,659	460	2,511	327	-	552	-	6,509
Accumulated depreciation	(1,619)	(140)	(1,250)	(257)	-	(166)	-	(3,432)
Net book amount	1,040	320	1,261	70	-	386	-	3,077
Year ended 30 June 2018								
Opening net book amount	1,040	320	1,261	70	-	386	-	3,077
Additions	787	74	779	27	1,088	78	89	2,922
Disposals	-	-	-	(2)	-	-	-	(2)
Depreciation charge	(396)	(98)	(875)	(37)	(64)	(102)	(13)	(1,585)
Closing net book amount	**1,431**	**296**	**1,165**	**58**	**1,024**	**362**	**76**	**4,412**
At 30 June 2018								
Cost	3,446	534	3,290	352	1,088	630	89	9,429
Accumulated depreciation	(2,015)	(238)	(2,125)	(294)	(64)	(268)	(13)	(5,017)
Net book amount	**1,431**	**296**	**1,165**	**58**	**1,024**	**362**	**76**	**4,412**
At 1 July 2016								
Cost	1,504	380	1,166	280	-	280	-	3,610
Accumulated depreciation	(1,409)	(70)	(851)	(207)	-	(55)	-	(2,592)
Net book amount	95	310	315	73	-	225	-	1,018
Year ended 30 June 2017					-			
Opening net book amount	95	310	315	73	-	225	-	1,018
Acquisition of subsidiary	-	-	266	-	-	41	-	307
Additions	1,155	80	1,079	47	-	231	-	2,592
Disposals	-	-	-	-	-	-	-	-
Depreciation charge	(210)	(70)	(399)	(50)	-	(111)	-	(840)
Closing net book amount	1,040	320	1,261	70	-	386	-	3,077
At 30 June 2017					-			
Cost	2,659	460	2,511	327	-	552	-	6,509
Accumulated depreciation	(1,619)	(140)	(1,250)	(257)	-	(166)	-	(3,432)
Net book amount	1,040	320	1,261	70	-	386	-	3,077

16. Intangible assets

Consolidated entity	Goodwill $'000	Trademarks $'000	Software development $'000	Customer contracts $'000	Distributor relationships $'000	Total $'000
At 1 July 2017						
Cost	145,965	5,929	26,399	45,359	4,323	227,975
Accumulation amortisation and impairment	-	(2,341)	(10,440)	(5,320)	(210)	(18,311)
Net book amount	145,965	3,588	15,959	40,039	4,113	209,664
Year ended 30 June 2018						
Opening net book amount	145,965	3,588	15,959	40,039	4,113	209,664
Acquisition of subsidiary	302	-	-	-	-	302
Adjustment to the acquired intangibles	(6,762)	2,976	-	803	5,881	2,898
Additions	-	-	12,386	-	-	12,386
Impairment Charge	(422)	-	(3,026)	-	-	(3,448)
Amortisation charge	-	(1,542)	(7,544)	(7,511)	(1,900)	(18,497)
Closing net book amount	**139,083**	**5,022**	**17,775**	**33,331**	**8,094**	**203,305**
At 30 June 2018						
Cost	139,505	8,905	38,785	46,162	10,204	243,561
Impairment	(422)	-	(3,026)	-	-	(3,448)
Accumulated amortisation	-	(3,883)	(17,984)	(12,831)	(2,110)	(36,808)
Net book amount	**139,083**	**5,022**	**17,775**	**33,331**	**8,094**	**203,305**
At 1 July 2016						
Cost	53,373	5,929	12,163	15,415	-	86,880
Accumulation amortisation and impairment	-	(1,484)	(7,143)	(1,542)	-	(10,169)
Net book amount	53,373	4,445	5,020	13,873	-	76,711
Year ended 30 June 2017						
Opening net book amount	53,373	4,445	5,020	13,873	-	76,711
Acquisition of subsidiary	92,592	-	5,369	29,944	4,323	132,228
Additions	-	-	8,867	-	-	8,867
Amortisation charge	-	(857)	(3,297)	(3,778)	(210)	(8,142)
Closing net book amount	145,965	3,588	15,959	40,039	4,113	209,664
At 30 June 2017						
Cost	145,965	5,929	26,399	45,359	4,323	227,975
Accumulated amortisation	-	(2,341)	(10,440)	(5,320)	(210)	(18,311)
Net book amount	145,965	3,588	15,959	40,039	4,113	209,664

Assessment of Impairment of Goodwill and other intangible assets

The Group's impairment assessment of intangible assets and goodwill compares the carrying value of the Group's CGUs with their respective recoverable amount, using the higher of the "fair value less cost to sell" or the "value in use" calculation.

Goodwill is monitored by management at a cash generating unit (CGU) level and is tested for impairment at least annually; in accordance with Australian Accounting Standards. A cash-generating unit is identified for impairment testing purposes and is defined as the "smallest identifiable group of assets that together have cash inflows that are largely independent of the cash inflows from other assets". At 30 June 2018, it was determined that there were four CGUs, namely Mobile, Devices, Broadband and Energy. At 30 June 2017, Devices was grouped as part of Mobile for CGU reporting purposes (in line with Operating Segments) as reporting was not available to identify cash inflows separately, due to the recent acquisition of Devices at the end of the 2017 reporting period. During the financial year 2018, new reporting was implemented and cash flows were separately identifiable and independent for the devices CGU.

At 30 June 2018, value in use calculations were used to assess the recoverable amount of the Group's CGUs. The allocation of the carrying value of goodwill to the CGUs and the methods used to calculate the recoverable amount are outlined below. It is noted that there is no goodwill in the Devices CGU.

		Year ended 30 June		Post-tax discount rate		Terminal value growth rate	
Goodwill Consolidated entity	**Method used to assess the recoverable amount**	**2018 $'000**	**2017 $'000**	**2018 %**	**2017 %**	**2018 %**	**2017 %**
Mobile	Value in use	**53,373**	53,373	**11.5**	11.5	**2.5**	2.5
Energy	Value in use	**85,710**	92,472	**12.0**	12.0	**2.5**	2.5
Broadband *	Value in use	**-**	120	**15.0**	11.5	**0.0**	2.5

* At 30 June 2017, the goodwill associated with the Broadband CGU was $120k, as the AusBBS Purchase Price Accounting (PPA) was provisional. The PPA was finalised at 31 December 2017, with a final goodwill of $422k; at 30 June 2018, the goodwill of this CGU was fully impaired, refer to (iii) below.

(i) Significant estimates: key assumptions used for value-in-use calculations

Value in use calculations are based on cash flow projections, using the Group's Board approved financial year 2019 budget and management forecasts over a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated above. These growth rates are consistent with forecasts included in industry reports specific to the industry in which each CGU operates.

Management has determined the values assigned to each of the above key assumptions as follows:

- Growth rate estimates: these rates have been calculated using a number of different assumptions around sales volume and net revenue over the five-year period; based on past performance and management's expectations of market development regarding the product mix and promotions that will be offered.
- Discount rates: these represent the current market assessment of the risks specific to the CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segment and is derived from its weighted average cost of capital (WACC). The WACC takes into account debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on a combination of the Group's cost of debt and of public information available for the wider industries in which it operates. Segment-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data. Adjustments to the discount rate are made to factor in the specific amount and timing of the future cash flows in order to reflect a pre-tax discount rate. The pre-tax discount rate used for Mobile services is 13.4% (2017: 15.3%), Broadband 15% (2017: 13.8%) and for Energy is 16.3% (2017: 15.1%). Refer to the above table for the post tax discount rate.
- After the 5 year period, a terminal growth rate of 2.5% has been used (2017: 2.5%) except for Broadband where in 2018 a 0% terminal growth rate has been used.

There have been no have been no impairment recognised to the Mobile or Energy CGUs at 30 June 2018. There has been an impairment recognised in the Broadband CGU, refer to section (ii) below.

(ii) Significant estimate: impairment charge

There have been two impairment charges during the year: $2,482k related to the Devices CGU, and $966k related to the Broadband CGU. Further detail about the events and circumstances that led to the recognition of an impairment loss and the nature of the assets impaired is disclosed below.

Devices

During the year, the Company continued to invest in intangible assets (mainly websites and platforms) to enable the sale of mobile devices and accessories ("devices"). At 30 June 2018, Management analysed the results of the total investment and, in the context of the markets in which the company operates and the company's strategy, decided to review its operations and to slow down the sales for FY2019.

Since the end of the period, the Company decided to cease selling mobile devices and accessories. Refer to Note 31 (c). While the Board continues to see the strategic importance of the Company to test new markets, it was determined that the Group has more effective operating segments into which it should continue to allocate capital which would otherwise have been invested into devices. The Group will continue to own all of the intellectual property which was developed as part of this venture and may revisit the sale of mobile devices and accessories in the future. However, as the Group has decided to cease selling mobile devices and accessories the Group concluded that the carrying value of these intangible assets would not be recoverable, and recognised an impairment of the full value of these assets.

This resulted in the recognition of an impairment charge of $2,482k with the corresponding carrying value of the related intangibles assets being nil at the end of the reporting period.

Broadband

In addition and highlighted above, the assessment of the Broadband CGU recoverable amount resulted in an impairment charge of $966k at 30 June 2018. The carrying value of the CGU tested was $5,365k, comprising gross assets $422k of goodwill, $7,319k of Software development and $1,024 of Network Equipment. The impairment loss was allocated in full to goodwill, and the remaining ($544k) to software development. If the impairment loss would have been allocated to the network equipment, it would have resulted in a decrease of $65k in Network Equipment and an increase of the same amount in Software development, which has been considered as immaterial by the Group.

Further, since the end of the reporting period, the Company also decided to perform a strategic review of the broadband business. There was however no additional indicator for impairment at 30 June 2018 in relation to this decision.

(iii) Significant estimate: Impact of possible changes in key assumptions

There is no reasonable change in the key assumptions used in the projected cash flows for the Mobile and Energy CGUs that would result in an impairment charge.

The value in use calculation for the Broadband CGU is highly dependent on achieving the terminal value of cash flows included in the model. This is dependent on achieving subscriber growth, gross margin and hence profitability and cash flows. The discount rate used in the value in use model is outlined in the above key assumptions (p.88).

The Group also calculated the sensitivity of the value in use calculations by applying a reasonable possible change in the assumptions. A 1% increase in the discount rate to 16% would result in an additional impairment of $1m.

Refer to Note 31 (c) "Events occurring after the reporting period" for further details in relation to devices cessation of operations and the broadband review.

17. Business combinations

a) Finalisation of Click PPA acquisition

On 1 May 2017, the Company acquired 100% of the issued share capital of Click including all of its subsidiaries.

At 30 June 2018, the acquisition accounting has been finalised. The finalisation of the PPA resulted in an increase of $9.7m in acquired intangibles identified and a corresponding decrease in goodwill of $6.8m (net of deferred tax), as a result of changes in assumptions made in the initial valuation and the identification of new assets. The table below summarises the final value of the assets and liabilities acquired.

Click Business Combination	$'000
Purchase consideration	
Cash paid to sellers	78,845
Cash paid in Escrow	8,760
Cash paid to sellers' representatives	363
Ordinary shares issued	40,000
Pre-acquisition LTIP	85
Total purchase consideration for the Click group	**128,053**
Assets acquired/liabilities assumed	
Cash	9,626
Trade and other receivables	17,072
Unbilled revenue	13,760
Other current assets	3,295
Property, Plant & Equipment	307
Software	411
Derivative asset contracts	3,628
Customer contracts	30,747
Distribution Relationships	10,204
Brand	2,976
Trade and other payables	(33,964)
Provision for income tax	(1,370)
Provisions — current	(3,906)
Provisions — non current	(2,422)
Deferred tax liability	(8,021)
Net identifiable assets acquired	**42,343**
Add: goodwill	**85,710**
Net assets acquired	**128,053**

b) Finalisation of AusBBS acquisition

On 28 August 2017, the second tranche of the shares related to the AusBBS acquisition were issued. At 30 June 2017, these were recorded in equity as deferred consideration but their fair value was understated by $302k.

Accordingly, the Purchase Price Accounting was adjusted and finalised during 1HY2018 (by the end of the provisional period in line with Australian Accounting Standards). The finalised Purchase Price acquisition is disclosed below:

AusBBS Business Combination	$'000
Purchase consideration	
Tranche 1: Cash on completion	1,014
Tranche 1: amaysim shares on completion	1,805
Tranche 2: Cash	12
Tranche 2: amaysim shares one year after completion	1,805
Total purchase consideration	**4,636**
Assets acquired/liabilities assumed	
Cash	30
Trade receivables	9
Accrued revenue	19
Other receivables	373
Other current assets	95
Software	4,464
Trade and other payables	(388)
Accruals	(209)
Unearned revenue	(57)
Customer deposits	(28)
Loan- Director	(94)
Net identifiable assets acquired	**4,214**
Add: goodwill	**422**
Net assets acquired	**4,636**

At 30 June 2018, the goodwill acquired through AusBBS PPA has been fully impaired. Refer to Note 16 for further details.

18. Other non-current assets

Security deposits total $537k at 30 June 2018 ($874k at 30 June 2017) and comprise of restricted deposits held as security for lease of premises and wholesale hedge contracts.

19. Provisions

	Employee entitlements $'000	Employee bonus $'000	Make good $'000	Other provisions $'000	Total $'000
30 June 2018					
Current	1,971	1,486	73	2,554	6,084
Non current	679	942	330	2,146	4,097
Total provisions at the end of the reporting period	**2,650**	**2,428**	**403**	**4,700**	**10,181**
Movements in provisions					
Carrying amount at 1 July 2017	1,727	2,919	394	4,266	9,306
– additional provisions recognised	3,075	3,557	9	3,351	9,992
– payments made	(2,152)	(4,048)	-	(2,917)	(9,117)
Carrying amount 30 June 2018	**2,650**	**2,428**	**403**	**4,700**	**10,181**
30 June 2017					
Current	1,203	2,271	72	2,689	6,235
Non current	524	648	322	1,577	3,071
Total provisions at the end of the reporting period	**1,727**	**2,919**	**394**	**4,266**	**9,306**
Movements in provisions					
Carrying amount at 1 July 2016	1,081	1,697	313	259	3,350
- Acquired through business combinations	564	1,797	-	3,967	6,328
– additional provisions recognised	1,299	774	164	299	2,536
– payments made	(1,217)	(1,349)	(83)	(259)	(2,908)
Carrying amount 30 June 2017	1,727	2,919	394	4,266	9,306

Employee entitlements provision relates to the Group's liability for annual leave and long service leave.

Make good provision represents the present value of the estimated costs to make good the premises leased by the Group at the end of the respective lease terms.

Other provisions include provisions for commissions for the energy business and rewards provided to energy customers yet to be claimed.

20. Equity

a) Contributed equity

(i) Movements in ordinary share capital

	2018		2017	
	Shares	$'000	Shares	$'000
Opening balance	**208,015,170**	**114,733**	180,267,342	62,538
Issue of shares as consideration for business combination *	**839,569**	**302**	25,369,343	43,308
Exercise of share rights under the legacy Employee Share Plan	**1,938,071**	**3,255**	2,378,485	8,887
Closing balance	**210,792,810**	**118,290**	208,015,170	114,733

* At 30 June 2018, relates to tranche 2 of the AusBBS acquisition which was issued on 28 August 2017. At 30 June 2017, these were recorded in equity as deferred consideration, but their fair value was understated by $302k.
* At 30 June 2017, relates to shares issued as consideration for the acquisition of Australian Broadband Services Pty Ltd and Click Energy Pty Ltd, as well as shares issued for the Vaya acquisition, recorded in equity as deferred consideration at 30 June 2016.

Ordinary shares issued at 30 June 2018 are fully paid.

(ii) Movements in options (related to the LTI)

The movements in options issued under the Long Term Incentive Plan are outlined in Note 28 (b).

(iii) Movements in employee performance share rights (related to the LTI)

During the financial year, a new Employee share rights plan was issued as part of a Long Term Incentive plan. The movements in shares rights related to this plan are outlined in Note 28 (c).

(iv) Movements in share rights (related to the legacy Employee Share Rights Plan)

The last employee share rights under the legacy Employee Share Rights vested on 28 August 2017, with no remaining share rights under this plan. Refer to Note 28 (d) for further detail.

(v) Ordinary shares

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

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

Upon a poll each ordinary share is entitled to one vote. At 30 June 2018 there were 210,792,810 ordinary shares issued.

b) Nature and Purpose of other reserves

The movements in these reserves are outlined in the Consolidated Statement of Changes in Equity.

(i) Equity compensation reserve

The equity compensation reserve is used to recognise the value of the equity compensation plans issued to selected employees of the Group. Fair value measurement has been used to determine the equity compensation reserve amount as outlined in Note 28.

(ii) Cash flow hedge reserves

The cash flow hedge reserve is used to recognise the movement in the fair value of customer load-following contracts which the Group uses to hedge wholesale energy purchase prices, the instruments have been designated as cash flow hedges. It also includes the movement in the fair value of currency hedges. Refer to Note 14 (i) for methods and assumptions in fair valuing these derivatives.

(iii) Foreign currency translation reserve

Exchange differences arising on translation of the foreign controlled entity are recognised in other comprehensive income as and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

21. Cash flow information

Cash, including cash on hand, cash at bank and cash on deposit total $9,778k at 30 June 2018 ($18,068k at 30 June 2017).

a) Reconciliation of profit after tax to net cash inflows from operating activities

	2018 $'000	2017 $'000
Profit after tax	**2,715**	11,512
Add back:		
Non-cash items:		
Depreciation and amortisation	**23,192**	9,503
Share-based payments expense	**105**	1,012
Impairment of intangible assets	**3,448**	-
Amortisation of capitalised transaction costs	**1,362**	-
Profit on sale of Airtasker shares	**-**	(2,051)
Net foreign exchange differences	**(95)**	(248)
Change in assets and liabilities:		
(Increase) in trade and other receivables	**(16,195)**	(3,477)
Movement in tax accounts	**(13,308)**	6,918
Decrease/(increase) in other assets	**1,254**	(1,750)
Increase in trade and other payable	**36,586**	10,312
Increase/(decrease) in other provisions	**874**	(388)
Decrease in customer deposits	**(745)**	(175)
(Decrease)/increase in deferred revenue	**(1,485)**	2,364
Optus liability acquired on Vaya acquisition	**(11,835)**	(18,368)
Decrease in Optus activation fee	**-**	(13,358)
Net cash inflows from operating activities	**25,873**	1,806

b) Non-cash investing and financing activities

There is no non-cash investing and financing activities at 30 June 2018.

At 30 June 2017, non-cash from investing and financing activities totalled $41,805k and related to the issued share capital of Australian Broadband Services Pty Ltd acquired at 100% on 23 August 2016, and the issued share capital of Click Energy Group Holding Pty Ltd acquired at 100% on 1 May 2017.

22. Financial risk management

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

a) Derivatives

Derivatives are only used for economic hedging purposes and not as speculative investments. However, where derivatives do not meet the hedging criteria, they are classified as 'held for trading' for accounting purposes.

	2018 $'000	2017 $'000
Current assets		
Acquired contracts – Load following cash flow hedge contracts	-	3,107
Customer Load-following contracts – cash flow hedges	-	4,466
Currency hedges	94	-
Total current derivative financial instrument assets	94	7,573
Non-current assets		
Customer Load-following contracts – cash flow hedges	-	3,258
Total non-current derivative financial instrument assets	-	3,258
Current liabilities		
Interest rate collar	(9)	-
Customer load-following contracts – cash flow hedges	(7,715)	-
Total current derivative financial instrument liabilities	(7,724)	-
Non-current liabilities		
Customer load-following contracts – cash flow hedges	(197)	-
Total non-current derivative financial instrument liabilities	(197)	-
Total Derivatives	(7,827)	10,831

(i) Acquired contracts

The value of acquired contracts that were in place at the time of the acquisition of Click were fair valued at acquisition. The acquired contracts are amortised to profit and loss on a straight-line basis over the period of the acquired contracts. At 30 June 2018, these contracts have been fully amortised.

(ii) Classification of derivatives

The Group's accounting policy for its cash flow hedges is set out in Note 1 (k). For hedged forecast transactions that result in the recognition of a non-financial asset, the Group has elected to include related hedging gains and losses in the initial measurement of the cost of the asset.

(iii) Fair value measurement

For information about the methods and assumptions used in determining the fair value of derivatives please refer to Note 14 (i).

b) Market risk

(i) Foreign currency risk

The Group has minimal foreign exchange risks. All sales and the majority of expenses are denominated in Australian dollars.

There are some amounts of operating expenses that are invoiced and paid in foreign currency. Majority of the foreign currency invoices are in Philippine peso ("PHP") which relates to the amaysim's customer call centre in Philippines, USD and HKD in relation to handset purchases.

As a result, the Group purchased a 12 month (from July 2018 to June 2019) par forward non-deliverable foreign exchange ("FX") contract (AUD/PHP) from Commonwealth Bank of Australia ("CBA"). The notional amount for this hedge contract represents 70% of the monthly budget spending of the Philippines operation. These FX hedges will minimize the risk that the AUD/PHP rise to a level that will material impact on the Group's Operations.

As at 30 June 2018, the Group had one USD bank account, one HKD bank account and one NZD bank account with CBA. The balances are kept at a minimum to cover any foreign currency operating expenses incurred by the businesses. The balance at the end of the year was only in the USD bank account, US$461.

(ii) Interest rate risk

The Group's exposure to interest rate risk is predominantly associated with its syndicated loan facility, being a change in interest rates. As a result, the Group has executed an interest rate collar to remove the risk that interest rates rise to a level that would have a material impact on the Group's operations.

(iii) Wholesale energy price risk

Energy price risk is the risk that amaysim, via its subsidiary amaysim Energy, is exposed to fluctuations in wholesale energy prices and these will impact the Group's financial results and cash flows. The Group is exposed to changes in wholesale prices of energy as it purchases energy from the spot market to sell to its customer base. The Group is also exposed to changes in the price of environmental scheme certificates that it is required to purchase and surrender as part of operating as an energy retailer in the Australian Energy Market.

To manage its electricity and gas price risk, the Group enters into bespoke hedge contracts. These hedge contracts are financial derivative contracts that are net settled against a published electricity price or gas price and are designed for amaysim's customer demand.

The electricity derivative contracts are referred to as load-following contracts as the notional megawatt (MW) they are settled against is the total load of amaysim Energy's customer base in the nominated state. These contracts swap amaysim Energy's exposure to a floating price into a fixed price. These hedge contracts establish the price at which future quantities of energy are purchased and settled giving it certainty as to Gross Margin. Any resulting differential to be paid or received under the hedge contract is recognised as a component of energy costs through the term of the contract.

The gas derivative contracts are fixed volume contracts as the notional Gigajoules (GJ) they are settled against is a fixed amount based on the expected usage of amaysim Energy's customer base in the nominated state. These contracts swap amaysim Energy's exposure to a floating price into a fixed price. These hedge contracts establish the price at which future quantities of energy are purchased and settled giving it certainty as to Gross Margin. Any resulting differential to be paid or received under the hedge contract is recognised as a component of energy costs through the term of the contract. The Group has elected to apply cash flow hedge accounting to those instruments.

The net value of electricity and gas derivatives instruments have been classified as either current or noncurrent financial assets or current or noncurrent financial liabilities at the reporting date and are listed in Note 22 (a).

Under the terms of these hedge contracts, where hedges are out of the money beyond certain limits, the Group may be required to provide temporary credit support to hedge counterparties. It is not possible to predict if temporary credit support requirements will eventuate, or the size or period over which any temporary credit support might need to be made. The Group monitors this risk and if temporary credit support is required, either prepays the wholesale energy commitment or provides bank guarantees to the hedge counterparties.

c) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to amaysim. The Group's business model naturally allows its credit risk to be mitigated. The Group has a large customer base and allows the risk to be spread over a large number of counterparties rather than large risks with a few small counterparties. Also, each customer only spends a relatively small amount and so the impact of individual customers not paying their bill is small.

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

d) Liquidity risk

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

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

(i) Financing arrangements

The Group has syndicated debt facilities as detailed in Note 13 at the end of the reporting period.

(ii) Maturities of financial liabilities

The tables below analyse the Group's financial liabilities for non derivatives and derivatives into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed below are the contractual undiscounted cashflows. The electricity derivatives have been estimated using forward electricity prices at balance sheet date. The interest rate collar is at fair value as it is due within 1 year.

Contractual maturities of financial liabilities	1 year or less $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Total $'000
At 30 June 2018					
Non-derivatives					
Trade and other payables	107,632	-	-	-	107,632
Borrowings	19,233	79,812	-	-	99,045
Other liabilities	8,516	2,841	1,141	352	12,850
Total non-derivatives	**135,381**	**82,653**	**1,141**	**352**	**219,527**
Derivatives					
Interest rate collar	9	-	-	-	9
Customer load-following contracts – cash flow hedges:					
-(inflow)	-	-	-	-	-
-outflow	7,792	203	-	-	7,995
Total derivatives	**7,801**	**203**	**-**	**-**	**8,004**

Contractual maturities of financial liabilities	1 year or less $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Total $'000
At 30 June 2017					
Non-derivatives					
Trade and other payables	82,755	-	-	-	82,755
Borrowings	19,010	18,382	72,127	-	109,519
Other liabilities	9,413	2,013	1,878	320	13,624
Total non-derivatives	**111,178**	**20,395**	**74,005**	**320**	**205,898**
Derivatives					
Interest rate collar	-	-	-	-	-
Customer load-following contracts – cash flow hedges:					
-(inflow)	-	-	-	-	-
-outflow	7,792	203	-	-	7,995
Total derivatives	**7,792**	**203**	**-**	**-**	**7,995**

23. Capital and financial risk management

a) Capital risk management

The Group's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders; and
- maintain an optimal capital structure to reduce the cost of capital.

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

Capital management policies are designed around providing sufficient cashflow for operational activities including maintaining required security deposits. In light of the Company's growth and cross-sell strategy, the Board holds the view that it is in the interests of shareholders for the Company to retain a greater proportion of profits in the business and not to declare a dividend for the 2018 financial year. The Board expects this approach to continue for the short to medium term.

The Board regularly reviews its approach to capital allocation with a view to ensuring that returns to shareholders are maximised. If, in the future, the Company has capital in excess of its investment needs, then the Board will consider all appropriate avenues of returning value to shareholders.

The Group is in compliance with financial covenants related to the Group's borrowings as disclosed in Note 13.

24. Interests in other entities

a) Interests in associates and joint ventures

In 2018 the Group has an interest in Octopus Ventures Inc (incorporated joint venture). The carrying value of this interest is immaterial. In 2017, it also had an investment in Airtasker Pty Limited which it sold during the period and a gain of $2,032k was recognised in the statement of comprehensive income.

25. Contingent Liabilities and Deed of cross guarantee

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

(i) Deed of cross guarantee

Pursuant to ASIC Corporations (Wholly-owned Companies) Instrument 2016/785, the wholly-owned subsidiaries as mentioned below are relieved from the Corporation Act 2001 requirements for preparation, audit, and lodgement of financial reports and Directors' report.

As a condition of the legislative Instrument, amaysim Australia Limited and its subsidiaries (closed group) entered into a Deed of Cross Guarantee. The effect of the Deed is that amaysim Australia Limited has guaranteed to pay any deficiency in the event of the winding up of any of those subsidiaries.

Those subsidiaries have also given a similar guarantee in the event that amaysim Australia Limited is wound up.

The Deed was executed on 9 June 2016 and was amended on 11 November 2016 and 22 December 2017 to add new subsidiaries.

The parties subject to the Deed at the end of the reporting period are:

- amaysim Australia Limited
- amaysim Services Pty Limited
- EastPoint IP Pty Limited
- Vaya Pty Limited

- Live Connected Holdings Pty Limited
- Live Connected Incubator Co. Pty Limited
- Live Connected Pty Limited
- Zenconnect Pty Limited
- Australian Broadband Services Pty Ltd
- amaysim Operations Pty Limited
- amaysim Ventures Pty Limited
- amaysim Labs Pty Limited
- amaysim SaleCo Limited
- Click Energy Group Holdings Pty Ltd
- amaysim Energy Pty Ltd
- On The Move Pty Ltd
- A.C.N 133 799 149 Pty Ltd
- M2C Services Pty Ltd

The above companies represent a 'closed group' for the purposes of the Class Order.

Key financial information relating to the closed group is summarised below for the year ended 30 June 2018.

Statement of Comprehensive Income

	2018 $'000	2017 $'000
Revenue from continuing operations	**555,178**	262,466
Other Revenue	**22,455**	12,240
Other Income	**-**	2,032
Interest Income	**196**	148
Network and wholesale related expenses	**(424,550)**	(191,934)
Employee expenses	**(35,754)**	(21,378)
Marketing expenses	**(28,349)**	(7,120)
IT and facilities expenses	**(9,663)**	(7,323)
Depreciation and amortisation expense	**(25,971)**	(7,662)
Finance expenses	**(8,091)**	(3,337)
Integration and acquisition expenses	**(2,703)**	(8,215)
Other expenses	**(41,218)**	(11,073)
Profit before income tax	**1,530**	18,844
Income tax expense	**161**	(8,973)
Profit attributable to the owners of the closed group	**1,691**	9,871

Consolidated balance sheet

Set out below is a consolidated balance sheet as at 30 June 2018 of the closed group consisting of amaysim Australia Limited and the subsidiaries subject to the Deed.

	2018 $'000	2017 $'000
Current assets		
Cash and cash equivalents	**9,114**	3,131
Trade and other receivables	**60,063**	9,388
Derivative financial instruments	**94**	-
Current Tax Assets	**3,353**	-
Other current assets	**7,602**	3,908
Total current assets	**80,226**	16,427
Non-current assets		
Property, plant and equipment	**2,887**	1,274
Intangible assets	**203,305**	83,472
Deferred tax assets		3,460
Other non-current assets	**50**	128,659
Total non-current assets	**206,242**	216,865
Total assets	**286,468**	233,291
Current liabilities		
Trade and other payables	**110,037**	44,001
Customer deposits	**2,432**	2,863
Deferred revenue	**8,385**	9,870
Borrowings	**13,585**	13,604
Derivative financial instruments	**7,724**	
Provisions	**5,410**	2,080
Current tax liabilities	**(693)**	8,298
Total current liabilities	**146,880**	80,716
Non-current liabilities		
Provisions	**4,098**	612
Borrowings Non Current	**75,989**	82,558
Derivative financial instruments	**197**	
Deferred Tax Liabilities	**3,204**	0
Total non-current liabilities	**83,488**	83,170
Total liabilities	**230,368**	163,886
Net assets	**56,100**	69,405
Equity		
Contributed equity	**118,290**	114,733
Equity Compensation Reserve	**(8,160)**	(5,009)
Foreign Currency Translation Reserve	**(5,744)**	
Cash flow Hedge Reserve	**(113)**	-
Retained earnings	**15,798**	23,652
Accumulated losses (prior year)	**(63,971)**	(63,971)
Total equity	**56,100**	69,409

26. Commitments

a) Lease commitments:

Non-cancellable operating leases.

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

	2018 $'000	2017 $'000
Within one year	**3,293**	2,608
Later than one year but not later than five years	**5,597**	5,128
Later than five years	**-**	-
Minimum lease payments	**8,890**	7,736

b) Large-scale Generation Certificates (LGCs)

The Group has entered into contracts to purchase LGCs. These LGCs are designated for own use. Commitments for the purchase of the LGCs under these contracts are as follows:

	2018 $'000	2017 $'000
Within one year	**3,696**	-
Later than one year but not later than five years	**14,782**	-
Later than five years	**-**	-
LGC commitments	**18,478**	-

27. Related party transactions

a) Parent entities

The ultimate parent entity is amaysim Australia Limited. The principal activities of the Group is disclosed in the Director's Report which is not part of the financial report. The principal place of business and registered office is 17-19 Bridge Street, Sydney. amaysim Energy Pty Limited's principal place of business and registered office is 90 Collins Street, Melbourne.

		Equity Interest as at 30 June	
Entity name	**Country of incorporation**	**2018**	**2017**
amaysim Services Pty Limited	Australia	100%	100%
Eastpoint IP Pty Limited	Australia	100%	100%
amaysim Operations Pty Limited	Australia	100%	100%
amaysim Ventures Pty Limited	Australia	100%	100%
amaysim Labs Pty Limited	Australia	100%	100%
amaysim SaleCo Limited	Australia	100%	100%
Vaya Pty Limited	Australia	100%	100%
Zenconnect Pty Limited	Australia	100%^	100%^
LiveConnected Holdings Pty Limited	Australia	100%^	100%^
LiveConnected Pty Limited	Australia	100%^	100%^
LiveConnected Incubator Co Pty Limited	Australia	100%^	100%^
amaysim Philippines Incorporated	Philippines	99%^	99%^
Australian Broadband Services Pty Limited	Australia	100%	100%
Click Energy Group Holdings Pty Limited	Australia	100%	100%
On The Move Pty limited	Australia	100%^^	100%^^
amaysim Energy Pty Limited	Australia	100%^^	100%^^
M2C Services Pty Limited	Australia	100%^^	100%^^
A.C.N 133 799 149 Pty Limited	Australia	100%^^	100%^^

^ Equity held through Vaya Pty Limited
^^Equity held through Click Energy Group Holdings Pty Limited

b) Subsidiaries

amaysim Australia Limited has the following subsidiaries:

All subsidiaries have a 30 June financial year end.

The Company used to engage amaysim Services Pty Limited to provide Customer support services. This entity was dormant during the period.

amaysim Philippines Incorporated is engaged to provide Customer Services Centre and software development services in Manila Philippines.

Eastpoint IP Pty Limited is an entity which was used to acquire the amaysim trademark.

Vaya Pty Ltd and its subsidiaries were acquired by amaysim as an Australian online-only mobile services provider and has been fully integrated into amaysim.

Click and AusBBS were acquired in FY2017.

In order to comply with Philippines shareholding requirements, 1% of the shareholding in amaysim Philippines Incorporated must be held locally. The Company has effective control of amaysim Philippines Incorporated (subject to certain local regulatory requirements) and it has been consolidated on this basis.

Various intercompany loans are in existence between the parent entity and some of its wholly owned subsidiaries. The loans are unsecured, interest free and have no fixed terms for repayment. The loans are a net asset to the parent entity of $32,996,275.

c) Transactions with other related parties

Unless otherwise disclosed, transactions with other related parties are made on normal commercial terms and conditions.

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

d) Key management personnel compensation

	2018 $	2017 $
Short-term employee benefits	**3,030,964**	3,113,915
Post-employment benefits	**128,683**	129,692
Long-term benefits	**7,024**	55,346
Share-based payments	**(96,526)**	718,471
Total at 30 June 2018	**3,070,145**	4,017,424

28. Share-based payments

The Group has two types of share-based payments arrangements:

- KMPs and other Executives' LTIP; and
- Executive and Employees' share rights.

A description of the general terms and conditions of these arrangements, including a description of how the fair value of each plan has been determined, is provided below.

a) Share-based payments expense

	2018 $'000	2017 $'000*
Legacy Employee Share Rights Plans (ESRP)	**15**	182
Long Term Incentive - Options (LTIP)	**(456)**	829
Long Term Incentive - Employee Share Rights Plans (ESR)	**546**	-
Total at 30 June 2018	**105**	1,011

* The difference of $86k with the statement of changes in equity movement in compensation reserve for FY2017 relates to Click pre-acquisition expense which was recorded in goodwill and not in share-based payments expenses.

Refer to Note 28 (b) for further detail in relation to the LTIP negative expense for the period.

b) Long Term Incentive – Options Plans (LTIP)

In line with the Remuneration Committee's strategy of retaining executives and aligning the remuneration of executives with long term shareholder wealth creation, the Group has issued LTIP for key executives of the Group. Additional information in relation to these awards are disclosed in the remuneration report.

These plans are in the form of options which vest in three tranches and convert into either ordinary shares or cash payment at the option of the Company, subject to vesting conditions.

The LTIP have been treated as equity-settled with a corresponding adjustment to the equity compensation reserve in equity. This is because there is no precedent of cash settlement, nor current intention to settle these awards in cash, although they can either be settled in shares or cash at the discretion of the Board.

(i) Summary of movements in options

	Number	Weighted average share price ($)
Options oustanding at 30 June 2016	**4,359,267**	1.80
Granted	3,594,446	1.79
Exercised	-	-
Forfeited	(309,294)	1.80
Options outstanding at 30 June 2017	**7,644,419**	1.79
Options oustanding at 1 July 2017	**7,644,419**	1.80
Granted	-	-
Exercised	-	-
Forfeited *	(3,395,556)	1.80
Options outstanding at 30 June 2018	**4,248,863**	1.79
**Options vested and exercisable at 30 June 2018 ** **	**(143,346)**	1.80

* Relate to options forfeited by employees on resignation, and for options vesting at 30 June 2018, to options forfeited due to the performance condition not being met.
** Relate to Tranche 1 of one plan which vested at 30 June 2017. At 30 June 2018, these options have not been yet exercised.

At 30 June 2018, the first (or second for certain plans for which Tranche 1 vested at 30 June 2017) tranche of these awards was tested for the performance condition; due to the condition not being satisfied, all outstanding options related to these respective tranches forfeited. Additionally, options granted to Julian Ogrin forfeited due to his cessation of employment at 30 June 2018. In line with Australian Accounting Standards, the accumulated expense related to these awards was reversed in the consolidated statement of comprehensive income for the year ended 30 June 2018.

(ii) Description of LTIP arrangements

Grant date	Number of instruments granted	Performance period	Vesting date	Fair value	Vesting conditions	Expiry date
15-Jul-15	1,412,500	Jul 2015 - Jun 2018	Jul-18	$0.40	a) Service condition; b) Performance condition: based on EPS CAGR as set up and approved by the Board	24 months after the relevant Vesting date
	706,250	Jul 2015 - Jun 2019	Jul-19	$0.42		
	706,250	Jul 2015 - Jun 2020	Jul-20	$0.43		
30-Oct-15	556,330	Jul 2015 - Jun 2018	Jul-18	$0.83		
	123,518	Jul 2015 - Jun 2019	Jul-19	$0.83		
	123,518	Jul 2015 - Jun 2020	Jul-20	$0.83		
8-Mar-16	143,346	Jul 2016 - Jun 2017	Jul-17	$0.54		
	139,130	Jul 2016 - Jun 2018	Jul-18	$0.54		
	139,131	Jul 2016 - Jun 2019	Jul-19	$0.54		
7-Feb-17	312,596	Jul 2015 - Jun 2018	Jul-18	$0.49		
	156,297	Jul 2015 - Jun 2019	Jul-19	$0.49		
	156,297	Jul 2015 - Jun 2020	Jul-20	$0.49		
1-May-17	1,370,224	Jul 2017 - Jun 2018	Jul-20	$0.44	1) Tranche 1 (whose performance period ends in June 2018) is based on: a) Service condition b) Click Energy Group EBITDA in FY18	
	613,746	Jul 2018 - Jun 2019	Jul-20	$0.44	2) Tranches 2 and 3 (whose performance periods respectively end in June 2019 and June 2020) are based on: a) Service condition; b) Performance condition: based on EPS CAGR as set up and approved by the Board	
	613,746	Jul 2019 - Jun 2020	Jul-20	$0.44		
1-May-17	185,770	Jul 2017 - Jun 2018	Jul-19	$0.43		
	185,770	Jul 2018 - Jun 2019	Jul-19	$0.43		
Total*	**7,644,419**					

* Of the 7,644,419 options issued, 3,395,556 forfeited during the period, refer to Note 28 (b)(i) above

(iii) Fair value measurements

The fair value of the LTIP has been calculated by an independent valuer, using a Binomial value model.

Grant date	15-Jul-15	30-Oct-15	08-Mar-16
Option consideration	Nil	Nil	Nil
Exercise price	$1.80 per option	$1.80 per option	$1.80 per option
Share price	$1.80	$2.53	$1.78
Volatility	34%	34%	75% in first year, 34% in remaining years
Expected dividend yield	4.4%	4.4%	4.4%
Risk-free interest rate	1.925% – 2.94%	1.74% – 2.61%	1.95% – 2.56%

Grant date	07-Feb-17	01-May-17
Option consideration	Nil	Nil
Exercise price	$1.80 per option	$1.79 per option
Share price at grant date	$1.92	$1.82
Volatility	50% in first year, 40% in second year 30% in last year	50% in first year, 40% in second year 30% in last year
Expected dividend yield	4.8%	4.8%
Risk-free interest rate	1.79% – 2.695%	1.675% – 2.575%

c) Long Term Incentive (LTI) – Employee share rights (ESR)

In 1HY2018, the Group issued a new LTI plan to Executives and other key personnel in the form of performance share rights. The awards will vest in 3 tranches in FY2019, FY2020 and FY2021, with similar hurdles as for the current LTIP in place: EPS performance hurdles and service conditions.

The accounting treatment is the same as for the LTIP and the ESR has been treated as equity-settled as they depend on the same LTI Rules.

At 30 June 2018, there are 985,561 outstanding share rights.

Further detail in relation to these awards is provided below.

(i) Summary of movements in performance share rights

	Number	Weighted average fair value ($)
Share Rights outsanding at 1 July 2017	-	-
Granted (new FY18 ESRP)	1,293,237	1.77
Exercised (last tranche of previous ESRP)	-	-
Forfeited *	(307,676)	1.77
Share Rights outstanding at 30 June 2018	**985,561**	**1.77**

* Relate to rights forfeited by employees on resignation.

(ii) Description of ESRP arrangements

Grant date	Number of instruments granted	Performance period	Vesting date	Vesting conditions
18-Oct-17	493,489	Jul 2017 - Jun 2019	01-Jul-19	a) Service condition; b) Performance condition: based on EPS CAGR as set up and approved by the Board
	246,745	Jul 2017 - Jun 2020	01-Jul-20	
	246,745	Jul 2017 - Jun 2021	01-Jul-21	
16-Nov-17	153,129	Jul 2017 - Jun 2019	01-Jul-19	
	76,565	Jul 2017 - Jun 2020	01-Jul-20	
	76,565	Jul 2017 - Jun 2021	01-Jul-21	
Total*	**1,293,237**			

* Of the 1,293,237 options issued, 307,676 forfeited during the period, refer to Note 28 (c)(i) above

(iii) Fair value measurements

The fair value of the ESRP has been calculated by an independent valuer using a Discounted Cash Flow model.

Grant date	18-Oct-17	16-Nov-17
Exercise price	nil	nil
Share price at grant date	$1.99	$1.96
Expected dividend yield	4.8%	4.8%

d) Legacy Employee share rights plan (ESRP)

(i) Summary

The initial ESRP was established in May 2012, to provide an incentive to employees who joined amaysim in its formative years and ensure that employees received a reward based on their contribution to the success of the Group. The first of the rights vested subsequently to the listing of the Group on the ASX on 15 July 2015, with the remaining two tranches vesting respectively twelve and twenty-four months after liquidation.

(ii) Movement of ESRP

At 30 June 2018, there are no outstanding share rights in relation to this initial plan:

- On 15 July 2015, 16,151 share rights converted to 2,341,938 ordinary shares in amaysim Australia Limited at a price of $1.80 each;
- On 25 August 2016, 16,403 share rights vested and converted to 2,378,485 shares in amaysim Australia Limited at a price of $1.96 each.
- On 28 August 2017, the last tranche vested with 13,366 share rights vesting and converting into 1,938,071 shares in amaysim Australia Limited at a price of $1.68 each.

(iii) Fair value

The weighted average fair value of rights at grant date was $52.94 per right which was independently determined using a Monte Carlo simulation valuation. This fair value was recognised in the equity compensation reserve in accordance with the accounting policy in Note 1 (o) (iv).

Subsequently when rights are exercised, the shares issued are recorded in equity at the fair value of the shares on the day the shares are issued, with the fair value transferred from the equity compensation reserve.

29. Remuneration of auditors

The following fees were paid or payable by the amaysim Group for and on behalf of all group entities for services provided by the auditor and its related practices during the financial year:

	2018 $	2017 $
Audit and review of financial statements		
Australia	**665,000**	668,000
Other PwC network firms	**30,000**	30,000
Total remuneration for audit / review services	**695,000**	698,000
Taxation services	**-**	-
Total remuneration for taxation services	**163,000**	-
Other services Australia		
Tax advice and due diligence services	**-**	393,842
Control and business processes	**-**	241,912
Risk services	**-**	61,200
Audit of regulatory services	**50,000**	30,000
Accounting advice	**30,000**	85,000
Total remuneration for other services	**80,000**	811,954
Total remuneration of PricewaterhouseCoopers	**938,000**	1,509,954

30. Parent entity financial information

a) Summary financial information

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

	2018 $'000	2017 $'000
Net profit after tax for the year	**14,558**	5,870
Total comprehensive income	**14,558**	5,870
Balance sheet		
Current assets	**46,649**	34,329
Non-current assets	**176,861**	174,360
Total assets	**223,510**	208,689
Current liabilities	**70,344**	45,531
Non-current liabilities	**78,504**	97,451
Total liabilities	**148,848**	142,982
Net Assets	**74,662**	65,707
Equity		
Issued capital	**118,290**	114,733
Equity compensation reserve	**(8,160)**	(5,010)
Cash flow Hedge Reserve	**66**	-
Retained earnings	**28,437**	19,928
Accumulated losses (prior years)	**(63,971)**	(63,944)
	74,662	65,707

The liabilities of the Group are held in another entity and not recharged to the parent.

31. Events occurring after the reporting period

a) Peter O'Connell appointed CEO and Managing Director

On 1 July 2018, Julian Ogrin ceased to be the Chief Executive Officer and Managing Director. On the same day, Peter O'Connell ceased to be a Non-Executive Director to become Chief Executive Officer and Managing Director.

b) ACCC proceedings

On 9 July 2018, the Australian Competition and Consumer Commission (ACCC) commenced proceedings in the Federal Court of Australia against a subsidiary, amaysim Energy Pty Ltd (previously Click Energy Pty Ltd and trading as Click Energy), in relation to statements about discounts and savings of its energy products that it considers to have contravened the false or misleading conduct provisions of the Australian Consumer Law. The Company takes its obligations under Australian Consumer Law very seriously and rejects the claims being made by the ACCC. The parties are expected to appear in the Federal Court for a case management hearing on 7 December 2018 and, at the time of this report, the outcome of the matter remains unknown.

c) Review of operations

Since the end of the period as part of the Group's regular review of its capital allocation strategy, the Group has decided to review its broadband business and to discontinue selling devices. It was determined that the Group has more effective operating segments into which it should continue to allocate capital.

The Group will own all of the intellectual property which was developed as part of the devices venture and may revisit the sale of mobile devices and accessories in the future.

Directors' Declaration

for the year ended 30 June 2018

In the opinion of the Directors of the Company:

(a) the financial statements and notes set out on pages 60 to 109 and the Remuneration Report set out in this Report, are in accordance with the Corporations Act 2001, including:

(i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

(ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2018 and of its performance for the year ended on that date, and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

(c) at the date of this declaration, there are reasonable grounds to believe that the members of the extended closed group, as set out in Note 25, will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the Deed of Cross Guarantee.

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

The Directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by section 295A of the Corporations Act 2001.

This declaration is signed in accordance with a resolution of Directors.

Andrew Reitzer
Chairman

Peter O'Connell
Chief Executive Officer and Managing Director

Sydney
27 August 2018

Independent auditor's report

To the members of amaysim Australia Limited

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of amaysim Australia Limited (the Company) and its controlled entities (together the Group) is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 30 June 2018 and of its financial performance for the year then ended

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The Group financial report comprises:

- the consolidated balance sheet as at 30 June 2018
- the consolidated statement of comprehensive income for the year then ended
- the consolidated statement of changes in equity for the year then ended
- the consolidated statement of cash flows for the year then ended
- the notes to the consolidated financial statements, which include a summary of significant accounting policies
- the directors' declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

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

Independence

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Group, its accounting processes and controls and the industry in which it operates.

The Group is an asset-light utility service provider focusing on mobile and energy. Following a number of acquisitions in the prior year, the most significant being the acquisition of Click Energy Group Holdings Pty Ltd (Click Energy) on 1 May 2017, the group has diversified into the provision of retail energy and broadband services.

Materiality

- For the purpose of our audit we used overall Group materiality of $0.9 million, which represents approximately 5% of the Group's three year weighted average profit before tax.
- We applied this threshold, together with qualitative considerations, to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial report as a whole.
- We chose Group profit before tax because, in our view, it is the benchmark against which the performance of the Group is most commonly measured. We have used a three year weighted average profit before tax due to fluctuations in profit and loss from year to year and given the impact of the Group's strategic investment plan in the current year, to ensure that the materiality measure is normalised over time.
- We utilised a 5% threshold based on our professional judgement, noting it is within the range of commonly acceptable thresholds.

Audit Scope

- Our audit focused on where the Group made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events.
- Our audit procedures were performed at the Group's head office in Sydney and at the Click Energy office in Melbourne.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. The key audit matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Further, any commentary on the outcomes of a particular audit procedure is made in that context. We communicated the key audit matters to the Audit and Risk Committee.

Key audit matter	*How our audit addressed the key audit matter*
Mobile revenue recognition *(Refer to note 1(e)(i) and 2)* We have focused on mobile revenue recognition due to the magnitude of the balance, the complexity of the telecommunications services, and the Group's billing systems, including reliance on customer usage information provided by third parties and certain manual processes and reconciliations for financial reporting. Complex manual calculations, dependent on information from multiple sources, are used by the Group for the deferred and accrued mobile revenue calculations to determine the timing of revenue recognition in the relevant financial period and require significant audit effort.	We considered and assessed the Group's application of accounting policies to the mobile revenue amounts for appropriateness. We evaluated and sample tested controls over the mobile revenue billing system such as the reconciliation of customer usage between Group's system and third party reports. We sample tested system generated reports to validate the completeness and accuracy of the reports. We sample tested the accuracy and timing of revenue recognised by the Group from unlimited mobile plans by comparing to our independent expectation derived from published plan price information and the number of plans obtained from third party invoices and reports. We assessed the timing of revenue recognition by testing the mathematical accuracy of the Group's total deferred revenue calculation at financial year end and testing the reconciling inputs in the calculation to the billing system schedules. We assessed the adequacy of the Group's disclosure of mobile revenue recognition.

Key audit matter	How our audit addressed the key audit matter
Recognition of unbilled energy revenue and unbilled network costs *(Refer to note 1(d)(iv) and (vi), 1(e)(iii), 10 and 12)* Specific to the energy business, we have focused on the recognition of the unbilled revenue and related network distribution costs, which represent the revenue and costs of electricity and gas supplied to customers between the last meter reading or last network supplier invoice and the financial year end date. The unbilled energy revenue and unbilled network cost accruals were a key audit matter due to judgement required to estimate them.	We assessed the Group's estimates of unbilled revenue and unbilled wholesale and distribution cost accruals and the reasonableness of underlying assumptions (such as average daily load adjusted for seasonality and price data) by performing the following: • recalculated the electricity unbilled revenue and network unbilled accrual for all customers and suppliers through utilisation of historical data from customer and network invoices and compared our recalculation to management's reconciliation; • tested on a sample basis the mathematical accuracy of the Group's gas unbilled revenue and network accrual; • tested a sample of volume, last meter read date and price data used in our independent recalculation for electricity and sample for gas to relevant information in the customer and supplier invoices; and • sample tested the reconciliation from the subsidiary ledger to the general ledger. We considered and assessed the adequacy of the Group's accounting policies and disclosures in respect of unbilled energy revenue and unbilled network costs.
Accounting for acquisition of Click *(Refer to note 1(l) and 17(a))* As Click was only acquired on 1 May 2017, the acquisition accounting at the end of the previous financial year ended 30 June 2017 was provisional and was finalised in the financial year ended 30 June 2018. The final purchase price allocation resulted in a $6.8m reduction in goodwill net of deferred tax and an increase in other identifiable intangible assets of $9.7m as at 30 June 2018. We have focused on the accounting for this acquisition due to the materiality of the balances and judgement involved in determining and allocating the fair values acquired.	With the assistance of our valuation experts we tested the work performed by the Group and its appointed expert over the purchase price allocation with focus on the changes of the valuation of intangible assets by performing the following: • assessed the appropriateness of the methodology adopted for calculating the fair value for the brand • for customer and distributor relationships assessed the reasonableness of the change in valuation assumptions and inputs used in the discounted cash flow models, such as the discount rate, customer numbers, attrition rate and the useful lives. We tested the reconciliation of the identified fair values and the recalculated amortisation to the accounting records. We considered and assessed the adequacy of the Group's business combination disclosure.

Key audit matter	*How our audit addressed the key audit matter*
Carrying value of goodwill and intangibles impairment *(Refer to note 1(d)(iii) and (j),and 16)* The Group has four CGUs being "Mobile Services", "Energy", "Broadband" and "Devices". With the exception of the "Devices" CGU all other CGU's have goodwill allocated. The Group determined the carrying value by comparing it to a recoverable amount assessment for each CGU at 30 June 2018. The Group concluded that no impairment charge was required to goodwill for "Mobile Services" and "Energy" CGUs. The Group recorded an impairment charge of $1m in respect of the "Broadband" CGU. Following a review of the "Devices" CGU performance which was an impairment indicator the Group decided to slow down the sales for FY2019. The Group assessed the recoverability of the related software intangibles and concluded to impair them in full resulting in an impairment charge of $2.5m. We have focussed on the carrying value of goodwill and intangibles because of the relative size of the balances at the financial year end and the judgement involved by the Group in assessing the recoverable amount of goodwill and intangibles.	We evaluated the appropriateness of Group's identification of the CGUs and the adequacy of the disclosures. We challenged and tested the reasonableness of the Group's assumptions in calculating the recoverable amount through performing the following for the "Mobile Services", "Energy" and "Broadband" CGUs: • engaged our valuation experts to assess the discount rate and terminal growth rate by comparing them against market benchmarks; • tested the mathematical accuracy of the Group's value in use models and agreeing revenue, gross margin and EBITDA to Group's Board approved FY2019 budget and managements forecast for FY2019 to FY2023; • assessed the reliability of the Group's budget and forecasts for revenue and EBITDA through a review of actual performance against previous budgets and forecasts; and • tested the sensitivity of the Group's models for reasonable possible changes to the assumptions for growth rates and discount rates. We compared the recoverable amount per Group's valuation models to the carrying value of the respective CGU's to the accounting records. We reviewed management's impairment paper for "Devices" CGU and agreed sales assumptions to the FY19 approved budget given the Group's decision to slowdown the sale of devices at year end. We agreed the carrying value of the "Devices" CGU to the accounting records. We agreed the impairment charge per Group's model and impairment paper respectively for "Broadband" CGU and "Devices" CGU to the accounting records as at 30 June 2018.

Key audit matter	*How our audit addressed the key audit matter*
Valuation of financial instruments *(Refer to note 1(d)(vii) and (k), 14, 22)* The Group has derivative financial instruments to hedge its exposure to variability to energy volumes and prices. We have focused on this area because the valuation of the derivative financial instruments is complex and requires significant judgements over key assumptions including expected volumes and prices.	We assessed the Group's financial instrument's fair value calculation through performing the following: • considered the appropriateness of the methodology adopted by the Group for calculating the fair values as at 30 June 2018 • sample tested and challenged key inputs used in the valuation models such as price and expected volumes by comparing expected volume forecasts to actual volumes achieved historically.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2018, including the About amaysim, Highlights and awards, Chairman & CEO letter, Strategy, Corporate Governance Statement, Risks, Corporate Social Responsibility, Information on Directors, Directors' Report, Remuneration Report, Shareholder information and the Glossary, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in pages 40 to 55 of the directors' report for the year ended 30 June 2018.

In our opinion, the remuneration report of amaysim Australia Limited for the year ended 30 June 2018 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of *the Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

PricewaterhouseCoopers

S Prakash
Partner

Sydney
27 August 2018

Shareholder Information

amaysim Australia Limited – ordinary shares

amaysim has ordinary shares on issue. These are listed on the Australian Securities Exchange under ASX code: AYS. Details of trading activity are published daily in most major Australian newspapers (print, online and mobile) and by electronic information vendors.

At a general meeting, every shareholder present in person or by direct vote, proxy, attorney or representation has one vote on a show of hands and, on a poll, one vote for each fully paid share held unless that share is a 'default share'.

The ASX constitution classifies default shares as shares held above the 15% voting power limit by one party and its associates.

Distribution of shareholdings as at 10 August 2018

Number or shares held	Number of holders	Number of shares	% of issues capital
1 - 1,000	1,092	629,513	0.30
1,001 - 5,000	1,769	5,029,447	2.39
5,001 - 10,000	720	5,592,576	2.65
10,001 - 100,000	823	21,682,851	10.29
100,001 Over	64	177,858,423	84.38
Total	**4,468**	**210,792,810**	**100.00**

The number of investors holding less than a marketable parcel of 500 AYS shares (based on a share price of $1.0000) was 412. They hold 101,108 shares in total.

On-market buy-back

There is no current on-market buy-back.

Substantial shareholders at 01 August 2018

The following organisations have disclosed a substantial shareholder notice to AYS.

Name	Number of shares	% of voting power
Investmentaktiengesellschaft für langfristige Investoren TGV	33,244,547	15.77
Fidelity Worldwide Investment	20,520,019	9.73

Largest 20 shareholders as at 10 August 2018

	Investor	Units	% of units
1	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	78,553,292	37.27
2	J P MORGAN NOMINEES AUSTRALIA LIMITED	52,791,490	25.52
3	CITICORP NOMINEES PTY LIMITED	7,392,940	3.51
4	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	5,096,610	2.42
5	CITICORP NOMINEES PTY LIMITED <COLONIAL FIRST STATE INV A/C>	4,594,178	2.18
6	RICANGUS PTY LTD	3,567,005	1.69
7	ROLF HANSEN	2,867,010	1.36
8	MR ANDREAS PERREITER	2,867,005	1.36
9	BNP PARIBAS NOMS PTY LTD <DRP>	2,163,311	1.03
10	MR CHRISTIAN JOHANN MAGEL	1,900,000	0.90
11	THORSTEN KRAEMER	1,450,000	0.69
12	MR JULIAN OGRIN	833,605	0.40
13	OTTERPAW PTY LTD <PENGUIN A/C>	831,544	0.39
14	BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD DRP	801,857	0.38
15	DR ADRIAN FRASER TREWIN PAYNE + DR PENELOPE ELIZABETH PAYNE	650,000	0.31
16	MR DOMINIC DRENEN	604,604	0.29
17	BNP PARIBAS NOMINEES PTY LTD <AGENCY LENDING DRP A/C>	594,906	0.28
18	NATIONAL NOMINEES LIMITED	529,831	0.25
19	TOAL INTERNATIONAL PTY LTD <TOAL FAMILY A/C>	500,000	0.24
20	ES LINK PTY LTD	546,667	0.24
		170,085,885	**80.69**

Glossary

Term	Meaning
3G	Third generation mobile telecommunications. These are broadband mobile telecommunications 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
AAS	Australian Accounting Standards
ASSB	Australian Accounting Standards Board
AusBBS	Australian Broadband Services Pty Ltd
amaysim	The business carried out by the "amaysim" brand or by the Company (as the context requires)
amaysim Energy	amaysim Energy Pty Limited formerly Click Energy Pty Limited
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
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
Board of Directors	The board of directors of the Company
BYO	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 othercosts primarily related to property, plant and equipment.
CEO	Chief Executive Officer
CFO	Chief Financial Officer
Churn	A telecommunications industry measure of the number or proportion of subscriptions that disconnected from a telecommunication
Click	Click Energy Group Holdings Pty Ltd
Company	amaysim Australia Limited (ACN 143 613 478) and its subsidiaries.
Corporations Act	Corporations Act 2001 (Cth)
Director	Each of the directors of the Company from time to time
Dividend Policy	Has the meaning given to that term in the Dividends section of this report
DIY	Do it yourself; which is in reference to self-service
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation, amortisation and impairment
EPS CAGR	CAGR of earnings per Share
ESP	The employee share plan
Gross Profit	Total Net revenue less network and wholesale related expenses
Group	amaysim Australia Limited (ACN 143 613 478) and its subsidiaries
IFRS	International Financial Reporting Standards
IT	Information Technology
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	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

Term	Meaning
MNO	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	Mobile Services Provider
MVNO	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 revenue	Net Revenue means total service revenue and other revenue
NPAT	Net profit after tax
NPATA	Net profit after tax and after adding back the tax affected amortisation relating to acquired contracts and intangibles other than software
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
PwC	PricewaterhouseCoopers
PwCS or Investigating Accountant	PricewaterhouseCoopers Securities Ltd
SaleCo	amaysim SaleCo Pty Limited (ACN 605 248 315)
Shareholder	The registered holder of a Share
Shares	Fully paid ordinary shares in the capital of the Company
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
Subscribers	The number of active mobile accounts or active SIMs rather than individual users
TCP Code	Telecommunications Consumer Protection Code
TIO	Telecommunications Industry Ombudsman
Underlying figures	Underlying figures have been calculated from statutory data and exclude the impact of non core income and expenses, strategic investments, any acquisition related expenses including consequential changes in the value of tax assets, integration & transaction costs and impairment with a related tax adjustment where applicable. Refer to Directors' Report for a reconciliation.
Vaya	Vaya Pty Ltd

Corporate Governance Statement FY18

amaysim

amaysim Australia Ltd

Corporate Governance Statement

The Board of Directors of the Company is responsible for the overall governance of the Company and its subsidiaries.

In order to promote stakeholder confidence and protect shareholder value, the Company is committed to ensuring it maintains a corporate governance system reflective of best practice. Accordingly, the Company has established a framework for overseeing the Group's corporate governance which is designed to comply with regulatory requirements applicable to entities listed on the ASX.

The Company's Corporate Governance Statement is structured with reference to the ASX Corporate Governance Council Corporate Governance Principles and Recommendations (3rd Edition) (the "Principles"). The Principles are outlined below:

ASX Corporate Governance Principles and Recommendations	
Principle 1	Lay solid foundations for management and oversight
Principle 2	Structure the Board to add value
Principle 3	Act ethically and responsibly
Principle 4	Safeguard integrity in corporate reporting
Principle 5	Make timely and balanced disclosure
Principle 6	Respect the rights of security holders
Principle 7	Recognise and manage risk
Principle 8	Remunerate fairly and responsibly

This Corporate Governance Statement reports the Company's implementation of its corporate governance since listing on the ASX. We intend to regularly review our governance arrangements as well as developments in market practice, expectations and regulation. This statement, together with our ASX Appendix 4G, have both been lodged with the ASX.

More information on specific matters to note in relation to our current corporate governance arrangements, including policies and charters, can be found on the Company's website.

This statement provides an outline of the main corporate governance policies and practices the Company had in place during the financial year and how the Company's framework aligns with the Principles (unless otherwise noted).

This statement was approved by the Board of Directors of the Company on 24 August 2018.

1. Laying solid foundations

Shareholders should refer to the Corporate Governance section of the Company's website for a comprehensive list of governance documents.

The Board Charter governs the operations of the Board and sets out the Board's roles and responsibilities, composition, structure and membership requirements. The Board Charter also sets out the responsibilities delegated to the CEO and the management team.

1.1 Responsibilities of the Board

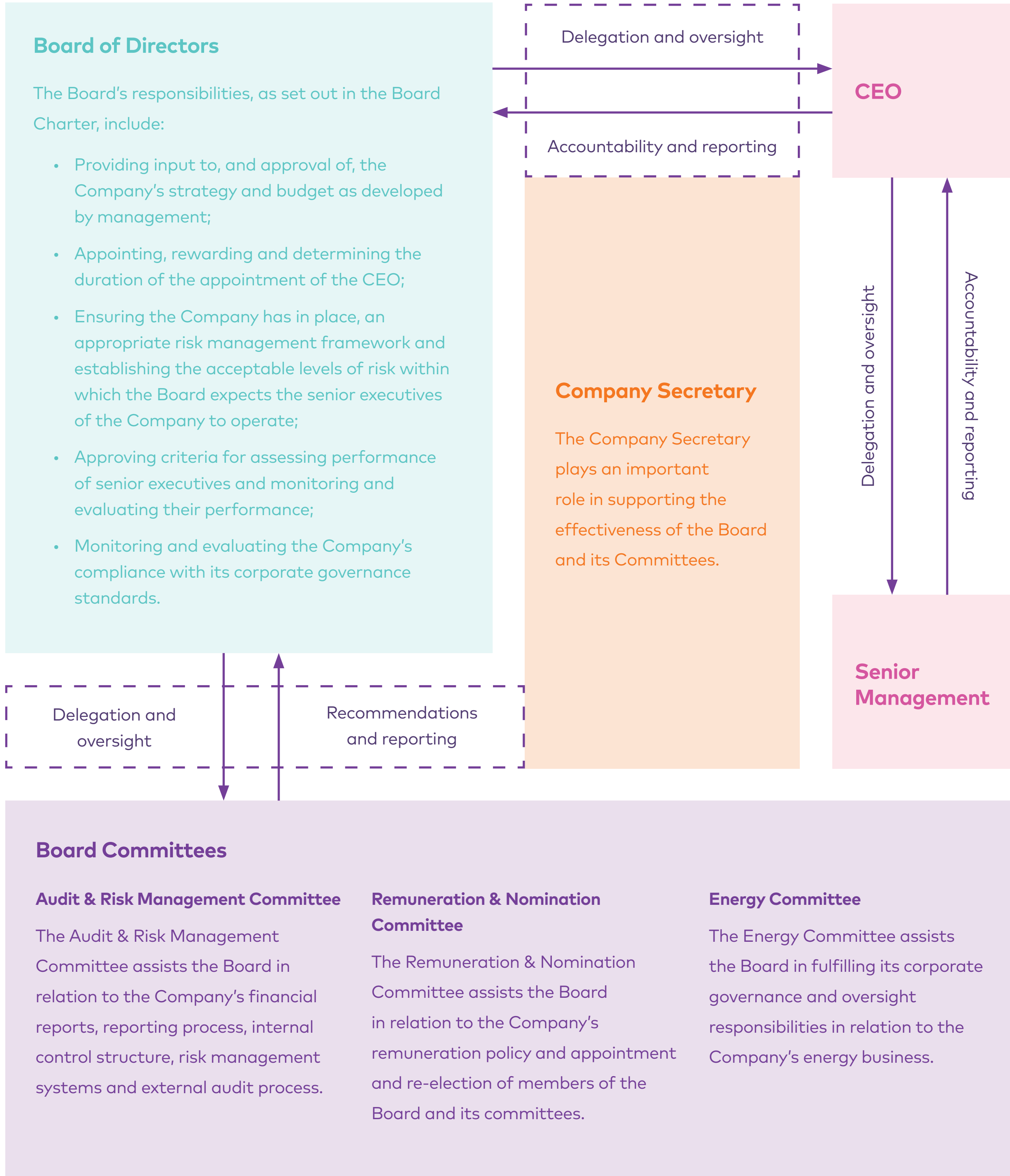
The Board is responsible for providing strategic direction, defining broad issues of policy and overseeing the management of the Company to ensure it is conducted appropriately and in the best interests of Shareholders.

In summary, the Board is responsible for managing the affairs of the Company, including its financial and strategic objectives; evaluating, approving and monitoring the Company's annual budgets and business plans, approving and monitoring major capital expenditure and all major corporate transactions, including the issuance of any Company securities and approving all financial reports and material reporting and external communications by the Company in accordance with Company's Communications Policy.

The Board has delegated certain responsibilities and authorities to the CEO and management team to enable them to conduct the Company's day-to-day activities. The management team's role is to support the CEO and to implement the running of the general operations and financial business of the Company. This includes developing business plans, budgets and strategies and operating the business within the parameters set by the Board from time to time.

The Company Secretary is accountable to the Board through the Chairman and will be responsible for the proper functioning of the Board and the Board Committees.

The Company's Directors and senior executives have entered into written agreements with the Group setting out the terms of their appointment.



1.2 Board composition and Director independence

The Chairman is Andrew Reitzer, who is an independent and non-executive Director.

The Managing Director and CEO throughout the 2018 financial year was Julian Ogrin. On 1 July 2018, Julian Ogrin resigned from these roles and was replaced by Peter O'Connell.

With the exception of Mr Ogrin and Mr O'Connell, the Board is of the view that all Directors are independent Directors. The Board therefore comprises a majority of independent, non-executive Directors. This view is formed on the basis of information made available to the Board by its Directors.

The Board considers the independence of each Director in light of the interests disclosed by them from time to time. That assessment is made at least annually at, or around the time, the Board considers the composition of the Board, and each Director is required to provide the Board with all relevant information for this purpose.

If the Board determines that a Director's independent status has changed, that determination will be disclosed to the market. The Company is of the opinion that currently there is no independent Director that has an interest, position, association or relationship of the type described in Box 2.3 of the Principles that would compromise the independence of that Director.

1.3 Skills and diversity of the Board

The Board considers the composition of the Board reflects an appropriate range of independence, skills and experience.

The Company has developed a skills matrix which sets out the mix of skills and diversity currently reflected in its membership.

The Board recognises that for the effective governance of the business, a diverse set of skills, backgrounds, knowledge and experience, is required. The Board and its Remuneration and Nomination Committee focus on ensuring the Board maintains the appropriate balance of experience, skills, independence and knowledge which is needed to meet its responsibilities in accordance with recognised governance standards.

The skills were determined by reference to what is considered important for the management of a publicly listed company and skills specific to Company.

The following table sets out the experience and skills deemed necessary or desirable by the Board in the Company's Directors and whether they are represented on the Board.

Skills Matrix

Competency	Requirements Overview	Board experience
Legal	Legal experience	✓
Technology	Knowledge of IT governance including privacy, data management and security	✓
Finance	Experience in accounting and finance	✓
Human resources	Experience in managing human capital, remuneration and reward, industrial relations, safety, strategic workforce planning	✓
Risk and compliance	Experience in identifying and managing risks as they relate to an organisation, managing regulatory compliance	✓
Acquisitions and integration	Experience in acquisitions and post-acquisition integration	✓
Debt and equity raising	Experience with debt facilities, hedging and capital raisings	✓
Multi-country experience	Experience gained in positions outside Australia	✓
Large enterprise experience	Experience gained within a large enterprise	✓
Non-executive Director experience	Experience in this capacity	✓
Executive Director experience	Experience in this capacity	✓
Executive management	Experience at an executive level including the ability to appoint and evaluate executive performance	✓
Organisational change	Experience in this capacity	✓
Commercial experience	Possess a broad range of skills across technology, communications, marketing and business operations	✓

1.4 Induction and training

In accordance with the Board Charter and the Remuneration and Nomination Committee Charter, the Directors will be expected to participate in any induction or orientation programs on appointment, and any continuing education or training arranged for them.

The Company Secretary and the Company's head of human resources will help to organise and facilitate the induction and professional development of Directors from time to time.

1.5 Performance evaluation

The Company is committed to carrying out periodic Board performance evaluations. The Remuneration and Nomination Committee has been established by the Board to assist the Board in reviewing the performance of senior executives and members of the Board at least annually.

This process includes undertaking an evaluation of the performance of the Board, each Board Committee and individual Directors, comparing their performance with the requirements of the Board Charter, relevant Board Committee Charters and the reasonable expectations of individual Directors.

An internal review was conducted in the 2018 financial year, which consisted of peer-assessments, where each individual Director assesses the performance of each other Director and the Chairman, both in their roles as Directors and Committee members. The Chairman also assessed the performance of individual Directors and of the overall Board.

In addition to evaluating the performance of the Board, the Remuneration and Nomination Committee is also responsible for developing and implementing a plan for identifying, assessing and enhancing competencies of senior executives and non-executive Directors.

The Company undertakes 360-degree reviews of all staff, including its senior executives. In addition, the Board and its Committees regularly include time without management as an agenda item, allowing for discussion and consideration of senior executive and Board and Committee performance. The Company regularly undertook these informal reviews during the 2018 financial year.

In addition, the remuneration structure (including the Long Term Incentive Plan and short term incentives) focuses on rewarding performance over and above expectations and various performance indicators (refer to the Remuneration Report as applicable).

1.6 Director succession planning

The Board, together with the Remuneration and Nomination Committee, plans for its own succession by:

- considering the skills, backgrounds, knowledge and experience, and gender diversity necessary to allow it to meet the Group's objectives;
- assessing the skills, backgrounds, knowledge, experience and diversity currently represented;
- identifying any inadequate representation of the above attributes and establishing a process necessary to ensure a candidate is selected who brings them to the Board; and
- assessing how Board performance could be enhanced.

The Remuneration and Nomination Committee will continue to ensure the Board monitors its succession requirements and implements an approach to Board renewal through a regular cycle of Director elections.

2. Board Committees

2.1 Composition and responsibilities of Committees

As at the date of this statement, the following standing Committees have been established to assist the Board in carrying out its responsibilities:

- Audit and Risk Management Committee;
- Remuneration and Nomination Committee; and
- Energy Committee.

Each Committee is governed by a formal charter approved by the Board documenting composition and responsibilities. Copies of these Charters are available on the Company's website.

The table below outlines the composition and responsibilities of each of these Committees.

	Audit and Risk Management Committee	Remuneration and Nominations Committee	Energy Committee (dissolved 1 July 2018)
Composition	During the relevant reporting period, the Audit and Risk Management Committee was comprised of three non-executive Directors, a majority of whom are independent Directors (including an independent Director as Chair). Certain members of management, external advisors and the external auditor may attend meetings of the committee by invitation of the committee Chairperson.	During the relevant reporting period, the Remuneration and Nomination Committee was comprised of three non-executive Directors, a majority of whom are independent Directors (including an independent Director as Chair). Certain members of management and external advisors may attend meetings of the Committee by invitation of the Committee Chairperson.	During the relevant reporting period, the Energy Committee was comprised of two non-Executive Directors (including an independent Director as Chair). Certain members of management and external advisors may attend meetings of the committee by invitation of the committee Chairperson.
Roles and responsibilities	The Committee will assist the Board in carrying out its corporate governance and oversight responsibilities in relation to the Company's financial reports, financial reporting process, internal control structure, risk management systems (financial and non-financial) and the external audit process. Further information is set out in the relevant Charter which is made available on the Company's website.	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. Further information is set out in the relevant Charter which is made available on the Company's website.	The main functions of the committee are to assist the Board in respect of managing risks and opportunities in connection with the Company's energy business. Further information is set out in the relevant Charter which is made available on the Company's website.
Membership as at 1 July 2018	Maria Martin (Independent, non-executive Director and Chairperson); Thorsten Kraemer (Independent, non-executive Director); and Jodie Sangster (Independent, non-executive Director).	Andrew Reitzer (Committee Chairperson and independent, non-executive Chairman); Thorsten Kraemer (Independent, non- executive Director); and Maria Martin (Independent, non- executive Director).	

3. Acting ethically and responsibly

Relevant governance document:

- Code of Conduct

3.1 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 the Company expects its representatives to behave and conduct business in the workplace and includes legal compliance and guidelines on appropriate ethical standards.

All employees of the Company (including temporary employees, contractors and Directors) must comply with the Code of Conduct.

The Code of Conduct is available on the Company's website on the "Corporate Governance" landing page.

4. Engagement with Shareholders

Relevant governance documents:

- Communications Policy
- Continuous Disclosure Policy

4.1 Communication with our investors

The Company has designed and implemented an investor relations program which facilitates effective two way communication with investors. The Company communicates with its Shareholders by making timely market announcements, by posting relevant information on to its website, by inviting shareholders to make direct inquiries to the Company via its website and through the use of general meetings which shareholders are encouraged to attend.

The Company respects the environment and has a policy of communicating electronically with shareholders. However, shareholders may still elect to receive certain information from the Company and its registry by post.

The Company encourages all shareholders to receive information electronically as this reduces costs, waste and is better for the environment.

5. Risk management and reporting

Proper management of the Company's risks is an important priority of the Board. The Board has adopted a Risk Management Policy appropriate for its business which includes that the Board or Committee of the Board will review the entity's risk management framework at least annually.

This policy highlights the Company's commitment to designing and implementing systems and methods appropriate to identify, minimise and control its risks.

Relevant governance documents:

- Audit and Risk Management Committee Charter
- Risk Management Policy

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 periodically undertake reviews of its risk management procedures to ensure that they comply 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.

The Company's risk management framework includes various internal controls and written policies, such as a hedging policy and other policies regarding authority levels for expenditure, commitments and general decision making and procedures relating to health and safety to ensure a high standard of performance and regulatory compliance.

Communication to investors of any material changes to the Company's risk profile is covered by the Company's Continuous Disclosure Policy.

Additional information on the Company's risk management framework is described in the "Risks" section of this report.

5.1 CEO and CFO declarations

Before the Board approves the Company's financial statements for a financial period, the CEO and CFO are required to issue a written declaration to the Audit and Risk Management Committee that, in their opinion, the financial records of the Company have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

5.2 External audit

Under the Audit and Risk Management Committee Charter, the Committee will make recommendations to the Board on the appointment, reappointment or replacement, remuneration, monitoring of the effectiveness and independence of the external auditors and resolution of disagreements between management and the auditor regarding financial reporting. The Committee will also consider the scope and adequacy of the external audit.

The Audit and Risk Management Committee Charter contains a requirement for the external auditor to attend the AGM and to be available to answer questions relevant to the audit.

5.3 Internal audit

The Audit and Risk Management Committee is responsible for overseeing processes to ensure there is an adequate system of internal control, reviewing internal control systems and the operational effectiveness of the policies and procedures related to risk and control.

Given the size of the Company, it does not have an internal audit function. However, this position will be reviewed from time to time and may change if the size of the Company materially changes.

The Audit and Risk Management Committee will ensure that the Board is made aware of audit, financial reporting, internal control, risk management and compliance matters which may significantly impact upon the Company in a timely manner and will be responsible for engaging external parties to provide internal audit services to the Company (if required).

5.4 Disclosure obligations

The Company is committed to observing its continuous disclosure obligations under the ASX Listing Rules and the Corporations Act.

The Company has adopted a Continuous Disclosure Policy, which establishes procedures aimed at ensuring Directors and executive management are aware of and fulfil their obligations in relation to the timely disclosure of material price-sensitive information.

The Company complies with its continuous disclosure obligations by ensuring that price sensitive information is identified, reviewed by management and disclosed to the ASX and any applicable regulators in a timely manner and that all such information is posted on the Company's website as soon as possible after disclosure.

The Company Secretary manages compliance with the Company's continuous disclosure obligations and communications with applicable regulators.

5.5 Sustainability

For additional information on the Company's exposure to material risks and, how it manages or intends to manage these risks, please refer to the "Risks" section of this report.

6. People and remuneration

The Company has developed a set of key cultural values: simplicity, empathy, agility and reliability.

These cultural pillars helped build amaysim and the Company's strong culture. The pillars and our remuneration practices enable us to attract and retain high quality directors and senior executives while aligning the interests of these individuals with the creation of value for shareholders.

We regularly review skills, offer training programs to fill perceived gaps, and foster continuous improvement of our people.

6.1 Diversity

The Company is proud of its diverse and inclusive workplace and team which is made up of individuals with diverse skills, values, experiences, backgrounds and attributes. The Company is committed to developing measurable objectives to further promote gender diversity and inclusion in its workplace.

The Company has implemented the Diversity Policy which is overseen by the Remuneration and Nomination Committee and which aligns the Company's management systems with its commitment to develop a culture and business model that values and achieves diversity in its workforce and on its Board.

In order to transform its diversity goals into achievable outcomes, the Company intends to consider the implementation of measurable objectives for achieving gender diversity across the organisation moving forward. It is intended that these objectives will complement policies already in place which facilitate the development of a diverse workforce.

The Company has adopted the Australian Institute of Company Directors' recommendation of ensuring that the Board diversity has not less than 30% female representation. In addition, the Company has applied this target across all levels and broadened it to include a minimum of 30% male and female representation to support our inclusive workforce.

Gender Diversity statistics as at 30 June 2018 are outlined in the following table.

Level	Number of directors/ employees at 30 June 2018	Number of women at 30 June 2018	Percentage of women at 30 June 2018
Board composition (NEDs)	5	2	40%
Key Management Personnel (incl. CEO)	4	1	25%
Managers/ Team Leaders	109	53	33%
Non-management	660	334	51%
All employees (excl. Board)	773	388	50%

The above table includes all amaysim Group employees, including Click's Melbourne-based team and our team in Manila.

We are required by the Workplace Gender Equality Act 2012 (WGEA) to report our workforce gender profile as at 31 March each year. Our latest report was lodged with the WGEA and is available on the Corporate Governance page of our online Investor Centre.

6.2 Executive succession planning

The Remuneration and Nomination Committee meets periodically to discuss and consider executive succession planning.

6.3 Equity-based remuneration scheme

Under the Company's Remuneration Policy, the entry into transactions which limit the economic risks of participating in an equity based remuneration scheme is not permitted unless the contemplated transaction is permitted under the Securities Trading Policy.

The Securities Trading Policy expressly prohibits Directors and all employees from using, or allowing to be used, any derivatives or other products which operate to limit the economic risk of unvested Company securities.

Further, no Director or employee may enter into a margin loan or similar funding arrangement to acquire any Company securities, or grant lenders any rights over their Company securities without first obtaining prior written approval.

6.4 Remuneration for non-executive directors

As noted above, the Board maintains a Remuneration and Nomination Committee responsible for making recommendations to the Board regarding remuneration. The Remuneration and Nomination Committee Charter is available on the Company's website.

The Remuneration and Nomination Committee Charter forms the basis for the Company's remuneration policies and procedures.

The policies regarding remuneration of non- executive Directors and the remuneration and employment arrangements of executive directors are disclosed separately in this Report.

7. Other information

This Corporate Governance Statement has been approved by the Board of amaysim Australia Limited and the information contained in it is current as at 24 August 2018, unless stated otherwise.

This statement, together with our 2017 ASX Appendix 4G (which is a checklist cross-referencing the ASX Recommendations to the relevant disclosures in this statement and our website (our ASX Appendix 4G)), have both been lodged with the ASX and can be found on the Corporate Governance page of our online Investor Centre.

More information on our governance arrangements, including our Board and Board Committee Charters and key policies, can also be found on our Investor Centre.

Risks

The amaysim Group operates in a rapidly changing environment characterised by profound change in the way people interact with their service providers, connect and communicate.

Risk management

The Company operates within a highly competitive, technology-based industry and is exposed to a range of risks that have the potential to impact on our financial, operational and strategic business performance. Risk recognition and management are viewed by the Company as integral to its objectives of creating and maintaining shareholder value, and to the successful execution of the Company's strategies.

Board responsibility

The Board is responsible for establishing acceptable levels of risk within which the Board expects management of the Company to operate, risk management and reporting. This includes ensuring the Company has in place an appropriate risk management framework, reviewing and ratifying the Company's systems of internal compliance and approving and monitoring material internal and external financial and other reporting.

Audit and Risk Management Committee

The Audit and Risk Management Committee has been established to assist the Board in fulfilling its corporate governance and oversight responsibilities in relation to the Company's financial reports and financial reporting process and internal control structure, risk management systems (financial and non-financial) and the audit process.

Accordingly, the Committee meets on a regular basis to:

- review and approve external audit plans;
- review and approve financial reports; and
- review the effectiveness of the Company's compliance and risk management functions.

Risk management framework

The amaysim risk management framework enables the strategy by establishing the processes, structures and culture to identify, assess, treat and monitor various risks. The key elements of this framework include:

- The Board and CEO who provide ultimate oversight and accountability for risk management and set the risk parameters through an agreed "Risk Appetite Statement". This statement is a process through which the Board has identified and agreed on the material business risks and has determined its appetite in respect of each of these material business risks (set out below in more detail).
- The Audit and Risk Committee assists the Board in fulfilling its corporate governance and oversight responsibilities.
- Responsible managers who operationalise and work within the agreed risk parameters.
- The Company's disciplined staff who are empowered to identify and manage risk on a day-to-day basis.

One of the core components of our framework is a regular reporting to the Audit and Risk Management Committee. This report identifies how the business is tracking against the Risk Appetite Statement. This report is inclusive of many types of risks from internal and external sources, including strategic, operational, financial and regulatory.

Any new risks that are identified are brought to the attention of the management team, the CEO and the Audit and Risk Management Committee on an ongoing basis. Material risks are escalated to the Board.

Material business risks

The Company is committed to the proactive identification and management of material risks by way of a Board risk appetite survey. The following information represents a summary of those identified material risks and the applicable management strategies in respect of each risk. These risks are not all encompassing, nor listed in any order of significance. Except as described in the table on the following page, the Company does not consider that it has a material exposure to economic, environmental or social sustainability risks.

Material Business Risks	Management Strategy
Industry, market & structure Inability to keep pace with changes in industry or that market disruption (including through increased competition or the entry of new competitors) will reduce the Group's ability to compete and grow revenue.	We manage our exposure to this risk by proactively monitoring changes in our industry, new participants and products. We manage this risk through our wholesale contracts and by continuing to invest in data-analytics and platforms that help us understand our current and potential customers better, as well as our competitors' behaviours.
People, culture & change management Inability to maintain and develop the culture and people capability to enable and facilitate effective business growth.	We have a strong emphasis on our values-led culture, which we strive to live everyday with our staff, our customers and our business partners.
Business critical systems (internal & external) Failure to adequately respond to business-critical system issues impacting internal and external reporting, service delivery and informed decision making, which may have an adverse financial, brand perception, or customer experience impact.	As an online business, we are reliant on our distribution and network service providers to work with us to quickly identify and remediate any issues. For our internal systems, we continue to invest in our systems' resilience and capabilities, business continuity plan and disaster recovery plan.
Corporate image (governance) Not maintaining shareholder (current or prospective) and broader investment community confidence in the corporate image of the Board and management team.	We understand that maintaining confidence in our Board and management team is very important. We have an investor relations team who manage an active calendar of events and market communications to engage with our shareholders and the broader investor community.
Data security and integrity Actual or perceived lack of integrity and/or security in our sensitive data and critical software infrastructure which adversely impacts brand equity.	Our customers' privacy and data security is very important to us, and we are continually working to develop and refine our security systems. As part of our compliance with stringent Payment Card Industry Data Security Standard requirements, we maintain and continuously improve advanced security and monitoring measures across all IT platforms.
Innovation, disruption, diversification capabilities Inability to innovate, disrupt or diversify the products and services offered to the market which adversely impacts ability maintain or increase market share.	We cultivate a culture in our people which supports ongoing innovation and product development. With agility as a core value of our company, our people have the freedom to be creative and regularly challenge ourselves.
Business partner relationships Ineffective management of business partner relationships which may impact services and operations.	We work closely with all of our major business partners and network service providers. Our goal is to ensure that our culture and values are fulfilled and adhered to in all of our relationships.
Brand Reducing brand equity and relevance in the market which may adversely impact ability to maintain or increase market share.	We are proud of our brands and of their performance. We manage this risk through active monitoring of our brand metrics, targeted marketing budgets, strong retail products and leading customer experience.
Customer experience Failure to deliver on customer expectations for services and products which reduces ability to maintain or increase market share.	We maintain a strong focus on customer experience and closely monitor key metrics such as social media sentiment, net promoter score, customer service satisfaction levels and ombudsman complaints. We mitigate this risk by making customer experience a focus of our strategy, and a key differentiator for us in the market.

Corporate Social Responsibility

The amaysim Group is powered by a team of innovators who strive to make a difference to its customers and the wider communities in which it operates.

Our Communities

We aim to share our passion and the socioeconomic benefit created by our business with the communities that surround us. Employees are encouraged to support charities and community causes that are close to their hearts, and the amaysim Group provides leadership and coordination in these initiatives. This year the amaysim Group and its employees:

- Donated blood quarterly as part of the **Australian Red Cross** Red25 group donation program.
- Sponsored **The White Knight Foundation**, including its annual Fundraiser Dinner to help the foundation continue its mission of providing financial and emotional support to young victims of violence and their families.
- Brought the joy of Christmas to under-privileged Aussie kids by donating over 100 toys to the **Salvation Army** Christmas Appeal.
- Participated in and raised funds for Wear Orange to Work Day in support of **State Emergency Services**.
- Participated in and raised funds for Jeans 4 Genes Day in support of **CanTeen Australia**.
- Participated in National Bandana Day in support of **Children's Medical Research Institute**.
- Raised funds for the **Cancer Council** by hosting a 'Biggest Morning Tea'.
- Donated office furniture to **Saints Peter & Paul's Church** in Melbourne for people in need.

In addition, the amaysim Group operates part of its business within the Philippines, bringing employment and community benefit to a large number of people.

This year amaysim Philippines and its employees participated in the following activities:

- Christmas party and gift giving for children in Taguig City.
- Donated to Fire Victims in Taguig city.
- Donated dust masks for survivors of the Mayon Volcano eruption.
- Donated solar lamps to a Dumagat tribe in Angat Bulacan.
- Donated school supplies to a school for disadvantaged children in Bagac Bataan.

Our core values – **empathy, agility, reliability and simplicity** – are at the heart of everything we do.

Our People

The amaysim Group considers its people to be its greatest asset and recognises their individual identities as an intrinsic part of its culture. Our ability to create sustainable shareholder value is linked to our ability to recruit, motivate and retain a high calibre of staff. We strive to maintain high achievement by recognising and rewarding great efforts and outcomes and to create opportunities for individuals at all levels of our business through a range of contemporary learning experiences. In all employee matters, we act in compliance with national regulatory requirements and our obligations under relevant national laws.

Equal opportunity

The amaysim Group is proud of its inclusive workplace and our team which is made up of individuals with diverse skills, values, experiences, backgrounds and attributes. As an Australian business headquartered in Sydney, we celebrate the diversity of the country and provide opportunities to people who reflect Australia's multiculturalism. With the addition of a strong presence in Manila and the Click Energy office in Melbourne, the amaysim Group is embracing its cultural and geographic diversity.

To nurture and foster its diverse and inclusive workplace, the amaysim Group has a strong diversity policy and ethic. As an example, the we provide:

- Paid Parental leave for primary and secondary carers.
- A parents' room at the Sydney headquarters.
- Flexible working arrangements.
- Paid domestic violence leave.

Occupational health & wellbeing

The amaysim Group strives to make work not feel like work, and to find creative ways of improving employee life balance. These include:

- Flexibility in leave entitlements towards study programs.
- Rewarding those who model the amaysim values, this includes a quarterly values reward lunch.
- Access to a quality Employee Assistance Program for employees and their families, including a free, third party, confidential counselling service.

Supporting and enhancing the physical wellbeing of its employees by offering complimentary yoga/Pilates and F45 classes. Team members also battle it out in a lunchtime competition known as 'Lunchtime Legends' and participate in events such as the annual City2Surf.

Performance and reward

Our aim is to ensure all employees are remunerated fairly and competitively. Remuneration includes competitive base salaries, a performance-based bonus scheme, extra annual leave to celebrate birthdays and subsidised mobile, nbn plans and devices.

Health, safety and environment

The amaysim Group conducts its business in accordance with all workplace health and safety laws, standards and codes of practice to protect the health and safety of its employees, contractors and visitors.

We aim to make a positive contribution to the protection of the environment in which we operate and to minimise the adverse effects of our operations. As a collective group, we strive to contribute positively to global sustainability through our operations, the development of new technologies and in the conduct of our relationships with all our stakeholders.

In a continued bid to save paper, we drive the use of technology to sign and negotiate documents online. This has been a huge success and has also improved efficiencies for our legal team.

Business conduct

Treatment of customers

The amaysim Group believes all Australians should have access to telecommunications and energy services that represent fairness and good value. As well as providing our customers with award winning service and great products, we also have Financial Hardship Policies ready to protect and assist all customers that fall on hard times.

We understand that customers will receive better service and experience when its staff are happy and motivated. To foster and nurture a mentally and physically supportive workplace, the amaysim Group has a wellbeing program which is broken down into the five following pillars – Career, Financial, Personal, Community and Social.

Competition

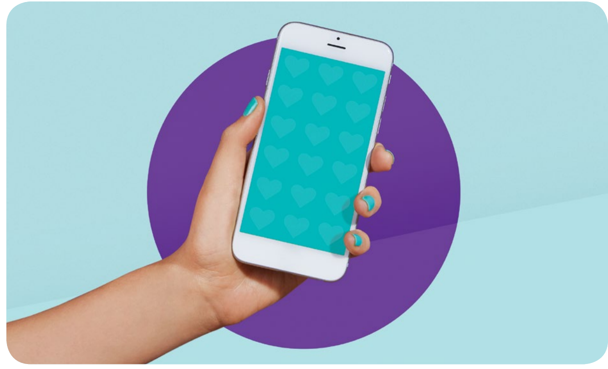
We always aim to compete vigorously with our competitors, but in a fair and responsible way. We strive to ensure our success is built on excellence. Employees are encouraged to act with integrity and are prohibited from entering into any arrangements or engaging in practices that may conflict with codes or laws applicable to the conduct of our business.

Bribery and corruption

The amaysim Group is committed to promoting and supporting a culture of corporate compliance and ethical behaviour. As such it has a whistleblowers' policy in place that encourages employees to raise any concerns and report instances of Reportable Conduct where there are reasonable grounds to support such action, without fear of intimidation, disadvantage or reprisal.

Relations with suppliers

We ensure that we treat all our suppliers in the same way as we treat our staff. We ensure that our suppliers are treated fairly and responsibly and in accordance with our core values of **empathy, agility, reliability and simplicity.**



empathy

agility

reliability

simplicity

Environment

The amaysim Group is an online business that is not involved in the manufacture or distribution of good, extraction of resources, or generation of electricity or gas.

The Group conducts its operations over three locations – Sydney, Melbourne and Manila – and our staff primarily comprise of office-based employees. Accordingly, our environmental footprint is low and is the result of the energy we use, the materials we consume and our employee travel. Accordingly, we are not subject to any particular or significant environmental regulations under a Commonwealth, State or Territory Law.

The amaysim Group is committed to minimising its environmental footprint and continually improving our sustainability practices. We do this, where practical, by:

- partnering with suppliers that have high quality sustainability practices
- minimising waste and the consumption of materials, energy and water.

Partnering with suppliers that have high quality sustainability practices

amaysim does not own any mobile network infrastructure, but rather gains access to a mobile network operators' infrastructure (currently Optus) to deliver mobile services to its subscribers. Optus continue to explore ways to reduce their environmental footprint, which primarily consists of carbon emissions generated through electricity use in their network.

Optus' ambition is to have the smallest environmental footprint possible. It's environment strategy is focused on: Leading with Science; Climate & Carbon; and Product Stewardship.

Optus, along with Singtel, have become the first company in the Asia Pacific region (excluding Japan) to have its carbon reduction targets approved by the Science Based Targets initiative (SBTi), a global collaborative effort that aims to keep global warming below 2ºC. Another significant environment-related initiative this year has been adopting the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). These were created by the Financial Stability Board to provide a set of voluntary climate-related financial risk disclosures.

In 2018, Optus offset 100% of the carbon emissions arising from its Gold Coast 2018 Commonwealth Games operations, recycled 474 tonnes of waste, won the 2017 "Sustainable Transport Award" from the Australian and New Zealand Division of the Institute of Transport Engineers and removed 1,400 cars of Macquarie Park, Sydney roads each day via Optus Express buses.

amaysim also uses the Amazon web services (AWS) scalable cloud-based computing and server platform, which allows us to develop new environments (to immediately conduct testing, production or development of programming and code) while helping us deliver on our commitment to reduce our environmental footprint.

AWS is focused on working towards its long-term commitment to power its global infrastructure footprint with 100% renewable energy. At the end of 2016, AWS exceeded its goal of 40% renewable energy and set the goal of being powered by 50% renewable energy by the end of 2017.

Minimising waste and the consumption of materials, energy and water

amaysim's approach to environmental impact reduction includes:

- investing in Zoom video conferencing facilities to connect amaysim Group sites and reduce the need for air travel
- using recycling bins throughout our offices with a clear explanation on how to correctly recycle
- implementing timed lights in all meeting rooms
- reducing bottled water consumables by installing filtered water taps
- using crockery and steel cutlery to minimise disposable utensils
- investing in low-power ENERGY STAR certified printers and recycling all toner cartridges
- utilising zoned air conditioning to reduce power or switch off outside office hours.

Rules 4.7.3 and 4.10.3

Appendix 4G

Key to Disclosures
Corporate Governance Council Principles and Recommendations

Name of entity:

amaysim Australia Limited

ABN/ARBN:

65 143 613 478

Financial year ended:

30 June 2018

Our corporate governance statement[1] for the financial year ended 30 June 2018 is set out above and can also be found at:

- ✔ These pages of our annual report: **14-28**
- ✔ This URL on our website: **https://investor.amaysim.com.au/irm/content/corporate-governance.aspx**

The Corporate Governance Statement is accurate and up to date as at 24 August 2018 and has been approved by the Board.
The annexure includes a key to where our corporate governance disclosures can be located.

Date: **24 August 2018**

Name of Secretary authorising lodgement: **Alexander Feldman**

	Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed...
PRINCIPLE 1 - LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT			
1.1	A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	... the fact that we follow this recommendation: ✔ in our Corporate Governance Statement ... and information about the respective roles and responsibilities of our board and management (including those matters expressly reserved to the board and those delegated to management): ✔ in our Corporate Governance Statement AND ✔ at this location: Board Charter which is available at https://investor.amaysim.com.au/irm/content/corporate-governance.aspx	
1.2	A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	... the fact that we follow this recommendation: ✔ in our Corporate Governance Statement AND ✔ at this location: All material information relevant to a decision on whether or not to elect or re-elect a director will be provided in amaysim's AGM Notice of Meeting.	
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	... the fact that we follow this recommendation: ✔ in our Corporate Governance Statement	
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	... the fact that we follow this recommendation: ✔ in our Corporate Governance Statement	

	Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed...
1.5	A listed entity should: (a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them; (b) disclose that policy or a summary of it; and (c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either: (1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or (2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.	... the evaluation process referred to in paragraph (a): ✔ in our Corporate Governance Statement ... and a copy of our diversity policy or a summary of it: ✔ at this location: Diversity Policy which is available at https://investor.amaysim.com.au/irm/content/corporate-governance.aspx ... and the information referred to in paragraph (c): ✔ in our Corporate Governance Statement	
1.6	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	... the evaluation process referred to in paragraph (a): ✔ in our Corporate Governance Statement	
1.7	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of its senior executives; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	... the evaluation process referred to in paragraph (a): ✔ in our Corporate Governance Statement ... and the information referred to in paragraph (b): ✔ in our Corporate Governance Statement	

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed...
PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE			
2.1	The board of a listed entity should: (a) have a nomination committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.	... the fact that we have a nomination committee that complies with paragraphs (1) and (2): ✓ in our Corporate Governance Statement AND ... and a copy of the charter of the committee: ✓ at this location: Remuneration and Nomination Committee Charter which is available at: https://investor.amaysim.com.au/irm/content/corporate-governance.aspx ... and the information referred to in paragraphs (4) and (5): ✓ in our Corporate Governance Statement	
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	... our board skills matrix: ✓ in our Corporate Governance Statement	
2.3	A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director.	... the names of the directors considered by the board to be independent directors: ✓ in our Corporate Governance Statement ... and, where applicable, the information referred to in paragraph (b): ✓ in our Corporate Governance Statement ... and the length of service of each director: ✓ at this location: The Directors' Report and the "Information on Directors" section within the Company's Annual Report	
2.4	A majority of the board of a listed entity should be independent directors.	... the fact that we follow this recommendation: ✓ in our Corporate Governance Statement	

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed...
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	... the fact that we follow this recommendation: ✓ in our Corporate Governance Statement	
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	... the fact that we follow this recommendation: ✓ in our Corporate Governance Statement	
PRINCIPLE 3 - ACT ETHICALLY AND RESPONSIBLY			
3.1	A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.	... our code of conduct or a summary of it: ✓ in our Corporate Governance Statement AND ✓ at this location: Code of Conduct which is available at: https://investor.amaysim.com.au/irm/content/corporate-governance	
PRINCIPLE 4 - SAFEGUARD INTEGRITY IN CORPORATE REPORTING			
4.1	The board of a listed entity should: (a) have an audit committee which: (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (2) is chaired by an independent director, who is not the chair of the board, and disclose: (3) the charter of the committee; (4) the relevant qualifications and experience of the members of the committee; and (5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.	... the fact that we have an audit committee that complies with paragraphs (1) and (2): ✓ in our Corporate Governance Statement ... and a copy of the charter of the committee: ✓ at this location: Audit and Risk Committee Charter which is available at: https://investor.amaysim.com.au/irm/content/corporate-governance.aspx ... and the information referred to in paragraphs (4) and (5): ✓ in our Corporate Governance Statement	

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed...
4.2	The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	... the fact that we follow this recommendation: ✓ in our Corporate Governance Statement	
4.3	A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	... the fact that we follow this recommendation: ✓ in our Corporate Governance Statement	
PRINCIPLE 5 - MAKE TIMELY AND BALANCED DISCLOSURE			
5.1	A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.	... our continuous disclosure compliance policy or a summary of it: ✓ in our Corporate Governance Statement and ✓ at this location: Continuous Disclosure Policy which is available at: https://investor.amaysim.com.au/irm/content/corporate-governance.aspx	
PRINCIPLE 6 - RESPECT THE RIGHTS OF SECURITY HOLDERS			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	... information about us and our governance on our website: ✓ at this location: Corporate Governance landing page which is available at https://investor.amaysim.com.au/irm/content/corporate-governance.aspx	
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	... the fact that we follow this recommendation: ✓ in our Corporate Governance Statement	
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	... our policies and processes for facilitating and encouraging participation at meetings of security holders: ✓ in our Corporate Governance Statement	
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	... the fact that we follow this recommendation: ✓ in our Corporate Governance Statement	

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed...
PRINCIPLE 7 - RECOGNISE AND MANAGE RISK			
7.1	The board of a listed entity should: (a) have a committee or committees to oversee risk, each of which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.	... the fact that we have a committee or committees to oversee risk that comply with paragraphs (1) and (2): ✓ in our Corporate Governance Statement AND ✓ at this location: Risk Management Policy which is available at: https://investor.amaysim.com.au/irm/content/corporate-governance.aspx ... and a copy of the charter of the committee: ✓ at this location: Audit and Risk Committee Charter which is available at: https://investor.amaysim.com.au/irm/content/corporate-governance.aspx ... and the information referred to in paragraphs (4) and (5): ✓ in our Corporate Governance Statement	
7.2	The board or a committee of the board should: (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and (b) disclose, in relation to each reporting period, whether such a review has taken place.	... the fact that board or a committee of the board reviews the entity's risk management framework at least annually to satisfy itself that it continues to be sound: ✓ in our Corporate Governance Statement ... and that such a review has taken place in the reporting period covered by this Appendix 4G: ✓ at this location: The "Risk" section of amaysim's Annual Report available at: https://investor.amaysim.com.au/irm/content/financial-reports1.aspx?RID=376	
7.3	A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	... the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes: ✓ in our Corporate Governance Statement	

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed...
7.4	A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	... whether we have any material exposure to economic, environmental and social sustainability risks and, if we do, how we manage or intend to manage those risks: ✔ in our Corporate Governance Statement	
PRINCIPLE 8 - REMUNERATE FAIRLY AND RESPONSIBLY			
8.1	The board of a listed entity should: (a) have a remuneration committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.	... the fact that we have a remuneration committee that complies with paragraphs (1) and (2): ✔ in our Corporate Governance Statement ... and a copy of the charter of the committee: ✔ at this location: Remuneration and Nomination Committee Charter which is available at: https://investor.amaysim.com.au/irm/content/corporate-governance.aspx ... and the information referred to in paragraphs (4) and (5): ✔ in our Corporate Governance Statement	
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	... separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives: ✔ at this location: Remuneration Report (which forms part of the Directors' Report)	
8.3	A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it.	... our policy on this issue or a summary of it: ✔ in our Corporate Governance Statement	

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