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22 October 2020

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

Dear Sir / Madam

2020 Annual General Meeting - Chief Executive Officer's Address

The Chief Executive Officer and Managing Director's address at amaysim Australia Limited's (ASX: AYS) Annual General Meeting on 22 October 2020 is enclosed.

This should be read in conjunction with the 2020 Annual General Meeting Presentation that has also been lodged with the ASX.

Authorised by:

Alexander Feldman
amaysim | Chief Strategy Officer, General Counsel & Company Secretary

AMAYSIM AUSTRALIA LIMITED – 2020 ANNUAL GENERAL MEETING
CEO ADDRESS - PETER O'CONNELL, CEO & MANAGING DIRECTOR

Firstly, I would like to welcome all shareholders, staff and guests to our first virtual meeting. The COVID-19 pandemic has caused significant change this year to how we interact with one another. The health and safety of our people and stakeholders is of the utmost importance to us, which is why we are hosting this meeting online.

I am pleased that you are able to join us virtually, and I will take this opportunity to present some of the milestones and achievements made during the last financial year, the first quarter of FY21 and how we navigated the challenges that the pandemic has presented.

I will also talk through the next steps for amaysim now that we are a pure-play mobile business, having successfully divested our Energy business.

SLIDE 6

Over the past 18 months, significant regulatory change has taken place in the energy market. This created a regulatory cloud over the energy industry, in particular for smaller retailers. We expect more regulatory intervention over the near term, not less.

For this reason, we commenced a strategic review of the business to explore a range of options for the Energy business including continuation of the status quo, partnerships and divestment of the business. The result of this review was the announcement of the sale of the Energy business to AGL for a total cash consideration of $115 million. The sale was announced on 31 August and completed on 30 September 2020 and delivers three key benefits to amaysim:

Firstly, it has removed the ongoing risk associated with existing and future regulatory intervention. Furthermore, it recognises the inherent value in the energy business. When taking into account the nearly $90 million of EBITDA the business delivered under our ownership, it has produced a positive return on our initial investment.

The sale also creates a stronger balance sheet for amaysim. We have repaid $53.05 million of debt that has left us with less than $24 million of gross debt. The increased cash position also means that our net debt position is now nil.

We are now working to finalise the balance sheet post the sale and post transaction fees: after completion adjustments we expect our total cash balance to increase by at least $50 million. This is a conservative expectation. In accordance with the Share Sale Agreement, we are working to finalise the accounts. This is expected to complete at the end of October, and we are therefore unable to provide the exact quantum of the final proceeds at this stage.

Thirdly, it put us in a position of strength as we progress our mobile wholesale tender, which has the potential to deliver shareholder value as we seek to obtain improved pricing, terms and access to new technologies.

SLIDE 7

We delivered signficiant growth in our mobile business in FY20, which can largely be attributed to four main drivers.

Our network supply agreement with Optus, that we signed in May 2019, provided us greater flexibility and agility to launch new competitive plans. We were able to maintain the competitiveness of our plans throughout the year and respond quickly to changing market dynamics.

Importantly, the bulk-purchasing model under the NSA, also meant that we were able to reward our existing customers with additional data inclusions throughout the year, surprising and delighting them. This has signficiantly improved retention. Our ability to delight customers resulted in churn reducing to just 2.2% in FY20, which was the average monthly churn for the full year.

Churn has continued to reduce and I am very pleased to tell you that for Q1 FY21, our average monthly churn was just 1.9%. An amazing achievement, expecially given we have no lock-in contracts.

Our 'surpise and 'delight' approach rewards our existing customers for their loyalty and this focus has not only improved retention, but our net promotor score climbed to the highest it had been in five years.

The new Customer Data Platform is also of great importance in our retention efforts. It is enabling better customer insights and its predictive analytics help us to better serve our customers. Rich customer behaviour data provides the opportunity to engage with customers at the optimal time and provide them with offers that are of most relevance to them.

Thirdly, our 'always on' marketing strategy has been key in driving growth in FY20. We began FY20 following our $50.6 million capital raise in March 2019 and this additional funding enabled us to significantly increase our marketing spend and activity in FY20. In FY20, we organically added more than 90,000 recurring mobile subscribers.

The consistent activity ensures that our brand is always front of mind for consumers and we have improved our unpromoted brand awareness score in FY20 to an average of 19% and this has the effect of expanding our customer acquisition funnel.

Acquisitions also contributed to significant growth during the year. We acquired a further 115,000 recurring subscribers through the acquisitions of Jeenee Mobile and OVO Mobile subscribers, increasing the recurring base by 18%.

The migration of these subscribers has been seamless. They were completed ahead of schedule with minimal disruption to our business or to the acquired customers, which is evident in the exceptionally low churn of both subscriber bases. This low churn meant that we were able to achieve additional upside from both transactions.

We are well positioned to grow the mobile business even further In FY21, supported by the additionlal capital from the sale of the energy business.

However, we're realistic that some of our growth aspirations in FY21 will be dependent on the extent of COVID-19 lock-downs which impact retail sales and disrupt online distribution methods.

SLIDE 8

This slide summarises some of our key performance metrics in mobile. I won't go through each of these in detail but will highlight a few.

I mentioned earlier that our churn was improving. The incredible result of 1.9% in the first quarter of FY21 compares favourably to the FY20 average of 2.2% and the average for the comparable quarter in FY20 of 2.4%.

Our total mobile customer base, which includes the recurring and As You Go subscribers, is sitting at 1.19 million and as at 20 October 2020 our recurring mobile subscriber base was 844,000, which is 14,000 higher than 30 June 2020.

Our latest NPS for the August quarter remains very strong at +55, up from 44 in the August 2019 quarter. Versus the last quarter we saw a slight dip from +57 to +55, which is likely the result of the impact on customer service channels from COVID-19 and the challenges that have faced distribution. We have been busy behind the scenes, and we have exciting new existing customer and acquisition activities in the works that will be launched very soon!

Overall, all our key metrics are impressive and I am very satisfied with what we have achieved already in the first quarter of FY21.

SLIDE 9

We have seen growth continue since the end of FY20. This slide depicts the mobile base growth on a quarterly basis, split between the recurring and as-you-go customer base, highlighting growth over the last five quarters.

As expected, the pandemic and lock-down in place in Victoria has impacted our sales channels across all states. Customer shopping habits have adjusted and as people spend less time in store, we have seen a softening in retail channels in Q1.

Online has also experienced slightly lower sales due in part to covid impacts on student and international segments, however, the impact on retail has been greater and as a result we have seen a larger contribution from online sales channels in Q1.

While we have had ongoing marketing activity throughout this period, the strategic decision was made not to run any significant promotional or marketing campaigns. This month we have launched a number of new very competitive plans and offers in market and I will share some of these later in the presentation.

As part of our marketing strategy and in response to the pandemic, we have been building on our retail and e-commerce channels to support growth. The strength of the channels that we have built, has supported growth in Q1 FY21 and we continue to expand these channels as part of our ongoing marketing strategy.

We said at the FY20 results that ARPU was stabilising towards the end of the year and pleasingly, this trend has continued into Q1 FY21. ARPU for Q1 was $21.60, which is less than a 2% change from FY20 ARPU of $21.77.

We expected to see some further decline in ARPU as the impact of the slightly lower ARPU OVO base washes through. In FY20, OVO subscribers accounted for less than one month of ARPU over the 12 month period given the acquisition closed in June. However, they were accounted for the entirety of Q1 FY21 - hence the slightly lower ARPU.

That said, we are doing our best to acquire new customers with an average minimum monthly spend of greater than our current ARPU. The success of this strategy will be largely dependent on the state of the competitive environment.

This stabilisation and continued subscriber growth has meant that our annual recurring revenue, or ARR, continues to climb. As at 30 September 2020, our ARR was $215 million, which is ahead of the $205 million at 30 June 2020.

SLIDE 10

In order to continue to support this growth, we need to maintain our marketing activities. We spent an additional $9.1 million, including promotions, in FY20 on mobile marketing and this investment will be sustained in FY21.

We have a dual approach to marketing that focuses on customer acquisition and customer retention.

Customer acquisition is supported by our great value plans, marketing campaigns that we run to drive consideration and awareness, and channel innovation to drive growth.

We have been expanding our retail presence into new channels and building on our existing channels. This means selling our products in more places: we are building our presence within more independent retailers and petrol stations.

Online acquisitions play an equally important role and we have been expanding our affiliate and digital channel partners to boost online sales. Once a customer has reached our site and is interested in a purchase, the onboarding process must be as seamless as possible and we have enhanced our our onboarding user experience; this enables higher conversion rates.

This past year we have also launched a number of Refer a Friend campaigns targeting our existing subscribers. Our strategy to reward them for their loyalty supports our exceptional NPS: who better to recommend us, than our own customers?

Increased PR and media partnerships are instrumental in building awareness and I will talk to our latest campaigns on the next slide.

Retaining our existing customers is equally as important to growing our customer base. We have invested in marketing technology and commenced significant existing customer activity to maintain our relationship with all customers and, as is evident in our lower churn, the customers recognise our efforts.

We have also improved the renewal journey for subscribers by making it simpler for customers to auto renew or manually renew their plan. This sounds simple, but a lot of deisgn and development work goes on in the background to achieve the seamless renewal process that our customers experience.

Our customer data platform, which was part of the technology enhancement investment, is delivering better analytics and allowing us to fully engage with customers and offer highly targeted offers. This proactive engagement has also included a number of competitions and content campaigns that have received excellent engagement from customers on our social channels.

SLIDE 11

I said I would talk in more detail to some of our recent PR activity and our latest plans and offers we launched this month.

This month, we have gone to market with some very competitive plans across our retail and online channels. We have been working with our retail partners to develop some great plans. Our hero plans online are the 1.5GB for $3 plan and the 45GB plan for $18 for the first renewal, both of which are very competitive.

Our long expiry plans were launched in FY20 and while we haven't been aggressively promoting these plans, they have achieved excellent organic growth from a segment which we wouldn't have otherwise been able to access.

Last month, we launched our 'cost of living' campaign in partnership with money saving guru and media personality, Joel Gibson. The content is particularly timely and we have seen incredible results with high profile media coverage that is key to further increasing our brand awareness. Ths was our most successful PR initiative in over 2 years with a reach of 16.8 million.

SLIDE 12-13

Following the sale of Energy, we are now a pure-play mobile business. We had a number of achievements last year that were in mobile and energy, however, this slide will focus on mobile only given that the sale of the Energy business has now completed.

I won't take too much time going through our achievements, as I have covered most of these on previous slides. However, I would like to mention the multiple accolades that we were awarded this year from leading consumer publications and highly regarded review sites including Canstar Blue, Finder, Whistle Out and Mozo.

We have also maintained our position as the least complained about telco with just 0.6 complaints per 10,000 customers in the June quarter. While slightly higher than the prior quarter, we expect this is a reflection of the disruption to the customer service teams during this period as the pandemic lock down measures took effect. We were not alone in this, and the numbers have increased across the industry in the quarter. Overall, it was an exceptional result, given the challenges that were faced.

We are now focused on continued growth as we progress the tender for our mobile wholesale agreement. This has the potential to deliver shareholder value if we are able to achieve improved terms.

Competition is strong, as network operators roll out 5G and seek to increase revenue to support the cost of this infrastructure investment. In recent months, discounts have become more prevalent and to continue to drive growth of our base, our marketing investment and activity, that I outlined earlier, will continue throughout FY21 with a focus on driving customer acquisition and improving retention through excellent customer service and better engagement.

According to a Telsyte study, more than 70% of handsets bought in Australia are now BYO and we believe we are well positioned as more consumers become value conscious and opt for mobile plans that do not lock them in and provide great value.

We will consider further bolt-on acquisitions that allow us to leverage our operating structure and where they make strategic sense.

SLIDE 14

Before I hand back to Andrew for the formal items of business, I would like to remind shareholders of the foundations that set us apart from our peers and why we believe we are a sound investment opportunity.

Our scalable operating model means that we are able to acquire and service customers at a lower rate than our peers. Furthermore, the structure we have in place supports significant scale. We increased our recurring subscriber base by 33% during FY20, and this required nominal additional operating costs, beyond the marketing investment, to support the customer increase.

Our customers are engaged and satisfied. Our NPS is proof of this. It is consistently higher than the network operators and our focus on treating our existing customers the same as our new customers resulted in a exceptionally low churn – especially as we have no lock in contracts.

Our values of agility, simplicity, reliability and empathy underpin everything that we do and how we behave. These values and behaviours have created a culture of people, in amaysim, who care and have been instrumental in how we have dealt with the recent challenges that the pandemic has caused.

Finally, we have a clear strategy focused on achieving subscriber growth and we have a strong balance sheet. The sale of energy leaves us with a cash war chest and no net debt and we will leverage this postion of strength as we take advantage of the growth opportunities in mobile and progress our wholesale tender.

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I would like to thank everyone at amaysim for their hard work, dedication and resilience over the past year and particularly as we have navigated through the COVID pandemic.

I am very proud of what the amaysim team has achieved. Despite the COVID disruption, the business is in a good position.

Thank you to the Board, my management team and all of our people for their work, dedication and support throughout what has been a challenging year for everyone. We bid farewell to our hard working colleagues at Click Energy and wish them every success with Click's new owners

I also extend my thanks and appreciation to our shareholders for their support last year and I look forward to more of the same this year.