amaysim Australia Ltd

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Sydney NSW 2000

www.amaysim.com.au

ABN: 65 143 613 478

31 August 2020

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

2020 Annual Report

Dear Sir or Madam,

In accordance with the Listing Rules, please find enclosed amaysim Australia Limited's (ASX: AYS) annual report for the financial year 2020.

Authorised by:

Alexander Feldman

amaysim | Chief Strategy Officer, General Counsel & Company Secretary

annual report 2020

amaysim Australia Ltd

amaysim

Contents

Our mission

is to be Australia's best subscription utilities provider

We are an asset-light utility service provider, focusing on mobile and energy. A key focus for our business is on delivering simple and transparent plans and excellent customer service.

amaysim launched in 2010 and is now the largest mobile virtual network operator (MVNO) in Australia and the fourth largest mobile service provider overall.

We entered the retail energy market in 2017 with the acquisition of Click Energy and are one of the leading energy retailers with over 200,000 subscribers.

At its core, amaysim is a technology-driven company and we continue to enhance our technology platforms to provide a customer-centric and superior user experience.

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

Highlights

$40.1m
underlying EBITDA
(15.2%) vs FY19

$151.1m
gross profit
(0.7%) vs FY19

$490.5m
net revenue
(3.5%) vs FY19

$38.4m
statutory EBITDA
(12.6%) vs FY19

$0.6m
NPAT
N/A*

mobile

- Awarded Canstar Blue's Customer Satisfaction Award for Prepaid Mobile Providers; Best Postpaid Month-to-month SIM under $40 by Finder; and Mozo's People's Choice award for Value for Money
- Remain the least complained about telco in the CommsAlliance Complaints in Context report
- Acquired Jeenee Mobile and completed integration adding ~41,000 mobile subscribers
- Launched new plans following signing the revitalised network supply agreement (NSA)
- Launched Endless Summer campaign for unlimited mobile data
- Won three Whistle Out awards for Best Prepaid Provider, Large Plans; Best International Calls and; Best Phone Plans for Kids
- Increased NPS score to +57 (up from +41 in the 12 months prior)
- Acquired ~77,000 OVO mobile subscribers and completed the migration ahead of schedule
- Began increased marketing activity and retention programs
- Launched 'Acts of amaysim' brand campaign and unprompted brand awareness continues to climb

energy

- Energy reached an all-time high of subscribers of 211,000
- Best NPS score in the Company's history; +6 for FY20 and +17 in Q4 FY20
- 36% growth of total On The Move applications: 62.3k applications in FY20
- Launched live bill upload to allow potential energy customers to upload existing bills and compare plans
- Added solar capabilities to subscription energy plans, expanding the potential customer acquisition funnel
- 56% of growth delivered through owned sales channels in FY20 - compared to 46% in FY2019
- Ombudsman cases down by 43%
- 26.3% extraction of On The Move rent roll
- Improved the subscription energy mobile app with daily usage data tracking

* The percentage change cannot be defined due to moving from a loss in FY2019 to a profit in FY2020.

Letter to shareholders

Dear shareholders

We are pleased to present amaysim's annual report for the full year ended 30 June 2020. This year, we focused on execution, as we successfully implemented and progressed our strategy, despite the challenges of drought, bushfires and COVID-19 that impacted our people and businesses.

We have been working remotely since March 2020 and many of our people faced difficult circumstances. It has been amazing to see how well our people and the business performed amid remote working. Productivity did not suffer and we could not be prouder of how each and every one of us has supported one another.

We entered FY2020 in a strong position to drive growth following the reduction and restructure of our debt, and having signed revised pricing terms under the revitalised network supply agreement (NSA) with Optus.

Our growth strategy was focused on three key pillars and in this letter, we provide an update on each of these pillars and how they have advanced and developed during FY2020.

Strategy update

1. Driving growth of our core mobile recurring subscriber base

The day after signing the revitalised NSA pricing terms on 31 May 2019, we launched our new and competitive mobile plans to our existing customer base, rewarding their loyalty and affirming amaysim as a great value mobile plan provider. We then launched the new competitive mobile plans in market and delivered on our commitment to increase our investment in marketing to drive subscriber growth.

The revitalised NSA pricing has provided us the flexibility to be agile in our approach to mobile plan development, and response to competitive market dynamics. We are no longer playing catch-up and now control our own destiny.

As a part of our renewed focus on retention, we rewarded our existing loyal customers with additional bonus data and deployed a new customer engagement marketing strategy that has improved customer retention. Furthermore, our customer response to the COVID-19 pandemic of additional data for all of our subscribers was well received and this, together with our highly engaging content marketing during 'lockdown', has significantly improved our churn to 2.2% (monthly average for the year), compared to 2.4% (monthly average) in the first quarter of FY2020.

This lower churn, combined with our increased marketing activity, has driven substantial organic net growth of the mobile subscriber base. Since 1 July 2019, we added over 91,000 new recurring subscribers organically and a further 115,000 through the acquisition of Jeenee Mobile and OVO Mobile subscribers.

As at 30 June 2020, our recurring mobile subscriber base totalled 830,000, 33% higher than the closing base at 30 June 2019, representing significant growth of the mobile base and successful execution of our strategic goal to grow the mobile business.

Including our As You Go subscribers (who account for less than 4% of the mobile revenue), we have a total mobile subscriber base of 1.18 million (as at 30 June 2020).

The growth of our mobile subscriber base is of great strategic importance as we explore the future supply of wholesale mobile network services. A larger customer base and proven ability to grow makes us very valuable to our mobile network wholesale partner, Optus, or any future wholesale partner.

2. Changing the retail energy market by disrupting it with subscription energy

Since we first announced our strategy in energy, there has been an unprecedented volume of regulatory change in the market and there is no end in sight. Furthermore, we anticipate that the industry will also experience an increase in bad debt as a result of COVID-19. When this will take effect is not yet known, as the government's JobSeeker and JobKeeper programs created a much-needed source of financial security.

The business is therefore facing structural headwinds and the impact of the regulatory changes and government intervention are putting pressure on energy retailers.

With this in mind, we commenced a strategic review of the business to consider options to unlock shareholder value and as part of the process we explored a range of strategic options in relation to the energy business. The subsequent result of the strategic review is that we have announced a sale of the energy business to AGL (see the announcement dated 31 August 2020).

The energy business has delivered $87.8 million in underlying EBITDA since we acquired the Click Energy business in May 2017 and supported the Mobile business throughout a highly competitive environment.

The regulatory pressure in energy throughout FY2020 impacted our gross margin in energy and created an elevated level of uncertainty and sovereign risk in the market. This led to our decision to delay any substantial marketing investment in our subscription energy plans – despite a wholehearted belief that they represent an innovative change in how energy is sold.

Instead, this year, we focused on our traditional energy business and on maintaining and strengthening its position in the market. The performance of our energy business has been strong despite the cost and distraction of spending much of the year on the implementation of countless changes to comply with new regulation.

We successfully leveraged our owned sales channels (Click Direct and On The Move) and were able to cost effectively and organically increase our energy subscriber base. As at 30 June 2020 our energy subscriber base was at an all-time high with 211,000 subscribers.

3. Building the amaysim brand and becoming a trusted brand for subscription services

Since we increased our investment in mobile marketing activity, we have made excellent progress in growing awareness of the amaysim brand. At the end of June 2019, our unprompted brand awareness score was 16%. This peaked in the March 2020 quarter to 22% following our Endless Summer campaign offering endless data. We achieved an average score for FY2020 of 19%. We expect continued growth in this measure due to our increased and sustained marketing.

Brand awareness plays an important role in customer acquisition. The higher our unprompted brand awareness, the more people think of us when considering mobile plans, leading to more interest at the top of our marketing funnel and subsequent ability to drive stronger customer acquisition.

Our focus on customer service and rewarding our existing subscribers for their loyalty has led to an increase in our mobile net promoter score (NPS) to +57 as at May 2020 – up from +41, 12 months prior. This is the highest our NPS has been in five years and a great achievement for our business. NPS is a key metric for our business and we are consistently achieving a score significantly higher than the industry average.

Furthermore, we have maintained our position as the least complained about telecommunications company. In the March 2020 quarter "Complaints in Context Report" by the CommsAlliance, we reported a total of 0.4 complaints to the Telecommunications Industry Ombudsman per 10,000 subscribers. This was a decrease on the prior March 2019 quarter that reported 0.5 complaints and reflects our ongoing focus on delivering excellent customer service.

During the year, we reached a low of 0.2 complaints per 10,000 subscribers in the September 2019 quarter. It is likely that the increase in the March 2020 quarter is a reflection of the disruption to our customer service channels caused by the COVID-19 pandemic. We were not alone in this and we have been very proud of how our customer service teams have performed. We believe that this result is a strong outcome given the circumstances.

FY2020 Financial Performance

In addition to executing on our strategy, we also delivered a solid financial performance. We exceeded our underlying EBITDA guidance range of $33.0 - $39.0 million, reporting underlying EBITDA (for continuing operations and after the impact of changes in accounting policies) of $40.1 million and net revenue for the Group of $490.5 million.

We flagged at the FY2019 results that our FY2020 underlying EBITDA would be lower than FY2019 due to our increased investment in mobile marketing, lower energy margin as a result of regulation, and lower energy consumption.

We said we would spend up to an additional $15 million in mobile marketing. During FY2020, we spent an additional $9.1 million (including promotions that are a deduction to revenue), bringing the total mobile marketing investment to $19.6 million. The increased marketing activity has not only driven subscriber growth, it has improved our unprompted brand awareness score and churn.

We have provided further commentary on the financial results and the performance and drivers for each business segment in the Operating and Financial Review that forms part of this Annual Report.

Industry overview and outlook

Mobile

Towards the end of FY2019, sustainable pricing started returning to the mobile market and this largely continued throughout FY2020. We think that pricing is 'sustainable' when plans are being sold with reasonable margins which can be maintained, having regard to the total cost of running a mobile business (whether for an MVNO or an MNO). We expect the market to remain stable throughout FY2021 and that sustainable pricing should be supported by network operators focusing on their investment in the rollout of 5G.

The newly minted TPG Telecom (including Vodafone) should be good for consumers as TPG's spectrum will be put to good use and will expand the options for quality wholesale partners.

As the network operators look to stabilise and improve ARPU through value-added services (such as content) and 5G, there may be an opportunity for us to target those subscribers seeking simpler plans with exceptional value and great customer service in the high quality and fast 4G network. Once services and handset prices stabilise in 5G we will pursue more aggressive marketing in 5G.

Customers not only want value; they want to know that their mobile provider is there to support them should they be facing hardship. During COVID-19, the mobile industry stepped up to support their customers and this collective response has greatly improved consumer perception of the telco market. We intend to continue to identify ways to support our customers and deliver value.

Energy

The unprecedented regulatory change that took effect during FY2020 has had a significant negative impact on retail energy providers and further pricing regulations that are taking effect in FY2021 will continue to put pressure on margins.

The impending impact from a rise in bad debt will also have an overwhelmingly negative effect on small retailers.

The decision to sell the energy business removes any risk associated with ongoing exposure to a challenging and changing regulatory environment and an impending rise in bad debt as a result of COVID-19.

It also provides additional capital to enable us to repay $53.05 million of debt and strengthen our balance sheet and to continue to invest in sales and marketing initiatives to further drive the growth of Mobile.

Capital allocation

We entered FY2020 with a strong balance sheet and $30.7 million in cash and cash equivalents.

In FY2020, we capitalised on the growth opportunity in mobile, supported by our increased investment in mobile marketing and growing the recurring subscriber base organically by 15%. With the addition of acquisitive growth of Jeenee Mobile and OVO subscribers, we have grown the recurring subscriber base by 33% this financial year. This growth is strategically important as we tender our wholesale agreement.

Growth in mobile therefore remains a key strategic priority for the business. As such, the Board has decided to continue to reinvest in the growth of the business and has not declared a dividend for the 2020 financial year.

During the COVID-19 pandemic, which created uncertainty across the economy, we made the prudent decision to conserve capital by delaying our expected investment in technology. This meant that a number of the workstreams were placed on hold until there is more certainty in respect of the pandemic gripping the Australian economy. These technology enhancements still remain an important focus for the business and we are already realising the benefits from prior investment in this space.

We closed FY2020, with cash and cash equivalents of $45 million.

Environmental, social and governance

We recognise that our stakeholders are increasingly looking at sustainability and this year marks the first year that we have introduced a fulsome Environmental, Social and Governance (ESG) report. In this report, we outline our commitments to operating a sustainable business and identify the topics that have the most bearing on the business' sustainability.

Our long-term goal is to continue to make a positive impact on our environment and our community (which includes our people) and while we are at the early stages of our ESG reporting journey, we have always been focused on our contribution to the environment and society.

The report also highlights how we helped and supported our people and customers during COVID-19 and our response to one of the worst bushfire seasons on record.

The full report begins on page 23 of this annual report.

Board and management changes

There were fewer Board and management changes during this financial year, reflecting the stability, commitment and strength of the executive team.

In March 2020, Rupert Greenhough was appointed as Non-Executive Director, filling the vacancy created by the resignation of Thorsten Kraemer in August 2019. Rupert has also joined the Audit and Risk Management Committee. He is an experienced finance professional and spent two decades of his career at KPMG working across the firm's audit and corporate finance practices.

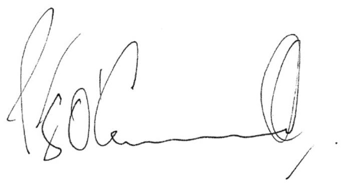
His experience working with small and medium enterprises and managing high growth companies is already proving to be highly valuable and we are very pleased to have someone of Rupert's calibre on the Board.

Thank you

We would like to thank our people and the Board and management team for their dedication and hard work this year. The second half of this year was particularly challenging, amid remote working, to maintain our culture and enthusiasm and we couldn't be prouder of how each and every one us managed this transition and supported each other.

We would also like to extend our gratitude to our shareholders for their support and we look forward to sharing our progress with you throughout FY2021.

Andrew Reitzer
Chairman



Peter O'Connell
CEO & Founder

Corporate Governance Statement

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

To promote stakeholder confidence and protect the interests of shareholders, amaysim has established a best practice framework of systems and processes to ensure the Group's corporate governance complies with regulatory requirements applicable to publicly listed entities.

This Corporate Governance Statement aligns to the ASX Corporate Governance Council Corporate Governance Principles and Recommendations (4th Edition) (the "Principles").

This Corporate Governance Statement details amaysim's corporate governance framework, including policies and practices that instil good governance and management of issues that are of a material concern to our business.

We regularly review our governance arrangements in relation to regulatory developments, as well as developments and best practice expectations in the industries in which we operate.

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 investor website at investor.amaysim.com.au.

This statement was approved by the Board of Directors of the Company on 31 August 2020.

Principle 1 Lay solid foundations for management and oversight

The Board Charter governs the operations of the Board and sets out the responsibilities of the Board and management, as well as the Board's composition, roles and responsibilities, structure and membership requirements.

The Board is responsible for the overall operation and stewardship of the Company and, in particular, for the strategy to deliver long-term growth and profitability. The Board should act at all times in a manner designed to create and build sustainable value for all stakeholders.

Responsibilities of the Board and management

The Board works with management in a manner that ensures appropriate oversight and accountability of management. The role of the Board in relation to management includes:

- appointment and removal of the Chief Executive Officer (or equivalent) and the Company Secretary;
- ratifying the appointment and removal of senior executives (which includes all executives who report directly to the Chief Executive Officer);
- approving the Company's remuneration policies and framework and determining whether the remuneration and conditions of service of senior executives are appropriate and consistent with the approved remuneration policies and framework;
- establishing and monitoring executive succession planning;
- delegating the day to day decision making and implementation of Board approved strategy to the Chief Executive Officer; and
- setting specific limits of authority for management.

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.

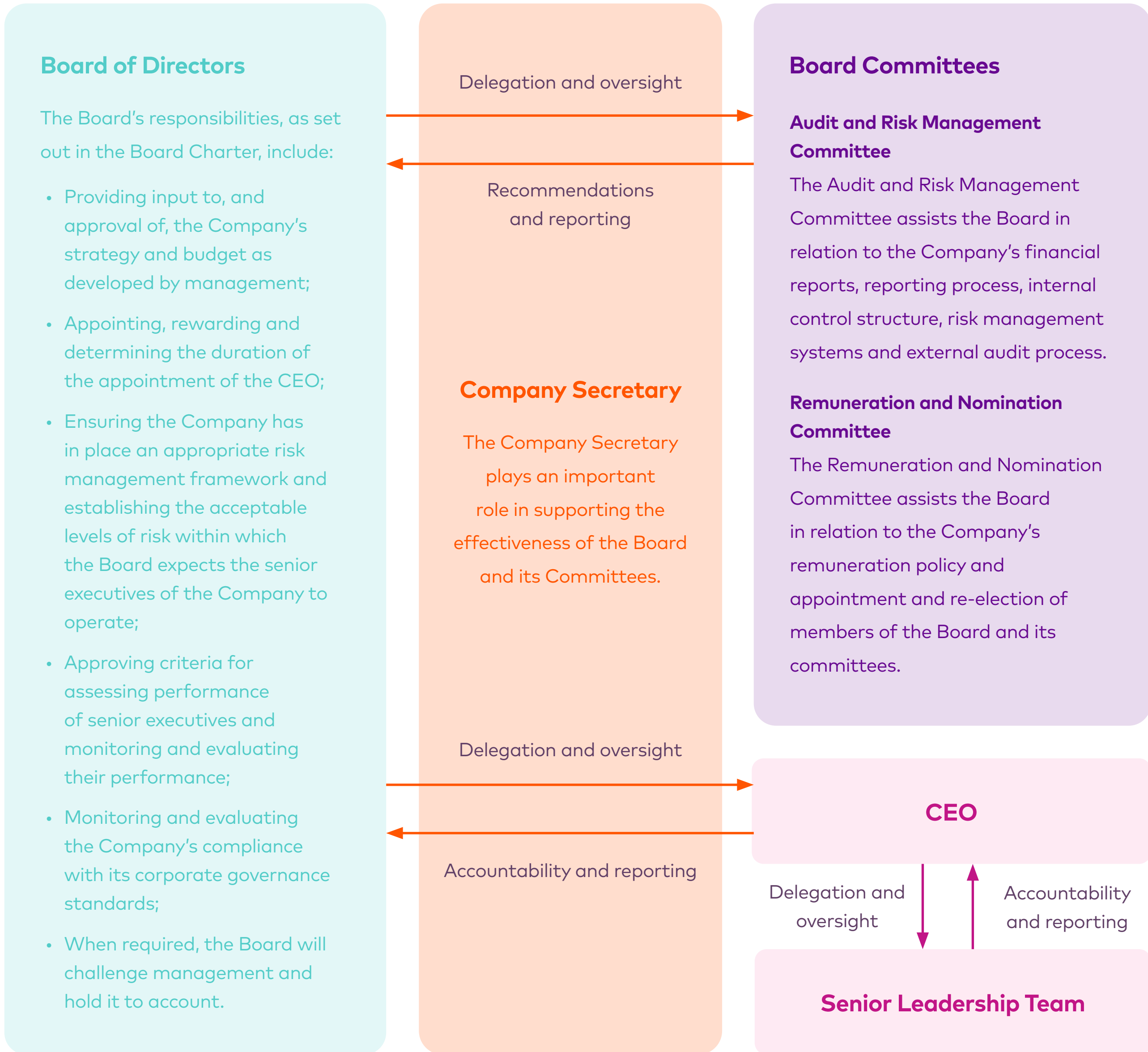
The Company Secretary is accountable to the Board through the Chairman and will be responsible for the proper functioning of the Board and the Board Committees. The decision to appoint and remove the Company Secretary is the decision of the Board.

While the responsibility of developing business plans, budgets and strategies sits with the executive management team, the Board plays an important role in respect of strategy, including:

- providing input to, and approval of, the Company's strategic direction and budgets as developed by management;
- directing, monitoring and assessing the Company's performance against strategy and business plans, to determine if appropriate resources are available; and
- approving and monitoring capital management and major capital expenditure, acquisitions and divestments.

As part of the Board's role to ensure appropriate oversight of management, the Board is responsible for establishing an appropriate risk management framework and establishing acceptable levels of risk within which the Board expects management of the Company to operate. This includes:

- determining the economic, environmental and social sustainability risks, as well as operational, financial and strategic risks;
- reviewing and ratifying the Company's systems of internal compliance and control, risk management frameworks and legal compliance systems, to determine the integrity and effectiveness of those systems; and
- approving and monitoring material internal and external financial and other reporting, including:
  - periodic reporting to shareholders, the ASX and other stakeholders; and
  - overseeing the Company's processes for making timely and appropriate disclosure of all material information concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities.



Principle 2 Structure the Board to be effective and add value

Board composition and Director independence

With the exception of Peter O'Connell, the Board is comprised of independent, Non-Executive Directors. The roles of Chairman and CEO are not exercised by the same individual.

Independence is decided based 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, positions, associations and relationships disclosed by them. 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 as described in the 4th Edition ASX Corporate Governance Principles and Recommendations, that would compromise the independence of that Director.

The following outlines the composition of the Board at 30 June 2020.

Name	Independent	Position	Appointed
Andrew Reitzer	Yes	Non-Executive Chair	22 June 2015
Peter O'Connell	No	Chief Executive Officer and Managing Director	1 July 2018
Jodie Sangster	Yes	Non-Executive Director	26 June 2015
Goetz Maeuser	Yes	Non-Executive Director	26 October 2018
Craig Jackson	Yes	Non-Executive Director	27 November 2018
Rupert Greenhough	Yes	Non-Executive Director	17 March 2020

Composition and responsibilities of Committees

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

1. Audit and Risk Management Committee; and
2. Remuneration and Nomination 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 investor website at: investor.amaysim.com.au

1. Audit and risk management committee

Roles and responsibilities

The Committee assists the Board in carrying out its corporate governance and is responsible for monitoring the risk management framework. Specifically, this is 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.

The Committee reviews and makes recommendations to the Board regarding the risk framework and oversees the steps taken to address any changes in the framework.

Composition

During the relevant reporting period, the Committee was comprised of three Non-Executive Directors, the 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 Chair.

Membership (as at 30 June 2020)

Craig Jackson (Chair); Jodie Sangster; and Rupert Greenhough.

2. Remuneration and nomination committee

Roles and responsibilities

The main role of the Committee is to assist the Board to establish an effective Board with the necessary composition, size, diversity and skills required and to adequately discharge its responsibilities and duties.

Its other role is to assist the Board with a view to discharging its responsibilities to shareholders and other stakeholders.

Composition

During the relevant reporting period, the Committee was comprised of two Non-Executive Directors, all 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 Chair.

Membership (as at 30 June 2020)

Andrew Reitzer (Chair); Goetz Maeuser; and Jodie Sangster.

Board skills matrix

The Board should comprise a mix of skills and diversity of backgrounds to enable the Board to discharge its duties effectively.

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.

It also endeavours to ensure the composition of skills and experiences align with achieving amaysim's strategic goals which are set out in the letter to shareholders on page 8 of the 2020 Annual Report.

The following table outlines the experience and skills represented by the current composition of the Board, and of those that the Board deems necessary. The Company is continually updating the matrix to reflect its strategy and direction and will consider periodic enhancements. The latest updated Board Skills Matrix is below.

Skills and experience	Requirements Overview
Legal	• Legal experience
Technology	• Knowledge of IT Governance including privacy, data management and security
Finance	• Expertise in financial accounting and reporting and internal financial Controls
Human resources	• Experience in managing human capital; remuneration and reward, industrial relations, strategic workforce planning
Acquisitions and Integration	• Experience in acquisitions and post-acquisition integration
Risk and compliance	• Experience in identifying and managing risks and regulatory compliance
Debt and equity raising	• Experience in capital markets including in raising capital
International experience	• Global business experience. Exposure to multiple cultural, regulatory and business environments
Large corporation experience	• Experience gained within a large enterprise
Non-Executive Director experience	• Experience in this capacity
Executive Director experience	• Experience in this capacity
Commercial experience	• Possesses a broad range of skills across communications, marketing and business operations
Executive management	• Experience in this capacity
Telecommunications industry experience	• Senior management level experience within the telecommunications sector

Appointment

Directors receive formal letters of engagement setting out the key terms, conditions and expectations of their engagement.

This includes disclosure of:

- Director interests;
- compliance with corporate policies;
- requirements when accepting a new role;
- indemnity and insurance arrangements;
- policy on seeking independent professional advice at the expense of the entity;
- access to corporate information; and
- confidentiality obligations.

Appropriate checks are undertaken before the appointment of a Director or when putting someone forward for election as a Director. This includes checks of the person's character, experience, education, criminal record and bankruptcy. For candidates standing for election or re-election as a Director, all material information is disclosed within the Notice of Meeting, relevant to a decision on whether or not to elect or re-elect a Director.

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.

All Directors receive briefings on material developments in laws, regulations and accounting standards relevant to amaysim.

Performance evaluation

The Remuneration and Nomination Committee assists 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.

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 remuneration structure (including long term and short term incentives) focuses on retaining talent and rewarding performance over and above expectations and various performance indicators (refer to the Remuneration Report as applicable).

Director succession planning

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

- considering the skills, background, knowledge and experience, and gender diversity necessary to allow the Board to continue to meet its requirements;
- assessing the skills, backgrounds, knowledge, experience and diversity currently represented;
- identifying any inadequate representation and establishing a process necessary to ensure a candidate is selected who brings the required attributes to the Board;
- assessing how Board performance could be enhanced; and
- for candidates standing for election or re-election as a Director, all material information is disclosed within the Notice of Meeting, relevant to a decision on whether or not to elect or re-elect a Director.

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.

Principle 3 Instil a culture of acting lawfully, ethically and responsibly

The Board is committed to a high level of integrity and ethical standards in all business practices and has in place a formal Code of Conduct which outlines how amaysim expects its representatives to behave and conduct business in the workplace.

All employees of amaysim (including temporary employees, contractors and Directors) must comply with the Code of Conduct. The Chair of the Audit and Risk Management Committee, the Company Secretary or the Company auditors may be contacted for any suspected fraudulent or unethical behaviour or breach of applicable law or Code of Conduct.

This year, the Board adopted a Human Rights Policy, which aligns to the United Nations (UN) Guiding Principles on Business and Human Rights and we incorporate the Ten Principles of the UN Global Compact into our policies and procedures and demonstrate our commitment to these principles.

A Supplier Code of Conduct was also introduced in the financial year 2020. The nature of our supply chain is far reaching and we recognise that our responsibilities in supply chain management extend beyond our own operations. Our Supplier Code of Conduct outlines our expectations of our suppliers and promotes the conduct of business activities in a safe, equitable and responsible manner.

This Code has been distributed to our suppliers with the expectation that they will also observe the Code in our dealings and in their own supply chains.

Supporting the Human Rights Policy and Supplier Code of Conduct are our Code of Conduct, Diversity Policy and Whistleblower Policy.

The Board continues to endorse the Whistleblowing Policy and to engage the independent whistleblower service provider to encourage and assist with disclosure.

As part of our inaugural Environmental, Social and Governance (ESG) Report, we have outlined our material topics that impact the sustainability of our business. The report identifies Ethical Behaviour as one of these key material topics. Please refer to the ESG section in the Annual Report for further details on our approach to promoting a culture of ethical behaviour.

The Audit and Risk Management Committee is responsible for ensuring an adequate system of internal controls are in place, reviewing internal control systems and the operational effectiveness of the policies and procedures related to risk and control.

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).

amaysim does not publish any periodic reports that are not audited or formally reviewed by its auditors.

Relevant governance documents:

- Communications Policy; and
- Continuous Disclosure Policy.

These policies can be found on the Corporate Governance page of our investor website.

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.

Principle 4 Safeguard the integrity of corporate reporting

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 Annual General Meeting (AGM) and to be available to answer questions relevant to the audit.

Having been audited by PricewaterhouseCoopers (PwC) since inception, this financial year, amaysim went to its first audit tender and, following the extensive tender process, it appointed Ernst and Young (EY) as auditor for the Company and its controlled entities effective from 15 January 2020. The Board and management considered that changing audit firms after a long relationship with PwC (approximately 10 years) was best practice governance.

In accordance with this process and s329(5) of the Corporations Act 2001, the Company received the resignation of PwC and ASIC's consent to the resignation and in accordance with s327C of the Corporations Act 2001, the appointment of EY will be recommended by the Board for ratification at the Company's next AGM.

Principle 5 Make timely and balanced disclosure

amaysim is committed to effective communication with its stakeholders and 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 Continuous Disclosure Policy adheres to all continuous disclosure requirements under the Listing Rules and Corporations Act and incorporates best practice guidelines that are not mandatory, including:

- ASX Corporate Governance Council "Corporate Governance Principles and Recommendations" (3rd edition), in particular Recommendations 5.1 and 5.2;
- ASX Guidance Note 8 "Continuous Disclosure";
- Australasian Investor Relations Association "Best Practice Guidelines for Communication between Listed Entities and the Investment Community";
- Australian Securities and Investments Commission (ASIC) Guidance Rules Regulatory Guide 62 "Better disclosure for investors"; and
- ASIC guidance and discussion paper "Heard it on the grapevine".

At least two of the CFO, CEO and Chairperson (or the Board itself) are responsible for determining what information is to be disclosed and the Policy outlines matters that would generally require disclosure.

amaysim 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 investor website as soon as possible after disclosure.

The Board receives copies of all material market announcements promptly after they have been made. amaysim releases a copy of any new and substantive investor or analyst presentations on the ASX Market Announcements Platform ahead of the presentation.

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

Principle 6 Respect the rights of security holders

The Company has designed and implemented an investor relations function which facilitates effective two way communication with investors. The Company communicates with its shareholders by making timely market announcements, by posting relevant information on 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.

amaysim 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. All substantive resolutions at a meeting of shareholders are decided by poll.

amaysim's investor website, located at investor.amaysim.com.au provides all the relevant information for shareholders, including financial reports, ASX announcements, presentations and corporate governance documents.

Principle 7 Recognise and manage risk

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 reviews the entity's risk management framework periodically. 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 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. The Environmental, Social and Governance section of the Annual Report provides more detail on our approach to compliance, that has been identified as one of our material sustainability topics.

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

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

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.

Principle 8 Remunerate fairly and responsibly

Relevant governance documents:

- Remuneration and Nomination Committee Charter; and
- Remuneration Policy.

Remuneration for Non-Executive Directors

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 investor 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.

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.

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.

Furthermore, 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.

Further 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 31 August 2020, unless stated otherwise.

This statement, together with our 2020 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 investor website. More information on our governance arrangements, including our Board and Board Committee Charters and key policies, can also be found on our investor website.

Risks

The amaysim Group operates in a highly competitive and 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 our financial, operational and strategic business performance. Risk recognition and management of risk 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 and report on. 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 risk management policy and periodic reporting enables the strategy by establishing the processes, structures, culture and reporting to identify, assess, treat and monitor various risks. The key elements of this 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 areas of business risk and has determined its appetite in respect of each of these material business risks (as set out in more detail in this section).
- The Audit and Risk Committee assists the Board in fulfilling its corporate governance and oversight responsibilities.
- Responsible managers who operate 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 periodic reporting to the Audit and Risk Management Committee. These reports identify how the business is tracking against the Risk Appetite Statement and are 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. The following information represents a summary of material risks and the applicable management strategies in respect of each risk. It should be read in conjunction with any other risk statements published by the Company from time to time. These risks are not all encompassing, nor listed in any order of significance.

Material Business Risks	Management Strategy
Industry, market and structure Inability to keep pace with changes in industry (including regulatory change) or that market disruption (including through increased competition or the entry of new competitors) may reduce the Group's ability to compete and the sustainability of the business model.	We manage our exposure to this risk by proactively monitoring changes in our industries, new participants and products and changes to regulations. Through investment in new products, 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, we are able to keep pace with changes in the industry and our competition.
People, culture and change management Inability to maintain or 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 by in our interaction with our people, our customers and our business partners. We invest considerable resources each year into our people and culture initiatives.
Business critical systems (internal and 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.
Finance and financial reporting Poor management of finances could result in amaysim running out of cash, breaching financial covenants or suffering from major movements in energy spot prices or foreign exchange rates. Failures in financial reporting could cause amaysim to breach listed entity reporting obligations and would also result in a loss of shareholder confidence.	We understand that maintaining confidence in our Company, Board and/or management team is very important. We have in place approved principles how to prepare financial statements and all company accounts are prepared in compliance with International Financial Reporting Standards and audited to ensure integrity and transparency. Information from sales systems are synced with an integrated financial reporting platform and the preparation of financial documentation is overseen by the Chief Financial Officer. Internal control systems ensure that timely and reliable financial information is available and that the Group's finances are regularly reviewed and monitored.
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 and revenue earning ability or causes disruption to customer service or business continuity.	Our customers' privacy and data security are very important to us, and we are continually working to develop and refine our security systems. We have in place security protocols for managing certain online risks. 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.
Business continuity Failure to adequately predict, prepare and plan for external events that have a significant impact on business continuity may cause major adverse effects on amaysim's service delivery, customer experience and ability to conduct business.	We have assessed our organisation to determine our risks and put in place an incident response plan in the event of any disruption to our operations. We have developed procedures for prevention and recovery in the event of a potential threat to the business' operations. We also have in place a specific business continuity plan in respect of our customer service operations.
Business partner relationships Ineffective management of key business partner relationships may damage amaysim's services and operations and our ability to compete and grow the business profitably.	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 and marketing Reducing brand equity and relevance in the market may adversely impact the ability to maintain or increase market share.	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 service expectations for services and products could lower NPS and increase complaints and therefore reduce the 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.

Environmental, Social and Governance

Environmental, Social and Governance Report

Sustainability statement

Our business has always been focused on our contribution to, and impact on, the environment and society. However, from an environmental, social and governance (ESG) reporting perspective, we are at the early stages of our journey. Our initial goal is to document the sustainability risk factors of our operations and to provide further information about these factors and what we are already doing to mitigate these.

Our long-term goal is to continue to make a positive impact on our environment and the wider community and to continue to improve the way that we communicate this with our stakeholders.

Our values

We are committed to our values of: agility, simplicity, reliability and empathy. We practice these values every day and in everything that we do. We also acknowledge our responsibility to operate a sustainable business, uphold the law and act in the best interests of our stakeholders.

agility

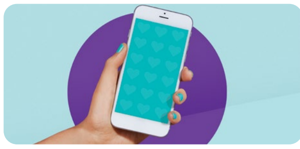
We say 'yes!' to big, exciting projects and goals and then dig in as a team and work out how to achieve them. Agility at amaysim is about reacting quickly for customers, applying mental flexibility when we're in a tricky spot and always holding on to an entrepreneurial spirit.

simplicity

Keeping it simple means keeping it fair and transparent, as well as sharp and focused. We encourage our people to strip back the unnecessary.

reliability

We're committed to providing experiences for our people and our customers that go above and beyond. From ensuring our customers are on the best deals to creating a team culture where people can depend on each other, the amaysim experience is built on trust.



empathy

Everything we do has empathy at it's heart - which gives meaning and purpose to our actions. By listening to, and understanding our customers, teammates and partners, we're able to focus on the things that truly matter to you.

In our mission to achieve our long-term goal we must act ethically in how we do business, adhere to a strong governance charter and commit to compliance. This starts with a strong culture and is reinforced by internal procedures, policies and systems to ensure high levels of compliance and professional integrity.

Our ability to deliver long term value is supported by our commitment to promoting a diverse culture with a focus on equality, acknowledging our role in climate change and making a positive contribution to society and our communities through initiatives across the business.

Our stakeholders

- Our customers want to do business with a company that is ethical and has a social conscience
- Our people want to feel proud of where they work and equally, our approach to environmental and social issues, improves our ability to attract new talent
- Our suppliers want to better understand the policies of the companies that they work with and feel comfortable that they are doing business with other ethical organisations
- Our shareholders and other investors are becoming increasingly conscious that the investments they are making are ethical and that the opportunities they invest in are sustainable
- Our communities want to be positively impacted by our actions
- Industry partners and non-government organisations want to understand how our actions impact our industries
- Government and regulators need to know that we are committed to upholding our regulatory obligations and are taking the necessary actions to adhere to these

Engaging with our stakeholders

Stakeholder	Interests	What we do
Our people	• Health and safety • Culture • Diversity • Fair remuneration for performance • Professional development	• Health and safety policy and health and wellbeing initiaitves • Initiatives to promote diversity and inclusion in the workplace • Regular, transparent company-wide meetings • Remuneration reviews and quarterly company values lunches for performance • Training tools, learning and development support, investment in leadership training and external mentoring • Annual Culture Days focused on instilling our key values
Customers	• Value for money • Quality customer service • Product performance	• Where possible, treat existing customers the same as or better than new customers, rewarding loyalty • Deliver great value plans that are better than others in market • Focus on delivering excellent customer service, that is better than any other telco or energy provider, and increasing NPS
Shareholders	• Creation of long-term shareholder value • Execution of strategy • Good corporate governance	• Regular investor briefings to provide an update on business performance and execution of strategy • Clear and transparent market announcements and consistency of KPIs across presentations • Webcast briefing at full year and half year results • AGM provides the opportunity for shareholders to ask questions in a public forum • Investor website hosts all ASX communications and further investor resources
Suppliers and contractors	• Opportunities for commercial benefits • Ability to work together • Assurance that they are working with an ethical business	• Supplier Code of Conduct • Regular and transparent engagement with suppliers, treating them in accordance with our values • Fair contract terms with a focus on creating long term relationships which are governed by mutual commercial alignment
Communities	• Impact on the community • Business opportunities • Supporting growth	• Support for community programs and initiatives. Refer to the Community section for more details
Industry partners and non-government organisations	• Focus on achieving outcomes that will support the industries in which we operate • Sustainability of industries and segments	• Regular engagement with industry working groups and organisations • Work cooperatively with industry groups to contribute to industry wide initiatives
Government and regulators	• Encouraging competition and fair pricing for consumers	• Engagement and cooperation with government bodies and regulators • Extensive compliance reporting

Overview of report

In this report, we set out our commitment to sustainability and the areas that we deem to be of most importance to the sustainability of our business operations.

This year in particular, has presented multiple opportunities and situations where businesses have been required to step up and do their part and this report also sets out how we responded to COVID-19.

Our reputation is integral to our ongoing success. Our core values continue to guide us in the decisions and actions that we make and our stakeholders are always at front of mind.

Thank you for your interest in this report. We look forward to keeping you updated on our progress.

Introduction

This marks the first year that the amaysim Group has published an ESG report. The report has been prepared in alignment with the ESG reporting guide for Australian companies 2015.

This report outlines the topics and issues that the business has an impact on, be it economic, environmental or social, and those that are of significant importance to us.

The topics have been determined based on the recommendations of the Global Reporting Initiative (GRI) Standards and are those that most reflect our organisational values and takes into account the material ESG impacts caused by, or contributed to, by amaysim. The Company has also taken into account those topics that would most influence the decisions of stakeholders.

While we have sought to quantify our contribution and progress throughout this report in relation to the topics, in many cases we have provided qualitative examples of the work that we have undertaken.

The below topics have been chosen in line with the GRI 'material topics' guidelines and are those that the Company deems sufficient to reflect the economic, environmental and social impact and have the most bearing on the business' sustainability.

Material topics

1. Ethical behaviour
2. Treatment of customers
3. Compliance
4. Culture
5. Learning and professional development
6. Health and wellbeing
7. Diversity and equal opportunity
8. Data, privacy and security
9. Environment
10. Communities

1. Ethical behaviour

We are committed to maintaining ethical standards in the conduct of our business activities and our reputation as an ethical organisation is important to our ongoing success.

Code of Conduct

Our Code of Conduct sets the standards across the business. We expect all employees to act ethically and responsibly and this goes beyond compliance and legal obligations. It involves acting with honesty, integrity and in a manner that is consistent with the expectations of our stakeholders.

Our conduct is important within our internal business dealings and how we treat our colleagues and our external dealings with our customers, suppliers and business partners.

Human Rights

This year, we introduced a Human Rights Policy. The Policy provides detail on our approach and procedures and is supported by the human rights commitments in our Code of Conduct, Diversity Policy, Whistleblower Policy and Supplier Code of Conduct.

This Policy aligns with the United Nations (UN) Guiding Principles on Business and Human Rights and we incorporate the Ten Principles of the UN Global Compact into our policies and procedures and demonstrate our commitment to these principles.

Supplier Code of Conduct

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

We recognise that the nature of our supply chain is far reaching and that our responsibilities in supply chain management extend beyond our own direct operations. Our Supplier Code of Conduct outlines our expectations of our suppliers and promotes the conduct of business activities in a safe, equitable and responsible manner.

We understand that companies and their people want to do business with organisations that not only comply with international and national legislation but strive to adhere to high standards of ethical conduct. Our Supplier Code of Conduct reflects our commitment to our suppliers as one of our key partners. This Code has been distributed to our suppliers with the expectation that they will also observe the Code in our dealings and in their own supply chains.

We are also conducting a supply chain mapping exercise to identify where, if any, our potentially high-risk suppliers are and what steps need to be taken to ensure that we maintain the integrity of our supply chain. This exercise forms part of our reporting under the Modern Slavery statement that we are required to publish under Australian law by March 2020.

Competition

When it comes to competition, we always aim to compete vigorously with our competitors, but in a fair and responsible way. We believe that we need to conduct ourselves as a market participant in a way that supports the longevity and success of our industries. 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.

Whistleblower Policy

We foster a culture of responsibility and accountability and this includes the requirement to report misconduct. Our Whistleblower Policy encourages the disclosure of misconduct. It is supported by confidentiality and provides appropriate protections for anyone who comes forward to report corrupt, unethical or illegal conduct.

We also have an external Whistleblower service provider which provides a hotline managed by a third party, should an employee not feel safe or able to make a disclosure internally. This ensures anonymity and confidentiality.

In the 2020 financial year, we did not have any incidents or investigations under the Whistleblower Policy.

Copies of all our policies can be found on our investor website.

2. Treatment of customers

We believe all Australians should have access to telecommunications and energy services that represent good value and are fair.

Financial hardship

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. Throughout the COVID-19 pandemic, our Financial Hardship Policies ensure that customers in financial difficulty are able to get the support they need from their energy and mobile provider.

As a result of the pandemic, we suspended all energy disconnections of customers who were unable to pay their bills and also removed references to 'disconnection' from our customer communications to avoid any additional stress which this type of messaging may have caused during this difficult time. In addition, we ceased all debt collection activity. It is important to us that we do not add to the heightened stress and anxiety that some of our customers are experiencing.

In mobile, we were able to extend our support to our customers and we launched a number of initiatives to provide our subscriber base with access to much needed additional data as the country transitioned to studying and working from home; spending increasingly more time streaming entertainment; and switching to digital telecommunications as their predominant method of keeping connected with their friends, family and colleagues.

Net promoter score

We measure our customer satisfaction using a Net Promoter Score (NPS). This enables us to determine whether our customer experience is positive and how many of our customers would recommend us. The NPS is obtained each quarter through a survey conducted by a third party of approximately 2,000 amaysim mobile customers.

The survey asks the customers to score their experience with amaysim and rate the likelihood that they will switch to another provider. The NPS is then determined by subtracting the percentage of customers who are detractors from the percentage who are promoters. This should not be confused with the customer satisfaction score (CSAT) which is a transactional score based on one interaction with the customer service centre.

Our NPS is one of the highest in the telecommunications sector and the score is indicative of our ability to acquire and retain customers and their propensity to recommend us to others. It is for this reason that our NPS score is one of the Key Metrics considered as part of our Executive Key Management Personnel's short-term incentive plan. Please refer to the Remuneration Report for further details.

As at the May 2020 quarter, our mobile NPS was +57, which was an increase from +41 at the May 2019 quarter and is the highest it has been in the past five years.

Protection of personal information

We are committed to protecting our customers' personal information and comply with all privacy and data protection regulation. In order to supply services and benefits we need to collect certain personal information. Our Privacy Policy sets out the information which we collect and how we protect it.

Further details about how we protect our customer data can be found in the Data, Privacy and Security section of this report.

Family Violence Policy

Our Family Violence Policy details how our customers can expect to be treated and the support available to them should they be impacted by family violence. All our customers can expect to be treated in a respectful and professional manner by trained staff and in the event of family violence we offer a range of assistance measures.

These measures include additional account security measures to protect personal and financial information, tailored customer interactions with our trained staff; restrictions on certain debt management and collection activity; access to payment difficulty/hardship measures; and information around external support available to individuals and families.

3. Compliance

We place the utmost importance on the reputation of the business and the trust placed in it by customers, regulators and staff. Compliance is one of the preeminent risks within any business and we take our role in providing fair and transparent services to customers in compliance with all relevant laws and codes seriously.

amaysim fosters and maintains a culture of compliance which is managed through various procedures and responsibilities that form our Compliance Plans in mobile and energy.

The Compliance Plans focus on the following key areas: leadership, planning, support, operation, performance, evaluation and improvement and each year the plans are reviewed and made readily accessible for all employees in a shared directory.

Our Compliance Plans set out our strategic objectives in relation to compliance and the activities that we undertake to ensure we are meeting our compliance objectives.

We are committed to complying with all relevant legislation and industry codes and this commitment extends to all people within the business. We expect all employees to perform their duties in a manner that ensures compliance.

Mobile monitoring

In mobile, we regularly review and measure the effectiveness of our compliance process and assess against the Telecommunications Consumer Protection Code (TCP). The TCP Code provides safeguards in relation to sales, customer service, billing and credit management.

Every quarter customer complaint data (including internal complaints and those that are escalated to the Telecommunications Industry Ombudsman) is measured against the TCP Code, analysed and reported to the Board.

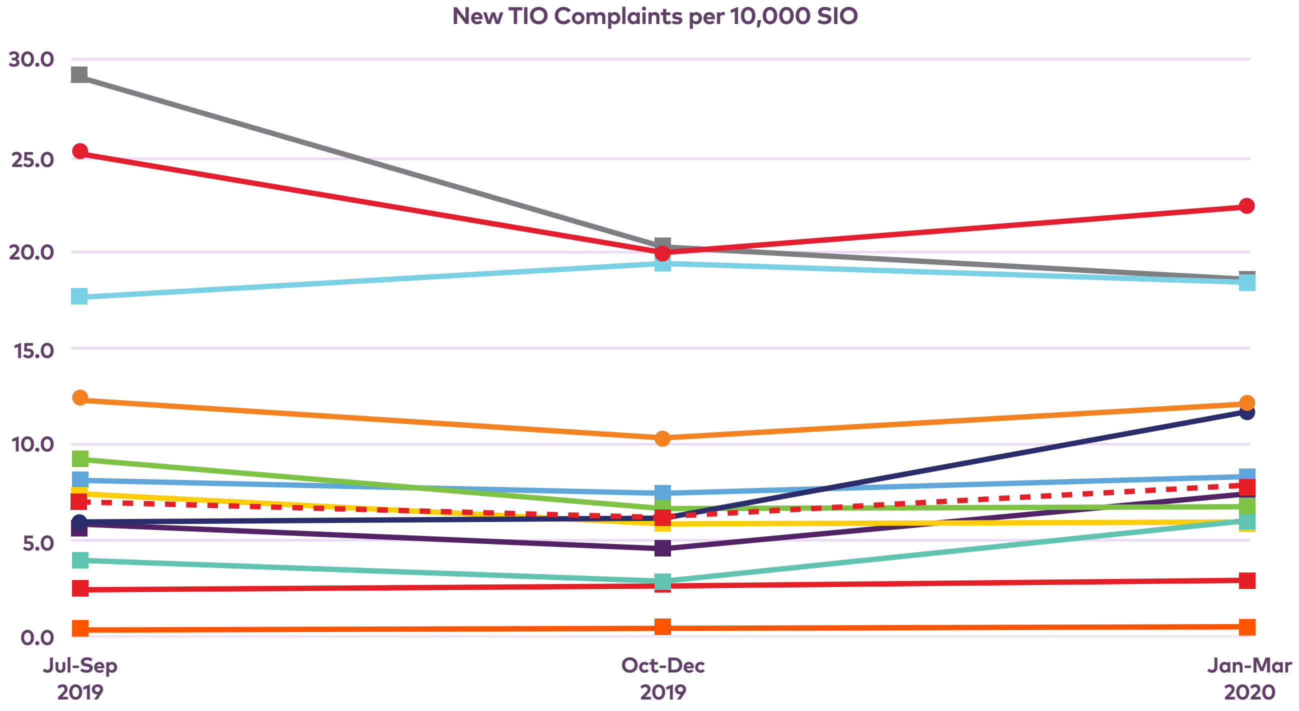
The Telecommunication Industry Ombudsman (TIO) provides an external dispute resolution service for consumers who have an unresolved complaint and we use our TIO complaint numbers as a performance metric.

The Communications Alliance Complaints in Context report that is published every quarter shows the number of complaints to the TIO per 10,000 customers. Suppliers identified by the TIO's data as being the ten service providers with the largest number of phone and internet complaints during the prior financial year must participate in the following calendar year's Complaints in Context Report for the next four quarters. While not mandatory for amaysim, we voluntarily provide these numbers to Communications Alliance.

Over the past seven years, we have reported an average of 1.1 Telecom Industry Ombudsman complaints per 10k customers per quarter, making us one of, if not the least complained about telecommunications companies every quarter.

We are one of, if not the least complained about telco every quarter.

Table 1. Extract from the CommsAlliance - Complaints in Context Report



RSP	Jul-Sep 2019	Oct-Dec 2019	Jan-Mar 2020
amaysim	0.2	0.3	0.4
Aussie Broadband	9.3	6.7	6.8
Commander	17.2	19.0	18.0
Dodo	4.0	2.9	6.1
iiNet	12.4	10.4	12.2
iPrimus	6.0	6.2	11.8
MyRepublic	29.3	20.4	18.7
Optus	7.5	5.9	6.0
Southern Phone	25.3	20.1	22.5
Telstra	8.2	7.5	8.4
TPG	5.9	4.6	7.5
Vodafone Hutchison Australia	2.5	2.7	3.0
All Participants	7.1	6.2	7.1

For FY2020, we reported an average of 0.3 complaints per 10,000 customers. Please find the latest results published by the report for the March 2020 quarter in table 1 (above). The number increased from the September quarter due to the disruption caused by the COVID-19 pandemic to our customer service centre and overall is still a positive result given the circumstances.

We also report quarterly data to the Australian Communications and Media Authority (ACMA) under the Record-Keeping Rules 2018 that includes data on the number of complaints; nature of the complaints; and time it took to resolve a complaint. In the latest 2019 report, the ACMA found the average complaints per 10,000 customers for the telco industry was 97 and the average complaint handling time was 5 days. In FY2019, the average time it took for amaysim to resolve a complaint was less than 2 days. In FY2020 we maintained this average of 2 days, despite the disruption caused by COVID-19 in the second half of the year.

Furthermore, our compliance with the TCP Code is annually reported to the independent body, Communications Compliance (CommCom), and we have been a compliant member ever since the compliance attestation scheme was introduced in 2013.

This transparent reporting helps to identify any potential systemic issues and to put in place actions to minimise customer dissatisfaction.

Energy monitoring

The energy Compliance Plan is consistent with AS/ISO 19600:2015 Compliance Management Systems. Supporting the Compliance Policy is the Complaints Handling Policy and Staff Training Policy.

The Staff Training Policy requires that all employees that are representatives and agents are provided with regular (at least once annually) compliance training by a compliance professional or legal practitioner.

The Compliance Manager reports to the Board on the effectiveness of the Compliance Program with the objective of continuing to monitor and improve compliance processes.

Compliance is managed through annual reviews of relevant energy code and legislation that is performed in conjunction with the Company's existing practices and compliance processes.

We provide a number of regular reports detailing customer numbers, pricing, complaints data, disconnections and financial hardship data to regulatory bodies, including the Victorian Essential Services Commission (ESC), the South Australian Essential Services Commission (ESCOSA), the Australian Energy Regulator (AER), the Australian Competition and Consumer Commission (ACCC) and the Queensland Competition Authority (QCA). We also report to the NSW and Victorian Government's state revenue offices and we report under the NSW Government Social Code and provide reporting on concession customers to the Victorian Government Department of Health and Human Services.

In addition, we regularly provide ad hoc data when requested to any of the above organisations. During the COVID-19 pandemic we increased the amount of data provided in relation to requests for financial hardship to help the industry determine and ensure that no customer was being treated unfairly due to a detrimental circumstance as a result of COVID-19.

During FY2020, we received a penalty from the ESC for $600,000. This was a result of the misconduct of a former contractor at one of our third party sales channels, who had signed up customers to products without their consent, in May and June 2018. We notified the ESC when our compliance team became aware of the misconduct and worked cooperatively with them throughout their investigation.

We were disappointed with the outcome and consider the penalty to be disproportionate to the isolated conduct of a single contractor working for a third party, however, we agreed to pay the penalty and have taken the opportunity to enhance our internal controls and guidelines to further minimise the risk of a similar occurrence from a third party in the future.

These enhancements included:

- updates to internal policies with our sales partners and increased monitoring of non-trend sales activities with individual agents;
- updates to the compliance framework to include independent verification of all ID checks and mobile phone verification during the online sign up process, making it mandatory that the customer is actively involved in the sign-up process; and
- implementation of more compliance training for agents and daily checks of agent accreditation that are authorised to sell Click and amaysim energy products.

We are confident that these changes have resulted in better customer outcomes and will mitigate against any similar occurrence in the future.

Management of compliance

We make it a priority to resolve customer complaints in a timely manner and where non-compliance has arisen, we take prompt corrective action. Improvement of the compliance process is one of the ongoing key strategic objectives and in order to continually improve our processes, information is collected, analysed and evaluated in regular monthly reports.

The compliance plan is annually approved by senior leadership and authority is assigned to the compliance manager to act and report independently. Ultimately, the Board holds responsibility for compliance of the business and the management of the day to day compliance falls to the General Counsel and regulatory and compliance teams.

In order to achieve our compliance objectives, we ensure that we allocate appropriate resources to support and implement the plan and have a dedicated budget for compliance activities.

Training is a key element to the plan to ensure that all employees are familiar with the relevant laws we must comply with. Compulsory Australian Consumer Law training sessions were conducted over the past year, and systems are in place to ensure all the necessary staff took part and attendance was monitored.

Furthermore, all new employees are on-boarded and provided with necessary induction and access to policy materials.

4. Culture

We have created a unique culture at amaysim where our people are supported to achieve their goals and reach their full potential. We strive for a culture where our people are valued and feel proud of their company.

The amaysim Group places emphasis on recognising individuals and their identities as an inherent part of our culture. These values start with recruiting the right talent, motivating and retaining a high calibre of people and rewarding and recognising the work of those who go above and beyond.

Our aim is to ensure all employees are remunerated fairly and competitively. Remuneration includes competitive base salaries, a bonus scheme (short-term incentive plan and long-term incentive plan), extra annual leave to celebrate birthdays, an attractive employee mobile phone plan, and access to subsidised devices.

Every quarter, we also reward those employees who best represented the amaysim values (simplicity, reliability, agility and empathy) with a quarterly values lunch. These awards are chosen by leadership teams across the business and are to thank those people that have excelled during the quarter. Throughout COVID-19, we recognised employees with a luxury hamper as team gatherings were restricted.

We run Culture Days at each of our sites annually, which are focused on instilling our key values. Culture days comprise of team building activities; understanding how to work better with each other; and have an underlying focus on celebrating amaysim's DNA and connecting with a common purpose.

Culture Day Philippines - employees enjoyed a day at the beach, with the theme of the day being 'One amaysim beat'

Culture Day Sydney - employees enjoyed views of the harbour whilst discussing how to 'Communicate with Confidence"

Culture Day Melbourne - groups of employees vote on the best superheroes or supervillians based on our company values

Culture Day Philippines - employees enjoyed a day at the beach, with the theme of the day being 'One amaysim beat'

5. Learning and professional development

We want our people to feel challenged but also supported in their ability to take on new initiatives and expand their skills. We have an annual learning and development plan and budget and in FY2020, the learning and professional development plan was focused on the following areas:

Leadership development

We recognise that strong leadership is important and during the year considerable investment was made in leadership development.

In partnership with Corporate Edge, a program was established to uplift our leadership capability in the following areas: Management Fundamentals, Performance Conversations, Coaching, Influencing & Negotiation and Agility in Leadership.

Over 30 young leaders across the business took part in the pilot program in FY2020. We also supported a smaller number of senior leaders with one-to-one coaching in order to enhance their capabilities as they moved into more senior roles.

Career Progression

We know that it isn't a 'one-size, fits all' approach when it comes to learning and development and we encourage people and their managers to work collaboratively to design and implement their own training and development plans to excel towards their personal goals.

We provide various tools that enable people to select courses that are of relevance to them and encourage them to actively take responsibility for their learning. The tools vary across the Group from purpose built learning platforms to more widely available tools, such as LinkedIn Learning.

More than 60 people have been either internally hired or promoted within the Group.

During FY2020, we rolled out two new programs in the energy business that were focused on developing our people in junior roles (Sales Coaching Framework and Account Manager Development). The programs were designed to develop sales capabilities and to support the achievement of account management deliverables.

When hiring for a position we seek to initially fill this position internally where possible and this financial year more than 60 people have been either internally hired or promoted within the Group.

FY2021 focus

In FY2021, we intend to focus on further development of leadership skills and the implementation of a new performance framework to better monitor and manage performance and areas of improvement for all staff.

We intend to focus on moving to a culture that provides for continuous recognition and development conversations. A key focus will be to upskill all employees on how to seek, receive and give constructive feedback.

6. Health and well-being

Not only is the culture of key importance but the health and safety of our people (employees, contractors and visitors) comes first and we conduct our operations in accordance with all workplace health and safety laws, standards and codes of practice. Our Work Health and Safety Policy sets out our responsibilities and objectives to providing a safe place of work.

At all sites, we have in place trained first aid officers, WHS officers responsible for observing the safety of the workplace and ergonomic equipment is available for all staff.

We have ~640 employees across Australia and the Philippines, and our priority is a safe and healthy working environment and to ensure the physical and mental wellbeing of all our people.

To foster and nurture a mentally and physically supportive workplace, the amaysim Group supports a program which focuses on five pillars – Career, Financial, Personal, Community and Social Wellbeing.

We run a number of initiatives which provide employees with access to mental health support and various health and fitness classes and opportunities.

Pre-COVID-19, staff were provided with access to F45 exercise classes twice a week. Once a week, yoga was available and throughout the year multiple team sporting competitions run.

Once a week, people are provided the opportunity for a short neck and shoulder massage that takes place in the office. On average, over 300 massages were received per month (excluding during the COVID-19 pandemic when the service was no longer feasible given remote working and social distancing).

Every flu season we offer staff the opportunity for a free flu vaccine and during the COVID-19 pandemic we offered to fund the flu vaccine for those that wanted to arrange an appointment.

We also run regular educational sessions that may have a broad appeal. In FY2020 these included but were not limited to sessions on: Financial Strategies for the Successful; Mental Health Awareness; Building Resilience; and Balancing Work and Life Remotely.

In order to help our people achieve and maintain a work life balance, we recognise the importance of flexibility. Our investment in our workplace systems and tools has been integral in helping to provide our people with the ability to work from home where required and to work flexible hours and this has led to increased productivity.

Other initiatives that are available to employees include flexibility in leave entitlements towards study programs and access to a quality Employee Assistance Program for employees and their families, including a free, third party, confidential counselling service.

COVID-19 response

As a result of COVID-19, the way that our Australian-based workforce operated has changed. The systems, technology and processes we had in place meant that the transition to remote working was not technically challenging for the business. Each of our teams had the capability to work from home, however, it is equally, if not more important, that we maintain our culture and look after the mental and physical well-being of our people.

In response to working from home during COVID-19, we implemented a number of initiatives across the business, including virtual home group exercise classes (including Yoga, HIIT, Strength and Mobility and live guided meditation) to keep our staff healthy, motivated and engaged.

We also offered staff the option of an interest free loan in the form of one month's salary to be paid back on a monthly basis from future salaries post the COVID-19 pandemic. 28 of our staff in Sydney and Melbourne took up this opportunity.

We offered additional paid 'pandemic leave' to those with children at home that required care and encouraged flexible working where possible.

We also launched a new health, safety and wellbeing resource, CodePink, across the Group during COVID-19 to provide information to support our people through the challenges that arose as a result of the pandemic. The resource provides employees with access to learning tools to help them better understand the COVID-19 situation, how to work from home effectively, tips to sanitising and managing mental health. It also provides information about the latest restrictions relevant to each location and regulations to be aware of.

Employees in our Manila and Sydney offices wear yellow to help raise awareness for R U OK? Day

We have ~640 employees across Australia and the Philippines, and our priority is a safe and healthy working environment and to ensure the physical and mental wellbeing of all our people.

Our tools promote teamwork and collaboration and our people were able to continue working in an environment where they had access to teams and managers and the necessary equipment to work effectively.

During this time, we provided employees with up to $150 to go towards purchasing home office equipment required to ensure a suitable ergonomic set up.

Our sites in the Philippines were more adversely impacted due to the heightened threat and more stringent Government restrictions. As a result, we implemented a program to transition people to work from home where possible. People working from home were provided support and a premium to their usual pay to set up at home. For those staff that were able and willing to work in the office, amaysim paid a premium and provided a shuttle service, which was increased to enable capacity for social distancing; fuel and parking expenses; and for food to be available on site.

For those unable to work from home or travel to the office, special leave was made available and the ability to advance leave where necessary. An online tool was also made available for people to submit questions and suggestions anonymously. It was our priority that all people were able to remain in employment and to minimise the impact of the pandemic on our people.

Measuring employee satisfaction

There are multiple benefits to the combination of the initiatives that we have in place. The ultimate objective is employee satisfaction. By having a diverse, flexible, supportive environment that takes the health and wellbeing of its people seriously ultimately leads to having satisfied and motivated people.

Throughout the year, we undertake a series of employee surveys to determine the level of engagement of our people. The engagement survey asks a number of questions in relation to job satisfaction, whether the employee would recommend the Company as a great place to work and their commitment to their role.

The surveys also help the business to understand what can be improved and to gauge whether this improvement is being achieved.

The employee engagement score in July 2020 was 82%, up from 71% in July 2019.

The engagement score as at July 2020 was 82% (which was amid the pandemic). This was an increase on 71% at July 2019. The engagement score is determined based on the number of 'Strongly Agree' and 'Agree' responses to questions aimed at assessing whether an employee is proud to work for the Company; would recommend the Company as a great place to work; and intends to continue working for the Company.

In FY2021 we will be focusing our efforts on building our employer brand and further developing and enhancing our employee value proposition.

The employee engagement score in July 2020 was 82%, up from 71% in July 2019.

7. Diversity and equal opportunity

We work towards a diverse culture and we invest in our people. We are proud of our diverse and inclusive workplace and team which is made up of individuals with diverse skills, values, experiences, backgrounds and attributes.

We are committed to supporting and further developing diversity through attracting, recruiting, engaging and retaining diverse talent and to developing measurable objectives that further promote diversity and inclusion in the workplace.

Each year, we host an event to recognise Harmony day, which is the celebration of Cultural Diversity. People are encouraged to bring in a dish from their culture or heritage and the day inspires conversation about heritage, culture and community. Unfortunately, this years' Harmony Day coincided with the beginning of the COVID-19 pandemic and working from home and we were forced to postpone the event. We also celebrate other key cultural events including Shrove Tuesday and Chinese New Year.

This year's International Women's Day celebrated the theme 'Each for Equal'. We interviewed employees on the topic, and show-cased what gender equality means to our people.

Celebrations took place in the form of a morning tea, with speaker Belinda Elworthy from SheThrives, an organisation dedicated to increasing women's workforce participation, economic independence and personal fulfilment through education, inspiration, coaching and connectedness.

In the Philippines a series of sexual orientation gender identity and expression awareness workshops took place to raise awareness and build an understanding of others. Employee representatives attended the Pride Summit 2020 (aimed at promoting workplace inclusions) to gain a deeper understanding of the status of gender equality in the country and learned how to become more effective advocates and allies.

Our Diversity Policy sets out the principles that support our commitment to a corporate culture that values and achieves diversity in its workforce and on its Board.

The Company believes that such a commitment to diversity creates competitive advantage and enhances employee participation, and in this way is essential to the organisation continuing to succeed and grow strong.

amaysim employee showing solidarity at the Philippines Pride March

Gender diversity

In our last annual report, we said we would consider the implementation of measurable objectives for achieving gender diversity across the organisation and we endeavour to work towards achieving gender balance across the workforce.

We are conscious that we have further to go in achieving a gender balance on the Board, however, at other levels throughout the business, our gender balance is much improved. Across the business the split is 53% female and the pay gap between female and male counterparts in similar roles with similar experience is zero.

At the executive leadership team level, we appointed a new female member to the Executive team, bringing the split to 66:33, an improvement on the prior year which was 80:20.

Gender Diversity statistics for the Company as at 30 June 2020 are outlined in the following table. The table includes all amaysim Group employees, including our offices in Sydney, Melbourne and 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 investor website.

We offer 10 weeks of paid parental leave to all primary carers, irrespective of gender. Our partnership with SheThrives focuses on support for new parents transitioning both out and back into the workforce, which includes one-on-one coaching sessions, online videos and tutorials and resources.

We provide paid Keeping in Touch days to ensure that parents can check in with their team during their parental leave and to refresh any skills ahead of returning to work. In FY2020, 100% of parents that were on parental leave returned to work.

In FY2021, we are focused on enhancing our diversity and inclusion activities and part of this will entail a diversity survey to determine our diversity profile and areas in which we could improve.

Level	Number of Directors/ employees at 30 June 2020	Number of women at 30 June 2020	Percentage of women at 30 June 2020
Board composition (NEDs)	5	1	20%
Senior Leadership Team	7	2	29%
All Other Employees	646	342	53%
All employees (excl. Board)	663	344	53%

The above table does not account for one employee that has an undeclared gender.

8. Security, privacy and data protection

We are a technology driven businesses and the role of technology and the technology team within the business is of key importance. Our information technology plays a key role in processing and storing sensitive personal information and any failure in a critical system or process could expose the business to significant reputational and regulatory risk and could put our customers' personal information at risk.

Reputational damage to the business could result in reduced brand value; our ability to acquire and retain customers; increased expenses associated with remedying the threat; and long-term impact on market share and revenue growth.

Systems and framework

Our critical systems include security systems, public-facing devices and systems, databases and other systems that store, process or transfer customer information and payment data.

Users of these systems must adhere to strict security protocols and internal guidelines that detail acceptable business use and location of devices that can access these systems.

The Information Security framework is based on industry best practices to ensure secure management of all information across the organisation.

Our customers' privacy and data security are of the utmost importance to us and it is our policy to protect the confidentiality, integrity and availability of all amaysim information and its customer information.

The IT policy sets out the process and guidelines that are designed to reduce the exposure of risks to information. These guidelines include but are not limited to: firewall configuration; anti-virus programs; equipment labelling; wireless environment controls; remote access; system configuration; server security; system patching; logging and monitoring controls; protecting card holder data; encryption transmission of card holder data; and intrusion prevention.

Where required, amaysim systems also have appropriate cyber-security software installed to protect against potential threats and 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 technology platforms.

Training

Our Security Awareness Plan sets out our commitment to training all employees that are in customer facing roles or have access to the card holder data environment. This stipulates that training must be undertaken at induction and at least annually thereafter and attendance is monitored.

In addition, all employees that access amaysim information and systems must be authorised and the business has in place a staff induction and security awareness training process that must be completed before access is provided.

Data protection

In order to supply services to our customers, we must collect certain personal information and we take the protection of this information very seriously. The mishandling of information could result in a data breach and have a detrimental impact on our corporate reputation.

Our Privacy Policy outlines the use and disclosure of personal information that we commit to and how we collect this data. We do not use personal information for any other purpose than for the purpose disclosed at the time of collection, or otherwise as set out the Privacy Policy. We also do not use personal information for any other purpose without first seeking consent, or where authorised or required by law.

Equally as important as the protection of customer information is the continued provision of services to our customers and our business continuity and disaster recovery plan aims to ensure the continuation of critical business operations in the event of a significant business disruption.

IT risk assessment

We regularly monitor threats to our IT infrastructure and in the broader information security community. In addition, periodical risk assessments are carried out both internally and externally to assess threats and vulnerabilities to ensure critical and high security risks are dealt with as a priority and where feasible controls are implemented.

The key steps in the risk assessment are aligned to the Risk Management Cycle as described in ISO 31000:2009 and ISO 27001:2011.

During assessment, a risk level is prescribed to each asset, threat or vulnerability identified so that action can be taken to strengthen the risk environment.

We also engage third parties to periodically measure the effectiveness of our controls through risk assessment, vulnerability testing, security audits and compliance checks.

The nature of the security environment is constantly evolving and annual risk assessments are no longer sufficient for a modern technology organisation. Our approach focuses on utilising automation and best of breed platforms and infrastructure, ensuring that we have the right technology and tools for the purpose.

Reporting

The responsibility and accountability of security management sits with the Director of IT and Operations with support from the technology team leads and compliance function.

In FY2019, we hired additional security expertise and implemented new protocols for managing certain online risks including malware, data breaches, external attacks and attempts to manipulate those with privileged access into sharing information.

A new Security Operations hire was put in place to focus solely on implementing systems and processes to protect against data breaches, external attack and preventing and internal misuse, whether by mistake or with malicious intent.

We are a participant in the Notifiable Data Breach Scheme and in FY2020 we reported no breaches that could potentially affect an individual's data and result in serious harm.

9. Environment and sustainability

Our climate is changing. We see this as a real threat to our future and we acknowledge that we have a role to play in seeking to improve awareness, drive positive action and do our part to reduce pollution and emissions from carbon intensive activities.

We comply with all applicable environmental legislation and we take our commitment to managing our environmental impact seriously and seek to minimise our impact on the environment where practical.

We have key policies in place to help us to do this.

1. Minimise waste and consumption of materials, energy and water

- Integrate the consideration of environmental impacts into our decision-making activities.
- Commit to the sustainable and efficient use of resources and to use resources conservatively at all times.
- Incorporate energy efficiency measures into our facilities where it is within our control or influence.
- Promote and invest in technologies that provide alternatives to business travel.

2. Integrate our sustainability commitments into our procurement process

- Take into account the environmental impact of our suppliers' products and services and partner with suppliers that have high quality sustainability practices.
- Our Supplier Code of Conduct expects suppliers to commit to the sustainable and efficient use of resources and to use resources conservatively at all times.

What we've done

Our electricity usage is limited to our three office locations in Sydney, Melbourne and Manila. We have implemented timed lights in all meeting rooms and our offices utilise zoned air conditioning to reduce power or switch off outside office hours.

We practice recycling at all sites, with recycling bins available throughout the offices with a clear explanation about how to correctly recycle. This year (in Sydney), we removed individual desk bins and replaced these with increased recycling bins throughout the office to reduce the amount of unrecycled waste.

Filtered water taps are available to reduce the use of plastic bottled water and crockery and steel cutlery is available to minimise and discourage the use of disposable utensils. We acknowledge that COVID-19 will make some of this more challenging to manage.

We recognise that printing documents is still required and while we discourage regular printing of paper documents where possible we have installed low-power ENERGY STAR certified printers and recycle all toner cartridges.

We utilise Zoom video conferencing facilities across the business to connect amaysim Group sites and reduce the need for air travel. The implementation of these facilities was invaluable while the entire business is working remotely during COVID-19.

Due to the travel restrictions in place in 2020, we do not see it appropriate to share any data on the number of kilometres travelled by air as these would be artificially favourable in this financial year. However, this is something that we will consider implementing in the future to demonstrate our commitment to reducing our carbon footprint by reducing our reliance on air travel. However, this needs to be balanced with the importance of human interaction and while we have multiple sites, we will always have a need for some travel to ensure that we do not lose, but rather improve, our culture.

As a technology-driven business, our technology is one of the assets that we give the most environmental consideration. We have increased our reliance on cloud services and utilise Amazon Web Services (AWS), a scalable cloud-based computing and server platform that allows us to develop new environments (to immediately conduct testing, production or development of programming and code) and eliminates a requirement for our own data centre that helps to reduce our energy requirements and subsequently our climate impact.

According to AWS, a typical on-premises data centre is 29% less efficient than a typical large-scale provider.

AWS is committed to achieving 100% renewable energy usage for its global infrastructure and in 2018 it achieved 50% renewable energy usage. To do this, it is focused on energy efficiency, continuous innovation, advocacy and renewable energy. It has nine solar and wind farms located throughout the United States and has three new wind projects in development, one in the United States, one in Ireland and one in Sweden. Once complete, AWS's combined projects are expected to generate more than 2,900,000 MWh per annum.

As an MVNO, amaysim does not own any mobile network infrastructure. We gain access to an existing mobile operator's infrastructure (currently Optus) to deliver our mobile services.

Optus is focused on reducing energy use and carbon emissions with an environmental strategy that aims to minimise the carbon emissions generated through electricity use in the network.

Optus has in place Science Based Targets, that are aligned with the Paris COP21 to keep global warming below 2°C, to reduce its Greenhouse Gas Emissions. A key focus for Optus is to better understand how to minimise its environmental footprint across its value chain. Its Sustainable Supply Chain strategy commits it to collaborating with transparent, ethically, socially and environmentally responsible suppliers and continuously seeking new ways to reduce its impact on the environment.

It is signed up to the Australian Packaging Covenant Organisation (APCO) and in 2017 was awarded the Australian Packaging Covenant (APC) Communications and Electronics Sector Award for packaging reductions. It also currently recycles 98.5% of its e-waste (electronic devices, computers, printers, servers) and has introduced bags made from 90% recyclables.

95% of Optus' carbon emissions come from electricity use and as it grows its network coverage and the use of mobiles increases in Australia, Optus is seeking new ways to minimise its impact. It is upgrading and converting base stations to become more energy efficient and has improved efficiencies during low data traffic times with preliminary results indicating a potential annual reduction of up to 7,200GJ.

As an energy retailer, amaysim is not involved in the manufacture or distribution of goods, extraction of resources, or generation of electricity or gas. Like all retailers in the National Electricity Market (NEM), we acquire our electricity from the NEM and manage our exposure to this highly volatile market through hedges.

We are required to purchase various certificates for renewable and energy efficiency schemes. These schemes operate by the creation, purchase and surrender of the certificates. amaysim purchases Large Scale Generation Certificates (LGCs), Small Scale Technology Certificates (STCs), New South Wales Energy Savings Certificates (ESCs) and Victorian Energy Certificates (VEECs).

In FY2020, the business purchased $16.8 million in value of government certificates.

We are at the early stages of our ESG journey and environmental reporting. Key to advancing this and improving our commitment to our key policies in FY2021 will be to promote sustainability and environmental awareness among our employees and to encourage them to consider the environment in their approach to working.

10. Communities

We encourage initiatives that 'give back' to the community. Whether this is time, resources or a financial contribution, we support and encourage our people to take part in, and advocate for initiatives and causes that they feel passionate about.

Employee led initiatives

We are fortunate that we have highly engaged people who are passionate and supportive of community activity. This year the Group provided leadership and support to a range of employee led initiatives including:

- Taking part in the Push Up Challenge to raise funds for headspace, a national youth mental health organisation. The Push-Up Challenge highlights the devastating number of Australian lives lost to suicide. In July, amaysim employees raised more than $3,000 and completed a total of 3,128 push ups (being the number of lives lost in Australia to suicide in 2018) each in 21 days.
- The Push Up Challenge took place again in May 2020, and amaysim's people once again stepped up to the challenge and completed a combined 94,500 push ups in 21 days and raised a further +$3,500.
- 22 people took part in the annual City2Surf 14km run in August 2019 and in Melbourne we participated in the Round the Bay run for the Smith Family.
- In Melbourne, we also took part in Flanny's for Farmers to raise funds for the farmers that were impacted by this year's extended and devastating bushfires.

Philippines initiatives

This year, amaysim Philippines and its employees participated in:

- Red Cross blood donations;
- donations of relief goods for victims of the Taal volcano eruption that displaced thousands of people and killed 39 people; and
- cash donations to urban families that are in poverty as a result of the COVID-19 pandemic.

The Group donated to the Needy Student Appeal run by the Australian Philippines Business Council to support Filipino students that became stranded in Australia during COVID-19 and were unable to support themselves due to loss of employment. This donation provided financial relief to help alleviate some of the stress and anxiety caused by the pandemic.

Group initiatives

Following the prolonged and tragic bushfire season this summer that caused significant loss of homes, lives, livelihoods and our native wildlife, amaysim organised a Thank You dinner for the Bargo, Yanderra and Balmoral Rural Fire Service and their families to thank these brigades for their tireless work over one of the worst bushfire seasons Australia has endured. We worked with the local community to source local produce, equipment and supplies for the event (injecting much needed funds into the community)

amaysim employees mingle with locals from Bargo, Yanderra and Balmoral at the hosted thank you dinner

and continue to work with the local community to determine how we can support them as they begin to rebuild.

In July 2019, we commenced our sponsorship of Randwick Rugby club. We became a key sponsor of the Randwick Magic and Randwick Warriors, with a core focus on supporting the Women's and Junior teams and encouraging women playing rugby at a grass roots level in Australia.

In September, the Group hosted a Movie day for R U OK? Day in Australia. Employees wore yellow to work to show their support for the suicide prevention organisation and the day that encourages and advocates for people to have conversations with others. Mental health talks were also hosted at the Group's sites throughout the day.

On each amaysim employee's birthday, the Group donates either a blanket, a hot meal or phone calls to the elderly and isolated members of our community to check-in and improve their well-being and social connections, through the Red Cross. This year, the Group donated a combined 64 blankets, hot meals and calls. We also take part in the Australian Red Cross Red25 group blood donation program every quarter.

amaysim worked with Community Connections Australia (CCA) to donate unlimited data SIM cards for CCA members that had been isolated in their home during the COVID-19 pandemic to keep them connected to their friends and families. CCA provides a range of services to people who live with disabilities to support them to live independently and in their own homes.

In June 2020, following a refresh of the office in Sydney, we donated the furniture and furnishings that we no longer required to a charitable organisation, Generous and Grateful, that help those who are seeking asylum, fleeing domestic and family violence, recovering from homelessness and youth at risk. Their programs help people get their lives back on track after hardship and furniture donations help to turn hundreds of spaces into homes and reduce landfill waste.

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 (ASX:SGF) (since February 2014) and Webcentral Group Limited (ASX:WCG) (since August 2018), as well as a Director of several private companies. Andrew was the CEO of Metcash Limited (ASX:MTS) from 1988 to 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. He has extensive experience in M&A, post-acquisition integration and organisational change.

Qualifications

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

116,667 Shares

Peter O'Connell

Chief Executive Officer & Managing Director

Experience & expertise

Peter O'Connell co-founded and was Chairman of amaysim from incorporation until June 2015. Previous professional experience includes when Peter was a 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 a 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 IT reform.

Qualifications

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

Interest in shares and options

3,667,005 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 at IBM (ANZ). 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.

Qualifications

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

Special responsibilities

Audit and Risk Management Committee

Interest in shares and options

16,666 Shares

Craig Jackson

Independent Non-Executive Director

Experience & expertise

Craig Jackson joined the Board as a Director in November 2018 and has over 40 years professional accounting experience, including 28 years as Partner at KPMG, Andersen and Ernst & Young. He has been the Lead Partner for International and domestic companies (ASX 100) and government organisations specialising in external audit, risk management & internal audit, performance improvement, corporate governance, public floats, acquisitions and divestments. Craig serves as a Director of NSW Ports, Rheem Australia & Paloma Rheem Global, Kimbriki Environmental Enterprises (Chairman), Decideware Development (Chairman), Aderant and Bowel Cancer Australia (Chairman). He was previously a Director of Ernst & Young Asia Pacific and Oceania, Australian Institute of Company Directors, Ernst & Young ASIC Registered Companies, Australia Korea Business council and Sydney University Accounting Foundation.

Qualifications

Diploma in Commerce from the NSW Institute of Technology. He is a fellow of the Chartered Accountants Australia & New Zealand and a Fellow of the Australian Institute of Company Directors.

Special responsibilities

Audit and Risk Management Committee (Chairperson)

Interest in shares and options

No holding

Goetz Maeuser

Independent Non-Executive Director

Experience & expertise

Goetz Maeuser joined the Board as a Director in October 2018 and has extensive international experience, both as an advisor and director of private and listed businesses in the technology and media sectors. Goetz is the Chairman of Max 21 AG, a listed technology company on the Frankfurt Stock Exchange that operates in the Post and Mail Management and IT Security sectors, and has held this position since July 2015. He also serves as a Member of the Board of Directors of PSquared Asset Management AG, Zürich. Goetz began his career as a management consultant with McKinsey & Co., Inc., working in Germany and Brazil. He continued his career as a Partner in private equity firm Permira Advisers Ltd, where he focused on a broad range of sectors including industrials, consumer, healthcare and led the media effort within the telecommunications, media and technology sector. He was the lead Partner on a number of significant transactions including the acquisition and subsequent merger of SBS Broadcasting Sarl and ProSiebenSat.1 Media AG. From 2007 to 2014, Mr Maeuser was a member of the supervisory board and served more than four years as chairman of MDAX-listed ProSiebenSat.1 Media AG, the leading German entertainment player with a strong e-commerce business.

Qualifications

Business Administration from the University of Cologne and a Master of Business Administration from Leonard N. Stern School of Business, New York University.

Special responsibilities

Remuneration and Nomination Committee

Interest in shares and options

No holding

Rupert Greenhough

Independent Non-Executive Director

Experience & expertise

Rupert Greenhough joined the Board as a Director in March 2020. He is an experienced finance and investment professional and has spent two decades of his career at KPMG working across the firm's audit and corporate finance practices. Rupert has significant practical experience in establishing and managing high growth businesses, having been a founder and director of multiple e-commerce and technology start-ups. He is the co-founder of Strandy Investments, a private investment company which focuses on early stage digital businesses and also holds a director position at LocalAgentFinder, Australia's leading real estate agent comparison website and at Value Comparisons Australia, an online publisher of comparison sites.

Qualifications

Bachelor of Science (Hons) from the University of Bristol and a graduate of the Australian Institute of Company Directors.

Special responsibilities

Audit and Risk Management Committee

Interest in shares and options

No holding

Directors' Report

Directors and Company Secretary

The directors present their report, together with the financial statements of amaysim Australia Limited (amaysim or the Company) and its subsidiaries (together referred to as the Group) for the full year ended 30 June 2020.

The directors of the Group during the period and up to the date of this report are shown below.

Andrew Reitzer
Chairman and Independent Non-Executive Director

Peter O'Connell
Chief Executive Officer and Managing Director

Jodie Sangster
Independent Non-Executive Director

Goetz Maeuser
Independent Non-Executive Director

Craig Jackson
Independent Non-Executive Director

Thorsten Kraemer
Independent Non-Executive Director
(resigned on 23 August 2019)

Rupert Greenhough
Independent Non-Executive Director
(appointed on 17 March 2020)

Alex Feldman
Chief Strategy Officer, General Counsel and 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. Alex holds a Bachelor of Law (BA LLB Hons) from Macquarie University.

			Committees[1]			
	Board		Audit and Risk Management		Remuneration and Nomination	
	a	b	a	b	a	b
Andrew Reitzer	11	11	5	5*	5	5
Peter O'Connell	11	11	5	5*	5	4*
Thorsten Kraemer[2]	-	-	-	-	1	1
Jodie Sangster[2]	11	11	5	5	5	5*
Goetz Maeuser[2]	11	11	5	5*	5	5
Craig Jackson	11	11	5	5	5	5*
Rupert Greenhough[2]	7	7	1	1	1	1*
Total number of meetings held	11		5		5	

Column (a): number of meetings held while a director.
Column (b): number of meetings attended.
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 Thorsten Kraemer's resignation as a Director on 23 August 2019, Jodie Sangster joined the RNC and Goetz Maeuser joined ARMC. On 17 March 2020, Goetz Maeuser ceased to be a member of the ARMC and Rupert Greenhough joined the ARMC.

Principal activities

The principal activity of the Group during the financial year was the delivery of simple and transparent mobile and retail energy plans.

Dividends

In line with the current growth strategy, the Board is of the view that the most effective allocation of capital is reinvestment into the business, enabling amaysim to take advantage of growth opportunities. It has therefore been decided not to declare a dividend for the 2020 financial year.

The Board and Management believe that taking advantage of the growth opportunities available in the mobile market will deliver long-term value to shareholders as we approach a wholesale tender that has the potential to deliver significant shareholder value.

The Board periodically reviews its dividend policy against future business plans and growth opportunities and will reassess its approach in due course.

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 which forms part of this Directors' Report.

Remuneration Report

Information on the Group's remuneration structure and policies for the Board, the CEO and other Executive KMP, is included in the Remuneration Report which forms part of this Directors' Report.

Significant changes to the state of affairs

There were no significant changes to the business' operations in the financial year ended 30 June 2020.

Likely developments

In FY2021, the Company will be progressing the tender of its mobile wholesale agreement, which provides the opportunity for amaysim to generate shareholder value through new and improved terms for the provision of wholesale network services.

On 31 August 2020, the Company announced the sale of the energy business to AGL for $115 million cash consideration. The sale is expected to complete on or around 30 September 2020 and significantly de-risks the business by removing the risks associated with ongoing regulatory changes and the likely rise in bad debt as a result of COVID-19.

Refer to the shareholder letter in this Annual Report for further information about likely developments and the Company's outlook for FY2021 and the announcement lodged with the ASX detailing the sale of the energy business.

Environmental regulations

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

Unissued shares

(a) Long term incentive plan (LTIP) - Options

At the date of this report, amaysim had no outstanding options under the LTIP that could convert to ordinary shares in the Company. At 30 June 2020, the performance condition was not met for the awards which were due to vest at 30 June 2020, which resulted in the forfeiture of 156,297 options. For further details of the LTIP, refer to Note 31 (b) of this financial report.

(b) Long term incentive plan (LTIP) - Employee Share Rights

At the date of this report, amaysim had 23,724,668 outstanding employee share rights under the LTIP that could convert to 23,724,668 ordinary shares in the Company. For further details of the LTIP, refer to Note 31 (c) of this financial report.

Issued shares

During the period, no employee share plan rights or options converted to ordinary shares in the Company. 185,770 options vested at 1 July 2019 which have not yet been exercised.

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 the financial year, the Group insured the officers and Directors against certain matters and liabilities as permitted by the Corporations Act.

The insurance policies prohibit disclosure of the nature of the cover, the amount of the premiums, the limit of liability and other terms. Premiums were paid during the financial year in respect of the relevant insurance policies.

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

During the year ended 30 June 2020, the Group acquired Jeenee Mobile, a privately owned MVNO and the subscriber base of OVO Mobile. The acquisitions form part of amaysim's strategic pillar to grow its position in the mobile market both organically and through bolt on acquisitions. The acquisitions have increased amaysim's mobile recurring subscriber base by 115k (Jeenee: 41k and OVO: 74k) and are both expected to be earnings accretive in FY2021 (the first full year post acquisition) and beyond.

All numbers presented in the Operating and Financial Review are for continuing operations.

The result includes the impact of changes in accounting standards adopted during the period ended 30 June 2020, referred to as "AASB16".

Also refer to Note 2 "Operating segments", Note 8 "Discontinued Operations", Note 22 "Adoption of new accounting standards" and Note 23 "Business Combinations" of this Annual Financial Report.

Group performance summary

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

	Continuing Operations		
For the year ended 30 June 2020	FY2020	FY2019	%
Net revenue ($'000)	490,502	508,318	(4%)
Gross profit ($'000)	151,089	152,184	(1%)
Gross profit margin (%)	31%	30%	100bps
Operating expenses ($'000)(i)	(112,657)	(108,203)	4%
EBITDA ($'000)(i)	38,432	43,981	(13%)
NPAT ($'000)(i)(iii)	648	(6,532)	N/A
Underlying EBITDA ($'000)(ii)	40,062	47,266	(15%)
Underlying NPAT ($'000)(ii)	1,789	6,780	(74%)
EPS (cents)(iii)	0.22	(2.77)	N/A
Underlying EPS (cents)	0.61	2.88	(79%)

(i) Operating expenses exclude expenses related to network, wholesale, finance, depreciation, amortisation and impairment.
EBITDA means Earnings before Interest, Tax, Depreciation, Amortisation and Impairment.
NPAT means Net Profit After Tax.
(ii) Underlying is a non statutory measure. For a reconciliation from Statutory to Underlying refer to page 55.
(iii) The percentage change of NPAT and EPS cannot be defined due to moving from a loss in FY2019 to a profit in FY2020.

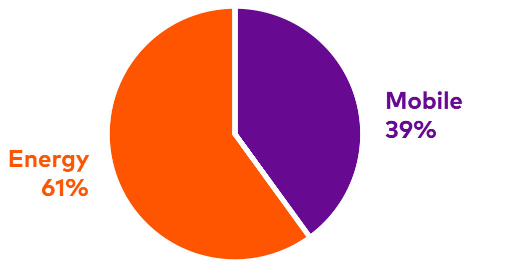
Exceeded guidance

As at 30 June 2020, the Group reported net revenue of $490,502k, EBITDA of $38,432k and NPAT of $648k. Despite the disruption caused by the coronavirus pandemic in the second half of the financial year, the Group's underlying EBITDA was $40,062k, outperforming the guidance range of $33,000k to $39,000k.

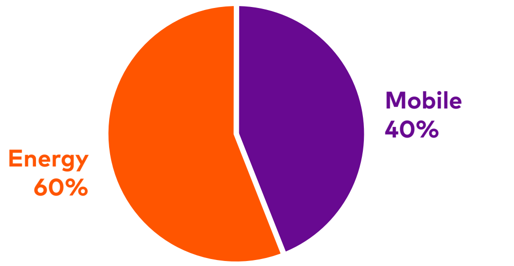
This outperformance was primarily due to diligent cost management and an efficient and effective use of the increased mobile marketing spend.

Revenue and subscribers

FY2020 Revenue



FY2019 Revenue



FY2020 Subscribers ('000)

FY2019 Subscribers ('000)

Net Revenue of $490,502k for the period represented a 3.5% decrease compared to $508,318k in the prior year, attributable to lower average revenue per user (ARPU) in both the mobile and energy segments.

Mobile net revenue of $190,149k, decreased by 6.6% compared to $203,477k in the prior year. While mobile recurring subscribers grew 33% year on year via organic growth and bolt-on acquisitions, this decrease in net revenue is primarily driven by a lower ARPU from the recurring subscriber base.

In June 2019, amaysim launched new plans with higher data inclusions. This conscious decision resulted in a reduced reliance on excess revenue from data top ups and a lower recurring ARPU of $21.77 in FY2020 versus $25.25 in FY2019. Recurring revenue accounts for 96% of mobile net revenue and as these additional revenue streams comprise a smaller portion of recurring revenue, we expect to see continued revenue growth as the recurring subscriber base increases.

As at 30 June 2020, the recurring mobile subscriber base totalled 830k, an increase of 206k or 33% from FY2019. This includes Jeenee and OVO which added 115k to the base on acquisition. Organically, mobile recurring subscribers increased by 91k or 15% from FY2019 with sustained marketing investment and focus on retention enabling this growth.

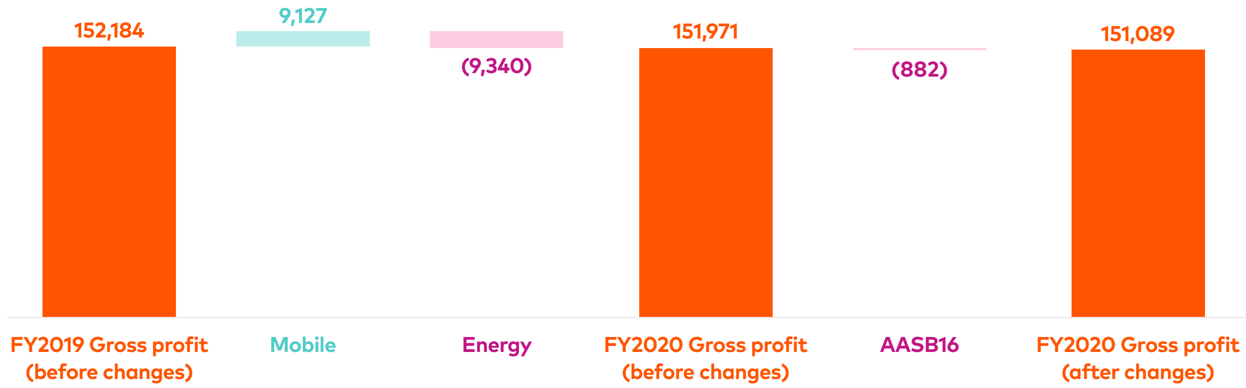
Energy net revenue of $300,353k for the period represented a 1.5% decrease compared to $304,841k in the prior year. ARPU was down 4.9% to $122.25 (FY2019: $128.49). This was driven by lower overall pricing on the new products due to regulation changes; lower energy consumption; and a higher number of gas accounts which have a lower relative consumption and therefore generate a lower ARPU.

Energy subscribers of 211k represents growth of 1.9% compared to prior year. Sales contribution from our own channels (Click Direct and On the Move) were strong and despite the raft of regulatory changes, energy has delivered strong subscriber growth through its unique and strategic channels to the market.

The Group has not seen any noticeable impact in the second half from COVID-19, however, it is expected that bad debt in energy could increase during FY2021, when JobSeeker and JobKeeper programs are scaled back and/or cease completely. The magnitude of this is not known and the wider industry is working towards a long-term solution that would ideally see the entire supply chain share this burden of debt as opposed to it resting solely with the retailer.

Gross profit

Gross Profit FY2020 vs FY2019 ($'000)



Excluding the impact of adopting AASB16, gross profit for the period is $151,971k, a decrease of 0.1% to prior year. This result reflects a reduction in the contribution from energy during the period, offset by the strong growth of the mobile gross profit that was due to the strength of our revitalised network supply agreement (NSA) with Optus.

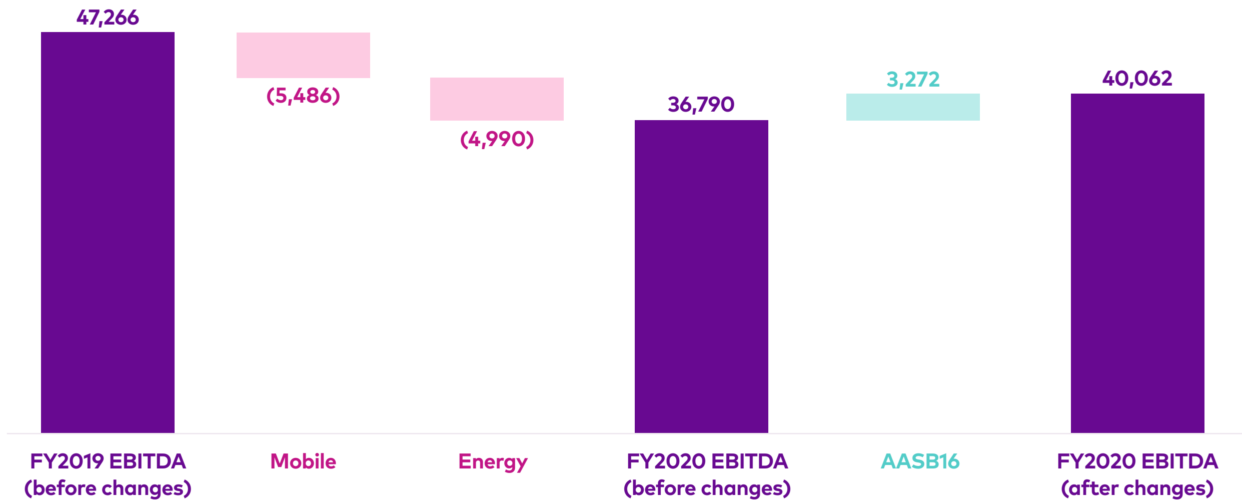
Energy delivered a gross profit of $73,333k and was not impacted by the adoption of AASB16. This was a reduction of $9,340k, or 11.3%, compared to the prior year. An increase on cost of goods sold and lower ARPU (as outlined above), saw a reduction in gross margin from 27.1% to 24.4%.

In mobile, gross profit has increased $9,127k to $78,638k excluding adoption of AASB16 while gross profit margin was higher at 41.2% (FY2019: 34.2%). The gross profit margin increased due to the strength of the NSA.

The changes in accounting policies and standards decreased Group gross profit by $882k. Refer to Note 22 for further information.

Underlying EBITDA

Underlying EBITDA FY2020 vs FY2019 ($'000)

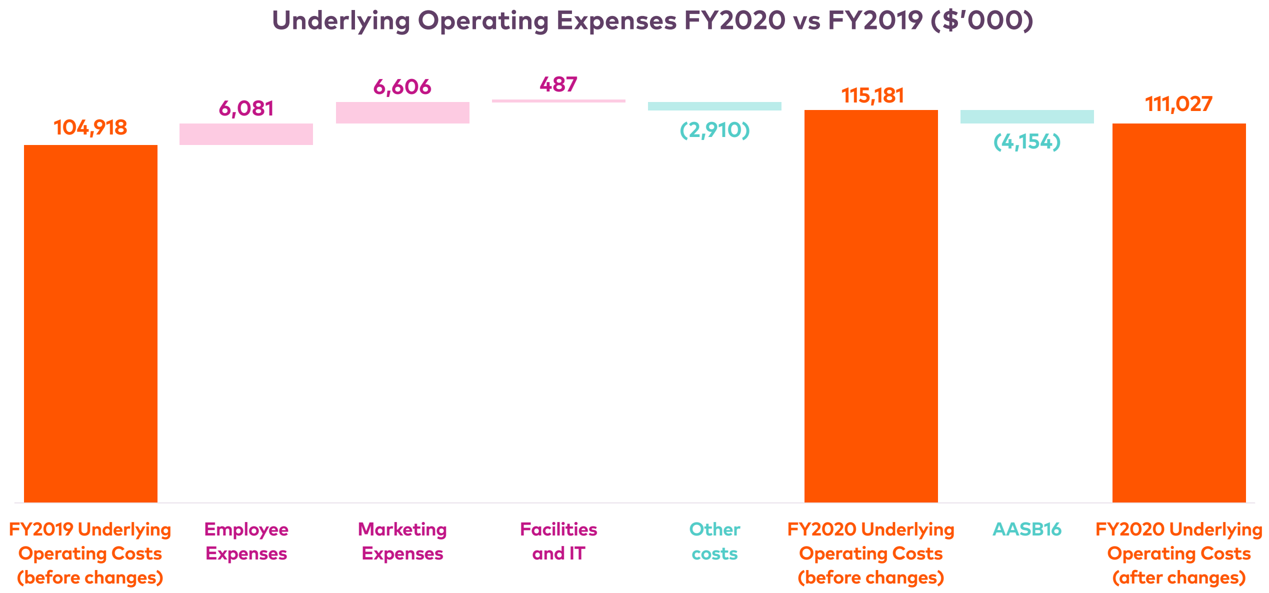


Excluding the impact of adopting of AASB16, the Group's underlying EBITDA was $36,790k, a decrease of 22.2% on the prior year. Mobile underlying EBITDA decreased by $5,486k due to increased investment in marketing to drive subscriber growth and Energy underlying EBITDA decreased by $4,990k due to the decrease in gross margin.

After adopting AASB16, underlying EBITDA increased by $3,272k to $40,062k. The increase is primarily driven by monthly rental payments no longer recognised as facilities expenses in the statement of comprehensive income. Instead, monthly lease payments are booked as a reduction of the lease liability on the balance sheet.

Also refer to page 55 for further information related to the reconciliation of statutory to underlying EBITDA.

Underlying Operating Costs



During the period, the Group's underlying operating expenses (other than network and wholesale, finance, depreciation, amortisation and impairment expenses) were $115,181k, an increase of $10,263k before changes in accounting policies and accounting standards. The main drivers are the following:

Employee expenses increased by $6,081k, driven by resources to support the investment in the technology stack (which was not capitalised) and additional subscriber growth; and an increase in the Group's long term employee incentive schemes that was in lieu of cash bonuses that were forgone under the short term inventive plan for certain key management personnel.

Marketing expenses increased by $6,606k which is a direct result of the planned increase in mobile marketing activity that drove organic subscriber growth over the period of 15%. Marketing expenses for energy for the year were down $712k, with mobile offsetting this with an increase of $7,318k (excludes promotions that are a deduction to revenue).

IT and Facilities expenses increased by $487k before adopting AASB16, attributable to increased technology spend associated with the investment in the technology stack to support future growth and improved customer experience (which was not capitalised). As a result of the new accounting standard AASB16, facility costs decreased by $4,154k and this can be seen in the chart as the impact from AASB16. This standard mandates that operating leases are now recognised on the balance sheet and lease costs are expensed through the depreciation line and finance expenses in the Statement of Comprehensive Income.

Other costs decreased by $2,910k and partially offset the increase in employee expenses and marketing expenses described above. The decrease is mainly driven by mobile bad debt expenses which were reduced by $568k and energy bad debt expenses which were reduced by $1,996k. Other movements in this line item resulted in a decrease in financial expenses.

After the changes in accounting standards, underlying operating costs increased by $6,109k to $111,027k. The detail of these impacts is provided on Note 22 of this Annual Financial Report.

Net Profit After Tax (NPAT)

The Group reported NPAT from continuing operations of $648k for the year ended 30 June 2020. NPAT has increased by $7,180k compared to the year ended 30 June 2019.

The prior year included a one-off impairment charge related to Click Energy customer intangible assets of $15,732k, which drove the overall net loss for the Group in FY2019.

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. As 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 follows at 30 June 2020:

For the year ended 30 June 2020 from Continuing Operations ($'000)		EBITDA	NPAT
Statutory results		**38,432**	**648**
Add back / (deduct)			
Restructure expenses	(i)	15	15
Integration and acquisition expenses	(ii)	1,015	1,015
ESC costs	(iii)	600	600
Income tax adjustments	(iv)	-	(489)
Underlying results		**40,062**	**1,789**

(i) Restructure expenses relate to the reversal of an over provision of staff redundancy and termination costs in energy which were associated with restructuring activities.
(ii) Integration expenses are related to legal and consulting expenses incurred on the acquisition of Jeenee Communications Pty Ltd and the OVO Mobile customer base.
(iii) ESC costs are related to penalties from the Essential Services Commission due to the misconduct of an amaysim energy external third party sales channel who had signed up customers to products without their consent, which occurred in May and June 2018.
(iv) Income tax adjustments relate to the tax impacts of the underlying NPAT adjustments.

For the year ended 30 June 2019 from Continuing Operations ($'000)		EBITDA	NPAT
Statutory results		**43,981**	**(6,532)**
Add back / (deduct)			
Restructure expenses	(i)	1,750	1,750
Integration expenses	(ii)	158	158
ACCC proceedings	(iii)	1,377	1,377
Impairment charge	(iv)	-	15,732
Income tax adjustments	(v)	-	(5,705)
Underlying results		**47,266**	**6,780**

(i) Restructure expenses relate to staff redundancy and termination associated with restructuring activities in so far as they impacted continuing operations during the year.
(ii) Integration expenses are related to Click's reorganisation and transition of the On The Move call centre.
(iii) ACCC proceedings are related to penalties and legal costs in relation to the Australian Competition and Consumer Commission legal proceedings which were commenced on 9 July 2018 against an amaysim subsidiary, amaysim Energy Pty Ltd, in relation to statements about discounts and savings related to its energy products.
(iv) Impairment charge related to Energy customer contracts and distributor relationships, as a result of a higher churn therefore a shorter customer life. Refer to Note 18.
(v) Income tax adjustments relate to the tax impacts of the underlying NPAT adjustments.

Remuneration report

Letter from the Remuneration and Nomination Committee Chair (unaudited)

Dear Shareholders,

On behalf of the Board, I am pleased to present amaysim's 2020 remuneration report.

FY2020 can be defined as a year of precise execution on our strategy. In FY2019 we refocussed the business with our growth strategy and vision and throughout FY2020 we have been solidly executing on our strategy.

Following the successful $50.6 million capital raise in FY2019 and signing of the revitalised network supply agreement (NSA) with Optus in May 2019, we entered FY2020 positioned for growth and we have achieved a number of key milestones across the business this financial year.

Key milestones achieved in FY2020

- Launched new highly competitive mobile plans to market, enabled by the revitalised NSA
- Bolstered our marketing capabilities and capacity to significantly increase our marketing activity to drive subscriber growth
- Achieved organic growth of the recurring mobile subscriber base of more than 90,000, equating to 15% organic growth over the 12-month period and amid a challenging environment that developed in the second half of FY2020 as a result of the COVID-19 pandemic
- Acquired a further 115,000 recurring mobile subscribers through the acquisition of Jeenee Mobile in November 2019 and OVO Mobile in May 2020, bringing the total recurring base to 830,000, a 33% increase on FY2019
- Increased our net promoter score (NPS) for the mobile business from +41 (in May 2019) to +57 in May 2020 and maintained our position as the least complained about telco with a total of 0.4 TIO complaints per 10,000 subscribers during the March 2020 quarter
- Improved our brand awareness score to an quarterly average of 19% for FY2020, up from 16% in FY2019
- Grew the energy subscriber base in the second half of the financial year to close the year with a base of 211,000 - the highest the base has ever been
- Grew our owned sales channels and delivered 56% of sales through these in FY2020, compared to 46% in FY2019
- Made subscription energy plans live in New South Wales, Queensland and South Australia during FY2020, in addition to Victoria in FY2019

FY2020 Financial Performance

In addition to executing on our strategy, we also delivered a solid financial performance despite the challenges faced by the economy in the second half of the financial year. We achieved a reported Underlying EBITDA (for continuing operations and after the impact of changes in accounting policies) of $40,062k, on net revenue of $490,502k. This was slightly above the guidance range provided in August 2019 ($33,000k - $39,000k underlying EBITDA), demonstrating financial discipline and the resilience of the business during the second half that was subject to significant economic and physical disruption. Importantly, our earnings have not been supported by any government assistance schemes. While we experienced sales softening in our retail channels due to the sporadic lockdowns in states and territories, there was no other noticeable impact.

We are determined to deliver better value plans for our mobile subscribers, and this has meant increasing inclusions. This conscious decision has led to a reduction in our reliance on excess revenue from data top-ups and charges. While this has reduced mobile net revenue, it now means that any additional subscriber growth thereafter directly contributes to sustainable revenue growth.

The lower gross margin in energy was a result of the raft of regulatory changes across the energy market that have put increasing pressure on energy margins for small retailers. We successfully navigated these regulatory changes, which was by no means an easy feat. As a smaller energy retailer, we dedicated considerable time and resources in preparation for the changes to ensure compliance.

Despite grappling with the unprecedented regulatory change, the energy business reported underlying EBITDA of $28,643k, on net revenue of $300,353k (FY19: EBITDA $32,065k and net revenue 304,841k) and the subscriber base grew in the second half to 211,000.

Mobile underlying EBITDA was down 24.9% to $11,419k, on net revenue of $190,149k (FY19: EBITDA $15,201k and FY19 net revenue $203,477k.) The decline in mobile EBITDA is attributable to the increased investment in mobile marketing that drove the substantial growth of the mobile subscriber base.

We finished the financial year with 830,000 recurring mobile subscribers and total mobile subscribers (including 'As You Go' subscribers) of 1,180,000. This was a 33% increase of the recurring mobile subscriber base and 23.8% of the total base.

Remuneration Structure and Strategy

Our success depends on the dedication and hard work of our people, which is embedded in our culture and our core values; agility, simplicity, reliability; and empathy. It is important that we align the interests of our people with those of our shareholders and we have in place a remuneration structure and strategy that is geared towards achieving both of these outcomes.

The key objectives of the remuneration structure are to:

- Recognise, incentivise, and reward the performance and hard work of our people
- Enable the business to retain and attract exceptional talent
- Ensure the variable remuneration targets are linked to our strategy and have measurable metrics
- Ensure that no remuneration is negatively influenced by diversity and strive for equality across the business
- Remunerate people fairly and competitively in the markets in which we operate
- Align our remuneration structure to our shareholder's interests

Employees are remunerated with a fixed annual base salary that is reviewed annually and any increase is at the discretion of the Company. The fixed remuneration is set by the People and Culture department and the senior leadership team before being approved by the Board. Remuneration is reviewed and adjusted against annual benchmarking data.

The Company operates a bonus program with targets that are set on an annual basis and tied to the progression and success of the business' strategy. The amount paid to employees is at the discretion of the Company and the basis of calculation will vary in accordance with the needs of the Company.

Approximately 60 employees participate in the Long Term Incentive (LTI) plan. The LTI plan was established to recognise, incentivise and reward our people and to align the interests of our key stakeholders. It also plays a key role in retention of skills and expertise and the people that are integral to the business' success. For more details on the Employee Long Term Incentive Plan refer to Note 31 in the Financial Report.

Executive Key Management Personnel

Executive Key Management Personnel (KMP) have the responsibility for planning, directing and controlling the activities of the Company and play a crucial role in the future success of the business.

Our Executive KMP have proven their ability to execute on our strategy, having achieved several strategic milestones this financial year. Now is a pivotal time for the business as we approach the critical revaluation event in our mobile business which aligns with the expiry of the current term under our wholesale network supply agreement with Optus.

In the prior financial year, there were a number of changes to the KMP, which established a strong management team as the business headed into FY2020, a pivotal year for the business where execution of the strategy was of paramount importance. There were no Executive KMP changes during FY2020, reflecting the stability of the existing management team and the long-term commitment of the Executive KMP.

Changes to remuneration structure

In the prior year, Executive KMP were issued new performance rights under the Long Term Incentive Plan (LTIP) to deliver alignment between shareholder interests.

Following a shareholder vote against the adoption of the FY2019 remuneration report at the 2019 Annual General Meeting, we took on board shareholder feedback and restructured the Executive KMP remuneration structure to better align with the interests of our shareholders.

Each of amaysim's non-director Executive KMP (which excludes the CEO) agreed to forgo cash bonuses for FY2020 and FY2021 under the Short Term Incentive Plan (STIP) in exchange for a base salary increase and a grant of 4,250,000 Performance Rights under the LTIP. As such, these KMP will not receive a cash bonus in FY2020. The new performance rights granted to the remaining Executive KMP are subject to future performance targets. Refer to section 2 for further details.

The Board and the Remuneration and Nomination Committee are of the view that there is already strong alignment between shareholders' interests and amaysim's Chief Executive Officer, Mr Peter O'Connell, who is already a significant shareholder in the business and he therefore maintains his award component under the STIP. See section 6 for a breakdown of share ownership.

The Board look forward to the opportunity to discuss the Remuneration Report with shareholders at the Annual General Meeting.

Sincerely,

Andrew Reitzer

Chair - Remuneration and Nomination Committee

Remuneration report (audited)

Introduction

amaysim's future growth and success is attributable to the depth of talent across the business and our ability to perform as a team. It is important that we incentivise and reward our people for their hard work and performance, and we have in place an appropriate remuneration and incentive program that is aligned to the interests of all our stakeholders.

This Remuneration Report sets out the Board's approach to the remuneration of our people, specifically with regard to the key management personnel ("KMP") and remuneration arrangements and covers the company performance and remuneration outcomes for the period from 1 July 2019 to 30 June 2020.

KMP are those that, directly or indirectly, have authority and responsibility for planning, directing and controlling the activities of the Company, being the Non-Executive Directors, the Chief Executive Officer and 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. Refer to the below table which outlines KMPs during the financial year:

Name	Position title	Term as KMP
Non-Executive Directors		
Andrew Reitzer	Non-Executive Chair	Full year
Jodie Sangster	Non-Executive Director	Full year
Goetz Maeuser	Non-Executive Director	Full year
Craig Jackson	Non-Executive Director	Full year
Rupert Greenhough	Non-Executive Director	Appointed 17 March 2020
Thorsten Kraemer	Non-Executive Director	Resigned 23 August 2019
Executive KMP		
Peter O'Connell	Chief Executive Officer and Managing Director	Full year
Alex Feldman	Chief Strategy Officer and General Counsel	Full year
Gareth Turner	Chief Financial Officer	Full year
Isaac Ward	Chief Commercial Officer	Full year

1.2 Remuneration Governance

1.2.1 Remuneration and Nomination Committee

The objective of the Remuneration and Nomination Committee (Committee) is to align the interests of KMP to that of shareholders by linking the Group's financial performance to remuneration. The Committee takes into account the importance of attracting and retaining talent which is a key contributor to the success of the Company.

The Committee reviews and advises the Board on matters relating to:

- Board and Executive KMP succession planning;
- the Company's remuneration framework for directors, including the process by which any pool of directors' fees approved by shareholders is allocated to directors;
- the Company's remuneration policy, and other relevant policies including recruitment, retention and termination policies;
- Executive KMP remuneration arrangements including the Company's equity-based incentives and the remuneration packages to be awarded to senior executives and other employees;
- the responsibility to determine the performance targets, extent of the executives' achievements and the remuneration outcomes;
- superannuation arrangements for directors, senior executives and other employees;
- the annual assessment of Board and Executive KMPs' performance;
- the assessment of the Board's skills matrix, size and composition with regard to diversity and experience; and
- any findings of gender or other inappropriate bias in remuneration for directors, senior executives or other employees.

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 investor 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. The Board and Committee did not engage any external consultants during the period.

1.2.3 Hedging of remuneration

In accordance with provisions of the Corporations Act, all KMP 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 investor website.

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

The Company is committed to attracting and retaining a high calibre of people to work in the organisation, including senior management. Our success depends on the dedication and hard work of our people, which is embedded in our culture and our core values.

The remuneration framework assists with attracting, retaining, motivating and rewarding key executives; driving top line and earnings growth; aligning the interests of key executives and shareholders to deliver long term sustainable value; and establishing a clear and transparent relationship between performance and remuneration.

Our short-term and long-term incentives for the CEO and other senior executives encourage the management team to pursue the growth and success of amaysim without rewarding conduct that would be contrary to our values or risk appetite.

2.1 Remuneration structure

Executive KMP's remuneration consists of fixed and variable remuneration. The remuneration structure is outlined below:

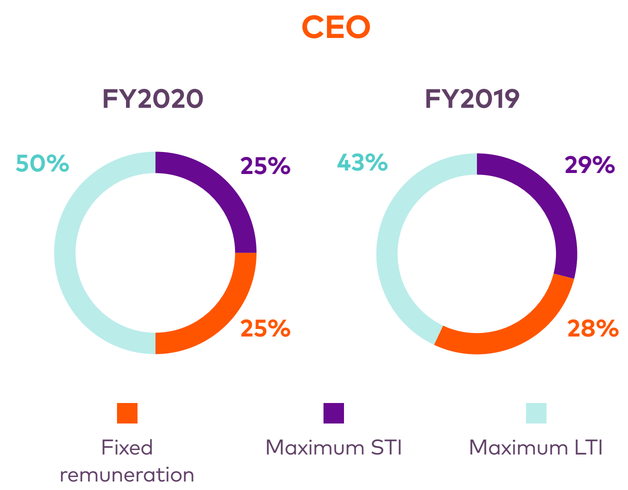
Key Objectives	• Attract, retain and reward key executives • Drive top line and earnings growth within the boundaries of the Company's risk appetite • Establish a transparent relationship between financial performance and remuneration • Align the interests of key executives and shareholders to deliver long term sustainable growth • Maintain simplicity – one of our core values		
Remuneration	**Fixed**	**Variable (at-risk)**	
Link to Business Strategy	Competitively positioned relative to the market to attract, retain and reward	• Grow a profitable and sustainable business • Optimise operating costs, remaining lean and agile • Focus on the customer • Execute and deliver projects to support mid-term and long-term strategy	• Ensure retention of key talent • Align interests of Executive KMPs with long-term interests of shareholders • Align the Company's strategic objectives to the interests of shareholders • Ensure long-term profitability and sustainability of the business
Award	**Cash**	**Cash**	**Equity settled****
Component	**Fixed Remuneration**	**Short Term Incentives* (STI)**	**Long Term Incentives (LTI)**
	Includes: • Base salary • Superannuation • Other benefits (e.g. car parking)	• Delivered 100% in cash • Subject to financial, non-financial and strategic objectives • Performance is measured over one year • Award is paid out three months after the annual results are achieved	• Delivered 100% in performance rights • Subject to long-term financial metrics and service condition • Performance is measured over a three or four year performance period. Refer to section 4 for further detail.

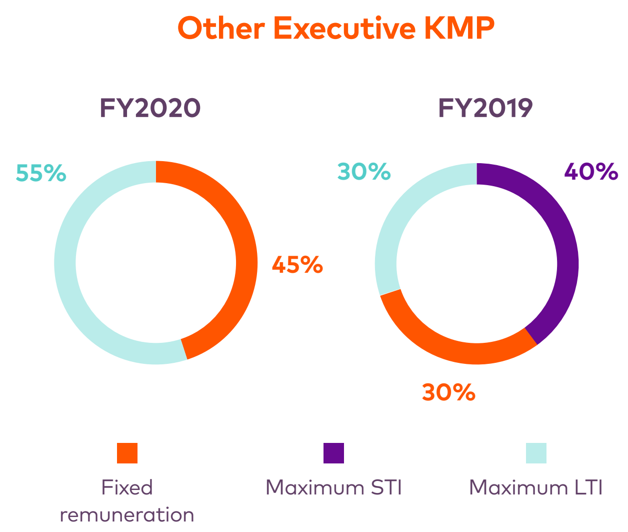
* The STI is only applicable for the CEO for FY2020.
** The Board may decide at its discretion to settle all or part of any LTI component in cash taking any particular circumstances into account. Under the LTIP rules, any such discretion applied by the board from time to time does not and will not establish any precedent to settle any part of any LTI component in cash in the future.

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 and excluding any over-achievement mechanisms).

- Fixed remuneration represents the contracted amount for FY2020;
- Short Term Incentive Plan (STI Plan) represents the maximum opportunity for FY2020;
- Long Term Incentive Plan (LTI Plan) represents the maximum FY2020 opportunity.





Note - Other Executive KMP were each granted 4,250,000 performance rights in FY2020 instead of being eligible to participate in the STI Plan in FY2020 and FY2021. The performance rights were granted in four tranches and are subject to continued employment. Refer to section 4.3.2 for further detail.

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. The main purpose of the STI plan is to motivate and reward the Chief Executive Officer for the achievement of annual performance targets linked to growing the business, meeting earnings targets, making the customers a priority and meeting the relevant milestones to support the mid-term and long-term strategy.

Who participates in the STI plan?

Chief Executive Officer and other staff in the company but not the Other Executive KMP.

What awards are granted under the STI plan?

Cash.

What is the maximum STI?

CEO – 100% of base salary.

There is an over achievement mechanism for financial performance above 100% of target for the CEO.

What are the performance metrics and targets?

The STI awards are subject to three KPIs listed in the following table 'STI Plan KPIs', measured over the period of a financial year.

During the start of the year, the Committee set the FY2020 STI metrics and targets as detailed in the following table, taking into consideration changes in amaysim's strategic direction.

STI awards subject to strategic objectives vest subject to the achievement of the projects described above and in Section 3.2.

STI Plan KPIs

KPI	Metric	Weight	Target
Financial	Underlying earnings before interest, taxes, depreciation and amortisation (EBITDA)	70%	$36.1m
	Mobile Revenue	20%	$200.5m
Customer focus	Net promoter score (NPS) across the amaysim brand (including energy and mobile)	10%	At least +10

Can any metrics be adjusted?

The Committee and the Board set the objectives which must be achieved in respect of the STI. In exceptional circumstances, the Board may exercise its right to amend the objectives just as it may also exercise its right to not pay an STI in respect of a year for the CEO.

How is 'Underlying EBITDA' calculated?

This is a reported metric which is calculated based on audited financial results. Refer to the Operating and Financial Review section of this report for more information on how it is calculated.

How do the STI awards vest?

In respect of the Underlying EBITDA Target (70% of STI), the percentage of STI realising (of the 70%):

Underlying EBITDA	70% of STI realising
0 - 80%	Nil
90%	50%
100%	100%
110%	120%
120% or greater	140%

In respect of the Mobile Revenue Target (20% of the STI), the percentage of STI realising (of the 20%):

Mobile Revenue	20% of STI realising
0-80%	Nil
90%	50%
100%	100%
110%	120%
120%	140%

Why were these metrics chosen?

Underlying EBITDA and Mobile Revenue are key financial metrics approved by the Board to ensure continued focus on commercial outcomes.

While the Company strives for long-term sustainable growth in both EBITDA and Mobile Revenue, the Board acknowledges that in the periods of significant re-investment in growth, year-on-year EBITDA increases may not be feasible.

The targets may therefore not always reflect annual increases, but rather are set with long-term benefits in mind and for the purpose of managing the Company's risk tolerance and appetite on an annual basis.

The target for FY2020 was challenging as a result of continued ARPU pressure and intense competition in the mobile market and an energy industry which was undergoing unprecedented regulatory change.

Underlying EBITDA and Mobile Revenue are measures that are in line with our value of simplicity:

- they are easy to understand for both KMPs, the rest of the business and shareholders;
- they are used by the Company's analysts and the broader market as key financial measures;
- they are in direct control of KMPs and are tangible. They are also typically less impacted by tax and accounting changes and generally correlate to cash generated by the business; and
- They directly reflect the Company's financial performance.

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 and can range from a low of -100 (if every customer is a Detractor) to a high of +100 (if every customer is a Promoter). The final NPS is calculated as an average NPS of amaysim's mobile and energy businesses across four quarterly surveys conducted during the year and is used to determine performance relative to the NPS performance hurdle set at the beginning of the financial year. The NPS target set for FY2020 is the same as the FY2019 target. The energy industry has a much lower NPS (and overall customer sentiment) when compared with mobile and that reality is reflected in the target.

The Board has approved the above metrics and targets following a thorough review and consideration of other financial and non-financial metrics, including TSR and EPS. The Board has concluded that underlying EBITDA, Mobile Revenue and NPS are the most appropriate in light of the Company's business strategy and current business cycle.

Do these metrics extend beyond the CEO?

Yes. All employees who are eligible to participate in the STI scheme are measured on the Company's performance in respect of the same metrics as the CEO. This is aligned to our value of simplicity and ensures full alignment.

How is the performance assessed?

The metrics are simple and objective. Performance is easily discernible from the Company's results and reports to the Board. Any applicable STI award for the CEO is reviewed by the Remuneration and Nomination Committee and approved by the Board.

What were the performance and vesting outcomes for FY2020?

Please refer to section 3.2.

Is there a deferral and clawback?

There is currently no formal STI deferral policy, as the Board believes that the STI targets are objective and easily discernible and that the LTI provides a more appropriate mechanism for Executive KMP retention.

While the STI vesting is determined at the end of the financial year following the announcement of results, actual payments are made later in the year to ensure KMP retention and manage any risks associated with remuneration outcomes, financial disclosures and achievement of financial results.

The Board has ultimate discretion to claw back any unvested awards in the event of a material misstatement and to prevent any inappropriate outcomes.

Does Board's discretion apply?

The Board retains an overarching discretion in relation to all aspects of the STI plan.

What happens upon cessation of employment?

Participating employees including the CEO who cease employment prior to the end of the financial year are generally not entitled to an STI award.

2.3.3 LTI plans - current

The LTI award is at risk and is directly linked to the Group's long-term performance. The main purpose of the LTI plan is to retain and reward Executive KMPs for the achievement of long-term performance and alignment of the interests of shareholders and the Company.

Who participates in the LTI plan?

All Executive KMP.

What awards are granted under the LTI plan?

Performance rights which entitles the holder to acquire a share for nil consideration at the end of the performance period, subject to meeting the LTI performance conditions.

What is the maximum LTI opportunity?

The CEO was granted 4,000,000 performance rights in FY2019 which was approved by shareholders at the October 2018 Annual General Meeting.

Other Executive KMPs were each granted 4,250,000 performance rights in FY2020 which were approved by the Board. This grant was in exchange for the forfeiture of Executive KMP cash bonuses under the STI Plan for FY2020 and FY2021. For awards granted in FY2019 for Other Executive KMP the maximum LTI opportunity is 75% of base salary.

How is the number of awards determined?

CEO – face value using an implied share price of $1.00 at the time of the grant.

Other Executive KMPs – for the grant in FY2019, face value using a volume weighted average price for the 5 days from 27 March 2019 to 2 April 2019. For the grant in FY2020, face value using an implied share price of $0.39 at the time of the grant.

What are the performance metrics?

CEO – the performance metric requires achievement of a Board-approved minimum cumulative underlying EBITDA target to FY2021 (in addition to continued employment).

Other Executive KMP – for the grant made in FY2019 the performance metric requires achievement of a sum of the Board-approved underlying EBITDA targets over FY2019 - FY2022 financial years as and when these are approved by the Board (in addition to continued employment). For the grant made in FY2020 the performance metric requires achievement of a Board-approved cumulative multi year underlying EBITDA targets over 3 tranches, a target increase in the number of recurring mobile subscribers over 3 tranches and a strategic objective to unlock additional value from the mobile business through its wholesale arrangements (in addition to continued employment). There are 4 tranches in this FY2020 grant issue with the first two performance metrics (in addition to continued employment) making up tranche 1 to 3 and the last performance metric (in addition to continued employment) making up tranche 4. Refer to table 4.3.2 for further details on this grant.

The Board considers that this type of performance hurdle, requiring considerable growth, creates the right alignment with shareholder interests.

This is despite increased competition in mobile and energy and regulatory uncertainty in respect of energy.

The Board does not consider it to be appropriate to disclose the actual Underlying EBITDA targets set for the CEO and the Executive KMP along with the recurring mobile subscriber targets set for the Executive KMP as they are forward-looking over several years and are highly commercially sensitive. If, and when, the targets are achieved they will be disclosed.

Why was this performance measure chosen?

Underlying EBITDA is a key financial metric approved by the Board every year to ensure continued focus on commercial outcomes. While the targets for the STI incentivise annual achievements, the LTI targets are set with a view of long term value creation and sustainable profitability results.

Underlying EBITDA is a measure that is in line with our value of simplicity:

- it is easy to understand for KMPs, the rest of the business and shareholders;
- it is used by the Company's analysts and the broader market as a key financial measure;
- it is in direct control of KMPs and is tangible. It is also typically less impacted by tax and accounting changes and generally correlates to cash generated by the business; and
- it directly reflects the Company's financial performance.

Mobile subscribers is a key metric approved by the Board to ensure continued focus on commercial outcomes and achieve annual growth with a view on long term value creation and sustainable profitability results.

Renegotiation of the wholesale contract is a key strategic objective approved by the Board as it is a critical enabler of the Company's strategic plan in the mobile market.

The Board has approved the above metrics and targets following a thorough review and consideration of other financial and non-financial metrics, including TSR and EPS. The Board has concluded that underlying EBITDA, mobile subscribers and the wholesale contract negotiation are the most appropriate in light of the Company's business strategy and current business cycle.

How is the performance assessed/what vesting schedules apply in respect of the CEO?

Achievement of target underlying EBITDA	Proportion of rights that vest
0-70%	0%
70%	50%
80%	70%
90%	90%
100%	100%

How is the performance assessed/what vesting schedules apply in respect of other Executive KMPs?

Achievement of target underlying EBITDA and mobile subscribers	Proportion of rights that vest
0-70%	0%
70%	50%
80%	70%
90%	90%
100%	100%

Can EBITDA be adjusted?

During the year the Board amended the CEO's EBITDA targets for FY20 and FY21 to a cumulative underlying EBITDA target over the period FY19-FY21 to align the CEO's KPI metric with the Company's long term strategic direction.

In respect of the other Executive KMPs, the Board will set the Underlying EBITDA and mobile subscriber targets in respect of each applicable performance year.

Importantly, Underlying EBITDA is a reported metric which is calculated based on audited financial results. Refer to the Operating and Financial Review section of this report for more information on how it is calculated.

How long is the performance and vesting period?

Awards granted to the CEO in FY2019 may vest subject to the achievement of EBITDA targets over the performance period of four years ending 30 June 2021.

Awards granted to Other Executive KMP in FY2019 may vest subject to the achievement of EBITDA targets over the performance period of four years ending 30 June 2022. Awards granted in FY2020 may vest in four tranches if the performance conditions are met with the first tranche vesting 31 August 2021. For further information refer to table 4.3.2.

Can the hurdles be retested?

CEO - No.

Other Executive KMP - Yes, in FY2022 and FY2023 retesting can occur in relation to the FY2020 grant to the extent that the performance condition was not achieved (in full or part) will be retested in the following year with the intention of allowing short-term underperformance or tactical delays in achieving performance conditions to be caught up. There is no retesting available for the FY2019 grant.

Is there a clawback?

The Board has ultimate discretion to claw back any unvested awards in the event of a financial misstatement and to prevent any inappropriate outcomes.

Does the Board's discretion apply?

In respect of Executive KMPs, the Board retains discretion to make positive or negative adjustments to the target Underlying EBITDA based on changes in the strategic or intrinsic value of the amaysim Group's total mobile customer base, including by reference to the changes in total customer lifetime value of that customer base or such other metric as determined by the Board over the vesting period.

What happens upon cessation of employment?

If a participant ceases to be an employee of the amaysim Group due to resignation or dismissal, any unvested rights lapse unless the Board determines otherwise. If a Participant ceases to be an employee of the amaysim Group due to any other reason, unvested rights will vest on a pro rata basis subject to the original performance conditions.

What happens to the unvested rights under change of control?

In respect of the CEO – where a takeover bid is made for the Company's shares or a meeting of the Company's shareholders is convened to approve a scheme of arrangement, at least half of the Performance Rights (being 2,000,000) will vest and the remainder of the Performance Rights may vest at the Board's discretion having regard to all relevant circumstances, including the LTI Plan Rules and the extent to which the performance conditions are satisfied to the date of the control event.

In respect of other Executive KMPs – the rights which were granted in FY2019 and FY2020 will automatically vest.

This type of auto-vesting is considered reasonable in the circumstances. First, the rights are subject to 4 tranches with the final tranche having a vesting date in August 2023 and, second, current Executive KMPs have not had the benefit of any LTI award vesting since the Company listed in 2015 and finally, they have forgone a cash bonus under the STI Plan for FY2020 and FY2021.

What rights are attached to the unvested performance rights?

The performance rights do not attract dividends, voting rights, or any capital distributions.

Have any previously granted awards vested during FY2020?

No LTI awards vested during FY2020. In fact, none of the current Executive KMPs have had any LTI awards vest since the Company listed on the ASX in 2015. Alex Feldman had awards vest prior to being a KMP, however, this was in the form of Options, that were out of the money at the time of vesting and were therefore not exercised.

What is the accounting treatment?

The fair value of the rights will be recognised as an expense with a corresponding increase to the equity compensation reserve in equity. This is because the LTI Plan has been treated as equity settled. The Board may decide at its discretion to settle all or part of any LTI component in cash taking any particular circumstances into account. Under the LTIP rules, any such discretion applied by the board from time to time does not and will not establish any precedent to settle any part of any LTI component in cash in the future. Reversals of awards which have not vested during the year have been recognised as a credit to the statement of comprehensive income and a corresponding debit to equity compensation reserve.

2.3.4 LTI plans - legacy

In previous years, the Company has granted LTI awards to Executive KMPs. These legacy grants are described below for completeness only as there is no expectation that the relevant hurdles or metrics will be achieved. In other words, these legacy plans will simply run their natural course and in practice we expect that no awards will actually vest. This is primarily a result of a change in the Company's strategic direction to focus on growth (including re-investment of profits to fuel the growth, rather than yield over the next 2 years).

As a result, we have simplified our disclosure of these legacy plans and refer shareholders to the 2018 remuneration report which included comprehensive disclosures. We have also not included detailed information in respect of legacy grants to Leanne Wolski and Dominic Drenen as their employment with the Company ceased in FY2019. Any awards which were previously granted have forfeited and neither is entitled to any future awards. Refer to section 3.3 LTIP Outcome for further information.

(i) Options granted under the Legacy LTIP

What is the legacy LTI Options Plan?

This is an options based plan which enabled participants to acquire fully paid ordinary shares in the Company, with an exercise price of $1.80 for participating Executive KMPs (being the offer price set out in the prospectus). Isaac Ward was granted such options on 7 February 2017 and Alex Feldman was granted such options on 8 March 2016.

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.

What are the vesting conditions?

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 FY2020 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 forfeit and will not be re-tested at a later date.

What are the performance and vesting periods?

The LTI award is split into three tranches with performance measured over different performance periods. Refer to table 4.2.1 for further information.

What is the accounting treatment?

The same accounting treatment is applied as for the current LTI Plan, refer to section 2.3.3.

Legacy Options LTI Plan– Outcome

LTI Plan outcomes under the legacy options grant for FY2020 are detailed in section titled "3.3 LTI Plan Outcome" below.

(ii) Employee share rights granted under the legacy LTI Plan

What is the legacy share rights LTI Plan?

In FY2018, the Group issued a new share-based payment plan to Executive KMPs, with the same objective of the Options LTI disclosed above. The awards take the form of performance rights with a nil exercise price. The conditions of this plan are very similar to the LTI Options plan.

These performance rights awards were granted in October 2017 to Isaac Ward and Alex Feldman.

How are the performance rights 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:

- 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 following table:

EPS CAGR over the performance period	% of rights vesting
Less than 10% of EPS CAGR target	Nil
10% of EPS CAGR target	50%
Between 10% and 20% of target EPS CAGR target	Straight line vesting between 50% and 75%
20% 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 of this report.

What are the performance and vesting periods?

The LTI award is split into three tranches with performance measured over different performance periods. Refer to table 4.3.1 for further information.

What is the accounting treatment?

The same accounting treatment is applied as for the current LTI Plan, refer to section 2.3.3.

Legacy Performance Rights – LTI Outcome

The outcomes for FY2020 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.

	CEO and Managing Director
Appointed	1-Jul-18
Fixed remuneration	$850,000 per annum, exclusive of superannuation
STI maximum opportunity	100% of fixed remuneration
LTI maximum opportunity	LTI grant of 4,000,000 rights made in FY2019, approved by shareholders at the 2018 AGM
Length of agreement	Ongoing, no fixed term
Notice period (by Executive KMP)	12 months
Notice period (by the Company)	12 months
Termination payments	Subject to the Corporations Act, 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.

Term	Other Executive KMP
Length of agreement	Ongoing, no fixed term
Notice period (by Executive KMP)	12 months
Notice period (by the Company)	12 months
Termination payments	Subject to the Corporations Act, 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 five years since the listing of the Company.

3.1 Group's financial performance, Shareholder Wealth and Remuneration

The table below sets out the Group's financial performance for the past five financial years for Continuing Operations.

Financial measure	FY2020 (i) ($'000 unless stated)	FY2019(i) ($'000 unless stated)	FY2018(i) ($'000 unless stated)	FY2017 ($'000 unless stated)	FY2016 ($'000 unless stated)
Earnings					
Statutory Net Revenue	$490,502	$508,318	$551,583	$326,680	$253,537
Underlying EBITDA	$40,062	$47,266	$55,287	$43,542	$35,443
Underlying NPAT	$1,789	$6,780	$19,667	$21,185	$19,926
Underlying NPAT Growth	(73.6%)	(65.5%)	(7.2%)	6.3%	108.70%
Underlying EPS	0.6c	2.9c	9.4c	11.3c	11.3c
Shareholder value					
Total dividends declared (cents per share)	-	-	-	9.1	8.3
Share price at 30 June	$0.59	$0.74	$1.06	$1.56	$1.67

(i) The results presented above for FY2020, FY2019 and FY2018 include results for continuing operations only. They also include the impact of the changes in accounting policies and adoption of new accounting standards. Refer to accompanying notes of this Annual Financial Report for further details. Refer to the Operating and Financial Review for definition of financial measures.

3.2 STI Plan outcome

KPI	Metric	Weight	Target	FY2020 Result	FY2020 Achievement	FY2020 STI Outcome
Financial	Underlying EBITDA*	70%	36.1m	$40.1m	110.61%	77.4%
	Mobile Revenue	20%	$200.5m	$190.1m	58.29%	11.6%
Customer	Net promoter score (NPS)	10%	At least +10	Above target	100%	10%

*Underlying EBITDA for STI outcome is only for continuing operations.

The Board resolved that the STI payments for the CEO and Executive KMP's were paid for FY2019.

3.3 LTI Plan outcome

3.3.1 Legacy options grant

No awards vested under the LTI Plan during FY2020. The options associated with Tranche 3 for Isaac Ward have forfeited due to the performance condition not being met at 30 June 2020. There are no outstanding options from this grant at 30 June 2020.

3.3.2 Legacy performance rights grant

No awards vested under the LTI Plan during FY2020. The performance rights associated with Tranche 2 for Isaac Ward and Alex Feldman were tested at 30 June 2020 and the performance rights have forfeited due to the performance hurdles not being met.

4. Statutory remuneration tables

4.1 Executive KMP statutory remuneration for FY2020

The following table shows the accounting expense of remuneration received by Executive KMPs during FY2020 with FY2019 comparatives. The information presented below has been prepared in accordance with Australian Accounting Standards.

		Short-term employee benefits			Termination payments	Post-employment benefits	Other long term benefits	Share-based payments		
Executive KMP	Year	Salary & fees[1] ($)	Non-monetary benefits[2] ($)	Cash Bonus[3] ($)	Termination Expenses[4] ($)	Superannuation ($)	Accrued Long Service Leave[5] ($)	Rights[6] ($)	Options[7] ($)	Total Remuneration ($)
Peter O'Connell	2020	886,979	8,550	850,000	-	21,003	4,667	1,746,763	-	3,517,962
Chief Executive Officer	2019	744,160	13,340	730,000	-	20,531	1,303	1,111,247	-	2,620,581
Gareth Turner[8]	2020	563,504	2,063	-	-	21,003	1,069	683,790	-	1,271,429
Chief Financial Officer	2019	290,125	2,594	337,500	-	15,399	534	12,360	-	658,512
Alex Feldman[9]	2020	560,812	14,129	-	-	21,003	6,338	683,790	-	1,286,072
Chief Strategy Officer and General Counsel	2019	357,985	14,313	437,500	-	16,084	7,099	(187,814)	(73,256)	571,911
Isaac Ward	2020	583,696	19,470	-	-	21,003	4,288	683,790	-	1,312,247
Chief Commercial Officer	2019	451,430	11,983	437,500	-	20,531	4,698	(197,822)	(126,037)	602,283
Dominic Drenen[10]	2020	-	-	-	-	-	-	-	-	-
Chief Executive Officer — Click	2019	433,507	-	-	296,710	20,566	(36,166)	-	(433,457)	281,160
Leanne Wolski[11]	2020	-	-	-	-	-	-	-	-	-
Chief Financial Officer	2019	143,936	4,767	-	397,051	8,695	14,062	(138,371)	(135,572)	294,568
Total	**2020**	**2,594,991**	**44,212**	**850,000**	**-**	**84,012**	**16,362**	**3,798,133**	**-**	**7,387,710**
Total	2019	2,421,143	46,997	1,942,500	693,761	101,806	(8,470)	599,600	(768,322)	5,029,015

1. Salary & fees refers to base salary earned for the financial year ended 30 June 2020 which includes accrued annual leave. The prior year has been restated to be in line with the current year.
2. Non-monetary benefits outlined in the table above include packaged items and other non-cash benefits, including fringe benefits.
3. Accrued bonus approved by the Board of Directors. Isaac Ward and Alex Feldman received a one off bonus payment in FY2019.
4. Termination expenses are for Leanne Wolski and Dominic Drenen who ceased being employees during FY2019.
5. Accrued Long Service Leave reflect the movements in provisions. Negative amounts relate to the reversal of a provision when an employee has left.
6. Rights includes legacy share plan and LTI rights granted unless they have been forfeited in the period of issue or not expected to vest in the future. Refer to section 4.3 for further detail.
7. The expense recognised for the year in relation to certain options and rights is negative if the options and rights did not vest at 30 June 2020 or are not expected to vest in the future. Refer to section 3.3 of the Remuneration Report and to Note 31 of the Financial Report for additional information.
8. Gareth Turner was appointed as Chief Financial Officer on 1 November 2018
9. Alex Feldman was appointed as Chief Strategy Officer on 21 August 2018; when he also became a KMP for the first time. The reversal of options and rights in FY2019 relate to rights and shares issued prior to his appointment as a KMP.
10. Dominic Drenen ceased to be Chief Executive Officer of Click Energy on 30 June 2019.
11. Leanne Wolski ceased to be Chief Financial Officer on 26 October 2018.

4.2 Option LTI Awards

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

4.2.1 Terms and Conditions of plans granted in FY2016 and FY2017

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	Performance Period	Vesting / first exercise date	Expiry date	Outcome at 30 June 2020
Isaac Ward	1	7-Feb-17	$0.49	312,596	$153,172	$1.80	15 July 2015 to 30 June 2018	30-Jun-18	30-Jun-20	Forfeited
	2		$0.49	156,297	$76,586		15 July 2015 to 30 June 2019	30-Jun-19	30-Jun-21	Forfeited
	3		$0.49	156,297	$76,586		15 July 2015 to 30 June 2020	30-Jun-20	30-Jun-22	Forfeited
Total				**625,190**	**$306,344**					
Alex Feldman	1	8-Mar-16	$0.54	143,346	$77,407	$1.80	01 July 2016 to 30 June 2017	30-Jun-17	30-Jun-19	Lapsed
	2		$0.54	139,130	$75,130		01 July 2016 to 30 June 2018	30-Jun-18	30-Jun-20	Forfeited
	3		$0.54	139,131	$75,131		01 July 2016 to 30 June 2019	30-Jun-19	30-Jun-21	Forfeited
Total				**421,607**	**$227,668**					

4.2.2 Movements in Option Holdings of Key Management Personnel

Executive KMP	Balance at 1 July 2019	Options granted as remuneration	Options exercised	Options forfeited / expired	Disposed	Balance at 30 June 2020
Isaac Ward	156,297	-	-	(156,297)	-	-
Alex Feldman	-	-	-	-	-	-
Total	**156,297**	**-**	**-**	**(156,297)**	**-**	**-**

4.3 Performance Rights LTI Awards

4.3.1 Terms and Conditions of Plans granted in FY2018

Executive KMP	Tranche	Grant date	Fair Value per Right at grant date	Number of Share Rights granted	Fair value at grant date	Vesting / first exercise date	Performance Period	Expiry date	Outcome at 30 June 2020
Alex Feldman	1	18-Oct-17	$1.83	76,142	$139,340	30-Jun-19	1 July 2017 to 30 June 2019	30-Jun-21	Forfeited
	2		$1.75	38,071	$66,624	30-Jun-20	1 July 2017 to 30 June 2020	30-Jun-22	Forfeited
	3		$1.67	38,071	$63,579	30-Jun-21	1 July 2017 to 30 June 2021	30-Jun-23	Outstanding
Total				**152,284**	**$269,543**				
Isaac Ward	1	18-Oct-17	$1.83	79,949	$146,307	30-Jun-19	1 July 2017 to 30 June 2019	30-Jun-21	Forfeited
	2		$1.75	39,975	$69,956	30-Jun-20	1 July 2017 to 30 June 2020	30-Jun-22	Forfeited
	3		$1.67	39,975	$66,758	30-Jun-21	1 July 2017 to 30 June 2021	30-Jun-23	Outstanding
Total				**159,899**	**$283,021**				

4.3.2 Terms and Conditions of Plans granted in FY2019 and FY2020

Executive KMP	Tranche	Grant date	Fair Value per Right at grant date	Number of Share Rights granted	Fair value at grant date	Vesting / first exercise date	Performance Period	Expiry date
Peter O'Connell		26-Oct-18	$1.15	4,000,000	$4,600,000	30-Jun-21	01 July 2018 to 30 June 2021	No expiry date or 60 days after employment is ceased with the amaysim Group.
Total				**4,000,000**	**$4,600,000**			
Gareth Turner		12-Jun-19	$0.74	1,033,691	$764,931	30-Jun-22	01 July 2018 to 30 June 2022	30 June 2029 or 60 days after employment is ceased with the amaysim Group.
	1	22-Oct-19	$0.39	850,000	$331,500	31-Aug-21	1 July 2019 to 30 June 2021	No expiry date or 60 days after employment is ceased with the amaysim Group.
	2			850,000	$331,500	31-Aug-22	1 July 2020 to 30 June 2022	
	3			850,000	$331,500	31-Aug-23	1 July 2021 to 30 June 2023	
	4			1,700,000	$663,000	30-Jun-22	1 July 2019 to 30 June 2022(i)	
Total				**5,283,691**	**$2,422,431**			
Alex Feldman		12-Jun-19	$0.74	1,033,691	$764,931	30-Jun-22	01 July 2018 to 30 June 2022	30 June 2029 or 60 days after employment is ceased with the amaysim Group.
	1	22-Oct-19	$0.39	850,000	$331,500	31-Aug-21	1 July 2019 to 30 June 2021	No expiry date or 60 days after employment is ceased with the amaysim Group.
	2			850,000	$331,500	31-Aug-22	1 July 2020 to 30 June 2022	
	3			850,000	$331,500	31-Aug-23	1 July 2021 to 30 June 2023	
	4			1,700,000	$663,000	30-Jun-22	1 July 2019 to 30 June 2022(i)	
Total				**5,283,691**	**$2,422,431**			
Isaac Ward		12-Jun-19	$0.74	1,033,691	$764,931	30-Jun-22	01 July 2018 to 30 June 2022	30 June 2029 or 60 days after employment is ceased with the amaysim Group.
	1	22-Oct-19	$0.39	850,000	$331,500	31-Aug-21	1 July 2019 to 30 June 2021	No expiry date or 60 days after employment is ceased with the amaysim Group.
	2			850,000	$331,500	31-Aug-22	1 July 2020 to 30 June 2022	
	3			850,000	$331,500	31-Aug-23	1 July 2021 to 30 June 2023	
	4			1,700,000	$663,000	30-Jun-22	1 July 2019 to 30 June 2022(i)	
Total				**5,283,691**	**$2,422,431**			

For Tranche 4 of the grant issued in October 2019, the vesting date is assumed by management to be 30 June 2022 as this is the best estimate for when the strategic objective to unlock additional value from the mobile business through the wholesale agreement is achieved.

4.3.3 Share rights holdings of key management personnel

Executive KMP	Balance at 1 July 2019	Share Rights Granted as remuneration	Share Rights forfeited / expired	Disposed	Balance at 30 June 2020
Peter O'Connell	4,000,000	-	-	-	4,000,000
Gareth Turner	1,033,691	4,250,000	-	-	5,283,691
Alex Feldman	1,109,833	4,250,000	(38,071)	-	5,321,762
Isaac Ward	1,113,640	4,250,000	(39,975)	-	5,323,665
Total	**7,257,164**	**12,750,000**	**(78,046)**	**-**	**19,929,118**

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 Remuneration and Nomination 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. This is to ensure that the remuneration for Non-executive directors does not conflict with their obligation to bring an independent judgement to matters before the board.

The table below summarises the Board and Committee fees (inclusive of superannuation contributions) for FY2020.

Board and Committee fees	FY2020
Non-Executive Chair	$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 2020 Annual General Meeting.

5.2 Non-Executive Director fees

The following table shows the fees received by Non-Executive Directors in FY2020 with FY2019 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	**2020**	**182,648**	**-**	**17,352**	**200,000**
Non-Executive Chair	2019	182,648	-	17,352	200,000
Jodie Sangster	**2020**	**91,324**	**-**	**8,676**	**100,000**
Non-Executive Director	2019	91,324	-	8,676	100,000
Craig Jackson[1]	**2020**	**111,872**	**-**	**10,628**	**122,500**
Non-Executive Director	2019	73,314	-	6,965	80,279
Goetz Maeuser[2]	**2020**	**100,000**	**-**	**-**	**100,000**
Non-Executive Director	2019	68,116	-	-	68,116
Maria Martin[3]	**2020**	**-**	**-**	**-**	**-**
Non-Executive Director	2019	47,399	-	4,503	51,902
Thorsten Kraemer[4]	**2020**	**15,385**	**-**	**-**	**15,385**
Non-Executive Director	2019	100,000	-	-	100,000
Rupert Greenhough[5]	**2020**	**26,636**	**-**	**2,530**	**29,166**
Non-Executive Director	2019	-	-	-	-
Total	**2020**	**527,865**	**-**	**39,186**	**567,051**
Total	2019	562,801	-	37,496	600,297

1. Director fees for Craig Jackson are included from the date of appointment on 27 November 2018.
2. Director fees for Goetz Maeuser are included from the date of appointment on 26 October 2018.
3. Director fees for Maria Martin are included until 30 November 2018, when she ceased to be a Director of the Company.
4. Director fees for Thorsten Kraemer are included until 23 August 2019, when he ceased to be a Director of the Company.
5. Director fees for Rupert Greenhough are included from the date of appointment on 17 March 2020.

6. KMPs Shareholdings and other transactions

6.1 Movement in shares

KMP	Balance at 1 July 2019	Acquired	Granted as remuneration	On vesting of Share Rights	Rights forfeited / lapsed	Disposed	Net change	Balance at 30 June 2020
Non-Executive Directors (i)								
Andrew Reitzer	116,667	-	-	-	-	-	-	116,667
Jodie Sangster	16,666	-	-	-	-	-	-	16,666
Goetz Maeuser	-	-	-	-	-	-	-	-
Craig Jackson	-	-	-	-	-	-	-	-
Rupert Greenhough	-	-	-	-	-	-	-	-
Total	**133,333**	**-**	**-**	**-**	**-**	**-**	**-**	**133,333**
Executive KMP								
Peter O'Connell (ii)	4,167,005	-	-	-	-	(500,000)	(500,000)	3,667,005
Alex Feldman	42,538	10,000	-	-	-	-	10,000	52,538
Gareth Turner	95,000	-	-	-	-	-	-	95,000
Isaac Ward	15,000	45,000	-	-	-	-	45,000	60,000
Total	**4,319,543**	**55,000**	**-**	**-**	**-**	**(500,000)**	**(445,000)**	**3,874,543**

(i) Thorsten Kraemer resigned during financial year ended 30 June 2020. At the 30 June 2019, Thorsten held 2,416,780 shares and there was no movement in the shares he held up to the date he ceased to be a Non-Executive Director.
(ii) Mr Peter O'Connell, no longer holds an indirect interest in 500,000 fully paid ordinary shares in the Company, following a Family Law Consent Order in respect of property settlement proceedings.

6.2 Loans and other transactions with KMPs

There were no loans or other transactions with KMPs or their related parties during the year ended 30 June 2020.

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 Ernst & Young for audit services is $629k and for non-audit services is $511k refer to Note 32 in the financial report for further detail.

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

Ernst & Young is 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 32 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

31 August 2020

Auditors Declaration

Ernst & Young
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Auditor's Independence Declaration to the Directors of amaysim Australia Limited

As lead auditor for the audit of the financial report of amaysim Australia Limited for the financial year ended 30 June 2020, I declare 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 financial year.

Ernst & Young

Ernst & Young

John Robinson
Partner
31 August 2020

Financial Report

Consolidated statement of comprehensive income

For the financial year ended	Notes	30 June 2020 $'000	30 June 2019 $'000
Revenue and other income			
Service revenue	3	487,520	504,825
Other revenue	3	2,982	3,493
Interest Income	5	450	516
Total revenue and other income		**490,952**	**508,834**
Expenses			
Network and wholesale related expenses		(339,413)	(356,134)
Employee expenses		(53,610)	(49,880)
Marketing expenses		(25,716)	(18,504)
IT and facilities expenses		(11,937)	(15,605)
Depreciation, amortisation and impairment	4	(32,181)	(44,421)
Finance expenses	5	(4,529)	(8,337)
Integration and acquisition expenses		(1,015)	(147)
Other expenses	4	(20,379)	(24,067)
Total expenses		**(488,780)**	**(517,095)**
Profit/ (Loss) before income tax		2,172	(8,261)
Income tax (expense)/benefit	6	(1,524)	1,729
Profit/ (Loss) after tax from continuing operations		**648**	**(6,532)**
Profit/ (Loss) from discontinued operations, after tax	8	274	(8,198)
Profit/ (Loss) for the period		**922**	**(14,730)**
Profit/ (Loss) attributable to members of amaysim Australia Ltd		**922**	**(14,730)**

		Cents	Cents
EPS for profit/(loss) from continuing operations attributable to members of amaysim Australia Ltd			
Basic earnings per share	9	0.22	(2.77)
Diluted earnings per share	9	0.20	(2.77)
EPS for profit/(loss) attributable to the ordinary equity holders of amaysim Australia Ltd			
Basic earnings per share	9	0.31	(6.25)
Diluted earnings per share	9	0.29	(6.25)

		$'000	$'000
Other comprehensive income for the year			
Items that may subsequently reclassify to profit or loss			
(Loss)/Gain in fair value of cash flow hedges		(28,929)	9,351
Income tax relating to cash flow hedges		8,624	(2,805)
Exchange differences on translation of foreign operations		(47)	458
Other comprehensive (loss)/income for the period net of tax		**(20,352)**	**7,004**
Total comprehensive loss attributable to members of amaysim Australia Ltd		**(19,430)**	**(7,726)**

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.
For Discontinued Operations refer to Note 8 for further details.
For the impact of the adoption of AASB16 in line with Australian Accounting Standards, refer to Note 22 for further details.

Consolidated balance sheet

As at	Notes	30 June 2020 $'000	30 June 2019 $'000
CURRENT ASSETS			
Cash and cash equivalents	10	45,015	30,651
Trade receivables	11	44,942	48,097
Other current assets	12	21,344	5,045
Derivative financial instruments	25(a)	-	3,337
Net investment in sublease	22	811	-
Total current assets	1(a)(iii)	**112,112**	**87,130**
NON-CURRENT ASSETS			
Intangible assets	18	192,295	180,008
Property, plant and equipment	17	11,726	6,154
Other non-current assets	19	652	619
Derivative financial instruments	25(a)	422	194
Deferred tax assets	6(d)	8,740	367
Total non-current assets		**213,835**	**187,342**
TOTAL ASSETS		**325,947**	**274,472**
CURRENT LIABILITIES			
Trade and other payables	13	92,018	85,058
Deferred revenue		10,128	7,460
Provisions	20	10,236	9,536
Lease liabilities	22	3,641	-
Derivative financial instruments	25(a)	25,689	2,090
Customer deposits		2,590	2,192
Other current liabilities	16	3,143	-
Current tax liabilities		875	247
Total current liabilities	1(a)(iii)	**148,320**	**106,583**
NON-CURRENT LIABILITIES			
Borrowings	14	76,550	56,515
Lease liabilities	22	5,410	-
Other non-current liabilities		1,799	3,118
Provisions	20	1,658	1,420
Derivative financial instruments	25(a)	2,659	376
Total non-current liabilities		**88,076**	**61,429**
TOTAL LIABILITIES		**236,396**	**168,012**
NET ASSETS		**89,551**	**106,460**
EQUITY			
Contributed equity	21(a)	167,163	167,163
Other equity	21(b)	(2,046)	-
Equity compensation reserve	31	(3,954)	(8,383)
Cashflow hedge reserve		(19,232)	1,073
Foreign currency translation reserve		68	115
Retained profits		11,523	10,463
Accumulated losses (prior years)		(63,971)	(63,971)
TOTAL EQUITY		**89,551**	**106,460**

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

Consolidated statement of changes in equity

For the financial year ended	Notes	Contributed equity $'000	Equity compensation reserve $'000	Other equity $'000	Cash flow hedge reserve $'000	Foreign currency translation reserve $'000	Retained earnings / (Accumulated losses) $'000	Total $'000
Opening Balance at 1 July 2018		**118,290**	**(8,160)**	**-**	**(5,473)**	**(343)**	**(38,778)**	**65,536**
Loss after tax for the period		-	-	-	-	-	(14,730)	(14,730)
Other comprehensive income		-	-	-	6,546	458	-	7,004
Total comprehensive income for the period		**-**	**-**	**-**	**6,546**	**458**	**(14,730)**	**(7,726)**
Transactions with owners in their capacity as owners:								
Issue of ordinary shares net of transaction costs	21(a)	48,873	-	-	-	-	-	48,873
Dividends paid	7	-	-	-	-	-	-	-
Share based payments expense	31(a)	-	(223)	-	-	-	-	(223)
Closing Balance at 30 June 2019		**167,163**	**(8,383)**	**-**	**1,073**	**115**	**(53,508)**	**106,460**
Adoption of AASB 16 (i)		-	-	-	-	-	138	138
Balance at 1 July 2019 (inc. AASB 16)		**167,163**	**(8,383)**	**-**	**1,073**	**115**	**(53,370)**	**106,598**
Profit after tax for the period		-	-	-	-	-	922	922
Other comprehensive income (ii)		-	-	-	(20,305)	(47)	-	(20,352)
Total comprehensive loss for the period		**-**	**-**	**-**	**(20,305)**	**(47)**	**922**	**(19,430)**
Transactions with owners in their capacity as owners:								
Acquisition of Treasury Shares	21(b)	-	-	(2,012)	-	-	-	(2,012)
Remeasurement of retirement benefit	21(b)	-	-	(34)	-	-	-	(34)
Dividends paid	7	-	-	-	-	-	-	-
Share based payments expense	31(a)	-	4,582	-	-	-	-	4,582
Deferred tax related to share based payments expense		-	(153)	-	-	-	-	(153)
Closing Balance at 30 June 2020		**167,163**	**(3,954)**	**(2,046)**	**(19,232)**	**68**	**(52,448)**	**89,551**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.
(i) Impact of AASB 16 applied from 1 July 2019. Refer to Note 22 for further details.
(ii) $20,305K movement in other comprehensive income corresponds to the fair value of derivatives financial instruments as disclosed in Note 15.

Consolidated statement of cash flows

For the financial year ended	Notes	30 June 2020 $'000	30 June 2019 $'000
Cash flows from operating activities			
Receipts from customers (incl. of GST)		545,439	560,925
Payments to suppliers and employees (incl. of GST)		(512,278)	(537,513)
Income tax paid		(298)	(465)
Finance expenses		(3,719)	(5,817)
Interest received		450	516
Net cash inflows from operating activities	24(a)	**29,594**	**17,646**
Cash flows from investing activities			
Payment for the acquisition of subsidiary, net of cash acquired	23	(6,589)	-
Payments for property, plant and equipment		(866)	(4,556)
Payments for intangible assets		(23,211)	(8,492)
Proceeds from intangible assets		-	2,961
Decrease in security deposits and bank guarantees		131	177
Principal payments from sublease		784	-
Net cash outflows from investing activities		**(29,751)**	**(9,910)**
Cash flows from financing activities			
Principal payments of lease liabilities		(3,467)	-
Purchase for shares acquired by amaysim Equity Plans Trust		(2,012)	-
Payment of capitalised transaction costs		-	(2,453)
Repayment of borrowings	14	-	(35,000)
Proceeds from borrowings	14	20,000	-
Proceeds from issue of shares	21(a)	-	50,590
Net cash inflows from financing activities		**14,521**	**13,137**
Net increase in cash and cash equivalents		14,364	20,873
Cash and cash equivalents at the beginning of the financial period		30,651	9,778
Cash and cash equivalents at end of period		**45,015**	**30,651**

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.
The consolidated statement of cash flows has not been restated for discontinued operations, in line with Australian Accounting Standards.

Notes to the consolidated financial statements

for the year ended 30 June 2020

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 2020. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the Group consisting of amaysim Australia Limited and its subsidiaries.

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 31 August 2020. 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 $89,551k as at 30 June 2020 (30 June 2019: net assets of $106,460k).

As at 30 June 2020, the Group's current liabilities exceed current assets by $36,208k (30 June 2019: $19,453k). The working capital position in FY2020 has declined compared to FY2019 mainly due to the energy derivatives classified as cash flow hedges which have moved from a net asset position in FY2019 to a net liability position in FY2020. The historical working capital deficit 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 $10,128k (30 June 2019: $7,460k) for which there is minimal future outflows expected, provisions of $10,236k (30 June 2019: $9,536k) which include payroll related and other provisions with timing of payment often delayed as it is dependent on an event in the future. In addition, major creditors included in current liabilities have fixed repayment terms. Out of the total customer deposits of $2,590k (30 June 2019: $2,192k), $1,777k are only payable if a customer disconnects and requests a refund. Furthermore, lease liabilities of $3,641k are recognised as a current liability and right of use assets of $7,134k are recognised as a non-current asset as a result of the adoption of AASB16 in FY2020.

The Group transacts in energy derivatives classified as cash flow hedges to manage its exposure to wholesale energy prices. In line with AASB9, these derivatives are measured at fair value with movements in fair value processed via Other Comprehensive Income. This movement from an asset at 30 June 2019 of $1,230k to a liability of $27,926k at 30 June 2020 is a contributing factor for the increase in the working capital deficiency over the financial year.

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 $29,594k from operating activities during the year (30 June 2019: $17,646k). 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 2020 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 Parent's functional and presentational currency is the Australian dollar (AUD).

Foreign exchange gains and losses resulting from translation of foreign currency are recognised in the statement of profit or loss, except for qualifying cash flow hedges which are deferred to equity. Refer to Note 1 (n) 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) New and amended standards adopted by the Group

AASB16 Leases became applicable for the current reporting period and the Group made modified retrospective adjustments as a result of adoption. The impact of the adoption of the new standard is disclosed in Note 22.

Several other amendments and interpretations apply for the first time in FY2020, but do not have an impact on the consolidated financial statements of the Group.

These other amendments and interpretations which have had no impact are:

- IFRIC Interpretation 23 Uncertainty over Income Tax Treatment
- Amendments to AASB 119: Plan Amendment, Curtailment or Settlement
- Amendments to AASB 128: Long-term interest in associates and joint ventures
- Annual Improvements 2015 - 2017 Cycle
  - IFRS 3 Business Combinations
  - IFRS 11 Joint Arrangements
  - AASB 112 Income Taxes
  - AASB 123 Borrowing Costs

The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

e) Changes in accounting policies

There has been a change in the way leases are accounted for in FY2020 as a result of the adoption of AASB16. Refer to Note 1(s) for the accounting treatment in FY2020 and FY2019.

f) Discontinued Operations

During the year ended 30 June 2019, the Group discontinued the Devices and Broadband businesses. During the year ended 30 June 2020, no further assets have been disposed of. For further information refer to Note 8 Discontinued Operations and Note 9 Earnings per Share.

g) 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) Mobile revenue - Unlimited plans

Unlimited mobile plans renew every 28 days. The identified performance obligations for unlimited plans (talk, text and data) are recognised on a straight line basis as this faithfully depicts how the performance obligations are satisfied. The Group uses significant judgements and estimates based on customer behaviour analysis and concluded that data allowance could be recognised on a straight line basis as it faithfully depicts the Group provision of services over the contract period.

(ii) Unbilled revenue

Revenue from energy services is recognised over time when the supply of energy has occurred, based on volume delivered or on a straight line basis for the minimum daily charge. The recognition of unbilled revenue involves judgement and estimates to quantify the customer consumption between the last invoice date and the end of the reporting period as well as the level of Pay on Time Discounts that will be taken up. Assumptions include average unbilled days, historical actual consumption per customer adjusted for seasonal factors, average gross billed rate, average level of rebates and; take up rate of Pay On Time Discounts from applicable products.

(iii) 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 energy suppliers, hedge counterparties and 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 factors, average billed 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.

(iv) 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. Judgement is applied in respect of the forecast outcome of the performance metrics of these awards. Further details of the valuation methodology and assumptions are set out in Note 31.

(v) Income Tax

The Group is subject to income taxes in Australia. Significant judgement is required in determining the income tax expense. 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 position 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 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 $180k for the year ended FY2020 and a net deferred tax asset of $8,740k relating predominantly to energy derivatives, loss allowance and blackhole expenditure.

Internal projects which may be eligible for the research and development tax incentive are reviewed by the Group's tax advisers, where a reasonable estimate is provided for the purposes of the year end tax provision.

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. Refer to Note 6 for further information.

(vi) Intangible assets – goodwill

Judgements and estimates relating to the impairment testing of goodwill are set out in Note 18 to this report.

(vii) Intangible assets - costs to obtain a contract

Costs to obtain a contract are amortised on a straight-line basis over the expected customer life. The Group uses significant judgements and estimates based on historical customers' average tenure to define the expected customer life. Refer to Note 18 for further details.

(viii) Intangible assets – energy customer contracts and distributor relationships

Energy customer contracts and distributor relationships are amortised using the sum of digits method which is considered to best reflect the pattern in which the assets' future economic benefits are expected to be consumed by the group. Judgement is applied in respect of estimating the useful economic life which is based on historic customer churn rates. The useful life used is 3-6 years for remaining customers. Refer to Note 18 for further details.

(ix) Loss allowance

In accordance with AASB9, the collectability of trade receivables is reviewed using the Expected Credit Loss model. The Group uses significant judgements and estimates based on historical credit loss to define the loss rate for each customer Group. The Group has applied an overlay to its model to estimate the current and future impacts of COVID-19 on collectability utilising both internal and external information available. Refer to Note 11 for further detail on the Group Expected Credit Loss approach.

(x) Valuation of derivatives

Fair valuation of derivative electricity and gas energy purchase contracts is performed each month. In performing fair valuation, management uses a valuation technique 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. Refer to Note 15 for further details.

(xi) Lease - Identification of a lease

The Group assesses whether:

- the contracts involve the use of an identified asset which may be explicitly stated or implied in the contract. The capacity portions of larger assets would be considered to be an identified asset if the portion is physically distinct or if the portion represents substantially all of the capacity of the asset. An asset would not be considered to be an identified asset if the supplier has the substantive right to substitute the asset throughout the period of use.
- the customer in the contract has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- the customer in the contract has the right to direct the use of the asset throughout the period of use which is satisfied if either of the following apply:
  - the customer has the right to direct how and for what purpose the identified asset is used throughout the period; or
  - the decisions about how and for what purpose the asset is used are predetermined and the customer has the right to operate the asset or the customer designed the asset in a way that predetermines how and for what purpose the asset will be used throughout the period of use.

The Group reassessed whether a contract is or contains a lease at the date of initial application. Refer to Note 22 for further details.

(xii) Lease - Determination of the lease term

In determining the lease term, management have considered all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options are only included in the lease term if the lease is reasonably certain to be extended. The lease liabilities include only lease payments to be made within the current contractual terms. Refer to Note 22 for further details.

h) Revenue recognition

In accordance with AASB15 "Revenue for Contracts with Customers" the Group recognises 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.

(i) Service revenue for Mobile

Mobile revenue is derived from providing mobile services to customers which include talk, text and data. Most mobile contracts are either over 28 days or monthly, and renewed at each anniversary date of the contract. As You Go products are based on customers airtime credit and don't have a fixed contract term.

Revenue from mobile services is recognised when the performance obligation is satisfied, which occurs when customers have used their service for a call, or text or for data. For unlimited plans, the Group has assessed the timing of satisfaction of each performance obligation identified in the contract (talk, text and data), and has considered customer behaviour as well as historical usage. Management conducted customer behaviour analysis and concluded that data allowance could be recognised on a straight line basis as it faithfully depicts the Group provision of services over the contract period. Hence, significant judgements and estimates were used to select the most appropriate method for recognising revenue.

As You Go revenue is recognised over time based upon voice/ text or data usage.

The majority of the Group's mobile contracts are prepaid, however, some are also postpaid. Cash for prepaid contracts is received upon activation (for a new contract) or renewal of an existing contract. Cash for postpaid customers is received the following month.

A receivable is recognised when the customer has used the service, as contracts are non-cancellable and non-refundable.

Customer contract liabilities are recognised for cash received in advance and services not used yet.

(ii) Service Revenue for Energy

Energy revenue is derived from the supply of electricity and gas to customers. Energy contracts are monthly.

Revenue from energy services is recognised over time when the supply of energy has occurred, based on volume delivered or on a straight line basis for the minimum daily charge, and can include billed and unbilled revenue. Subscription energy plans revenue is also recognised over time based on the electricity volume delivered to the customers. The recognition of unbilled revenue involves judgement and estimates to quantify the customer consumption between the last invoice date and the end of the reporting period as well as the level of Pay on Time Discounts that will be taken up. Assumptions include average unbilled days, historical actual consumption per customer adjusted for seasonal factors, average gross billed rate, average level of rebates and; take up rate of Pay On Time Discounts from applicable products.

Revenue related to occupier accounts, which are used to monitor electricity and gas usage when the occupant of the site cannot be identified is recognised when cash is received.

A receivable is recognised for any identified customers that the Group is the financially responsible market participant for.

Customer contract liabilities are recognised in the event of customers having a credit position (i.e. customers on instalment).

Rebates on future payments are estimated using customer redemption rates and are included in the contract transaction price.

(iii) Accounting for cross-sell contracts

The Group offers contracts that bundle services and/or products to customers involving different operating segments. Revenue for cross-sell products is allocated based on the relative standalone selling price of each performance obligation in the bundle.

(iv) Other revenue and other income

Other revenue for Mobile is comprised of expired credits and vouchers, late payment charges and other one-off services delivered. Other revenue for Energy includes commissions received upon customer referral. The Group recognises breakage estimates for expired credits based on historical expiries. Other revenue also includes revenue from outsourcing and sublease revenue.

(v) Interest revenue

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

i) 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.

On 1 June 2019, the Group revitalised its wholesale network supply agreement (NSA) with Optus. Under the revitalised NSA, which runs to 30 June 2022, the Group has changed the way it purchases data from Optus. Wholesale costs are recognised in the income statement with reference to the volume of data made available to the Group during the reporting period, as a proportion of the total volume of data made available to the Group over the whole contract term. Any difference between the cumulative net consideration paid to Optus and the cumulative volume of data made available to the Group (and expensed through the income statement) at any point in time is recognised within Current Assets or Current Liabilities on the balance sheet.

(ii) Marketing expenses

Includes customer acquisition costs (excluding upfront commissions capitalised in accordance with AASB 15), brand development, advertising related costs for online, TV and outdoor marketing.

(iii) IT and facilities expenses

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

(iv) Other expenses

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

j) 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.

k) 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.

l) 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	16 months
Office Equipment	4 years
EDP equipment	3 years
Telecommunication equipment	3-4 years
Network equipment	7 years
Furniture and fittings	8 years
Motor vehicles	4 years
Right of use asset	18-51 months

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.

m) Intangible assets

The Group has the following intangible assets:

(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 5-7 years.

(iii) Customer lists and Distributor relationships

Customer lists on acquisition of subsidiaries are included in intangible assets. Vaya, Jeenee and OVO acquired customer lists are amortised over 5-7 years using the sum of digits method. Energy customer lists are amortised over 6 years using the sum of digits method. For the acquired distributor relationships on acquisition of Click which relate to On The Move and other Channel partners the useful life is 3-6 years using the sum of digits method. Contingent consideration is not considered on initial recognition of the asset but is added to the cost of the asset initially recorded, when incurred, or when a related liability is remeasured for changes in cash flows.

(iv) 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 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).

(v) Costs to acquire contracts

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

The group capitalises these costs considered as costs to obtain and to fulfil a contract with a customer. Trailing commissions for Mobile and Energy are recognised as incurred and therefore are not capitalised.

Costs to obtain a contract (sales commissions) are recognised as an intangible asset on the balance sheet when a customer is acquired and amortised on a straight-line basis over the expected customer life to amortisation expense.

Costs to fulfil a contract relate to Sim card costs which are capitalised on the balance sheet (when the Sim card is activated) in other current assets and amortised to network and wholesale related expenses on a straight line basis over the expected customer life.

The expected customer life is based on customer average tenure which is currently deemed between 1.5 to 3 years.

The Group used significant judgments and estimates based on historical customers' average tenure to define the expected customer life.

n) 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 there is an economic relationship between the hedged item and the derivative. 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 and gas 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 through 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.

Notes 15 and 25 provide additional information in relation to hedging.

o) 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 certificates 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.

p) 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 by the Group;
- 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.

Significant judgements are used to determine the fair value of the acquired net assets. Under AASB3, 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.

Refer to Note 23 for further information.

q) 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.

r) Employee benefits

(i) Short-term obligations

Liabilities for salaries and wages, including non-monetary benefits, annual leave and long service leave that are recognised in provisions in respect of employees' services up to the end of the reporting period. They are measured at the amounts expected to be paid when the current liabilities are settled.

The liability for annual leave and the relevant portion of long service 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 31.

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.

s) Leases

(i) Measurement of lease liability

Lease liabilities are measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate or implicit rate in lease. After the commencement date, the amount of the lease liabilities is increased to reflect the accretion of interest and reduced for lease payments made. In addition the carrying amount of lease liabilities is remeasured if there is a modification, change in the lease term or a change in the substance of fixed lease payments. Refer to Note 22 for further information.

(ii) Measurement of right-of-use assets

Right of use assets are measured at cost, less any accumulated depreciation and impairment losses (if any) and adjusted for any remeasurement of lease liabilities. The cost of right of use assets includes the amount of lease liabilities recognised, initial direct costs incurred and lease payments made at or before the commencement date less any lease incentives received. The recognised right of use assets are depreciated on a straight-line basis over its estimated useful life. Refer to Note 22 for further information.

(iii) Lessor accounting

Under AASB16 an intermediate lessor shall classify a sublease contract as either a finance lease or an operating lease.

The Group is an intermediate lessor for one of the property sites in Manila, Philippines. As the sublease includes the entire premises and covers the remaining term of the head lease the sublease meets the criteria of a finance lease.

The Group has derecognised the right-of-use asset relating to the head lease, recognised a net investment in the sublease and the lease liability relating to the head lease is retained in the balance sheet which represents the lease payments owed to the head lessor.

Refer to Note 22 for further information.

(iv) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of equipment (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

(v) Operating leases (applicable for FY2019)

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.

(vi) Lease incentives (applicable for FY2019)

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

t) Borrowings and Financing Arrangements

Borrowings (excluding bank guarantees) are initially recognised 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 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.

u) 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; and
- 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.

v) Equity

(i) Contributed equity

Ordinary shares are classified as equity. Transaction costs attributable to the FY2019 capital raise are accounted for as a deduction of contributed equity net of income tax benefits.

(ii) Treasury Shares

The Group has established the Employee Share Trust "the Trust" to allocate and administer the Group's employee share schemes. The Trust is consolidated as it is controlled by the Group. Shares that are held within the Trust, known as treasury shares, are used to satisfy future vesting of entitlements in these employee share schemes. These treasury shares reduce Other Equity.

w) 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 are 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

Refer Note 1 (g)(v) 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.

x) 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.

y) 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 interest 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.

z) 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.

aa) Parent entity financial information

The financial information for the parent entity, amaysim Australia Limited, disclosed in Note 33 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.

ab) 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.

ac) New and amended standards

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective. The Group does not expect that the amended standards and interpretations will have a significant impact on the Group's consolidated financial statements.

- Amendments to References to Conceptual Framework in IFRS Standards.
- Definition of a Business (Amendments to AASB 3 Business Combinations).
- Definition of Material (Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors).

2. Operating segments

(a) 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 the year ended 30 June 2019, there are two operating segments at 30 June 2020:

- **Mobile:** includes services provided to amaysim, Vaya, Jeenee and OVO customers.
- **Energy:** services provided to customers for electricity and gas, since acquisition of Click Energy on 1 May 2017.

The CODM primarily uses the Underlying EBITDA (earnings before interest, tax, depreciation, amortisation and impairment) to assess the performance of the operating segments. Underlying EBITDA has been calculated from statutory data and excludes the impact of any acquisition related expenses and restructure expenses. The CODM also receives information about segments revenue, asset allocation and other non-statutory measures on a monthly basis. The note includes a reconciliation between statutory and non-statutory measures.

Following the adoption of AASB16 "Leases" on 1 July 2019, the Group's statutory results for the year ended 30 June 2020 are on an AASB16 basis, whereas the statutory results for the year ended 30 June 2019 are on an AASB117 "Leases" basis as previously reported.

During the financial year ended 30 June 2019, Broadband and Devices were discontinued and therefore the segment note relates only to continuing operations. Refer to Note 8 for further information.

Subsequent to year end, amaysim has entered into a binding share sale agreement for the sale of amaysim's Energy business, which represents the disposal of the entirety of amaysim's Energy segment and Energy CGU. Refer to Note 34 for further detail.

(b) Segment results for the current period

For the financial year ended 30 June 2020	Results before impact of AASB16 (i)			Impact of AASB16 (ii)			Results after impact of AASB16		
	Mobile	Energy	TOTAL	Mobile	Energy	TOTAL	Mobile	Energy	TOTAL
Service revenue	188,365	298,912	487,277	-	-	-	188,365	298,912	487,277
Other Revenue (iii)	2,666	1,441	4,107	(882)	-	(882)	1,784	1,441	3,225
Net Revenue	**191,031**	**300,353**	**491,384**	**(882)**	**-**	**(882)**	**190,149**	**300,353**	**490,502**
Network and wholesale related expenses	(112,393)	(227,020)	(339,413)	-	-	-	(112,393)	(227,020)	(339,413)
Gross margin	**78,638**	**73,333**	**151,971**	**(882)**	**-**	**(882)**	**77,756**	**73,333**	**151,089**
Operating Expenses (iv)	(68,923)	(46,258)	(115,181)	2,586	1,568	4,154	(66,337)	(44,690)	(111,027)
Underlying EBITDA	**9,715**	**27,075**	**36,790**	**1,704**	**1,568**	**3,272**	**11,419**	**28,643**	**40,062**
Non underlying expenses			(1,630)			-			(1,630)
EBITDA			**35,160**			**3,272**			**38,432**
Depreciation, amortisation and impairment (v)			(29,224)			(2,957)			(32,181)
Net Finance cost (vi)			(3,430)			(649)			(4,079)
Profit before tax			**2,506**			**(334)**			**2,172**
Income Tax			(1,624)			100			(1,524)
Profit after tax			**882**			**(234)**			**648**
Segment Assets as at 30 June 2020 (vii)							102,647	223,161	**325,808**
Segment Liabilities as at 30 June 2020 (viii)							(144,735)	(91,442)	**(236,177)**

(i) Results before impact of AASB16 are prepared on an AASB117 basis.
(ii) Refer to Note 22 for further details in relation to AASB16 and Note 1(s).
(iii) AASB16 impacts Mobile Gross Margin because sub-lease proceeds are no longer recognised as other revenue which is consistent with the head lease rent no longer being recognised as operating expenses. The sub lease payments from the sub-lessee are now recognised on the Balance Sheet as Net investment in sublease.
(iv) AASB16 impacts Mobile and Energy operating expenses because rent payments are no longer recognised as facilities expenses. Instead monthly lease payments are booked as a reduction of the Lease Liability on the Balance Sheet.
(v) AASB16 impacts depreciation, amortisation and impairment as Right of Use assets are depreciated on a straight-line basis over the term of the respective lease agreement.
(vi) AASB16 impacts net finance costs as net investment in the sublease is measured as the present value of future sublease proceeds and each reporting period, the unwinding of the discount rate is recognised as interest income. Lease liabilities are measured as the present value of future lease payments and each reporting period, the unwinding of the discount rate is recognised as finance expenses.
(vii) Assets for Mobile include the current tax assets of the Group. Total assets do not agree to the Balance Sheet as a results of the discontinued operations.
(viii) Liabilities for Mobile include total Group borrowings (Note 14), accrued interest expense and deferred tax liabilities. Total liabilities do not agree to the Balance Sheet as a result of Discontinued Operations.

(c) Reconciliation of underlying results to statutory results for the current period

The table below reconciles the underlying financial information to the statutory financial information. The table below was included in the Directors' Report for the financial year ended 30 June 2020.

For the financial year ended 30 June 2020	Note	Continuing operations under new accounting standards and new accounting policies
Underlying EBITDA		**40,062**
Add back/(deduct):		
Integration and acquisition expenses	(i)	(1,015)
Restructure expenses	(ii)	(15)
ESC costs	(iii)	(600)
EBITDA		**38,432**

(i) Integration and acquisition expenses relate to legal, consulting, strategic advice and advisors success fees incurred on the acquisition of Jeenee and OVO Mobile customer base.
(ii) Restructure expenses relate to the reversal of an over provision for termination expenses associated with restructuring activities for the year ended 30 June 2020.
(iii) ESC costs are related to penalties from the Essential Services Commission due to the misconduct of an amaysim energy external third party sales channel who had signed up customers to products without their consent, which occurred in May and June 2018.

(d) Segment results for the comparative period

For the financial year ended 30 June 2019	Continuing operations under new accounting standards and new accounting policies (i)		
	Mobile	Energy	TOTAL
Service revenue	200,984	303,841	504,825
Other Revenue	2,493	1,000	3,493
Net Revenue	**203,477**	**304,841**	**508,318**
Network and wholesale related expenses	(133,966)	(222,168)	(356,134)
Gross margin	**69,511**	**82,673**	**152,184**
Operating Expenses	(54,310)	(50,608)	(104,918)
Underlying EBITDA	**15,201**	**32,065**	**47,266**
Non underlying expenses			(3,285)
EBITDA			**43,981**
Depreciation, amortisation and impairment			(44,421)
Net Finance cost			(7,821)
Loss before tax			**(8,261)**
Income Tax			1,729
Loss after tax			**(6,532)**
Segment Assets as at 30 June 2019 (ii)	79,890	194,541	**274,431**
Segment Liabilities as at 30 June 2019 (iii)	(110,915)	(56,403)	**(167,318)**

(i) New accounting standards and accounting policies are in relation to the adoption of AASB15 and AASB9 in FY2019. Leases are still accounted for under AASB117.
(ii) Assets for Mobile include the current tax assets of the Group. Total assets do not agree to the Balance Sheet as a result of the Discontinued Operations.
(iii) Liabilities for Mobile include total Group borrowings (Note 14), accrued interest expense and deferred tax liabilities. Total liabilities do not agree to the Balance Sheet as a result of Discontinued Operations.

(e) Reconciliation of underlying results to statutory results for the prior comparative period

The table below reconciles the underlying financial information to the statutory financial information for continuing operations only.

For the financial year ended 30 June 2019	Note	Continuing operations under new accounting standards and new accounting policies
Underlying EBITDA		**47,266**
Add back/(deduct):		
Restructure expenses	(i)	(1,750)
Integration and acquisition expenses	(ii)	(158)
ACCC legal proceedings	(iii)	(1,377)
EBITDA		**43,981**

(i) Restructure expenses relate to staff redundancy and termination expenses associated with restructuring activities which impacted continuing operations during the year.
(ii) Integration expenses are related to Click's reorganisation and transition of On The Move call centre.
(iii) ACCC legal proceedings relate to costs and penalties payable to the Australian Competition and Consumer Commission proceedings which commenced on 9 July 2018 against an amaysim subsidiary, amaysim Energy Pty Ltd, in relation to statements about discounts and savings related to energy products.

3. Revenue from Contracts with Customers

The Group derives the following types of revenue by operating lines:

For the financial year ended	30 June 2020 $'000	30 June 2019 $'000
Subscription revenue (i)	183,252	194,074
As You Go	5,113	6,910
Other Mobile revenue	1,784	2,493
Mobile revenue	**190,149**	**203,477**
Electricity	232,976	247,064
Gas	65,936	56,777
Other Energy revenue	1,441	1,000
Energy revenue	**300,353**	**304,841**
Total revenue	**490,502**	**508,318**

(i) includes unlimited, data plans, Vaya, Jeenee and OVO revenue.

Most of the Group's Mobile and Energy customer contracts have a contractual term of less than one year. As such, in accordance with the practical expedient available under AASB15 the Group did not disclose the value of unsatisfied performance obligations for these contracts.

4. Expense items

For the financial year ended		30 June 2020 $'000	30 June 2019 $'000
Depreciation			
Property, plant and equipment	17	2,428	1,735
Right of Use Assets (i)	17	2,957	-
Total Depreciation		**5,385**	**1,735**
Amortisation			
Intangible assets	18	15,654	17,051
Costs to acquire a contract	18	11,142	9,903
Total Amortisation		**26,796**	**26,954**
Impairment (ii)	18	**-**	**15,732**
Total depreciation, amortisation and impairment		**32,181**	**44,421**
Bad Debts			
Bad debt write offs	11	8,120	9,417
Movement in loss allowance		1,594	2,861
Total bad and loss allowance expense		**9,714**	**12,278**
External customer service centre expenses		4,009	3,439
Other expenses		6,656	8,350
Total other expenses		**20,379**	**24,067**

(i) The depreciation on Right of Use Assets is in relation to AASB16. Refer to Note 22 for further information.
(ii) The impairment charge of $15,732k in 2019 relates to Energy customer contracts and distributor relationships.

5. Finance Income and Expenses

For the financial year ended	30 June 2020 $'000	30 June 2019 $'000
Finance income	450	516
Finance income	**450**	**516**
Finance costs		
Interest charges	(469)	(1,330)
Interest expense on lease liability	(772)	-
Interest charges syndicated finance facility	(3,065)	(4,479)
Unwinding of borrowing costs (i)	(223)	(2,528)
Finance costs expensed	**(4,529)**	**(8,337)**
Net finance costs	**(4,079)**	**(7,821)**

(i) In April 2019, the Group refinanced the debt facility and previously capitalised borrowing costs of $1.4m were reversed to the P&L during year ended 30 June 2019 and under the new debt facility in 2019, $0.5m of deferred borrowing costs were recognised. Refer to Note 14 for further information.

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.

For the financial year	30 June 2020 $'000	30 June 2019 $'000
a) Income tax expense/(benefit)		
Current tax	1,090	3,069
Deferred tax	1,397	(8,895)
Prior year (over)/under provision	(846)	630
Total income tax expense/(benefit)	**1,641**	**(5,196)**
Income tax expense/(benefit) is attributable to:		
Profit/(loss) from continuing operations (as reported in the Consolidated statement of comprehensive income)	1,524	(1,729)
Profit/(Loss) from discontinued operations (Note 8)	117	(3,467)
Total	**1,641**	**(5,196)**
Deferred income tax		
(Increase)/decrease in deferred tax assets	(2,931)	428
Increase/(decrease) in deferred tax liabilities	4,329	(9,327)
Total deferred tax expense/(benefit)	1,398	(8,899)
(b) Tax reconciliation		
Profit/(Loss) before tax - continuing operations	2,172	(8,261)
Profit/(Loss) before tax - discontinued operations	391	(11,665)
Profit/(Loss) before tax	**2,563**	**(19,926)**
Tax at 30% (30 June 2019: 30%)	769	(5,978)
Tax effect of amounts which are not deductible (assessable) in calculating taxable income:		
Amortisation of intangibles	270	218
Research and development expenditure	(172)	(190)
Non-deductible acquisition cost	158	-
Share-based payments	(264)	(64)
Other non-deductible expenses	(45)	117
Prior year over provision	(81)	431
CFC attribution	826	-
Essential Services Commission/ACCC legal proceedings	180	270
Income tax expense/(benefit)	**1,641**	**(5,196)**
(c) Amounts recognised directly in equity		
Net deferred tax - debited/(credited) directly to equity	(8,441)	2,112
Net deferred tax - debited directly to equity due to AASB15/AASB9	-	2,229
Net deferred tax - debited directly to equity due to AASB16	56	-

As at	30 June 2020 $'000	30 June 2019 $'000
(d) Deferred tax balances		
The balance comprises temporary differences attributable to:		
Derivative financial instruments	8,378	-
Loss allowance	3,897	3,700
Right of use liabilities	2,715	-
Carried forward tax losses and R&D tax offsets	2,647	-
Employee benefits	2,601	769
Accrued expenses	1,614	(183)
Capital raising and transaction costs	1,119	589
Fixed assets	1,101	-
Share based payments	886	-
Make good provision	242	157
Superannuation	102	166
Unrealised foreign exchange gains/losses	57	-
Deferred revenue	-	1,101
Other	-	2,772
Gross deferred tax assets	**25,359**	**9,071**
Set-off of deferred tax liabilities pursuant to set-off provisions:		
Deferred revenue	(7,256)	-
Intangible assets	(6,240)	(8,811)
Right of use assets	(2,383)	-
Work in progress	(475)	-
Prepayments	(265)	-
Fixed assets	-	776
Other	-	(349)
Derivative financial instruments	-	(320)
Gross deferred tax liabilities	**(16,619)**	**(8,704)**
Net deferred tax assets	**8,740**	**367**
Amount expected to be recovered within 12 months	14,900	6,235
Amount expected to be recovered after 12 months	(6,159)	(5,868)
Movement schedule in deferred tax balances		
Opening Balance	367	(4,187)
Net deferred tax liability acquired from business combination	1,329	-
Charged to Profit and Loss	(1,397)	8,895
Charged to foreign currency translation reserve	14	-
Charged to Equity	8,427	(4,341)
Closing deferred assets	**8,740**	**367**

7. Dividends

a) Dividends

No dividends have been paid during the year ended 30 June 2020. No further dividends have been declared for the year ended 30 June 2020 (30 June 2019: nil).

b) Franking Credits

The franking account balance at 30 June 2020 is $11.2m both for the consolidated entity and the parent entity ($12.1m at 30 June 2019).

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. Discontinued operations

a) Description

On 27 August 2018, the Group announced the decision to discontinue devices; the cash generating unit (CGU) has been reported as a discontinued operation for the year ended 30 June 2019.

On 26 October 2018, the Group announced the decision to sell its Broadband customer base to Southern Phone Company Limited and to discontinue the business. The transaction was completed on 29 October 2018 with the migration of all Broadband customers onto Southern Phone's platform completed by April 2019.

b) Financial Performance and Cash Flow information

The financial performance and cash flow information presented reflects the operations for Broadband and Devices for the year ended 30 June 2020 and the comparative information for year ended 30 June 2019. For further information refer to Note 8 in the FY2019 annual report.

For financial year ended 30 June 2020	Devices $'000	Broadband $'000	Total $'000
Expenses from the cessation of trade (i)	171	220	391
Profit before income tax of discontinued operations	**171**	**220**	**391**
Income tax expense	(51)	(66)	(117)
Profit from discontinued operations	**120**	**154**	**274**
Net cash outflow from operating activities	(190)	(61)	(251)
Net cash decrease generated by discontinued operations	**(190)**	**(61)**	**(251)**

(i) Expenses from the cessation of trade relate to release of provisions raised during the year ended 30 June 2019.

For financial year ended 30 June 2019	Devices $'000	Broadband $'000	Total $'000
Revenue	846	4,307	5,153
Operating Expenses (i)	(1,779)	(8,573)	(10,352)
Expenses from the cessation of trade (ii)	(737)	(1,513)	(2,250)
Loss before income tax of discontinued operations	**(1,670)**	**(5,779)**	**(7,449)**
Income tax benefit	499	1,702	2,201
Loss after income tax of discontinued operations	**(1,171)**	**(4,077)**	**(5,248)**
(Loss)/Gain on disposal of discontinued operation (ii)	(59)	2,718	2,659
Impairment of Intangibles and PPE (ii)	-	(6,875)	(6,875)
Income tax benefit from disposal	18	1,248	1,266
Loss on disposal of discontinued operation after tax	**(41)**	**(2,909)**	**(2,950)**
Loss from discontinued operation	**(1,212)**	**(6,986)**	**(8,198)**
Net cash outflow from operating activities	(1,016)	(5,259)	(6,275)
Net cash inflow from investing activities	-	2,979	2,979
Net cash decrease generated by discontinued operation	**(1,016)**	**(2,280)**	**(3,296)**

(i) Operating expenses includes network and wholesale related expenses, other operating expenses, depreciation and amortisation.
(ii) Expenses from the cessation of trade of $2,250k and (loss)/gain on disposal of $2,659k are disclosed in Note 2 as non underlying expenses in the FY2019 annual report.

9. Earnings per share

For the financial year ended	30 June 2020 $'000	30 June 2019 $'000
Weighted average number of ordinary shares (WANOS) used as the denominator in calculating basic EPS	**295,110,421**	**235,541,647**
Employee share rights under the LTIP Plan	19,436,542	3,023,102
WANOS used as the denominator in calculating diluted EPS	**314,546,963**	**238,564,749**
Net profit/(loss) after tax from continuing operations	648	(6,532)
Net profit/(loss) after tax from discontinued operations	274	(8,198)
Net profit/(loss) for the year	**922**	**(14,730)**
Basic EPS (cents per share) from continuing operations	0.22	(2.77)
Basic EPS (cents per share) from discontinued operations	0.09	(3.48)
Basic EPS (cents per share)	**0.31**	**(6.25)**
Diluted EPS (cents per share) from continuing operations	0.20	(2.77)
Diluted EPS (cents per share) from discontinued operations	0.09	(3.48)
Diluted EPS (cents per share)	**0.29**	**(6.25)**

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) Options granted under the Long term incentive plan

In accordance with Accounting Standards, no options have been considered dilutive at 30 June 2020. This is due to the forfeiture of options as result of the performance hurdles not being met and for options due to vest after 30 June 2020 the average market price of ordinary shares during the period was lower than the exercise price of those options plans granted by the Group. At 30 June 2019, these options were not considered as dilutive and therefore were not included in the determination of diluted earnings per share. Details relating to the LTIP are set out in Note 31.

(ii) Employee Share rights granted under the Long Term Incentive Plan (LTIP)

All employee share rights granted during FY2019 and FY2020 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 31.

10. Cash and cash equivalents

As at	30 June 2020 $'000	30 June 2019 $'000
Cash and cash equivalents	45,015	30,651
Total cash and cash equivalents	**45,015**	**30,651**

11. Trade and other receivables

As at	30 June 2020 $'000	30 June 2019 $'000
Trade and other receivables		
Unbilled revenue from energy services	22,453	22,353
Trade receivables from customer contracts	32,805	34,777
Other receivables and accrued revenue	2,675	3,299
Loss allowance	(12,991)	(12,332)
Total trade and other receivables	**44,942**	**48,097**
Movement in the loss allowance		
Balance at the start of the reporting period	(12,332)	(9,101)
AASB9 & AASB15 adoption	-	(105)
Charge for the year	(8,779)	(12,543)
Amounts written off	8,120	9,417
Balance at reporting date	**(12,991)**	**(12,332)**

At 30 June 2020, the aging analysis of the trade receivables is as follow:

Loss allowance as at 30 June 2020	Current	1 - 30 days	31 - 60 days	61 - 90 days	91 days and over	Total
Energy Receivables	12,145	2,164	1,742	1,422	12,090	29,563
Expected loss rate (excl. GST)	6%	22%	32%	42%	76%	
Energy Unbilled revenue	22,453					22,453
Expected loss rate (excl. GST)	6%					
Mobile receivables	1,807	454	24	26	931	3,242
Expected loss rate (excl. GST)	1%	16%	83%	100%	100%	
Total Loss allowance	**(1,975)**	**(493)**	**(519)**	**(563)**	**(9,441)**	**(12,991)**

At 30 June 2019, the aging analysis of the trade receivables is as follow:

Loss allowance as at 30 June 2019	Current	1 - 30 days	31 - 60 days	61 - 90 days	91 days and over	Total
Energy Receivables	12,778	2,899	1,990	1,764	11,247	30,678
Expected loss rate (excl. GST)	5%	20%	26%	33%	74%	
Energy Unbilled revenue	22,353					22,353
Expected loss rate (excl. GST)	5%					
Mobile receivables	2,064	558	77	31	1,369	4,099
Expected loss rate (excl. GST)	1%	22%	98%	100%	100%	
Total Loss allowance	**(1,758)**	**(627)**	**(538)**	**(564)**	**(8,845)**	**(12,332)**

Expected credit loss on trade receivables and unbilled revenue

To measure expected credit losses, trade receivables have been grouped based on shared credit risk characteristics.

Credit losses are estimated in each age category and are based on the probability of a receivable progressing through to write-off.

Loss rates are based on risk assessment performed for each customer group derived from historical credit loss and the Group current estimate of credit risk. The above loss rates are a weighted average of the rates by customer group. The loss rates include the Group's estimate of current and future impacts of COVID-19 on collectability of receivables based on internal and external information available.

The Group applies the simplified approach, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the failure of a debtor to engage in a repayment plan with the Group.

12. Other current assets

As at	30 June 2020 $'000	30 June 2019 $'000
Energy Trade Certificates (i)	9	27
Prepayments	20,430	4,043
Other	905	975
Total other current assets	**21,344**	**5,045**

(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 29(b) to satisfy relevant regulatory requirements. Renewable energy and energy efficiency products held for own use are accounted for on an accrual basis in renewable cost liability.

13. Trade and other payables

As at	30 June 2020 $'000	30 June 2019 $'000
Trade payables	33,607	27,091
Accrued expenses	23,074	27,435
Unbilled wholesale accrual	11,493	7,906
Unbilled network accrual	17,206	16,517
Renewable cost liability	6,638	6,109
Total trade and other payables	**92,018**	**85,058**

Terms and conditions

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

14. Borrowings

As at	30 June 2020 $'000	30 June 2019 $'000
Non Current		
Bank loans	77,050	57,050
Capitalised Borrowing Costs	(500)	(535)
Total borrowings	**76,550**	**56,515**

Borrowings and financing arrangements

Accounting Policies

Borrowings (excluding bank guarantees) are initially recognised 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 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.

Syndicated Loan Facility

(i) Syndicated Facility

In March 2020, the Group amended the Syndicated loan facility ("Facility") with the Commonwealth Bank of Australia and Westpac Banking Corporation by increasing the Facility B limit by $5.0m.

In May 2020, the Group amended the Syndicated loan facility ("Facility") with the Commonwealth Bank of Australia and Westpac Banking Corporation by obtaining a new facility ("Facility D").

The amended facility limit is $116 million as at 30 June 2020 ($111.4m utilised as at 30 June 2020) and is made up of the following four components:

- Facility A is a multi-option facility consisting of a revolving loan facility and a revolving bank guarantee facility totaling $20 million ($19.7m utilised as at 30 June 2020). Facility A will mature in March 2022;
- Facility B is a revolving bank guarantee facility totaling $36 million ($31.7m utilised as at 30 June 2020). Facility B will mature in March 2022;
- Facility C is a term loan facility totaling $54 million (fully utilised as at 30 June 2020). Facility C will mature in March 2023; and
- Facility D is a term loan facility totaling $6 million (fully utilised as at 30 June 2020). Facility D will mature in March 2023.

The Facility has a floating interest rate, as a result the Group is exposed to fluctuations in interest rates. amaysim had purchased an interest rate collar, protecting the Group from rising interest rates which matured on 31 March 2020. On the expiry of the interest rate collar on 31 March 2020, a new interest rate collar was not purchased by the Group due to an expected low interest rate environment for an extended period. The Group's interest expense is made up of a margin plus 3 months BBSY.

Under the Facility, the Group was subject to financial covenants, typical for a facility of this nature, tested on a quarterly basis. There were no breaches of the financial covenants during the period nor are there any future expected breaches based on forecasts.

(ii) Bank Guarantees

Bank guarantees are primarily used for operational purposes by the Mobile and Energy businesses. On 30 June 2020, the total bank guarantees on issue is $34.3 million.

(iii) Borrowing Costs

Fees paid on the establishment of loan facilities are recognised as transaction costs and amortised over the period of the facility.

15. Fair Value Measurements

As at 30 June 2020 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 2020 equal the carrying amount and are a net liability of $27,926k (made up of an asset of $422k and a liability of $28,348k). At 30 June 2019, derivatives represented a net asset of $1,066k (made up of an asset of $3,531k and a liability of $2,465k). Fair value measurements and 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 2	Level 3
For the financial year end 30 June 2020		
Financial assets		
Energy Hedge Contracts – cash flow hedges	-	422
Total financial assets	**-**	**422**
Financial liabilities		
Energy Hedge Contracts – cash flow hedges	-	(28,348)
Total financial liabilities	**-**	**(28,348)**

Recurring fair value measurements ($'000)	Level 2	Level 3
For the financial year end 30 June 2019		
Financial assets		
Energy Hedge Contracts – cash flow hedges	-	3,531
Total financial assets	**-**	**3,531**
Financial liabilities		
Currency hedges	(25)	-
Interest rate collar	(140)	-
Energy Hedge Contracts – cash flow hedges	-	(2,301)
Total financial liabilities	**(165)**	**(2,301)**

Derivatives for currency hedges and energy hedges are classified as fair value through other comprehensive income and any ineffectiveness is recognised through profit and loss. The interest rate collar was recorded through profit and loss.

There have been no transfers between the levels of the fair value hierarchy in the year ended 30 June 2020. There were no changes to the valuation techniques applied to the energy Load Following Swap contracts as at 30 June 2020.

For assets and liabilities that are recognised at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. There have been no transfer between level 1 and 2 for recurring fair value measurements during the year. For transfers in and out of level 2 and 3 measurements see (ii) below.

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 financial instruments are nil at the end of the current reporting period.
Level 2	Fair value of financial instruments that are not traded in an active market.	Level 2 financial instruments are nil at the end of the current reporting period. For FY2019 the Level 2 inputs were used to value the Currency Hedges and Interest Rate Collar. The fair value of financial instruments that are not traded in an active market are determined using valuation techniques which maximise the use of observable market data. If all significant inputs required to fair value an instrument are observable, either directly (as prices) or indirectly (derived from prices) the instrument is included in Level 2. The observable inputs that were used for Currency Hedges were a combination of AUD, USD and PHP forward rates and for the Interest Rate Collar the observable input was interest rates.
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.	Price and notional volumes for electricity hedges are not observable and are therefore level 3 inputs that the Group uses to value the electricity derivatives. These are derived as follows: • Price is derived from an average of forward electricity derivative prices, which are obtained independently from the ASX Energy Futures website on relevant dates leading up to balance date. These are then adjusted for factors specifically contained within the hedges. • Notional volumes are derived from internal modelling based on historical performance which eventually form part of Board approved budgets and forecasts. The unobservable inputs used to calculate the fair value of financial instruments for electricity range from forecast customer demand of 871GWh to 1,065GWh (911GWh to 1,114GWh at 30 June 2019), and are based on internal models and historical usage. A sensitivity analysis is provided in (iii) below. The price of gas hedges and the volumes for one of the company's gas hedges are not observable and are therefore level 3 inputs that the Group uses to value the gas derivatives. The price is derived considering a combination of factors including a) observable forward or quoted prices either via the ASX, OTC or Bilateral markets, b) a "netback to power" calculation to arrive at the marginal cost of gas used by a gas fired generator and c) a "LNG netback" price. The contractual volumes for the gas hedges are estimated as 2,993,532 GJ (3,106,399 GJ at 30 June 2019).

(ii) Fair value measurements

The following table presents the changes in cash flow hedge reserve for level 2 and level 3 items for the period ended 30 June 2020:

$'000	Level 2 Currency Hedges	Level 3 Energy hedge contracts
Opening balance at 1 July 2018	**66**	**(5,539)**
Settled contracts recycled through profit and loss	(94)	7,715
Fair value recognised in other comprehensive income	(25)	1,755
Tax Effect	36	(2,841)
Closing balance at 30 June 2019	**(17)**	**1,090**
Opening balance at 1 July 2019	**(17)**	**1,090**
Settled contracts recycled through profit and loss	17	210
Fair value recognised in other comprehensive income	-	(29,156)
Tax Effect	-	8,624
Closing balance at 30 June 2020	**-**	**(19,232)**

(iii) Sensitivity analysis in respect of Level 3 derivatives

The fair value of forward electricity contracts that are determined using unobservable inputs are calculated using a combination of an average of publicly quoted forward prices and estimated volumes based on forecast customer demand. An increase of 10% or decrease of 10% in forecasted customer demand would increase/(decrease) the fair value by $1,421k, and an increase of 10% or decrease of 10% in the forward price per megawatt hour of electricity would increase/(decrease) the fair value $6,309k.

If the fair value of the forward electricity contracts were to be determined using 30 June 2020 closing of publicly quoted forward prices the liability position of the fair value would increase by $4,413k. Further, an increase of 10% or decrease of 10% in forecasted customer demand would increase/(decrease) the fair value by $1,862k, and an increase of 10% or decrease of 10% in the forward price per megawatt hour of electricity would increase/(decrease) the fair value $5,869k.

The values of gas derivative contracts that are determined using unobservable inputs are calculated by using a forward market price, that is based on a combination of available information and calculations. An increase of 10% or decrease of 10% in the market price per Gigajoules of gas would increase/(decrease) the fair value $2,623k/($875k). One of the gas derivative contracts is a load following swap contract. In addition to market price, notional volume is an unobservable input and is determined based on internal modelling of forecast usage. An increase/decrease in the notional Gigajoules of 10% would increase/(decrease) the fair value by $696k.

(iv) Valuation processes

The finance team of amaysim Energy and Treasurer perform the valuations of non-property items required for financial reporting, including level 3 fair values. Discussions of valuation processes and results are held between the CFO and Treasurer 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 discussions between the CFO and Treasurer.

16. Other Current Liabilites

As at	30 June 2020 $'000	30 June 2019 $'000
Deferred consideration	2,458	-
Other	685	-
Total other current liabilities	**3,143**	**-**

17. Property, plant and equipment

	Leasehold improvements $'000	Right of Use Assets $'000	Office equipment $'000	EDP equipment $'000	Tele-communication equipment $'000	Network equipment $'000	Furniture & fittings $'000	Motor Vehicles $'000	Total $'000
At 1 July 2019									
Cost	7,031	-	666	4,273	370	-	1,139	98	13,577
Accumulated depreciation	(2,771)	-	(490)	(3,406)	(333)	-	(389)	(34)	(7,423)
Change in accounting standards (i)	-	9,657	-	-	-	-	-	-	9,657
Net book amount	**4,260**	**9,657**	**176**	**867**	**37**	**-**	**750**	**64**	**15,811**
Year ended 30 June 2020									
Opening net book amount	4,260	9,657	176	867	37	-	750	64	15,811
Additions	317	-	39	426	16	-	63	5	866
Adjustment of Right of use asset (ii)	-	434	-	-	-	-	-	-	434
Impairment	-	-	-	-	-	-	-	-	-
Depreciation charge	(1,267)	(2,957)	(107)	(719)	(30)	-	(282)	(23)	(5,385)
Closing net book amount	**3,310**	**7,134**	**108**	**574**	**23**	**-**	**531**	**46**	**11,726**
At 30 June 2020									
Cost	7,348	10,091	705	4,699	386	-	1,202	103	24,534
Accumulated depreciation	(4,038)	(2,957)	(597)	(4,125)	(363)	-	(671)	(57)	(12,808)
Net book amount	**3,310**	**7,134**	**108**	**574**	**23**	**-**	**531**	**46**	**11,726**
At 1 July 2018									
Cost	3,506	-	548	3,779	352	1,088	518	90	9,881
Accumulated depreciation	(2,016)	-	(380)	(2,484)	(294)	(64)	(217)	(14)	(5,469)
Net book amount	**1,490**	**-**	**168**	**1,295**	**58**	**1,024**	**301**	**76**	**4,412**
Year ended 30 June 2019									
Opening net book amount	1,490	-	168	1,295	58	1,024	301	76	4,412
Additions	3,290	-	118	501	18	-	621	8	4,556
Impairment	(1)	-	-	(2)	-	(975)	-	-	(978)
Depreciation charge (iii)	(519)	-	(110)	(927)	(39)	(49)	(172)	(20)	(1,836)
Closing net book amount	**4,260**	**-**	**176**	**867**	**37**	**-**	**750**	**64**	**6,154**
At 30 June 2019									
Cost	7,031	-	666	4,273	370	-	1,139	98	13,577
Accumulated depreciation	(2,771)	-	(490)	(3,406)	(333)	-	(389)	(34)	(7,423)
Net book amount	**4,260**	**-**	**176**	**867**	**37**	**-**	**750**	**64**	**6,154**

(i) The change in accounting standards is in relation to the adoption of AASB16 and recognising the Right of Use Asset at 1 July 2019. Refer to Note 22 for further information.

(ii) The adjustment to the Right of Use Asset relates to the amendment of the incremental borrowing rate used to calculate the lease liability in the Philippines and the lease extension for the Sydney office.

(iii) The depreciation charge is for continuing and discontinued operations. The variance of $101k in FY2019 between $1,836k as per above and $1,735k as per Note 4 relates to Discontinued Operations. Refer to Note 8 for further information.

18. Intangible assets

	Goodwill $'000	Trademarks $'000	Software development $'000	Customer contracts and Distributor relationships $'000	Costs to acquire contracts $'000	Total $'000
At 30 June 2019						
Cost	139,505	8,905	44,316	56,366	20,639	269,731
Impairment	(422)	-	(8,925)	(15,732)	-	(25,079)
Accumulated amortisation	-	(5,326)	(25,026)	(24,389)	(9,903)	(64,644)
Net book amount at 30 June 2019	**139,083**	**3,579**	**10,365**	**16,245**	**10,736**	**180,008**
Year ended 30 June 2020						
Opening net book amount	139,083	3,579	10,365	16,245	10,736	180,008
Acquisition of subsidiary (i)	3,809	-	-	3,042	-	6,851
Asset acquisition (ii)	-	-	-	15,832	-	15,832
Additions	-	-	7,380	-	9,020	16,400
Impairment Charge	-	-	-	-	-	-
Amortisation charge	-	(1,446)	(5,452)	(8,756)	(11,142)	(26,796)
Closing net book amount	**142,892**	**2,133**	**12,293**	**26,363**	**8,614**	**192,295**
At 30 June 2020						
Cost	143,314	8,905	51,696	75,240	29,659	308,814
Accumulated impairment	(422)	-	(8,925)	(15,732)	-	(25,079)
Accumulated amortisation	-	(6,772)	(30,478)	(33,145)	(21,045)	(91,440)
Net book amount	**142,892**	**2,133**	**12,293**	**26,363**	**8,614**	**192,295**
At 30 June 2018						
Cost	139,505	8,905	38,785	56,366	8,735	252,296
Impairment	(422)	-	(3,026)	-	-	(3,448)
Accumulated amortisation	-	(3,883)	(17,984)	(14,941)	-	(36,808)
Net book amount at 30 June 2018	**139,083**	**5,022**	**17,775**	**41,425**	**8,735**	**212,040**
Year ended 30 June 2019						
Opening net book amount	139,083	5,022	17,775	41,425	8,735	212,040
Additions	-	-	5,531	-	11,904	17,435
Impairment Charge (iv)	-	-	(5,899)	(15,732)	-	(21,631)
Amortisation charge (iii)	-	(1,443)	(7,042)	(9,448)	(9,903)	(27,836)
Closing net book amount	**139,083**	**3,579**	**10,365**	**16,245**	**10,736**	**180,008**
At 30 June 2019						
Cost	139,505	8,905	44,316	56,366	20,639	269,731
Impairment	(422)	-	(8,925)	(15,732)	-	(25,079)
Accumulated amortisation	-	(5,326)	(25,026)	(24,389)	(9,903)	(64,644)
Net book amount	**139,083**	**3,579**	**10,365**	**16,245**	**10,736**	**180,008**

(i) The additions to customers contracts and distributor relationships relate to the acquired intangibles on the acquisition of Jeenee. The additions to goodwill are also attributable to the acquisition of Jeenee.

(ii) The additions to customer contracts and distributor relationships relate to the asset acquisition of OVO Mobile. Contingent consideration has not been included on initial recognition of this asset. Refer to Note 1m(iii) for further details on the accounting policy.

(iii) The amortisation charge in FY2019 had $983k related to Broadband assets. For further information refer to Note 8. Net of Broadband amortisation, the remaining difference between the amortisation charges disclosed above and the total "Depreciation, amortisation and impairment" expense in the Consolidated statement of comprehensive income of $44,421k relates to the depreciation expense of $1,735k for FY2019 for continuing operations. Refer to Note 17 for further details.

(iv) The impairment charge in FY2019 had $5,899k related to Broadband assets. For further information refer to Note 8.

a) Assessment of Impairment of Goodwill and other intangible assets

The Group's assessment of impairment of 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". During year ended 30 June 2020, there remained two CGUs, Mobile and Energy.

At 30 June 2020, 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.

	Carrying value		Post-tax discount rate		Terminal value growth rate	
Goodwill Consolidated entity	30 June 20 $'000	30 June 19 $'000	30 June 20 %	30 June 19 %	30 June 20 %	30 June 19 %
Mobile services	48,367	53,373	12.5%	12.5%	2.5%	2.5%
Energy	56,152	85,710	12.0%	12.0%	2.5%	2.5%

(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 2021 budget and management forecasts over a five-year period. Cash flows beyond the five-year period are extrapolated using the terminal growth rates stated above. These growth rates are consistent with forecasts included in industry reports specific to the industry in which both CGUs operate.

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

- 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 15.9% (2019: 16.7%) and for Energy is 15.5% (2019: 16.1%). 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 (2019: 2.5%).

There has been no further indicators of impairment at 30 June 2020 or any indicators of a reversal of impairment related to Energy customer contracts. As at 30 June 2020 no impairment charge has been recognised.

(ii) Significant estimate: impairment charge

There were two impairment charges during the prior year: $5,899k related to the Broadband CGU which is now a discontinued operation (refer to Note 8 for further information) and $15,732k related to Energy customer contracts and distributor relationships (refer to section below).

Energy customer contracts and distributor relationships

During the year ended 30 June 2019, new information became available to the Group in relation to customer churn and customer life in respect of previously acquired energy intangibles, reflecting higher customer churn and therefore a shorter customer life. This occurred in the context of substantial recent changes in the energy industry, with increased competition and a more challenging regulatory environment. This information showed that the number of remaining customers as at 31 December 2018 had decreased significantly more quickly than what was reflected in the original at-acquisition carrying value based on a useful life of 4-7 years for the assets. This triggered a test for impairment of the carrying value of Energy customer contracts and distributor relationships and resulted in an impairment charge of $15,732k to reflect the new carrying value of remaining acquired customers.

This also resulted in changes in accounting estimates related to the method of amortisation of acquired Energy customer contracts and distributor relationships assets which will now use the sum of the digits method as opposed to the straight-line method used previously, with the new method being considered to best reflect the pattern in which the assets' future economic benefits are expected to be consumed by the Group. From 31 December 2018, the useful lives of these intangible assets have changed as a result of new information that became available to the Group during the period in relation to customer churn and customer life. The useful lives have reduced from 4-7 years at the time of acquisition to new useful lives of 3-6 years for the remaining customers. Refer to the table below for the impact of the change in amortisation expense for FY19 and the amortisation expense for future years.

For the financial year	$'000
Impairment Charge	15,732
Jun-19	165
Jun-20	(969)
Jun-21	(2,528)
Jun-22	(3,271)
Jun-23	(4,642)
Jun-24	(4,486)

(iii) Movements during the year

The main movements in the intangibles assets during the period was due to the acquisition of Jeenee Communications Pty Ltd (refer to Note 23 for further details) and the asset acquisition of the mobile subscribers of OVO. Other movements relate to additions and other amortisation charges during the year ended 30 June 2020.

(iv) 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 CGU that would result in an impairment charge.

19. Other non-current assets

Security deposits total $652k at 30 June 2020 ($619k at 30 June 2019) and comprise of restricted deposits held as security for lease of premises.

20. Provisions

	Employee entitlements $'000	Employee bonus $'000	Make good $'000	Other provisions $'000	Total $'000
30 June 2020					
Current	2,777	5,932	-	1,527	10,236
Non current	850	-	808	-	1,658
Total provisions at the end of the reporting period	**3,627**	**5,932**	**808**	**1,527**	**11,894**
Movements in provisions					
At 1 July 2019	3,473	5,056	682	1,745	10,956
– additional provisions recognised	4,614	6,925	131	5,112	16,782
– unused amounts reversed	(59)	(341)	-	(168)	(568)
– payments made	(4,401)	(5,708)	(5)	(5,162)	(15,276)
Carrying amount 30 June 2020	**3,627**	**5,932**	**808**	**1,527**	**11,894**
30 June 2019					
Current	2,735	5,056	-	1,745	9,536
Non current	738	-	682	-	1,420
Total provisions at the end of the reporting period	**3,473**	**5,056**	**682**	**1,745**	**10,956**

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

Employee bonus provision relates to the bonus employees who are participating in the short term incentive scheme will be entitled to.

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 rewards provided to energy customers yet to be claimed and also exit costs for the devices business which was discontinued during FY2019.

Of the total provisions $10,236k is expected to be settled in the next 12 months.

21. Equity

a) Contributed equity

(i) Movements in ordinary share

As at	30 June 2020		30 June 2019	
	Shares	$'000	Shares	$'000
Opening balance	**295,110,421**	**167,163**	**210,792,810**	**118,290**
Issue of shares as result of the Entitlement Offer	-	-	84,317,611	50,590
Less:				
Transaction costs arising on issue of new shares	-	-	-	(2,453)
Deferred tax credit recognised directly in equity	-	-	-	736
Closing balance	**295,110,421**	**167,163**	**295,110,421**	**167,163**

Ordinary shares issued at 30 June 2020 are fully paid. Upon a poll each ordinary share is entitled to one vote. At 30 June 2020 there were 295,110,421 ordinary shares issued. Ordinary shares have no par value.

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

The movements in options issued under the Long Term Incentive Plan are outlined in Note 31 (b).

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

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 31 (c).

b) Other Equity

During the financial year, the amaysim share trust purchased 5,562,828 shares at an average price of $0.38 per share. The consideration paid and the associated transaction costs are deducted from equity.

(i) Movement in other equity during the year ended 30 June 2020

As at	30 June 2020		30 June 2019	
	Shares	$'000	Shares	$'000
Opening balance 1 July	-	-	-	-
Acquisition of shares by amaysim Equity Plans Trust	5,562,828	(2,000)	-	-
Transaction Costs	-	(12)	-	-
Remeasurement of retirement benefit plan (i)	-	(34)	-	-
Closing balance 30 June	**5,562,828**	**(2,046)**	**-**	**-**

(i) The remeasurement of the retirement benefit plan relates to a retirement obligation for amaysim Philippines employees.

c) Nature and Purpose of other reserves

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

(iv) 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 31.

(v) 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 15 for methods and assumptions in fair valuing these derivatives.

(vi) Foreign currency translation reserve

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

22. Adoption of new accounting standards

This note explains the impact of the adoption of AASB16 "Leases" on 1 July 2019 to the Group's financial statements.

a) Adoption of AASB16 Leases

AASB16 "Leases" was issued in February 2016 to replace AASB117 "Leases" and is effective for accounting periods beginning on or after 1 January 2019. The new standard requires 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 has the following impacts:

- lease expenses are recognised as depreciation of the right of use asset and interest on lease liability. Previously, operating lease rentals were expensed on a straight-line basis over the lease term within operating expenses in the consolidated statement of comprehensive income;
- the repayment of the principal portion of lease payments are reported as financing activities in the consolidated cash flow statement. The interest portion is reported as operating activities in the consolidated cash flow statement. In the previous financial year, operating lease rental payments were reported as operating activities in the consolidated cash flow statement;
- the most significant judgements in applying AASB16 relate to the identification of leases and the determination of the lease term; and
- lessor accounting in accordance with AASB16 is substantially unchanged from the requirements under AASB117. Lessors continue to classify leases under the same classification principles and distinguish between operating and finance leases. The Group now recognises a net investment in sublease as the Group is an intermediate lessor for one of the property sites in Manila, Philippines. Refer to Note 1(s)(iii) for further information.

As at 1 July 2019, the Group has transitioned to AASB16 using the modified retrospective approach with the cumulative effect of initially applying AASB16 recognised as an adjustment to the opening balance of retained earnings and comparatives have not been restated. As a lessee, the Group has 4 property leases (Sydney, Melbourne and two sites in the Philippines) which were previously classified as operating leases and are now recognised on the consolidated balance sheet.

Practical expedients applied

In applying AASB16 for the first time, the Group has used the following practical expedients permitted by the standard:

- expensed in the profit and loss: lease payments related to short-term leases (12 months or less) and leases of low-value assets;
- expensed in the profit and loss: lease payments related to lease arrangements with a remaining lease term of less than 12 months as at 1 July 2019;
- excluded initial direct costs for the measurement of the right-of-use asset at the date of initial application; and
- used hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

Accounting policies and significant judgements

(i) Measurement of lease liabilities

On adoption of AASB16, the Group recognised lease liabilities in relation to leases which have previously been classified as 'operating leases' under the principles of AASB117 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 July 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 July 2019 was 5% for leases held in Australia and 8% for leases held in the Philippines. For further details refer to Note 1(s)(i).

(ii) Measurement of right-of-use assets

The associated right-of-use assets for property leases were measured on a retrospective basis as if the new rules had always been applied. For further details refer to Note 1(s)(ii).

The most significant judgements in applying AASB16 relate to the identification of leases and the determination of the lease term.

Identification of a lease

The Group assesses whether:

- the contracts involve the use of an identified asset which may be explicitly stated or implied in the contract. The capacity portions of larger assets would be considered to be an identified asset if the portion is physically distinct or if the portion represents substantially all of the capacity of the asset. An asset would not be considered to be an identified asset if the supplier has the substantive right to substitute the asset throughout the period of use;
- the customer in the contract has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use;
- the customer in the contract has the right to direct the use of the asset throughout the period of use which is satisfied if either of the following apply:
  - the customer has the right to direct how and for what purpose the identified asset is used throughout the period; or
  - the decisions about how and for what purpose the asset is used are predetermined and the customer has the right to operate the asset or the customer designed the asset in a way that predetermines how and for what purpose the asset will be used throughout the period of use.

The Group reassessed whether a contract is or contains a lease at the date of initial application.

(i) Determination of the lease term

In determining the lease term, management have considered all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options are only included in the lease term if the lease is reasonably certain to be extended. The lease liabilities below include only lease payments to be made within the current contractual terms.

b) Impacts on the financial statements of adoption of AASB16

(i) Lease Liabilities

The lease liabilities as at 1 July 2019 can be reconciled to the operating lease commitments as of 30 June 2019 as follows:

	$'000
Operating lease commitments disclosed as at 30 June 2019	13,082
Discounted using the lessee's incremental borrowing rate at the date of initial application	11,956
Lease liability recognised as at 1 July 2019:	
Current lease liability	3,715
Non-current lease liabilities	8,241
Total Lease Liabilities	**11,956**

For a maturity analysis of the lease liability please refer to Note 25.

(ii) Adjustments recognised in the balance sheet on 1 July 2019

The change in accounting standard affected the following items in the Balance Sheet on 1 July 2019:

	$'000
Property, Plant and Equipment (Right of Use Assets)	9,657
Net investment in sublease (current)	777
Net investment in sublease (non current)	784
Total Assets	**11,218**
Lease liabilities (current)	3,715
Lease liabilities (non current)	8,241
Trade and other payables (straight-line lease liabilities)	(926)
Deferred Tax Liability	50
Total Liabilities	**11,080**
The net impact on retained earnings on 1 July 2019	**138**

(iii) Maturity analysis of lease payments receivable at 30 June 2020

The table below shows the maturity analysis of the lease payments receivable. The undiscounted lease payments to be received on an annual basis for the remaining lease term.

Maturity analysis of lease payments receivable	1 year or less $'000	Between 1 and 2 years $'000	Total $'000
Undiscounted lease payments receivable	844	-	844
Unearned Finance Income	(33)	-	(33)
Net Investment in Finance Lease	811	-	811

(iv) Impact on the financial statements on adoption of AASB16 as at 30 June 2020:

For the year ended	Ref	30 June 2020 (before AASB16) ($'000)	Impact of AASB16 ($'000)	30 June 2020 (as presented) ($'000)
Revenue and other income				
Other Revenue	(i)	3,864	(882)	2,982
Interest income	(ii)	349	101	450
Total revenue and other income		**491,733**	**(781)**	**490,952**
Expenses				
IT and facilities expenses	(iii)	(16,091)	4,154	(11,937)
Depreciation, amortisation and impairment	(iv)	(29,224)	(2,957)	(32,181)
Finance expenses	(v)	(3,779)	(750)	(4,529)
Total expenses		**(489,227)**	**447**	**(488,780)**
Profit before income tax from continuing operations		2,506	(334)	2,172
Income tax expense	(vi)	(1,624)	100	(1,524)
Profit for the year from continuing operations		**882**	**(234)**	**648**

(i) As a result of AASB16, sub-lease proceeds are no longer recognised as revenue which is consistent with the head lease rental expenses no longer booked as operating expenses.

(ii) Under AASB16 net investment in the sublease are measured as the present value of future sublease proceeds. Every reporting period, the unwinding of the discount rate is recognised as interest income.

(iii) Under AASB16 rent payments are no longer recognised as facilities expenses. Instead, monthly lease payments are booked as a reduction of the lease liability on the balance sheet.

(iv) Under AASB16 right-of-use assets are depreciated on a straight-line basis over the term of their respective lease agreement.

(v) Under AASB16 lease liabilities are measured as the present value of future lease payments. Every reporting period, the unwinding of the discount rate is recognised as finance expenses.

(vi) Tax impacts of the above adjustments.

As at	Ref	30 June 2020 (before AASB16) ($'000)	Impact of AASB16 ($'000)	30 June 2020 (as presented) ($'000)
CURRENT ASSETS				
Net Investment in sublease	(i)	-	811	811
Total current assets		**111,301**	**811**	**112,112**
NON-CURRENT ASSETS				
Property, plant and equipment	(ii)	4,592	7,134	11,726
Deferred tax asset	(iii)	8,682	58	8,740
Total non-current assets		**206,643**	**7,192**	**213,835**
TOTAL ASSETS		**317,944**	**8,003**	**325,947**
CURRENT LIABILITIES				
Trade and other payables	(iv)	92,982	(964)	92,018
Lease liabilities	(v)	-	3,641	3,641
Total current liabilities		**145,643**	**2,677**	**148,320**
NON-CURRENT LIABILITIES				
Lease liabilities	(vi)	-	5,410	5,410
Total non-current liabilities		**82,666**	**5,410**	**88,076**
TOTAL LIABILITIES		**228,309**	**8,087**	**236,396**
NET ASSETS		**89,635**	**(84)**	**89,551**
EQUITY				
Foreign currency translation reserve	(vii)	56	12	68
Retained profits	(viii)	11,619	(96)	11,523
TOTAL EQUITY		**89,635**	**(84)**	**89,551**

(i) Relates to the recognition of the Net Investment in Sub Lease due within 12 months.
(ii) Relates to the recognition of the Right of Use Asset.
(iii) Relates to the deferred tax assets recognised on adoption of AASB16.
(iv) Relates to the derecognition of straight-line lease liability previously recognised pursuant to AASB117 Leases.
(v) Relates to the recognition of straight-line lease liabilities due within 12 months.
(vi) Relates to the recognition of lease liabilities greater than 12 months.
(vii) Relates to the translation of foreign currency balances on AASB16 accounts.
(viii) Net impact on retained earnings for FY2020.

23. Business Combinations

a) Summary of acquisition

On 30 November 2019, the Company acquired 100% of the issued share capital of Jeenee Communications Pty Ltd, a privately-owned mobile virtual network provider (MVNO). The acquisition forms part of amaysim's strategic pillar to grow its position in the mobile market both organically and through complementary bolt-on acquisitions. The acquisition accounting is provisional as at 30 June 2020, pending finalisation of the purchase consideration and fair value of net assets acquired.

(i) Purchase consideration

The cost of acquisition net of cash acquired was $6.6m. For accounting purposes, the purchase consideration, on a provisional basis, is calculated as follows:

	$'000
Cash consideration to sellers	6,080
Cash in escrow	539
Total provisional purchase consideration	**6,619**
Less cash balances acquired	(30)
Net outflow of cash - investing activities	**6,589**

(ii) Assets acquired/liabilities assumed

The provisional value of assets and liabilities recognised as a result of the acquisition are as follows:

	$'000
Cash	30
Trade and other receivable	254
Other Current Assets	300
Property, Plant & Equipment	10
Customer relationships	3,042
Deferred tax asset	1,329
Trade and other payables	(1,800)
Deferred revenue	(118)
Provisions - current	(158)
Provisions - non - current	(79)
Net identifiable assets acquired	2,810
Add: Provisional goodwill	3,809
Total provisional purchase consideration	**6,619**

(iii) Acquired receivables

The fair value of the acquired trade receivables is $254k. The gross contractual amount for trade receivables due is $441k, of which a loss allowance of $187k was recognised on acquisition.

(iv) Provisional goodwill

Goodwill from the acquisition represents the value of the assets that are not separately identifiable or separable from other assets recognised under the provisional acquisition accounting. The Company expects the acquisition to realise operating synergies which will drive additional cost benefits and earnings growth. The Goodwill is not deductible for tax purposes.

(v) Revenue and profit contribution

Jeenee's post acquisition contribution to the Group was $4,983k revenue and $1,369k of profit before tax which is included in the consolidated statement of comprehensive income for the reporting period. At the acquisition date, Jeenee's customers were migrated to the Group's wholesale network supply agreement. As a result, Jeenee's post acquisition wholesale network costs differ significantly from its pre-acquisition wholesale network costs and therefore Jeenee's performance from 1 July to 30 November 2019 does not reflect the expected post-acquisition performance.

Consequently, it is impracticable to disclose the impact on the Group if the acquisition had occurred on 1 July 2019 because the retrospective application requires significant estimates and assumptions about what management's intent would have been in regard to Jeenee's wholesale network costs.

(vi) Acquisition related costs

Acquisition related costs of $695k were expensed and included within integration and acquisition expenses in the statement of comprehensive income that relate to legal, consulting, strategic advice and advisors success fees.

24. Cash flow information

Cash, including cash on hand, cash at bank and cash on deposit total $45,015k at 30 June 2020 ($30,651k at 30 June 2019).

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

For the financial year ended	30 June 2020 $'000	30 June 2019 $'000
Profit/(Loss) after tax	922	(14,730)
Add back:		
Non-cash items:		
Depreciation and amortisation	32,181	29,675
Share-based payments expense	4,582	(223)
Impairment of intangible assets	-	22,607
Amortisation of capitalised transaction costs	35	2,528
Net foreign exchange differences	(113)	458
Unwind of discount	767	-
Change in assets and liabilities:		
Decrease in trade and other receivables	3,155	10,590
Movement in tax accounts	(7,745)	(3,330)
(Increase)/Decrease in other assets	(16,299)	785
Increase/(Decrease) in trade payables and other payables	8,438	(18,794)
Increase in other provisions	938	4,633
Increase/(Decrease) in customer deposits	398	(240)
Increase/(Decrease) in deferred revenue	2,668	(2,063)
Movement in derivatives	8,687	(2,346)
Movement in cost to acquire contracts	(9,020)	(11,904)
Net cash inflows from operating activities	**29,594**	**17,646**

b) Non-cash investing and financing activities

There is no non-cash investing and financing activities at 30 June 2020.

25. 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 fair value through profit for accounting purposes.

Contractual maturities of derivative financial liabilities as at	30 June 2020 $'000	30 June 2019 $'000
Current assets		
Energy Hedge Contracts – cash flow hedges	-	3,337
Total current derivative financial instrument assets	**-**	**3,337**
Non-current assets		
Energy Hedge Contracts – cash flow hedges	422	194
Total non-current derivative financial instrument assets	**422**	**194**
Current liabilities		
Interest rate collar	-	(140)
Currency hedges	-	(25)
Energy Hedge Contracts – cash flow hedges	(25,689)	(1,925)
Total current derivative financial instrument liabilities	**(25,689)**	**(2,090)**
Non-current liabilities		
Energy Hedge Contracts – cash flow hedges	(2,659)	(376)
Total non current derivative financial instrument liabilities	**(2,659)**	**(376)**
Total Derivatives	**(27,926)**	**1,065**

(i) Classification of derivatives

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

(ii) Fair value measurement

For information about the methods and assumptions used in determining the fair value of derivatives please refer to Note 15 (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. The majority of the foreign currency invoices are in Philippine peso ("PHP") which relates to the amaysim's customer service centre in the Philippines and USD in relation to IT infrastructures invoices.

The Group is unhedged as of 30 June 2020 for PHP exposure. As at 30 June 2019, the Group was hedged with forward FX contracts which are shown in the following table.

The effects of the foreign currency related hedging instruments on the Group's financial position and performance are as follows:

Foreign Exchange Risk	30 June 2020 $'000	30 June 2019 $'000
Carrying Amount (in $'000)	-	(25)
Notional Amount (in PHP'000)	-	540,000
Maturity Date	-	Jul 19 - Jun 20
Hedge Ratio	-	90%
Changes in intrinsic value of outstanding hedging instruments	-	(119)
Change in value of hedged item used to determine hedge effectiveness (in PHP'000)	-	180,984
Weighted Average rate	-	AUD 1 : PHP 36.35

As at 30 June 2020, the Group had one USD 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 business. The balance of the USD bank account at the end of the year was US$656.09 and the NZD account was NZ$nil.

(ii) Interest rate risk

The Group's exposure to interest rate risk is predominantly associated with its syndicated loan facility, due to interest paid at floating rates. The group is currently unhedged due to forecasted prolonged low interest rate environment. At 30 June 2019 there was an interest rate collar in place as follows:

Interest Rate Risk	30 June 2020 $'000	30 June 2019 $'000
Carrying Amount	-	(140)
Notional Amount	-	33,000
Maturity Date	-	Sep 17 - Mar 20
Hedge Ratio	-	58%
Changes in intrinsic value of outstanding hedging instruments	-	(131)
Change in value of hedged item used to determine hedge effectiveness	-	8,000
Weighted Average rate	-	1.785% to 2.88%

Profit or loss is sensitive to higher/lower interest income from cash or cash equivalents and interest expense from borrowings as a result of changes in interest rates. The interest expense sensitivity assumes the notional amount exposed to floating rate loans.

Interest Rate Sensitivity	Impact on Post tax Profit		Impact on other components of equity	
Cash and Cash Equivalents & Borrowings	30 June 2020 $'000	30 June 2019 $'000	30 June 2020 $'000	30 June 2019 $'000
Interest Rates - increase by 100 bps*	(270)	(49)	-	-
Interest Rates - decrease by 100 bps*	270	49	-	-

*Holding all other variables constant

(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 fluctuations 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 a combination of load-following contracts (similar to that described above) and fixed volume contracts. These contracts are referred to as 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 non-current financial assets or current or non-current financial liabilities at the reporting date and are listed in Note 25(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.

Wholesale price risk – Electricity	30 June 2020 $'000	30 June 2019 $'000
Carrying Amount	(14,211)	3,879
Face Value Amount	77,441	104,086
Maturity Date	Dec 20 - Jun 22	Jun 20 - Jun 21
Hedge Ratio	97%	100%
Changes in intrinsic value of outstanding hedging instruments	(18,091)	11,792
Change in value of hedged item used to determine hedge effectiveness	(26,645)	6,760
Weighted Average price for the year ($/Mwh)	80	103

Wholesale price risk – Gas	30 June 2020 $'000	30 June 2019 $'000
Carrying Amount	(13,715)	(2,649)
Face Value Amount	31,889	37,159
Maturity Date	Dec 20 - Dec 21	Dec 19 - Dec 20
Hedge Ratio	100%	90%
Changes in intrinsic value of outstanding hedging instruments	(11,066)	(2,649)
Change in value of hedged item used to determine hedge effectiveness	5,270	448
Weighted Average price for the year ($/Gigajoules)	11	12

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 loss allowance.

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 14 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 and gas derivatives have been estimated using forward electricity and gas prices at balance sheet date.

As at	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 2020					
Non-derivatives					
Trade and other payables	92,018	-	-	-	92,018
Borrowings	-	17,050	60,000	-	77,050
Other liabilities	15,969	1,487	1,467	190	19,113
Lease Liabilities	4,175	3,073	2,774	-	10,022
Total non-derivatives	**112,162**	**21,610**	**64,241**	**190**	**198,203**
Derivatives					
Energy hedge contracts – cash flow hedges					
-(inflow)	-	(422)	-	-	(422)
-outflow	25,689	2,659	-	-	28,348
Total derivatives	**25,689**	**2,237**	**-**	**-**	**27,926**

As at	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 2019					
Non-derivatives					
Trade and other payables	85,058	-	-	-	85,058
Borrowings	3,061	2,824	60,751	-	66,636
Other liabilities	11,728	2,314	2,012	192	16,246
Total non-derivatives	**99,847**	**5,138**	**62,763**	**192**	**167,940**
Derivatives					
Currency hedges	25	-	-	-	25
Interest rate collar	140	-	-	-	140
Energy hedge contracts – cash flow hedges					
-(inflow)	-	-	-	-	-
-outflow	1,925	376	-	-	2,301
Total derivatives	**2,090**	**376**	**-**	**-**	**2,466**

26. Capital and financial risk management

The Group's objectives when managing capital are to:

- safeguard the ability to continue as a going concern and 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 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 2020 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 capital to shareholders.

The Group is in compliance with financial covenants related to the Group's borrowings as disclosed in Note 14.

27. Financial assets and liabilities

As at	Measurement	30 June 2020 $'000	30 June 2019 $'000
Financial assets			
Trade receivables	Amortised cost	44,942	48,097
Energy & Currency hedge contracts	Designated into hedges (Fair value through OCI)	422	3,531
Other current assets (i)	Amortised cost	70	233
Other non-current assets	Amortised cost	652	619
Total Financials assets		**46,086**	**52,480**
Financial liabilities			
Trade and other payables (ii)	Amortised cost	80,217	74,971
Customer deposits	Amortised cost	2,590	2,192
Borrowings	Amortised cost	76,550	56,515
Energy & Currency hedge contracts	Designated into hedges (Fair value through OCI)	28,348	2,326
Interest rate collar	Fair value through P&L	-	140
Total Financials liabilities		**187,705**	**136,144**

(i) Other current assets exclude advance payments, energy trade certificates and tax receivables.
(ii) Trade and other payables exclude tax and payroll liabilities.

This note provides information on the classification and measurement of the Group's financial assets and liabilities. Due to the short term nature of trade receivables, other assets, customer deposits and trade payables, their carrying value is assumed to approximate their fair value.

The fair value of the borrowings are not materially different to their fair value, since all borrowings have a floating interest rate close to current market rates. Borrowings are considered to be a level 2 in the fair value hierarchy.

28. Deed of cross guarantee

a) 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, 22 December 2017 and 30 April 2020 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
- Vaya Communications 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 2020.

Statement of Comprehensive Income

For financial year ended	30 June 2020 $'000	30 June 2019 $'000
Service revenue	487,520	504,825
Other Revenue	2,472	3,118
Interest and other Income	345	510
Network and wholesale related expenses	(339,413)	(356,134)
Employee expenses	(43,626)	(42,357)
Marketing expenses	(25,716)	(18,504)
IT and facilities expenses	(7,842)	(12,411)
Depreciation and amortisation expense	(29,097)	(43,355)
Finance expenses	(3,778)	(8,283)
Integration and acquisition expenses	(1,015)	(147)
Other expenses	(36,389)	(38,330)
Profit/(Loss) before income tax	**3,461**	**(11,068)**
Income tax (expense)/benefit	(1,910)	2,571
Profit/(Loss) after tax attributable to the owners of the closed group (Continuing Operations)	**1,551**	**(8,497)**
Profit/(Loss) after tax attributable to the owners of the closed group (Discontinued Operations)	**274**	**(7,397)**
Profit/(Loss) attributable to the owners of the closed group	**1,825**	**(15,894)**

Consolidated balance sheet

Set out below is a consolidated balance sheet as at 30 June 2020 of the closed group consisting of amaysim Australia Limited and the subsidiaries subject to the Deed.

As at	30 June 2020 $'000	30 June 2019 $'000
Current assets		
Cash and cash equivalents	41,670	30,293
Trade and other receivables	44,385	47,344
Derivative financial instruments	-	3,337
Current Tax Assets	25	1,566
Other current assets	20,032	3,846
Total current assets	**106,112**	**86,386**
Non-current assets		
Property, plant and equipment	3,516	1,647
Intangible assets	192,295	180,008
Deferred tax assets	7,509	-
Derivative financial instruments	422	194
Other non-current assets	50	50
Total non-current assets	**203,792**	**181,899**
Total assets	**309,904**	**268,285**
Current liabilities		
Trade and other payables	88,908	81,369
Deferred revenue	10,128	7,134
Provisions	8,835	8,751
Lease liabilities	1,473	-
Derivative financial instruments	25,689	2,090
Customer deposits	2,590	2,192
Other current liabilities	2,458	-
Total current liabilities	**140,081**	**101,536**
Non-current liabilities		
Borrowings	76,550	56,515
Lease liabilities	1,196	-
Provisions	1,652	1,415
Derivative financial instruments	2,659	376
Deferred tax liabilities	-	248
Total non-current liabilities	**82,057**	**58,554**
Total liabilities	**222,138**	**160,090**
Net assets	**87,766**	**108,195**
Equity		
Contributed equity	167,163	167,163
Other Equity	(2,012)	-
Equity Compensation Reserve	(3,962)	(8,383)
Foreign Currency Translation Reserve	(202)	26
Cash flow Hedge Reserve	(19,231)	802
Retained earnings	9,981	12,558
Accumulated losses (years prior to 1 July 2018)	(63,971)	(63,971)
Total equity	**87,766**	**108,195**

29. Commitments and Contingencies

The Directors are of the opinion that provisions are not required in respect of any contingent liabilities, 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.

a) Lease commitments

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

As at	30 June 2020 $'000	30 June 2019 $'000
Within one year	-	4,232
Later than one year but not later than five years	-	8,850
Later than five years	-	-
Minimum lease payments	**-**	**13,082**

From 1 July 2019, the Group has recognised right-of-use assets and lease liabilities for these leases. Refer to Note 22 for further information and Note 25 for a maturity analysis of the lease liability.

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:

As at	30 June 2020 $'000	30 June 2019 $'000
Within one year	3,696	3,696
Later than one year but not later than five years	7,391	11,087
Later than five years	-	-
LGC commitments	**11,087**	**14,783**

c) Contingent assets

As at 30 June 2020 and at the time of releasing these financial statements, amaysim is in the midst of a Review Process with its mobile network wholesale provider in respect of the first wholesale year under the terms of its new revitalised Network Services Agreement.

If that Review Process is successful, amaysim will receive a refund against certain net wholesale payments made over the period from 1 June 2019 to 31 May 2020. While amaysim believes a positive outcome of the Review Process is probable, it is not virtually certain as the outcome of the Review Process is dependent on factors outside of amaysim's control. Accordingly, no amount has been recognised as a reduction in wholesale costs or an asset on the balance sheet for the current or prior financial years in respect of this matter.

Disclosure of amaysim's expected probable financial outcome has not been made as this would seriously prejudice the entity's position in the dispute with its mobile network wholesale provider on the subject matter of this contingent asset.

30. 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. The telephone number of the registered office is 0282030100. amaysim Energy Pty Limited's principal place of business and registered office is 90 Collins Street, Melbourne.

b) Subsidiaries

amaysim Australia Limited has the following subsidiaries:

Entity name	Country of incorporation	30 June 2020	30 June 2019
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%
Vaya Communications Pty Ltd	Australia	100%^	0%
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 Ltd	Australia	100%	100%
Click Energy Group Holdings Pty Ltd	Australia	100%	100%
On The Move Pty Ltd	Australia	100%^^	100%^^
amaysim Energy Pty Ltd	Australia	100%^^	100%^^
M2C Services Pty Ltd	Australia	100%^^	100%^^
A.C.N 133 799 149 Pty Ltd	Australia	100%^^	100%^^

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

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.

Vaya Communications Pty Ltd was acquired in FY2020 (formerly known as Jeenee Communications Pty Ltd).

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 $71,475,296.

Transactions with other related parties

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

c) Key management personnel compensation

For the financial year ended	30 June 2020 $	30 June 2019 $
Short-term employee benefits	3,890,930	4,909,385
Termination expenses	-	693,761
Post-employment benefits	120,665	139,302
Long-term benefits	16,362	(8,470)
Share-based payments	3,798,134	(168,722)
Total	**7,826,091**	**5,565,256**

31. 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

For the financial year ended	2020 $'000	2019 $'000
Legacy Long Term Incentive - Options (LTIP) issued 2016 and 2017	-	(865)
Legacy Long Term Incentive - Employee Share Rights Plans issued 2017	-	(546)
Long Term Incentive - Employee Share Rights Plans issued 2019	3,220	1,188
Long Term Incentive - Employee Share Rights Plans issued 2020	1,362	-
Total at 30 June	**4,582**	**(223)**

Refer to Note 31(b) for further detail in relation to negative LTIP expense for FY2019.

b) Long Term Incentive – Options Plans (LTIP)

In previous financial years, the Company granted option plans to key executives of the Group. These plans are in the form of options which vest in three tranches and convert into either ordinary shares or a 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. The Board may decide at its discretion to settle all or part of any LTI component in cash taking any particular circumstances into account. Under the LTIP rules, any such discretion applied by the board from time to time does not and will not establish any precedent to settle any part of any LTI component in cash in the future.

	Number	Weighted average share price ($)
Options outstanding at 1 July 2018	**4,105,517**	1.80
Granted	-	-
Exercised	-	-
Forfeited(i)	(3,763,450)	1.79
Options outstanding at 30 June 2019	**342,067**	1.79
Options vested and exercisable at 1 July 2019 (ii)	**(185,770)**	1.79
Options outstanding at 1 July 2019	**156,297**	1.80
Granted	-	-
Exercised	-	-
Forfeited(i)	(156,297)	1.80
Options outstanding at 30 June 2020	**-**	**-**

(i) Relates to options which employees are no longer entitled to due to the cessation of employment, and options forfeited due to the performance condition not being met.
(ii) Relate to Tranche 2 of one plan which vested at 30 June 2019. At 30 June 2020, these options have not been yet exercised.

(i) Summary of movements in options

At 30 June 2020, the performance condition was not met for the awards which were due to vest at 30 June 2020 (Tranche 3) which resulted in the forfeiture of 156,297 options.

Furthermore, there was no expectation by management that these options would vest at 30 June 2020 as a result of the change in the Group's strategy and as a result no expense was recognised in FY2020 for these option plans in the consolidated statement of comprehensive income for the year ended 30 June 2020.

(ii) Description of arrangements

Grant date	Number of instruments granted	Performance period	Vesting date	Fair value	Vesting conditions	Expiry date
15-Jul-15	218,750	Jul 2015 - Jun 2019	Jul-19	$0.42	a) Service condition; b) Performance condition: based on EPS CAGR as set up and approved by the Board.	24 months after vesting date
	218,750	Jul 2015 - Jun 2020	Jul-20	$0.43		
30-Oct-15	123,518	Jul 2015 - Jun 2019	Jul-19	$0.83		
	123,518	Jul 2015 - Jun 2020	Jul-20	$0.83		
8-Mar-16	139,131	Jul 2016 - Jun 2019	Jul-19	$0.54		
7-Feb-17	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 is based on: a) Service condition: b) Click Energy Group EBITDA in FY18. 2) Tranches 2 and 3 are based on: a) Service condition; b) Performance condition: based on EPS CAGR as set up and approved by the Board.	
	613,746	Jul 2018 - Jun 2019	Jul-20	$0.44		
	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 *	**4,105,517**					

* Of the 4,105,517 options issued, 156,297 options forfeited during the period, refer to Note 31(b)(i) above. At 30 June 2020, there are 185,770 options which vested at 1 July 2019 which have not yet been exercised.

(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

(i) Legacy LTIP - Employee Share Rights

In FY2018, the Group issued a new LTI plan to Executives and other key personnel in the form of performance share rights with similar hurdles as for the LTI options: EPS performance hurdles and service conditions. The accounting treatment has been treated as equity-settled as they depend on the same LTI Rules. At 30 June 2020, 110,838 forfeited due to the performance hurdles not being met and 12,089 rights were forfeited due to employees who are no longer entitled to the awards as a result of cessation of employment.

(ii) New LTIP - Employee Share Rights

In FY2019 and FY2020, the Group issued new LTI plans to Executives and other key personnel in the form of performance rights. The hurdles for these share rights are based on Underlying EBITDA and service conditions. These share rights have been treated as equity-settled with a corresponding adjustment to the equity compensation reserve in equity. The Board may decide at its discretion to settle all or part of any LTI component in cash taking any particular circumstances into account. Under the LTIP rules, any such discretion applied by the board from time to time does not and will not establish any precedent to settle any part of any LTI component in cash in the future. At 30 June 2020, 398,735 rights were forfeited due to employees who are no longer entitled to the awards as a result of cessation of employment.

(iii) Summary of movements in share rights

For the financial year ended	Number	Weighted average fair value ($)
Share Rights outstanding at 1 July 2018	985,562	1.77
Granted (new FY19 employee share rights)	10,412,910	0.74
Exercised	-	-
Forfeited (i)	(751,795)	1.77
Share Rights outstanding at 30 June 2019	10,646,677	0.74
Share Rights outstanding at 1 July 2019	**10,646,677**	0.74
Granted (new FY20 employee share rights)	13,599,654	0.39
Exercised	-	-
Forfeited(i)	(521,663)	(0.99)
Share Rights outstanding at 30 June 2020	**23,724,668**	0.61

(i) Relates to rights forfeited by employees on resignation or performance hurdles not being met.

(iv) Description of arrangements

Grant date	Number of instruments granted	Performance period	Vesting date	Vesting conditions
18-Oct-17	352,157	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.
	176,079	Jul 2017 - Jun 2020	01-Jul-20	
	176,079	Jul 2017 - Jun 2021	01-Jul-21	
16-Nov-17	140,623	Jul 2017 - Jun 2019	01-Jul-19	
	70,312	Jul 2017 - Jun 2020	01-Jul-20	
	70,312	Jul 2017 - Jun 2021	01-Jul-21	
26-Oct-18	4,000,000	Jul 2018 - Jun 2021	01-Jul-21	a) Service condition; b) Performance condition: based on Underlying EBITDA.
12-Jun-19	6,412,910	Jul 2018 - Jul 2022	01-Jul-22	a) Service condition; b) Performance condition: based on aggregate Underlying EBITDA.
22-Oct-19	2,550,000	Jul 2019 - Jun 2021	31-Aug-21	a) Service condition; b) Performance condition: based on aggregate Underlying EBITDA and mobile subscribers.
	2,550,000	Jul 2020 - Jun 2022	31-Aug-22	
	2,550,000	Jul 2021 - Jun 2023	31-Aug-23	
	5,100,000	Jul 2019 - Jun 2022	30-Jun-22	a) Service condition; b) Recontracting event of wholesale agreement.
22-Nov-19	611,594	Jul 2019 - Jun 2022	01-Jul-22	a) Service condition; b)Performance condition: based on aggregate Underlying EBITDA.
31-Jan-20	238,060	Jul 2019 - Jun 2022	01-Jul-22	a) Service condition; b)Performance condition: based on aggregate Underlying EBITDA.
Total *	**24,998,126**			

* Of the 24,998,126 share rights issued, 521,663 forfeited during FY2020 and 751,795 forfeited in FY2019, refer to Note 31(c)(iii) above.

(v) Fair value measurements

Grant date	18-Oct-17	16-Nov-17	26-Oct-18	12-Jun-19
Exercise price	nil	nil	nil	nil
Share price at grant date	$1.99	$1.96	$1.15	$0.74
Expected dividend yield	4.8%	4.8%	0.0%	0.0%

Grant date	22-Oct-19	22-Nov-19	31-Jan-20
Exercise price	nil	nil	nil
Share price at grant date	$0.39	$0.40	$0.34
Expected dividend yield	0.0%	0.0%	0.0%

The fair value of the Employee Share Rights of the grants made on 18 October 2017, 16 November 2017 and 26 October 2018 has been calculated by an independent valuer using a Discounted Cash Flow Model. The fair value of the Employee Share Rights of the grants made since 26 October 2018 has been calculated based on the share price at the grant date as there is no expected dividend yield.

32. 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:

For the financial year ended	2020 $	2019 $
Fees to Auditor (i)		
Fees for auditing the statutory financial report of the parent covering the group and auditing the statutory financial reports of any controlled entities (2019: PwC)	585,177	751,760
Fees for other services		
Taxation services	165,850	-
Tax advice and due diligence services	148,038	-
Audit of regulatory services	-	15,600
Accounting advice	196,725	-
Fees related to capital raise	-	149,520
Total fees to Auditor (Australia) (i)	**1,095,790**	**916,880**
Fees to other overseas member firms of Auditor (Australia) (i)		
Fees for auditing the financial report of any controlled entities	43,523	7,934
Total fees to overseas member firms of Auditor (Australia) (i)	**43,523**	**7,934**
Total remuneration of Auditor (i)	**1,139,313**	**924,814**

(i) The Group changed auditors for FY2020 from PricewaterhouseCoopers to Ernst & Young.

33. Parent entity financial information

The individual financial statements for the parent entity show the following aggregate amounts:

For the financial year ended	30 June 2020 $'000	30 June 2019 $'000
Net (loss)/profit after tax for the year	**(27,457)**	**2,847**
Total comprehensive (loss)/income	**(25,041)**	**2,606**
Balance sheet		
Current assets	73,975	51,336
Non-current assets	142,545	162,791
Total assets	**216,520**	**214,128**
Current liabilities	40,125	37,735
Non-current liabilities	82,536	57,512
Total liabilities	**122,661**	**95,247**
Net Assets	**93,859**	**118,881**
Equity		
Issued capital	167,163	167,163
Equity compensation reserve	(3,954)	(8,383)
Other Equity	(2,012)	-
Cash flow Hedge Reserve	-	(17)
(Loss)/profit for the period	(27,457)	2,847
Retained earnings	24,090	21,243
Accumulated losses (years prior to 1 July 2018)	(63,971)	(63,971)
Total equity	**93,859**	**118,881**

The liabilities of the Group are held in another entity and not recharged to the parent. The movement in retained earnings for the current year includes impact of changes in accounting policies, refer to Note 22 for further information.

34. Events occurring after the reporting period

In the interval between the end of the financial year and the date of this report, the following items, transactions, or events are likely to significantly affect the operations of the Group in future financial years.

Sale of Energy

As announced to the ASX on 2 June 2020, amaysim Australia Limited confirmed that it had engaged advisors to assist the Board with considering options to unlock shareholder value, including in respect of the energy business. It confirmed that a data room was maintained for the purpose of facilitating discussions with interested parties from time to time.

As at 30 June 2020, no decision had been made to sell any material asset or business, nor was there a high degree of probability in respect of any binding transaction for the sale of any asset or business at that time. As such, no asset or business was classified as available for sale in amaysim's annual report for the year ended 30 June 2020.

On 29 August 2020, amaysim entered into a binding Share Sale Agreement (SSA) for the sale of amaysim's Energy business to AGL for all-cash consideration of $115.0 million.

This represents the disposal of the entirety of amaysim's Energy Segment and Energy Cash Generating Unit (CGU) as detailed in Note 2 Operating Segments.

The disposal is expected to complete on or around 30 September 2020 and is subject to amaysim repaying $53.05 million of debt to amend its banking facilities. amaysim has signed facility amending documents with its syndicate banks.

As is customary, the parties have agreed that the Energy business will be transferred free of debt and cash and with a normal level of working capital in place at completion of the transaction. A completion adjustment mechanism has been agreed between the parties to account for changes in respect of the working capital, cash, debt and debt-like items between signing and completion.

In connection with the disposal, amaysim has entered into a transitional services agreement with AGL to facilitate a smooth and orderly transition over a period of approximately 6 months.

amaysim has consulted with the ASX who has confirmed that the disposal does not require shareholder approval under Chapter 11 of the ASX Listing Rules.

As it is likely that there will be material changes to the Energy net asset values between now and completion (especially derivative values), it is not possible at this time to estimate what the final accounting outcome will be. Nevertheless, at the time of this report, it is expected that the amaysim group will report a material net profit on disposal after tax and after disposal costs when the transaction completes.

Directors' Declaration

for the year ended 30 June 2020

In the opinion of the Directors of the Company:

(a) the financial statements and notes set out on pages 82 to 140 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 2020 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 28 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
31 August 2020

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Independent Auditor's Report to the Members of amaysim Australia Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of amaysim Australia Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated balance sheet as at 30 June 2020, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the consolidated financial position of the Group as at 30 June 2020 and of its consolidated financial performance for the year ended on that date; and

b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

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 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 (including Independence Standards)* (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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

Carrying value of goodwill

Why significant	How our audit addressed the key audit matter

The Group has $142.9 million of goodwill related to the Mobile and Energy cash generating units (CGUs).
 	
In accordance with Australian Accounting Standards, management performed an impairment test of goodwill as at 30 June 2020 to determine whether the recoverable amount of the CGUs to which goodwill belongs exceeded their carrying amount.
 	
A value in use model was used to calculate the recoverable amount of each CGU which concluded that no impairment of the goodwill balance was required.
 	
This was considered a key audit matter due to the relative size of the goodwill balance and the judgmental nature of the assumptions underlying the discounted cash flows used in determining the recoverable amount.
 	
Note 18 of the financial report discusses the accounting policy related to goodwill and discloses the sensitivity of the recoverable amount assessment to changes in key assumptions.
	Our audit procedures included the following:
	▶ Assessing the identification of CGUs with reference to the requirements of Australian Accounting Standards;
	▶ Assessing the basis for the cash flows used in the discounted cash flow model via a comparison to approved budgets and forecasts, including projections of future growth and capital expenditure;
	▶ Testing the mathematical accuracy of the discounted cash flow model;
	▶ Assessing the appropriateness of the key assumptions used including:
	  ▶ Conducting our own assessments with respect to key inputs, such as projected growth and CGU-specific factors that contribute to cash flow forecasting risk; and
	  ▶ Involving our valuation specialists in assessing the overall discount rate and terminal growth rate with reference to benchmarks which are based on market data and industry research.
	▶ Performing scenario-specific sensitivity tests including changes to the discount rate and forecast cash flows; and
	▶ Evaluating the adequacy of the disclosures concerning sensitivities to changes in key assumptions.

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Revenue recognition

Why significant	How our audit addressed the key audit matter
The Group recognises revenue from two operating segments, Mobile and Energy. The Group's accounting policies for recognising revenue are outlined in Note 1(h). As disclosed in Note 1(h), the recognition of revenue for these operating segments involves significant judgement and estimates. This includes the estimation of unbilled revenue to electricity and gas customers. Note 11 discloses unbilled revenue at 30 June 2020 of $22.4m. Revenue recognition is considered a key audit matter due to the amount of revenue recorded and the volume of customer data, reliance upon systems and degree of management judgement required to determine the amount and timing of revenue recognised.	Our audit procedures included the following: ► Assessing whether the revenue recognition policies applied to the terms and conditions of sale were in accordance with Australian Accounting Standards; ► Testing, on a sample basis, that mobile revenue transactions during the year were recorded in the appropriate period; ► Testing, on a sample basis, that energy revenue transactions were recorded in the appropriate period and the volumes delivered were based upon the metering data provided by the energy suppliers; ► Comparing, on a sample basis, key inputs used in the calculation of unbilled energy revenue such as last meter read date, customer price and prepayments information to customer invoices; ► Using data analytic tools to reconcile mobile and energy revenue recognised to accounts receivable and subsequent cash collections; and ► Considering the adequacy of the revenue recognition disclosures.

Hedge accounting

Why significant	How our audit addressed the key audit matter
As disclosed in Note 15, the Group uses load following swaps to protect the business from spot price risk in the wholesale electricity and gas markets. The Group applies cash-flow hedge accounting for these load following swaps related to the forecast purchasing volumes of electricity and gas. The load following swaps are not traded in an active market and the Group uses level 3 inputs to determine the fair value as at balance date. Accounting for these swaps is considered a key audit matter due to the judgment required to assess whether forecast energy usage volumes are highly probable and to determine the fair value of the load following swaps.	Our audit procedures included the following: ► Assessing whether the hedging policy applied to the load following swaps and underlying transactions was in accordance with Australian Accounting Standards; ► Reviewed the methodology used by management to determine forecast energy usage; ► Reviewing the documentation and assessing the designation of hedges at inception; ► Agreeing level 3 inputs used for the valuation of the load following swaps to supporting documentation; and ► Considered the adequacy of the derivative fair value disclosures.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's 2020 Annual Report, 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, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information 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 the *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 Group's ability to continue as a going concern, disclosing, as applicable, matters relating 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.

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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 this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may

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reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 59 to 78 of the directors' report for the year ended 30 June 2020.

In our opinion, the Remuneration Report of amaysim Australia Limited for the year ended 30 June 2020, 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.

Ernst + Young

Ernst & Young

John Robinson
Partner
Sydney
31 August 2020

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 27 August 2020

Number of shares held	Number of holders	Number of shares	% of issued capital
1 - 1,000	866	484,398	0.16
1,001 - 5,000	1,156	3,149,608	1.07
5,001 - 10,000	502	3,920,699	1.33
10,001 - 100,000	603	16,789,400	5.69
100,001 Over	74	270,766,316	91.75
Total	**3,223**	**295,110,421**	**100.00**

The number of investors holding less than a marketable parcel of 500 AYS shares (based on a share price of $0.71) was 551. They hold 192,963 shares in total.

On-market buy-back

There is no current on-market buy-back.

Substantial shareholders at 27 August 2020

The following organisations have disclosed a substantial shareholder notice to AYS.

Name	Number of shares	% of voting power
Investmentaktiengesellschaft für langfristige Investoren TGV	56,629,213	19.19
Fidelity Worldwide Investment	22,135,626	7.50
University of Notre Dame du Lac	15,628,354	5.86

Largest 20 shareholders as at 27 August 2020

	Investor	Units	% of units
1	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	112,207,423	38.02%
2	J P MORGAN NOMINEES AUSTRALIA LIMITED	51,683,321	17.51%
3	BNP PARIBAS NOMINEES PTY LTD <DRP>	22,430,956	7.60%
4	CITICORP NOMINEES PTY LIMITED	18,868,963	6.36%
5	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	17,129,903	5.80%
6	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	8,233,686	2.79%
7	CITICORP NOMINEES PTY LIMITED <COLONIAL FIRST STATE INV A/C>	6,593,665	2.23%
8	CPU SHARE PLANS PTY LTD <AYS ESP UNALLOCATED A/C>	5,562,828	1.88%
9	RICANGUS PTY LTD	3,667,005	1.24%
10	UNIVERSAL-INVESTMENT <GESELLSCHAFT MBH A/C>	3,030,997	1.03%
11	MR ANDREAS PERREITER	2,867,005	0.97%
12	MR CHRISTIAN JOHANN MAGEL	1,900,000	0.64%
13	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	1,179,408	0.40%
14	DOCTORS OWN PTY LTD <THE AMBOISE INVESTMENT A/C>	1,178,210	0.40%
15	BEEHIVE SHARES PTY LTD	900,000	0.30%
16	RAFFY HOLDINGS PTY LTD <RAFFY A/C>	750,000	0.25%
17	SCHERZER & CO. AG	612,679	0.21%
18	NATIONAL NOMINEES LIMITED	610,509	0.21%
19	TOAL INTERNATIONAL PTY LTD <TOAL FAMILY A/C>	500,000	0.17%
20	MS KATHRYN LOUISE WARD + MR GEOFFREY BRUCE WARD <FRANK ALBERT SUPER FUND A/C>	500,000	0.17%
		260,406,588	**88.24%**

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
AASB	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
CAGR	Compound annual growth rate
Capital Expenditure	A combination of capitalised product development costs and other costs primarily related to property, plant and equipment.
CEO	Chief Executive Officer
CFO	Chief Financial Officer
Churn	A telecommunications industry measure of the number or proportion of subscriptions that disconnected from a telecommunication service
Click	Click Energy Group Holdings Pty Ltd
CODM	Chief Operating Decision Maker
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
DMO	Default Market Offer that is set by the Australian Energy Regulator to limit what energy retailers can charge customers
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation, amortisation and impairment
EPS CAGR	CAGR of earnings per Share
ESC	Essential Services Commission
ESG	Environmental, Social and Governance
ESP	The employee share plan
ESRP	Employee Share Rights Plan under which employees are awarded share-based compensation benefits
EY	Ernst & Young
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
Jeenee	Vaya Communications Pty Ltd
KPI	Key Performance Indicator

Term	Meaning
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
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 mobile service provider and typically offer lock-in contracts with subsidised handsets
Mobile Services	2G, 3G and 4G mobile services including voice calling, video calling, text messsge 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
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
STI	Short Term Incentives that are part of the Executive KMP remuneration structure
Subscribers	The number of active mobile accounts or active SIMs rather than individual users
TIO	Telecommunications Industry Ombudsman
TSR	Total Share Return, a measure of performance of a company's shares over time
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
VDO	Victorian Default Offer set by the Essential Services Commission to regulate what price energy retails can charge customers
WACC	Weighted Average Cost of Capital, the rate that a company is expected to pay on average to all providers of capital

amaysim Australia Ltd

ABN 65 143 613 478