PROSPECTUS

for an offer of 10 million new Shares in Over the Wire Holdings Limited ACN 151 872 730 at $1.00 per Share

Lead Manager and Underwriter
Integra Advisory Partners Pty Ltd ACN 159 436 450

Legal Advisor
McCullough Robertson Lawyers

Lead Manager and Underwriter

Legal Advisor

IMPORTANT NOTES

GENERAL

This Prospectus is dated 3 November 2015.
A copy of this Prospectus was lodged with ASIC on that date. Neither ASIC nor ASX takes any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates. No Shares will be allotted or transferred on the basis of this Prospectus after the expiry date. This Prospectus expires on 2 December 2016.

No person is authorised to give any information or make any representation about the Offer that is not contained in this Prospectus. Information or representations not contained in this Prospectus must not be relied on as authorised by the Company, or any other person, in connection with the Offer.

This Prospectus provides information for investors to decide if they wish to invest in the Company. Read this document in its entirety. Examine the assumptions underlying the financial forecasts and the risk factors that could affect the financial performance of Over the Wire. Consider these factors carefully in light of your personal financial circumstances. Seek professional advice from your accountant, stockbroker, lawyer or other professional adviser before deciding whether to invest. The Offer does not take into account the investment objectives, financial situation or needs of particular investors.

No offering where offering would be illegal

The Offer is available to Australian residents in each state and territory of Australia. The Offer is not extended to any investor outside Australia, other than to institutional investors as part of the Institutional Offer. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law. Seek advice on and observe any restrictions. This Prospectus is not an offer in any place where, or to any person to whom, it would not be lawful to make the Offer.

In particular, this Prospectus may not be distributed into the United States. The Shares have not been registered under the US Securities Act of 1993 (as amended) and will not be offered or sold in the United States.

Defined terms

Some terms used in this Prospectus are defined in the Glossary.

Electronic prospectus

This Prospectus is available electronically at *www.overthewire.com.au*. The Application Form attached to the electronic version of this Prospectus must be used within Australia. Electronic versions of this Prospectus should be downloaded and read in their entirety. Obtain a paper copy of the Prospectus (free of charge) by telephoning (07) 3054 4956. Applications for Shares may only be made on the Application Form attached to this Prospectus or in its paper copy form downloaded in its entirety from *www.overthewire.com.au*.

Exposure period

Under the Corporations Act, the Company must not process Application Forms during the seven day period after the date of lodgement of this Prospectus with ASIC. This period may be extended by ASIC for up to a further seven days. This exposure period enables the Prospectus to be examined by market participants. Application Forms received during the exposure period will not be processed until after the expiry of that period. No preference will be given to Application Forms received during the exposure period.

Privacy

If you complete an Application Form you will be giving the Company personal information. The Company and the Share Registry collect, hold and use that personal information to assess your application and to communicate and provide services to you as a Shareholder. The Company may disclose information to its agents, service providers (such as the share registry) and government bodies. The Company's privacy policy sets out how you may access, correct and update the personal information that we hold about you (by contacting the Share Registry), how you can complain about privacy related matters and how the Company responds to complaints.

Currency

Monetary amounts shown in this Prospectus are expressed in Australian dollars unless otherwise stated.

Photographs and diagrams

Photographs used in this Prospectus without descriptions are only for illustration. The people shown are not endorsing this Prospectus or its contents. Diagrams used in this Prospectus may not be drawn to scale. The assets depicted in photographs in this Prospectus are not assets of the Company unless otherwise stated.

THIS DOCUMENT IS IMPORTANT AND SHOULD BE READ IN ITS ENTIRETY.

TABLE OF CONTENTS

KEY OFFER INFORMATION

IMPORTANT DATES

EVENT	DATE
Prospectus date	3 Nov 2015
Offer opens	11 Nov 2015
Offer closes	25 Nov 2015
DvP settlement	27 Nov 2015
Anticipated date of allotment	30 Nov 2015
Shareholding statements expected to be dispatched	30 Nov 2015
Anticipated commencement of ASX trading	3 Dec 2015

All dates and times are subject to change and are indicative only. All times are Brisbane times. The Company, with the consent of the Lead Manager and Underwriter, reserves the right to vary these dates and times without notice. The Company may close the Offer early, withdraw the Offer or accept late applications. Applicants are encouraged to submit their Application Forms as soon as possible. The admission of the Company to the Official List of ASX and the commencement of quotation of the Shares are subject to confirmation from ASX.

KEY OFFER DETAILS

TERMS OF OFFER	DETAILS
Offer Price per Share	$1.00
Total number of Shares on issue as at the date of this Prospectus[1]	31,772,973
Total number of new Shares offered under this Prospectus	10,000,000
Total number of Shares being issued to vendor shareholders[2]	1,727,027
Total number of Shares on issue following the Offer	43,500,000
Amount to be raised under the Offer[3]	$10.0 million
Implied market capitalisation at the Offer Price[4]	$43.5 million

KEY OFFER STATISTICS

STATISTIC	DETAILS
Pro Forma net cash[5]	$2.9 million
Implied Enterprise Value[6]	$40.6 million
Enterprise Value / Pro Forma FY16 EBITDA[7]	8.0x
Enterprise Value / Statutory FY16 EBITDA[7]	9.0x
Offer Price / Pro Forma FY16 forecast NPATA[8] per Share[9]	15.3x
Offer Price / Statutory FY16 forecast NPATA[8] per Share[9]	17.9x

For further financial information see section 5 of this Prospectus and the Investigating Accountant's Reports at section 7.

---

1. Including 48,000 Shares recently issued to employees under the company's employee Share plan. Refer to Section 8.10 for more information.
2. Refer to Section 8.13 and 8.14 for more information.
3. Calculated as the number of Shares issued under the Offer multiplied by the Offer Price.
4. Market capitalisation is determined by multiplying the number of Shares on issue by the price at which Shares trade on the ASX from time to time. Shares may not trade at the Offer Price after the Company's listing. If Shares trade below the Offer Price, the market capitalisation may be lower. Investors should note the risks set out in Section 6.
5. Pro Forma net cash equals cash and cash equivalents ($5.4 million) less borrowings ($1.6 million) less settlement liabilities ($0.9 million). Refer to Section 5 for more information.
6. Calculated as the market capitalisation of the Company, based on the Offer Price, less Pro Forma net cash of $2.9 million. Refer to Section 5 for more information.
7. EBITDA refers to earnings before interest, tax, depreciation and amortisation.
8. NPATA is net profit after tax, before amortisation (after tax).
9. This ratio is commonly referred to as the forward price to earnings ratio, or forward PE ratio. The price to earnings ratio is the share price divided by the annual earnings per share after tax.

LETTER FROM THE CHAIRMAN

Dear Investor

On behalf of the Board, it gives me great pleasure to offer you this opportunity to become a shareholder in Over the Wire Holdings Limited (the Company). The Company (and its consolidated entities), Faktortel and Sanity Technology (together, Over the Wire) is delivering strong organic earnings growth as a provider of integrated telecommunications, cloud and IT solutions to business customers.

Through this Prospectus, the Company is inviting investors to subscribe for 10 million new Shares, at an Offer Price of $1.00 per Share. The Offer is fully underwritten by Integra Advisory Partners Pty Ltd.

The funds raised by this Offer will be used by Over the Wire:

(a) to fund its geographic expansion through investment in sales and marketing;

(b) to assist in funding two recent acquisitions, namely:

  (i) Sanity Technology – a Brisbane based data centre and enterprise hosting business (the acquisition of which will complete upon receipt of funds from the Offer); and

  (ii) Faktortel – a Gold Coast based VoIP business; and

(c) for general working capital purposes.

An ASX listing will provide the Company with a number of benefits including:

(a) enhanced financial flexibility to pursue growth opportunities through improved access to capital markets;

(b) an increased business profile;

(c) an opportunity for Over the Wire employees to participate in the ownership of the Company; and

(d) a liquid market for its Shares.

The Founders are excited about the future prospects of Over the Wire and will not be selling any Shares in the Company as part of the Listing. Combined, the Founders will own approximately 73% of the Company post Listing.

Over the Wire offers exposure to markets which are anticipated to experience rapid growth:

(a) in Australia, internet traffic is projected to grow at a compound annual growth rate (CAGR) of approximately 22% between 2014 and 2019[10];

(b) the global VoIP market is projected to grow at a CAGR of approximately 8% between 2013 and 2018[11];

(c) cloud adoption by Australian businesses is projected to grow at a CAGR of approximately 30% between 2013 and 2017[12]; and

(d) the Australian data centre market is projected to grow at a CAGR of approximately 14% between 2013 and 2020[13].

Over the last year, the Company has successfully acquired and integrated Faktortel, and has entered into an agreement to acquire Sanity Technology. The Company will continue to consider acquisitions of high quality businesses that may be seamlessly integrated into Over the Wire and which are accretive to shareholders.

---

[10] Cisco VNI Forecast Highlights, Australia - 2019 Forecast Highlights, 2014.

[11] TechTarget, Business VoIP services market to reach $35 billion by 2018, 23 May 2014.

[12] Forecast UXC, 2015.

[13] Frost & Sullivan Press Release, Frost & Sullivan: Australian data centre services revenues to exceed $1.7 billion by 2020, 18 June 2014.

This Prospectus contains detailed information about Over the Wire's operations, financial performance, our experienced management team and future plans. It also outlines Over the Wire's business model and key dependencies relevant to the business model.

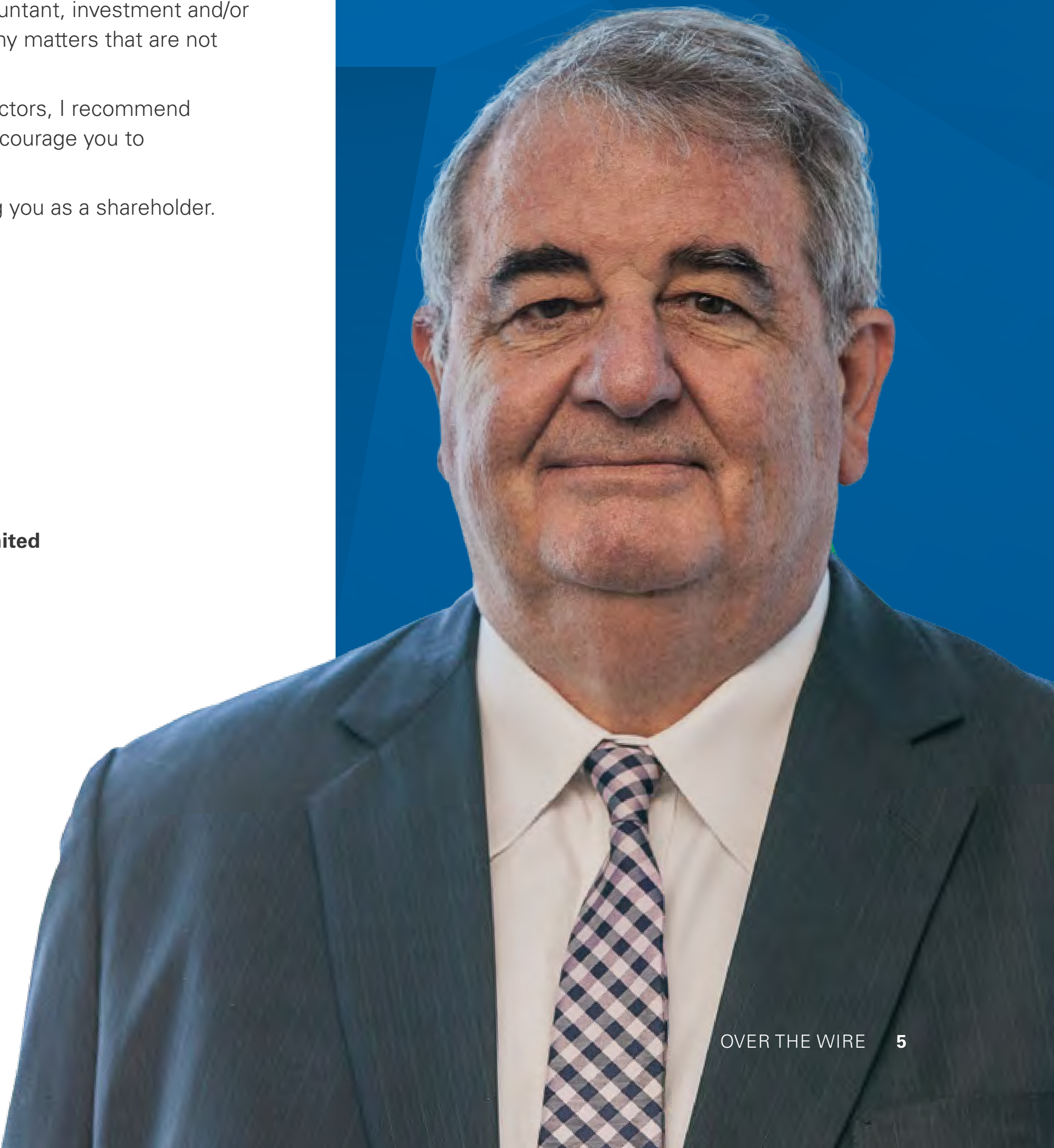
Of course, no investment is without risk. In addition to information about the Offer, the industries in which Over the Wire operates and forecast financial performance, this Prospectus includes a detailed description of the key risks associated with an investment in the Company. This can be found at Section 6. Please read this document carefully in its entirety before making your investment decision. Where appropriate, you should seek advice from your accountant, investment and/or legal advisor in relation to any matters that are not clear to you.

On behalf of my fellow Directors, I recommend the Company to you and encourage you to consider this Offer.

I look forward to welcoming you as a shareholder.

Yours faithfully

Dr John Puttick
Chairman
Over the Wire Holdings Limited



A PROFITABLE, HIGH GROWTH PROVIDER OF TELECOMMUNICATIONS, CLOUD AND IT SOLUTIONS

1

INVESTMENT OVERVIEW

1.1 INTRODUCTION

QUESTION	ANSWER
What is Over the Wire's business?	Over the Wire is a profitable, high growth provider of telecommunications, cloud and IT solutions. It offers businesses the following integrated suite of products and services: > Data Networks and Internet; > Voice; > Cloud and Managed Services; and > Data Centre Co-Location. Over the Wire has approximately 50 full-time employees and is headquartered in Brisbane, with additional offices in Sydney and the Gold Coast. For more information, refer to Section 3.1
How does Over the Wire differentiate itself from its competitors?	Over the Wire differentiates itself from its competitors due to a combination of the factors below. It: > Has built and owns a complex national data and voice network; > Has one of the largest data centre footprints in Brisbane; > Accesses fibre and copper through more than 20 wholesale providers, meaning that Over the Wire is able to offer greater flexibility than many of its competitors; > Provides an integrated suite of telecommunications, cloud and IT products and services; > Delivers flexible, customer focused technical solutions; and > Provides customer service staff that are highly trained systems and network engineers. The Directors believe that Over the Wire further differentiates itself from its competitors through its integrated service offering and superior level of customer focus. This is demonstrated by two key metrics: 1. The rapid organic growth experienced by Over the Wire for the past three years as it has invested in an integrated and full service product offering with a focus on customer service; and 2. Outstanding customer retention with 96.7% retention of customers by revenue in FY14 and 98.6% in FY15.[14, 15] For more information, refer to Section 3
What are Over the Wire's aims and objectives?	Over the Wire's objective is to be a leading provider of telecommunications, cloud and IT services to businesses in Australia. For more information, refer to Section 3.6
Who are Over the Wire's customers?	Over the Wire has more than 6,500 customers, of which business customers represent approximately 96% of Pro Forma FY15 revenue. Over the Wire has relatively low customer concentration. In FY15, Over the Wire's top 10 customers contributed less than 20% of Pro Forma FY15 revenue. For more information, refer to Section 3.8

---

[14] Excluding Faktortel and Sanity Technology.

[15] A customer's revenue is classified as retained in a given year if Over the Wire had revenue from the customer in the current year and in the previous year.

1.2 OVER THE WIRE'S BUSINESS MODEL

QUESTION	ANSWER
What is Over the Wire's business model and how does it generate revenue?	Over the Wire has a national network with points of presence (POPs) in all major Australian capital cities and Auckland, New Zealand. Over the Wire utilises more than 20 wholesale providers (including leading infrastructure suppliers) to deliver services into these POPs for delivery of a complete voice and data solution to meet a customer's specific requirements. Over the Wire's business model is to be the facilitator for its customers' telecommunications, cloud and IT requirements. This may include: > Network connection; > Telephony; and > Infrastructure and support to run its systems. Over the Wire generates revenue by selling telecommunications, cloud and IT services predominantly to business customers. Customers typically enter into contracts for an initial period of between one to three years and are invoiced on a monthly basis. For more information, refer to Sections 3.3 and 5
What are the benefits of Over the Wire's business model to its customers?	The Directors believe that Over the Wire's business model provides customers with benefits, including: > Delivering tailored, efficient and cost effective telecommunications, cloud and IT services; > Providing an integrated, customer focussed solution; and > Ensuring that customers receive a high quality service at all times. For more information, refer to Section 3
What are Over the Wire's key business model dependencies?	The key dependencies of Over the Wire's business model are set out in Section 3.11, which include: > Continued access to wholesale suppliers of data and voice networks on commercial terms; > Continued access to and retention of highly skilled staff; > Renewal of data centre leases; and > Access to third party data centres on commercial terms. For more information, refer to Section 3.11

1.2 OVER THE WIRE'S BUSINESS MODEL (CONTINUED)

QUESTION	ANSWER
What are Over the Wire's business divisions?	Over the Wire has four core business divisions that allow it to deliver an integrated solution to its customers: **1. Data Networks (approximately 40% of FY15 Pro Forma revenue)** Services include: > Custom built, private connections to construct a fully managed Wide Area Network (WAN) using multiple upstream wholesale providers; and > High bandwidth and dependable internet connectivity at a variety of access speeds. **2. Voice (approximately 34% of FY15 Pro Forma revenue)** Services include: > Voice over Internet Protocol (VoIP) services which are an alternative to existing phone services, providing telecommunications utilising private data networks or the internet, as opposed to traditional copper lines; and > High quality technological support with set-up and ongoing usage. **3. Cloud/Other Services (approximately 13% of FY15 Pro Forma revenue)** Cloud-based services include: > Infrastructure as a Service (IaaS) platforms which provide cloud-based server, storage and network services. This allows customers to minimise capital expenditure on servers, storage and network infrastructure; > Platform as a Service (PaaS) which allows customers to utilise a fully outsourced infrastructure platform; > Hosted Private Branch eXchange (PBX) which delivers the features and capabilities of an office telephone system without requiring on premise PBX equipment; and > Private, dedicated, high-throughput network connection between Amazon Web Services or Microsoft Azure data centres and Over the Wire's national MultiProtocol Label Switching (MPLS) network. In addition, Over the Wire offers a range of managed services from basic maintenance through to complete outsourced IT support and administration. **4. Data Centre Co-Location (approximately 13% of FY15 Pro Forma revenue)** Data centres provide Over the Wire's customers with an 'off-site' environment to host their IT equipment that is secure, highly stable and monitored. Hosting equipment in this manner reduces the risk of downtime and saves on environmental infrastructure costs. On Listing, Over the Wire will have four data centres in Brisbane at three separate locations, with a capacity of more than 200 racks. For more information, refer to Section 3.4

1.2 OVER THE WIRE'S BUSINESS MODEL (CONTINUED)

QUESTION	ANSWER
What are Over the Wire's key costs incurred in generating its revenues?	Key operating expense categories for Over the Wire include: > Cost of goods sold: costs associated with delivering Over the Wire's services to users. Predominantly these costs involve the acquisition of wholesale data and telephony from carriers and electricity costs for data centre operations; > Staff related expenses: costs associated with the remuneration of Over the Wire's staff, including product development, sales and marketing, customer support, executive management and corporate; and > General office and administration expenses: costs predominantly relating to Over the Wire's corporate functions, including rental and utility costs associated with Over the Wire's premises, IT infrastructure, marketing and administration expenses. For more information, refer to Section 5

What is Over the Wire's growth strategy?	The Directors plan to continue Over the Wire's growth by implementing the following strategies:
	> Increased penetration in existing established markets by expanding Over the Wire's business development and marketing function;
	> Leveraging Over the Wire's platform to sell more products and services to existing customers;
	> Continued geographic expansion into New South Wales by increasing Over the Wire's business development and marketing function in Sydney;
	> Establishing an office in Melbourne within the next six months and securing new customers in this market; and
	> Identifying suitable acquisition opportunities where such acquisitions offer:
	  > A strategic fit;
	  > Readily achievable synergies; and
	  > The ability to add shareholder value.
	For more information, refer to Section 3.6

What are Over the Wire's recent acquisitions?	On 28 July 2015, the Company completed the acquisition of Faktortel which runs one of Australia's largest VoIP services, offering a range of products and services to business and residential users. The purchase price for the acquisition is approximately $5.3 million. On 9 September 2015, the Company signed a share sale agreement for the purchase of 100% of the shares in Sanity Technology. Sanity Technology is a Brisbane-based data centre business with a national customer base. The date for completion of the acquisition is the day upon receipt of funds from the Offer. The purchase price for the acquisition is approximately $3.5 million (including deferred consideration). For more information, refer to Sections 8.13 and 8.14

1.3 KEY STRENGTHS AND RISKS

ITEM	SUMMARY
KEY STRENGTHS	
Strong track record of growth	Over the Wire has built a platform of integrated services and products which are customer focused. The market has responded favourably to Over the Wire's offering, which has validated the business model and has allowed Over the Wire to be profitable and to grow. Historical Statutory revenue growth at a CAGR of approximately 24% in the period between FY13 and FY15 (Pro Forma revenue growth at a CAGR of approximately 19% in the same period). Historical Statutory EBITDA growth at a CAGR of approximately 278% in the period between FY13 and FY15 (Pro Forma EBITDA growth at a CAGR of approximately 95% in the same period). The Company was ranked number 78 in 2013, and numbered 49 in 2014, in Business Review Weekly's Fast 100 Growth Companies in Australia. For more information, refer to Sections 3 and 5
Differentiated offering	Over the Wire's broad product offering is a key differentiator in its market. Its ability to provide an integrated range of solutions represents a strong value and service proposition for customers. For more information, refer to Section 3
High level customer retention	Over the Wire has high levels of customer retention with approximately 96.7% of customers retained in FY14 and 98.6% of customers retained in FY15.[16,17] These high retention rates demonstrate a strong commitment to customer service and delivery. For more information, refer to Section 3.5
Strong industry drivers	In Australia, internet traffic is projected to grow at a CAGR of approximately 22% between 2014 and 2019. The global VoIP market is projected to grow at a CAGR of approximately 8% between 2013 and 2018. Cloud adoption by Australian businesses is projected to grow at a CAGR of approximately 30% between 2013 and 2017. The Australian data centre market is projected to grow at a CAGR of approximately 14% between 2013 and 2020. For more information, refer to Section 3.6
Addressable growth opportunities	Organic growth will be targeted in the future, both through geographic expansion and cross-selling more products and services to existing customers. The Statutory forecast for FY16 only includes an approximate 11 month contribution from Faktortel, and an approximate seven month contribution from Sanity Technology. For more information, refer to Section 5
Strong financial position	Over the Wire has a strong balance sheet (with Pro Forma net cash of approximately $2.9 million upon Listing). Over the Wire generates strong cash flow, driven by a Statutory and Pro Forma EBITDA margin of approximately 22% in FY15. For more information, refer to Section 5
High quality Board and management	Over the Wire has a highly experienced management team and a well regarded Board with members having ASX200 experience in fast growing companies. For more information, refer to Section 4
Aligned interest	The Founders will not be selling Shares as part of the Offer and have agreed for their Shares to be subject to voluntary escrow restrictions. For more information, refer to Section 8.6

---

[16] Excluding Faktortel and Sanity Technology.

[17] A customer's revenue is classified as retained in a given year if Over the Wire had revenue from the customer in the current year and in the previous year.

1.3 KEY STRENGTHS AND RISKS (CONTINUED)

ITEM	SUMMARY
KEY RISKS	For more information, refer to Section 6
Competition and loss of reputation	Over the Wire operates in a competitive landscape, which is subject to rapid and significant change, alongside a number of other telecommunications, cloud and IT service providers with competing offerings, which may impact on Over the Wire's existing or anticipated growth in market share and presence. The introduction of the National Broadband Network may also result in increased competition.
Customer relationships	The growth of Over the Wire depends in part on increasing the number of its customers and retaining existing customers. Over the Wire's ability to maintain levels of customer numbers, or to increase the number of customers, could result in Over the Wire's revenue or margin declining or operating results being materially and adversely affected.
Supplier relationships	Over the Wire is dependent on ongoing relationships with key suppliers, including wholesale suppliers of data and voice networks, as well as third party data centres. Termination or failure to renew agreements with key suppliers could have a material adverse effect on Over the Wire's operations and financial position.
Change to laws or regulations	Over the Wire is subject to local laws and regulations in each jurisdiction in which it provides its services. Changes in or extensions of laws and regulations affecting Over the Wire's business could restrict or complicate Over the Wire's business. For example, Over the Wire will need to consider ongoing changes to data retention laws and the impact these laws may have on its business.
Technological developments	A failure by Over the Wire to adapt to technological changes could have an adverse effect on Over the Wire's business, operating results and financial position.
Technology and infrastructure systems performance	Whilst Over the Wire believes it is using proven technologies and has established systems to efficiently carry out its operations, the viability of its endeavours can be affected by force majeure circumstances, incompatibility of hardware or software with customer systems, market access constraints, cost overruns, the performance of associated parties or unforeseen claims and events.
Lease arrangements for data centres	Over the Wire's business strategy includes commitment of substantial operational and financial resources to develop, lease and operate data centres, which may be jeopardised if Over the Wire is unable to secure its current or future data centre lease arrangements.
Hacking and vandalism	Over the Wire may be adversely affected by malicious third party applications that interfere with or exploit potential security flaws in its software and infrastructure, which may result in a material adverse effect on Over the Wire's operations and financial position.
Catastrophic loss	Computer viruses, fire and other natural disasters, break-in or other security problems, a failure of power supply, information systems, hardware, software or telecommunication systems or other catastrophic events could lead to interruption, delays or cessation in service to Over the Wire's customers.

1.3 KEY STRENGTHS AND RISKS (CONTINUED)

ITEM	SUMMARY
KEY RISKS (CONTINUED) For more information, refer to Section 6	
Dependence upon key staff	Over the Wire depends on the talent and experience of its staff as its primary asset. There may be a negative impact on Over the Wire if any of its key staff leave.
Requirement to raise additional funds	Over the Wire may be required to raise additional equity or debt capital in the future. There is no assurance that it will be able to raise that capital when it is required or, even if available, the terms may be unsatisfactory.
Growth	There is a risk that Over the Wire may be unable to manage its future growth successfully. The ability to hire and retain skilled staff as outlined above may be a significant obstacle to growth.
Acquisitions	Over the Wire's growth strategy may be impacted if it is unable to find suitable acquisitions. Over the Wire's due diligence processes may not be successful and an acquisition may not perform to the level expected.
Insurance	Over the Wire will maintain adequate insurance coverage in line with industry practice, but there may be some losses against which it cannot be protected. If Over the Wire incurs uninsured losses or liabilities, its assets, profits and prospects may be materially adversely affected.
Share investment risk	Any potential investor should be aware that subscribing for Shares involves various risks. The Shares to be issued pursuant to the Offer carry no guarantees with respect to the payment of dividends, return of capital or market value.

Over the Wire's business is also subject to general risk factors. The specific risks identified above and additional general risks associated with Over the Wire are set out in further detail in Section 6.

1.4 KEY FINANCIAL INFORMATION

ITEM | **SUMMARY**

Why is the Offer being conducted?

The purpose of the Offer is to:

> Enhance the financial flexibility of Over the Wire to pursue growth opportunities through improved access to capital markets;

> Provide an increased profile for Over the Wire;

> Provide Over the Wire's employees with an opportunity to participate in the ownership of the Company; and

> Create a liquid market for the Shares.

For more information, refer to the Chairman's letter

Key financial metrics

	PRO FORMA HISTORICAL			PRO FORMA FORECAST	CAGR	
A$m	FY13	FY14	FY15	FY16	FY13 - FY15	FY15 - FY16
Revenue	**14.7**	**17.6**	**20.7**	**23.1**	**18.6%**	**11.4%**
Growth		*19.6%*	*17.7%*	*11.4%*		
Gross Profit	8.1	9.6	11.9	13.1	21.5%	10.1%
Gross Profit %	*54.8%*	*54.5%*	*57.5%*	*56.8%*		
Growth		*18.9%*	*24.3%*	*10.1%*		
EBITDA	**1.2**	**1.9**	**4.5**	**5.1**	**94.7%**	**13.9%**
EBITDA %	*8.0%*	*10.9%*	*21.7%*	*22.1%*		
Growth		*62.6%*	*133.2%*	*13.9%*		
NPATA	**0.6**	**0.8**	**2.6**	**2.8**	**109.3%**	**8.6%**

	STATUTORY HISTORICAL			STATUTORY FORECAST	CAGR	
A$m	FY13	FY14	FY15	FY16	FY13-FY15	FY15-FY16
Revenue	**10.6**	**13.4**	**16.2**	**22.2**	**23.6%**	**37.6%**
Growth		*27.0%*	*20.3%*	*37.6%*		
Gross Profit	5.4	6.6	8.6	12.4	26.4%	44.2%
Gross Profit %	*51.0%*	*49.0%*	*53.4%*	*56.0%*		
Growth		21.8%	31.2%	44.2%		
EBITDA	**0.2**	**0.9**	**3.0**	**4.5**	**277.6%**	**51.5%**
EBITDA %	*2.0%*	*6.4%*	*18.4%*	*20.3%*		
Growth		*312.0%*	*246.1%*	*51.5%*		
NPATA	**-0.1**	**0.1**	**1.4**	**2.4**	**nmf**	**71.4%**

For more information, refer to Section 5

1.4 KEY FINANCIAL INFORMATION (CONTINUED)

ITEM	SUMMARY
Over the Wire's financial position	Over the Wire is profitable and to date has primarily funded its operations out of internally generated cash-flow. The Company's financial position is set out in detail in Section 5 of this Prospectus. For more information, refer to Section 5
Proposed utilisation of funds	The Offer will raise new capital for the Company, which will be used as follows:

USE OF PROCEEDS	$ RAISED
Consideration for the acquisitions of Faktortel and Sanity Technology[18]	$5.9 million
Geographic expansion and sales and marketing	$1.0 million
General working capital	$2.3 million
Costs of the Offer	$0.8 million
Total funds raised	$10.0 million

ITEM	SUMMARY
Proposed utilisation of funds	This use of funds represents the current intentions of the Company based on its current business plan and business conditions. The amounts and timing of the actual expenditure may vary and will depend upon numerous factors, including the timing of expenses and other revenues. For more information, refer to Section 9.6
Dividend policy	It is the current intention of the Board to target a dividend payout ratio of up to 60% of the Company's statutory NPATA. It is the Board's current intention to pay a dividend for the six-month period to 30 June 2016. The Board will consider the payment of a dividend in the context of the Company's expansion plans and based on the requirement for funding growth opportunities including acquisition opportunities. No assurances can be given about the payment of any dividend or the level of franking on any such dividend. For more information, refer to Section 5.12

---

[18] The terms of these acquisitions are summarised in Sections 8.13 and 8.14. In the event the Sanity Technology acquisition does not complete, the Company intends to seek alternative complementary acquisitions consistent with the growth strategy outlined in the Prospectus or, if not available on acceptable terms, would seek to pay down debt.

1.5 BOARD AND MANAGEMENT

ITEM	SUMMARY
Directors	The Board has significant depth of executive and non-executive board experience in the technology industry and early stage companies, combined with publicly listed company, capital market, financial and commercial expertise.

DIRECTOR	POSITION	INDEPENDENCE
John Puttick	Non-Executive Chairman	Independent
Michael Omeros	Managing Director and Chief Executive Officer	Not independent
Brent Paddon	Executive Director	Not independent
Susan Forrester	Non-Executive Director	Independent

ITEM	SUMMARY
Directors	Further details on the experience and qualifications of each of the Directors are set out in Section 4.1.
Management team	Mr Michael Omeros (Chief Executive Officer) Mr Brent Paddon (Executive Director) Mr Mike Stabb (Chief Financial Officer and Company Secretary) Mr Ben Cornish (Chief Operating Officer) Further details on the experience and qualifications of each of the management team are set out in Sections 4.1 and 4.2.
Corporate structure	The corporate structure of Over the Wire is summarised in Section 10.1. For more information, refer to Section 10.1
Related party transactions	Other than the usual contractual arrangements (i.e. the executive employment contracts with Michael Omeros and Brent Paddon, appointment letters with other Directors and deeds of access, insurance and indemnity), as set out in further detail in Section 8, there are currently no material arrangements between Over the Wire and its Directors or other related parties. Advisers and other service providers are entitled to fees for services as set out in this Prospectus. For more information, refer to Sections 8.7, 8.8 and 10.9

1.6 KEY TERMS AND CONDITIONS OF THE OFFER

QUESTION	ANSWER
How is the Offer structured?	The Offer comprises the: > Broker Firm Offer, consisting of an invitation from the Lead Manager and Underwriter to investors in Australia via their brokers; and > Institutional Offer, consisting of an offer to institutional investors. The Lead Manager and Underwriter, in consultation with the Company, will determine the allocation of Shares between the Broker Firm Offer and the Institutional Offer, having regard to the allocation policy described in Section 9.7. For more information, refer to Section 9
Am I eligible to participate in the Offer?	The Broker Firm Offer is open to investors in Australia who have received a firm allocation of Shares from their broker. You should contact your broker to determine whether it may allocate Shares to you under the Broker Firm Offer. The Institutional Offer is open to institutional investors in Australia and certain other overseas jurisdictions. Shares are not being offered to the general public. For more information, refer to Sections 9.3 and 9.4
How do I participate in the Offer?	Applicants may apply for Shares by completing a valid Application Form attached to or accompanying this Prospectus. Broker Firm Offer applicants may apply for Shares by completing an Application Form and lodging it with the broker that invited them to participate in the Offer. To the extent permitted by law, an Application under the Offer is irrevocable. There is a minimum application of $2,000 per Applicant and payments must be made in multiples of $500 thereafter. For more information, refer to Section 9
Will any Shares be subject to restrictions on disposal following completion of the Offer?	Yes. The Founders have agreed to enter into voluntary escrow arrangements in relation to the Shares retained by them following the Company being admitted to the official list of the ASX. Under the terms of the voluntary escrow arrangements: > All of the Founders' Shares will be escrowed until release of the FY16 results; and > Half of the Founders' Shares will be escrowed until release of the FY17 results. The vendors of both Faktortel and Sanity Technology have agreed to enter into voluntary escrow arrangements in relation to the Shares retained by them following the Company being admitted to the official list of the ASX. Under the terms of the voluntary escrow arrangements, 100% of the Shares issued as part of the Faktortel and Sanity Technology acquisitions will be escrowed for a period of 12 months from the date of issue. Employees who have participated in the employee share plan (described in Section 8.10) are restricted from dealing in the Shares received by them under the plan for a period of three years from the date of issue or earlier cessation events. For more information, refer to Sections 8.6 and 8.10
Is the Offer Underwritten?	The Offer is fully underwritten by the Lead Manager and Underwriter. If the Company does not raise the full amount of $10 million under this Offer, the Lead Manager and Underwriter will subscribe for, or procure subscriptions for, any shortfall. For more information, refer to Section 8.3

1.7 BROKER FIRM OFFER

QUESTION	ANSWER
Who can apply in the Broker Firm Offer?	The Broker Firm Offer is open to investors in Australia that have received a firm allocation of Shares from their broker. You should contact your broker to determine whether it may allocate Shares to you under the Broker Firm Offer. For more information, refer to Section 9.3
How do I apply in the Broker Firm Offer?	You should contact your broker for information about how to submit your broker firm Application Form, which accompanies this Prospectus, and for payment instructions. Your broker will act as your agent and it is your broker's responsibility to ensure that your Application Form and Application Monies are submitted before 5:00pm (Brisbane time) on the Closing Date or any earlier closing date as determined by your broker. The Company, the Lead Manager and Underwriter and the Share Registry take no responsibility for any acts or omissions on the part of your broker in connection with your application. For more information, refer to Section 9.3
How are allocations under the Broker Firm Offer determined?	It is a matter for each broker as to how they allocate Shares amongst their clients, and they (and not the Company or the Lead Manager and Underwriter) will be responsible for ensuring that Australian investors who have received a firm allocation from them receive the relevant Shares. Applicants under the Broker Firm Offer will be able to confirm their allocations through the broker from whom they received those allocations. However, investors who sell Shares before receiving an initial statement of holding do so at their own risk, even if they have obtained details of their holding from their broker. For more information, refer to Section 9.3

1.8 INSTITUTIONAL OFFER

QUESTION	ANSWER
What are the terms of the Institutional Offer?	The Institutional Offer consists of an invitation to certain institutional investors in Australia and certain overseas jurisdictions to apply for Shares. Institutional investors will be advised of the application procedures by the Lead Manager and Underwriter. The allocation of Shares amongst bidders in the Institutional Offer will be determined by the Lead Manager and Underwriter in consultation with the Company. The Lead Manager and Underwriter will have absolute discretion regarding the basis of allocation of Shares, and there is no assurance that any bidder will be allocated any Shares, or the number of Shares for which it has bid. For more information, refer to Section 9.4

Important notice

This Section is not intended to provide full details of the investment opportunity. Investors must read this Prospectus in full to make an informed investment decision. The Shares offered under this Prospectus carry no guarantee of return of capital, return on investment, payment of dividends or on the future value of the Shares. In addition, past financial performance is not a guide to future financial performance.

OFFERS EXPOSURE TO MARKETS WHICH ARE ANTICIPATED TO EXPERIENCE RAPID GROWTH

2

2 INDUSTRY OVERVIEW

2.1 INDUSTRY DRIVERS FOR OVER THE WIRE

The telecommunications, cloud and IT services industry has been through a period of rapid change driven by technological advancements, consumer behaviour, corporate out-sourcing, cost-cutting and productivity initiatives. One of the most important structural changes is the shift to cloud-based computing for hosting business-critical applications. This underpins demand for high performing and scalable data networks and data centre infrastructure.

2.1.1 Data consumption:

Growth in data networks and utilisation is expected to be driven by demand for bandwidth and storage (see Section 2.2 below).

2.1.2 Cloud-based solutions:

Cloud computing services continue to emerge as an increasingly important part of the Australian digital economy. These services include:

> A storage and retrieval system for vast quantities of business and personal digital data;
> Facilitating the shift from the personal computer to off-site information storage, services and applications; and
> Enabling growth in online participation and collaboration through the development of 'device-agnostic' services.[19]

Driving the move to cloud computing are lower:

> computing costs;
> storage costs; and
> bandwidth costs.

2.1.3 Corporate IT outsourcing:

IT infrastructure outsourcing is a strategic shift away from the complex and inefficient in-house IT models, to a more cost-effective, secure and scalable infrastructure model aimed at delivering highly responsive solutions to meet specific business requirements:

> Cost savings, in-house skills shortages and a growing emphasis on critical cloud-based applications are expected to drive enterprises to outsource nearly 70% of their IT infrastructure by 2018;[20] and
> While IT cost reduction remains a top priority for organisations, the shift to an outsourced model drives significant operational efficiencies across business processes while improving the quality of service.

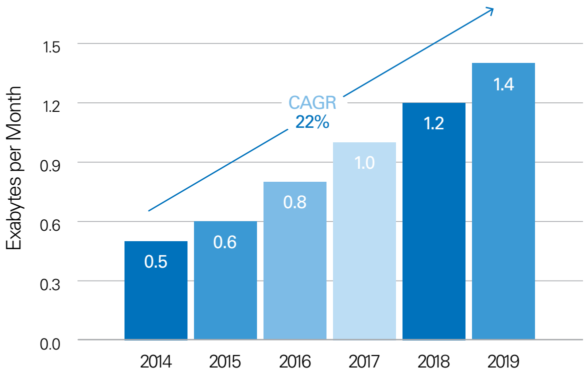
---

19. Device agnostic is a description for computing components that work with various systems without requiring special adaptations.
20. Century Link, News Release: Global Savvis study finds business growth driving enterprises to hybrid IT outsourcing models, 3 October 2013.

2.2 GROWTH IN INTERNET USAGE

In Australia, internet traffic is anticipated to grow three fold between 2014 and 2019 at a compound annual growth rate (CAGR) of 22%. Australian internet traffic in 2019 is projected to be equivalent to 154 times the volume in 2005.

Australian IP Traffic (2014 – 2019)



Source: Cisco VNI Global IP Traffic Forecast, 2014-2019

Internet traffic will need to be carried over public and private networks such as those offered by Over the Wire.

In Australia, the average fixed broadband speed is projected to grow at a CAGR of 19% between 2014 and 2019.

2.3 VOIP MARKET

Voice over Internet Protocol (VoIP) is the name for a range of technologies that allow voice communication to be made using Internet Protocol (IP) technology, rather than traditional circuit-switched technology used to supply voice services over the fixed-line Public Switched Telecommunications Network (PSTN).

Over the Wire provides managed VoIP services. From a consumer's perspective, this operates in a similar way to a traditional fixed-line telephone, in that the service is purchased from a service provider that typically provides hardware (such as a VoIP handset or adapter), issues a phone number and may set quality of service expectations. Users of managed services are able to contact, and be contacted by, all other end users connected to a public telecommunications network.

In Australia, Internet Service Providers (ISPs) are the main providers of managed VoIP services, typically offering internet and voice service bundles for a fixed period of time.

The figure below provides a snapshot of the major managed VoIP service providers and the types of services they offer. Faktortel was acquired by the Company in July 2015.

Major managed VoIP services available to consumers in Australia

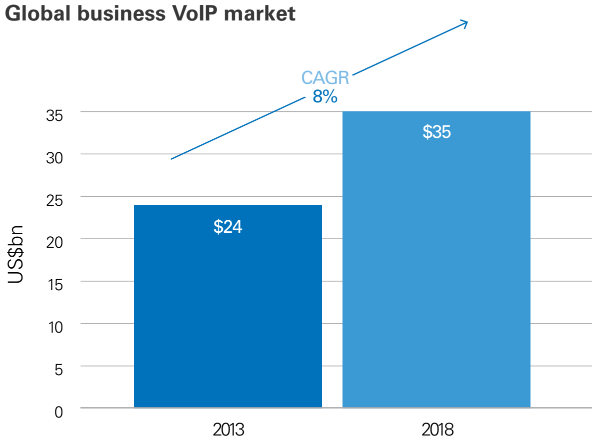
							Included in residential plan*	
	Retail NBN	Retail non-NBN	Business services	Hosted PBX	Wholesale	SIP trunking	Unlimited local/ national calls	Contract min. (months)
iiNet	✓	✓	✓	✓	✓	✓	✓	1
MyNetFone	✓	✓	✓	✓	✓	✓	✓	1
TPG	✓	✓	✓	✓	✓	✓	✓	6
Faktortel	✓	✓	✓	✓	✓	✓	✓	6
engin	✓	✓	✓	✓	✓	✓	✓	1
Dodo	✓	✓	-	-	-	✓	-	24
Telstra	✓	-	✓	✓	✓	✓	n/a	n/a
Optus	✓	-	✓	✓	✓	✓	n/a	n/a

**Cheapest residential plan available, non-NBN. 200 Calls per month included in plan. Note: n/a=not applicable*

Source: Australian Communications and Media Authority (ACMA), Communications Report 2013/14 series, Report 2 - The evolution of VoIP in Australia, June 2015.

The global business VoIP market is projected to grow in the period to 2018 with a cumulative annual average growth rate of 8% between 2013 and 2018. The Directors believe that the Australian business VoIP market will experience similar levels of growth.

Global business VoIP market



Source: TechTarget, Business VoIP services market to reach $35 billion by 2018, 23 May 2014.

2.4 CLOUD SERVICES

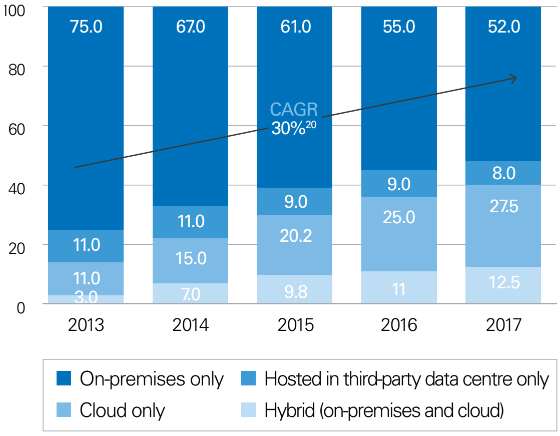
The development of more advanced virtual server and storage provisioning software, combined with higher speed networks, gives businesses the option of running infrastructure services on demand in the cloud.

Cloud computing promises to reduce much of the burden of manually installing and configuring servers, storage and software, and it enables the organisation to shift IT capital investments in favour of operating expenses.

In Australia, the cloud services market totalled approximately $900 million in 2012, and is projected to grow to approximately $2.7 billion by 2017.[21]

Cloud adoption by Australian businesses is projected to grow at a CAGR of approximately 30% between 2013 and 2017.

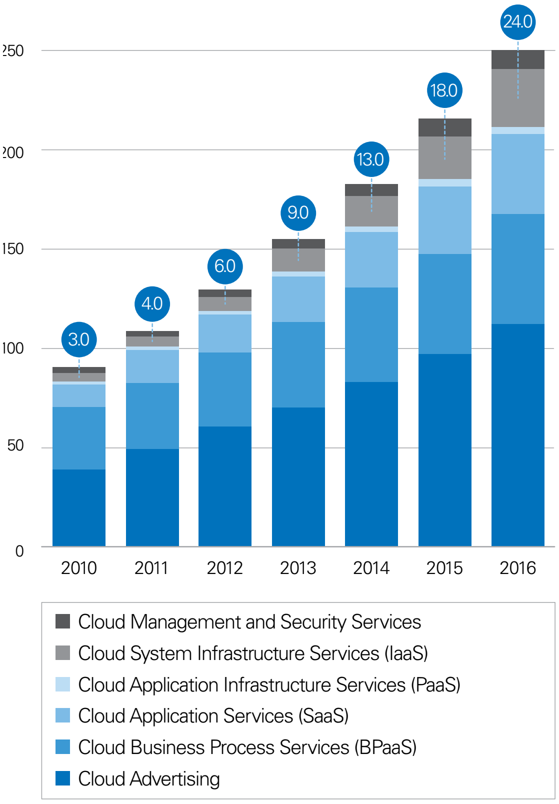
Cloud communications penetration in Australian businesses – infrastructure moving off-premises (%)[22]



Source: Forecast UXC report, 2015

It is estimated that Infrastructure as a Service (IaaS) will grow globally from US$18 billion in 2015 to US$24 billion by 2016 (see chart below). Between 2010 and 2016, IaaS is forecast to grow at a cumulative annual growth rate of 41.3% which is the fastest growing area of public cloud computing.

Public cloud services market by segment, 2010-2016



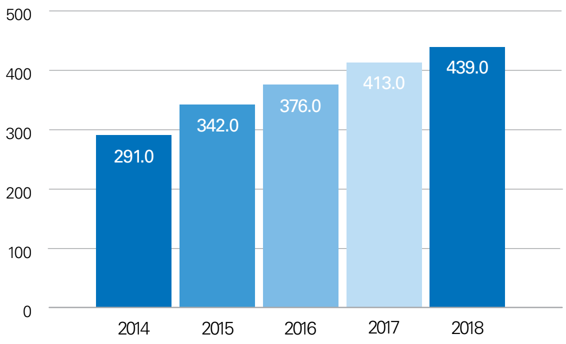
Source: Forbes: Gartner Predicts Infrastructure Services Will Accelerate Cloud Computing Growth, quoting Gartner (February 2013), 19 February 2013.

In Australia, IaaS is also projected to experience rapid growth with revenue from this activity increasing from $291 million in 2014 to projected revenue of $439 million by 2018.

---

21. Media Release: Computerworld, Cloud maturing into a $1b industry says IDC, 29 August 2013.
22. 30% CAGR is cloud adoption by Australian businesses (e.g. Hybrid and Cloud only).

Australian Infrastructure as a Service market (2014 – 2018)



Sources: Computerworld, Frost & Sullivan reports strong IaaS growth in Australia, 4 February 2015 and Over the Wire management

2.5 DATA CENTRES AND HOSTING SERVICES

Data centre services principally provide physical storage and retrieval services for computer data and electronic information. Industry participants provide electronic information storage services, such as cloud services, which enables users to upload, download, back-up and access files and systems over the internet.

Cloud computing allows businesses to have a central server that holds all required applications in a virtual space that all employees can access. This reduces the implied IT cost per employee, speeds up the sharing of information in a business and allows access to all information from mobile sites or mobile devices.

The rapid adoption of cloud computing has been facilitated by improved network performance and capacity, the rise in smart devices and the consumer driven need and desire to access data from various platforms, across multiple devices and across locations.

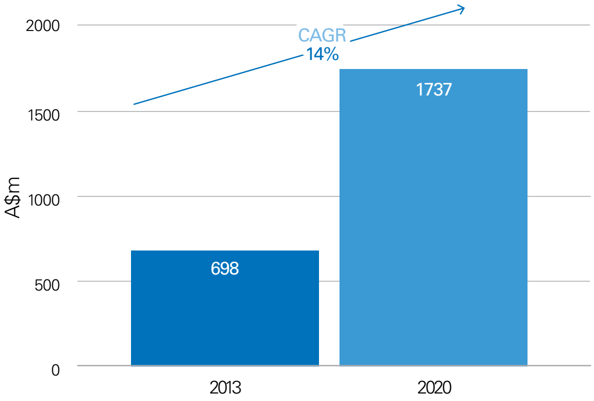
The increasing prominence of cloud computing has enabled businesses to reduce their storage and IT costs as such services can be outsourced and scaled up or down, based on demand. This is in contrast to businesses historically maintaining their own servers, which involves considerable upfront and ongoing capital expenditure. As a result, outsourced data centre space has grown over the past five years as cloud computing offers users a more cost-effective option.

This industry also includes the provision of web hosting infrastructure. Many businesses do not have the available capital or resources to internally manage website or intranet infrastructure. While web hosting service providers enable users to access files and information online, data centres manage the servers that back up and store data from various files to complete operating systems.

Although select web hosting providers are often vertically integrated and maintain some data centre facilities, there is a shift towards hosting providers acquiring data centre space from carrier-neutral providers to complement their existing data centre capacity. A carrier-neutral data centre is a facility that permits interconnection between several hosting providers, as it is not owned by any single network provider and therefore does not compete directly with them.

The chart below shows that revenue generated from data centres in Australia is expected to grow rapidly between 2013 and 2020 at a CAGR of approximately 14%.

Australian data centre revenue ($m)



Source: Frost & Sullivan Press Release, Frost & Sullivan: Australian data centre services revenues to exceed $1.7 billion by 2020, 18 June 2014.

Data centre revenue growth is being driven by cloud adoption and the volumes of data being transmitted over both the internet and private networks, along with a desire to locate IT infrastructure in secure, highly stable and monitored environments.

The outsourcing of IT responsibilities has had a positive influence on the industry and the emergence of cloud computing has allowed expenditure to shift from capital in nature to operational expenditure.

Future industry growth is anticipated to be driven by increased data usage and expansion of cloud computing related services. Furthermore, the rollout of the National Broadband Network and continued expansion of 4G networks is seen as further supporting future growth in cloud computing and industry revenue over the next five years. It is estimated that the industry will grow from approximately $698 million in 2013 to $1.7 billion by 2020.[23]

2.6 COMPETITIVE LANDSCAPE

Key competitors include:

(a) MyNetFone;
(b) NextDC;
(c) Optus;
(d) Telstra;
(e) TPG; and
(f) Vocus.

The segments in which each of these parties competes with Over the Wire vary from time to time, depending upon existing infrastructure, services and strategy.

---

[23] Frost & Sullivan Press Release, Frost & Sullivan: Australian data centre services revenues to exceed $1.7 billion by 2020, 18 June

OUTSTANDING CUSTOMER RETENTION

3

OVERVIEW OF OVER THE WIRE

3.1 BUSINESS OVERVIEW

Over the Wire is a profitable, high growth provider of telecommunications, cloud and IT solutions. It offers an integrated product suite of the following services:

- Data Networks and Internet;
- Voice;
- Cloud and Managed Services; and
- Data Centre Co-location.

Over the Wire differentiates itself from its competitors due to a combination of the factors below. It:

- Has built and owns a complex national voice and data network;
- Has one of the largest data centre footprints in Brisbane;
- Accesses fibre, copper and wireless through more than 20 wholesale providers;
- Provides an integrated suite of telecommunications, cloud and IT products and services;
- Delivers flexible, customer focused technical solutions; and
- Provides customer service staff that are highly trained systems and network engineers.

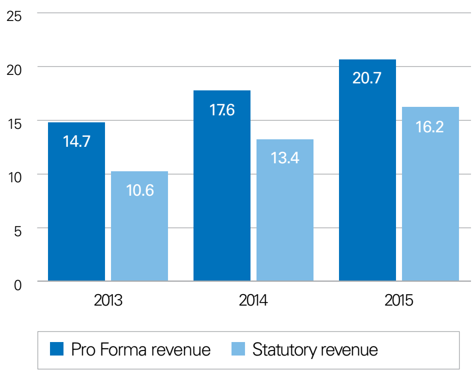
The Directors believe that Over the Wire further differentiates itself from its competitors through its integrated service offering and superior level of customer focus.

Over the Wire provides value to its customers by:

- Delivering tailored, efficient and cost effective telecommunications, cloud and IT services;
- Providing an integrated, customer focused solution; and
- Ensuring that customers receive a high quality service at all times.

Over the Wire has grown from $14.7 million of Pro Forma revenue ($10.6 million of Statutory revenue) in FY13 to Pro Forma revenue of $20.7 million ($16.2 million of Statutory revenue) in FY15.

Over the Wire revenue FY13 to FY15 ($m)



The success of Over the Wire to date has been due to the following key drivers:

- Building a national network;
- Integrating a comprehensive suite of telecommunications, cloud and IT products and services;
- Retaining existing customers – approximately 96.7% customer retention in FY14 and 98.6% customer retention in FY15 (by revenue);[24, 25] and
- Attracting customers who want an alternative to the traditional providers of telecommunications, cloud and IT products and services.

Over the Wire employs approximately 50 full time employees and is headquartered in Brisbane, with additional offices in Sydney and on the Gold Coast. Over the Wire has attracted and retained highly experienced and qualified staff.

Over the Wire has more than 6,500 customers, of which business customers represent approximately 96% of Pro Forma FY15 revenue.

---

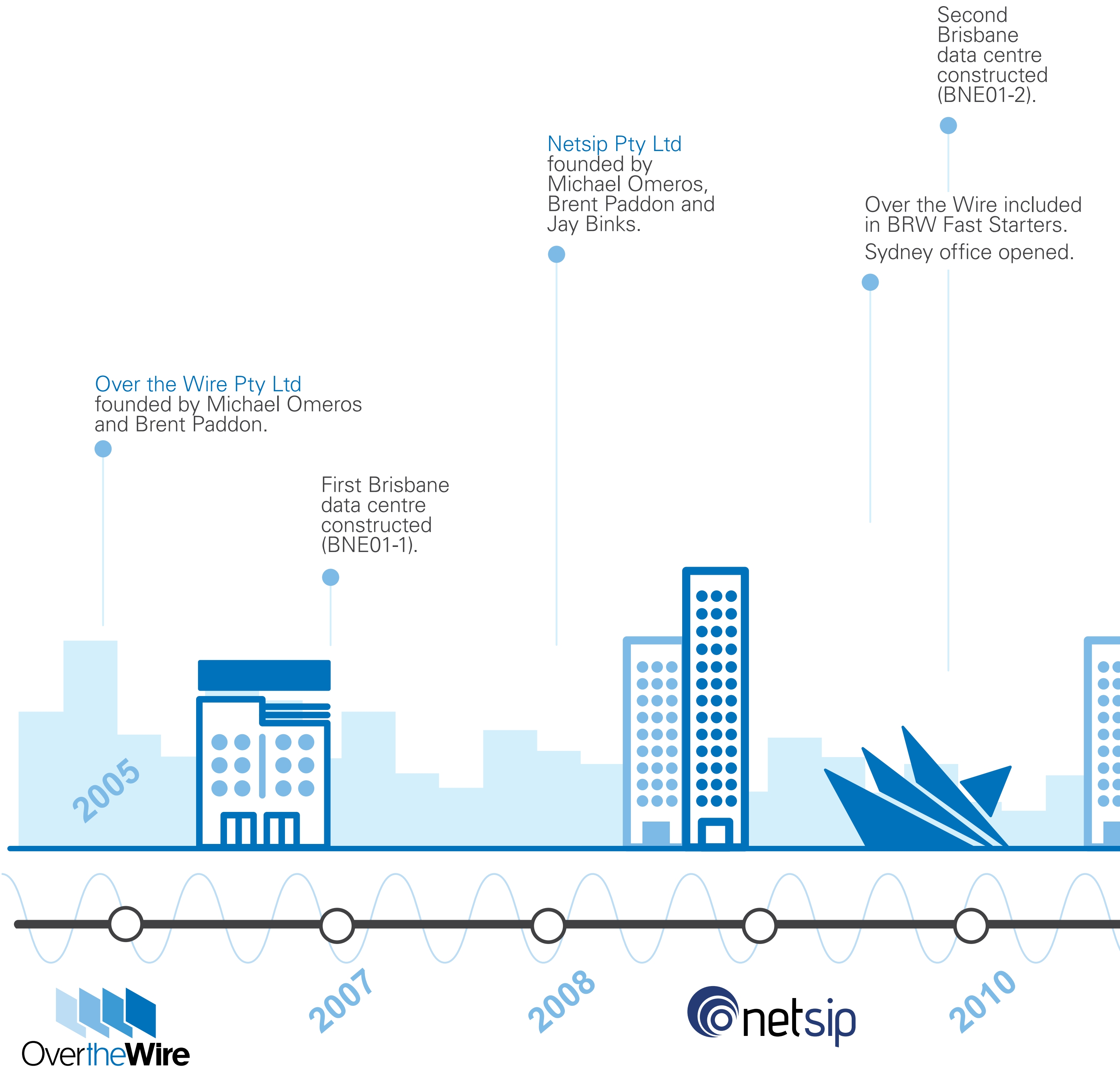
24. Excluding Faktortel and Sanity Technology.
25. A customer's revenue is classified as retained in a given year if Over the Wire had revenue from the customer in the current year and in the previous year.

3.2 OVER THE WIRE'S HISTORY

Over the Wire's proven and focused business model has consistently generated strong revenue and earnings growth since it was first established in 2005. Over the period between FY13 and FY15, Over the Wire has achieved year on year compound growth in Statutory revenue of approximately 24% and in Statutory EBITDA of approximately 278%.

Over the Wire has a track record of successfully integrating acquisitions and will complete the acquisition of Brisbane based Sanity Technology, concurrently with the Listing.

A corporate timeline and key events are set out below:



Over the Wire Pty Ltd founded by Michael Omeros and Brent Paddon.

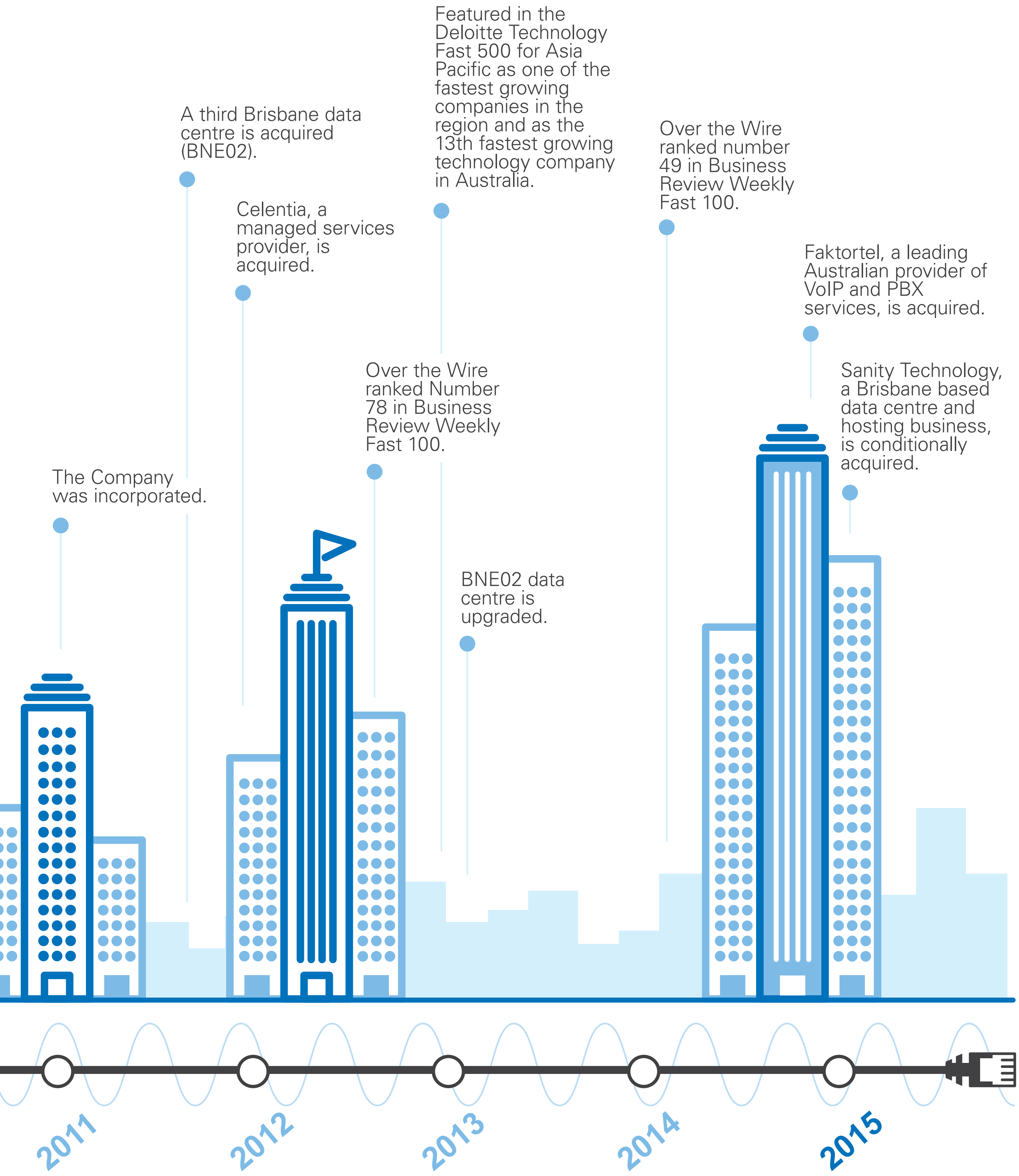
First Brisbane data centre constructed (BNE01-1).

Netsip Pty Ltd founded by Michael Omeros, Brent Paddon and Jay Binks.

Over the Wire included in BRW Fast Starters.

Sydney office opened.

Second Brisbane data centre constructed (BNE01-2).



The Company was incorporated.

A third Brisbane data centre is acquired (BNE02).

Celentia, a managed services provider, is acquired.

Over the Wire ranked Number 78 in Business Review Weekly Fast 100.

Featured in the Deloitte Technology Fast 500 for Asia Pacific as one of the fastest growing companies in the region and as the 13th fastest growing technology company in Australia.

BNE02 data centre is upgraded.

Over the Wire ranked number 49 in Business Review Weekly Fast 100.

Faktortel, a leading Australian provider of VoIP and PBX services, is acquired.

Sanity Technology, a Brisbane based data centre and hosting business, is conditionally acquired.

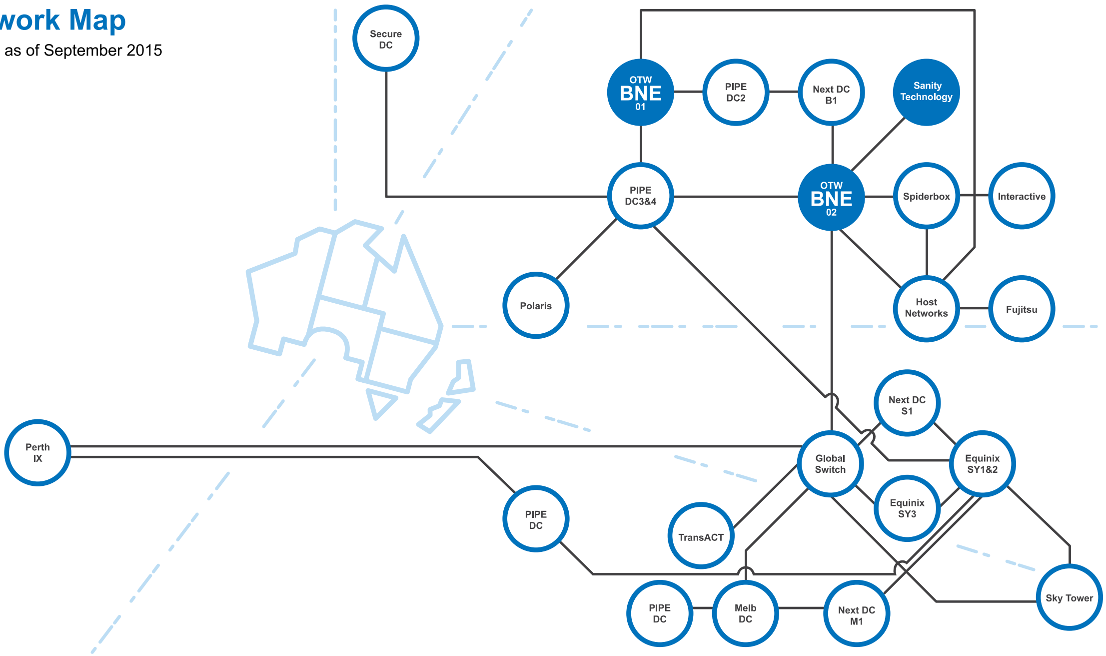
3.3 BUSINESS MODEL

Over the Wire generates revenue predominantly by selling telecommunications, cloud and IT services to business customers.

Over the Wire has a national network presence with POPs in all major Australian capital cities and Auckland, New Zealand. Over the Wire utilises more than 20 wholesale infrastructure providers to deliver services into these POPs for delivery of a complete data and voice solution to meet each customer's specific requirements.

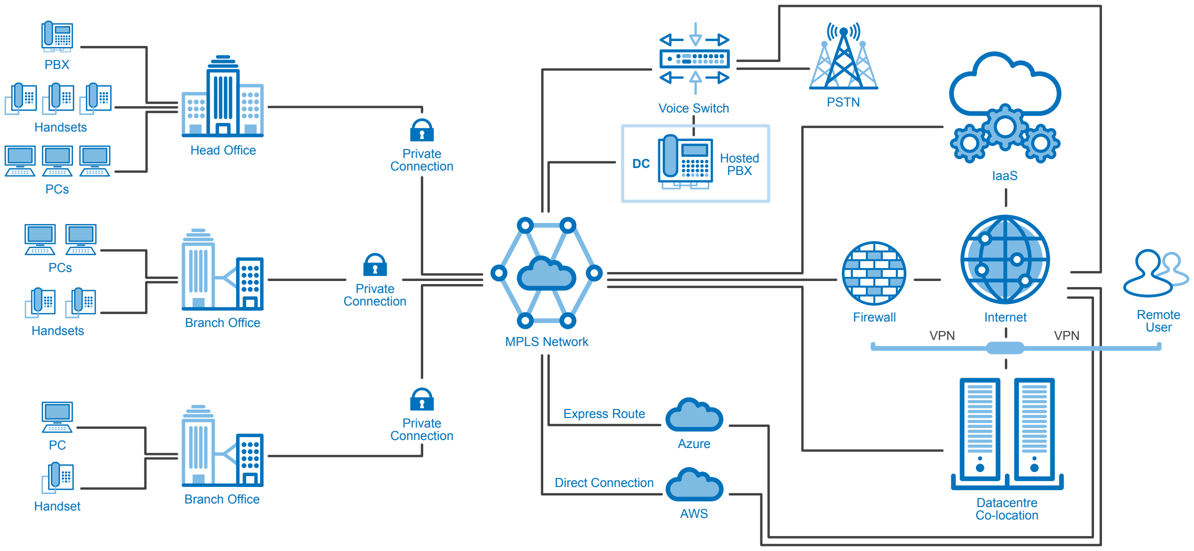
Network Map

Current as of September 2015



Over the Wire's business model is to be the facilitator for its customers' telecommunications, cloud and IT requirements. This may include:

- Network connection;
- Telephony; and
- Infrastructure and support to run its systems.



3.4 OVER THE WIRE BUSINESS DIVISIONS

Over the Wire has four business divisions through which it provides integrated services to its customers.

OVER THE WIRE DIVISIONS	DATA NETWORKS	VOICE	CLOUD	DATA CENTRES[26]
OVER THE WIRE BRANDS	OvertheWire	FAKTORTEL netsip	OvertheWire	OvertheWire SANITY TECHNOLOGY

3.4.1 DATA NETWORKS

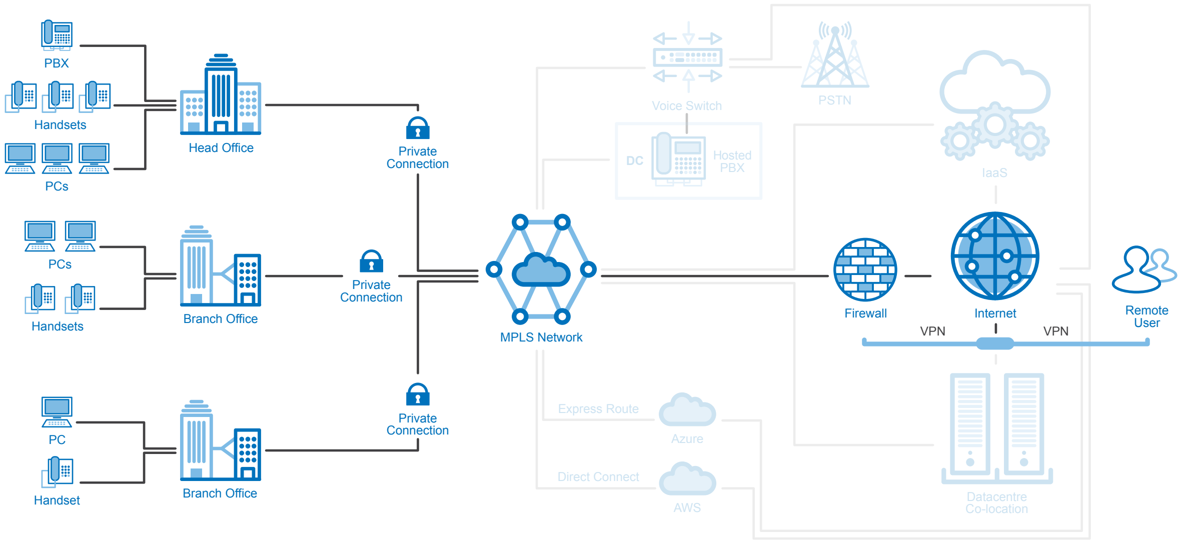
Overview

Over the Wire's Data Networks division provides:

(a) Custom built, private connections to construct a fully managed wide area network (WAN) using multiple upstream carriers to provide a reliable, secure high speed network; and

(b) High bandwidth and dependable internet connectivity at a variety of access speeds.

Data Network



---

26. Acquisition of Sanity Technology to be finalised concurrently with completion of the Offer.

Data networks

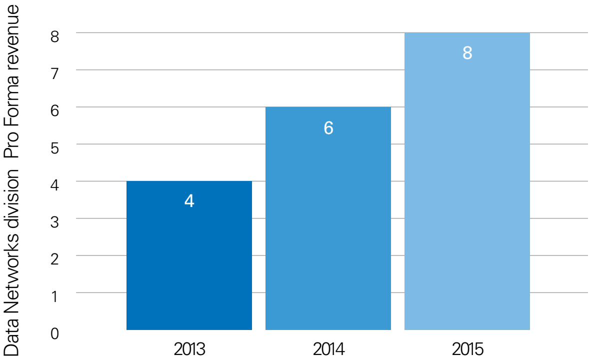
Key features of Over the Wire's data network offering include:

- Technical support from Over the Wire's qualified network engineers, based in Australia;
- Unmetered private network data transfer between every endpoint;
- Quality of Service (QoS), allowing prioritisation of certain data packet types;
- Single point of contact for the network end-to-end;
- Access to numerous carrier technologies for best-fit solutions (e.g. fibre or ADSL); and
- Improved security and latency when compared to internet based networks.

Over the Wire typically enters into an initial three year contract with a customer for the establishment, provision and maintenance of its WAN. Customers include small to large businesses with single to multiple sites.

Over the Wire's Data Networks division has seen strong revenue growth and is currently the largest division by Pro Forma revenue. In the period between FY13 and FY15 it has grown at a CAGR of approximately 44%.

Data Networks division Pro Forma revenue FY13 to FY15 ($m)



As Over the Wire's Data Networks business division has grown, it has been able to access lower cost pricing on the wholesale market which has led to margin expansion.

Internet connectivity

Over the Wire's Data Networks division includes the provision of internet products and services.

Access to affordable, high speed and reliable connectivity is a prerequisite for consuming cloud based applications and services, facilitating transactions, and utilising IP-based communications. Over the Wire provides high bandwidth, dependable, business grade internet connectivity to enable Internet services, video conferencing, Software as a Service applications and online collaboration for businesses of any size.

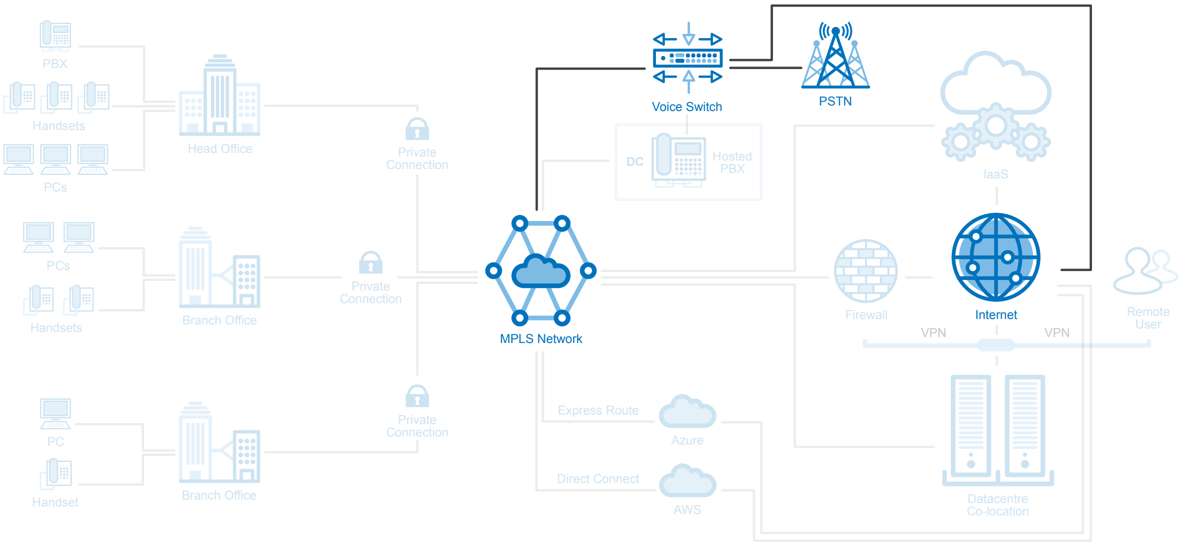
Over the Wire supplies internet connections matching the most appropriate technology to location and/or price requirements of its customers.

3.4.2 VOICE

Over the Wire provides Session Initiation Protocol (SIP) based internet voice solutions that offer high quality, high availability, voice calls at a lower cost to traditional telephony.

Over the Wire's voice platform supports a range of client usage scenarios, from Private Branch eXchanges (PBX) to call centre diallers, for both inbound and outbound calling.

Voice



Features of Over the Wire's SIP offering

- SIP can be easily deployed across a customer's existing Over the Wire WAN.
- Phone numbers are not tied to physical locations meaning that they are portable.
- Customers with video enabled handsets can make video calls.
- Because SIP can be delivered across symmetric high bandwidth connections, higher levels of vocal quality can be delivered from end to end.

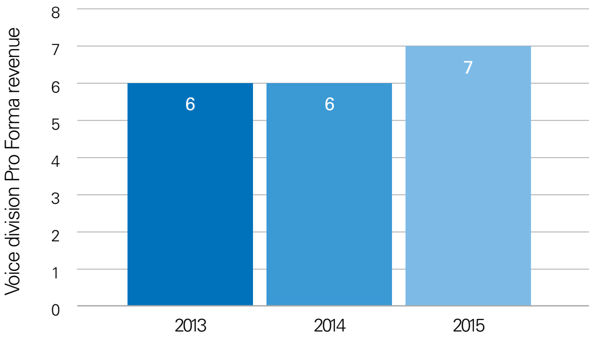
Over the Wire offers its voice products and services to business, wholesale and residential customers.

In July 2015, the Company acquired Faktortel, a leading Australian provider of VoIP services to business, wholesale and residential customers. Approximately 90% of Voice division revenue in FY15 was generated by business customers with the balance generated by residential customers.

Faktortel is considered one of the eight major managed VoIP service providers in Australia.[27] The Faktortel acquisition provides an opportunity to cross-sell Over the Wire products and services to Faktortel's business customers.

Over the Wire's Voice division has seen strong Pro Forma revenue growth. Over the two year period to FY15 it has grown at a CAGR of approximately 11%. This division has also seen growth in Pro Forma gross profit margin as its customer mix has changed from lower margin wholesale customers to higher margin SME and residential customers.

Voice division Pro Forma revenue FY13 to FY15 ($m)



---

[27] Australian Communications and Media Authority (ACMA), Communications Report 2013/14 series, Report 2 - The evolution of VoIP in Australia, June 2015.

3.4.3 CLOUD / SERVICES

Over the Wire provides a range of private cloud-based services to its customers.

Infrastructure as a Service (IaaS)

IaaS can form the base of a fully outsourced infrastructure solution. Over the Wire offers its customers a range of IaaS platforms with cloud-based server, storage and network services. This provides improved flexibility and reduced capital expenditure when compared to on premise servers and network equipment. Customers' operating expenditure attributed to power and cooling is also minimised.

Over the Wire's IaaS platforms may be sold standalone as a utility or combined with design, migration and maintenance services.

Hosted PBX

Over the Wire provides a business-grade hosted telephony solution, eliminating the need for high capital expenditure and costly upgrade cycles to gain access to new features.

Over the Wire's Hosted PBX systems are maintained by its qualified technical engineers and are scalable.

Amazon Web Services Direct Connect and Microsoft Azure Express Route

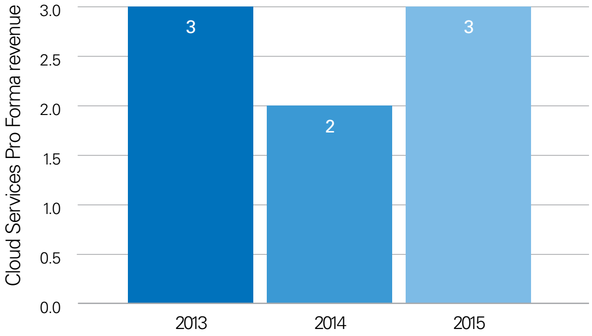
The two major public cloud service providers in Australia are Amazon Web Services and Microsoft Azure. Over the Wire provides a dedicated connection, directly into a customer's public cloud service provider's hosted environment. Leveraging Over the Wire's Australian and New Zealand network, private connectivity can be provided from a customer's national offices or data centre, directly into the public cloud.

Managed Services

Over the Wire offers a range of Managed Services from basic maintenance through to complete outsourced IT support and administration. This division also includes one-off project work and equipment sales where requested by the customer.

The Cloud segment of Over the Wire's Cloud / Services division has grown over the past two years. The key driver of this growth is Over the Wire's IaaS offering. The reason for the decline in FY14 is due to a change in revenue mix away from on-premise Managed Services and a drop in one-off hardware and software sales.

Cloud / Managed Services division Pro Forma revenue FY13 to FY15 ($m)



3.4.4 DATA CENTRE CO-LOCATION

Data Centre Co-Location allows customers to house their equipment, such as servers and network equipment, in Over the Wire's secure, highly stable and monitored data centres reducing the risk of downtime and saving on environmental infrastructure costs (such as power and air-conditioning).

After the Listing (and completion of the Sanity Technology acquisition), Over the Wire will own four separate data centres in Brisbane at three locations each of which are connected via fibre to Over the Wire's nationwide MPLS network:

(a) BNE01-1 and BNE01-2, which have capacity for 51 racks combined;

(b) BNE02, which has capacity for 126 racks; and

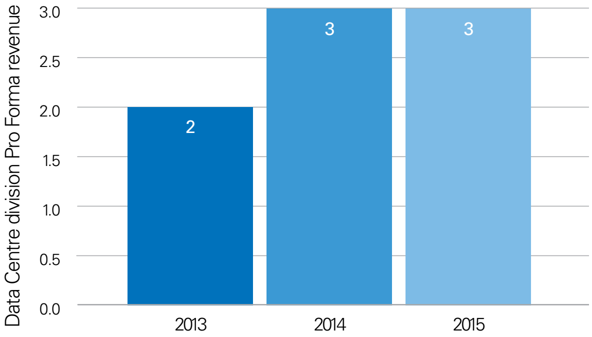
(c) Sanity Technology, which has capacity for 44 racks.

Over the Wire typically contracts its rack space to customers for a one to three year term with fixed power allocation (with a further charge for excess power usage).

Over the Wire has experienced high levels of utilisation of its racks. As at 30 September 2015, approximately 80% of the racks in Over the Wire's four data centres were utilised.

The Data Centre Division has grown at a CAGR of approximately 18% between FY13 and FY15 driven by increases in capacity and utilisation. This does not include any contribution from the Sanity Technology acquisition.

Data Centre division Pro Forma revenue FY13 to FY15 ($m)



Over the Wire's current intention is to grow this division by acquiring established data centre facilities rather than investing in the construction of new facilities.

3.5 CUSTOMER SERVICE

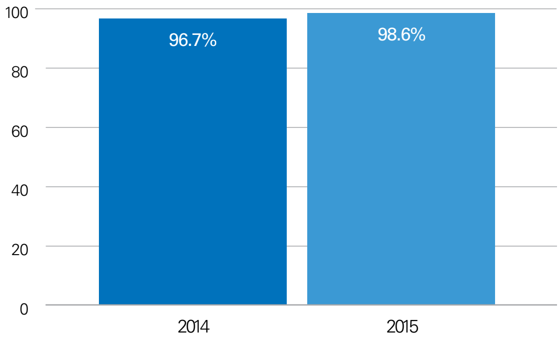
Over the Wire operates in an industry which has traditionally seen high levels of dissatisfaction on the grounds of customer service. Over the Wire has developed a culture that consistently delivers high levels of customer service. It has achieved this by:

- Tailoring a solution for a customer's requirements;
- Being highly responsive and pro-active; and
- Ensuring that the product or service performs.

Over the Wire's success in securing and retaining customers through superior customer service is demonstrated by:

- The rapid organic growth experienced by Over the Wire over the past three years as it has invested in an integrated and full service product offering with a focus on customer service;
- Very high customer retention rates (by revenue year on year for the Company) with approximately:
  - 96.7% customer retention in FY14; and
  - 98.6% customer retention in FY15.[28, 29]

Over the Wire customer retention (revenue year on year)



Over the Wire has low customer concentration with its top 10 customers contributing less than 20% of Pro Forma FY15 revenue.

3.6 GROWTH STRATEGIES

Over the Wire's growth strategies are focused on increasing its share of the markets in which it operates while also benefitting from the underlying forecast growth in the market segments in which it operates.

The Company will seek to manage the forecast growth in its business by ensuring that all customers are being appropriately serviced, staff are being utilised efficiently and sufficient resources are in place to manage potential new customers.

Over the Wire aims to continue to grow both organically and through acquisitions.

---

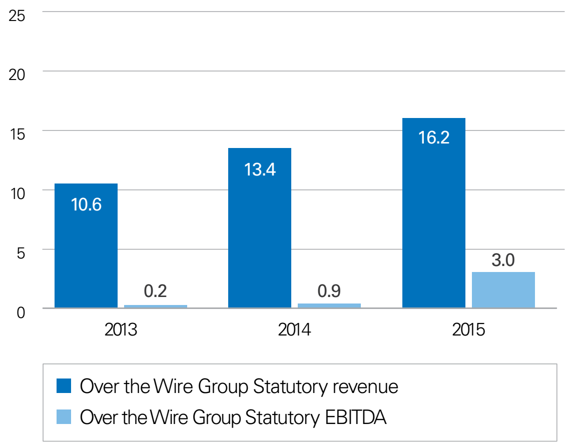
[28] Over the Wire, excluding Faktortel and Sanity Technology.

[29] A customers' revenue is classified as retained in a given year, if Over the Wire had revenue from the customer in the current year and in the previous year.

3.6.1 ORGANIC GROWTH

Over the Wire has achieved strong organic growth with Statutory revenue CAGR of approximately 24% and EBITDA CAGR of approximately 278% between FY13 and FY15 (excluding Faktortel and Sanity Technology[30]).

Statutory revenue and EBITDA FY13 to FY15 ($m)



The Company intends to continue this organic growth through implementing the following strategies:

- Increased penetration of existing established markets through expanding Over the Wire's business development and marketing function;
- Leveraging Over the Wire's platform to sell more products and services to existing customers;
- Continued geographic expansion into New South Wales by increasing Over the Wire's business development and marketing function in Sydney; and
- Establishing an office in Melbourne in the next six months.

3.6.2 ACQUISITION GROWTH

(a) Acquisition of Faktortel

On 28 July 2015, the Company acquired Faktortel (for further details on the acquisition see Section 8.13).

Faktortel is one of Australia's largest managed VoIP providers and offers a range of products and services to SMEs and residential users. Faktortel is based on the Gold Coast with a national customer base and was owned by a father and son. The father has since retired and the son has joined Over the Wire. Prior to its acquisition, Faktortel was a customer of Over the Wire, which provided management with the opportunity to observe the Faktortel business for a number of years.

Faktortel offered Over the Wire:

- Increased scale when combined with Over the Wire's Voice business;
- Synergies and cost savings realisable over the medium term; and
- The opportunity to cross sell other Over the Wire services.

(b) Acquisition of Sanity Technology

The Company has entered into an agreement to acquire Sanity Technology which is conditional on completion of the Offer (for further details on the acquisition see Section 8.14).

Sanity Technology is a data centre business, based in Brisbane with a national customer base, which offers a fully managed hosting solution to its customers.

The Sanity Technology business is close to capacity but has demand for growth. This demand for growth provides an opportunity to utilise Over the Wire's existing data centre capacity.

The Directors believe that the acquisition is strategic and further strengthens its market position in the Brisbane data centre co-location market.

(c) Future acquisition strategy

The Board and Over the Wire's management team will continue to actively assess suitable acquisition opportunities where they are complementary to Over the Wire's business and add shareholder value. Over the Wire has been successful to date in integrating acquisitions and benefitting from cost savings by removing duplication of functions and capability.

---

[30] Statutory includes public company costs.

3.7 EMPLOYEES AND CULTURE

Over the Wire's primary asset is its staff, employing approximately 50 full-time employees. Over the Wire has enthusiastic and dedicated employees with a wealth of experience in telecommunications, cloud and IT services and who have delivered outstanding customer service to Over the Wire's customers.

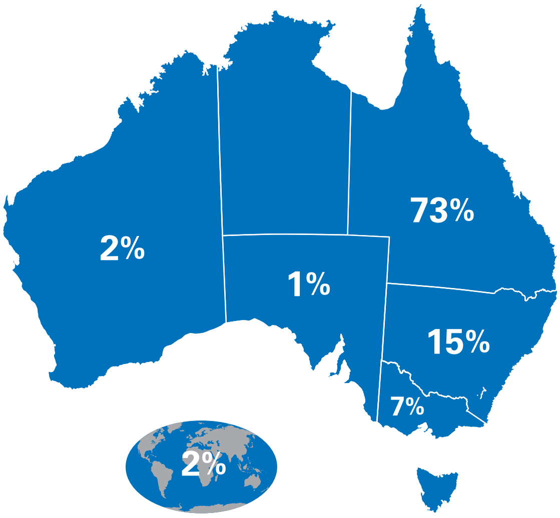
Over the Wire's approach to attracting, developing and retaining talented people aligns with its product positioning – supporting its people through investment in technology and innovation.

Investment in staff development is critical to Over the Wire's ongoing success, supported by a work environment in which employees can grow and succeed. Over the Wire is building for the future with its commitment to providing development and career progression programmes for its employees.

3.8 OVER THE WIRE'S CUSTOMERS

Over the Wire has developed a diverse spread of quality business customers which are predominantly characterised as being small and medium sized (less than 200 employees). As Over the Wire grows it will target larger companies (more than 200 employees).

The diagram below illustrates the geographic spread of Over the Wire's customers (excluding Faktortel and Sanity Technology).[31]



A focus for growth will be expanding more broadly across Australia, targeting business customers in the key business markets of Sydney and Melbourne.

3.9 SUPPLIERS

Over the Wire acquires wholesale data and telephony from a range of carriers. Over the Wire does not typically have minimum spend commitments with these providers, allowing it to provide a service that it believes delivers the best outcome for the customer.

3.10 NATIONAL BROADBAND NETWORK

The rollout of the National Broadband Network is not expected to materially impact Over the Wire's operations in the short term given that Over the Wire is predominantly focused on the business market. The National Broadband Network may assist Over the Wire's growth prospects in its Voice and Cloud divisions as its business products are developed by potentially providing higher speed and improved quality network connections for Over the Wire to provide its services.

3.11 KEY DEPENDENCIES

Over the Wire's business model is subject to the following key dependencies:

(a) Continued access to wholesale suppliers of data and voice networks on commercial terms;

(b) Continued access to highly skilled staff - Over the Wire is dependent upon recruiting and retaining experienced staff to support its current growth strategy;

(c) Renewal of data centre leases on commercial terms; and

(d) Access to third party data centres.

Over the Wire is also subject to the general and specific risks set out in Section 6.

---

[31] 98% of revenue in Australia and 2% of revenue from the rest of the world.

4 KEY PEOPLE AND CORPORATE GOVERNANCE

4.1 BOARD

John Puttick

Non-Executive Chairman

John was appointed as Chairman of the Company in October 2015. He is the founder and Chairman of GBST Holdings Limited (ASX: GBT). John holds an Honorary Doctorate from the Queensland University of Technology and chartered accounting qualifications from Auckland University of Technology. He has over forty years of experience in building commercial systems with information technology, over thirty of which have been in developing financial services solutions at GBST Holdings Limited.

John is a member of Queensland University of Technology and a member of the Hall of Fame of the Pearcey Foundation.

John is a member of Over the Wire's Audit and Risk Committee and chair of the Nominations and Remuneration Committee.

Michael Omeros

Managing Director and Chief Executive Officer

Michael is a co-founder and the Managing Director of the Company. He has over 20 years of experience in the telecommunications and IT services sectors, and graduated from QUT in 1994 with a Bachelor of Engineering – Electronics (First Class Honours) and Bachelor of IT (with Distinction).

Prior to Over the Wire, Michael held a Senior Management role at GBST, worked for Zurich Insurance in the UK and founded Celentia which now forms part of Over the Wire.

Michael is a member of Over the Wire's Audit and Risk Committee.

Brent Paddon

Executive Director

Brent is a co-founder and Director of the Company. He has over 20 years of experience in telecommunications and IT services sectors and graduated from QUT in 1996 with a Bachelor of IT. He also completed a Graduate Diploma in Business Administration from QUT in 2008.

Prior to Over the Wire, Brent held a senior management role at WebCentral, worked for Pipe Networks and founded Brisbane Internet Technology, which was sold to Asia Online.

Brent is a member of Over the Wire's Nominations and Remuneration Committee.

BOARD WITH MEMBERS HAVING **ASX200 EXPERIENCE** IN FAST GROWING COMPANIES

Susan Forrester

Non-Executive Director

Susan was appointed as a Non-Executive Director in October 2015. Susan is an accomplished company director, with significant experience as a non-executive director across a range of listed and unlisted company boards, spanning the professional services, healthcare and childcare sectors. In particular, she has chaired, or been a member of, various audit, risk management and remuneration committees.

Susan currently holds the position of chair for National Veterinary Care Ltd (ASX: NVL) and is a non-executive director for G8 Education (ASX: GEM), Xenith IP Group Limited (ASX:ZIP), UnitingCare Qld and Healthdirect Australia Ltd. In addition, she chairs the Queensland Department of Transport and Main Roads Audit and Risk Committee and serves on the Audit Committee of Local Government Association of Queensland.

With a Bachelor of Laws (Honours) and a Bachelor of Arts (Japanese), from the University of Queensland, Susan completed an Executive Masters of Business Administration (EMBA) from the Melbourne Business School. She is also a Fellow of the Australian Institute of Company Directors (FAICD).

Susan is chair of Over the Wire's Audit and Risk Committee and a member of the Nominations and Remuneration Committee.

4.2 MANAGEMENT TEAM

Mike Stabb

Chief Financial Officer and Company Secretary

Mike was appointed CFO and Company Secretary in 2012. He is a Fellow of the Institute of Chartered Accountants with over 20 years of experience, and graduated with Distinction from QUT in 1995 with a Bachelor of Business (Accy & BusLaw).

Prior to Over the Wire, Mike worked for Deutsche Bank in London and on Wall Street, and held CFO and senior finance roles in the property, radio communications and banking industries in Australia.

Ben Cornish

Chief Operating Officer

Ben was appointed General Manager – Voice and Data in 2012 and has recently been promoted to COO. He has 20 years of experience in the telecommunications sector, specifically around running data communications networks and managing 24x7 Network Operations Centres.

Prior to Over the Wire, Ben was Practice Manager for the Voice & Data business at Brennan IT and Operations Manager at IExec.

4.3 RESPONSIBILITY OF THE BOARD

The Board is responsible for the Company's proper corporate governance. To carry out this obligation, the Board must act:

- Honestly, conscientiously and fairly;
- In accordance with the law;
- In the interests of the Shareholders (with a view to building sustainable value for them); and
- In the interests of employees and other stakeholders.

The Board's broad function is to:

- Represent, serve and protect the interests of shareholders;
- Develop, implement, oversee, and review the strategies and performance of the Company;
- Optimise Company performance and build sustainable shareholder value within an effective corporate governance framework of internal controls and risk management;
- Ensure shareholders and stakeholders are regularly and effectively informed of developments affecting the Company, as well as the ongoing performance of the Company; and
- Ensure that no decision or action is taken that has the effect of prioritising their personal interests over the Company's interests.

Power and authority in certain areas is specifically reserved to the Board – consistent with its function described above. These areas include:

- Providing leadership and setting the strategic objectives of the Company;
- Composition of the Board itself including the appointment and removal of the Chairman or deputy chairman (if applicable);
- Oversight of the Company including its control and accountability system;
- Appointment and removal of senior management (including the CEO or equivalent) and the Company Secretary;
- Reviewing, ratifying and monitoring the risk management framework and setting the risk appetite within which the Board expects management to operate;
- Approving and formulating company strategy and policy;
- Approving and monitoring operating budgets and major capital expenditure;
- Overseeing the integrity of the Company's accounting and corporate reporting systems, including the external audit;
- Overseeing corporate strategy and performance objectives developed by management;
- Overseeing the Company's compliance with its continuous disclosure obligations;
- Approving the Company's remuneration framework;
- Monitoring the overall corporate governance of the Company (including its strategic direction and goals for management, and the achievement of these goals); and
- Oversight of the Board's various committees.

4.4 COMPOSITION OF BOARD

The Board is comprised of four directors. Half of the Board are non-executive directors independent from management. The Chairman of the Board is an independent non-executive director.

4.5 BOARD CHARTER AND POLICY

The Board has adopted a charter which formally recognises its responsibilities, functions, power and authority and composition. This charter sets out other things which are important for effective corporate governance including:

- A detailed definition of 'independence';
- A framework for the identification of candidates for appointment to the Board and their selection (including undertaking appropriate background checks);
- A framework for individual performance review and evaluation;
- Proper training to be made available to Directors both at the time of their appointment and on an on-going basis;
- Basic procedures for meetings of the Board and its committees including frequency, agenda, minutes and private discussion of management issues among non-executive Directors;
- Ethical standards and values (in a detailed code of ethics and values);
- Dealings in securities (in a detailed code for securities transactions designed to ensure fair and transparent trading by Directors and senior management and their associates); and
- Communications with Shareholders and the market.

The purpose of the charter is to 'institutionalise' good corporate governance and to build a culture of best practice both in Over the Wire's internal practices and its dealings with others.

4.6 AUDIT AND RISK COMMITTEE

The purpose of this committee is to advise on the establishment and maintenance of a framework of internal control and appropriate ethical standards for the management of the Company. Its current members are:

- Susan Forrester (committee chair);
- John Puttick; and
- Michael Omeros.

The committee performs functions relevant to risk management and internal and external reporting and reports to the Board following each meeting. The committee's responsibilities include:

- Setting Board and committee structures to facilitate a proper review function by the Board;
- Internal control framework including management information systems;
- Corporate risk assessment (including economic, environmental and social sustainability risks) and compliance with internal controls;
- Management processes supporting external reporting practices;
- Review of financial statements and other financial information distributed externally;
- Review of the effectiveness of the audit function;
- Review of management corporate reporting processes supporting external reporting, including the appropriateness of the accounting judgements;
- Review of the performance and independence of the external auditors;
- Review of the external audit function to ensure prompt remedial action by management, where appropriate, in relation to any deficiency in or breakdown of controls; and
- Reviewing any proposal for the external auditor to provide non-audit services and whether it might compromise the independence of the external auditor.

Meetings will be held at least four times each financial year. A broad agenda is laid down for each regular meeting according to an annual cycle. The committee invites the external auditors to attend each of its meetings.

4.7 NOMINATIONS AND REMUNERATION COMMITTEE

The purpose of this committee is to assist the Board and report to it on remuneration and related policies and practices (including remuneration of senior management and non-executive Directors). Its current members are:

- John Puttick (committee chair);
- Susan Forrester; and
- Brent Paddon.

The committee's functions include:

- Recommendations to the Board about the Company's remuneration policies and procedures;
- Oversight of the performance of senior management and non-executive Directors;
- Recommendations to the Board about remuneration of senior management and non-executive Directors; and
- Reviewing the Company's reporting and disclosure practices in relation to the remuneration of Directors and senior executives.

Meetings will be held at least four times each financial year and more often as required.

4.8 POLICIES

Securities trading policy

A securities trading policy (Trading Policy) has been adopted by the Board to provide guidance to Directors, identified employees including senior management, and other employees of Over the Wire, where they are contemplating dealing in the Company's securities or the securities of entities with whom Over the Wire may have dealings. The Trading Policy is designed to ensure that any trading in the Company's securities is in accordance with the law and minimises the possibility of misperceptions arising in relation to Directors' and employees' dealings in the Company's securities or securities of other entities.

The Trading Policy is directed at dealing in the Company's securities by the Directors and employees, dealings through entities or trusts controlled by a relevant person, or in which they have an interest, and encouraging family or friends to so deal. It also extends to addressing dealings in the securities of other entities that may be transacting with or be counterparties of Over the Wire.

Any non-compliance with the Trading Policy will be regarded as an act of serious misconduct. The Trading Policy is available on the Company's website at *www.overthewire.com.au.*

Continuous disclosure policy

The Board has adopted a continuous disclosure policy (Disclosure Policy), which sets out procedures to be adopted by the Board to ensure the Company complies with its continuous disclosure obligations to keep the market fully informed of information which may have a material effect on the price or value of the Company's securities and to correct any material mistake or information in the market.

The Board is responsible for determining whether information is such that it would have a material effect on the price or value of the Company's securities. The Disclosure Policy provides a framework for the Board and officers of the Company to internally identify and report information which may need to be disclosed and sets out practical implementation processes in order to ensure any identified information is adequately communicated to ASX and Shareholders. The Disclosure Policy also sets out the exceptions to the disclosure requirements.

Any non-compliance with the Disclosure Policy will be regarded as an act of serious misconduct. The Disclosure Policy is available on the Company's website at *www.overthewire.com.au*.

Diversity policy

Over the Wire is committed to complying with the diversity recommendations published by ASX and promoting diversity among employees, Directors and senior management, and has adopted a policy in relation to diversity (Diversity Policy).

Over the Wire defines diversity to include, but not be limited to, gender, age, disability, ethnicity, marital or family status, religious or cultural background, sexual orientation and gender identity.

The Diversity Policy adopted by the Board outlines Over the Wire's commitment to fostering a corporate culture that embraces diversity and provides a process for the Board to determine measurable objectives and procedures to implement and report against to achieve its diversity goals.

The Company's Nominations and Remuneration Committee is responsible for implementing the Diversity Policy, setting the Company's measurable objectives and benchmarks for achieving diversity and reporting to the Board on compliance with the Diversity Policy.

As part of its role, the Company's Nominations and Remuneration Committee is responsible for formulating and implementing a Company remuneration policy. Under the Diversity Policy, a facet of this role will include reporting to the Board annually on the proportion of men and women in Over the Wire's workforce and their relative levels of remuneration.

The Board will assess and report annually to Shareholders on progress towards achieving its diversity goals.

The Diversity Policy is available on the Company's website at *www.overthewire.com.au*.

4.9 COMPLIANCE WITH ASX CORPORATE GOVERNANCE PRINCIPLES AND RECOMMENDATIONS

The Board is responsible for the corporate governance of Over the Wire. The Board guides and monitors the business and affairs of Over the Wire on behalf of the Shareholders by whom they are elected and to whom they are accountable.

The ASX document 'Third Edition Principles of Good Corporate Governance and Best Practise Recommendations' (Guidelines) was published by the ASX Corporate Governance Council with the aim of enhancing the credibility and transparency of Australia's capital markets. Over the Wire's corporate governance charter has been drafted in light of these Guidelines and the table below summarises the Company's compliance, in accordance with ASX Listing Rule 4.10.3.

PRINCIPLES AND RECOMMENDATIONS	COMPLIANCE	COMPLY
Principle 1 – Lay solid foundations for management and oversight		
1.1 Establish the functions expressly reserved to the Board and those delegated to management, and disclose those functions.	The Board is responsible for the overall corporate governance of the Company. The Board has adopted a Board charter that formalises its roles and responsibilities and defines the matters that are reserved for the Board and specific matters that are delegated to management.	Complies.
1.2 Undertake appropriate checks before appointing a person as a director, and provide shareholders with all material information relevant to a decision on whether or not to elect or re-elect a director.	The Company will conduct police checks, solvency and banned director searches in relation to all appointed and future nominated directors. The Company will publish Director profiles on the Company's website outlining biographical details, other directorships held, commencement date of office and level of independence.	Complies.
1.3 Have a written agreement with each director and senior executive setting out the terms of their appointment.	The Company has written agreements with each director and senior executive. On appointment of directors and senior executives the Company will issue necessary written agreements outlining the terms of their appointment.	Complies.
1.4 The company secretary should be accountable directly to the Board on all matters to do with the proper functioning of the Board.	This is consistent with the Charter and corporate structure of the Company. The company secretary has a direct relationship with the Board in relation to these matters.	Complies.
1.5 Establish a diversity policy and disclose the policy or a summary of that policy. The policy should include requirements for the Board to establish measurable objectives for achieving gender diversity and for the Board to assess annually both the objectives and progress in achieving them, for reporting against in each reporting period.	The Board has adopted a diversity policy that outlines objectives to ensure that the Company has as diverse a workforce as practicable. The Board determined that given the Company's size and structure, it is not appropriate or possible to mandate a fixed number of women at any given level within the organisation, so no measurable objectives are included. As a measurement of gender diversity, the proportion of women working within Over the Wire as at 31 October 2015 is as follows: > Women on the Board – 25% > Women in Senior Executive positions – 0% > Women in the organisation – 18%	Partially Complies.
1.6 Have a process for periodically evaluating the performance of the Board, its committees and individual directors, and disclose that process and, at the end of each reporting period, whether such performance evaluation was undertaken in that period.	The Company conducts the process for evaluating the performance of the Board, its committee and individual directors as outlined in the Board Charter.	Complies.

PRINCIPLES AND RECOMMENDATIONS	COMPLIANCE	COMPLY
1.7 Have a process for periodically evaluating the performance of the company's senior executives, and disclose that process and, at the end of each reporting period, whether such performance evaluation was undertaken in that period.	A summary of the processes for performance evaluation of key executives, directors and the Board is available on the Company's website. The Chief Executive Officer (CEO) reviews the performance of the senior executives. The Board reviews the CEO's performance. These reviews will occur annually.	Complies.
Principle 2 – Structure the Board to add value		
2.1 The Company should have a nomination committee, which has at least three members, a majority of independent directors and is chaired by an independent director. The functions and operations of the nomination committee should be disclosed.	A combined Nominations and Remuneration Committee has been established with its own charter and consists of: > John Puttick (committee chair); > Susan Forrester; and > Brent Paddon.	Complies.
2.2 Have and disclose a board skills matrix, setting out what the board is looking to achieve in its membership.	The Company has established charter rules for the Nominations and Remuneration Committee as a guide for Board deliberations. Together, the Directors have a broad range of experience, expertise, skills, qualifications and contacts relevant to the Company and its business.	Does not presently comply, however the Board intends to formalise a skills matrix.
2.3 Disclose the names of the directors that the Board considers to be independent directors, and an explanation of why the Board is of that opinion if a factor that impacts on independence applies to a director, and disclose the length of service of each director.	The Board considers John Puttick (appointed in October 2015) to be an independent director. The Board also considers Susan Forrester (appointed in October 2015) to be an independent director. The Board notes the following directors are deemed not independent for the purposes of the Guidelines: Michael Omeros (appointed in July 2011) – Michael is a founding shareholder of Over the Wire and is an executive director of the Company. Brent Paddon (appointed in July 2011) – Brent is also a founding shareholder of Over the Wire and is an executive director of the Company.	Complies.
2.4 A majority of the Board should be independent directors.	The Board currently comprises four Directors, of which two are independent non-executive Directors.	Partially Complies. The Board is equally weighted between independent and executive Directors. The size of the Company does not justify the cost of appointing additional independent Directors at this stage.
2.5 The chair of the Board should be an independent director and should not be the CEO.	The chairman, John Puttick, is a non-executive and independent director.	Complies.

PRINCIPLES AND RECOMMENDATIONS	COMPLIANCE	COMPLY
2.6 There should be a program for inducting new directors and providing appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as a director effectively.	This is consistent with the Board Charter.	Complies.
Principle 3 – Act ethically and responsibly		
3.1 Have a code of conduct for the Board, senior executives and employees, and disclose that code or a summary of that code.	The Company has adopted a code of conduct, which sets out a framework to enable Directors to achieve the highest possible standards in the discharge of their duties and to give a clear understanding of best practise in Corporate Governance.	Complies.
Principle 4 – Safeguard integrity in corporate reporting		
4.1 The Company should have an audit committee, which consists of only non-executive directors, a majority of independent directors, is chaired by an independent chairman who is not chairman of the Board, and has at least three members. The functions and operations of the audit committee should be disclosed.	The Board has established an Audit and Risk Committee which operates under an audit and risk committee charter. The Audit and Risk Committee members are: > John Puttick; > Susan Forrester; and > Michael Omeros. The committee includes two independent directors and is chaired by an independent director.	Partially complies.
4.2 The Board should, before approving financial statements for a financial period, receive a declaration from the CEO and CFO that, in their opinion, the financial records 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 Company, formed on the basis of a sound system of risk management and internal controls, operating effectively.	This is consistent with the approach to be adopted by the Audit and Risk Committee and the Board.	Complies.
4.3 The Company's auditor should attend the AGM and be available to answer questions from security holders relevant to the audit.	Over the Wire's auditors will be requested to attend the AGM and shareholders will be entitled to ask questions in accordance with the Corporations Act and these guidelines.	Complies.

PRINCIPLES AND RECOMMENDATIONS	COMPLIANCE	COMPLY
Principle 5 – Make timely and balanced disclosures		
5.1 Have a written policy for complying with continuous disclosure obligations under the Listing Rules, and disclose that policy or a summary of it.	The Company has a written continuous disclosure policy which is designed to ensure that all material matters are appropriately disclosed in a balanced and timely manner and in accordance with the requirements of the ASX Listing Rules.	Complies.
Principle 6 – Respect the rights of security holders		
6.1 Provide information about the Company and its governance to investors via its website.	The Board Charter and other applicable policies are available on the Company's website.	Complies.
6.2 Design and implement an investor relations program to facilitate effective two-way communication with investors.	The Company has adopted a shareholder communications policy. The Company will use its website, half year and annual reports, market announcements and media disclosures to communicate with its shareholders, as well as encourage participation at general meetings.	Complies.
6.3 Disclose the policies and processes in place to facilitate and encourage participation at meetings of security holders.	The Company intends to facilitate effective participation in the AGM, as well as the ability to submit written questions ahead of the AGM. The Company intends to adopt appropriate technologies to facilitate the effective communication and conduct of general meetings.	The Company has not disclosed a formal policy or process, but it has engaged a recognised and reputable share registry service provider to further these objectives.
6.4 Give security holders the option to receive communications from, and send communications to, the Company and its share registry electronically.	The company has instructed its share registry to facilitate this option for shareholders.	Complies.
Principle 7 – Recognise and manage risk		
7.1 The Board should have a risk committee which is structured so that it consists of a majority of independent directors, is chaired by an independent director, and has at least three members. The functions and operations of the risk committee should be disclosed.	The Company has a combined Audit and Risk Committee. See 4.1 above.	Partially Complies.

PRINCIPLES AND RECOMMENDATIONS	COMPLIANCE	COMPLY
7.2 The Board or a committee of the Board should review the entity's risk management framework with management at least annually to satisfy itself that it continues to be sound, and disclose, in relation to each reporting period, whether such a review has taken place.	The charter establishes the role of the committee. The committee will establish the risk management framework.	Does not comply to the extent that the committee is newly formed and has not yet conducted an annual review.
7.3 Disclose if the Company has an internal audit function, how the function is structured and what role it performs, or if it does not have an internal audit function, that fact and the processes the Company employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	Due to the Company's limited number of employees and relative nature and scale of its operations, the costs of an independent internal audit function would be disproportionate. The Company has an external auditor and the Audit and Risk Committee will monitor and evaluate material or systemic issues.	Does not comply due to the nature and scale of operations, however the Board believes it and the Audit and Risk Committee have adequate oversight of the existing operations.
7.4 Disclose whether the Company has any material exposure to economic, environmental and social sustainability risks and, if so, how it manages those risks.	The Board does not believe that the Company has any such material risks.	Complies.
Principle 8 – Remunerate fairly and responsibly		
8.1 The Board should have a remuneration committee which is structured so that it consists of a majority of independent directors, is chaired by an independent director, and has at least three members. The functions and operations of the remuneration committee should be disclosed.	The Company has a combined Nominations and Remuneration Committee. See 2.1 above.	Partially Complies.
8.2 The policies and practices regarding the remuneration of non-executive directors, and the remuneration of executive directors and other senior executives, should be separately disclosed.	The Nominations and Remuneration Committee charter is available on the Company's website.	Complies.
8.3 If the Company has an equity-based remuneration scheme, it should have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme, and disclose that policy or a summary of it.	The Company operates an exempt share plan and has approved a performance rights plan for the potential issue of rights in the future. In accordance with the Company's Securities Trading Policy participants are not permitted to enter into transactions which limit economic risk without written clearance.	Complies.

STRONG TRACK RECORD OF ORGANIC GROWTH

5

FINANCIAL INFORMATION

5.1 OVERVIEW

(a) Introduction

This Section contains a summary of the Historical Financial Information and Forecast Financial Information of Over the Wire (the Financial Information). A summary of the accounting policies and basis for preparation of the Financial Information is set out in Section 5.13 below.

The Historical Financial Information presented in Sections 5.4, 5.5, 5.6, and 5.7 comprises:

(i) the Pro Forma Historical Consolidated Financial Information:

- the Pro Forma historical consolidated income statements of Over the Wire for the years ended:
  - 30 June 2013 (FY13);
  - 30 June 2014 (FY14); and
  - 30 June 2015 (FY15);
- the Pro Forma historical consolidated statements of cash flows of Over the Wire for the years ended:
  - FY13;
  - FY14; and
  - FY15; and
- the Pro Forma historical consolidated Balance Sheet of Over the Wire as at FY15;

together with a reconciliation to the historical statutory statements of financial position; and

(ii) the Statutory Historical Consolidated Income Statements of the Company and its controlled entities for the years ended:

- FY13;
- FY14; and
- FY15.

The Pro Forma Historical Consolidated Financial Information has been adjusted to reflect the consolidation of the Company as if all acquisitions as set out in Section 5.1(b) below were transacted on 1 July 2012.

The Statutory Historical Consolidated Income Statements of the Company and its controlled entities for FY13, FY14, and FY15 have been normalised to include the additional costs of being a listed entity as set out in Section 5.2(b) below.

The Forecast Financial Information presented in Sections 5.4, 5.7 and 5.9 for the financial year ending 30 June 2016 (FY16) comprises:

- the Pro Forma forecast consolidated income statement for Over the Wire, reflecting the results of Over the Wire as if all controlled entities acquired had been controlled for the entire financial year (the Pro Forma Forecast);
- the statutory forecast consolidated income statement for Over the Wire, which reflects how Over the Wire's Statutory financial statements are expected to be prepared for the year ended 30 June 2016 in accordance with applicable Australian Accounting Standards where the results of all controlled entities are consolidated only from the date control of the subsidiary was achieved (the Statutory Forecast); and
- a reconciliation between the Statutory Forecast and the Pro Forma Forecast.

The Historical Financial Information and the Forecast Financial Information are generally presented on a comparable basis where possible, with the basis of preparation, assumptions and adjustments set out in Sections 5.2 to 5.8 below.

All amounts disclosed in the tables contained in Sections 5.2 to 5.9 below are presented in Australian dollars, and rounded to the nearest hundred thousand dollars, unless stated otherwise.

(b) Acquisitions included in the Financial Information

The Company has entered into share purchase agreements with the owners of Faktortel Holdings Pty Ltd and its controlled entities (Faktortel), and Sanity Holdings Pty Ltd (Sanity Technology), which will result in the Company controlling Faktortel and Sanity Technology, as set out below:

COMPANY	PRIMARY BUSINESS DIVISION	ACQUISITION	PURCHASE PRICE	INTANGIBLES ACQUIRED	SHARES ISSUED TO SETTLE	CASH TO SETTLE	DEFERRED CONSIDERATION
Faktortel	Voice	100% of Shares	5,347,692	5,198,819	1,374,081	3,973,611	-
Sanity Technology	Data Centre Co-Location	100% of Shares	3,529,455	3,465,037	352,946	2,294,146	882,363
TOTAL			**8,877,147**	**8,663,856**	**1,727,027**	**6,267,757**	**882,363**

With respect to both acquisitions, the overall purchase consideration is a combination of cash, shares and in the case of Sanity Technology, deferred consideration, as set out in Sections 8.13 and 8.14. The acquisitions have been accounted for by the Company on a provisional basis, including assessments of the fair value of the assets as at the date of the acquisitions.

(c) Non-IFRS Financial Information

Potential investors should be aware that certain financial information included in this Section is 'non-IFRS financial information' under Regulatory Guide 230 'Disclosing non-IFRS financial information' published by ASIC.

The Directors believe that this non-IFRS financial information provides useful information to potential investors in measuring the financial performance and condition of Over the Wire. As non-IFRS measures are not defined by recognised standard setting bodies, they do not have a prescribed meaning. Therefore, the way in which Over the Wire calculates these measures may be different to the way other companies calculate similarly titled measures. Potential investors are cautioned not to place undue reliance on any non-IFRS financial information. In particular, the following non-IFRS financial data is included:

EBITDA:	means earnings before interest, taxation, depreciation and amortisation.
EBITA:	means earnings before interest, taxation and amortisation.
NPBTA:	means net profit before tax and before acquired amortisation.
NPATA:	means net profit after tax before acquired amortisation (after tax).

5.2 BASIS OF PREPARATION OF HISTORICAL FINANCIAL INFORMATION

(a) Overview

The Company was incorporated on 1 July 2011 as Impirical Pty Ltd (a private company limited by shares) and converted to a public company, Over the Wire Holdings Limited, on 25 September 2015.

The Financial Information included in this Section has been prepared and presented in accordance with the recognition and measurement principles prescribed in Australian Accounting Standards, other mandatory professional reporting requirements in Australia, and the significant accounting policies summarised in Section 5.13.

The Financial Information is presented in an abbreviated form and does not include all of the disclosures, statements or comparative information required by Australian Accounting Standards applicable to annual financial reports prepared in accordance with the Corporations Act.

Potential investors should read the Historical Financial Information in conjunction with the Investigating Accountant's Reports in Section 7 and note the scope and limitations of the Investigating Accountant's Report on the Historical Financial Information.

Investors should note that past performance is not a guide to future performance.

(b) Preparation of Historical Financial Information

The Historical Financial Information has been solely prepared for the purpose of inclusion in this Prospectus and has been derived from the consolidation of:

- The financial reports of Over The Wire Holdings Limited for the financial years ended FY13, FY14 and FY15. FY15 financial report was audited by PKF Hacketts Audit and the FY13 and FY14 financial reports were audited by another firm in accordance with the Australian Auditing Standards. Unmodified audit opinions were issued on the financial reports for each of the above years.
- The financial reports of Faktortel and Sanity Technology for the financial years ended FY13, FY14 and FY15. The FY15 financial reports were audited by PKF Hacketts Audit and the FY13 and FY14 financial reports were reviewed by PKF Hacketts Audit in accordance with the Australian Auditing Standards. Unmodified audit opinions and unmodified review reports were issued on the relevant financial reports for the years above.

The Pro Forma Historical Consolidated Financial Information includes Pro Forma adjustments made to the historical information for FY13, FY14, and FY15, on the assumption that Faktortel and Sanity Technology were acquired on 1 July 2012, to reflect Over the Wire's structure following Listing, and to eliminate certain non-operating or non-recurring items, as set out below, which include:

- adjusting for salaries and other owner's expenses included in Faktortel and Sanity Technology which reflect commercial amounts;
- removing the impact on interest expense for loans paid out upon acquisition;
- eliminating trade credit amounts owed between the Company and Faktortel as a result of Faktortel being a customer of the Company prior to acquisition; and
- estimated costs associated with the Company operating as a listed company.

The Statutory Historical Consolidated Income Statements of the Company and its controlled entities for FY13, FY14, and FY15 includes, for comparative purposes, normalisation adjustments made to the historical information for FY13, FY14, and FY15 to include additional costs of being a listed entity of $550,000 per annum, the same amount included in the Statutory Forecast Consolidated Income Statement for FY16.

See Section 5.7 for Management's Discussion & Analysis of Historical Financial information.

5.3 BASIS OF PREPARATION OF FORECAST FINANCIAL INFORMATION

(a) Preparation of Forecast Financial Information

The Forecast Financial Information has been prepared solely for inclusion in this Prospectus.

The Forecast Financial Information of Over the Wire referred to in the Financial Information, has been reviewed, but not audited, by DMR Corporate Pty Ltd, whose Investigating Accountant's Report is contained in Section 7. Potential investors should read the Forecast Financial Information in conjunction with the Investigating Accountant's Reports in Section 7 and note the scope and limitations of the Investigating Accountant's Report on the Forecast Financial Information.

The Forecast Financial Information is presented on both a Pro Forma and Statutory basis. The Statutory Forecast, which is set out in Section 5.4, has been prepared on the basis of how the Directors expect to report the results of Over the Wire under the Australian Accounting Standards, and includes the contributions of acquisitions for the period from which control is acquired.

The Pro Forma Forecast, which is also set out in Section 5.4, differs from the Statutory Forecast, as the Pro Forma Forecast reflects the forecast full-year effect of the operating and capital structure that will be in place upon Completion of the Offer such as:

- a full year contribution from Faktortel and Sanity Technology; and
- the inclusion of expected annual listed entity costs, but excluding the one-off costs of the Offer, and other non-recurring items which are not expected to occur in the future.

See Section 5.4(d) for a reconciliation between the Statutory and Pro Forma Forecasts.

See Section 5.8 for Management's Discussion & Analysis of Forecast Assumptions.

5.4 INCOME STATEMENTS

(a) Pro Forma Income Statements

The table below sets out a summary of Over the Wire's Pro Forma Historical Consolidated Income Statements for FY13, FY14, and FY15, and the Pro Forma Forecast Consolidated Income Statement for FY16.

ACCOUNT	PRO FORMA HISTORICAL FY13 $ 000	PRO FORMA HISTORICAL FY14 $ 000	PRO FORMA HISTORICAL FY15 $ 000	PRO FORMA FORECAST FY16 $ 000
Revenue by Contributor:				
The Company	10,166	12,911	15,709	18,063
Sanity Technology	1,318	1,365	1,340	1,339
Faktortel	3,224	3,308	3,652	3,657
Total Revenue	**14,708**	**17,584**	**20,701**	**23,059**
Cost of Goods Sold	6,646	8,001	8,793	9,952
Gross Profit	8,062	9,583	11,908	13,107
Gross Profit %	55%	54%	58%	57%
Overhead Expenses:				
Data Centre & Co-Location	484	666	671	731
Employee Benefits	4,400	5,068	4,988	5,836
Other Expenses	1,996	1,927	1,767	1,435
Total Expenses	**6,880**	**7,661**	**7,426**	**8,002**
EBITDA	**1,182**	**1,922**	**4,482**	**5,105**
Depreciation	323	657	760	946
EBITA	**859**	**1,265**	**3,722**	**4,159**
Finance Costs	56	91	60	108
NPBTA	**803**	**1,174**	**3,662**	**4,051**
Company Tax Expense	207	351	1,051	1,215
NPATA	**596**	**823**	**2,611**	**2,836**
Amortisation	158	171	208	475
Net Profit after Tax	**438**	**652**	**2,403**	**2,361**

(b) Statutory Income Statements

The table below sets out a summary of the Company's and its controlled entities' Statutory Historical Consolidated Income Statements for FY13, FY14, and FY15 and Over the Wire's Statutory Forecast Consolidated Income Statement for FY16.

ACCOUNT	STATUTORY HISTORICAL FY13 $ 000	STATUTORY HISTORICAL FY14 $ 000	STATUTORY HISTORICAL FY15 $ 000	STATUTORY FORECAST FY16 $ 000
Revenue by Contributor:				
The Company	10,576	13,428	16,152	18,088
Sanity Technology	-	-	-	781
Faktortel	-	-	-	3,352
Total Revenue	**10,576**	**13,428**	**16,152**	**22,221**
Cost of Goods Sold	5,177	6,850	7,522	9,774
Gross Profit	5,399	6,578	8,630	12,447
Gross Profit %	51%	49%	53%	56%
Overhead Expenses:				
Data Centre & Co-Location	341	538	539	667
Employee Benefits	3,707	4,121	4,079	5,656
Other Expenses	1,142	1,058	1,032	1,608
Total Expenses	**5,190**	**5,717**	**5,650**	**7,931**
EBITDA	**209**	**861**	**2,980**	**4,516**
Depreciation	277	611	720	938
EBITA	**(68)**	**250**	**2,260**	**3,578**
Finance Costs	56	91	60	108
NPBTA	**(124)**	**159**	**2,200**	**3,470**
Company Tax Expense	-	11	783	1,041
NPATA	**(124)**	**148**	**1,417**	**2,429**
Amortisation	-	-	-	344
Net Profit after Tax	**(124)**	**148**	**1,417**	**2,085**

For comparative purposes, the Statutory Historical Consolidated Income Statements for FY13, FY14, and FY15 have been normalised to include additional costs of being a listed entity of $550,000 per annum, the same amount included in the Statutory Forecast Consolidated Income Statement for FY16.

(c) Key Financial Metrics

Set out below is a summary of Over the Wire's key historical operating metrics for FY13, FY14, and FY15 derived from the Pro Forma Historical Financial Information and the forecast key operating metrics for FY16 on a Statutory and Pro Forma basis derived from the Forecast Financial Information.

	PRO FORMA HISTORICAL FY14	PRO FORMA HISTORICAL FY15	PRO FORMA FORECAST FY16
Revenue Growth	19.6%	17.7%	11.4%
Gross Profit Growth	18.9%	24.3%	10.1%
Gross Profit %	54.5%	57.5%	56.8%
EBITDA Growth	62.6%	133.2%	13.9%
EBITDA Margin	10.9%	21.7%	22.1%

	STATUTORY HISTORICAL FY14	STATUTORY HISTORICAL FY15	STATUTORY FORECAST FY16
Revenue Growth	27.0%	20.3%	37.5%
Gross Profit Growth	21.8%	31.2%	44.2%
Gross Profit %	49.0%	53.4%	56.0%
EBITDA Growth	312.0%	246.1%	51.5%
EBITDA Margin	6.4%	18.4%	20.3%

(d) Reconciliation between the Statutory and Pro Forma Forecast Financial Information

The table below sets out a reconciliation between the Statutory and Pro Forma Forecast Financial Information set out in Section 5.4(a) above.

ACCOUNT	REVENUE $ 000	COST OF GOODS SOLD $ 000	EXPENSES $ 000	DEPRECIATION & AMORTISATION $ 000	COMPANY TAX $ 000	NPAT $ 000
Statutory Forecast 2016	**22,221**	**9,774**	**7,931**	**1,282**	**1,041**	**2,085**
Faktortel Acquired 28/7/2015 - additional 1 month	280	87	89	20	30	55
Sanity Acquired at IPO - additional 5 months	558	91	137	119	97	113
One-off costs of IPO and issuance of new securities			(155)		47	108
Pro Forma Forecast 2016	**23,059**	**9,952**	**8,002**	**1,421**	**1,215**	**2,361**

5.5 PRO FORMA HISTORICAL CONSOLIDATED STATEMENT OF CASH FLOWS

The table below sets out a summary of Over the Wire's Pro Forma Historical Consolidated Statement of Cash Flows for FY13, FY14, and FY15.

	PRO FORMA HISTORICAL FY13 $ 000	PRO FORMA HISTORICAL FY14 $ 000	PRO FORMA HISTORICAL FY15 $ 000
Cash Flows from Operating Activities			
Receipts from Customers	14,752	19,551	22,652
Payments to Suppliers & Employees	(13,068)	(17,117)	(17,782)
	1,684	**2,434**	**4,870**
Interest Received	7	17	13
Interest Paid & Other Finance Costs Paid	(56)	(91)	(60)
Income Taxes paid	(225)	(508)	(487)
Net Cash from Operating Activities	**1,410**	**1,852**	**4,336**
Cash Flows from Investing Activities			
Payments for Investments	(143)	(210)	(40)
Payments for Property, Plant & Equipment	(1,245)	(771)	(760)
Net Cash used in Investing Activities	**(1,388)**	**(981)**	**(800)**
Cash Flows from Financing Activities			
Proceeds from Borrowings	399	186	1,540
Dividends Paid	(82)	(178)	(2,501)
Repayment of Borrowings	(142)	(252)	(624)
Net Cash used in Financing Activities	**175**	**(244)**	**(1,585)**
Net Increase (Decrease) in Cash & Cash Equivalents	**197**	**627**	**1,951**

5.6 PRO FORMA HISTORICAL CONSOLIDATED BALANCE SHEET

(a) Overview

The table on the following page sets out a summary of Over the Wire's Pro Forma Historical Consolidated Balance Sheet as at 30 June 2015.

In presenting the Pro Forma Historical Consolidated Balance Sheet, certain adjustments were made to the audited consolidated Balance Sheet of the Company as at 30 June 2015 to reflect transactions since that date, including the acquisition of Faktortel and Sanity Technology and Listing, as if those transactions had occurred at 30 June 2015. The audited Consolidated Balance Sheet of the Company as at 30 June 2015 has been used as the base to roll forward to the Pro Forma position.

The acquisitions of Faktortel and Sanity Technology have been accounted by Over the Wire on a provisional basis, including assessments of the fair value of the assets as at the date of the acquisition. For the purposes of the Pro Forma Historical Consolidated Balance Sheet, the Faktortel and Sanity Technology assets and intangible assets acquired have been recorded at their cost as reflected in the Faktortel share sale agreement and Sanity Technology share sale agreement. To complete its initial acquisition accounting, Over the Wire need to identify, value and assess the useful life of the intangible assets acquired. The Company has commenced this exercise. Any adjustments arising from the finalisation of acquisition accounting will have no impact on the aggregate of the net assets and EBITDA of the Company, but could have a material impact on any potential amortisation charges in future financial periods and therefore EBIT, net profit before tax and net profit after tax.

The Pro Forma Historical Consolidated Balance Sheet set out on the following page is provided for illustrative purposes and is not represented as being necessarily indicative of Over the Wire's view on its future financial position.

ACCOUNT	THE COMPANY FY15 $ 000	ACQUISITION SANITY TECHNOLOGY $ 000	ACQUISITION FAKTORTEL $ 000	NET OFFER PROCEEDS $ 000	SETTLEMENT $ 000	PRO FORMA GROUP $ 000
Assets						
Current Assets						
Cash & Cash Equivalents	2,160	8	224	9,200	(6,250)	5,342
Trade & Other Receivables	1,062	20	359		(154)	1,287
Inventory	51		8			59
Total Current Assets	3,273	28	591	9,200	(6,404)	6,688
Non-Current Assets						
Property, Plant & Equipment	2,056	241	35		(151)	2,181
Intangibles	234	3,465	5,234			8,933
Deferred tax	164		(26)	206		344
Total Non-Current Assets	2,454	3,706	5,243	206	(151)	11,458
Total Assets	**5,727**	**3,734**	**5,834**	**9,406**	**(6,555)**	**18,146**
Liabilities						
Current Liabilities						
Trade & Other Payables	1,170	54	173			1,397
Settlement Liability		2,823	5,348		(7,995)	176
Borrowings	261	142	145		(287)	261
Income Tax	646	9	156			811
Employee Benefits	251		12			263
Total Current Liabilities	2,328	3,028	5,834		(8,282)	2,908
Non-Current Liabilities						
Borrowings	1,344					1,344
Settlement Liability		706				706
Employee Benefits	25					25
Total Non-Current Liabilities	1,369	706				2,075
Total Liabilities	**3,697**	**3,734**	**5,834**		**(8,282)**	**4,983**
Net Assets	**2,030**			**9,406**	**1,727**	**13,163**
Equity						
Issued Capital	1			9,514	1,727	11,242
Reserves	-					
Retained Profits	2,029			(108)		1,921
Total Equity	**2,030**			**9,406**	**1,727**	**13,163**

(b) Adjustments to the Historical Balance Sheet

A description of each of the Pro Forma adjustments made in the table in Section 5.6(a) above is detailed below.

Acquisition of Sanity Technology & Faktortel - Reflects the Company recognising the intangible assets acquired upon the acquisition of Sanity Technology and Faktortel accounted by the Company on a provisional basis, as well as the purchase consideration owing upon the successful completion of the Offer. The intangible assets acquired and accounted for on a provisional basis include brand value, right-to-use assets, customer lists, and goodwill. This also includes the elimination of amounts owing between the Company and Faktortel as a result of Faktortel being a customer of the Company prior to the acquisition.

Net Offer Proceeds reflects the Company receiving gross proceeds from the IPO of $10 million less gross offer costs of $0.8 million, while also recognising net equity of approximately $9.5 million after capitalisation of the pro rata costs of the capital raising, and the expensing of the pro rata costs of Listing the existing shares of the original owners of the Company, including the recording of the deferred tax asset relating to the future tax deductions for the capitalised pro rata costs of the capital raising which are to be amortised for tax in future years.

Settlement reflects the settlement of the acquisition of Sanity Technology and Faktortel through a combination of cash and shares as outlined above in Section 5.1(b). The cash settlement of $6.3 million differs to the $5.9 million shown in the use of funds set out in Section 9.6, as the use and proceeds of funds assumes the future payment of the deferred consideration to Sanity Technology of $0.9 million in total across FY16, FY17 and FY18; and excludes the $1.3 million in consideration already paid to Faktortel at the date of acquisition of 28 July 2015, which is included in the cash settlement above because the Balance Sheet of the Company as at 30 June 2015 has been used as the base to roll forward to the Pro Forma position.

(c) Indebtedness

The table below sets out the indebtedness of Over the Wire as at 30 June 2015. More comprehensive details, including fees and security held, are set out in Section 8.11.

	FACILITY LIMIT $ 000	PRO FORMA DRAWN $ 000
ANZ Credit Card Facility	50	24
ANZ Tailored Business Facility (Commercial Bills)	1,500	1,478
BMW Australia Finance Ltd	127	103

The table below sets out the Pro Forma net cash of Over the Wire immediately after the Offer.

	PRO FORMA AFTER THE OFFER $ 000
Cash & Cash Equivalents	5,342
Current Borrowings	(261)
Non-Current Borrowings	(1,344)
Settlement Liability	(882)
Pro Forma Total Net Cash	2,855

The actual net cash at the date of the Offer may differ from that shown in the table above as it will reflect cash flows from operations between 30 June 2015 and the date of the Offer.

5.7 MANAGEMENT'S DISCUSSION & ANALYSIS OF HISTORICAL AND FORECAST FINANCIAL INFORMATION

The commentary below sets out a discussion of the main factors which affected Over the Wire's operations and relative financial performance in FY13, FY14 and FY15, and which may continue to affect it in the future. This discussion is intended to provide a summary only and does not detail all factors that affected the historical operations and financial performance, nor everything which may affect Over the Wire's future operations and financial performance.

The information in this Section should also be read in conjunction with the risk factors set out in Section 6 and the other information contained in this Prospectus.

(a) Revenue:

An overview of the different revenue streams of Over the Wire, including graphs outlining the historical performance of these revenue streams, is contained in Section 3 of this Prospectus.

An overview of the Company's customers, including the number of customers and geographic diversity is set out in Section 3.8 of the Prospectus.

Set out below is a summary of Over the Wire's revenue by business division for FY13, FY14, and FY15 derived from the Pro Forma Historical Financial Information and the forecast key operating metrics for FY16 on a Statutory and Pro Forma basis derived from the Forecast Financial Information.

ACCOUNT	PRO FORMA HISTORICAL 2013 $ 000	PRO FORMA HISTORICAL 2014 $ 000	PRO FORMA HISTORICAL 2015 $ 000	PRO FORMA FORECAST 2016 $ 000	STATUTORY FORECAST 2016 $ 000
Data Networks	3,925	6,092	8,175	10,029	10,029
Voice	5,676	6,396	7,005	7,193	6,950
Cloud Services	3,063	2,390	2,778	2,932	2,677
Data Centre Co-Location	1,995	2,649	2,714	2,904	2,565
Interest / Other	49	57	29	-	-
Total	**14,708**	**17,584**	**20,701**	**23,059**	**22,221**

Pro Forma revenue grew by a CAGR of 18.6%, and Statutory revenue grew by a CAGR of 37.5%, between FY13 and FY15 . This was achieved through:

- Organic revenue growth in the Data Networks division business, which is Over the Wire's largest business division by revenue representing approximately 40% of Pro Forma revenue in FY15.
- Strong increases in Pro Forma revenue in the Voice division (CAGR of 11.1% between FY13 and FY15); and Data Centre Co-Location division (CAGR of 16.6% between FY13 and FY15) offset by Pro Forma revenue in the Cloud Services division having decreased marginally (CAGR of 4.8% between FY13 and FY15), due to a shift in revenue mix within Sanity Technology. The decrease in Pro Forma Cloud revenue was offset by a corresponding increase in Data Centre Co-Location revenue.
- Excellent customer retention with 96.7% retention of customers by revenue year on year in FY14 and 98.6% in FY15).[32, 33]
- Growing the revenue earned from retained customers by 21% in FY14 and 10% in FY15.

The Data Networks division is expected to be the strongest performer in terms of Pro Forma revenue growth with a Pro Forma CAGR of 36.7% between FY13 and forecast FY16. The Voice and Data Centre Co-Location divisions are also expected to perform strongly with CAGRs of 8.2% and 13.3% respectively over the same periods.

The Cloud division has remained relatively flat between FY13 and forecast FY16, due to a change in revenue mix (moves away from cloud hosted solutions and into data centre co-location) as well as losing some revenue from a significant customer in the managed services area in FY14 after the customer chose to move their IT support in-house.

The Cloud Services area grew by 16.2% in FY15 over FY14, including stronger growth in the second half of FY15, which the Directors have conservatively forecast to continue in FY16 with forecast Pro Forma revenue growth of 5.5%.

The FY16 Pro Forma forecast revenue has been prepared on the assumption that these historical revenue drivers outlined above continue. The Directors have forecast the growth in Pro Forma revenue for FY16 to be 11.4%, with growth in Pro Forma revenue achieved in all four business divisions.

The Data Networks business division is forecast to continue to provide the greatest growth in FY16 revenue (an increase of 22% over FY15), supported by growth in Data Centre Co-Location (up 10%), Cloud Services (up 6%) and Voice (up 2%).

(b) Gross Profit Percentage:

The key costs of goods sold of the business include the acquisition of wholesale data and telephony from carriers and electricity costs for Over the Wire's data centre operations, as well as renting racks in third party data centres.

The gross profit percentage for Over the Wire has remained relatively stable in recent years on a Pro Forma basis (55% in FY13, 54% in FY14). This increased to 58% in FY15 due to the repealing of the carbon tax on 1 July 2014 and because costs do not grow proportionately at the same rate as capacity/revenue in the Data Centre Co-Location division.

The slight decrease in FY14 Gross Profit percentage (1%) was largely due to the shift in revenue mix, being a reduction in managed services revenue, which is a high gross profit percentage business line.

The forecast FY16 Pro Forma gross profit percentage is broadly flat on FY15 reflecting a slight flattening in revenue growth in the Data Networks business division, offset by improved second half FY15 growth in managed services revenue, which is expected to continue in FY16.

(c) Overhead Expenses:

The key operating expenses of Over the Wire include:

- Data Centre and Co-Location Expenses: These include data centre rent and other data centre occupancy costs, facility and equipment repairs and maintenance, as well as general consumables and cabling expenses.
- Employee Benefits: These include salaries, wages, and other employment related costs of all staff, including sales, network engineers, client support, administration and management.
- Other Expenses: These include all other operating expenses not captured above, including office occupancy costs, marketing, motor vehicles, travel, and other professional costs including legal and audit fees.

Pro Forma Data Centre and Co-Location expenses increased from $0.5 million in FY13 to $0.7 million in FY14, as FY14 represented the first full year of Over the Wire's ownership of the data centre it acquired at BNE-02 in December 2012. These costs have been forecast to increase slightly in Pro Forma FY16 corresponding with the organic revenue growth in the Data Centre Co-Location division.

---

[32] Excluding Faktortel and Sanity Technology.

[33] A customer's revenue is classified as retained in a given year if Over the Wire had revenue from the customer in the current year and in the previous year.

Pro Forma Employee Benefits increased in FY14 (up $0.7 million or 16.8%) as the business grew and investments were made in key management personnel (Mike Stabb – Chief Financial Officer, and Ben Cornish – Chief Operating Officer) who were recruited in anticipation of a sustained period of growth. Pro Forma employee benefits expense is forecast to increase in FY16 (up $1.1 million or 23.6%) as the business expands its sales team as well as its finance and administration team to cope with the increased compliance of being a listed company.

The level of Pro Forma Other Expenses has been steadily reduced between FY13 and FY15, with a cumulative average reduction rate of 7.9%. The level of Other Expenses are forecast to reduce by a further 5% as efficiencies are recognised.

(d) Depreciation & Amortisation:

Depreciation – predominantly relates to the depreciation of IT infrastructure, network equipment, data centre plant and equipment, motor vehicles, and other computer equipment. The basis for depreciation is set out in the accounting policies below in Section 5.13.

Amortisation – relates to the amortisation of acquired intangibles such as location and right-to-use assets, and customer lists. The basis for the amortisation of these intangible assets is set out in the accounting policies below in Section 5.13.

(e) Capital Expenditure:

Over the Wire incurs capital expenditure on IT infrastructure, network equipment, data centre plant and equipment, motor vehicles, and other computer equipment, which includes both infrastructure and equipment used and located within the business, as well as equipment located on customers premises in order for them to receive certain services.

(f) EBITDA:

Pro Forma EBITDA has increased steadily between FY13 and FY15 at a CAGR of 66%, and normalised Statutory EBITDA grew by a CAGR of 277%, as a result of strong organic growth in revenue, slight increases in gross profit percentage, and restricting the growth in overhead expenses.

Even with the increased overhead costs associated with the planned growth in the sales team and expansion into Melbourne, the Directors forecast EBITDA of $5.1 million in Pro Forma FY16, representing an increase of 13.9% over Pro Forma FY15.

(g) Pro Forma Historical Profit and Loss FY14 compared to FY13:

ACCOUNT	PRO FORMA HISTORICAL 2013 $ 000	PRO FORMA HISTORICAL 2014 $ 000	CHANGE %
Total Revenue	14,708	17,584	19.6%
Cost of Goods Sold	6,646	8,001	20.4%
Gross Profit	8,062	9,583	18.9%
Gross Profit %	55%	54%	-0.3%
Total Overhead Expenses	6,880	7,661	11.4%
EBITDA	1,182	1,922	62.6%
EBITA	859	1,265	47.3%
NPBTA	803	1,174	46.2%
NPATA	596	823	38.0%
Net Profit After Tax	438	652	48.7%

Strong organic growth continued in FY14, with Pro Forma revenue increasing by 19.6%, while gross profit percentage was maintained at around 55%. Pro Forma Overhead expenses increased by 11.4% as Over the Wire invested in senior management and incurred the first full year of operating costs of the BNE-02 data centre it acquired in December 2012, as outlined in Section 5.7(c) above. As the acquisition of the BNE-02 data centre was debt funded, a full year of the increased interest and depreciation expense as a result of the acquisition led to Pro Forma NPAT growth of 48.7%, less than the strong 62.6% growth in Pro Forma EBITDA.

(h) Pro Forma Historical Statement of Cash Flow FY14 compared to FY13:

ACCOUNT	PRO FORMA HISTORICAL 2013 $ 000	PRO FORMA HISTORICAL 2014 $ 000	CHANGE %
Cash Flows from Operating Activities			
Receipts from Customers	14,752	19,551	32.5%
Payments to Suppliers & Employees	(13,068)	(17,117)	31.0%
	1,684	**2,434**	**44.5%**
Interest Received	7	17	142.9%
Interest Paid & Other Finance Costs Paid	(56)	(91)	62.5%
Income Taxes paid	(225)	(508)	126.1%
Net Cash from Operating Activities	**1,410**	**1,852**	**31.3%**
Cash Flows from Investing Activities			
Payments for Investments	(143)	(210)	46.9%
Payments for Property, Plant & Equipment	(1,245)	(771)	-38.1%
Net Cash used in Investing Activities	**(1,388)**	**(981)**	**-29.3%**
Cash Flows from Financing Activities			
Proceeds from Borrowings	399	186	-53.4%
Dividends Paid	(82)	(178)	117.1%
Repayment of Borrowings	(142)	(252)	77.5%
Net Cash used in Financing Activities	**175**	**(244)**	**-239.4%**
Net Increase (Decrease) in Cash & Cash Equivalents	**197**	**627**	**217.7%**

Over the Wire continued to generate positive net cashflow, with Pro Forma Net Cash from Operating Activities increasing $0.4 million or approximately 31%, with a large portion ($0.3 million) of the increase in Net Cash from Operating Activities being retained within Over the Wire's cash reserves.

(i) Pro Forma Historical Profit and Loss FY15 compared to FY14:

ACCOUNT	PRO FORMA HISTORICAL 2014 $ 000	PRO FORMA HISTORICAL 2015 $ 000	CHANGE %
Total Revenue	17,584	20,701	17.7%
Cost of Goods Sold	8,001	8,793	9.9%
Gross Profit	9,583	11,908	24.3%
Gross Profit %	54%	58%	3.0%
Total Overhead Expenses	7,661	7,426	-3.1%
EBITDA	1,922	4,482	133.2%
EBITA	1,265	3,722	194.2%
NPBTA	1,174	3,662	211.9%
NPATA	823	2,611	217.2%
Net Profit After Tax	652	2,403	268.5%

Over the Wire generated strong organic growth in Pro Forma revenue in the period, with an increase of 17.7% in FY15 over FY14. Gross Profit percentage increased due to increased profit margins in the Data Centre Co-Location division as outlined in Section 5.7(c) above, leading to an increase in Pro Forma gross profit of $2.3 million or approximately 24%. A reduction in overhead expenses as a result of a slight decrease in staff costs and advertising, enabled Over the Wire to produce a very strong growth in profit for FY15, with Pro Forma EBITDA and Pro Forma NPAT increasing approximately 133% and 268% respectively.

(j) Pro Forma Historical Statement of Cash Flow FY15 compared to FY14:

ACCOUNT	PRO FORMA HISTORICAL 2014 $ 000	PRO FORMA HISTORICAL 2015 $ 000	CHANGE %
Cash Flows from Operating Activities			
Receipts from Customers	19,551	22,652	15.9%
Payments to Suppliers & Employees	(17,117)	(17,782)	3.9%
	2,434	**4,870**	**100.1%**
Interest Received	17	13	-23.5%
Interest Paid & Other Finance Costs Paid	(91)	(60)	-34.1%
Income Taxes paid	(508)	(487)	-4.1%
Net Cash from Operating Activities	**1,852**	**4,336**	**134.1%**
Cash Flows from Investing Activities			
Payments for Investments	(210)	11	-105.2%
Payments for Property, Plant & Equipment	(771)	(811)	5.2%
Net Cash used in Investing Activities	**(981)**	**(800)**	**-18.5%**
Cash Flows from Financing Activities			
Proceeds from Borrowings	186	1,540	728.0%
Dividends Paid	(178)	(2,501)	1305.1%
Repayment of Borrowings	(252)	(624)	147.6%
Net Cash used in Financing Activities	**(244)**	**(1,585)**	**549.6%**
Net Increase (Decrease) in Cash & Cash Equivalents	**627**	**1,951**	**211.1%**

The strong growth in profit in FY15 led to growth in operating cash flow of 134% or approximately $2.5 million. This was used to pay down debt, increase dividends, and further increase cash reserves by $1.6 million.

(k) Pro Forma Forecast Profit and Loss FY16 compared to Pro Forma Historical Profit & Loss FY15:

ACCOUNT	PRO FORMA HISTORICAL 2015 $ 000	PRO FORMA FORECAST 2016 $ 000	CHANGE %
Total Revenue	20,701	23,059	11.4%
Cost of Goods Sold	8,793	9,952	13.2%
Gross Profit	11,908	13,107	10.1%
Gross Profit %	58%	57%	-0.7%
Total Overhead Expenses	7,426	8,002	7.8%
EBITDA	4,482	5,104	13.9%
EBITA	3,722	4,159	11.7%
NPBTA	3,662	4,051	10.6%
NPATA	2,611	2,836	8.6%
Net Profit After Tax	2,403	2,361	-1.8%

Pro Forma Revenue is conservatively forecast to increase by approximately 11.4% in FY16, with gross profit percentage forecast to decrease slightly (0.7%) after a strong increase in FY15. Pro Forma Overhead expenses will grow by approximately 8% as Over the Wire expands the sales team and seeks to secure new customers. However, there is a time lag between investing in sales and marketing activities and revenue generation and therefore the benefits of these expansion initiatives are not forecast to generate revenue or EBITDA in FY16. Notwithstanding this, Pro Forma EBITDA is forecast to grow by approximately 14% over FY15. With the intangible assets recorded through the acquisition of Faktortel and Sanity Technology, NPAT will decrease slightly due to the increase in amortisation of the right-to-use and customer list assets.

5.8 MANAGEMENT'S DISCUSSION & ANALYSIS OF FORECAST ASSUMPTIONS

The Forecast Financial Information has been prepared based on the significant accounting policies adopted by the Company which are in accordance with Australian Accounting Standards and are disclosed in Section 5.13. It is assumed that there will be no changes to Accounting Standards, the Corporations Act or other financial reporting requirements that will have a material effect on the Company's accounting policies during the forecast period.

The Forecast Financial Information is based upon various best estimate assumptions concerning future events, including those set out in Sections 5.8(a) and 5.8(b). In preparing the Financial Information, the Directors have undertaken analysis of the historical performance of Over the Wire's business divisions and applied assumptions in order to forecast future performance for FY16. The Directors believe they have prepared the Forecast Financial Information with due care and attention and consider all assumptions when taken as a whole to be reasonable at the time of preparing this prospectus, including each of the general assumptions set out in Section 5.8(a).

However, actual results are likely to vary from forecast and any variation may be materially positive or negative. The assumptions upon which the Financial Forecast Information is based are by their nature subject to significant uncertainties and contingencies, many of which are outside the control of Over the Wire and its Directors and are not readily predictable.

Accordingly, none of the Company, the Directors, or any other person can give any assurance that the Forecast Financial Information or any prospective statement contained in this Prospectus will be achieved. Events and outcomes might differ in amount and timing from the assumptions, with a material consequential impact on the Forecast Financial Information.

The assumptions set out below should be read in conjunction with the sensitivity analysis set out in Section 5.9, the risk factors set out in Section 6 and the Investigating Accountant's Reports.

Composition of the Forecast Financial Information

Prior to inclusion in the Prospectus, the Forecast Financial Information has been considered by the Directors in light of the actual financial results of the Company for the two months ended 31 August 2015. The composition of the Forecast Financial Information of Over the Wire has been reviewed but is unaudited, and potential investors should read the Forecast Financial Information in conjunction with the Investigating Accountant's Reports in Section 7 and note the scope and limitations of the Investigating Accountant's Report on the Forecast Financial Information

Best estimate assumptions of the Directors

The Forecast Financial Information has been prepared by Over the Wire based on an assessment of economic and operating conditions and on a number of best estimate assumptions regarding future events as set out in Sections 5.8(a) and 5.8(b).

The Directors believe the best estimate assumptions, when taken as a whole, to be reasonable at the time of preparing this Prospectus. Presentation of the best estimate assumptions is intended to assist investors in assessing the reasonableness and likelihood of the assumptions occurring, and is not intended to be a representation that the assumptions will occur. The Forecast Financial Information is not fact and investors are cautioned not to place undue reliance on it. Potential investors should be aware that the timing of actual events and the magnitude of their impact might differ from that assumed in preparing the Forecast Financial Information, and that this may have a material positive or negative effect on Over the Wire's actual financial performance, cash flows or financial position.

Potential investors are advised to review the Forecast Financial Information and best estimate assumptions set out in Sections 5.8(a) and 5.8(b), the risk factors set out in Section 6, the sensitivity analysis set out in Section 5.9 and other information contained in this Prospectus. The Company will not update or revise the Forecast Financial Information or other forward-looking statements, or publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

(a) General Forecast Assumptions

In preparing the Forecast Financial Information, the Directors have made the following best estimate assumptions regarding future events:

- no material amendment to or termination of any material agreement, contract or arrangement;
- no material change in the industry or competitive market in which Over the Wire operates;
- no material changes in any legislation or regulations (including tax legislation);
- no material changes in applicable Australian Accounting Standards or other mandatory professional reporting requirements of the Corporations Act;
- no material changes in key personnel;
- no material changes to Over the Wire's corporate or funding structure other than as set out in, or contemplated by this Offer;
- no significant interruptions to technology or infrastructure are experienced;
- none of the key risks listed in Section 6 eventuating;
- the Offer proceeds in accordance with the timetable and other assumptions set out in this Prospectus.

The assumptions set out above should be read in conjunction with the Investigating Accountant's Reports set out in Section 7.

(b) Specific Assumptions

Set out below are specific best estimate assumptions that have been adopted by the Directors in preparing the Forecast Financial Information.

Acquisitions

The acquisition of Faktortel, completed on 28 July 2015 and the acquisition of Sanity Technology, will settle upon receipt of funds from the Offer. No further acquisitions are expected to be made during the 2016 financial year.

Revenue

Faktortel –The Directors have assumed that Pro Forma revenue from Faktortel in FY16 remains the same as FY15.

Sanity Technology – The Directors have assumed that Pro Forma revenue from Sanity Technology in FY16 remains the same as FY15.

Gross Profit Percentage

The Company - The FY16 Pro Forma gross profit percentage of 57% has been forecast to be broadly flat on the FY15 result of 58%, but closer to the average result achieved in recent years.

Faktortel – The Directors have assumed that Pro Forma gross profit percentage from Faktortel in FY16 remains the same as FY15.

Sanity Technology – The Directors have assumed that Pro Forma gross profit from Sanity Technology in FY16 remains the same as FY15, other than some limited synergies that the Directors can confidently forecast as savings in FY16. The impact of these savings are forecast to increase the Pro Forma gross profit percentage of Sanity Technology from 73% in FY15 to approximately 84% in FY16, an increase in gross profit of approximately $0.1 million.

Overhead Expenses

The Company - The FY16 Pro Forma overhead expenses assumes:

- An Employee Share Ownership Plan is introduced as set out in this Prospectus.
- A Performance Rights Plan is introduced as set out in this Prospectus.
- The acquisitions of Faktortel, completed on 28 July 2015, and the acquisition of Sanity Technology will settle upon receipt of funds from the Offer at the purchase price outlined in this Prospectus. The tangible assets and provisional intangible assets acquired are depreciated and amortised in accordance with the accounting polices set out in Section 5.13.
- The Directors' best estimate of the increased costs of being listed of $0.6 million per year is materially correct.
- The Directors' best estimate of the costs of the capital raising and listing on the ASX of $0.8 million is materially correct, and in turn the subsequent pro rata and expensing of the portion relating to the listing of the Founders' shares is materially correct.
- Over the Wire expands its sales team and opens its Melbourne office within the next six months.

Faktortel – The Directors have only identified limited synergies they are confidently able to forecast.

Sanity Technology – The Directors have assumed that Pro Forma overhead expenses in Sanity Technology in FY16 remains the same as FY15, other than some limited synergies the Directors can confidently forecast.

Capital Expenditure

The Company - The Directors have forecast capital expenditure of $1.1 million in FY16, an increase of $0.5 million over FY15. The increase accounts for capital replacement, increased capital expenditure as a result of organic growth, increasing capacity of the Cloud platform, and expansion into Melbourne.

Faktortel –The Directors have assumed capital expenditure will be the same as in FY15.

Sanity Technology – The Directors have assumed that capital expenditure will be the same as in FY15.

5.9 SENSITIVITY ANALYSIS

The Pro Forma Forecast Financial Information included in this Offer is based on a number of general and Directors' best estimate assumptions as described in Sections 5.8(a) and 5.8(b). These estimates and assumptions are subject to business, economic, and competitive uncertainties and contingencies, many of which are beyond the control of the Company, the Directors and management. The Pro Forma Forecast Financial Information is also based on the Directors' assumptions with regards to future business decisions, which are subject to change.

The table below is a summary of the sensitivity of the Pro Forma Forecast Financial Information to changes in a number of these general and Directors' best estimate assumptions. The changes in the key assumptions set out in the sensitivity analysis are intended to provide a general guide only and are not intended to be indicative of the complete range of variations that may occur in the future. Prospective investors should note that variations in actual performance may exceed the ranges shown.

For the purpose of this sensitivity analysis, each sensitivity variable is presented in terms of the impact on the FY16 Pro Forma forecast EBITDA of approximately $5.1 million and Statutory forecast EBITDA of approximately $4.5 million.

ACCOUNT	INCREASE / (DECREASE)	2016 PRO FORMA FORECAST EBITDA IMPACT $ 000	2016 STATUTORY FORECAST EBITDA IMPACT $ 000
Change in Forecast Revenue	1% / (1%)	131 / (131)	129 / (129)
Change in Forecast Gross Profit %	0.1% / (0.1%)	23 / (23)	22 / (22)
Change in Employee Benefits Expense	1% / (1%)	(58) / 58	(56) / 56

5.10 SUBSEQUENT EVENTS

Apart from the matters dealt with in this Prospectus there have been no material transactions or events outside of the ordinary business of Over the Wire that have come to the Company's attention that would require comment on, or adjustment to, the information referred to in this Section 5.

5.11 RELATED PARTY DISCLOSURES

Other than as disclosed in this Prospectus, Over the Wire is not party to any related party arrangements.

5.12 DIVIDEND POLICY

Payment of dividends by the Company will depend upon the availability of distributable earnings, the Company's franking credit position, operating results, available cash flows, financial condition, taxation position, future capital requirements, general business and financial conditions, and other factors the Directors consider relevant. The Company and the Board give no assurance about the payment of dividends, the extent of payout ratios or the future level of franking credits.

The Company's dividend policy is to pay up to 60% of NPAT. In determining whether to declare future dividends, the Directors will have regard to Over the Wire's earnings, overall financial condition and requirements, the outlook for the telecommunications industry, the taxation position of the Company and future capital requirements.

It is the Board's current intention to pay a dividend for the six month period to 30 June 2016.

5.13 SIGNIFICANT ACCOUNTING POLICIES AND MATERIAL ACCOUNTING MATTERS

A summary of key accounting policies and other material accounting matters which have been adopted in the preparation of the Financial Information set out in this Section 5, and which will be adopted and applied in the preparation of the financial statements of Over the Wire as at 30 June 2016 and subsequent financial years are set out below.

Summary of Significant Accounting Policies

The following is a summary of the material accounting policies adopted by Over the Wire in the preparation of the Financial Information. The accounting policies have been consistently applied, unless otherwise stated. The Financial Information has been prepared on the basis of historical cost and on a going concern basis.

(a) Principles of consolidation

The Pro Forma Historical Consolidated Balance Sheet incorporates the assets, liabilities and results of the Company and its controlled entities. A subsidiary is any entity over which the Company has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one half of the voting rights.

All inter-company balances and transactions between entities in the consolidated entity, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of controlled entities are consistent with the policies adopted by the parent unless otherwise stated below.

(b) Business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired. On the acquisition of a business, the consolidated entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated entity's operating or accounting policies and other pertinent conditions in existence at the acquisition date.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition date fair value. Subsequent changes in the fair value of contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or 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 either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

(c) Foreign currency translation

The financial statements are presented in Australian dollars, which is the consolidated entity's functional and presentation currency.

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

(d) Revenue recognition

Revenue is recognised when it is probable that the economic benefit will flow to the consolidated entity and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Rendering Of Services - Rendering of services revenue is recognised by reference to when the service has been provided. In the case of voice revenue, this is the timing of the phone calls made, whilst for the Data Networks, Data Centre Co-Location and Cloud Services divisions, it is generally the monthly provision of, or access to, the service.

Sale Of Goods - Sale of goods revenue is recognised at the point of sale, which is where the customer has taken delivery of the goods, the risks and rewards are transferred to the customer, and where there is a valid sales contract. Amounts disclosed as revenue are net of sales returns and discounts.

Interest - Interest revenue is recognised as interest accrues using the effective interest method.

Other Revenue - Other revenue is recognised when it is received or when the right to receive payment is established.

All revenue is stated net of the amount of goods and services tax (GST).

(e) Operating segments/Business Divisions

Operating segments/Business Divisions (e.g. Data Networks, Data Centre Co-Location, Voice and Cloud Services divisions) are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the management team and the Board.

(f) Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable. Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for: When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or when the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed each reporting date.

(g) Property, plant and equipment

Each class of property, plant and equipment is carried at historical cost less, where applicable, any accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

(h) Depreciation

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment over their expected useful lives, however assets acquired prior to 1 July 2011 may have been depreciated on either the straight line or diminishing value method. The depreciation rates used for each class of depreciable assets are:

CLASS	STRAIGHT LINE	DIMINISHING VALUE
Computer, Network & IT Plant & Equipment	13 - 33%	15 – 67%
Furniture and Fixtures	2½ - 20%	20 – 40%
Motor Vehicles	15%	22.5%

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements and plant and equipment under lease are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

(i) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings of current liabilities on the Balance Sheet.

(j) Trade and other receivables

Trade receivables are generally due for settlement within 30 days. Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the consolidated entity will not be able to collect all amounts due according to the original terms of the receivables.

(k) Inventories

Inventories are stated at the lower of cost or net realisable value, on a first-in-first-out basis. Cost comprises direct materials and delivery costs, direct labour, import duties and other taxes, an appropriate proportion of variable and fixed overhead expenditure based on normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(l) Intangibles

Goodwill - Goodwill arises on the acquisition of a business combination. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

Customer Contracts - Customer contracts and relationships acquired in a business combination are amortised on a straight-line basis over the period of their expected benefit, being their expected finite life of approximately 10 years.

Location / Right-to-Use – The intangible benefits of acquiring a ready-built data centre with rights to use existing access to numerous telecommunication carriers, upgraded electrical capacity, and an established known location, are amortised on a straight-line basis over the period of their expected benefit, being the expected finite life of the lease.

(m) Impairment of non-financial assets

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested 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.

(n) Trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

(o) Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method. Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

(p) Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred, including interest on short-term and long-term borrowings, and interest on finance leases.

(q) Provisions

Provisions are recognised when the consolidated entity has a present obligation as a result of a past event, it is probable the consolidated entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation.

(r) Employee benefit provisions

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs are measured at the amounts expected to be paid when the liabilities are settled. Employee benefits that are expected to be unconditionally deferred for at least 12 months after the reporting date are measured as the discounted present value of expected future payments to be made in respect of services provided by employees.

(s) Share-based payment transactions

Over the Wire provides benefits to its Directors and employees (including key management personnel) in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity settled transactions).

These benefits are provided following the Offer, pursuant to the ESP (see Section 8.10) and PRP (see Section 8.9).

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled (the vesting period), ending on the date on which the relevant employees become fully entitled to the award (the vesting date).

(t) Issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(u) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the 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 tax authority is included in other receivables or other payables in the 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 tax authority, are presented as operating cash flows.

(v) Leases

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased assets, and operating leases, under which the lessor effectively retains substantially all such risks and benefits. Finance leases are capitalised. Lease payments are allocated between the principal component of the lease liability and the finance costs, so as to achieve a constant rate of interest on the remaining balance of the liability Operating lease payments, net of any incentives received from the lessor, and are charged to profit or loss on a straight-line basis over the term of the lease.

(w) Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Provision For Impairment Of Receivables - The provision for impairment of receivables assessment requires a degree of estimation and judgement. The level of provision is assessed by taking into account the recent sales experience, the ageing of receivables, historical collection rates and specific knowledge of the individual debtor's financial position.

Estimation of useful lives of assets - The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Goodwill and other indefinite life intangible assets - The consolidated entity tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment.

Business combinations - Business combinations are initially accounted for on a provisional basis. The fair value of assets acquired, liabilities and contingent liabilities assumed are initially estimated by the consolidated entity taking into consideration all available information at the reporting date. Fair value adjustments on the finalisation of the business combination accounting is retrospective, where applicable, to the period the combination occurred and may have an impact on the assets and liabilities, depreciation and amortisation reported.

6 RISK FACTORS

6.1 FACTORS INFLUENCING SUCCESS AND RISK

Introduction

This Section identifies the major risks the Board believes are associated with an investment in Over the Wire.

The Over the Wire business is subject to risk factors, both specific to its business activities, and risks of a general nature. Individually, or in combination, these might affect the future operating performance of Over the Wire and the value of an investment in the Company. There can be no guarantee that Over the Wire will achieve its stated objectives or that any forward-looking statements or forecasts will eventuate. An investment in the Company should be considered in light of relevant risks, both general and specific. Each of the risks set out below could, if it eventuates, have a material adverse impact on Over the Wire's operating performance and profits, and the market price of the Shares.

Before deciding to invest in the Company, potential investors should:

(a) read the entire Prospectus;

(b) consider the assumptions underlying the Directors' forecasts, the sensitivity analysis and the risk factors that could affect the financial performance of Over the Wire;

(c) review these factors in light of their personal circumstances; and

(d) seek professional advice from their accountant, stockbroker, lawyer or other professional advisor before deciding whether to invest.

6.2 SPECIFIC INVESTMENT RISKS

Competition and loss of reputation

Over the Wire will operate in an intensely competitive landscape that is subject to rapid and significant change alongside a number of other telecommunications and IT service providers with competing offerings. If Over the Wire is significantly slower than its competitors to adapt to technological change, it could lead to a reduction in the use of its products and services.

Competition may arise from a number of sources, both in Australia and abroad. It may include companies that have greater capital resources and closer customer relationships than Over the Wire. Competition may also arise from companies with developed processes, systems and technology, or customers may seek to develop their own equivalent products.

Any significant competition or failure to keep apace with technological change may adversely affect Over the Wire's ability to attract customers or meet its business objectives.

Whilst Over the Wire is predominantly focused on business customers, as opposed to residential customers, the introduction of the National Broadband Network may also result in increased competition which may impact the Company's market position.

Customer relationships

The growth of the Company depends in part on increasing the number of its customers. The Company's ability to maintain levels of customer numbers, or to increase the number of customers further, in applicable business sectors and geographical areas is likely to be subject to limits.

There is a risk that one or more customers may terminate their contracts early or that, upon expiration of their existing contracts, they may choose not to renew arrangements with Over the Wire or that the subsequent terms may be less favourable to Over the Wire.

Failure to maintain customer relationships or renew agreements could result in Over the Wire's revenues declining and operating results being materially and adversely affected.

Supplier relationships

Over the Wire utilises more than 20 wholesale infrastructure providers to deliver services into Over the Wire's national network. This includes suppliers of data and voice networks, as well as third party data centres.

Over the Wire is dependent on ongoing mutually beneficial relationships with such key suppliers. Termination or failure to renew agreements with such suppliers could impact on the provision of services by Over the Wire, which would be likely to have a material adverse effect on Over the Wire's operations and financial position.

In addition, any change to applicable rates and charges by key suppliers could impact on Over the Wire's gross margin and profitability.

Changes to laws or regulations

Over the Wire is subject to local laws and regulations in each jurisdiction in which it provides its services. Future laws or regulations may be introduced concerning various aspects of Over the Wire's business, all of which may impact its operations. Changes in or extensions of laws and regulations affecting Over the Wire's business could restrict or complicate Over the Wire's business and significantly increase its compliance costs.

For example, Over the Wire will need to consider and respond to ongoing changes to data retention laws and the impact these laws may have on Over the Wire's business.

Technological developments

If Over the Wire fails to adapt to technological changes, this could have an adverse affect on Over the Wire's business, operating results and financial position.

The ability to improve Over the Wire's existing products and services and develop new products and services is subject to risks inherent in the development process. Over the Wire's products and services may be shown to be ineffective, not capable for adaptation to its customer's business, or unable to compete with superior or cheaper products or services marketed by third parties.

There is no assurance that Over the Wire will be successful in maintaining its market share or that it will be able to develop and introduce competitive technological advances in a timely and cost effective way.

Lease arrangements

Over the Wire's business strategy includes commitment of substantial operational and financial resources to develop, lease and operate new data centres, and expand existing ones, which may be jeopardised if Over the Wire is unable to secure its current or future lease arrangements over its data centres.

A lack of customer demand, or oversupply of data centre space in the market, could have negative implications on Over the Wire's ability to achieve desired rates of return on investment, and have an adverse effect on its growth prospects and/or financial position.

In addition, Over the Wire's ability to renew its current lease arrangements are not guaranteed, and it may be difficult to find alternate sites to house its data centre facilities. Over the Wire may also experience an adverse effect on the growth prospects of its data centre business if it is unable to secure alternate premises on commercial terms.

Limited protection of proprietary technology

Some of Over the Wire's success depends on its ability to protect its proprietary technology. It may be possible for a third party to copy or otherwise obtain and to use Over the Wire's software and products without authorisation, or develop similar software independently.

Over the Wire undertakes a range of legal and physical protection measures in relation to its customers, consultants and employees. There can be no assurance that any such protective measures taken by Over the Wire have been, or will be, adequate to protect Over the Wire's proprietary technology.

Technology and infrastructure systems performance

Whilst Over the Wire believes it is using proven technologies and has established systems to efficiently carry out its operations, the viability of its endeavours can be affected by force majeure circumstances, incompatibility of hardware or software with customer systems, market access constraints, cost overruns, the performance of associated parties or unforeseen claims and events.

Hacking and vandalism

Over the Wire may be adversely affected by malicious third party applications that interfere with, or exploit, security flaws in the company's software and infrastructure. Viruses, worms and other malicious software programs could, among other things, jeopardise the security of information stored in a customer's or the Company's computer systems. If Over the Wire's efforts to combat these malicious applications are unsuccessful, or if its software or infrastructure has actual or perceived vulnerabilities, Over the Wire's business reputation and brand name may be harmed, which may result in a material adverse effect on Over the Wire's operations and financial position.

Catastrophic loss

Computer viruses, fire and other natural disasters, break-ins, or a failure of power supply, information systems, hardware, software or telecommunication systems or other catastrophic events could lead to interruption, delays or cessation in service to Over the Wire's customers. This may result in actual or consequential loss to Over the Wire. Over the Wire may be unable to operate its business, potentially putting Over the Wire in breach of its contractual obligations, damaging its reputation and adversely affecting its ability to generate revenue.

Over the Wire may not have adequate disaster recovery plans to prevent or minimise loss. Over the Wire also cannot guarantee that it will be able to obtain sufficient insurance to cover loss arising from a catastrophic event, the result of which could have a material adverse effect on Over the Wire's business and financial performance.

Insurance

Over the Wire will maintain adequate insurance coverage in line with industry practice, however no assurance can be given that such insurance will be available in the future on a commercially reasonable basis, or will provide adequate cover against claims made. There may also be some losses for which Over the Wire is unable to obtain sufficient cover. If Over the Wire incurs uninsured losses or liabilities, its assets, profits and prospects may be materially adversely affected.

Intellectual property

Over the Wire's ability to leverage its innovation and expertise depends upon its ability to protect its intellectual property and any improvements to it. The intellectual property may not be capable of being legally protected, it may be the subject of unauthorised disclosure or be unlawfully infringed, or the Company may incur substantial costs in asserting or defending its intellectual property rights.

Dependence upon key staff

Over the Wire depends on the talent and experience of its staff as its primary asset. There may be a negative impact on Over the Wire if any of its key staff leave. It may be difficult to replace them, or to do so in a timely manner or at comparable expense. Additionally, any key staff of the Company who leave to work for a competitor may adversely impact the Company.

In summary, Over the Wire's ability to attract and retain staff will have a direct correlation upon its ability to deliver its project commitments and achieve forecast revenues. Additionally, increases in recruitment, wages and contractor costs may adversely impact upon the financial performance of the Company.

Capital structure risk

Following completion of the Offer, the Directors and management team will retain a significant holding in Over the Wire and will therefore have a significant influence over the Company, including in relation to resolutions requiring the approval of Shareholders. This collective interest may also have an impact on the liquidity (particularly having regard to escrow arrangements referred to below), as well as acting as a potential deterrent to corporate transactions.

Escrow arrangements

Certain Shareholders of the Company (including the Founders) will be subject to escrow requirements, designed to protect the integrity of the market following the Company's Listing. This means that certain Shareholders (including the Founders) will not be able to deal with escrowed Shares for a period of up to two years. At the end of applicable escrow periods, a number of Shares will be released from escrow at the same time, which may impact the Company's share price if relevant persons seek to trade their Shares at that time.

Requirement to raise additional funds

The Company may be required to raise additional equity or debt capital in the future. There is no assurance that it will be able to raise that capital when it is required or, even if available, the terms may be unsatisfactory. If the Company is unsuccessful in obtaining funds when they are required, the Company may need to delay or scale down its operations.

Growth

There is a risk that Over the Wire may be unable to manage its future growth successfully. The ability to hire and retain skilled personnel as outlined above may be a significant obstacle to growth.

Acquisitions

Over the Wire's growth strategy may be impacted if it is unable to find suitable acquisitions. The Company's due diligence processes may not be successful and an acquisition may not perform to the level expected.

6.3 GENERAL INVESTMENT RISKS

Share market investments

Any potential investor should be aware that subscribing for Shares involves various risks. The Shares to be issued pursuant to the Offer carry no guarantees with respect to the payment of dividends, return of capital or market value.

Before the Offer there has been no public market for the Shares. It is important to recognise that, once the Shares are quoted on ASX, their price might rise or fall and they might trade at prices below or above the Offer Price. There can also be no assurance that an active trading market will develop for the Shares.

Factors affecting the price at which the Shares are traded on ASX could include domestic and international economic conditions. In addition, the prices of many listed entities' securities are affected by factors that might be unrelated to the operating performance of the relevant company. Those fluctuations might adversely affect the price of the Shares.

General economic conditions

Over the Wire's operating and financial performance is influenced by a variety of general economic and business conditions including the level of inflation, interest rates and government fiscal, monetary and regulatory policies. Prolonged deterioration in general economic conditions, including an increase in interest rates, could be expected to have a corresponding adverse impact on the Company's operating and financial performance.

Accounting standards

Australian accounting standards are set by the Australian Accounting Standards Board (AASB) and are outside the Directors' and Over the Wire's control. Changes to accounting standards issued by AASB could materially adversely affect the financial performance and position reported in Over the Wire's financial statements.

Unaudited Historical Financial Information

The Historical Financial Information contained in this Prospectus has been prepared based upon the audited Financial Information of the Company and its controlled entities as at 30 June 2015, as set out in Section 5.2(b).

Faktortel and Sanity Technology have not prepared financial reports compliant with Australian Accounting Standards and the Corporations Act to date. Until completion of the first statutory financial report compliant with Australian Accounting Standards and the Corporations Act, the Directors may elect to revisit and, where necessary, revise the accounting policies and disclosures to be applied arising from the transition to Australian Accounting Standards.

Accordingly, Over the Wire's first financial report compliant with Australian Accounting Standards and the Corporations Act may differ from the disclosures set out in Section 5 of the Prospectus with the result that the Historical Financial Information included therein may vary from the results in this Prospectus.

Taxation risks

Changes to the rate of taxes imposed on Over the Wire (including in overseas jurisdictions in which Over the Wire may operate in the future) or tax legislation generally may affect Over the Wire and its Shareholders. In addition, an interpretation of Australian taxation laws by the Australian Taxation Office that differs to Over the Wire's interpretation may lead to an increase in Over the Wire's taxation liabilities and a reduction in Shareholder returns.

Personal tax liabilities are the responsibility of each individual investor. Over the Wire is not responsible either for taxation or penalties incurred by investors.

No guarantee of dividend

The ability of Over the Wire to pay dividends in the future is dependent on many factors. The Board cannot give any assurance regarding the payment of dividends in the future.

Litigation

There is a risk that the Company may in future be the subject of or required to commence litigation. There is, however, no litigation currently underway or threatened.

6.4 CAUTIONARY STATEMENT

Statements contained in this Prospectus may be forward-looking statements.

Forward-looking statements can be identified by the use of forward-looking terminology such as, but not limited to, 'may', 'will', 'expect', 'anticipate', 'estimate', 'would be', 'believe', or 'continue' or the negative or other variations of comparable terminology. These statements are subject to risks and uncertainties that could cause actual results to differ materially from those projected. The Directors' expectations, beliefs and projections are expressed in good faith and are believed to have a reasonable basis, including without limitation, based on the examination of historical operating trends, data contained in the Company's records and other data available from third parties. There can be no assurance, however, that their expectations, beliefs or projections will give the results projected in the forward-looking statements. Investors should not place undue reliance on these forward-looking statements.

Additional factors that could cause actual results to differ materially from those indicated in the forward-looking statements are discussed earlier in this Section.

ADDRESSABLE
GROWTH
OPPORTUNITIES

7

INVESTIGATING ACCOUNTANT’S REPORTS AND FINANCIAL SERVICES GUIDE

PKF Hacketts

3 November 2015

Board of Directors
Over the Wire Holdings Limited
c/- Mr M Stabb
GPO Box 1807
BRISBANE QLD 4001

Dear Directors

INVESTIGATING ACCOUNTANT'S REPORT

INDEPENDENT LIMITED ASSURANCE REPORT ON HISTORICAL FINANCIAL INFORMATION

Introduction

The directors of Over the Wire Holdings Limited ("the "Company") have engaged PKF Hacketts Audit ("PKF") to prepare an Independent Limited Assurance Report on the Historical Financial Information as set out below for inclusion in the Prospectus to be dated on or about 2 November 2015 ("the Prospectus") relating to the issue of 10 million new fully paid ordinary shares in the Company to raise $10m (the "Offer").

Expressions and terms defined in the Prospectus have the same meaning in this report, unless otherwise specified.

Scope

You have requested PKF to review the following Historical Financial Information of Over the Wire included in Section 5 of the Prospectus:

(a) the Pro Forma Historical Consolidated Financial Information of the Company and its controlled entities consolidated with Faktortel Holdings and its controlled entities ("Faktortel") and Sanity Holdings Pty Ltd ("Sanity Technology") (together, "Over the Wire") comprising:

  (i) the Pro Forma historical consolidated income statements of Over the Wire for the years ended 30 June 2013, 30 June 2014, and 30 June 2015;

  (ii) the Pro Forma historical consolidated statements of cash flows of Over the Wire for the years ended 30 June 2013, 30 June 2014, and 30 June 2015; and

  (iii) the Pro Forma historical consolidated statement of financial position of Over the Wire as at 30 June 2015; and

(b) the Statutory Historical Consolidated Income Statements of the Company and its controlled entities for the years ended 30 June 2013, 30 June 2014, and 30 June 2015.

The Pro Forma Historical Consolidated Financial Information comprises a consolidation of:

(a) the audited historical consolidated financial statements of Over the Wire Holdings Limited and its controlled entities; and
(b) the audited or reviewed historical financial statements of Faktortel and Sanity Technology

on the assumption that Faktortel and Sanity Technology were acquired on 1 July 2012 adjusted to reflect Pro Forma and normalisation adjustments, including:

- any significant transactions relating to Over the Wire since 30 June 2015; and
- the effects and costs of the Offer.

PKF Hacketts Audit
ABN 33 873 151 348

Level 6, 10 Eagle Street, Brisbane QLD 4000
GPO Box 1568, Brisbane QLD 4001
p +61 7 3839 9733
f +61 7 3832 1407

8 East Street, PO Box 862
Rockhampton QLD 4700
p +61 7 4927 2744
f +61 7 4927 4317

The Statutory Historical Consolidated Income Statements comprise the audited Income Statements of Over the Wire Holdings Limited and its controlled entities adjusted to reflect the additional costs of being a listed entity.

The Historical Financial Information has been prepared in accordance with the recognition and measurement principles prescribed in Australian Accounting Standards, other mandatory professional reporting requirements in Australia, and the significant accounting policies summarized in Section 5.13 of the prospectus.

The Historical Financial Information has been derived from the consolidation of:

- The financial reports of Over the Wire Holdings Limited and its controlled entities for the years ended 30 June 2013, 30 June 2014 and 30 June 2015. The 30 June 2015 financial report was audited by PKF Hacketts Audit and the 30 June 2013 and 30 June 2014 financial reports were audited by another firm in accordance with the Australian Auditing Standards. Unmodified audit opinions were issued on the financial reports for each of the above years.
- The financial reports of Faktortel and Sanity Technology for the years ended 30 June 2013, 30 June 2014 and 30 June 2015. The 30 June 2015 financial reports were audited by PKF Hacketts Audit and the 30 June 2013 and 30 June 2014 financial reports were reviewed by PKF Hacketts Audit in accordance with the Australian Auditing Standards. Unmodified audit opinions and unmodified review conclusions were issued on the relevant financial reports for the years above.

The Historical Financial Information is presented in an abbreviated form insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

Due to its nature, the Historical Financial Information does not represent Over the Wire's actual or prospective financial position, financial performance, and cash flows.

A separate independent limited assurance report has been prepared in respect of the Forecast Financial Information, refer section 7.

Directors' Responsibility

The Directors of the Company are responsible for the preparation of the Historical Financial Information, including the selection and determination of Pro Forma and normalisation adjustments made to the historical consolidated financial information and included in the Historical Financial Information.

This includes responsibility for such internal controls as the Directors determine are necessary to enable the preparation of Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Historical Financial Information based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagements ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/ or Prospective Financial Information*.

A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or review report on any financial information used as a source of the financial information.

Conclusions

Based on our review, which is not an audit, nothing has come to our attention which causes us to believe that the Historical Financial Information of Over the Wire as described in Section 5 of the Prospectus is not presented fairly, in all material respects, in accordance with the stated basis of preparation as described in Section 5.2 of the Prospectus.

Prospective investors should be aware of the material risks and uncertainties in relation to an investment in the Company, which are detailed in the Prospectus. Accordingly, prospective investors should have regard to the investment risks as described in Section 6 of the Prospectus. We express no opinion as to the future financial performance of the Company.

We disclaim any assumption of responsibility for any reliance on this report, or on the Historical Financial Information to which it relates, for any purpose other than that for which it was prepared. We have assumed, and relied on representations from certain members of management of the Company, that all material information concerning the prospects and proposed operations of Over the Wire have been disclosed to us and that the information provided to us for the purpose of our work is true, complete and accurate in all respects. We have no reason to believe that those representations are false.

Restrictions on Use

Without modifying our conclusions, we draw attention to Section 5 of the Prospectus, which describes the purpose of the Historical Financial Information, being for inclusion in the Prospectus. As a result, the Historical Financial Information may not be suitable for use for another purpose.

Consent

PKF Hacketts Audit has consented to the inclusion of this Independent Limited Assurance Report in the Prospectus in the form and context in which it is included.

Liability

The liability of PKF Hacketts Audit is limited to the inclusion of this report in the Prospectus. PKF Hacketts Audit makes no representation regarding, and has no liability, for any other statements or other material in, or omission from the Prospectus.

Independence & Disclosure of Interest

PKF Hacketts Audit does not have any pecuniary interests that could reasonably be regarded as being capable of affecting its ability to give an unbiased conclusion in this matter. PKF Hacketts Audit will receive a professional fee for the preparation of this Independent Limited Assurance Report and participation in due diligence procedures.

Yours faithfully

PKF HACKETTS AUDIT

Liam Murphy
Partner

DMR
CORPORATE
DMR

PKF

3 November 2015

The Directors
Over the Wire Holdings Limited
GPO Box 1807
BRISBANE, QLD 4001

Dear Sirs,

INVESTIGATING ACCOUNTANT'S REPORT
INDEPENDENT LIMITED ASSURANCE REPORT ON THE FORECAST FINANCIAL INFORMATION

1. Introduction

We have been engaged by Over the Wire Holdings Limited ("the Company") to report on the Company's Forecast Financial Information for the financial year ending 30 June 2016 for inclusion in a prospectus to be dated on or about 2 November 2015 ("Prospectus") relating to the issue of ordinary shares in the Company and the listing of the Company's shares on the Australian Securities Exchange ("ASX") (the "ASX Listing").

Since 30 June 2015 the Company has acquired all the shares in Faktortel Holdings Pty Ltd ("Faktortel") and it will acquire all the shares in Sanity Holdings Pty Ltd ("Sanity Technology") after the ASX Listing is completed. The Company together with Faktortel and Sanity Technology are referred to as "Over the Wire" throughout the remainder of this report. The financial information used by us in preparing our report on the Forecast Financial Information includes the Historical Financial Information for the financial years 2013 to 2015 reviewed by PKF Hacketts Audit to provide comparable data.

Expressions and terms defined in the Prospectus have the same meaning in this Report, unless otherwise specified.

2. Scope

DMR Corporate Pty Ltd ("DMR Corporate") has been requested to prepare this Report to cover the following financial information for the financial year ending 30 June 2016 contained in Section 5.0 of the Prospectus comprising of:

1. **Pro forma Forecast**, being the:
   - Pro forma forecast consolidated income statement for Over the Wire, reflecting the results of Over the Wire as if all controlled entities acquired had been controlled for the entire financial year;
2. **Statutory Forecast**, being the:
   - Statutory forecast consolidated income statement for Over the Wire, which reflects how Over the Wire's Statutory financial statements are expected to be prepared for the year ended 30 June 2016 in accordance with applicable Australian Accounting Standards where the results of all controlled entities are consolidated only from the date control of the controlled entities was achieved;

collectively referred to as the "Forecast Financial Information".

The Forecast Financial Information has been prepared based on the significant accounting policies adopted by the Company, which are in accordance with Australian Accounting Standards and are disclosed in Section 5.13 of the Prospectus. It is assumed that there will be no changes to Accounting Standards or other financial reporting requirements that will have a material effect on Over the Wire's accounting policies during the forecast period.

Pro Forma Forecast

The Pro Forma Forecast as described in Section 5.3 of the Prospectus, has been prepared in accordance with the directors' best-estimate assumptions underlying the Pro Forma Forecast as described in Section 5.8 of the Prospectus.

The Pro Forma Forecast, which is set out in Section 5.4 of the Prospectus, reflects the forecast full-year effect of the operating and capital structure that will be in place upon Completion of the Offer including (a) a full year contribution from Faktortel and Sanity Technology; and (b) the inclusion of expected annual listed entity costs, but exclude the one-off costs of the Offer, and other non-recurring items which are not expected to occur in the future. Due to its nature, the Pro Forma Forecast does not represent Over the Wire's actual prospective financial performance for the year ending 30 June 2016.

Statutory Forecast

The Statutory Forecast as described in Section 5.3 of the Prospectus, has been prepared in accordance with the directors' best-estimate assumptions underlying the Statutory Forecast as described in Section 5.8 of the Prospectus.

The Statutory Forecast, which is set out in Section 5.4 of the Prospectus, has been prepared on the basis of how the Directors expect to report the results of Over the Wire under the Australian Accounting Standards, and includes the contributions of the acquisitions of Faktortel and Sanity Technology for the period from which control is expected to be acquired.

3. Directors' Responsibility

The directors of the Company are responsible for the preparation of the Forecast Financial Information, including:

- the best-estimate assumptions underlying the Forecast Financial Information;
- the pro forma adjustments made to the Statutory Forecasts; and
- the sensitivity of the Forecast Financial Information to changes in key assumptions.

This includes responsibility for such internal control as the directors determine are necessary to enable the preparation of the Forecast Financial Information that is free from misstatement, whether due to fraud or error.

4. Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Forecast Financial Information, the best-estimate assumptions underlying the Forecast Financial Information and the reasonableness of the Forecast Financial Information itself, based on our review. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

Our review consisted of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or review reports on any financial information used as a source of the financial information.

5. Conclusion

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that:

- the Directors' best-estimate assumptions used in the preparation of the Forecast Financial Information for the year ending 30 June 2016 do not provide reasonable grounds for the Forecast Financial Information; and
- in all material respects, the Forecast Financial Information:
  * is not prepared on the basis of the directors' best-estimate assumptions, as described in Section 5.8 of the Prospectus; and
  * is not presented fairly in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and the Company's adopted accounting policies, applied to the Forecast Financial Information and the pro forma adjustments as if those adjustments had occurred as at 1 July 2015; and
- the Forecast Financial Information itself is unreasonable.

Forecast Financial Information

The Forecast Financial Information has been prepared by the Company's management and adopted and disclosed by the directors in order to provide prospective investors with a guide to the potential financial performance of Over the Wire for the financial year ending 30 June 2016. There is a considerable degree of subjective judgement involved in preparing forecasts since they relate to events and transactions that have not yet occurred and may not occur. Actual results are likely to be different from the Forecast Financial Information since anticipated events or transactions frequently do not occur as expected and the variation may be material. The directors' best-estimate assumptions on which the Forecast Financial Information is based relate to future events and/or transactions that management expect to occur and actions that management expect to take and are also subject to uncertainties and contingencies, which are often outside the control of the Company. Evidence may be available to support the directors' best-estimate assumptions on which the Forecast Financial Information is based, however such evidence is generally future orientated and therefore speculative in nature. We are therefore not in a position to express a reasonable assurance on the reasonableness of the directors' best-estimate assumptions. The limited assurance conclusion expressed in this report has been formed on the above basis.

Prospective investors should be aware of the material risks and uncertainties in relation to an investment in the Company, which are detailed in the Prospectus, and the inherent uncertainty relating to the Forecast Financial Information. Accordingly, prospective investors should have regard to the investment risks and sensitivities as described in Section 6 of the Prospectus. The sensitivity analysis described in Section 5.9 of the Prospectus demonstrates the impact on the Forecast Financial Information of changes in key best-estimate assumptions. We express no opinion as to whether the Forecast Financial Information will be achieved.

We have assumed, and relied on representations from certain members of management of the Company that all material information concerning the prospects and proposed operations of Over the Wire have been disclosed to us and that the information provided to us for the purpose of our work is true, complete and accurate in all respects. We have no reason to believe that those representations are false.

6. Restrictions on use

Without modifying our conclusions, we draw attention to Section 5.3 of the Prospectus, which describes the purpose of the financial information prepared, being for inclusion in the Prospectus. As a result, the financial information may not be suitable for use for another purpose. We disclaim any assumption of responsibility for any reliance on this report, or on the financial information to which it relates, for any purpose other than that for which it was prepared.

7. Notice to investors outside Australia

Under the terms of our engagement this report has been prepared solely to comply with the Standard on Assurance Engagements applicable to Corporate Fundraisings and/or Prospective Financial Information.

This report does not constitute an offer to sell, or a solicitation of an offer to buy, any securities. We do not hold any financial services licence or other licence outside of Australia. We are not recommending or making any representation as to the suitability of any investment to any person.

8. Consent

DMR Corporate has consented to the inclusion of this report in the Prospectus in the form and context in which it is included, but has not authorized the issue of the Prospectus. Accordingly, DMR Corporate makes no representations regarding, and takes no responsibility for, any other statements, or material in, or omissions from, the Prospectus.

9. Financial Services Guide

This Financial Services Guide provides information to assist retail and wholesale investors in making a decision as to their use of the general financial product advice included in the above report.

9.1 DMR Corporate

DMR Corporate holds Australian Financial Services Licence No. 222050, authorizing it to provide general financial product advice in respect of securities to retail and wholesale investors.

9.2 Financial Services Offered by DMR Corporate

DMR Corporate prepares reports commissioned by a company or other entity (“Entity”). The reports prepared by DMR Corporate are provided by the Entity to its members.

All reports prepared by DMR Corporate include a description of the circumstances of the engagement and of DMR Corporate’s independence of the Entity commissioning the report and other parties to the transactions.

DMR Corporate does not accept instructions from retail investors. DMR Corporate provides no financial services directly to retail investors and receives no remuneration from retail investors for financial services. DMR Corporate does not provide any personal retail financial product advice directly to retail investors nor does it provide market-related advice to retail investors.

9.3 General Financial Product Advice

In this report, DMR Corporate provides general financial product advice. This advice does not take into account the personal objectives, financial situation or needs of individual retail investors.

Investors should consider the appropriateness of a report having regard to their own objectives, financial situation and needs before acting on the advice in a report. Where the advice relates to the acquisition or possible acquisition of a financial product, an investor should also obtain a product disclosure statement relating to the financial product and consider that statement before making any decision about whether to acquire the financial product.

9.4 Independence

At the date of this report, none of DMR Corporate, Derek M Ryan nor Mr Paul Lom has any interest in the outcome of the Proposed Transaction, nor any relationship with Over the Wire, Faktortel, Sanity Technology or any of their directors that may impact on our independence.

Drafts of this report were provided to and discussed with the Directors and management of Over the Wire and its advisers. Certain changes were made to factual statements in this report as a result of the reviews of the draft reports. There were no alterations to the methodology or conclusions that have been formed by DMR Corporate.

DMR Corporate and its related entities do not have any shareholding in or other relationship with Over the Wire, Faktortel and Sanity Technology that could reasonably be regarded as capable of affecting its ability to provide an unbiased opinion in relation to this independent report on the Forecast Financial Information.

DMR Corporate had no part in the formulation of the Forecast Financial Information, the Proposed Capital Raising and ASX Listing. Its only role has been the preparation of this report.

9.5 Remuneration

DMR Corporate is entitled to receive a fee of approximately $17,500 for the preparation of this report. With the exception of the above, DMR Corporate will not receive any other benefits, whether directly or indirectly, for or in connection with the making of this report.

9.6 Complaints Process

As the holder of an Australian Financial Services Licence, DMR Corporate is required to have suitable compensation arrangements in place. In order to satisfy this requirement DMR Corporate holds a professional indemnity insurance policy that is compliant with the requirements of Section 912B of the Act.

DMR Corporate is also required to have a system for handling complaints from persons to whom DMR Corporate provides financial services. All complaints must be in writing and sent to DMR Corporate at the above address.

DMR Corporate will make every effort to resolve a complaint within 30 days of receiving the complaint. If the complaint has not been satisfactorily dealt with, the complaint can be referred to the Financial Ombudsman Service Limited – GPO Box 3, Melbourne Vic 3000.

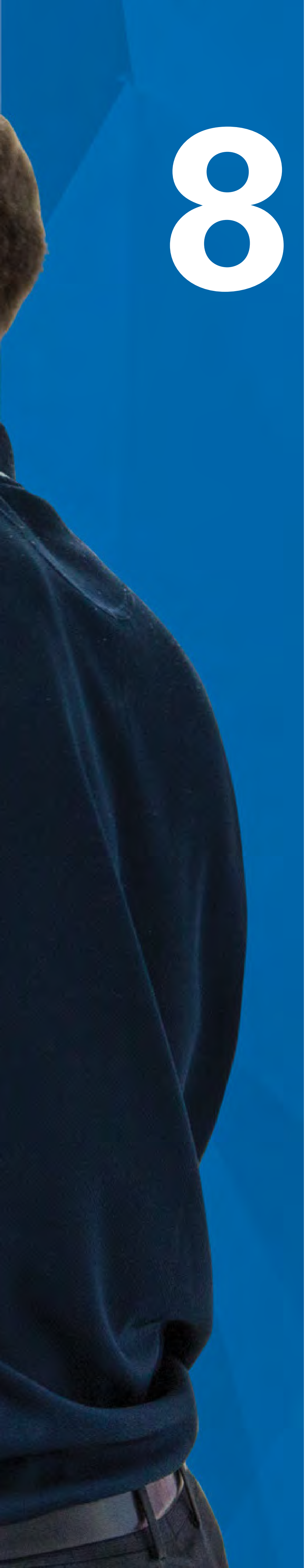
Yours faithfully

D. M Ryan

Derek M Ryan
Director
DMR Corporate Pty Ltd

Paul Lom

Paul Lom
Director
DMR Corporate Pty Ltd



8 MATERIAL AGREEMENTS

8.1 KEY DOCUMENTS

The Board considers that certain agreements relating to Over the Wire are significant to the Offer, the operations of Over the Wire or may be relevant to investors. A description of material agreements or arrangements, together with a summary of the more important details of each of these agreements is set out below.

8.2 CONSTITUTION

Below is a summary of the key provisions of the Company's constitution. This summary is not exhaustive, nor does it constitute a definitive statement of a Shareholder's rights and obligations.

Shares

The Directors are entitled to issue and cancel Shares in the capital of the Company, grant options over unissued shares and settle the manner in which fractions of a share are to be dealt with. The Directors may decide the persons to whom, and the terms on which, shares are issued or options are granted as well as the rights and restrictions that attach to those shares or options.

The constitution also permits the issue of preference shares on terms determined by the Directors.

The Company may also sell a share that is part of an unmarketable parcel of shares under the procedure set out in the constitution.

Variation of class rights

The rights attached to any class of Shares may, unless their terms of issue state otherwise, only be varied with the consent in writing of members holding at least three-quarters of the Shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of Shares of that class.

Restricted securities

If the ASX classifies any of the Company's share capital as restricted securities, then the restricted securities must not be disposed of during the escrow period and the Company must refuse to acknowledge a disposal of the restricted securities during the escrow period, except as permitted under the Listing Rules or by the ASX.

Share certificates

Subject to the requirements of the Corporations Act, the Listing Rules or the ASX Settlement Operating Rules, the Company need not issue share certificates if the Directors so decide.

Calls

The Directors may, from time to time, call upon Shareholders for unpaid monies on their shares. The Directors must give Shareholders notice of a call at least 30 business days before the amount called is due, specifying the time and place of payment. If a call is made, Shareholders are liable to pay the amount of each call by the time and at the place specified.

A call is taken to have been made when a Directors' resolution passing the call is made or on any later date fixed by the Board. A call may be revoked or postponed at the discretion of the Directors.

Forfeiture and lien

The Company may forfeit Shares to cover any call, or other amount payable in respect of Shares, which remains unpaid following any notice to that effect sent to a Shareholder. Forfeited Shares become the property of the Company and the Directors may sell, reissue or otherwise dispose of the Shares as they think fit.

A person whose Shares have been forfeited may still be required to pay the Company all calls and other amounts owing in respect of the forfeited Shares (including interest) if the Directors so determine.

The Company has a first and paramount lien for unpaid calls, instalments and related interest and any amount it is legally required to pay in relation to a Shareholder's Shares. The lien extends to all distributions relating to the Shares, including dividends.

The Company's lien over Shares will be released if it registers a transfer of the Shares without giving the transferee notice of its claim.

Share transfers

Shares may be transferred by any method permitted by the Corporations Act, the Listing Rules or the ASX Settlement Operating Rules or by a written transfer in any usual form or in any other form approved by the Directors. The Directors may refuse to register a transfer of Shares where it is not in registrable form, the Company has a lien over any of the Shares to be transferred or where it is permitted to do so by the Listing Rules or the ASX Settlement Operating Rules.

General meetings

Each Shareholder, Director and auditor is entitled to receive notice of and attend any general meeting of the Company. Two Shareholders must be present to constitute a quorum for a general meeting and no business may be transacted at any meeting except the election of a chair and the adjournment of the meeting, unless a quorum is present when the meeting proceeds to business.

Voting rights

Subject to any rights or restrictions attached to any Shares or class of shares, on a show of hands each Shareholder present has one vote and, on a poll, one vote for each fully paid Share held, and for each partly paid Share, a fraction of a vote equivalent to the proportion to which the Share has been paid up. Voting may be in person or by proxy, attorney or representative.

Remuneration of Directors

Each Director is entitled to remuneration from the Company for his or her services as decided by the Directors but the total amount provided to all Directors for their services as Directors must not exceed in aggregate in any financial year the amount fixed by the Company in general meeting. The remuneration of a Director (who is not the Managing Director or an Executive Director) must not include a commission on, or a percentage of, profits or operating revenue.

Remuneration may be provided in the manner that the Directors decide, including by way of non-cash benefits. There is also provision for Directors to be paid extra remuneration (as determined by the Directors) if they devote special attention to the business of the Company or otherwise perform services which are regarded as being outside of their ordinary duties as Directors or, at the request of the Directors, engage in any journey on the Company's business.

Directors are also entitled to be paid all travelling and other expenses they incur in attending to the Company's affairs, including attending and returning from general meetings or Board meetings, or meetings of any committee engaged in the Company's business.

Interests of Directors

A Director who has a material personal interest in a matter that is being considered by the Board must not be present at a meeting while the matter is being considered nor vote on the matter, unless the Corporations Act allows otherwise.

Election and retirement of Directors

There must be a minimum of three Directors and a maximum of 12 Directors unless the Company in general meeting resolves otherwise.

Where required by the Corporations Act or Listing Rules, the Company must hold an election of directors each year. No Director, other than the Managing Director, may hold office without re-election beyond the third annual general meeting following the meeting at which the Director was last elected or re-elected. A Director appointed to fill a casual vacancy, who is not a Managing Director, holds office until the conclusion of the next annual general meeting following his or her appointment. If there would otherwise not be a vacancy, and no Director is required to retire, then the Director who has been longest in office since last being elected must retire.

If a number of Directors were elected on the same day, the Directors to retire is (in default of agreement between them) determined by ballot.

Dividends

If the Directors determine that a final or interim dividend is payable, it is (subject to the terms of issue on any Shares or class of Shares) paid on all Shares proportionate to the amount for the time being paid on each Share. Dividends may be paid by cash, electronic transfer or any other method as the Board determines.

The Directors have the power to capitalise and distribute the whole or part of the amount from time to time standing to the credit of any reserve account or otherwise available for distribution to Shareholders. The capitalisation and distribution must be in the same proportions which the Shareholders would be entitled to receive if distributed by way of a dividend.

Subject to the Listing Rules, the Directors may pay a dividend out of any fund or reserve or out of profits derived from any source.

Proportional takeover bids

The Company may prohibit registration of transfers purporting to accept an offer made under a proportionate takeover bid unless a resolution of the Company has been passed approving the proportional takeover bid under the provisions of the Constitution.

The rules in the Constitution relating to proportional takeover bids cease on the third anniversary of the adoption of the Constitution, or the renewal of the rules, unless renewed by a special resolution of Shareholders.

Indemnities and insurance

The Company must indemnify current and past Directors and other executive officers (Officers) of the Company on a full indemnity basis and to the fullest extent permitted by law against all liabilities incurred by the Officer as a result of their holding office in the Company or a related body corporate.

The Company may also, to the extent permitted by law, purchase and maintain insurance, or pay or agree to pay a premium for insurance, for each Officer against any liability incurred by the Officer as a result of their holding office in the Company or a related body corporate.

8.3 UNDERWRITING AGREEMENT

The Company and the Lead Manager and Underwriter have entered into the Underwriting Agreement.
In accordance with the terms of the Underwriting Agreement, the Lead Manager and Underwriter has agreed to manage the Offer and to underwrite the application for new Shares under the Offer by subscribing for any Shares the subject of the Offer for which valid applications are not received. The Lead Manager and Underwriter may also appoint sub-underwriters.

Fees and costs

The Company must pay the Lead Manager and Underwriter an underwriting fee of 3.5% of the underwritten Offer proceeds, and may pay a further 0.5% discretionary fee depending on the Lead Manager and Underwriter's performance in relation to the Offer, together with a management fee of $100,000.

In addition to the fees described above, the Company has agreed to pay the Lead Manager and Underwriter for reasonable out of pocket expenses (including legal fees) in relation to the Offer.

Termination

As is normal for agreements of this nature, the Lead Manager and Underwriter may terminate its obligations under the Underwriting Agreement if certain events occur before the Shares are issued (Unqualified Termination Events). In respect of the occurrence of certain other events, the Lead Manager and Underwriter's ability to terminate is limited to circumstances in which the Lead Manager and Underwriter is of the opinion that the event has had or could be expected to have a material adverse effect on certain factors including (but not limited to) the financial condition of the Company, the ability of the Lead Manager and Underwriter to market or promote the Offer or the price or likely price at which the Shares are likely to trade on ASX (Qualified Termination Events).

The Unqualified Termination Events include (but are not limited to):

(a) (index fall) the S&P/ASX 200 Index published by ASX on any trading day before completion of the Offer closes at 10% below its level as at the close of ASX trading on the trading day before finalisation of the Prospectus;

(b) (material adverse change) a material adverse change, or any development involving a prospective material adverse change occurs in relation to the Company and its related bodies corporate in the reasonable opinion of the Lead Manager and Underwriter, including a change that could result in the success of the Offer being affected to a material degree;

(c) (offer documents) there is:

  (i) a material omission from the Prospectus or any supplementary prospectus of material required by the Corporations Act to be included;

  (ii) an Offer Document (defined in the Underwriting Agreement to mean any documents issued or published by or on behalf of the Company in respect of the Offer, including the Prospectus, the Application Form, any supplementary prospectus, any written materials that are presented or provided to prospective investors (including roadshow presentations) and any Publication (defined in the Underwriting Agreement to include media statements, announcements and other similar materials)) contains a statement which is misleading or deceptive (whether by inclusion or omission); or

  (iii) an Offer Document (as defined above) does not contain all information required to comply with Chapter 6D and Chapter 7 of the Corporations Act.

(d) (timetable) any event specified in the Offer timetable is delayed for more than three business days without the prior written approval of the Lead Manager and Underwriter;

(e) (insolvency) the Company or any of its related bodies corporate becomes insolvent; and

(f) (material change) there is a change in the material terms of the Offer as set out in the Prospectus (or any supplementary prospectus) without the prior written approval of the Lead Manager and Underwriter.

The Qualified Termination Events include (but are not limited to):

(a) (hostilities) in respect of any one or more of Australia, the United States of America, any member state of the European Union or the People's Republic of China: (i) hostilities not presently existing commence, (ii) a major escalation in existing hostilities occurs, or (iii) a terrorist act is perpetrated;

(b) (material adverse change in financial markets) any of the following occurs:

  (i) any material adverse change or disruption to the political conditions or financial markets of Australia, the United Kingdom or the United States of America, or a general moratorium on commercial banking activities is declared in those countries; or

  (ii) trading on ASX, the London Stock Exchange or the New York Stock Exchange is suspended or limited in a material respect for one day on which that exchange is open for trading;

(c) (supplementary prospectus) the Lead Manager and Underwriter forms the view (acting reasonably) that a supplementary prospectus must be lodged with ASIC and the Company does not lodge the supplementary prospectus as required;

(d) (debt facilities):

  (i) the Company breaches, or defaults under, any provision, undertaking, covenant or ratio of a material debt or financing arrangement; or

  (ii) there occurs an event of default under or with respect to such financing arrangement;

(e) (change in law) there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of the Commonwealth of Australia or any State or Territory of Australia a new law, or the Government of Australia or any State or Territory of Australia or the Reserve Bank of Australia adopts or announces a proposal to adopt a new policy;

(f) (material contracts) any contract, deed or other agreement which is material to the making of an informed investment decision in relation to the Shares, as referred to in the Prospectus, is terminated or breached by the Company or a related body corporate; and

(g) (legal proceedings) the commencement of legal proceedings against the Company or any Director or any regulatory inquiry or public action against a Director or announcement that such action may be taken.

Representations, warranties and undertakings

The Underwriting Agreement contains various representations and warranties made by the Company and the Lead Manager and Underwriter, which are customary in such an agreement. The Company also provides certain undertakings under the Underwriting Agreement regarding the conduct of the Company prior to, and for limited periods of time following, the Shares being issued.

Indemnity

The Company agrees to indemnify the Lead Manager and Underwriter, each of its related bodies corporate and affiliates and each of its officers, directors, employees, representatives, agents and advisers against all losses, liabilities, claims, damages, costs, charges and expenses whatsoever (including reasonable legal costs on a full indemnity basis) incurred or suffered directly or indirectly arising out of or in connection with the Offer or the Underwriting Agreement, other than losses caused directly by the gross negligence, wilful default, wilful misconduct or fraud of any indemnified party or the Lead Manager and Underwriter, except to the extent that the breach is caused or contributed to by the Company, its related bodies corporate or their directors, officers, advisers, agents or employees.

8.4 SUPPLIER CONTRACTS

Over the Wire enters into contracts with a number of wholesale providers for the provision of a range of IT and telecommunications capabilities which facilitate the delivery of Over the Wire's products and services to its customers. The particular scope of those services is specific to each contract.

The contracts contain minimum service requirements which place obligations on each wholesale supplier to meet basic levels of service to Over the Wire. The contracts also contain various restrictions, including restraining Over the Wire from selling any suppliers' products in a wholesale arrangement, other than in the specific circumstances described in each agreement.

This is a summary only and the provisions of each contract are not fully described. To fully understand all rights and obligations pertaining to the contracts Over the Wire has with its wholesale suppliers, it would be necessary to read them in full.

8.5 CLIENT CONTRACTS

Over the Wire enters into service agreements with clients which represent a substantial portion of annual revenue. The client agreements specify the terms and conditions of the provisions of and consideration for Over the Wire's IT and telecommunications services and are customary agreements of this nature in respect of duration, performance and termination. The particular scope of those services is specific to each contract.

The contracts contain minimum service requirements which place obligations on Over the Wire to meet basic levels of service and provide remedies to its customers in circumstances where it fails to meet the appropriate levels of service. The contracts also contain minimum levels of support to be provided by Over the Wire to its customers.

This is a summary only and the provisions of each contract are not fully described. To fully understand all rights and obligations pertaining to the contracts Over the Wire has with its customers, it would be necessary to read them in full.

8.6 ESCROW ARRANGEMENTS

Certain Existing Shareholders have been asked to enter into voluntary restriction deeds with the Company, restricting them from dealing in the Shares held by them at the date of this Prospectus.

The Founders have agreed to enter into voluntary escrow arrangements in relation to the Shares retained by them following the Company being admitted to the official list of the ASX.

Under the terms of the voluntary escrow arrangements:

(a) All of the Founders' Shares will be escrowed until release of the FY16 results; and

(b) Half of the Founders' Shares will be escrowed until release of the FY17 results.

The vendors of both of the Faktortel and Sanity Technology acquisitions have entered into voluntary escrow arrangements in relation to the Shares retained by them following the Company being admitted to the official list of the ASX. Under the terms of the voluntary escrow arrangements, 100% of the Shares issued as part of the Faktortel and Sanity Technology acquisitions will be escrowed for a period of 12 months from the date of issue.

The restriction deeds are in a form consistent with the Listing Rules and restrict applicable Existing Shareholders from disposing of, creating any security interest in or transferring effective ownership or control of, the restricted Shares.

ASIC has provided relief from chapter 6 Corporations Act to enable the Company to enter into the voluntary restriction agreements.

In addition, employees who have participated in the employee share plan (described in Section 8.10 below) are also restricted from dealing in the Shares received by them under the plan for a period of three years from the date of issue, or under such other circumstances prescribed under the share plan.

8.7 EXECUTIVE SERVICE CONTRACTS

The Company has entered into executive service agreements with key executives, which contain standard terms and conditions for agreements of this nature, including confidentiality, restraint on competition and retention of intellectual property provisions. The agreements are expressed to cover periods specific to individual appointments, but may generally be terminated by notice by either party, or earlier in the event of certain breaches of the terms and conditions.

Michael Omeros, as the Company's Chief Executive Officer and Managing Director, will be paid a total salary of $250,000 (excluding superannuation) per annum.

Brent Paddon, as an Executive Director, will be paid a total salary of $250,000 (excluding superannuation) per annum.

Mike Stabb, as the Company's Chief Financial Officer and Company Secretary, will be paid a total salary of $200,000 (excluding superannuation) per annum. In addition, a bonus payment (capped at $25,000) may be payable, subject to performance hurdles being satisfied.

Ben Cornish, as the Company's Chief Operating Officer, will be paid a total salary of $200,000 (excluding superannuation) per annum. In addition, a bonus payment (capped at $25,000) may be payable, subject to performance hurdles being satisfied.

Each executive is also eligible to participate in the Company's performance rights plan.

Details of fees payable to the Directors are set out in Section 10.9.

8.8 DEEDS OF INDEMNITY AND ACCESS

The Company has entered into standard deeds of indemnity and access with the Directors.

The Company has undertaken, consistent with the Corporations Act, to indemnify each Director in certain circumstances and to maintain directors' and officers' insurance cover in favour of the Director for seven years after the Director ceases to be a Director.

The Company has further undertaken with each Director to maintain a complete set of the Company's board papers and to make them available to the Director for seven years after the Director ceases to be a Director.

In addition, the Company may enter into standard deeds of access, insurance and indemnity on similar terms to those offered to the Directors, with appropriate executives of the Company.

8.9 PERFORMANCE RIGHTS PLAN

Prior to the date of this Prospectus, the Company established a performance rights plan in order to assist in the motivation, retention and reward of certain senior employees. The performance rights plan is designed to align the interests of employees more closely with the interests of shareholders by providing an opportunity for senior employees to receive an equity interest in the Company by the granting of performance rights. The performance rights are subject to satisfaction of certain long-term vesting conditions.

The key terms of the performance rights plan are as follows.

Eligibility	Participants must be permanent, full-time or part-time employees or executive directors of the Company or any related body corporate of the Company.
Award	Performance rights will vest and become exercisable to the extent that any applicable performance, service or other vesting condition specified at the time of grant are satisfied. The Board has the discretion to set the terms and conditions on which it will offer performance rights under the plan including the vesting conditions and waiver of the terms and conditions. The Board may determine that the performance rights will be subject to vesting conditions and, if so, will specify those vesting conditions in the offer. Vesting conditions may include conditions relating to continuous employment, performance of the participant, performance of the Company or the occurrence of specific events.
Performance rights	Upon satisfaction of any vesting conditions, each performance right will automatically convert to a share on a one-for-one basis. Performance rights do not carry any voting rights or dividend entitlements.
Vesting date	Subject to the satisfaction of any other vesting conditions (including employment conditions), performance rights will vest in a manner determined by the Board.
Shares	Shares issued under the plan on conversion of a performance right will rank equally with Shares. Depending on the terms of issue, Shares may be subject to disposal restrictions, which means that they may not be disposed or dealt with for a period of time. Shares allocated on vesting or exercise of a performance right carry the same rights and entitlements as other issued Shares including dividend and voting rights.
Quotation	Performance rights will not be quoted on the ASX. The Company will apply for official quotation of any Shares issued under the plan in accordance with the Listing Rules and having regard to any disposal restrictions.
Change in control	The Board has the discretion to accelerate vesting and performance rights in the event of certain changes of control. In addition, unvested performance rights may lapse or remain in place as the Board determines if a change in control occurs.
Restrictions	Without the prior approval of the Board, performance rights may not be sold, transferred, encumbered or otherwise dealt with and a participant cannot enter into any arrangement for the purpose of hedging or otherwise affecting their economic exposure to performance rights.
Amendments	To the extent permitted by the Listing Rules, the Board retains the discretion to vary the terms and conditions of the performance rights plan. This includes varying the number of rights or number of Shares upon a reorganisation of capital.
Other terms	The performance rights plan also contains customary and usual terms having regard to Australian law for dealing with administration, variation and termination of the performance rights plan.

Performance rights on issue

No performance rights have currently been issued by the Company, but the Board reserves the right to grant such rights from time to time (subject to obtaining any required approvals).

8.10 SHARE PLAN

Prior to the date of this Prospectus, the Company established a broad based employee share plan to assist in maintaining the Company culture of promoting employee ownership.

All qualifying employees (including non-executive directors) are eligible to participate in this plan. The plan provides for the issue of Shares with a tax effective benefit of up to $1,000 each year (subject to relevant tax law) for every participating employee providing the employee complies with the rules of the scheme.

The Company will apply a holding lock to all Shares acquired under this plan for the period from the date that the Shares are acquired by an eligible employee under the plan until the earliest of:

- the third anniversary of that date; and
- the date on which the employee ceases employment with the Company or one of its subsidiaries

During that period, the employee may not transfer the Shares or mortgage, charge, pledge, create a lien over, encumber or otherwise dispose of or deal with the Shares.

Benefits under this plan can be varied by the Board.

Shares issued under the plan

As at the date of the Prospectus, each of Over the Wire's non-director employees have become participants under the share plan.

8.11 FINANCE FACILITIES

Description

Over the Wire's financing facilities are with Australia and New Zealand Banking Group Limited as set out below. These facilities are secured.

OVER THE WIRE ENTITY	FACILITY NAME	FACILITY AMOUNT	TERM	FEES	OTHER COMMENTS
Over the Wire Holdings Limited ACN 151 872 730	ANZ Business One	$32,000	Ongoing	18.24% interest per annum, subject to change	To assist with business operations
	Indemnity/ Guarantee Facility	$138,000	Ongoing	An indemnity guarantee facility fee of 3.10% per annum payable semi-annually	To facilitate the issuing of a financial instrument to guarantee the obligations under a data centre lease
Netsip Pty Ltd 131 968 744	ANZ Business One	$1,000	Ongoing	18.24% interest per annum, subject to change	To assist with business operations
Over the Wire Pty Ltd ACN 115 387 258	ANZ Business One	$17,000	Ongoing	18.24% interest per annum, subject to change	To assist with business operations
	ANZ Tailored Business Facility	$1,500,000	5 years	A commitment fee of 1.48% per annum is payable plus a usage line fee of 2.45% per annum of the face value of the bill	Monthly facility limit reductions of $17,860 for the term of the facility are payable.

The Company also has the following financing facilities with BMW Financial Services as set out below:

OVER THE WIRE ENTITY	FACILITY NAME	FACILITY AMOUNT	TERM	FEES	OTHER COMMENTS
Over the Wire Pty Ltd ACN 115 387 258	BMW Financial Services chattel mortgage agreement	$55,957	3 years	Default rate at 8% per annum	
		$70,957	3 years	Default rate at 8% per annum	

The Company will consider ongoing debt financing arrangements, depending on progress with its acquisition strategy and availability of funding at the relevant time.

8.12 LEASES

Various Over the Wire entities (including Sanity Technology which will become part of Over the Wire upon completion of the acquisition) are parties to the leases set out below.

The leases contain standard form terms and conditions under which Over the Wire entities are required to pay outgoings in addition to rental fees, which are subject to rental review on a predetermined basis. The leases may be terminated earlier in the event of default of the Over the Wire entities, such as failure to pay rent in accordance with the terms, certain insolvency events or if the entity fails to meet their obligations under the applicable leases.

ENTITY	LOCATION	COMMENCEMENT DATE	EXPIRY DATE	OPTION TO RENEW
Over the Wire Holdings Limited ACN 151 872 730	Brisbane	12 January 2012	31 December 2016	1 x 5 years
Over The Wire Pty Ltd ACN 115 387 258	Brisbane	1 February 2010	31 January 2022	1 x 5 years
Over The Wire Pty Ltd ACN 115 387 258	Brisbane – Over the Wire Pty Ltd holds a sublease	21 December 2012	29 September 2018	1 x 5 years less one day
Faktortel Pty Ltd ABN 83 109 117 204	Gold Coast	1 May 2014	30 April 2017	1 x 3 years
Sanity Holdings Pty Ltd ACN 153 351 663	Brisbane	15 October 2015	19 October 2016	3 x 3 years

8.13 FAKTORTEL SHARE SALE AGREEMENT

On 28 July 2015, the Company completed the acquisition of Faktortel Holdings Pty Ltd (Faktortel). Faktortel runs one of Australia's largest VoIP services by offering a range of products and services to business and residential users.

The purchase price for the acquisition is approximately $5.3 million. The purchase price comprised of an initial cash payment of approximately $1.3 million on completion of the acquisition, and a deferred consideration payment to each of the vendors which is yet to be paid by the Company.

The deferred purchase consideration payment is an amount equal to approximately $4.0 million, and is to be paid to each of the vendors in the following proportions:

(a) Approximately $2.6 million in cash within seven days of Listing; and

(b) Approximately $1.4 million in Shares in the Company to be issued to the vendors under this Prospectus.

The vendors are each restrained from competing, both directly and indirectly, with the business of Faktortel in Australia for a period of five years.

The vendors have provided customary warranties including those relating to the share capital of Faktortel, that there are no liabilities or encumbrances, information relating to the accounts and records of Faktortel and tax related matters.

The impact of the acquisition is noted in the Pro Forma balance sheet in Section 5.

8.14 SANITY TECHNOLOGY SHARE SALE AGREEMENT

On 9 September 2015, the Company signed a share sale agreement for the purchase of 100% of the shares in Sanity Holdings Pty Ltd (Sanity Technology). The date for completion of the acquisition is the day upon receipt of funds from the Offer.

The purchase price for the acquisition is approximately $3.5 million.

The purchase price also includes deferred consideration payments which are to be paid by the Company to the vendor upon the release of each of the financial accounts for FY16, FY17 and FY18. The quantum of each of the deferred consideration payments will depend upon the revenue achieved by Sanity Technology in each of the respective years, however:

(a) the maximum amount of each of the respective payment will not exceed 10% of the purchase price; and

(b) no deferred consideration will be payable in circumstances where Sanity Technology fails to achieve a minimum revenue amount of $1.0 million in each applicable year.

Under the agreement, the vendor and its affiliates are restrained for five years from engaging in business similar to or in competition with the business of Sanity Technology in Australia, including being restrained from inducing an employee of Sanity Technology to terminate their employment or soliciting any clients of Sanity Technology.

The vendor has provided customary warranties including those relating to the share capital of Sanity Technology, that there are no liabilities or encumbrances, information relating to the accounts and records of Sanity Technology and tax related matters.

There are usual conditions precedent (e.g. no encumbrances, transfer of assets, no material adverse change) to the acquisition which have been satisfied prior to the issue of this Prospectus, unless otherwise agreed. If these are not met by the parties, the agreement can be terminated. Thereafter, the right for Sanity Technology to terminate the agreement is limited to the Company failing to issue Shares under this Prospectus, which must occur no later than 31 March 2016.

The impact of the Sanity Technology acquisition is noted in the Pro Forma balance sheet in Section 5.

8.15 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal office hours at the registered office of the Company for 13 months after the date of this Prospectus:

(a) the constitution of the Company; and

(b) the consents to the issue of this Prospectus.

9 DETAILS OF THE OFFER

9.1 DESCRIPTION OF THE OFFER

The Offer comprises a capital raising of $10 million, by way of an issue of Shares at $1.00 per Share.

The total number of Shares being offered under this Prospectus is therefore 10 million, for a total Offer size of $10 million.

The process for applying for Shares under the Offer is set out in Section 9.8.

Allocations must be for a minimum of 2,000 Shares ($2,000) and thereafter must be in multiples of $500.

9.2 STRUCTURE OF THE OFFER

The Offer comprises:

(a) the Broker Firm Offer, which is open to investors in Australia who have received a firm allocation of Shares from their broker; and

(b) the Institutional Offer, which consists of an invitation to certain institutional investors in Australia and certain overseas jurisdictions to apply for Shares.

The allocation of Shares between the Broker Firm Offer and the Institutional Offer will be agreed between the Lead Manager and Underwriter and the Company having regard to the allocation policies described in Sections 9.3, 9.4 and 9.7.

9.3 BROKER FIRM OFFER

Who can apply in the Broker Firm Offer?

The Broker Firm Offer is open to investors in Australia who have received a firm allocation of Shares from their broker. You should contact your broker to determine whether they may allocate Shares to you under the Broker Firm Offer.

How do I apply in the Broker Firm Offer?

You should contact your broker for information about how to submit your broker firm Application Form which accompanies this Prospectus and for payment instructions.

Your broker will act as your agent and it is your broker's responsibility to ensure that your Application Form and Application Money are submitted before 5:00pm (Brisbane time) on the Closing Date or any earlier closing date as determined by your broker. The Company, the Lead Manager and Underwriter, and the Share Registry take no responsibility for any acts or omissions on the part of your broker in connection with your application.

Allocations under the Broker Firm Offer

It is a matter for each broker as to how they allocate Shares amongst their clients, and they (and not the Company or the Lead Manager and Underwriter) will be responsible for ensuring that Australian investors who have received a firm allocation from them receive the relevant Shares. Applicants under the Broker Firm Offer will be able to confirm their allocations through the broker from whom they received those allocations. However, investors who sell Shares before receiving an initial statement of holding do so at their own risk, even if they have obtained details of their holding from their broker.

9.4 INSTITUTIONAL OFFER

The Institutional Offer consists of an invitation to certain institutional investors in Australia and certain overseas jurisdictions to apply for Shares.

Institutional investors will be advised of the application procedures by the Lead Manager and Underwriter.

The allocation of Shares among Applicants in the Institutional Offer will be determined by the Lead Manager and Underwriter in consultation with the Company. The Lead Manager and Underwriter will have absolute discretion regarding the basis of allocation of Shares, and there is no assurance that any Applicant will be allocated any Shares, or the number of Shares for which it has applied.

FOUNDERS NOT SELLING SHARES AS PART OF THE OFFER **– ALIGNED INTERESTS**

9.5 UNDERWRITING

The Offer is fully underwritten by the Lead Manager and Underwriter.

Further details of the Underwriting Agreement, including the circumstances in which the Lead Manager and Underwriter may terminate its obligations, are set out in Section 8.3.

9.6 WHAT WILL THE PROCEEDS OF THE OFFER BE USED FOR?

The table below sets out the proposed use of the proceeds from the Offer. This represents the current intentions of the Company based on its current business plan and business conditions. The amounts and timing of the actual expenditure may vary and will depend upon numerous factors.

USE OF PROCEEDS	$ RAISED
Remaining cash consideration for the acquisitions of Faktortel and Sanity Technology	$5.9 million
Geographic expansion and sales and marketing	$1.0 million
General working capital	$2.3 million
Costs of the Offer	$0.8 million
Total funds raised	$10.0 million

The Company has sufficient working capital to carry out its objectives, as detailed in this Prospectus.

9.7 ALLOCATION OF SHARES

The Lead Manager and Underwriter, after consultation with the Company, allocates Shares to Applicants under the Offer at its discretion.

The Company may allocate all, or a lesser number, of Shares for which an application has been made, accept a late application or decline an application. Where applications are scaled back, there may be a different application of the scale-back policy to each Applicant.

Where no allocation is made to a particular Applicant or the number of Shares allocated is less than the number applied for by an Applicant, surplus Application Money is returned to that Applicant. No interest is paid on refunded Application Money. Any interest earned on Application Money is the property of the Company.

Successful Applicants are given written notice of the number of Shares allocated to them as soon as possible after the Closing Date. It is the responsibility of Applicants to confirm the number of Shares allocated to them before trading in Shares. Applicants who sell Shares before they receive notice of the Shares allocated to them do so at their own risk.

If the Company's application for admission to ASX is denied, or for any reason this Offer does not proceed, all Application Money is refunded in full without interest.

9.8 HOW TO APPLY

Applications may only be made on the Application Form attached to or accompanying this Prospectus or in its paper copy form as downloaded in its entirety from *www.overthewire.com.au*. Detailed instructions on how to complete the Application Form are set out on the reverse of the Application Form.

The Offer Price is $1.00 per Share. Applications must be for a minimum of 2,000 Shares ($2,000) and thereafter in multiples of $500.

Broker firm applicants

If you have received a firm allocation of Shares from your broker:

(a) your application cheque must be made **payable to the broker** (not to 'Over the Wire Holdings Limited'); and

(b) your completed Application Form and cheque must be **delivered to the broker** directly (not to the share registry).

Applicants who receive a firm allocation of Shares must lodge their Application Form and Application Money with the relevant broker under the relevant broker's directions in order to receive their firm allocation. Your broker acts as your agent in submitting your application.

The Company, the share registry and the Lead Manager and Underwriter take no responsibility for any acts or omissions by your broker in connection with your Application, Application Form or Application Money.

The procedure should be explained to you in further detail by your broker. If you have a firm allocation of Shares and are in any doubt about what action to take, you should immediately contact the broker who has made you the firm offer.

Investor Directed Portfolio Service

An investor directed portfolio service (IDPS) is an investment reporting service offered by an operator. People who invest through an IDPS are indirect investors.

Investors who gain exposure to the Company through an IDPS master trust or wrap account do not themselves become Shareholders in the Company. It is generally the operator of the investing IDPS (or its custodian or nominee) that becomes a Shareholder. It then exercises its rights as Shareholder under its arrangements with the investor.

Indirect investors complete the application form for the IDPS and receive reports from the operator, not the Company.

When investing through an IDPS master trust or wrap account, indirect investors must complete the documents required by the operator of these services. They are not required to complete the Application Form. Enquiries should be directed to the IDPS operator.

Validity of Application Forms

An Application Form may only be distributed with, attached to or accompany a complete and unaltered copy of this Prospectus.

By completing and lodging an Application Form received with this Prospectus, the Applicant represents and warrants that the Applicant has personally received a complete and unaltered copy of this Prospectus before completing the Application Form.

The Company does not accept a completed Application Form if it has reason to believe the Applicant has not received a complete copy of the Prospectus or it has reason to believe that the Application Form has been altered or tampered with in any way.

An Application Form is an irrevocable acceptance of the Offer.

9.9 ASX LISTING

An application will be made to ASX not later than seven days after the date of this Prospectus for the Company to be admitted to ASX, and for official quotation of the Shares. Acceptance of the application by ASX is not a representation by ASX about the merits of the Company or the Shares. Official quotation of Shares, if granted, commences as soon as practicable after the issue of initial shareholding statements to successful Applicants.

It is expected that trading of the Shares on ASX will commence on or about 3 December 2015.

If permission is not granted for official quotation of the Shares on ASX within three months of the date of this Prospectus, all Application Money received is refunded without interest as soon as practicable under the requirements of the Corporations Act.

9.10 CHESS

The Company will apply for the Shares to participate in CHESS. Applicants who are issued Shares under this Offer will receive shareholding statements in lieu of share certificates. They set out the number of Shares issued to each successful Applicant.

The shareholding statement also provides details of the Shareholder's HIN (in the case of a holding on the CHESS sub-register) or SRN (in the case of a holding on the issuer sponsored sub-register).

In future, Shareholders need to quote their HIN or SRN, as applicable, in all dealings with a stockbroker or the share registry. Further statements are given to Shareholders showing changes in their shareholding during a particular month. Additional statements may be requested at any time, although the Company reserves the right to charge a fee for them.

9.11 WITHDRAWAL

The Company reserves the right to withdraw the Offer, at any time before the allotment of Shares. If the Offer does not proceed, the Application Money is refunded. No interest is paid on any Application Money refunded as a result of the withdrawal of the Offer.

9.12 TAXATION CONSIDERATIONS

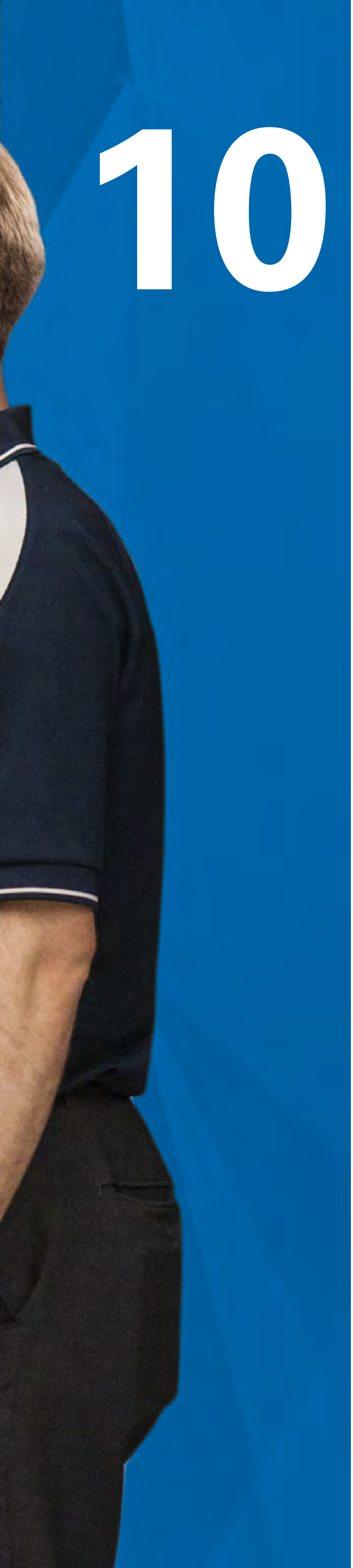
The taxation consequences of an investment in the Company depend upon the investor's particular circumstances. Investors should make their own enquiries about the taxation consequences of an investment in the Company. If you are in doubt as to the course you should follow, you should consult your accountant, stockbroker, lawyer or other professional adviser.

9.13 FOREIGN SELLING RESTRICTIONS

No action has been taken to register or qualify the Shares or the Offer in any jurisdiction outside Australia, or otherwise to permit an offering of the Shares outside Australia, other than to institutional investors.

The Prospectus does not constitute an offer or invitation in any jurisdiction where, or to any person to whom, the offer or invitation would be unlawful. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of those restrictions. Any failure to comply with the restrictions may constitute a violation of applicable securities laws.

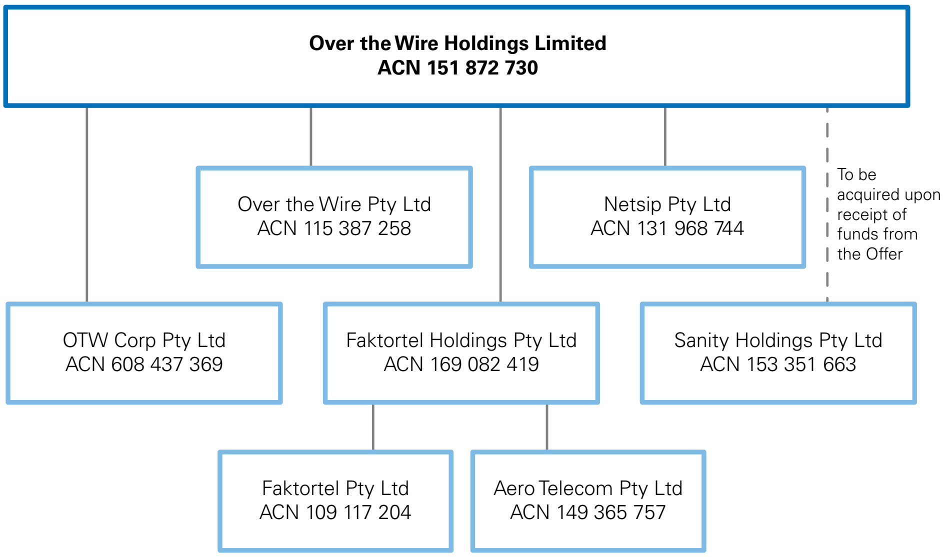
Each Applicant warrants and represents that the Applicant will not offer or sell the Shares in the United States or in any other jurisdiction outside Australia or to a United States person, except in transactions exempt from registration under the US Securities Act 1933 as amended, and in compliance with all applicable laws in the jurisdiction in which the Shares are offered and sold.



10

ADDITIONAL INFORMATION

10.1 ORGANISATIONAL CHART



10.2 RECENT TRANSACTIONS

The Company's recent transactions include the acquisitions of Faktortel and Sanity Technology, which are described at Sections 8.13 and 8.14.

The Company resolved on 29 October 2015 that the 100,000 Shares then on issue in the Company, be subdivided into 31,724,973 Shares.

10.3 RIGHTS ATTACHING TO SHARES

The rights attaching to Shares in the Company are set out in the constitution and summarised in Section 8.2 of this Prospectus.

10.4 SHAREHOLDING QUALIFICATIONS

Directors are not required under the constitution to hold any Shares.

10.5 LITIGATION

To the best of the Director's knowledge and belief, no litigation is currently underway or threatened against the Company.

10.6 CONSENTS AND DISCLAIMERS OF RESPONSIBILITY

None of the parties referred to below has made any statement that is included in this Prospectus or any statement on which a statement made in this Prospectus is based, except as specified below. Each of the parties referred to below, to the maximum extent permitted by law, expressly disclaims, and takes no responsibility for, any part of this Prospectus, other than the reference to its name and a statement included in this Prospectus with the consent of that party, as specified below.

Integra Advisory Partners Pty Ltd has given, and has not withdrawn, its written consent to be named as Lead Manager and Underwriter to the Offer in the form and context in which it is named.

McCullough Robertson has given, and has not withdrawn, its written consent to be named as lawyers to the Company in the form and context in which it is named.

PKF Hacketts Audit has given, and has not withdrawn, its written consent to be named as Investigating Accountant, in the form and context in which it is named and for the inclusion of its Investigating Accountant's Report on the Historical Financial Information in Section 7 of this Prospectus in the form and context in which it is included.

PKF Hacketts Audit has given, and not withdrawn, its written consent to be named as auditor in the form and context in which it is named.

DMR Corporate Pty Ltd has given, and not withdrawn, its written consent to be named in the form and context in which it is named and for the inclusion of its Investigating Accountant's Report on the Forecast Financial Information in Section 7 of this Prospectus in the form and context in which it is included.

Link Market Services Limited has given, and not withdrawn, its written consent to be named as share registrar in the form and context in which it is named.

10.7 INTERESTS OF EXPERTS AND ADVISERS

Except as set out in this Prospectus, no person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus:

(a) has any interest or has had any interest during the last two years, in the formation or promotion of Over the Wire, or in property acquired or proposed to be acquired by Over the Wire in connection with its formation or promotion, or the Offer of the Shares; and

(b) no amount has been paid or agreed to be paid, and no benefit has been given, or agreed to be given, to any of those persons in connection with the services provided by the person in connection with the formation or promotion of Over the Wire, or the Offer of the Shares.

Integra Advisory Partners Pty Ltd has acted as Lead Manager and Underwriter to the Offer. Integra Advisory Partners Pty Ltd will be paid a management and underwriting fee, details of which are disclosed in Section 8.3 of this Prospectus.

McCullough Robertson has acted as legal adviser to the Company in relation to the Offer and has been involved in undertaking due diligence enquiries and providing legal advice on the Offer. McCullough Robertson will be paid an amount of $87,500 (excluding GST) for these services. McCullough Robertson has also provided services relating to the acquisitions of Faktortel and Sanity Technology and will be paid an amount of $35,000 (excluding GST) for these services. Further amounts may be paid to McCullough Robertson in accordance with their normal time-based charges.

PKF Hacketts Audit has acted as Investigating Accountant to the Offer and has prepared the Investigating Accountant's Report on the Historical Financial Information in Section 7 and performed work on due diligence enquiries. PKF Hacketts Audit will be paid an estimated fee of $46,000 for these services. Further amounts may be paid to PKF Hacketts Audit in accordance with their normal time-based charges.

PKF Hacketts Audit has acted as independent auditor to the Company. PKF Hacketts Audit will be paid an estimated fee of $54,500 (GST exclusive) for the audit of the financial report for the year ended 30 June 2015. Further amounts may be paid to PKF Hacketts Audit in accordance with their normal time-based charges.

DMR Corporate Pty Ltd has been engaged by the Company to assist with the review of Over the Wire's Pro Forma forecast information and has prepared the Investigating Accountant's Report on the Forecast Financial Information in Section 7. DMR Corporate Pty Ltd will be paid an estimated fee of $17,500 (GST exclusive) for these services.

10.8 SUBSTANTIAL SHAREHOLDERS

It is expected that the following Shareholders will have a substantial holding in the Company following completion of the Offer:

SHAREHOLDER	SHARES	PERCENTAGE INTEREST
Michael Omeros in his own capacity and as trustee for the Milimais Investments Trust	15,107,115	34.73%
Brent Paddon in his own capacity and as trustee for the Brent Paddon Family Trust	15,107,115	34.73%

The above assumes no additional participation by these Shareholders in the Offer.

Final holdings of all substantial Shareholders will be notified to the ASX on the Company's listing.

10.9 INTERESTS OF DIRECTORS

Other than as set out above or elsewhere in this Prospectus:

(a) no Director or proposed Director of Over the Wire has, or has had in the two years before lodgement of this Prospectus, any interest in the formation or promotion of Over the Wire, or the Offer of Shares, or in any property proposed to be acquired by Over the Wire in connection with information or promotion of the Offer of the Shares; and

(b) no amounts have been paid or agreed to be paid and no benefit has been given or agreed to be given, to any Director or proposed Director of Over the Wire either to induce him or her to become, or to qualify him or her as a Director, or otherwise for services rendered by him or her in connection with the promotion or formation of Over the Wire or the Offer of Shares.

Shareholdings

The Directors of the Company or their associates have a beneficial interest in the following Shares in the Company at the date of this Prospectus:

SHAREHOLDER	SHARES	NUMBER OF SHARES
Michael Omeros	Personally and as trustee for the Milimais Investments Trust	15,107,115
Brent Paddon	Personally and as trustee for the Brent Paddon Family Trust	15,107,115
John Puttick	Not applicable	Nil
Susan Forrester	Not applicable	Nil

The Directors reserve the right to apply for further shares under the Offer.

Transactions with related parties

Except as otherwise set out in Sections 8 and 10, there are currently no arrangements between Over the Wire and its Directors, or other related parties.

Payments to Directors

The constitution of the Company provides that the Directors may be paid, as remuneration for their services, a sum set from time to time by the Company's Shareholders in general meeting, with that sum to be divided among the Directors as they agree.

The maximum aggregate amount which has been approved by the Company's Shareholders for payment to the Directors is $250,000 per annum. The current Non-Executive Directors fees are $75,000 per annum for the Chairman and $50,000 per annum for a non-executive director (excluding superannuation).

10.10 EXPENSES OF THE OFFER

The total estimated expenses of the Offer payable by the Company including ASX and ASIC fees, underwriting fees, accounting fees, legal fees, share registry fees, printing costs, public relations costs and other miscellaneous expenses are estimated to be approximately $0.8 million.

10.11 ELECTRONIC PROSPECTUS

This Prospectus is available in electronic form at *www.overthewire.com.au*. Any person receiving this Prospectus electronically will, on request, be sent a paper copy of the Prospectus by the Company free of charge during the period of the Offer.

Applications must be made by completing a paper copy of the Application Form. The Company does not accept Application Forms electronically.

The Application Form may only be distributed attached to a complete and unaltered copy of the Prospectus. The Application Form included with this Prospectus contains a declaration that the investor has personally received the complete and unaltered Prospectus before completing the Application Form.

The Company will not accept a completed Application Form if it has reason to believe that the Applicant has not received a complete paper copy or electronic copy of the Prospectus or if it has reason to believe that the Application Form or electronic copy of the Prospectus has been altered or tampered with in any way.

While the Company believes that it is extremely unlikely that during the period of the Offer the electronic version of the Prospectus will be tampered with or altered in any way, the Company cannot give any absolute assurance that this will not occur. Any investor in doubt about the validity or integrity of an electronic copy of the Prospectus should immediately request a paper copy of the Prospectus directly from the Company or a financial adviser.

10.12 PRIVACY

When applying for Shares in the Company, Applicants will be asked to provide personal information to Over the Wire directly, and through the share registry, such as name, address, telephone and fax numbers, tax file number and account details. The Company and the share registry collect, hold and use that personal information to assess Applications, provide facilities and services to Applicants and undertake administration. Access to information may be disclosed by the Company to its agents and service providers on the basis that they deal with the information under the Privacy Act 1988 (Cth). If the personal information provided is incomplete or inaccurate applications may not be processed. The Company's privacy policy sets out how Applicants may request access to and correction of their personal information held by or on behalf of the Company (by contacting the share registry), how Applicants can complain about privacy related matters and how the Company responds to complaints.

10.13 AUTHORISATION

This Prospectus is issued by the Company. Each Director has consented to the lodgement of the Prospectus with ASIC.

Dated 3 November 2015

John Puttick

Chairman

11

GLOSSARY

ACMA	means the Australian Communications and Media Authority.
ADSL	means an Asymmetric Digital Subscriber Line which is a data communications technology that enables fast data transmission over copper telephone lines.
AGM	means Annual General Meeting.
Applicant	means a person or entity who submits an Application Form.
Application Form	means an application form attached to this Prospectus.
Application Money	means the money received by the Company under the Offer, being the Offer Price multiplied by the number of Shares applied for.
ASIC	means Australian Securities and Investments Commission.
ASX	means ASX Limited ACN 008 624 691 or the securities exchange operated by it (as the case requires).
ASX Settlement	means ASX Settlement Pty Ltd ACN 008 504 532.
ASX Settlement Operating Rules	means the ASX Settlement Operating Rules, being the operating rules of the Settlement Facility for the purposes of the Corporations Act.
Board	means the board of directors of the Company.
Broker Firm Offer	means the invitation to investors in Australia who have received a firm allocation of Shares from their broker, as described in Section 9.3.
CAGR	means Compound Annual Growth Rate.
CHESS	means Clearing House Electronic Subregister System, operated by ASX Settlement.
Closing Date	means the date on which the Offer closes, being 25 November 2015, or another date nominated by the Company in consultation with the Lead Manager and Underwriter.
Company	means Over the Wire Holdings Limited ACN 115 872 730.
Corporations Act	means Corporations Act 2001 (Cth).
Directors	means the directors of the Company.
DvP	means Delivery versus Payment settlement procedure.
EBITDA	means Earnings Before Interest, income Tax, Depreciation and Amortisation.
Enterprise Value	means the total value of a company, calculated as the market capitalisation plus debt, minority interest and preferred shares, minus total cash and cash equivalents.
ESP	means Over the Wire's Employee Share Plan described in Section 8.10.
Existing Shareholders	means the holders of Shares before the date of this Prospectus.

Faktortel	means Faktortel Holdings Pty Ltd ACN 169 082 419 and its controlled entities.
Founders	means: (a) Michael Omeros; (b) Brent Paddon; and (c) Jay Binks.
IaaS	means Infrastructure as a Service, being a form of cloud computing that provides virtualised computing resources. IaaS is one of three main categories of cloud computing services, alongside SaaS and PaaS.
Institutional Offer	means the invitation to institutional investors in Australia and certain overseas jurisdictions, described in Section 9.4.
IP	means Internet Protocol.
Listing	means the listing of the Company on ASX.
Listing Rules	means the listing rules of ASX.
MPLS	means a MultiProtocol Label Switching network that is a mechanism in high-performance telecommunications networks that directs data from one network node to the next based on short path labels rather than long network addresses.
NPAT	means Net Profit After Tax.
NPATA	means Net Profit After Tax before acquired Amortisation (after tax)
NPBT	means Net Profit Before Tax.
Offer	means the offer of Shares under this Prospectus, comprising the Institutional Offer and the Broker Firm Offer.
Offer Price	means $1.00 per Share.
Over the Wire	means the Company and its controlled entities (including Faktortel and Sanity Technology).
PaaS	means Platform as a Service, being a category of cloud computing services that provides a platform allowing customers to develop, run and manage web applications without the complexity of building and maintaining the infrastructure typically associated with developing and launching an application.
PBX	means Private Branch eXchange, being a telephone system within an enterprise that switches calls between enterprise users on local lines while allowing all users to share a certain number of external phone lines.
POP	means Point Of Presence and refers to the point at which two or more different networks or communication devices build a connection with each other.
Pro Forma	means an adjusted, consolidated view of the results of Over the Wire, assuming completion of the Faktortel and Sanity Technology acquisitions on 1 July 2012 and as if all controlled entities acquired had been controlled for the entire comparative period, and may include various adjustments which facilitate like-for-like year-on-year comparisons to be made.

PSTN	means Public Switched Telephone Network.
Prospectus	means this prospectus.
PRP	means Over the Wire's Performance Rights Plan described in Section 8.9.
QoS	means Quality of Service, which involves controlling and managing network resources by setting priorities for specific types of data on the network.
SaaS	means Software as a Service, which is a way of delivering applications over the internet as a service, freeing users of complex software and hardware management.
Sanity Technology	means Sanity Holdings Pty Ltd ACN 153 351 663.
Settlement Facility	has the meaning specified in the ASX Settlement Operating Rules.
Share Registry	means Link Market Services Limited ACN 083 214 537.
Shareholders	means holders of Shares.
Shares	means fully paid ordinary shares in the Company.
SIP	means Session Initiation Protocol, being a communications protocol for signalling and controlling multimedia communication sessions. The most common applications of SIP are in internet telephony for voice and video calls, as well as instant messaging over IP networks.
SME	means a Small or Medium-sized Enterprise.
Statutory	means the results of Over the Wire under the Australian Accounting Standards including the contribution of acquisitions for the period from which control is acquired.
Underwriter or Lead Manager and Underwriter	means Integra Advisory Partners Pty Ltd ACN 159 436 450.
Us or we	means the Company.
VoIP	means Voice over Internet Protocol, and is a methodology and group of technologies for the delivery of voice communications and multimedia sessions over IP networks, such as the Internet.
WAN	means Wide Area Network, being a telecommunications or computer network that extends over a large geographical distance.
You	means the investors under this Prospectus.

Broker Code

Adviser Code

Over the Wire Holdings Limited
ACN 151 872 730

Broker Firm Offer Application Form

This is an Application Form for Shares in Over the Wire Holdings Limited under the Broker Firm Offer on the terms set out in the Prospectus dated 3 November 2015. You may apply for a minimum of 2,000 Shares and multiples of 500 thereafter. This Application Form and your cheque or bank draft must be received by your Broker by the deadline set out in their offer to you.

If you are in doubt as to how to deal with this Application Form, please contact your accountant, lawyer, stockbroker or other professional adviser. The Prospectus contains information relevant to a decision to invest in Shares and you should read the entire Prospectus carefully before applying for Shares.

A Shares applied for , , at Price per Share **A$1.00** **B** Application Monies **A$** , , .

(minimum 2,000 Shares, thereafter in multiples of 500)

PLEASE COMPLETE YOUR DETAILS BELOW (refer overleaf for correct forms of registrable names)

C

Applicant #1

Surname/Company Name

Title First Name Middle Name

Joint Applicant #2

Surname

Title First Name Middle Name

Designated account e.g. <Super Fund> (or Joint Applicant #3)

D

TFN/ABN/Exemption Code

First Applicant Joint Applicant #2 Joint Applicant #3

TFN/ABN type – if NOT an individual, please mark the appropriate box ☐ Company ☐ Partnership ☐ Trust ☐ Super Fund

E

PLEASE COMPLETE ADDRESS DETAILS

PO Box/RMB/Locked Bag/Care of (c/-)/Property name/Building name (if applicable)

Unit Number/Level Street Number Street Name

Suburb/City or Town State Postcode

Email address (only for purpose of electronic communication of shareholder information)

F

CHESS HIN (if you want to add this holding to a specific CHESS holder, write the number here)

X

Please note: that if you supply a CHESS HIN but the name and address details on your Application Form do not correspond exactly with the registration details held at CHESS, your Application will be deemed to be made without the CHESS HIN and any Shares issued as a result of the Offer will be held on the issuer sponsored sub-register.

G

Telephone Number where you can be contacted during Business Hours Contact Name (PRINT)

( )

Cheques or bank drafts should be drawn up according to the instructions given by your Broker.

H

Cheque or Bank Draft Number BSB - Account Number

Total Amount **A$** , , .

LODGEMENT INSTRUCTIONS

You must return your application so it is received by your Broker by the deadline set out in their offer to you.

OTW BRO001

Your Guide to the Application Form

Please complete all relevant white sections of the Application Form in BLOCK LETTERS, using black or blue ink. These instructions are cross-referenced to each section of the form.

The Shares to which this Application Form relates are Over the Wire Holdings Limited ("Over the Wire") Shares. Further details about the Shares are contained in the Prospectus dated 3 November 2015 issued by Over the Wire Holdings Limited. The Prospectus will expire 13 months after the date of this Prospectus.. While the Prospectus is current, Over the Wire Holdings Limited will send paper copies of the Prospectus, any supplementary document and the Application Form, free of charge on request.

The Australian Securities and Investments Commission requires that a person who provides access to an electronic application form must provide access, by the same means and at the same time, to the relevant Prospectus. This Application Form is included in the Prospectus.

The Prospectus contains important information about investing in the Shares. You should read the Prospectus before applying for Shares.

A Insert the number of Shares you wish to apply for. The Application must be for a minimum of 2,000 Shares and thereafter in multiples of 500. You may be issued all of the Shares applied for or a lesser number.

B Insert the relevant amount of Application Monies. To calculate your Application Monies, multiply the number of Shares applied for by the issue price. Amounts should be in Australian dollars. Please make sure the amount of your cheque or bank draft equals this amount.

C Write the full name you wish to appear on the register of Shares. This must be either your own name or the name of a company. Up to three joint Applicants may register. You should refer to the table below for the correct registrable title.

D Enter your Tax File Number (TFN) or exemption category. Business enterprises may alternatively quote their Australian Business Number (ABN). Where applicable, please enter the TFN or ABN for each joint Applicant. Collection of TFN(s) and ABN(s) is authorised by taxation laws. Quotation of TFN(s) and ABN(s) is not compulsory and will not affect your Application. However, if these are not provided, Over the Wire Holdings Limited will be required to deduct tax at the highest marginal rate of tax (including the Medicare Levy) from payments.

E Please enter your postal address for all correspondence. All communications to you from Over the Wire Holdings Limited and the Share Registry will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.

F If you are already a CHESS participant or sponsored by a CHESS participant, write your Holder Identification Number (HIN) here. If the name or address recorded on CHESS for this HIN is different to the details given on this form, your Shares will be issued to Over the Wire Holdings Limited's issuer sponsored subregister.

G Please enter your telephone number(s), area code and contact name in case we need to contact you in relation to your Application.

H Please complete the details of your cheque or bank draft in this section. The total amount of your cheque or bank draft should agree with the amount shown in section B.

If you receive a firm allocation of Shares from your Broker make your cheque payable to your Broker in accordance with their instructions.

CORRECT FORMS OF REGISTRABLE NAMES

Note that ONLY legal entities are allowed to hold Shares. Applications must be in the name(s) of natural persons or companies. At least one full given name and the surname is required for each natural person. The name of the beneficiary or any other non-registrable name may be included by way of an account designation if completed exactly as described in the examples of correct forms below.

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Individual Use given names in full, not initials	Mrs Katherine Clare Edwards	K C Edwards
Company Use Company's full title, not abbreviations	Liz Biz Pty Ltd	Liz Biz P/L or Liz Biz Co.
Joint Holdings Use full and complete names	Mr Peter Paul Tranche & Ms Mary Orlando Tranche	Peter Paul & Mary Tranche
Trusts Use the trustee(s) personal name(s)	Mrs Alessandra Herbert Smith <Alessandra Smith A/C>	Alessandra Smith Family Trust
Deceased Estates Use the executor(s) personal name(s)	Ms Sophia Garnet Post & Mr Alexander Traverse Post <Est Harold Post A/C>	Estate of late Harold Post or Harold Post Deceased
Minor (a person under the age of 18 years) Use the name of a responsible adult with an appropriate designation	Mrs Sally Hamilton <Henry Hamilton>	Master Henry Hamilton
Partnerships Use the partners' personal names	Mr Frederick Samuel Smith & Mr Samuel Lawrence Smith <Fred Smith & Son A/C>	Fred Smith & Son
Long Names	Mr Hugh Adrian John Smith-Jones	Mr Hugh A J Smith Jones
Clubs/Unincorporated Bodies/Business Names Use office bearer(s) personal name(s)	Mr Alistair Edward Lilley <Vintage Wine Club A/C>	Vintage Wine Club
Superannuation Funds Use the name of the trustee of the fund	XYZ Pty Ltd <Super Fund A/C>	XYZ Pty Ltd Superannuation Fund

Put the name(s) of any joint Applicant(s) and/or account description using < > as indicated above in designated spaces at section C on the Application Form.

OvertheWire

Over the Wire Holdings Limited
ACN 151 872 730

Broker Code

Adviser Code

Broker Firm Offer Application Form

This is an Application Form for Shares in Over the Wire Holdings Limited under the Broker Firm Offer on the terms set out in the Prospectus dated 3 November 2015. You may apply for a minimum of 2,000 Shares and multiples of 500 thereafter. This Application Form and your cheque or bank draft must be received by your Broker by the deadline set out in their offer to you.
If you are in doubt as to how to deal with this Application Form, please contact your accountant, lawyer, stockbroker or other professional adviser. The Prospectus contains information relevant to a decision to invest in Shares and you should read the entire Prospectus carefully before applying for Shares.

A Shares applied for , , at Price per Share **A$1.00** **B** Application Monies **A$** , , .

(minimum 2,000 Shares, thereafter in multiples of 500)

PLEASE COMPLETE YOUR DETAILS BELOW (refer overleaf for correct forms of registrable names)

C

Applicant #1
Surname/Company Name

Title First Name Middle Name

Joint Applicant #2
Surname

Title First Name Middle Name

Designated account e.g. <Super Fund> (or Joint Applicant #3)

D

TFN/ABN/Exemption Code
First Applicant Joint Applicant #2 Joint Applicant #3

TFN/ABN type – if NOT an individual, please mark the appropriate box ☐ Company ☐ Partnership ☐ Trust ☐ Super Fund

E

PLEASE COMPLETE ADDRESS DETAILS
PO Box/RMB/Locked Bag/Care of (c/-)/Property name/Building name (if applicable)

Unit Number/Level Street Number Street Name

Suburb/City or Town State Postcode

Email address (only for purpose of electronic communication of shareholder information)

F

CHESS HIN (if you want to add this holding to a specific CHESS holder, write the number here)

X

Please note: that if you supply a CHESS HIN but the name and address details on your Application Form do not correspond exactly with the registration details held at CHESS, your Application will be deemed to be made without the CHESS HIN and any Shares issued as a result of the Offer will be held on the issuer sponsored sub-register.

G

Telephone Number where you can be contacted during Business Hours ( ) Contact Name (PRINT)

Cheques or bank drafts should be drawn up according to the instructions given by your Broker.

H

Cheque or Bank Draft Number BSB - Account Number

Total Amount **A$** , , .

LODGEMENT INSTRUCTIONS
You must return your application so it is received by your Broker by the deadline set out in their offer to you.

OTW BRO001

Your Guide to the Application Form

Please complete all relevant white sections of the Application Form in BLOCK LETTERS, using black or blue ink. These instructions are cross-referenced to each section of the form.

The Shares to which this Application Form relates are Over the Wire Holdings Limited ("Over the Wire") Shares. Further details about the Shares are contained in the Prospectus dated 3 November 2015 issued by Over the Wire Holdings Limited. The Prospectus will expire 13 months after the date of this Prospectus.. While the Prospectus is current, Over the Wire Holdings Limited will send paper copies of the Prospectus, any supplementary document and the Application Form, free of charge on request.

The Australian Securities and Investments Commission requires that a person who provides access to an electronic application form must provide access, by the same means and at the same time, to the relevant Prospectus. This Application Form is included in the Prospectus.

The Prospectus contains important information about investing in the Shares. You should read the Prospectus before applying for Shares.

A Insert the number of Shares you wish to apply for. The Application must be for a minimum of 2,000 Shares and thereafter in multiples of 500. You may be issued all of the Shares applied for or a lesser number.

B Insert the relevant amount of Application Monies. To calculate your Application Monies, multiply the number of Shares applied for by the issue price. Amounts should be in Australian dollars. Please make sure the amount of your cheque or bank draft equals this amount.

C Write the full name you wish to appear on the register of Shares. This must be either your own name or the name of a company. Up to three joint Applicants may register. You should refer to the table below for the correct registrable title.

D Enter your Tax File Number (TFN) or exemption category. Business enterprises may alternatively quote their Australian Business Number (ABN). Where applicable, please enter the TFN or ABN for each joint Applicant. Collection of TFN(s) and ABN(s) is authorised by taxation laws. Quotation of TFN(s) and ABN(s) is not compulsory and will not affect your Application. However, if these are not provided, Over the Wire Holdings Limited will be required to deduct tax at the highest marginal rate of tax (including the Medicare Levy) from payments.

E Please enter your postal address for all correspondence. All communications to you from Over the Wire Holdings Limited and the Share Registry will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.

F If you are already a CHESS participant or sponsored by a CHESS participant, write your Holder Identification Number (HIN) here. If the name or address recorded on CHESS for this HIN is different to the details given on this form, your Shares will be issued to Over the Wire Holdings Limited's issuer sponsored subregister.

G Please enter your telephone number(s), area code and contact name in case we need to contact you in relation to your Application.

H Please complete the details of your cheque or bank draft in this section. The total amount of your cheque or bank draft should agree with the amount shown in section B.

If you receive a firm allocation of Shares from your Broker make your cheque payable to your Broker in accordance with their instructions.

CORRECT FORMS OF REGISTRABLE NAMES

Note that ONLY legal entities are allowed to hold Shares. Applications must be in the name(s) of natural persons or companies. At least one full given name and the surname is required for each natural person. The name of the beneficiary or any other non-registrable name may be included by way of an account designation if completed exactly as described in the examples of correct forms below.

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Individual Use given names in full, not initials	Mrs Katherine Clare Edwards	K C Edwards
Company Use Company's full title, not abbreviations	Liz Biz Pty Ltd	Liz Biz P/L or Liz Biz Co.
Joint Holdings Use full and complete names	Mr Peter Paul Tranche & Ms Mary Orlando Tranche	Peter Paul & Mary Tranche
Trusts Use the trustee(s) personal name(s)	Mrs Alessandra Herbert Smith <Alessandra Smith A/C>	Alessandra Smith Family Trust
Deceased Estates Use the executor(s) personal name(s)	Ms Sophia Garnet Post & Mr Alexander Traverse Post <Est Harold Post A/C>	Estate of late Harold Post or Harold Post Deceased
Minor (a person under the age of 18 years) Use the name of a responsible adult with an appropriate designation	Mrs Sally Hamilton <Henry Hamilton>	Master Henry Hamilton
Partnerships Use the partners' personal names	Mr Frederick Samuel Smith & Mr Samuel Lawrence Smith <Fred Smith & Son A/C>	Fred Smith & Son
Long Names	Mr Hugh Adrian John Smith-Jones	Mr Hugh A J Smith Jones
Clubs/Unincorporated Bodies/Business Names Use office bearer(s) personal name(s)	Mr Alistair Edward Lilley <Vintage Wine Club A/C>	Vintage Wine Club
Superannuation Funds Use the name of the trustee of the fund	XYZ Pty Ltd <Super Fund A/C>	XYZ Pty Ltd Superannuation Fund

Put the name(s) of any joint Applicant(s) and/or account description using < > as indicated above in designated spaces at section C on the Application Form.

CORPORATE DIRECTORY

COMPANY

Over the Wire Holdings Limited

ACN 151 872 730
Level 1, 24 Little Edward Street
Spring Hill QLD 4000
www.overthewire.com.au

DIRECTORS

Dr John Puttick (Non-Executive Chairman)

Mr Michael Omeros (Managing Director and Chief Executive Officer)

Mr Brent Paddon (Executive Director)

Ms Susan Forrester (Non-Executive Director)

MANAGEMENT

Mr Michael Omeros (Managing Director and Chief Executive Officer)

Mr Brent Paddon (Executive Director)

Mr Mike Stabb (Chief Financial Officer and Company Secretary)

Mr Ben Cornish (Chief Operating Officer)

SHARE REGISTRY

Link Market Services Limited
ACN 083 214 537
Level 15, 324 Queen Street
Brisbane QLD 4000
www.linkmarketservices.com.au

LEAD MANAGER AND UNDERWRITER TO THE OFFER

Integra Advisory Partners Pty Ltd

Authorised Representative
(426071) of AFS Licence
No. 240877

ACN 159 436 450
210 Alice Street
Brisbane QLD 4000
www.integraadvisory.com.au

AUDITOR

PKF Hacketts Audit
ABN 33 873 151 348
Level 6, 10 Eagle Street
Brisbane QLD 4000
www.pkf.com.au

INVESTIGATING ACCOUNTANTS

PKF Hacketts Audit
ABN 33 873 151 348
Level 6, 10 Eagle Street
Brisbane QLD 4000
www.pkf.com.au

DMR Corporate Pty Ltd
ACN 063 564 045
Level 12, 440 Collins Street
Melbourne VIC 3000
www.pkf.com.au

LAWYERS TO THE OFFER

McCullough Robertson

ABN 42 721 345 951
Level 11, Central Plaza Two
66 Eagle Street
Brisbane QLD 4000
www.mccullough.com.au

Over the Wire Holdings Limited
Level 1, 24 Little Edward Street
Spring Hill QLD 4000
www.overthewire.com.au