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ASX ANNOUNCEMENT

24 October 2019

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

Dear Sir / Madam

2019 Annual General Meeting - Chief Executive Officer's Address

amaysim Australia Limited (ASX: AYS) held its 2019 Annual General Meeting on Thursday 24 October 2019.

The Chief Executive Officer and Managing Director presented the enclosed address at the Annual General Meeting. This should be read in conjunction with the 2019 Annual General Meeting Presentation.

Yours faithfully,

Alexander Feldman
amaysim | Chief Strategy Officer & General Counsel

AMAYSIM AUSTRALIA LIMITED – 2019 ANNUAL GENERAL MEETING
CEO ADDRESS - PETER O'CONNELL, CEO & MANAGING DIRECTOR

Thank you, Andrew. Firstly, I would like to welcome all shareholders, employees and guests here today. I am pleased that you can join us.

I will take this opportunity to highlight the milestones and achievements made during the last financial year and to discuss some of the challenges we faced.

I will also talk through both the mobile and energy businesses in more detail and the execution of our strategy.

SLIDE 6 – 2019 repositioned the business for long term profitable growth

The 2019 financial year was a "re-set" year for the business. There is no doubt it was challenging but, as I reflect on the year, I can comfortably say that we're in a great position to focus on our core businesses and we have the necessary resources to execute on our strategy.

In August 2018, we made the tough, but necessary, decision to close the mobile device store.

A few months later, we were able to sell the broadband business for a good price in a tough market. This was not an easy task, especially given the uncertain operating environment and the need to migrate customers to the new owner, and I am pleased with the team's achievement.

Exiting these businesses has enabled us to allocate capital into our two core businesses, mobile and energy – both of which are expected to deliver better returns, compared to broadband and devices.

Mobile - summary

The mobile market continued to be highly competitive. The network operator's 'growth-at-any-cost' mentality had a negative impact on ARPU across the entire market.

However, the three network operators are now turning their attention to the investment required to roll-out 5G while maintaining their 3G and 4G networks. We anticipate this change will slow the decline in ARPU and lead a return to sustainable pricing in 4G services. The early signs are positive.

FY19 was an intensely competitive year in mobile and during this time our mobile plans were less competitive than we would have liked. So we made the rational decision to materially reduce our marketing spend throughout the financial year and focus our efforts on improving our wholesale terms to unlock needed agility and competitiveness. This resulted, not unexpectantly, in a 4.8% decline in our recurring subscriber base for the year.

Energy - summary

Approximately 18 months ago, it became clear that significant regulatory change would be introduced into the energy market. This came to fruition on 1 July 2019, with the government threatening to wield its 'big stick of regulation', which created a regulatory cloud over the energy industry and as a result, our business.

Unfortunately most regulatory attention has focussed on the retail margin which represents only 6% of the retail energy cost stack rather than the huge costs of wholesale generation and distribution.

Key milestones

Despite the challenges we have faced, we have achieved several important milestones that I'd like to take the opportunity to reflect on, as it is these achievements that have put us in great shape for FY20 and beyond.

As a prelude to those achievements we bolstered the Board and made key changes to the management team. Two new non-executive directors joined our Board, I will talk about them in the next slide. I re-joined the business in the role of CEO, and we welcomed Gareth Turner as CFO.

In March, we completed a $50.6 million capital raise providing the capital required to restructure our debt (freeing up our balance sheet and enabling growth-friendly covenants), ramp up our marketing initiatives in mobile, build and launch our disruptive subscription energy plans and invest in our technology stack.

The further integration of the Click Energy business into the amaysim Group enabled us to realise operational efficiencies and some cost benefits. We also activated (but have not launched) our subscription energy service across Victoria, New South Wales and Queensland and I will discuss these in more detail later in the presentation. To support the subscription energy product launch next year we engaged a new specialised subscription billing platform, Zuora, that will eventually support all our subscription services and our revamped software stack.

Perhaps most importantly for the mobile business, we signed a revitalised network supply agreement with Optus in May. This agreement has changed the way we acquire data and underpins the growth of the mobile business going forward.

The new agreement enabled us to quickly launch-more competitive plans to market, and, just days after signing, we launched new $20, $30, $40 and $50 mobile plans. With good quality and good value plans in market, we ramped up our marketing spend and these new plans are already performing far beyond our expectations.

SLIDE 7 – Appointment of new directors

I would like to take a moment to welcome our two new non-executive directors who joined the business earlier this financial year; Goetz Maeuser and Craig Jackson.

Both Goetz and Craig join me here today. These directors both bring extensive international expertise and deep experience in their field. Goetz brings a strong technology and media background through his roles as an advisor and director of numerous public and private companies in those fields. He also brings significant capital markets expertise with his roles in investment and private equity firms.

Craig also brings extensive finance and capital markets expertise through his 40 plus years of professional accounting. He also has extensive directorship expertise, having held numerous director roles during his distinguished career.

Once again, a very warm welcome to both Goetz and Craig.

SLIDE 8 - Mobile

I will now move on to talk about the mobile business and how we are performing, having launched new mobile plans in June.

SLIDE 9 – Mobile market

The mobile market continues to evolve, and the trend is with us. As mobile devices become more expensive and their longevity improves, the 'bring your own' device category is set to continue to grow, as does the propensity for non-contract plans.

Market research shows that more than 70% of mobile handsets are now BYO and the MVNO market is forecast to grow by 44% over five years to June 2022.

There are currently a substantial 35.4 million services in operation (SIO) in Australia, of which the MVNO market accounts for 10%.

Recent competition in the mobile market has put some of the smaller MVNOs under pressure. However, we maintain our dominant market position with 34%

of the total MVNO market and are well positioned to take advantage of potential growth opportunities that emerge in the sector.

SLIDE 10 – 'always on' marketing strategy is driving growth

As I mentioned previously, the new network supply agreement with Optus enabled us to launch a suite of highly competitive plans to market in June and this slide calls out some of the successes we have had to date with these plans.

Since the FY19 year end, we have grown the mobile subscriber base substantially to 648k at 18 October 2019. This is an additional 24k net recurring subscribers since 1 July.

We've continued to receive excellent customer feedback and the latest NPS survey conducted showed that our NPS score was the highest it has been since May 2017 at +44.

To reward the loyalty of our subscriber base we moved existing customers on the $20, $30, $40 and $50 plans over to the new and improved plans without charge. This has had a significant impact in reducing churn and increasing renewal rates.

We also beat the big-name telcos to be awarded Canstar Blue's customer satisfaction award for prepaid mobile providers this year and Finder awarded us the best postpaid month-to-month SIM under $40.

The plans that we have in market are highly competitive and we have positioned the plans to target all segments of the market and this strategy is proving highly successful.

However, to continue to grow, we not only need to have great plans, but we need to have continuous marketing to support them.

The launch of these new plans meant that we were able ramp up our marketing activity and kick off several initiatives to drive mobile subscriber growth.

We are running a multi-channel marketing strategy that is focused on customer acquisition through digital channels, television, radio, out of home marketing and retail promotions. Such marketing will be sustained throughout this financial year.

We have historically been very successful at digital marketing and it continues to form a key component of our customer acquisition strategy. Our online digital marketing activities across various platforms continue to drive traffic to the website and sales conversions.

We trialled out of home advertising that commenced with adverts across billboards, buses, outdoor furniture and radio. These adverts were in all major Australian cities and on national radio including Nova, 2Day and Triple M.

I am excited to announce that we have hired a new Chief Marketing Officer. Renee Garner, joined the business on 14 October 2019. Renee brings extensive marketing experience, particularly in the energy sector having previously been

Head of Marketing Planning and Segments at Energy Australia and a Director of the Energy Retailers Association of Australia.

SLIDE 11 – Mobile growth supported by ongoing marketing

This slide highlights how our marketing activities have driven subscriber growth and demonstrates the success of ongoing marketing activity.

Given the positive results over the last couple of months since ramping up our marketing activity, we will sustain a higher level of marketing activity in order to maintain momentum. The capital raise completed in March provided us with additional capital to increase marketing activity.

As mentioned in our FY19 results announcement we plan on increasing our marketing spend by up to $15m and we'll continue to invest for as long as we see quality growth which delivers a healthy return and which drives long-term strategic value.

SLIDE 12 – mobile subscriber growth and ARPU

This slide depicts the mobile base growth on a month to month basis, split between the recurring and as-you-go customer base.

Recurring mobile subscribers now total 648k as at 18 October 2019. This represented growth of 19k in the first quarter of FY20 and a further 5k net subscribers in the first 3 weeks of October.

The new plans are also having a positive impact on churn. We listened to our shareholders who asked for us to reintroduce reporting on mobile churn and are pleased to report that average churn rate, across the total combined base, for the first quarter of FY20 was 2.4%.

The composition of our subscribers continues to skew towards the recurring subscriber base, which now accounts for 65% of the total base as at June 2019, up from 55% at December 2018.

We are also beginning to see signs that the ARPU decline is slowing and the market is showing signs of returning to sustainable pricing as the large network operators begin to vacate lower price points. We remain cautiously optimistic on ARPU over the medium term as MNOs focus on funding investment in their networks.

SLIDE 13 – Energy

I will now move onto the energy business.

SLIDE 14 – Managing our energy business in a changing market

The full impact of the significant regulatory change that the market has undergone is still yet to be seen. The market is in a state of flux, and it is for this reason that we made the prudent decision to reduce our investment in marketing our traditional energy plans until there is more clarity around margins.

As a result of this, we have seen our energy subscriber base decrease to 203k, in the first quarter of the financial year, versus 207k at the end of FY19. This is not unexpected, and we are keeping a close eye on how the energy market develops and how consumers respond to the default market pricing. Put simply, we see no benefit in growth for growth's sake.

Amid the regulatory overhaul and customer disenchantment with the energy sector, we see an opportunity to remove complexity from the market and improve the customer experience. In short, a need to disrupt the retail market with a subscription service built from the customer's expressed needs.

It is the regulators' desire to make energy pricing more competitive, fairer, simpler and more transparent for consumers. We saw this change coming, and as a result we began to make several changes to our energy business.

We have done away with 'pay on time' discounting and repositioned our energy plans to have more margin from day one (to the detriment of competitiveness).

Furthermore, and perhaps most excitingly, we have developed entirely new energy plans. Subscription energy services were soft launched in Victoria in April and we have since switched on the service in New South Wales and Queensland.

Before I talk you through the benefits of these, I would like to set the scene of the energy market.

SLIDE 15 – Emergy market is ripe for disruption

This is a market that looks like the mobile market a decade ago.

- The pricing constructs are confusing. In mobile you used to pay for calls, texts and data on an as-you-go basis, yet it was never clear how much each activity would use and how this would impact your bill. This is the same in energy today.

- There is a lack of transparency. You had no way of knowing how much your bill would be for your mobile before compulsory usage notifications were introduced, smart phone apps which showed usage information and set monthly prices with fair included value. While you may have a rough idea how much your energy bill will be, most Australians have no way of seeing the cause and effect between usage and price. We think that this is unfair, bad for the environment and makes it impossible to take control of this important part of our cost of living.

- There is limited access to your energy usage data, and it isn't simple to understand. The mobile industry developed the platforms to allow users to easily track usage. However, in energy, most people don't have smart meters and even those who do are not empowered (or maybe encouraged) to take control through this valuable data. This issue shouldn't come as a surprise given the major energy retailers are also generators and make most of their money from generating energy and that means that they're heavily incentivised for usage to grow.

- In mobile it used to take weeks, sometimes months, to switch provider. It still takes weeks, or months, to switch energy provider, however, most mobile ports happen within minutes.

- The mobile market had poor customer satisfaction. This is the same in energy today. Energy companies have some of the worst ratings for customer satisfaction, whereas now mobile have some of the best. There is no doubt that this is due to the issues I have just mentioned.

- And finally, bill shock among energy customers is high. Our research shows that over half of consumers experienced bill shock in the past year. On month to month mobile plans, this rarely happens as customers pay a set monthly price for their plan.

All of this creates a market that is ripe for disruption and in dire need of change for the benefit of the consumer. We are perfectly placed to drive this change – we have the desire, experience and capital. We have built and deployed such a subscription energy product ready for a full launch early in 2020.

The subscription energy plans are energy plans that look and act like a mobile plan.

SLIDE 16 – subscription energy plans

The subscription energy services come with a no lock-in contract and are charged monthly. Importantly, for customers, there shouldn't be any bill shock as the price is the same each month and any need for top-ups is known well in advance (also top-ups are charged at the same price as the underlying plan). Customers can monitor how they are tracking throughout the month and top up if they go over their allowance for the month.

The mobile app allows customers to track their energy usage. This provides transparency so users can monitor energy usage and clearly understand how different activities drive usage. For example, does being vigilant in turning off the lights over a few days materially change usage or are usage spikes really caused by too many hot baths?

Furthermore, customers can roll over unused energy for up to three years – meaning excess energy can be stored in a 'virtual battery' for a cold winter day or steamy summer.

This subscription method puts predictability and control in the hands of the consumer. Furthermore, all plans also come with a smart meter at no extra cost.

We are incredibly proud of these plans and are confident that, in time, they will disrupt the market.

These plans, despite all their benefits, will not be an overnight success. Consumers need to become accustomed to purchasing energy in this way and the focus for us now is to educate the market on the benefits of subscription energy plans. We are in for a major battle because the encumbants are incenvitised to maintain the status quo.

SLIDE 18 – Strategy and achievements

I would like to wrap up this presentation by reiterating our strategic priorities and our outlook for FY2020.

- **Grow our mobile business**

There is significant strategic value in our mobile subscriber base and this year is all about growth of that base. We have already achieved a number of milestones towards this goal, including signing the revitalised NSA with Optus and the new plans and marketing initiatives are making excellent progress in growing the subscriber base.

- **Change the retail energy market by disrupting it with subscription energy**

This year we developed and made available our first subscription energy services across the three most populated and contestable Australian states. We have already seen some organic growth of the subscriber base and this continues to grow steadily as we are still testing and optimising some of the functionality on the plans.

- **Building on our brand's success and become a trusted and leading subscription utility provider**

The capital raise, completed in March, has provided the additional capital to invest in our marketing activities. As announced at the FY19 results, we will spend up to an additional $15m in FY20 on marketing. Already, our efforts are paying off and our latest customer satisfaction survey results are a testament to these efforts.

We are also investing the capital raised in March in the tech stack, with a planned $5 – 7 million over the next two years. Our technology underpins our business and enables us to deliver superior service and plans to our customers and is one of our most important assets.

SLIDE 19 – Strategy and outlook

- **Grow our mobile business**

To grow mobile, we will continue to deliver excellent customer service to drive retention and lower churn.

Our competitive plans and commitment to providing new and existing customers with the best available plan in market, is key to ensuring our customers stay with us longer.

Furthermore, we have begun new upsell initiatives which reward our existing customers for their loyalty through plans which are not available to new customers.

The MVNO market is likely to experience a period of consolidation following the intense competition and we will consider complementary bolt-on acquisitions to further grow our market share.

- **Change the retail energy market by disrupting it with subscription energy**

We are now working towards adding several new features to the subscription energy plans that will widen the potential market. We recently completed the addition of solar and will soon roll out concession schemes across Victoria, NSW and Queensland.

We have been continuously testing and optimising the user experience of the plans and functionality.

In 2H FY20 we expect to launch a substantial marketing campaign to support customer acquisition. Through this marketing plan, we also want to drive awareness and educate consumers on the benefits of our subscription energy services and highlight the downfalls of traditional energy pricing.

- **Build our brand**

Our increased marketing activity not only focuses on customer acquisition, but is targeting driving brand awareness. We have established a brand that is synonymous with simplicity and customer service, however, we now need to amplify this to a wider audience.

Our excellent customer service that not only rewards customers for joining amaysim, but rewards them for staying with amaysim. This will play a key role in ensuring we maintain our position as a consumer champion.

The energy market remains under a regulatory cloud and the mobile market is not yet out of the woods, but is showing early signs of moving towards sustainable pricing. Notwithstanding, we reaffirm our FY20 underlying EBITDA guidance of $33 - $39 million and are on track to achieve this.

SLIDE 20 – Our sustainable competitive advantages

Before I hand over to Andrew for the formal items of business, I would like to remind shareholders what sets amaysim apart from its peers.

Our lean and scalable operating model, made possible as we do not have infrastructure or networks to invest in and the strength of our technology and wholesale partnerships, means that we are able to acquire and service customers at a lower rate and a faster pace.

We have an engaged and satisfied customer base. We are obsessed with our customers and with providing them great value and excellent service.

Our values of agility, simplicity, reliability and empathy underpin everything that we do and how we behave. It is also these values and behaviours that have created a vibrant culture of people, in amaysim, who care.

We also have a clear strategy that is squarely focused on growth and supported by a strong balance sheet that enables us to take advantage of the growth opportunities in front of us.

I will to take this opportunity to thank our team for their commitment and hard work over the past year to get the business into the shape it is today. I'm incredibly proud of what we achieved. There are silent heros in our organisation and they work every day to provide our subscribers with the best possible service. I thank them.

I also thank the board and management team for their dedication, valuable insights and support throughout what has been a challenging year for the business.

I am confident that following this 're-set' year we are in position to support growth as we move through FY20 and I am pleased with the progress of the business thus far.

Finally, I extend our appreciation and thanks to all our shareholders for their ongoing support.

Thank you