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24 February 2020

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

Interim Results FY20

Dear Sir or Madam,

Please find enclosed the announcement of amaysim Australia Limited's (ASX: AYS) interim financial results for the financial year 2020 is attached.

The Company has also lodged its results presentation, which this announcement should be read in conjunction with, and the financial interim report which includes the appendix 4D.

Yours sincerely

Alexander Feldman

amaysim | Chief Strategy Officer, General Counsel & Company Secretary

ASX ANNOUNCEMENT

24 February 2020

amaysim 2020 half year result

On track to meet FY20 guidance, strong mobile subscriber growth and solid energy result

amaysim Australia Limited ("amaysim" or "Company") today announced its interim results for the half year ended 31 December 2019.

KEY HIGHLIGHTS

- Net profit after tax from continuing operations was $3.7 million, up $8.5 million, or 177.5%
- Mobile subscriber growth accelerated in 1H20 through marketing and an acquisition with 706k recurring mobile subscribers as at 31 December 2019 and 1.05 million total mobile subscribers:
  - organic growth of 41k mobile subscribers since 30 June 2019
  - acquisition of Jeenee Mobile added a further ~41k recurring mobile subscribers (as at 31 December 2019)[1]
- Net revenue of $244.4 million, down 7.1% on the prior half year period (1H19: $263.0 million) due to lower ARPU across the mobile and energy business units
- Underlying EBITDA of $24.0 million, down 17.9% (1H19: $29.2 million):
  - significantly increased marketing investment was a key driver of lower mobile underlying EBITDA, which was down 49.7% to $5.3 million (1H19: $10.6 million)
  - energy underlying EBITDA remained stable at $18.7 million versus 1H19: $18.7 million
- Improved mobile gross profit of $36.3 million (1H19: $35.7 million) and energy gross profit decreased to $40.4 million (1H19: $43.3 million)
- Gross profit margin was solid across the Group at 31.4% (1H19: 30.0%) with mobile gross margin climbing to 39.8%, from 33.1%, due to the strength of the network supply agreement (NSA)
- On track to achieve FY20 underlying EBITDA guidance of $33 million to $39 million (refer to Outlook section)

[1] The acquisition of Jeenee Mobile was completed on 30 November 2019, and as such, Jeenee's financial contribution to the amaysim Group's 1H20 results is for one month only.

All 1H20 numbers in this document are on a 'New GAAP' basis and incorporate the impact from AASB9, AASB15 and AASB16. The comparative period 1H19 takes into account AASB9 and AASB15. AASB16 was not applicable in 1H19 and therefore care must be taken when comparing reported results.

This ASX announcement should be read in conjunction with the 2019 full year report and investor presentation. The investor presentation includes analysis for 1H20 on a pre AASB16 basis.

Commenting on the 1H20 financial results and operations, Mr Peter O'Connell, Chief Executive Officer and Managing Director said:

"Our 1H20 result reflects continued progress against our strategy to be Australia's leading subscription utilities provider, with our mobile business performing strongly and solid results from our energy business.

"Increased investment in mobile marketing initiatives has delivered exceptional subscriber growth during the period. Our plans in market are the most competitive they have ever been, enabled by our revitalised network supply agreement (NSA) with Optus, signed in May 2019. The agreement continues to underpin our mobile business and enables us to be more agile and competitive when it comes to launching and developing new customer offers.

"Regulatory changes continue to impact the energy business and we continue to monitor and manage our margin amid this new regulatory environment. Given the uncertainty, we held back some marketing investment in energy until we have regulatory stability and therefore more visibility on the impact to our business. Despite the pressure, we are pleased with the performance of the energy business in this half.

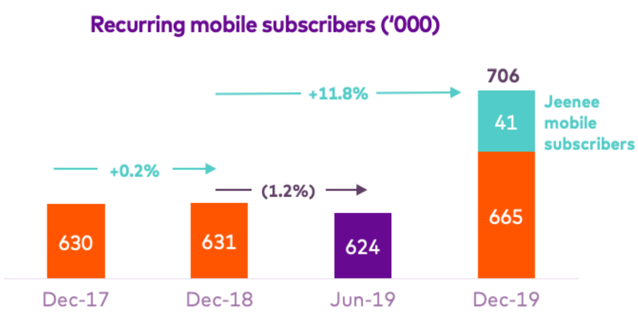
"We believe a major shift in Australia's energy market is imminent and with our new subscription energy plans now live in NSW, VIC and QLD, we are well placed to take advantage of this structural change. Ultimately our subscription energy plans are aligned to the regulators' goals of making pricing simpler and more transparent, and in time, we believe subscription energy plans will become an important way in which consumers buy energy.

"We are seeing great results from our customer-centric approach that aims to provide great value and a superior experience. Not only is our marketing activity delivering improved brand awareness, but our net promotor score continues to climb, and we were recently reported as the least complained about telco in a report by *CommsAlliance*."

MOBILE

Following our announcement in August 2019 that we would invest up to an additional $15 million in mobile marketing in FY20, marketing activity has significantly increased and we are already seeing the benefits of this increased and sustained investment.

The recurring mobile subscriber base totalled 706k as at 31 December 2019, up 11.8% on 1H19 (631k recurring subscribers). Since 30 June 2019, 41k subscribers were added to the recurring base organically, driven by a range of marketing initiatives, and a further 41k mobile subscribers were added from the acquisition of Jeenee. The recurring subscriber base continues to account for the majority of mobile revenue (~96%), with AYG and other non-recurring sources accounting for the remaining ~4%.



Mobile underlying EBITDA decreased by 49.7% to $5.3 million for 1H20, on net revenue of $91.3 million (1H19 net revenue: $108.0 million).

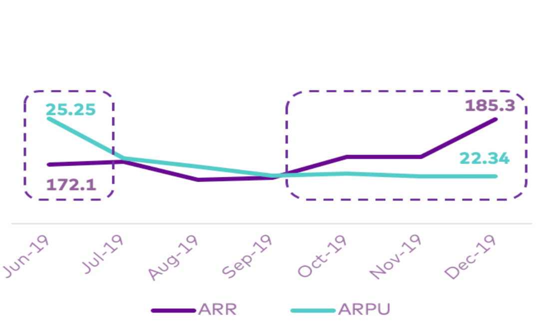
The increase in marketing investment that has driven growth in the customer base, contributed to lower EBITDA in the short term and the decrease in net revenue was the result of lower ARPU.

ARPU for 1H20 was $22.34, a 15.4% decline on 1H19 ($26.42). The decline was due to lower ARPU of previously acquired customers amid a competitive market and fewer purchases of data top-ups as we increased plan inclusions in June to deliver better value to all subscribers. The acquisition of Jeenee also had a minor negative drag on ARPU (as its subscribers have a lower ARPU compared to the Group's existing recurring mobile subscriber ARPU).

While ARPU is still under pressure, we are seeing a reduction in the rate of decline and now that we have reduced our reliance on excess revenue from top-ups, every new subscriber is delivering incremental revenue growth. (Refer to slide 9 in the results presentation for more detail).

Mobile headwinds are diminishing and our annualised recurring revenue (ARR) on the recurring mobile subscriber base provides a strong indication that revenue has turned a corner and is growing.

ARR ($M) versus ARPU ($)



Mobile gross margin was strong at 39.8%, which was an improvement from 33.1% in 1H19. Gross profit was 1.6% higher at $36.3 million (1H19: $35.7 million). We consistently aim to keep our gross margin above 30% and significantly outperformed this half year and we expect another strong performance in 2H20.

ENERGY

The energy business delivered a solid performance, with underlying EBITDA of $18.7 million, in line with the prior half year (1H19: $18.7 million). Net revenue was $153.0 million for the period, down 1.3% on $155.1 million in 1H19.

Gas and electricity subscribers totalled 201k as at 31 December 2019, representing an increase of 3.4% on 1H19 (194k).

During the half, we made the decision to preserve capital by holding back on some marketing spend as we monitor the impact of energy regulations on the market. Sales contribution from our own channels (Click and On The Move) performed well during the period, with 47% of sales in Q2 from these channels.

Energy ARPU was 6.2% lower at $125.31 (1H19: $133.54) reflecting lower volumes across the energy market due to a milder winter, growing solar installations and increasing energy efficiency of devices and appliances. Gas accounts now make up 28% of the energy subscriber base, up from 26% in 1H19. Gas accounts have lower relative consumption making them typically lower billing.

The energy business delivered gross profit of $40.4 million, a 6.6% decline on 1H19: $43.3 million. Gross profit margin was down to 26.4% from 27.9% in 1H19. In the FY19 results, we flagged that we anticipated energy margins to come down as a result of regulatory changes. This reduction in margin has had a positive impact on customer retention.

Most of these changes took effect mid-way through the first half and therefore could have more impact on the second half. Relative to the first half, the second half is expected to have lower energy usage (and therefore revenue) because it is typical for usage in summer and autumn to be lower than winter and spring.

We have seen modest organic growth of the subscription energy plans and are pleased with the progress to date. During the half year, support for solar was introduced and we made a number of other improvements. We have decided to delay any major marketing spend until after June 2020 to allow us time to assess the state of the market and the regulatory framework.

It is clear the market is in need of more consumer friendly, transparent and simpler energy plans and we are seeing larger energy providers begin to support this shift. We welcome this support in the market for subscription energy plans as it will help to drive awareness and consumer acceptance of this new approach.

GROWTH STRATEGY

We have a focused growth strategy and have made progress in all three strategic pillars during 1H20.

Growing our core mobile recurring subscriber base

- Launched new competitive plans and marketing campaigns that accelerated subscriber growth with 41k new recurring subscribers added in the 6-month period to 31 December 2019
- Acquired Jeenee and added a further 41k recurring subscribers, bringing the total added during the half to 82k
- Strong growth has continued into 2H20; 727k recurring mobile subscribers at 20 February 2020, a 3% increase on 31 December 2019
- Average monthly churn remained stable across the total base at 2.4% and we continue to focus on improving this

Change the Australian retail energy market with disruptive subscription energy plans

- Subscription energy plans switched on in NSW and QLD following the rollout of plans in VIC In April 2019
- Modest but steady organic growth; we will continue to test and optimise energy plans ahead of a more extensive launch and marketing activity which is not expected until FY21
- Added support for solar customers during the half year period, expanding the potential customer acquisition funnel
- Continue to play a role in shaping the national dialogue and regulation through ongoing submissions, commentary and lobbying activity
- Continue to grow the traditional energy customer base to support overall growth of the energy business; 203k energy subscribers at 20 February 2020, a 1% increase on 31 December 2019

amaysim

Build a trusted brand for subscription utility services

- Marketing activity and investment improved unprompted brand awareness by 300 bps to 19%; the goal is to reach +20% in FY20
- Net promotor score (NPS) continues to improve; +46 for the amaysim brand in the November quarter (the highest it has been since May 2017)
- Complaints remain at an all-time low with the latest *CommsAlliance Complaints in Context Report* for July to September 2019 reporting that amaysim has the lowest number of *Telecommunications Ombudsman Industry* complaints compared to other telcos

OUTLOOK

We continue to believe in the long-term future of mobile, the value of our leading position in the MVNO market and the inherent strategic value of our growing recurring subscriber base (including to our wholesale services provider).

We are pleased with how our mobile business has continued to grow into 2H20 and we will continue to reinvest in marketing initiatives to drive sustained and commercially viable growth.

The increase in our Senior Debt Facility provides further capacity for acquisitions and we will continue to consider bolt-on acquisitions that make strategic sense and allow us to leverage our operating structure.

As mentioned above, seasonality negatively impacts energy usage in the second half and as such the contribution from energy is expected to be lower. We continue to monitor and manage margin in the revised regulatory environment and are focused on delivering excellent customer experiences and utilising our own sales channels to drive growth.

We remain on track to achieve FY20 guidance of underlying EBITDA in the range of $33 million - $39 million (on a 'New GAAP' basis that takes into account the impact of AASB9, AASB15 and AASB16). Guidance takes into consideration a seasonally lower energy consumption in the second half, lower energy margin and the continued reinvestment into mobile marketing and assumes no material changes or adverse effects from market conditions, operating environments or business circumstances.

WEBCAST DETAILS FOR INVESTORS

Management will hold an investor and analyst briefing this morning (24 February 2020) at 10:00am (AEDT) to present the 2020 half year result. To register and listen to the live conference call, please go to https://webcast.openbriefing.com/5682/

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ABOUT AMAYSIM

amaysim exists to make the lives of its customers amazingly simple and is removing the unnecessary hassle from everyday life by simplifying mobile and energy services. amaysim launched in 2010 and is Australia's fourth largest mobile service provider and a proven market disruptor.

amaysim is bringing the best of its ground-breaking approach to mobile into the energy sector with subscription energy services to help drive a fundamental shift in the industry towards simplicity and flexibility. amaysim is a technology-driven company, and offers customers smart tools, DIY account management and award winning, online-first customer support. All of amaysim's services also feature no lock-in contracts and are built to deliver a great customer experience and convenience. For more information about amaysim visit amaysim.com.au.

Appendix A –1H20 Key Financial Information for Continuing Businesses

Financial period ended 31 December $ million (unless stated otherwise)	1H20 Underlying	1H19 Underlying	Change
Reported basis			
EBITDA	24.0	29.2	(17.9%)
mobile	5.3	10.6	(49.7%)
energy	18.7	18.7	No change
Comparable basis (excluding the effect of new Accounting Standard changes)			
EBITDA (on a comparable basis)	22.3	29.2	(23.7%)
mobile (on a comparable basis)	4.4	10.6	(58.6%)
energy (on a comparable basis)	17.9	18.7	(3.9%)

Financial period ended 31 December $ million (unless stated otherwise)	1H20 Statutory	1H19 Statutory	Change
Net revenue	244.4	263.0	(7.1%)
Gross profit	76.7	79.0	(2.9%)
Gross profit margin (%)	*31.4%*	*30.0%*	*+136 bps*
EBITDA	**23.5**	**27.2**	**(13.8%)**
NPAT (continued operations)	3.7	(4.8)	178%
EPS (cps)[1]	1.3	(2.3)	155%
Subscribers ('000)			
Mobile (recurring subscribers only)	706	631	11.8%
energy	201	194	3.4%
ARPU ($) per month			
Mobile (recurring subscribers only)	22.34	26.42	(15.4%)
energy	125.3	133.5	(6.2%)

Percentage change movements reported in the table above have been calculated on exact numbers hence may not calculate on numbers in the table displayed.

[1] Statutory EPS is calculated as NPAT divided by the weighted number of shares on issue.