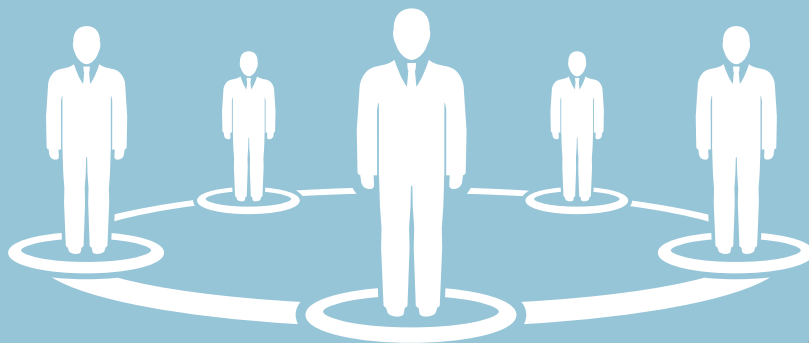


# OUR VISION OUR FUTURE

ANNUAL REPORT  
2014-2015

# INVESTING IN PEOPLE AND INFRASTRUCTURE

\$1.8 million was reinvested in our business  
to support future growth.

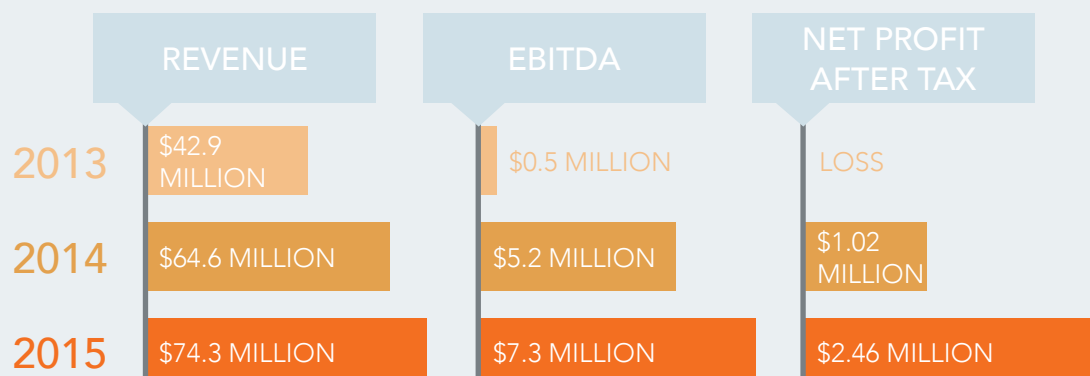


## DELIVERING ON M2M

Secured agreements with over a  
quarter of the world's top ranking  
network operators by expected  
revenue from M2M in 2022.



## YEAR-OVER-YEAR GROWTH



# FIXED WIRELESS

The nbn™ fixed-wireless rollout is expanding and we anticipate substantial volume increases in FY16.



# BROADBAND

Achieved higher sales of powerline devices and ADSL/VDSL products to Internet service providers.

## OUTSTANDING FINANCIAL PERFORMANCE



9.8%



15.1%



39.8%



142.0%



142.8%



# 01

## TABLE OF CONTENTS

---

02.	OUR BUSINESS	2
03.	CHAIRMAN'S REPORT	4
04.	CEO'S REPORT	8
05.	YEAR IN REVIEW	12
06.	STRATEGIC DIRECTION	14
07.	BUILDING A SMART WORLD	19
08.	CONNECTING THE LAST 10%	23
09.	THE ECONOMIC IMPACT OF M2M	27
10.	LEADING INNOVATION	28
11.	BOARD OF DIRECTORS	30
12.	FINANCIALS	33

# 02

## OUR BUSINESS

---



## OUR BUSINESS

NetComm Wireless innovates wireless technologies that enable new ways of doing business.

NetComm Wireless (ASX: NTC) is a leading developer of wireless Machine-to-Machine (M2M) and 4G Rural Broadband fixed-wireless devices that underpin an increasingly connected world.

Leading telecommunications carriers, core network providers and system integrators utilise our solutions to optimise network performance and to support their connected products and services in the wireless M2M and Fixed Wireless markets.

For the past **34 years**, NetComm Wireless has developed a portfolio of world first data communication products, and is now a globally recognised wireless innovator. Headquartered in **Sydney (Australia)**, NetComm Wireless has offices in the **US, Europe/UK, New Zealand, Middle East and Japan**.

# OUR TECHNOLOGY



Our **Wireless M2M** technologies solve specific business challenges and prepare our partners and customers for a completely connected future.



Our **Fixed Wireless** technologies are proven to bring the world's fastest and most effective connectivity to rural and regional areas.



Our **fixed broadband** technologies provide a stable base that allows our business to expand into larger global markets.

# OUR PEOPLE

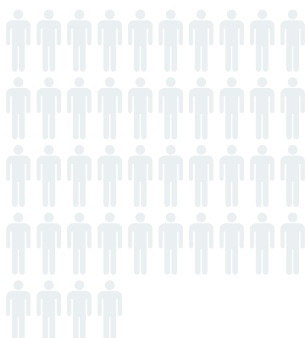
Our business is built on the strength of our people. Our workforce is global and our team is growing.

## ENGINEERS

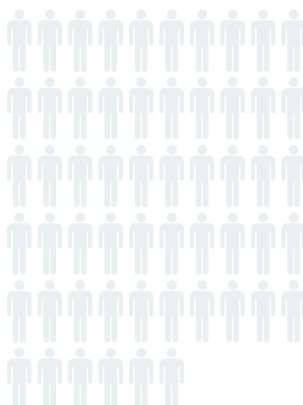
1H14 - 38



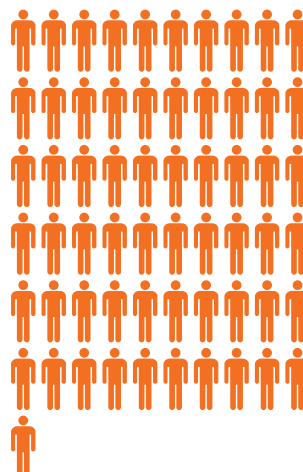
2H14 - 44



1H15 - 56



2H15 - 61



## SALES & MARKETING

1H14 - 26



2H14 - 28



1H15 - 31



2H15 - 31



## OTHER

1H14 - 20



2H14 - 19



1H15 - 18



2H15 - 18



# 03

## CHAIRMAN'S REPORT

---



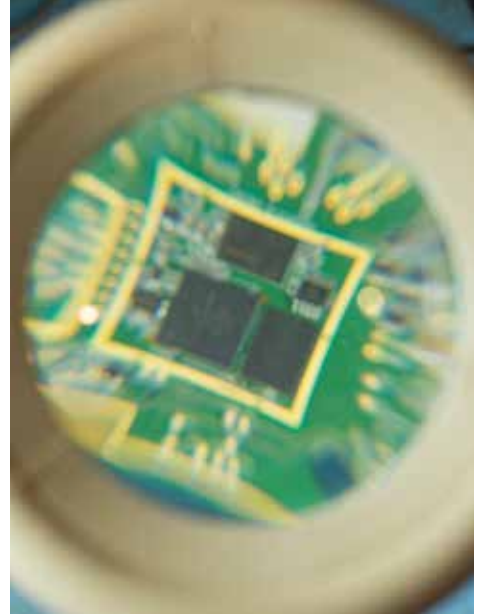


It gives me great pleasure to report a very encouraging performance for NetComm Wireless Limited in 2015, a year that could be described as one of the most significant years in our history.

We have a strategy to capitalise on the opportunities presented by the global Machine-to-Machine (M2M) and Fixed Wireless markets and our progress has been excellent to date.

The value of our Company has **increased**, the balance sheet **strengthened** and growth has been **achieved**, with the Company reporting an **increase in revenue, earnings and profit**.

This strong financial position allows us to invest in the business so that we can capitalise on the important opportunities before us.



## Financial performance

NetComm Wireless posted strong financial results for 2015, recording a 15.1% rise in revenue to \$74.3 million, from \$64.6 million the previous year; and a sharp increase in net profit after tax, up 142.0% to \$2.5 million. This compares with the 2014 full year profit of \$1.0 million. During fiscal 2015 we delivered strong operating margins with earnings before interest, tax, depreciation and amortisation (EBITDA) growing 39.8% to \$7.3 million, up from \$5.2 million in 2014. This EBITDA result is notable given that it includes business reinvestment of \$1.8 million in staff and infrastructure.

We are seeing solid revenue growth coming from the Ericsson/nbn™ fixed wireless project and we expect substantial ongoing growth in this area. Of total group sales in FY15, our M2M and Fixed Wireless business accounted for 45.5% of revenue while revenue from the domestic broadband device business increased by a pleasing 29.2%, driven by higher sales of powerline devices as well as ADSL/VDSL products to Internet service providers.

## Capital management

NetComm Wireless maintains the disciplined approach needed to support business development. The Company generated \$6.38 million in net cash flows from operations, an increase of 12.7% from the previous year and achieved a net cash position through a 29.6% reduction of borrowings to \$3.35 million. During the year the Company established a \$14 million finance facility with HSBC to reduce the cost of debt and facilitate ongoing working capital needs.

## Investing in our business

In 2015 staff numbers increased with the largest additions made to our Sydney-based team of engineers. We also expanded our international sales teams, increased our presence in Japan and Asia and carried out an organisational restructure ensuring that we have the right people in the right places to deliver on our strategy. Further investment was made in Research and Product Development.

We invest in innovation and in the people needed to capitalise on the opportunities that will drive profitable growth, particularly in M2M and Fixed Wireless where we are a market leader.

## Dividend

In light of the substantial growth opportunities available to NetComm Wireless, the Board had decided to preserve cash and not pay a dividend in FY15. The Company's dividend policy will be reinstated as soon as it is deemed prudent.

## Looking ahead

The networks of the world are rapidly changing, offering significant opportunity for NetComm Wireless. It is estimated that by 2020 there will be 50 billion devices connected to the Internet and we are an early player in this M2M market, having a number of key relationships with global participants. In addition, most countries are upgrading their networks just as we are in Australia, consequently PSTN and 2G networks are being shut down which, without an alternative, would leave around 10% of rural and remote users all over the world without services.

NetComm Wireless' Fixed Wireless technology has been judged best in the world by Ovum and appears a good candidate to solve this problem in markets in addition to Australia. Meanwhile the upgrade to city-based networks is providing other opportunities. Interest in our Company and our technologies has never been higher and we are very optimistic about the future of NetComm Wireless. These are truly transformative times for our Company and I hope you share my excitement about our future prospects.

I would like to thank my fellow directors and in particular David Stewart, Ken Sheridan, Steve Collins and all the highly talented management and engineers for putting us on a path to very significant wealth creation for our shareholders.

Yours sincerely,



Justin Milne  
Chairman

# 04

## CEO'S REPORT

---



Our Company achieved a record result in the 2015 financial year.

We delivered strong financial performance, built momentum and progressed our strategy, having taken significant steps to strengthen our Fixed Wireless and wireless Machine-to-Machine (M2M) businesses.

**Fixed Wireless** is an important part of our growth strategy and we are building upon our unmatched fixed wireless expertise to advance our position as a leader in this global market. The gains achieved from the expansion of the fixed wireless component of Australia's nbn™ are twofold. First, volumes from the Ericsson-nbn contract are escalating and driving revenue growth; and second, as other countries prepare to invest in similar initiatives, our involvement in the world's largest and most successful Fixed Wireless deployment places us in prime position to gain substantial additional business.

At the same time we have been growing our **M2M business**. We are now working with over a quarter of the world's leading mobile network operators in M2M; we completed a record number of network and regulatory certifications and won multiple accolades for M2M innovation and product excellence. Another highlight of the year was the securing of a promising smart energy collaboration project with Hitachi.

Our strong financial position has allowed us to increase our investment in the people, skills and infrastructure needed to ensure sustainable expansion and drive profit growth for many years to come.





### Global Fixed Wireless opportunities

The \$80 billion Fixed Wireless market presents significant opportunities for NetComm Wireless as major carriers, such as AT&T and Verizon in the US, commence the termination of their PSTN copper networks. The fixed wireless component of Australia's nbn has attracted international attention as an increasing number of governments and carriers invest to address significant infrastructure shortfalls, and the expertise that NetComm Wireless has gained in delivering the world's leading Fixed Wireless rollout is being sought to address the connectivity needs of customers based in rural and regional areas worldwide.

### M2M Business

We will continue to grow our M2M business within a global market which is expected to reach \$11 trillion annually by 2025 .

In our industry, connectivity extends beyond devices to include global partnerships that unite companies with specific areas of expertise. In 2015 we secured a record number of carrier, channel, industry and project partnerships and we will optimise these collaborations to target higher growth. We won new contracts in all of our key regions and expect an acceleration of revenue growth in all of our markets including Australia and New Zealand, USA, Europe, Middle East and Japan as demand for our globally certified M2M technologies grows.

### Broadband business in Australia and New Zealand

Our Broadband business' revenue increased 29.2% during the year. This result was largely an outcome of higher sales of powerline devices and ADSL/VDSL products. This was a very pleasing result and exceeded our expectations.

### We set ourselves apart from the competition

Our wireless M2M and Fixed Wireless products are sought by partners and customers that value the in-house engineering of open, scalable and customised technologies for specific, rather than mass-market requirements. Demand for adaptable M2M technologies is surging and you can see this in our 2015 results. We will continue to avoid crowded markets and carefully select the targeted regions and verticals that will generate the greatest value.

### Global network advances drive demand

In Australia, Telstra and Optus have announced their intention to shut down their 2G networks, and AT&T in the US has joined the growing number of operators around the world that are in transition to 2G termination. These network closures present significant opportunities for NetComm Wireless as enterprises across all industry verticals commence the migration of legacy 2G M2M devices to 3G and 4G devices to avoid disruption to their operations.



### Leading innovation

Innovation is at the core of everything we do and it comes from our people. We built our Company on fresh thinking and new ideas and won a raft of awards for business and product innovation at a time of exciting change in our industry. As the pace of change increases, we will continue to stay ahead of network advances and market trends to give our customers and partners a leading edge.

### Outlook

2015 was very strong for us and laid a solid foundation for the future of our Company. Our growth strategy has put NetComm Wireless on the right path and our robust financial position supports its continued execution.

The wireless M2M and Fixed Wireless markets hold enormous potential and we expect improved revenues and earnings in 2016 as we grow our strategic partnerships and generate additional revenues from the Ericsson-nbn Fixed Wireless contract.

While we are encouraged by the results achieved across all key metrics, we will not rest on past performance. Going into 2016 we will leverage our world leading expertise in Fixed Wireless, deliver innovative new products from our engineering pipeline and add to our partnerships to secure agreements with more top 20 carriers in M2M. Together these actions will position NetComm Wireless for a very bright future.

Over the next decade, the global wireless market will surge. The world is becoming smarter and technology is evolving faster. NetComm Wireless is more than ready to take advantage of these changes, having expanded our international sales team and invested in the engineering resources needed to prepare for a new phase of growth.

I am extremely privileged to work with such talented and committed people. The success of 2015 is a direct result of the hard work and dedication of our management team and employees and I also thank our Board of Directors for their significant contribution to the success of our Company.

Yours sincerely,

David Stewart  
CEO and Managing Director

# 05

## YEAR IN REVIEW

### 2014

#### CERTIFIED BY AT&T IN THE US

AT&T certified the 4G WiFi M2M Router (NTC-140W-01) for deployment in the US, delivering 4G capabilities to data hungry market segments.



SEPTEMBER

#### CERTIFIED BY VERIZON WIRELESS IN THE US

Powered by Sequans and certified by Verizon Wireless, diverse market sectors stand to benefit from the powerful and economical 4G LTE Light Industrial M2M Router (NWL-25).



SEPTEMBER

#### TEAMING UP WITH ARROW IN NORTH AMERICA

Distributing our wireless M2M products to diverse markets spanning telecommunications, medical, transportation and industrial in North America.



OCTOBER

#### GROWING OUR FOOTPRINT IN THE AMERICAS AND EUROPE WITH WYLESS

A strategic distribution agreement delivers cellular M2M devices to Wyless' enterprise, mobile network operator and channel customers.



OCTOBER

#### ENTERING THE eHEALTH INDUSTRY

We launched the NetComm Wireless n-Hub (NTC-20) to meet the rising global demand for mHealth solutions.



DECEMBER

### 2015

#### EXPANDING OUR PARTNERSHIP WITH VODAFONE

Vodafone added the Vodafone MachineLink3G Plus to its range to offer customers a new alternative for unconnected machines that need extra interface options.



FEBRUARY

#### EXPANDING M2M DISTRIBUTION IN EUROPE

Distribution partnerships with ACTE Solutions and Sphinx deliver innovative M2M technologies to the European market.



JANUARY



2015

## INTRODUCING LIGHTWEIGHT M2M

The OMA Lightweight M2M (LWM2M) Enabler addresses a significantly larger global M2M market by standardising processes for simple and economical remote management.



FEBRUARY

## DRIVING M2M IN ASIA WITH SINGTEL

Agreement to market M2M products and services to enterprise customers in areas such as utilities, healthcare, education, security and smart cities.



MARCH

## DESIGNED AND TRIALLED A NEW HARDWARE DEVICE FOR THE ERICSSON / NBN™

Ericsson/nbn ran a LTE TDD 3.5GHz fixed wireless trial which was successful in expanding wireless coverage and capacity in Australia.



MARCH

## ADVANCING INDUSTRIAL M2M WITH DEUTSCHE TELEKOM AND CUMULOCITY

Successfully delivered the connection and communication component of Deutsche Telekom's end-to-end digitalization of the industrial value chain.



APRIL

## GLOBAL CERTIFICATION

The 3G M2M Router Plus (NTC-6200 Series) is approved for deployment in Europe, the USA, Canada, the UAE, South East Asia, Japan and Australia.



MAY

## WORKING WITH HITACHI ON SMART ENERGY

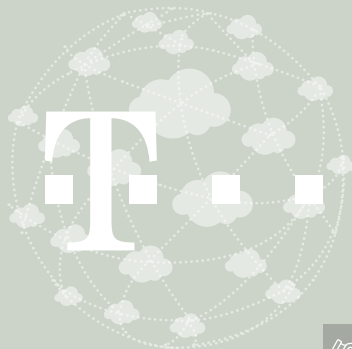
Selected to custom design wireless communication technology for a Smart Community Demonstration Project in Greater Manchester.



MAY

## JOINING FORCES WITH DEUTSCHE TELEKOM

Became an official M2M hardware provider for Deutsche Telekom. Certification was received following the successful integration of our 3G M2M technology with its "Cloud der Dinge".



JUNE

PRODUCT INNOVATION



CERTIFICATIONS



PARTNERSHIPS



# 06

## STRATEGIC DIRECTION

---

### Overarching strategy

We operate in a fast evolving industry driven by changing market trends and technological innovation. Companies and governments around the world are recognising the productivity and efficiency gains to be made from the collection, analysis and remote management of data from assets that sit at the edge of the network; and the push for nationwide connectivity is on the global agenda. We believe that these and other factors will drive considerable demand for our wireless Machine-to-Machine (M2M), Fixed Wireless and VDSL technologies. As the demand for data surges, carriers are gradually shutting down their legacy PSTN (copper line) and 2G networks to prepare for a faster future and NetComm Wireless has formulated a strategy needed to capitalise on the significant opportunities presented by this global transition.

Our business is always transforming and is guided by a clear strategy that is focused on:

- Delivering customised solutions which meet the specific needs of our customers.
- Growing strategic partnerships.
- Maintaining our culture of innovation.

### Our custom advantage

Rather than compete in high volume low price market segments, our strategy is to develop customised, scalable solutions for leading companies globally. Our customisation capabilities are our main differentiator, and we seek to achieve a significant advantage over competitors that mass produce 'one size fits all' products. With access to products that feature an open source Linux operating system and Software Development Kit (SDK), customers have the flexibility to develop custom applications for specific business needs.

Our Sydney based team of engineers develop products that are designed to meet specific branding, technical and housing requirements and long-term contracts that provide sustainable revenue are won by working closely with customers that require specialised devices for diverse and unique applications.

We aim to stay ahead of our competition over long term by differentiating product offerings and:

- Driving innovation through customisation;
- Expanding internal R&D resources;
- Maintaining scalable production capacity;
- Providing branded market specific solutions;
- Achieving repeated design wins; and
- Lowering deployment costs and accelerating time-to-market.

We will focus on 3 business streams:

- Fixed Wireless.
- Wireless Machine-to-Machine (M2M) communications.
- Broadband in Australia and New Zealand.



## FIXED WIRELESS

Our Fixed Wireless strategy is simple. We will leverage our leading position and the expertise gained from the success of the fixed wireless component of Australia's nbn™ to deliver large-scale Fixed Wireless solutions in countries that plan to implement similar initiatives.

### Target

We are targeting customers who will be able to benefit from our capacity to design customised solutions for their exact needs, and value the quality of engineering built into our products.

Our target customers need to service the 10% of their customers who are based in rural or regional areas that have no or slow broadband connectivity and will not be covered by fibre rollouts when copper networks are disconnected.

### Geographic focus

Our key focus is on the **USA**, where carriers including AT&T and Verizon have announced plans to shut down their copper networks, as well as **Europe** and **Asia**.



## WIRELESS M2M BUSINESS

Our wireless M2M strategy remains unchanged. We target specific markets and take a selective approach to the investments that we make. We service our M2M customers either directly or through working with our "coat-tail" partners.

### Target

We target specific vertical sectors that present the greatest opportunity and avoid crowded markets. Our focus is on high volume opportunities where customers require a customised device.

### Geographic focus

We are actively pursuing M2M design wins and contracts globally with a focus on the **USA**, **Europe/UK**, the **Middle East**, **Japan** and **Asia** as well as **Australia** and **New Zealand**.





## Partnerships

NetComm Wireless plays a critical role in delivering the wireless communication component of M2M rollouts and will continue to explore mutually beneficial partnerships with companies across the value chain. We will increase partnerships with well-established M2M companies through our coat-tails strategy which involves industry, channel and project partners. We are strengthening our market leading position in partnership with:

LEADING NETWORK OPERATORS	MAJOR CHANNEL PARTNERS	LARGE ORGANISATIONS
	<p>Value added distributors, resellers and system integrators:</p> 	

## Broadband business


Our broadband business is focused on Australia and New Zealand. We will continue to service our long term customer base in their requirements for powerline devices, ADSL and VDSL routers and ADSL filters.

Growth prospects for the Broadband business include the technology refresh opportunities that emerge from the nbn rollout which will require that over 8.5 million ADSL devices be replaced. Our approach is to leverage the field proven success of the VDSL devices deployed in New Zealand.

The replacement of copper networks with fibre and HFC cable presents a large opportunity to deploy Fibre to the Distribution Point ("FTTDp") and CableTTDp. Our VDSL devices provide high speed connectivity at an affordable price by connecting fibre or cable from the street to the copper line that enters the customer's premises; a solution that can be deployed significantly faster than bringing fibre directly to the home.

## Our culture of innovation

We are best known for our commitment to innovation and have achieved global recognition for the series of world-first technologies launched over the past 33 years. We believe that true innovation comes from an open approach that gives our partners and customers the freedom to develop their own innovations; and will continue to encourage and reward the new ideas that have made NetComm Wireless the leading innovator that it is today.

A vibrant, stylized illustration featuring a central blue globe with a white dashed border. The globe is surrounded by a circular arrangement of various global landmarks and symbols, including the Taj Mahal, the Eiffel Tower, the Leaning Tower of Pisa, the Colosseum, the Great Wall of China, the Sydney Opera House, the Christ the Redeemer statue, the Leaning Tower of Pisa, the Colosseum, the Great Wall of China, the Sydney Opera House, the Christ the Redeemer statue, and the Leaning Tower of Pisa. The background is a light blue sky with white clouds and several white airplanes flying in different directions.

The wireless Machine-to-Machine (M2M) market is global and it impacts every industry sector worldwide.

# 07

## BUILDING A SMART WORLD

---

Wireless M2M enables machines and other assets to connect and communicate over cellular networks without human intervention. Organisations in areas such as healthcare, retail, transportation, construction, manufacturing, agriculture and security use wireless M2M to increase efficiencies, reduce costs, drive productivity, streamline operations, lower energy consumption and reduce risk.

### Size of the opportunity

Device revenues will comprise the vast majority of the global M2M market which will grow from USD500 billion in 2014 to USD1.6 trillion in 2024, a CAGR of 12%.

The IoT and M2M communication market is forecast to grow to \$947.29 billion in 2019, at an estimated CAGR of 29.9% from 2014 to 2019 .

With only 2% of installed enterprise systems having already been upgraded to M2M and the Internet of Things (IoT) , there is significant scope for growth.

### Our approach

Rather than engage in mass market investments, we target specific areas within the global M2M market. We identified the need for a custom approach that is scalable, open and adaptable; and have become globally renowned for our technological expertise in areas such as smart cities, healthcare, utilities, security, manufacturing and retail.

### Our position

M2M represents a significant revenue opportunity and we are investing in the people and infrastructure needed to increase our stake of the fast growing global M2M market. Each market is unique and this gives us a clear advantage. We differentiate ourselves through technological flexibility, customisation capabilities and our ability to scale production profitably.

We develop wireless M2M devices that allow disparate assets to interoperate with networks and with each other; and with approximately 40% of the total economic value of the IoT driven by interoperability , NetComm Wireless is well placed to capture a sizeable share of the global M2M/ IoT market.

Also contributing to the expansion of our market share is the recent launch of the OMA Lightweight M2M (LWM2M) Enabler which was developed to address a significantly larger global M2M market.





### Network advances stimulate demand

Networks are becoming faster and more expansive and as network technology advances, legacy systems will need to be upgraded.

The wireless industry is at a turning point as an increasing number of operators announce 2G closures to make space for 4G LTE. By the end of next year, Telstra will have shut down its 2G network; and Optus, AT&T and Singtel have announced plans to do the same in 2017.

In markets including Japan, Singapore and Macao, licensing and regulatory decisions have affected network closures. "We expect more operators to announce switch-off dates for their GSM (2G) or CDMA networks due to commercial reasons over the next three to four years."

For many carriers, 2G accounts for a decreasing amount of total mobile network traffic and operators achieve greater efficiencies from switching off 2G networks and refarming the spectrum for 4G. As a result, the number of commercially launched 4G LTE networks is expected to reach 460 by the end of 2015, up from 422 in 143 countries today.



### Up to 80% of the world's M2M devices will need to be upgraded

The sunset of 2G networks will have the biggest impact on companies and government organisations that entered the wireless M2M market some years ago as they will soon bear the cost of replacing existing 2G devices in the field.

Ovum estimates there were 4.2 billion 2G-only subscriptions globally (58.5% of total subscriptions) at the end of 2014. And according to Ericsson, 80% of M2M devices are 2G only.

Network closures are driving demand for 4G M2M devices that have failover connectivity to 3G. Operators that are turning off their 2G networks and migrating M2M customers to 3G and 4G are at the forefront of change, according to Ovum. Whether the shutdown strategy is short or long-term, legacy M2M customers will be required to upgrade. NetComm Wireless is already experiencing demand for wireless devices that feature multiple cellular connectivity options to support rollouts to sites where 4G has not yet been introduced.



### Smart metering

We continue to pursue smart metering contracts in Europe, the Middle East, Australia and the USA. The Hitachi project involves an alliance of market leading players that are trialling technological solutions designed to significantly reduce energy usage. If successful, the solution may be deployed globally.





4G LTE Light Industrial M2M Router (NWL-25) with LTE powered by Sequans and certified by Verizon Wireless.



3G M2M Router Plus (NTC-6200 Series) certified for global deployment



4G WiFi M2M Router (NTC-140W-01) certified by AT&T for deployment in the US



Vodafone MachineLink 3G Plus



n-Hub (NTC-20) healthcare device

## LATEST M2M PRODUCT LAUNCHES


We invest in the regulatory and telecommunication network compliance required to deploy our M2M technologies in Canada, the USA, Japan, Europe, the Middle East and APAC and other parts of the world.

### Our technology:

- Is globally certified;
- Supports an agnostic approach to remote device management to lower the total cost of ownership and provide the highest possible rate of return;
- Connects to any device management platform with support for a wide range of telecommunication standards based remote management protocols such as LWM2M, TR-069 and SNMP;
- Is software expandable, offering an open embedded Linux Operating System and SDK; and
- Is scalable.

# Australia delivers a world leading fixed wireless service

Australia's nbn™ service is proven to outperform other comparable services across the globe.



The addressable  
fast-broadband market for  
rural areas is approximately  
**\$80 billion**

# 08

## CONNECTING THE LAST 10%

---

The nbn and Ericsson are delivering a world leading fixed wireless service using Wireless Network Termination Devices (WNTD) provided by NetComm Wireless.

'Australians connected to the nbn's fixed wireless broadband are getting better speeds, higher data allowances and better value than many users of other fixed wireless services across the world,' according to Ovum.

As the world's governments and carriers increase their investment in Fixed Wireless projects NetComm Wireless will leverage the expertise gained from its involvement in the world's most successful Fixed Wireless deployment to date.

### Nationwide connectivity is on the global agenda

Almost half of the world's population live in rural areas and in many communities access to broadband Internet has become essential for supporting the delivery of vital education, health and emergency services.

The ever growing demand for bandwidth is forcing change and governments are compelled to take action as carriers around the world make plans to replace their existing PSTN networks (copper lines) with fibre. Fibre is deployed in built up areas that cover around 90% of customers, so the challenge is to deliver fast and economical broadband to the remaining 10% of customers based in rural and regional areas. This is where NetComm Wireless' Fixed Wireless technology is proven to offer the most reliable and efficient solution.

### NetComm Wireless and the nbn

The Australian government committed \$43 billion to delivering broadband on a national scale and established nbn, Australia's national broadband wholesaler, to deliver 100 per cent broadband coverage of addressable premises by 2021.

As well as being the world's largest Greenfields fixed wireless project, it has proven to be the world's most successful – bringing fast, affordable and technically superior broadband to homes and businesses dispersed across a nation that spans a vast 7.7 million km<sup>2</sup>. nbn advised that the fixed wireless devices provided by NetComm Wireless 'met or exceeded performance expectations' and volumes from the Ericsson-nbn Fixed Wireless contract are increasing. The rollout is gathering pace and the fixed wireless component of the project will continue to expand, resulting in increased volumes over the coming year. We intend to build on our collaboration with Ericsson and the nbn to expand our share of the global Fixed Wireless market.



### A new broadband benchmark to drive Fixed Wireless initiatives in the USA

Australia's 4G TDD-LTE fixed wireless network delivers a reliable 25 Mbps/5Mbps service (currently being upgraded to 50Mbps/20Mbps), surpassing the new US broadband benchmark set earlier this year by the Federal Commission.

The new US benchmark places download speeds at 25 Mbps and upload speeds at 3 Mbps — almost six times faster than the previous benchmark; and this is expected to influence the national deployment of broadband services to rural areas across the US where 55% of rural Americans – 22 million people – do not have Internet access at the new benchmark level, as opposed to just 8% of urban Americans.

### Fixed Wireless and M2M

Connecting billions of devices, machines, equipment and sensors to the Internet is expected to generate tremendous economic value. Fixed Wireless facilitates wireless Machine-to-Machine (M2M) applications such as precision agriculture, remote patient care, e-commerce, smart energy, emergency services and online education nationwide.

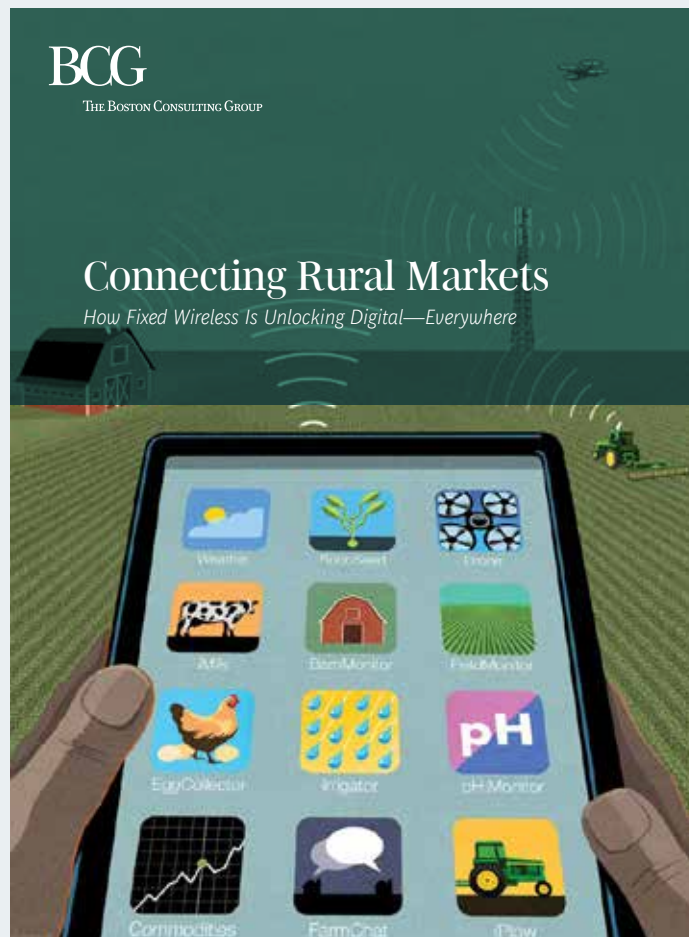
High-speed broadband is changing the delivery of healthcare as applications such as video-based healthcare and remote patient monitoring remove the geographical barriers to healthcare. Agricultural produce is a major contributor to Australia's export earnings, so the benefits of improving Fixed Wireless are expected to be significant at a time of challenges relating to water and land management and severe climate and weather events.

Key applications in this sector include those that support farmers with timely information relating to soil and fertiliser management, improved feed planning and asset control.

### NetComm Wireless has the expertise in Fixed Wireless

Governments in the USA, Canada the UK and Europe have recognised the urgent need to connect across the digital divide and as carriers including AT&T and Verizon in the USA announce plans to shut down their copper networks, there is an imperative need to address the last 10%. With the right fixed wireless technology in place, the successes accomplished by Australia's nbn can be replicated globally.





## FIXED WIRELESS, THE STRONGER FIT-FOR-PURPOSE TECHNOLOGY

In low population density areas, fixed wireless is proven to be the best solution, according to Boston Consulting Group: *'Fixed wireless provides a formidable solution over long distances and for premises located a long way from an exchange or tower.'*

The report found that ADSL speeds slow to 4Mbps at distances beyond 4km from the exchange, and fibre is cripplingly expensive to deploy in remote areas, as is hybrid fibre-coaxial (HFC) cable. Spot beam satellite offers a last resort solution due to high costs and latency issues.

This leaves fixed wireless technology which uses the same underlying technology as mobile wireless, but differs in that it services a specific number of designated homes, businesses and institutions to deliver optimal performance to premises in precise coverage areas.

Base stations communicate with fixed equipment at the customer's premises using line of sight, giving homes, businesses and industry an amount of bandwidth that guarantees performance. Because fixed wireless is engineered to deliver specific capacity to targeted premises, carriers can meet their headline speed claims for various products.



### Read the Report

Scan the QR code with your smartphone or visit

[https://www.bcgperspectives.com/content/articles/telecommunications\\_digital\\_economy\\_connecting\\_rural\\_markets\\_fixed\\_wireless\\_unlocking\\_digital\\_everywhere/](https://www.bcgperspectives.com/content/articles/telecommunications_digital_economy_connecting_rural_markets_fixed_wireless_unlocking_digital_everywhere/)

Joe Lamano, Principal - PwC.

Joe Lamano, Principal - PwC.

# 09

## THE ECONOMIC IMPACT OF M2M

---

The Internet of Things (IoT) is expected to be worth more than \$11 trillion annually by 2025 .

McKinsey Global Institute has revealed that the B2B market opportunity could be more than twice the size of the B2C opportunity, and this presents tremendous possibilities for NetComm Wireless as a developer of the wireless Machine-to-Machine (M2M) devices needed to enable IoT applications for the B2B market.

### Vertical value

Traditionally, the potential economic value of the IoT is examined with a focus on verticals. McKinsey has instead identified nine physical deployment settings including: home, retail, office, factories, work sites (mining, construction and oil & gas), vehicles, health, outside (logistics and navigation) and cities.

NetComm Wireless operates in settings that are projected to deliver the largest combined economic value; generating over \$8.2 trillion from: factories (\$3.7 trillion), cities (\$1.7 trillion), health (\$1.6 trillion), retail (\$1.2 trillion) and work sites. NetComm Wireless is a key enabler of the industrial Internet which is experiencing significant growth as companies address rising demand. As a consequence, Visiongain expects global industrial Internet revenue to reach \$244.3 billion this year.

### Building better businesses

M2M is altering business models and the line between technology and non-technology companies is fading.

The surge of data from connected devices will introduce completely new business models and drive profound structural changes across the entire organisation, according

to research and consulting firm IDC. Frank Gillett, vice president and principal analyst at Forrester Research, believes that CIOs and others should focus on how to move beyond basic cost savings and efficiency gains and instead reinvent the fundamental way an organisation does business.

The McKinsey report concluded that beyond achieving business efficiencies and cost savings, IoT will lead to entirely new ways of doing business.

### Enormous growth potential

We currently use only 1 per cent of potential data, according to McKinsey; and it is believed that 99 per cent of physical objects will ultimately become part of a connected network. The small amount of data currently used to detect faults and manage systems is expected to swell considerably when enterprises begin to make use of data for predictive functions, optimisation and other decision making applications. M2M will increasingly be used to gather data for the purpose of improving business processes, streamlining logistics, predictive maintenance and performance management.

M2M is still in early stages of adoption, but all analysts agree that it is relevant to virtually every sector and will grow significantly over the next five years.

# 10

## LEADING INNOVATION

---



2015 ACOMMS Award  
for Vendor Innovation (Emerging)



2015 Australian Business Award for  
Best Technology Product

3G Multiport WiFi M2M Router  
NTC-8000



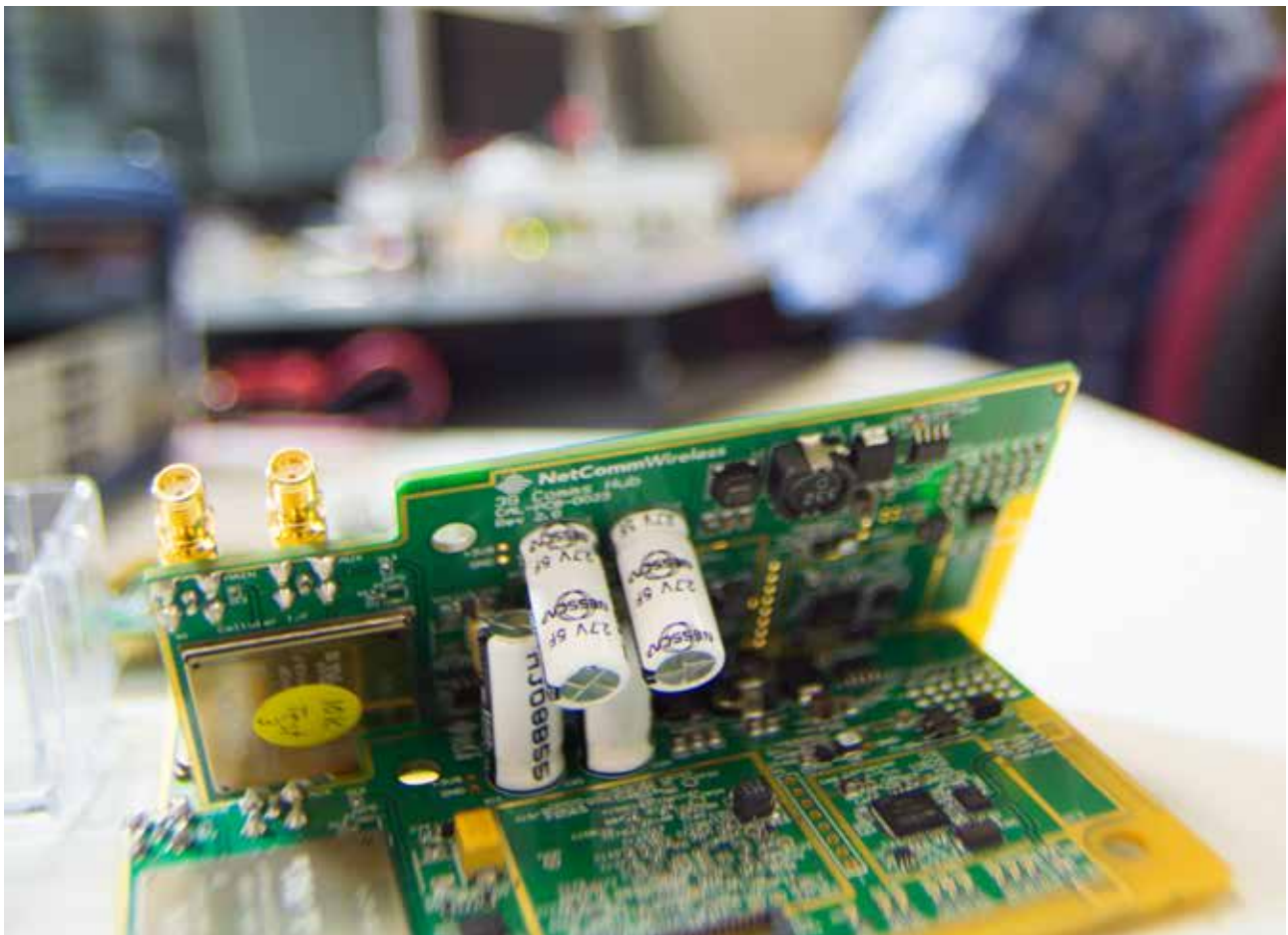
2015 Australian Business Award  
for Product Innovation

4G LTE WiFi Router  
NTC-140W



2015 Australian Business Award  
for Innovation





### Leading innovation

NetComm Wireless is globally renowned for its longstanding commitment to innovation. We stay ahead of market trends and network evolution to create new opportunities for our wireless M2M and Fixed Wireless partners and customers globally.

### M2M

We innovate the open source M2M technology needed to free partners and customers from the restrictions of purpose-built proprietary M2M devices designed to perform a particular task using a specific network.

### Fixed Wireless

We developed a world-leading fixed wireless solution that overcomes the prohibitive costs and complexity associated with Fixed Wireless deployments.

### VDSL

We develop products that utilise the superfast VDSL technology needed to transform the performance of copper wiring.

### Investing in R&D

In 2015 we increased our R&D spending and grew our team of Sydney-based engineers to accelerate innovation across all areas including: software product development, hardware product development, testing and support and research.

Our R&D efforts are focused on:

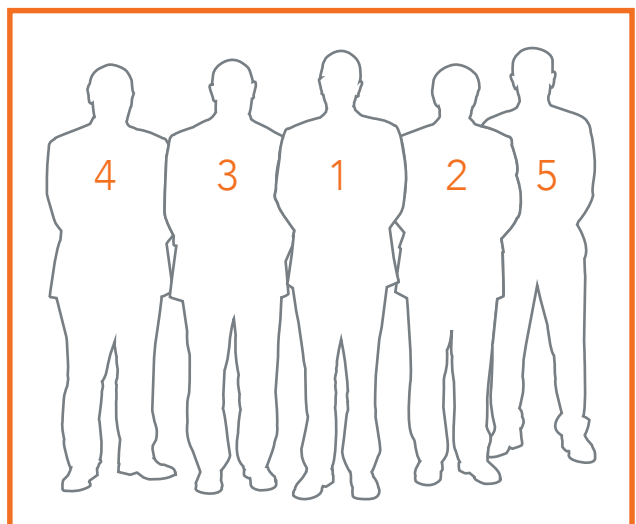
- Fostering continued growth through the development of our own intellectual property;
- Delivering advanced hardware, firmware and software solutions;
- Growing our software development team to develop innovative firmware features;
- Improving our knowledge of modules and chipsets to help refine our product features; and
- Working closely with our customers to innovate products designed to help them grow in existing markets.

NetComm Wireless will continue to channel resources into the development of its M2M, Fixed Wireless and VDSL technologies with a commitment to enabling: seamless connections to global networks; Quality of Service flexibility; SDK; failover; high-capacity; low latency and advanced security.



11

BOARD OF  
DIRECTORS



1. Justin Milne
2. David Stewart
3. Ken Sheridan
4. Stuart Black, AM
5. Ken Boundy

### JUSTIN MILNE

#### Non-Executive Director & Chairman

Mr Milne has substantial telecommunications industry experience and he is an experienced company director having served in diverse industry sectors with a multinational focus. He has had an executive career in telecommunications, marketing and media. From 2002 to 2010 he was Group Managing Director of Telstra's broadband and media businesses and headed up Telstra's New Media business in China. Prior to that he was a CEO of OzEmail and MNS Australia. He is currently Chair of MYOB Holdings Ltd., Non-Executive Director of nbn™, Tabcorp Holdings Ltd., SMS Technology and Management Ltd. and Members Equity Bank Ltd.

### DAVID STEWART

#### CEO and Managing Director

David is an experienced CEO and successful entrepreneur with more than 30 years in management and business leadership roles. David founded Banksia Technology Pty Limited in 1988 and successfully managed the company as a fast growing and highly profitable business. In 1996 he instigated the successful takeovers of a number of his competitors, including NetComm Limited, which was completed in November 1997. David assumed the role of Managing Director of the merged entity and remains the single largest shareholder of NetComm Wireless.

David has a strong financial background, extensive experience in sales and marketing and has a strong interest in new technologies. While being very active in the operational aspects of the business, he also oversees the product development direction and focuses on the strategic direction of the Company.

### KEN SHERIDAN

#### CFO and Executive Director

Mr Sheridan is a Chartered Accountant with over 30 years' experience in senior management in major corporations in Australia and Asia. He spent 11 years with KPMG before he moved into the commercial sector where he held several CFO roles with large multinational companies in Australia and Asia including three years as Finance Director of a top 10 Malaysian listed consumer goods company. Mr Sheridan was the Group CFO for Tenix, one of Australia's largest private companies. In the 6 years prior to joining NetComm Wireless, Mr Sheridan was Managing Director and major shareholder of Acelero Pty Ltd., a human resources software company.

### STUART BLACK, AM

#### Non-Executive Director

Mr Black is a prominent Chartered Accountant and experienced Company Director. A former Managing Partner in the chartered accounting firm Chapman Eastway, he has extensive experience in professional services, agribusiness, financial services, manufacturing, import, distribution, IT and biotechnology.

Mr Black is Non-Executive Director of Australian Agricultural Company Limited and a former Non-Executive Director of Coffey International Limited. He is Chair of the Chartered Accountants Benevolent Foundation Ltd. and a Non-Executive Director of The Country Education Foundation of Australia Ltd. and was the former Chair and is a current Director of the Accounting Professional and Ethical Standards Board Ltd., as well as being a Past President of the Institute of Chartered Accountants in Australia.

### KEN BOUNDY

#### Non-Executive Director

Mr Boundy has significant marketing, distribution and international business experience across a diverse range of industry sectors. He is currently Chairman and/or Non-Executive Director on five boards and part owner of two businesses. He has held a number of prominent positions over the past thirty years including: Managing Director of Tourism Australia; Executive General Manager, International, of James Hardie Industries Limited; Group General Manager, Corporate Development, of Goodman Fielder Limited; CEO, of Goodman Fielder Asia, Singapore and Director, Industry Development, of the Victorian Department of Industry Commerce and Technology.







# 12

FINANCIALS

---

# NETCOMM WIRELESS LIMITED ANNUAL REPORT

For the year ended 30 June 2015  
ACN 002 490 486

# NetComm Wireless Limited

## Directors' Report

For the Year Ended 30 June 2015

Your Directors present their report on the Company and its controlled entities for the financial year ended 30 June 2015.

### 1. General Information

#### (a) Directors

The names of the directors in office at any time during, or since the end of, the year are:

Name	Position held
J Milne	Non-Executive Director & Chairman
K Boundy	Non-Executive Director
S Black AM	Non-Executive Director
D P J Stewart	CEO & Managing Director
K J P Sheridan	CFO & Executive Director

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

#### (b) Company Secretary

Mr Kenneth Sheridan, the Company's CFO & Executive Director, is also the Company Secretary.

#### (c) Principal Activities

NetComm Wireless Limited (ASX: NTC) is a leading developer of innovative broadband products sold globally to major telecommunications carriers, core network providers and system integrators. For 33 years NetComm Wireless has developed a portfolio of world first data communication products, and is a respected global provider of 3G and 4G wireless devices servicing the major telecommunications carriers, Machine to Machine (M2M) and Rural Broadband markets. NetComm Wireless' products are designed to meet the growing needs of today's data-intensive home, business and industrial broadband applications and customized to optimise performance in line with global network advancements.

### 2. Review of Operations and Financial Results

#### (a) Operating Results

The consolidated profit of the Group after providing for income tax amounted to \$2,464,257 (2014: \$1,017,789 profit).

Results and Dividends	Consolidated	
	2015	2014
	\$	\$
Total revenue & other income	74,263,139	64,593,245
EBITDA	7,301,663	5,220,894
Operating profit	2,881,706	826,419
Income tax (expense)/benefit	(417,449)	191,370
Net profit for the year	2,464,257	1,017,789

# NetComm Wireless Limited

## Directors' Report

For the Year Ended 30 June 2015

---

### 2. Review of Operations and Financial Results (continued)

For the year ended 30 June 2015, the Group delivered total revenues of \$74.3 million and Earnings before interest, tax, depreciation and amortisation (EBITDA) of \$7.3 million. This is slightly above the EBITDA guidance range previously provided to the market, and also compares to revenues of \$64.6 million and EBITDA of \$5.2 million in FY14.

Net profit after tax (NPAT) for FY15 was \$2.5 million compared to \$1.0 million in the previous year, representing a year on year increase of 150%.

The M2M business delivered \$33.8 million in revenues (FY14 \$33 million) which represented approximately 45% of total Group revenue and approximately 55% in terms of total operating profit. Key revenue growth in the M2M business related to the Ericsson/NBN fixed wireless rural broadband project which offset revenues earned last year in respect of the Ericsson/AusNet Services smart metering contract.

The Company's Broadband business also continued to exceed expectations with revenues of \$40.5 million compared to \$31.3 million in the prior year. This excellent result was fuelled by higher sales of powerline devices as well as ADSL/VDSL products to internet service providers.

#### (b) Significant Changes in State of Affairs

During the year the Company issued shares under share-based payments as outlined in Note 17(a) and Note 24 of this report.

No other significant changes in the Company's state of affairs occurred during the financial year.

#### (c) Subsequent Events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the group, the results of those operations or the state of affairs of the group in future financial years.

#### (d) Environmental Regulations

The Group is not subject to significant environmental regulation.

#### (e) Likely Developments, Business Strategies and Prospects

The Group is continuing to concentrate its efforts on the M2M strategy. The M2M market is a high growth global market. Ericsson and Qualcomm have predicted that there will be 50 billion connected devices by 2020. The M2M market is still in its infancy and there are no dominant players, with many industry participants specialising in select verticals.

NetComm Wireless is planning to be one of the leading M2M device providers globally. Based on key customer wins, we have gained a reputation as an innovative device supplier. This has provided us with introductions to other leading international telecommunications carriers. At the end of FY15 we had developed relationships with 5 of the top 20 global M2M telecommunications carriers.

We will continue to leverage our capability to design customised solutions to meet the specific needs of our customers. This approach allows us to develop tight customer relationships with a high degree of longevity and stickiness.

# NetComm Wireless Limited

## Directors' Report

For the Year Ended 30 June 2015

---

The cycle time to deliver a new customised product can take between 9 to 12 months and so considerable investment, mainly of people time, is required before revenues begin to flow. This investment can be seen in the level of capitalised development costs carried on the Statement of Financial Position.

All of our manufacturing occurs offshore, in Asia. By using contract manufacturers we have the ability to scale our business rapidly with low incremental capital expenditure.

As well as global telecommunications carriers, we are targeting the following key M2M industry verticals:

- Utility smart grids (electricity and water)
- E-health in respect of connected in-home devices which need central monitoring
- Building automation, including heating, ventilation and air conditioning
- Business services, including point of sale, digital signage and vending machines/kiosks
- Manufacturing and construction

A key component of our strategy is to leverage “coat tail” relationships. This is where we form relationships with key suppliers or ecosystem players and leverage their knowledge, contacts and reputation within key verticals.

In FY16 we expect to see meaningful contributions from our overseas jurisdictions, being North America, Europe, Japan and the Middle East which are specifically focussed on M2M opportunities.

The Ericsson NBN fixed wireless contract is a key domestic M2M contract. FY15 saw a significant growth in rollout volumes and revenues. We are confident that this contract will deliver further substantial value to the Company particularly as the pace of the rollout increases in FY16.

Based on our experience with the NBN fixed wireless rural broadband project the Company is actively pursuing opportunities in overseas jurisdictions in relation to fixed wireless rural broadband solutions, with a particular emphasis on the USA.



# NetComm Wireless Limited

## Directors' Report

For the Year Ended 30 June 2015

### 3. Directors' Information

#### (a) Information on Directors

##### Mr Justin Milne

##### Non-Executive Independent Director & Chairman since 7 March 2012

Mr Milne has substantial telecommunications industry experience and is an experienced company director having served in diverse industry sectors with a multinational focus. He had an executive career in telecommunications, marketing and media. From 2002 to 2010 he was Group Managing Director of Telstra's broadband and media businesses and led Telstra's New Media businesses in China. Prior to that he was CEO of OzEmail and of MSN Australia. He is currently Chairman of MYOB, a Non-Executive Director of NBN Co Limited, Tabcorp Holdings Limited, SMS Management & Technology Limited and Members Equity Bank Limited.

##### Mr Ken Boundy

##### Non-Executive Independent Director since 24 August 2012

Mr Boundy has significant marketing, distribution and international business experience across a diverse range of industry sectors. He is currently Chairman and/or Non-Executive Director on five boards and part owner of two businesses. He has held a number of prominent positions over the past thirty years including: Managing Director of Tourism Australia; Executive General Manager, International, of James Hardie Industries Limited; Group General Manager, Corporate Development, of Goodman Fielder Limited; CEO, of Goodman Fielder Asia, Singapore and Director, Industry Development, of the Victorian Department of Industry Commerce and Technology.

##### Mr Stuart Black AM

##### Non-Executive Independent Director since 21 March 2013

Mr Black is a prominent Chartered Accountant and experienced Company Director. A former Managing Partner in the chartered accounting firm Chapman Eastway, he has extensive experience in professional services, agribusiness, financial services, manufacturing, import, distribution, IT and biotechnology.

Mr Black is Non-Executive Director of Australian Agricultural Company Limited and a former Non-Executive Director of Coffey International Limited, Chair of the Chartered Accountants Benevolent Foundation Ltd and a Non-Executive Director of The Country Education Foundation of Australia Ltd. He was the former Chair and is a current Director of the Accounting Professional and Ethical Standards Board Ltd, as well as being a Past President of the Institute of Chartered Accountants in Australia.

##### Mr David P J Stewart

##### CEO & Managing Director since 14 November 1997

Mr Stewart founded Banksia Technology Pty Limited in 1988 and successfully managed the company as a fast growing and highly profitable business. In 1996, he instigated the successful takeovers of a number of his competitors including NetComm Wireless Limited, which was completed in November 1997. Mr Stewart assumed the role of Managing Director of the merged entity and remains the single largest shareholder of NetComm Wireless. He has a strong financial background, extensive experience in sales and marketing and has maintained an ongoing interest in new technologies. While being very active in the operational aspects of the business, Mr Stewart also focuses on the strategic direction of the company.

# NetComm Wireless Limited

## Directors' Report

For the Year Ended 30 June 2015

### 3. Directors' Information (continued)

#### (a) Information on Directors (continued)

**Mr Kenneth J P  
Sheridan**

**CFO & Executive Director since 20 December 2010**

Mr Sheridan is a Chartered Accountant with over 30 years' experience in senior management in major corporations in Australia and Asia. He spent 11 years with KPMG before he moved into the commercial sector where he held several CFO roles with large multinational companies in Australia and Asia including three years as Finance Director of a top 10 Malaysian listed consumer goods company. Mr Sheridan was the Group CFO for Tenix, one of Australia's largest private companies. In the 6 years prior to joining NetComm Wireless, Mr Sheridan was Managing Director and major shareholder of Acelero Pty Ltd, a human resources software company.

At the date of this report, the interest of the Directors in the ordinary shares of the Company are:

	Ordinary Shares
J Milne	710,588
K Boundy	650,000
S Black AM	180,000
D P J Stewart	23,000,000
K J P Sheridan	566,946

#### (b) Meetings of Directors

The number of meetings of Directors (including meetings of committees of Directors) held during the year and the number of meetings attended by each Director during the year were as follows:

Director	Board Meetings		Audit and Risk Committee		Nominations and Remuneration Committee	
	A	B	A	B	A	B
J Milne	7	7	4	4	2	2
K Boundy	7	7	4	4	2	2
S Black AM	7	7	4	4	2	2
D P J Stewart	7	7	-	-	-	-
K J P Sheridan	7	7	-	-	-	-

A is the number of meetings the Director was entitled to attend

B is the number of meetings the Director attended

J Milne, K Boundy & S Black are the members of Audit & Risk Committee and Nominations & Remuneration Committee.

### 4. Share Options

At the date of this report, there are no options outstanding. During the year no options were exercised or granted.

# NetComm Wireless Limited

## Directors' Report

For the Year Ended 30 June 2015

### 5. Share Rights

No share rights were outstanding as at the date of this report. During the course of the year no share rights were exercised or issued.

### 6. Remuneration Report - Audited

This remuneration report, which forms part of the Directors' Report, sets out the information about the remuneration of NetComm Wireless Limited's Directors and its senior management for the financial year ended 30 June 2015.

The following persons were key management personnel of NetComm Wireless Limited during the financial year:

Name	Position held
J Milne	Non-Executive Director & Chairman
K Boundy	Non-Executive Director
S Black AM	Non-Executive Director
D P J Stewart	CEO & Managing Director
K J P Sheridan	CFO & Executive Director
S Collins	Senior Vice President Engineering
M Cornelius	Research & Development Director
D Morrison	General Manager - Sales Australia and New Zealand
R Parker	General Manager – Broadband Sales Australia and New Zealand
P Micallef	General Manager – M2M Sales

#### (a) Remuneration Policy

The Board's policy for determining the nature and amount of remuneration of key management personnel for the Group is as follows:

- The Nominations & Remuneration Committee assume responsibility for making recommendations to the Board in respect of remuneration policies and practices generally and making recommendations to the Board on remuneration packages and other terms of employment for Executive Directors, other senior executives and Non-Executive Directors.
- The Board reviews the remuneration packages of all Directors and other key management personnel on an annual basis. Remuneration packages are reviewed and determined with due regard to current market rates and are benchmarked against comparable industry salaries. The overall objective is to ensure maximum shareholder benefit from the retention of a quality Board and Executive Team. To assist in achieving this objective, the nature and amount of the Executives' and Executive Directors' and other key management personnel's emoluments is linked to the Group's financial and operational performance, as determined by the Board.
- Any shares that are issued as part of remuneration are issued at market price. Recipients are not permitted to enter in to transactions which limit the economic risk of participating in this scheme.

For FY15 the Chairman of the Company received an annual fee of \$97,500 with all other Non-Executive Directors receiving \$57,500 per annum. Given the size of the Company and the Board, no additional payments are made in respect of Chairmanship or Membership of any of the Board Committees.

# NetComm Wireless Limited

## Directors' Report

For the Year Ended 30 June 2015

### 6. Remuneration Report – Audited (continued)

#### (b) Relationship between the remuneration policy and company performance

The following tables set out summary information about the consolidated entity's earnings and movements in shareholder wealth for the five years to June 2015:

	30 June 2015 \$	30 June 2014 \$	30 June 2013 \$	30 June 2012 \$	30 June 2011 \$
<b>Continuing Operations</b>					
Revenue	74,327,275	64,593,245	42,857,600	59,361,477	67,602,485
Net Profit/(loss) before tax	2,881,706	826,419	(2,681,095)	1,772,049	2,145,565
Net Profit/(loss) after tax	2,464,257	1,017,789	(541,624)	1,570,179	1,057,464
Net Loss from discontinued operations	-	-	-	(729,668)	(2,259,611)
Profit/(loss) for the year	2,464,257	1,017,789	(541,624)	840,511	(1,202,147)
	30 June 2015 \$	30 June 2014 \$	30 June 2013 \$	30 June 2012 \$	30 June 2011 \$
Share price at start of the year	0.74	0.26	0.12	0.13	0.20
Share price at end of the year	0.74	0.74	0.26	0.12	0.13
Interim dividend	-	-	-	-	0.5cps
Final dividend	-	-	-	-	-
<b>Continuing Operations</b>					
Basic earnings/(loss) per share (cents)	1.91	0.79	(0.51)	1.51	1.02
Diluted earnings/(loss) per share (cents)	1.91	0.79	(0.51)	1.50	1.02
<b>Discontinued Operations</b>					
Basic loss per share (cents)	-	-	-	(0.70)	(2.18)
Diluted loss per share (cents)	-	-	-	(0.70)	(2.18)

As stated above the overall objective of the Board's remuneration policy is to ensure maximum shareholder benefit from the retention of a quality Board and Executive team and to assist in achieving this objective by linking executive rewards to the Group's financial and operational performance. The Board is of the opinion that the remuneration policy and company performance are closely aligned.

# NetComm Wireless Limited

## Directors' Report

For the Year Ended 30 June 2015

### 6. Remuneration Report – Audited (continued)

#### (c) Details of Remuneration for Year Ended 30 June 2015.

Details of each element of the remuneration of key management personnel and other executives of NetComm Wireless Limited are set out in the following tables:

Year ended 30 June 2015:

	Short Term Employee Benefits			Post-Employment Benefits	Long Term benefits	Share Based Payments	Other Benefits	Total	% of Remuneration that is performance based	% of Remuneration that consists of Shares
	Salary & Fees	Short Term Incentive Plan	Non-Monetary Benefits							
<b>Independent Non-Executive Directors</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>		
J Milne	89,450	-	-	8,050	-	-	-	97,500	-	-
K Bounady	52,037	-	-	5,463	-	-	-	57,500	-	-
S Black AM	52,037	-	-	5,463	-	-	-	57,500	-	-
<b>Executive Directors</b>										
D P J Stewart	380,000	153,000	-	70,000	7,278	-	-	610,278	25%	-
K J P Sheridan	270,000	64,000	-	26,027	-	-	-	360,027	18%	-
<b>Executive Officers</b>										
D Morrison*	132,074	56,250	-	12,281	-	-	-	200,605	28%	-
R Parker**	33,654	-	-	3,197	-	-	-	36,851	-	-
P Micallef***	34,738	-	-	3,300	-	-	-	38,038	-	-
M Cornelius	158,753	32,000	15,000	14,250	2,498	27,750	-	250,251	13%	11%
S Collins	188,701	40,000	-	18,653	18,905	55,500	-	321,759	12%	17%
<b>Total Key Management Personnel Compensation</b>	<b>1,391,444</b>	<b>345,250</b>	<b>15,000</b>	<b>166,684</b>	<b>28,681</b>	<b>83,250</b>	<b>-</b>	<b>2,030,309</b>		

\* D Morrison passed away on 10 February 2015.

\*\* R Parker commenced as General Manager – Broadband Sales Australia and NZ on 13 April 2015.

\*\*\* P Micallef commenced as General Manager – M2M Sales on 22 April 2015.



# NetComm Wireless Limited

## Directors' Report

For the Year Ended 30 June 2015

### 6. Remuneration Report – Audited (continued)

#### (d) Details of remuneration for year ended 30 June 2014.

Details of each element of the remuneration of key management personnel and other executives of NetComm Wireless Limited are set out in the following tables:

Year ended 30 June 2014:

	Short Term Employee Benefits			Post-employment Benefits	Long Term benefits	Share Based Payments	Other Benefits	Total	% of Remuneration that is performance based	% of Remuneration that consists of options/share rights
	Salary & Fees	Short Term Incentive Plan	Non-Monetary Benefits							
<b>Independent Non-Executive Directors</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>		
J Milne	89,450	-	-	8,050	-	-	-	97,500	-	-
K Bounly	52,325	-	-	5,175	-	-	-	57,500	-	-
S Black AM	52,325	-	-	5,175	-	-	-	57,500	-	-
<b>Executive Directors</b>										
D P J Stewart	416,538	525,000	-	33,462	7,528	-	-	982,528	53%	-
K J P Sheridan	275,229	225,000	-	24,771	-	-	-	525,000	43%	-
<b>Executive Officers</b>										
D Morrison	175,866	60,000	11,538	17,321	10,806	-	-	275,531	22%	-
M Cornelius	150,000	72,000	15,000	15,160	2,560	-	-	254,720	28%	-
S Collins	168,845	88,125	9,231	15,453	-	-	-	281,654	31%	-
<b>Total key management personnel compensation</b>	<b>1,380,578</b>	<b>970,125</b>	<b>35,769</b>	<b>124,567</b>	<b>20,894</b>	<b>-</b>	<b>-</b>	<b>2,531,933</b>		

# NetComm Wireless Limited

## Directors' Report

For the Year Ended 30 June 2015

### 6. Remuneration Report – Audited (continued)

#### (e) Short Term Incentive Plan - Cash Bonuses

Key management personnel, other than Non-Executive Directors, and other executives are entitled to a short-term cash incentive based on performance criteria which is defined and granted at the discretion of the Board. Where performance criteria are not met in the current year the bonus is forfeited and may not be carried forward to a future year.

In order to enhance retention of key personnel, one third (33.3%) of any earned incentive is deferred for one year and is payable if the person remains an employee at the time of the payment in August of the following year.

Short term incentive plans are based on the achievement of specified EBITDA levels and personal objectives. For the year ended 30 June 2015, the following table discloses the total entitlement and the amount achieved.

Participants	Role	Base Bonus Incentive	Total Bonus Achieved	% Achieved	Amount Payable in August 2015	Amount Deferred to August 2016
D P J Stewart	CEO & Managing Director	\$450,000	\$153,000	34%	\$102,000	\$51,000
K J P Sheridan	CFO & Executive Director	\$200,000	\$64,000	32%	\$42,667	\$21,333
D Morrison	General Manager - Sales	\$75,000	\$56,250	75%	\$56,250	Nil
S Collins	Senior Vice President Engineering	\$100,000	\$40,000	40%	\$26,667	\$13,333
M Cornelius	Research & Development Director	\$100,000	\$32,000	32%	\$21,333	\$10,667
<b>Total</b>		<b>\$925,000</b>	<b>\$345,250</b>		<b>\$248,917</b>	<b>\$96,333</b>

#### *Rationale for Determination of Incentive Payments*

The 2015 short term incentive plan provides the Board with the discretion of applying an adjustment multiplier of between 0 and 1.5 to the base bonus incentive entitlement based on the overall performance of each individual included in the incentive plan.

For FY15, the Board applied a multiplying factor of 1.0 times to the incentive entitlements of the CEO & Managing Director and the CFO & Executive Director. This means that there was no increase or decrease in the incentive entitlement as originally calculated.

# NetComm Wireless Limited

## Directors' Report

For the Year Ended 30 June 2015

### 6. Remuneration Report - Audited (continued)

#### (f) Service Contracts

The following table provides employment details of persons who were, during the financial year, the Directors and executive officers of the consolidated group receiving the highest remuneration.

	Position held as at 30 June 2015	Contract details (duration & termination)
J Milne	Non-Executive Director & Chairman	No fixed term. No retirement benefits other than superannuation
K Boundy	Non-Executive Director	No fixed term. No retirement benefits other than superannuation
S Black AM	Non-Executive Director	No fixed term. No retirement benefits other than superannuation
D P J Stewart	CEO & Managing Director	Standard employment agreement. 12 months' notice required to terminate. Entitled to 12 months gross salary upon termination.
K J P Sheridan	CFO & Executive Director	Standard employment agreement. 2 months' notice required to terminate. Entitled to 2 months gross salary upon termination.
S Collins	Senior Vice President Engineering	Standard employment agreement. 2 months' notice required to terminate. Entitled to 2 months gross salary upon termination.
R Parker	General Manager - Broadband Sales Australia and New Zealand	Standard employment agreement. 2 months' notice required to terminate. Entitled to 2 months gross salary upon termination.
P Micallef	General Manager - M2M Sales	Standard employment agreement. 2 months' notice required to terminate. Entitled to 2 months gross salary upon termination.
M Cornelius	Research & Development Director	Standard employment agreement. 2 months' notice required to terminate. Entitled to 2 months gross salary upon termination.

# NetComm Wireless Limited

## Directors' Report

For the Year Ended 30 June 2015

### 6. Remuneration Report - Audited (continued)

#### (g) Shares Held by Key Management Personnel

Fully paid ordinary shares as at 30 June 2015:

	Balance 1 July, 2014	Movement during the Year	Balance 30 June, 2015
	No.	No.	No.
J Milne	380,588	330,000	710,588
K Boundy	650,000	-	650,000
S Black	180,000	-	180,000
D P J Stewart*	22,974,596	25,404	23,000,000
K J P Sheridan	367,588	199,358	566,946
P Micallef	-	-	-
R Parker	-	-	-
D Morrison**	350,000	(350,000)	-
S Collins	-	100,000	100,000
M Cornelius	1,756,170	50,000	1,806,170
<b>Total</b>	<b>26,658,942</b>	<b>354,762</b>	<b>27,013,704</b>

\* The 23,000,000 shares held by D P J Stewart's related entities.

\*\* D Morrison passed away on 10 February 2015 and his shares reverted to his Estate.

Fully paid ordinary shares as at 30 June 2014:

	Balance 1 July, 2013	Movement during the Year	Balance 30 June, 2014
	No.	No.	No.
J Milne	180,588	200,000	380,588
K Boundy	450,000	200,000	650,000
S Black	-	180,000	180,000
D P J Stewart*	22,974,596	-	22,974,596
K J P Sheridan	204,588	163,000	367,588
D Morrison	350,000	-	350,000
S Collins	-	-	-
M Cornelius	2,486,170	(730,000)	1,756,170
<b>Total</b>	<b>26,645,942</b>	<b>13,000</b>	<b>26,658,942</b>

\* The 22,974,596 shares held by D P J Stewart's related entities.

**END OF AUDITED REMUNERATION REPORT**

# NetComm Wireless Limited

## Directors' Report

For the Year Ended 30 June 2015

---

### 7. Other Information

#### (a) Indemnification and Insurance of Directors and Auditors

All Directors of the Group, its secretaries and executive officers are entitled to be indemnified under Clause 23 of the Company's Constitution to the maximum extent permitted by law unless the liability arises out of conduct involving a lack of good faith. Since the end of the previous financial year, the Group has paid insurance premiums in respect of a directors and officers liability insurance contract against certain liabilities (subject to exclusions), for all current and former officers of the Group, including all Directors named in this report, the Company secretaries and executive officers of the Group, and Directors and officers who have retired or relinquished their positions.

The insurance policies prohibit disclosure of the premiums paid in respect of those policies and the nature of the liabilities insured by the policies.

The Group has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify any current or former officer or auditor of the Group against a liability incurred by such an officer or auditor.

#### (b) Proceedings on Behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the Corporations Act 2001.

#### (c) Auditors Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2015 has been received and can be found on page 15 of the financial report.

#### (d) Non Audit Services

The Directors are satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001, because the nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

Fees for non-audit services which were paid/payable to the external auditors (Grant Thornton Audit Pty Ltd) during the year ended 30 June 2015 are disclosed at Note 3(c).

#### (e) Corporate Governance

The Directors of NetComm Wireless Limited have always recognised the need for appropriate standards of corporate behaviour and accountability to ensure the quality of the Company's financial reporting. Recent commentary and directions from Australian regulatory authorities have further emphasised this issue in the minds of investors. The Directors of NetComm Wireless Limited reaffirm their support for the principles of corporate governance and transparency and have reviewed their policies with regard to current best practice. The annual Corporate Governance Statement is available on the Company's website at <http://www.netcommwireless.com/investor-relations/corporate-governance>.



# NetComm Wireless Limited

## Directors' Report

For the Year Ended 30 June 2015

---

### 7. Other Information (continued)

#### (f) Dividends

No dividends were paid during the financial year 2015 (2014: Nil).

The Directors' report is signed in accordance with a resolution of directors made pursuant to s.298(2) of the Corporations Act 2001.

On behalf of the Directors

Director:



J Milne, Chairman  
Sydney  
4 September 2015

Director:



D P J Stewart, CEO & Managing Director  
Sydney  
4 September 2015

Level 17, 383 Kent Street  
Sydney NSW 2000

Correspondence to:  
Locked Bag Q800  
QVB Post Office  
Sydney NSW 1230

**T** +61 2 8297 2400  
**F** +61 2 9299 4445  
**E** [info.nsw@au.gt.com](mailto:info.nsw@au.gt.com)  
**W** [www.grantthornton.com.au](http://www.grantthornton.com.au)

### **Auditor's Independence Declaration To the Directors of NetComm Wireless Limited**

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of NetComm Wireless Limited for the year ended 30 June 2015, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



S M Coulton  
Partner – Audit & Assurance

Sydney, 4 September 2015

Grant Thornton Audit Pty Ltd ACN 130 913 594  
a subsidiary or related entity of Grant Thornton Australia Ltd ABN 41 127 556 389

Grant Thornton Australia Limited is a member firm within Grant Thornton International Ltd. Grant Thornton International Ltd and the member firms are not a worldwide partnership. Grant Thornton Australia Limited, together with its subsidiaries and related entities, delivers its services independently in Australia.

Liability limited by a scheme approved under Professional Standards Legislation

# NetComm Wireless Limited

## Index to the Financial Statements For the Year Ended 30 June 2015

---

<b>Contents</b>	<b><u>Page</u></b>
Consolidated Statement of Profit or Loss & Other Comprehensive Income	17
Consolidated Statement of Financial Position	18
Consolidated Statement of Changes in Equity	19
Consolidated Statement of Cash Flows	20
Notes to the financial statements	
1. Statement of Significant Accounting Policies	21
2. Revenue and Other Revenue from Operations	39
3. Expenses	39
4. Income Tax Expense/(Benefit)	40
5. Dividends	42
6. Cash and Cash Equivalents	42
7. Trade and Other Receivables	43
8. Inventories	44
9. Other Assets	44
10. Property, Plant and Equipment	44
11. Goodwill	45
12. Other Intangible Assets	47
13. Trade and Other Payables	48
14. Borrowings	48
15. Employee Benefits	49
16. Other Liabilities	49
17. Issued Capital	49
18. Reserves	50
19. Fair Value Measurement	51
20. Contingent Liabilities	51
21. Commitments	51
22. Cash Flow Information	52
23. Related Party Transactions	53
24. Share-Based Payments	53
25. Retirement Benefit Obligations	55
26. Earnings per Share	55
27. Financial Instruments	56
28. Events after the Reporting Date	61
29. Segment Reporting	62
30. Parent Entity Disclosures	64
31. Company Details	65
Director's Declaration	66
Independent Auditor's Report	67
ASX Additional Information	69
Corporate Directory	70

# NetComm Wireless Limited

## Consolidated Statement of Profit or Loss & Other Comprehensive Income For the Year Ended 30 June 2015

		2015	2014
	Note	\$	\$
Revenue from the sale of goods	2	74,263,139	64,524,993
Other revenue	2	64,136	68,252
Change in inventories		2,722,220	(2,455,632)
Raw materials consumed		(53,783,992)	(42,735,039)
Employee benefits		(8,952,575)	(8,035,434)
Other expenses	3	(7,011,265)	(6,146,246)
<b>Earnings before interest, tax, depreciation and amortisation (EBITDA)</b>		<b>7,301,663</b>	<b>5,220,894</b>
Depreciation and amortisation expense	3	(3,815,439)	(3,667,845)
Finance costs	3	(604,518)	(726,630)
<b>Profit before income tax</b>		<b>2,881,706</b>	<b>826,419</b>
Income tax (expense)/benefit	4	(417,449)	191,370
<b>Profit for the year</b>		<b>2,464,257</b>	<b>1,017,789</b>
Attributable to equity holders of the parent		<b>2,464,257</b>	<b>1,017,789</b>
<b>Other comprehensive (expense)/income</b>			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		(146,590)	241,565
Reclassification of cash flow hedging to profit and loss		5,119	984,410
Net change in the fair value of cash flow hedges recognised in equity		-	(5,119)
Income tax relating to components of other comprehensive income	4	(1,536)	(293,787)
<b>Other comprehensive (loss)/income for the period (net of tax)</b>		<b>(143,007)</b>	<b>927,069</b>
<b>Total comprehensive income for the period</b>		<b>2,321,250</b>	<b>1,944,858</b>
Attributable to equity holders of the parent		<b>2,321,250</b>	<b>1,944,858</b>
<b>Earnings per share</b>			
Basic earnings per share (cents per share)	26	<b>1.91</b>	<b>0.79</b>
Diluted earnings per share (cents per share)	26	<b>1.91</b>	<b>0.79</b>

**The above consolidated statement of profit or loss & other comprehensive income should be read in conjunction with the accompanying notes.**

**NetComm Wireless Limited**  
**Consolidated Statement of Financial Position**  
**For the Year Ended 30 June 2015**

	Note	2015 \$	2014 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	6	3,400,344	4,307,490
Trade and other receivables	7	13,647,620	10,665,140
Inventories	8	10,124,081	7,401,861
Other assets	9	1,304,503	1,319,357
<b>Total current assets</b>		<b>28,476,548</b>	<b>23,693,848</b>
<b>Non-current assets</b>			
Property, plant and equipment	10	1,798,290	1,178,597
Deferred tax assets	4 (c)	4,573,185	4,515,004
Goodwill	11	895,999	895,999
Other intangible assets	12	8,694,400	7,173,580
Other assets	9	-	332,143
<b>Total non-current assets</b>		<b>15,961,874</b>	<b>14,095,323</b>
<b>TOTAL ASSETS</b>		<b>44,438,422</b>	<b>37,789,171</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	13	14,774,353	9,298,662
Borrowings	14	2,806,705	4,733,301
Employee benefits	15	951,250	910,723
Income tax liability		174,856	-
Other current liabilities	16	301,837	393,257
<b>Total current liabilities</b>		<b>19,009,001</b>	<b>15,335,943</b>
<b>Non-current liabilities</b>			
Borrowings	14	538,122	24,539
Employee benefits	15	296,030	237,920
<b>Total non-current liabilities</b>		<b>834,152</b>	<b>262,459</b>
<b>TOTAL LIABILITIES</b>		<b>19,843,153</b>	<b>15,598,402</b>
<b>NET ASSETS</b>		<b>24,595,269</b>	<b>22,190,769</b>
<b>EQUITY</b>			
Issued capital	17	15,432,272	15,349,022
Reserves	18	584,818	727,825
Retained earnings		8,578,179	6,113,922
<b>TOTAL EQUITY</b>		<b>24,595,269</b>	<b>22,190,769</b>

*The above consolidated statement of financial position should be read in conjunction with the accompanying notes.*



# NetComm Wireless Limited

## Consolidated Statement of Changes in Equity For the Year Ended 30 June 2015

	Ordinary Shares	Retained Earnings	Foreign Currency Translation Reserve	Foreign Exchange Hedging Reserve	Options and Share Rights Reserve	Total
<b>Balance at 1 July 2014</b>	<b>Note</b> <b>\$</b> <b>15,349,022</b>	<b>\$</b> <b>6,113,922</b>	<b>\$</b> <b>335,600</b>	<b>\$</b> <b>(3,583)</b>	<b>\$</b> <b>395,808</b>	<b>\$</b> <b>22,190,769</b>
Profit for the period	-	2,464,257	-	-	-	2,464,257
Exchange difference on translation of foreign operations	-	-	(146,590)	-	-	(146,590)
Foreign exchange hedging (Net of tax)	-	-	-	-	-	-
- Reclassified to profit and loss account	-	-	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>18 (c)</b>	<b>-</b>	<b>-</b>	<b>3,583</b>	<b>-</b>	<b>3,583</b>
<b>Balance at 30 June 2015</b>	<b>17 (a)</b> <b>83,250</b>	<b>8,578,179</b>	<b>189,010</b>	<b>-</b>	<b>395,808</b>	<b>83,250</b>
<b>Balance at 30 June 2015</b>	<b>15,432,272</b>	<b>8,578,179</b>	<b>189,010</b>	<b>-</b>	<b>395,808</b>	<b>24,595,269</b>
<b>Balance at 1 July 2013</b>	<b>14,331,878</b>	<b>5,096,133</b>	<b>94,035</b>	<b>(689,087)</b>	<b>395,808</b>	<b>19,228,767</b>
Profit for the period	-	1,017,789	-	-	-	1,017,789
Exchange difference on translation of foreign operations	-	-	241,565	-	-	241,565
Foreign exchange hedging (Net of tax)	-	-	-	-	-	-
- Current year loss	-	-	-	(3,583)	-	(3,583)
- Reclassified to profit and loss account	-	-	-	689,087	-	689,087
<b>Total comprehensive income for the period</b>	<b>17 (a)</b>	<b>1,017,789</b>	<b>241,565</b>	<b>685,504</b>	<b>-</b>	<b>1,944,858</b>
Issue of ordinary shares (Net of transaction costs and tax)	17 (a)	931,324	-	-	-	931,324
Exercise of options	17 (a)	85,820	-	-	-	85,820
<b>Balance at 30 June 2014</b>	<b>15,349,022</b>	<b>6,113,922</b>	<b>335,600</b>	<b>(3,583)</b>	<b>395,808</b>	<b>22,190,769</b>

The above consolidated statement changes in equity should be read in conjunction with the accompanying notes.

# NetComm Wireless Limited

## Consolidated Statement of Cash Flows For the Year Ended 30 June 2015

	Note	2015 \$	2014 \$
<b>Cash flows from operating activities:</b>			
Receipts from customers		78,402,639	64,385,960
Payments to suppliers and employees		(71,165,313)	(57,895,289)
Finance costs		(604,518)	(726,630)
Income taxes paid		(254,055)	(107,449)
<b>Net cash provided by operating activities</b>	<b>22</b>	<b>6,378,753</b>	<b>5,656,592</b>
<b>Cash flows from investing activities:</b>			
Interest received		64,136	66,197
Acquisition of property, plant and equipment		(1,388,862)	(265,870)
Acquisition of intangible assets		(4,548,160)	(3,660,160)
<b>Net cash used in investing activities</b>		<b>(5,872,886)</b>	<b>(3,859,833)</b>
<b>Cash flows from financing activities:</b>			
Proceeds from issue of shares & options (net of transaction costs)	17(a)	-	1,017,144
Proceeds from borrowings		43,620,856	39,917,087
Repayment of borrowings		(45,033,869)	(42,305,567)
<b>Net cash used in financing activities</b>		<b>(1,413,013)</b>	<b>(1,371,336)</b>
<b>Net (decrease)/increase in cash and cash equivalents held</b>		<b>(907,146)</b>	<b>425,423</b>
Cash and cash equivalents at beginning of financial period		4,307,490	3,882,067
<b>Cash and cash equivalents at end of financial period</b>	<b>6</b>	<b>3,400,344</b>	<b>4,307,490</b>

*The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.*

# NetComm Wireless Limited

Notes to the financial statements  
For the Year Ended 30 June 2015

---

## 1 Statement of Significant Accounting Policies

### ***General Information***

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, including Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial statements cover the consolidated Group of NetComm Wireless Limited ("the Group" or the "consolidated entity"). NetComm Wireless Limited is a listed public company, incorporated and domiciled in Australia, and is a for-profit entity for the purpose of preparing financial statements.

Compliance with Australian Accounting Standards results in the compliance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The financial statements were authorised for issue by the Directors on 4 September 2015.

The following is a summary of the material accounting policies adopted by the Group in the preparation of the financial statements. The accounting policies have been consistently applied, unless otherwise stated.

### ***Basis of Preparation***

The financial statements have been prepared on an accruals basis and are based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

### ***Clarification of terminology used in the Statement of Comprehensive Income***

Under the requirements of AASB 101: "Presentation of Financials Statements", we must classify all of our expenses (apart from any finance costs) according to either the nature (type) of the expense or the function (activity to which the expense relates). We have chosen to classify our expenses using the nature classification as it more accurately reflects the type of operations we undertake.

Earnings before interest, income tax, depreciation and amortisation (EBITDA) reflects our profit for the year prior to including the effect of net finance costs, income taxes, depreciation and amortisation. Depreciation and amortisation are calculated in accordance with AASB 116: "Property, Plant and Equipment" and AASB 138: "Intangible Assets" respectively. We believe that EBITDA is a relevant and useful financial measure used by management to measure the Company's operating performance.

Our management uses EBITDA in combination with other financials measures, primarily to evaluate the Group's operating performance before financing, income tax and non-cash capital related expenses. In addition, we believe EBITDA is useful to investors because analysts and other members of the investment community largely view EBITDA as a key and widely recognised measure of operating performance.

# NetComm Wireless Limited

Notes to the financial statements  
For the Year Ended 30 June 2015

---

## 1 Statement of Significant Accounting Policies

### ***Adoption of new and revised Accounting Standards that are effective for these financial statements***

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current reporting period.

None of the new standards and amendments that are mandatory for the first time for the financial year beginning 1 July 2014 affected any of the amounts recognised in the current period or any prior period and are not likely to affect future periods.

### ***Critical accounting judgements and key sources of uncertainty***

In the application of the Group's accounting policies, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects current and future periods. Refer to Note 1(x) for a discussion of critical judgements in applying the entity's accounting policies and key sources of estimation uncertainty.

#### **(a) Principles of Consolidation**

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of NetComm Wireless Limited as at 30 June 2015 and the results of all subsidiaries for the year then ended.

A subsidiary is an entity over which NetComm Wireless Limited has control. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary.

A list of subsidiaries is contained in Note 30(d) to the financial statements. All subsidiaries have a 30 June financial year end.

All intercompany balances and transactions between entities in the consolidated entity, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the parent entity.

Subsidiaries are fully consolidated from the date which control is transferred to the Group. They are deconsolidated from the date control ceases.

# NetComm Wireless Limited

Notes to the financial statements  
For the Year Ended 30 June 2015

---

## 1 Statement of Significant Accounting Policies (continued)

### (b) Business Combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The cost of the business combination is measured as the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition related costs are recognised in the profit or loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under AASB 3 'Business Combinations' are recognised at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with AASB 5 'Non-current Assets Held for Sale and Discontinued Operations', which are recognised and measured at fair value less costs to sell.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination the excess is recognised immediately in profit or loss.

The interest of minority shareholders in the acquiree is initially measured at the minority's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

### (c) Foreign Currency Transactions and Balances & Policy on Hedge Accounting for Foreign Exchange Exposures

#### *Functional and presentation currency*

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

#### *Transaction and balances*

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in profit or loss in the period in which they arise.



# NetComm Wireless Limited

Notes to the financial statements  
For the Year Ended 30 June 2015

## 1 Statement of Significant Accounting Policies (continued)

### (c) Foreign Currency Transactions and Balances & Policy on Hedge Accounting for Foreign Exchange Exposures (continued)

#### *Group companies*

The financial results and position of foreign operations whose functional currency is different from the Group's presentation currency are translated as follows:

- assets and liabilities are translated at year end exchange rates prevailing at that reporting date;
- income and expenses are translated at average exchange rates for the period; and
- all resulting exchange differences shall be recognised in other comprehensive income and as a separate component of equity.

Exchange differences arising on translation of foreign operations are transferred directly to the Group's foreign currency translation reserve in the statement of financial position. These differences are recognised in profit or loss in the period in which the operation is disposed. Goodwill and fair value adjustments arising on the acquisition of a foreign entity on or after the date of transition to IFRS are treated as assets and liabilities of the foreign entity and translated at exchange rates prevailing at the reporting date.

#### *Derivative financial instruments and hedge accounting*

Derivative financial instruments are accounted for as financial assets or liabilities at fair value through profit or loss (FVTPL) except for derivatives designated as hedging instruments in foreign exchange hedge relationships, which requires a specific accounting treatment. To qualify for hedge accounting, the hedging relationship must meet several strict conditions with respect to documentation, probability of occurrence of the hedged transaction and hedge effectiveness.

All derivative financial instruments used for hedge accounting are recognised initially at fair value and reported subsequently at fair value in the statement of financial position.

To the extent that the hedge is effective, changes in the fair value of derivatives designated as hedging instruments are recognised in other comprehensive income and included within the foreign exchange hedge reserve in equity. Any ineffectiveness in the hedge relationship is recognised immediately in profit or loss.

At the time the hedged item affects profit or loss, any gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and presented as a reclassification adjustment within other comprehensive income. However, if a non-financial asset or liability is recognised as a result of the hedged transaction, the gains and losses previously recognised in other comprehensive income are included in the initial measurement of the hedged item.

If a forecast transaction is no longer expected to occur or if the hedging instrument becomes ineffective, any related gain or loss recognised in other comprehensive income is transferred immediately to profit or loss.

# NetComm Wireless Limited

Notes to the financial statements  
For the Year Ended 30 June 2015

---

## 1 Statement of Significant Accounting Policies (continued)

### (d) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the taxation authority or it is recognised as part of the cost of acquisition of an asset or part of an item of expenses.

Receivables and payables in the statement of financial position are shown inclusive of GST and the net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables. Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

### (e) Income Tax

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantively enacted by the reporting date.

Deferred tax is accounted for in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in profit or loss except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the consolidated Group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

NetComm Wireless Limited and its wholly-owned Australian subsidiaries have formed an income tax consolidated Group under the tax consolidation regime. The Group notified the Australian Tax Office that it had formed an income tax consolidated Group to apply from 20 August 2006.

The stand-alone taxpayer within a Group approach has been used to allocate current income tax expense and deferred tax expense to wholly-owned subsidiaries that form part of the tax consolidated Group. Each entity in the group recognises its own current and deferred tax assets and liabilities, as if they continue to be a separate taxable entity in their own right, except for any deferred tax assets resulting from unused tax losses and tax credits, which are immediately assumed by the parent entity. The current tax liability of each Group entity is then subsequently assumed by the parent entity.

NetComm Wireless Limited is entitled to claim R&D tax incentive. The R&D tax incentive is calculated using the estimated R&D expenditure multiplied by a 40% non-refundable tax offset. The Group accounts for this tax incentive as tax credits which means that it will reduce income tax payable and current tax expense. A deferred tax asset is recognised for any unclaimed tax credits that are carried forward as deferred tax assets.

# NetComm Wireless Limited

Notes to the financial statements  
For the Year Ended 30 June 2015

---

## 1 Statement of Significant Accounting Policies (continued)

### (f) Revenue Recognition

Revenue is measured at the fair value of consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Revenue from the sale of goods, including communications and networking devices, are recognised at the time goods are dispatched to customers.

Revenue from a contract to provide services is recognised on a pro-rata basis over the term of the service agreement.

Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Other revenue is recognised when the right to receive the revenue has been established.

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

### (g) Share-based Payments

Equity settled compensation benefits are provided to employees via the Employee Option Plan and the NetComm Wireless Limited Executive Employee Share Plan. Information relating to these plans is set out in Note 24. The fair value of shares granted is recognised as an employee benefit expense with a corresponding increase in equity.

Equity-settled share-based payment transactions with other parties are measured at the fair value of the goods and services received, except where the fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service. For cash-settled share-based payments, a liability equal to the portion of the goods or services received is recognised at the current fair value determined at each reporting date.

### (h) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses. Cost includes all directly attributable expenditure incurred including costs to get the asset ready for its use as intended by management. Costs include an estimate of any expenditure expected to be incurred at the end of the asset's useful life, including restoration, rehabilitation and decommissioning costs.

The carrying amount of property, plant and equipment is reviewed annually by Directors for indications of impairment. If any such indications exist, an impairment test is carried out, and any impairment losses on the assets recognised.

#### **Development assets**

Cost incurred in acquiring assets for research and development is measured at costs less accumulated amortisation and any accumulated impairment losses. Development assets are amortised on a straight line basis over 3-6 years.

# NetComm Wireless Limited

Notes to the financial statements  
For the Year Ended 30 June 2015

## 1 Statement of Significant Accounting Policies (continued)

### (h) Property, Plant and Equipment (continued)

#### *Depreciation*

The depreciable amount of all fixed assets is depreciated on a straight line basis over their useful lives to the Group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. The depreciable amount is the carrying value of the asset less estimated residual amounts. The residual amount is based on what a similar asset of the expected condition of the asset at the end of its useful life could be sold for.

The depreciation rates used for each class of depreciable assets are:

<b>Class of Asset</b>	<b>Useful Life</b>
Plant and equipment	3-6 years
Leasehold improvements	Over the term of the lease
Development assets	3-6 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are recognised in profit or loss.

### (i) Impairment of Assets

At each reporting date, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is recognised in profit or loss. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash generating unit is increased to the revised recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised in prior years. A reversal of an impairment loss is recognised immediately in profit or loss. Impairment of goodwill is not reversed. Refer also to Note 1(y) on goodwill.

# NetComm Wireless Limited

Notes to the financial statements  
For the Year Ended 30 June 2015

---

## 1 Statement of Significant Accounting Policies (continued)

### (j) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to entities in the Group are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period. The interest expense is recognised in the profit or loss so as to achieve a constant periodic rate of interest on the remaining balance of the liability outstanding.

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are recognised in profit or loss on a straight line basis over the lease term. Contingent rentals are recognised as an expense in the period in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight line basis over the life of the lease.

### (k) Derivative Financial Instruments

The fair value of all derivative financial instruments outstanding at reporting date are recognised in the statement of financial position as either financial assets or financial liabilities. Changes in the fair value of derivative financial instruments that are designated and effective as hedges of future cash flows are recognised directly in equity, with any ineffective portion being recognised in profit or loss.

Changes in the fair value of derivative financial instruments are recognised in profit or loss as they arise.

Derivatives embedded in other financial instruments, or other non-financial host contracts, are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contract, and the host contract is not carried at fair value with unrealised gains or losses reported in profit or loss.

### (l) Financial Assets

Financial assets are classified into the following specified category: 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

#### ***Loans and receivables***

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest income is recognised by applying the effective interest rate.

Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

# NetComm Wireless Limited

Notes to the financial statements  
For the Year Ended 30 June 2015

---

## 1 Statement of Significant Accounting Policies (continued)

### (l) Financial Assets (continued)

#### *Effective interest method*

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period. Income is recognised on an effective interest basis for debt instruments.

### (m) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and in banks, deposits held at call with banks and financial institutions, investments in money market instruments with maturities of three months or less from the date of acquisition, and bank overdrafts. Bank overdrafts are shown within short term borrowings in current liabilities on the statement of financial position.

### (n) Inventories

Finished goods and raw materials are valued at the lower of cost and net realisable value. Cost is the direct cost of purchase, plus freight and duty and any other costs directly attributable to acquisition. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Inventory is recognised on a weighted average cost basis.

### (o) Intangible Assets

#### *Development costs*

Expenditure during the research phase of a project is recognised as an expense when incurred. Development costs (relating to the design and testing of new or improved products) are recognised as intangible assets when it is probable that the project will generate future benefits considering its commercial and technical feasibility and its cost can be measured reliably. The expenditure capitalised consists of all directly attributable costs. Capitalised development costs are amortised from the point at which the product is ready for use and for no longer than 3 years.

Subsequent to initial recognition, intangible assets are reported at cost less accumulated amortisation and impairment costs.

#### *Computer software*

Computer software is measured on a cost basis less amortisation and impairment losses. Computer software is amortised on a straight line basis over 3.3 years, commencing from the time the software is ready for use.



# NetComm Wireless Limited

Notes to the financial statements  
For the Year Ended 30 June 2015

---

## 1 Statement of Significant Accounting Policies (continued)

### (p) Borrowing Costs

Borrowing costs are recognised in profit or loss in the period in which they are incurred.

### (q) Employee Benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to reporting date, including wages and salaries, annual leave and long service leave. 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. Employee benefits payable later than one year have been measured at present value of the estimated future cash outflows to be made for those benefits.

Employee benefits payable later than one year have been measured at present value of the estimated future cash outflows to be made for those benefits. The expected future payments incorporate anticipated future wage and salary levels, experience of employee departures and periods of service, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds (2014: government bonds) that have maturity dates that approximate the timing of the estimated future cash outflows. Any re-measurements arising from experience adjustments and changes in assumptions are recognised in profit or loss in the periods in which the changes occur. The Group presents employee benefit obligations as current liabilities in the statement of financial position if the Group does not have an unconditional right to defer settlement for at least twelve (12) months after the reporting period, irrespective of when the actual settlement is expected to take place.

Contributions are made by the Group to employee superannuation funds which are of the defined contribution type. Contributions to these defined contribution superannuation schemes are recognised as an expense in the period they are payable.

### (r) Financial Instruments

#### *Debt and equity instruments*

Debt and equity instruments are classified as either liabilities or equity in accordance with the substance of the contractual arrangement. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

#### *Other financial liabilities*

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs and are subsequently measured at amortised cost using the effective interest method, with the interest expense recognised on an effective yield basis. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

#### *Trade payables*

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost.

# NetComm Wireless Limited

Notes to the financial statements  
For the Year Ended 30 June 2015

---

## 1 Statement of Significant Accounting Policies (continued)

### (s) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

No liability is recognised if an outflow of economic resources as a result of present obligation is not probable. Such situations are disclosed as contingent liabilities, unless the outflow of resources is remote in which case no liability is recognised. Where an inflow of economic benefits is probable, an entity shall disclose a brief description of the nature of the contingent assets at the end of the reporting period, and, where practicable, an estimate of their financial effect.

### (t) Earnings per Share

Basic earnings per share is determined by dividing net profit after income tax attributable to members of the company, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

Diluted earnings per share adjusts the figures in the determination of basic earnings per share by taking into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

### (u) Dividends

A liability is recorded for the amount of any dividend declared, determined or publicly recommended by the Directors on or before the end of financial year but not distributed at reporting date.

### (v) Issued Capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of transaction costs and tax, from the proceeds.

# NetComm Wireless Limited

Notes to the financial statements  
For the Year Ended 30 June 2015

---

## 1 Statement of Significant Accounting Policies (continued)

### (w) Standards and Interpretations Issued not yet Effective

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2015 reporting periods. The Group's assessment of the impact of these new standards and Interpretations are set out below.

#### *(i) AASB 9 Financial Instruments*

AASB 9 introduces new requirements for the classification and measurement of financial assets and liabilities.

These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. The main changes are:

- a. Financial assets that are debt instruments will be classified based on:
  - the objective of the entity's business model for managing the financial assets; and
  - the characteristics of the contractual cash flows.
- b. Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income (instead of in profit or loss). Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument.
- c. Introduces a 'fair value through other comprehensive income' measurement category for particular simple debt instruments.
- d. Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.
- e. Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows:
  - the change attributable to changes in credit risk are presented in Other Comprehensive Income ('OCI'),
  - the remaining change is presented in profit or loss.

If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss. Otherwise, the following requirements have generally been carried forward unchanged from AASB 139 into AASB 9:

- classification and measurement of financial liabilities; and derecognition requirements for financial assets and liabilities.

# NetComm Wireless Limited

Notes to the financial statements  
For the Year Ended 30 June 2015

---

## 1 Statement of Significant Accounting Policies (continued)

### (w) Standards and Interpretations Issued not yet Effective (continued)

AASB 9 requirements regarding hedge accounting represent a substantial overhaul of hedge accounting that enable entities to better reflect their risk management activities in the financial statements. Furthermore, AASB 9 introduces a new impairment model based on expected credit losses. This model makes use of more forward-looking information and applies to all financial instruments that are subject to impairment accounting.

Management have yet to assess the impact that this amendment is likely to have on the financial statements of the Group. However they do not expect to implement the amendments until all chapters of AASB 9 have been published and they can comprehensively assess the impact of all changes.

#### *(ii) AASB 15 Revenue from Contracts with Customers*

AASB 15 replaces AASB 118 Revenue, AASB 111 Construction Contracts and some revenue-related Interpretations:

- establishes a new revenue recognition model,
- changes the basis for deciding whether revenue is to be recognised over time or at a point in time,
- provides new and more detailed guidance on specific topics (e.g., multiple element arrangements, variable pricing, rights of return, warranties and licensing),
- expands and improves disclosures about revenue.

The Group is yet to undertake a detailed assessment of the impact of AASB 15. However, based on the Group's preliminary assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 30 June 2018.

At this stage, the Group is not able to estimate the impact of the new rules on the Group's financial statements. The Group will make more detailed assessments of the impact over the next twelve months.

#### *(iii) AASB 2014-1 Amendments to Australian Accounting Standards (Part E: Financial Instruments)*

Part E of AASB 2014-1 makes amendments to Australian Accounting Standards to reflect the AASB's decision to defer the mandatory application date of AASB 9 Financial Instruments to annual reporting periods beginning on or after 1 January 2018. Part E also makes amendments to numerous Australian Accounting Standards as a consequence of the introduction of Chapter 6 Hedge Accounting into AASB 9 and to amend reduced disclosure requirements for AASB 7 Financial Instruments: Disclosures and AASB 101 Presentation of Financial Statements.

When these amendments are first adopted for the year ending 1 January 2018, there will be no material impact on the transactions and balances recognised in the financial statements.

# NetComm Wireless Limited

Notes to the financial statements  
For the Year Ended 30 June 2015

---

## 1 Statement of Significant Accounting Policies (continued)

### (w) Standards and Interpretations Issued not yet Effective (continued)

#### ***(iv) AASB 2014-3 Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations***

The amendments to AASB 11 state that an acquirer of an interest in a joint operation in which the activity of the joint operation constitutes a 'business', as defined in AASB 3 Business Combinations, should:

- apply all of the principles on business combinations accounting in AASB 3 and other Australian Accounting Standards except principles that conflict with the guidance of AASB 11. This requirement also applies to the acquisition of additional interests in an existing joint operation that results in the acquirer retaining joint control of the joint operation (note that this requirement applies to the additional interest only, i.e., the existing interest is not remeasured) and to the formation of a joint operation when an existing business is contributed to the joint operation by one of the parties that participate in the joint operation; and
- provide disclosures for business combinations as required by AASB 3 and other Australian Accounting Standards.

When these amendments are first adopted for the year ending 30 June 2017, there will be no material impact on the transactions and balances recognised in the financial statements.

#### ***(v) AASB 2014-9 Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements***

The amendments introduce the equity method of accounting as one of the options to account for an entity's investments in subsidiaries, joint ventures and associates in the entity's separate financial statements.

When these amendments are first adopted for the year ending 30 June 2017, there will be no material impact on the financial statements.

#### ***(vi) AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture***

The amendments address a current inconsistency between AASB 10 Consolidated Financial Statements and AASB 128 Investments in Associates and Joint Ventures (2011).

The amendments clarify that, on a sale or contribution of assets to a joint venture or associate or on a loss of control when joint control or significant influence is retained in a transaction involving an associate or a joint venture, any gain or loss recognised will depend on whether the assets or subsidiary constitute a business, as defined in AASB 3 Business Combinations. Full gain or loss is recognised when the assets or subsidiary constitute a business, whereas gain or loss attributable to other investors' interests is recognised when the assets or subsidiary do not constitute a business.

# NetComm Wireless Limited

Notes to the financial statements  
For the Year Ended 30 June 2015

## 1 Statement of Significant Accounting Policies (continued)

### (w) Standards and Interpretations Issued not yet Effective (continued)

This amendment effectively introduces an exception to the general requirement in AASB 10 to recognise full gain or loss on the loss of control over a subsidiary. The exception only applies to the loss of control over a subsidiary that does not contain a business, if the loss of control is the result of a transaction involving an associate or a joint venture that is accounted for using the equity method. Corresponding amendments have also been made to AASB 128 (2011).

When these amendments are first adopted for the year ending 30 June 2017, there will be no material impact on the financial statements.

### ***(vii) AASB 2015-1 Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle***

These amendments arise from the issuance of Annual Improvements to IFRSs 2012-2014 Cycle in September 2014 by the IASB.

Among other improvements, the amendments clarify that when an entity reclassifies an asset (or disposal group) directly from being held for sale to being held for distribution (or vice-versa), the accounting guidance in paragraphs 27-29 of AASB 5 Non-current Assets Held for Sale and Discontinued Operations does not apply. The amendments also state that when an entity determines that the asset (or disposal group) is no longer available for immediate distribution or that the distribution is no longer highly probable, it should cease held-for-distribution accounting and apply the guidance in paragraphs 27-29 of AASB 5.

When these amendments are first adopted for the year ending 30 June 2017, there will be no material impact on the financial statements.

### ***(viii) AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101***

The amendments:

- clarify the materiality requirements in AASB 101, including an emphasis on the potentially detrimental effect of obscuring useful information with immaterial information
- clarify that AASB 101's specified line items in the statement(s) of profit or loss and other comprehensive income and the statement of financial position can be disaggregated
- add requirements for how an entity should present subtotals in the statement(s) of profit and loss and other comprehensive income and the statement of financial position
- clarify that entities have flexibility as to the order in which they present the notes, but also emphasise that understandability and comparability should be considered by an entity when deciding that order
- remove potentially unhelpful guidance in IAS 1 for identifying a significant accounting policy.

When these amendments are first adopted for the year ending 30 June 2017, there will be no material impact on the financial statements.



# NetComm Wireless Limited

Notes to the financial statements  
For the Year Ended 30 June 2015

---

## 1 Statement of Significant Accounting Policies (continued)

### (w) Standards and Interpretations Issued not yet Effective (continued)

#### ***(ix) AASB 2015-5 Amendments to Australian Accounting Standards – Investment Entities: Applying the Consolidation Exception***

The narrow-scope amendments to AASB 10 Consolidated Financial Statements, AASB 12 Disclosure of Interests in Other Entities and AASB 128 Investments in Associates and Joint Ventures introduce clarifications to the requirements when accounting for investment entities. The amendments also provide relief in particular circumstances, which will reduce the costs of applying the Standards.

When these amendments are first adopted for the year ending 30 June 2017, there will be no material impact on the financial statements.

### (x) Critical Accounting Estimates and Judgements

The Directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and based on current trends and economic data, obtained both externally and within the Group.

The following are the critical judgements (apart from those involving estimations, which are dealt with below) that management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

#### ***Inventories***

Note 8 sets out the categories of inventories carried. The net realisable value of inventories is the estimated selling price in the ordinary course of business less estimated costs to sell which approximates fair value less costs to sell. The key assumptions require the use of management judgement and are reviewed annually. These key assumptions are the variables affecting the estimated costs to sell and expected selling price. Any reassessment of cost to sell or selling price in a particular year will affect the cost of goods sold.

#### ***Impairment of Assets***

The Group assesses impairment at each reporting date by evaluating conditions specific to the Group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value in use calculations performed in assessing recoverable amounts incorporate a number of key estimates. Refer Note 11(b). The impairment testing is performed at least annually.

# NetComm Wireless Limited

Notes to the financial statements  
For the Year Ended 30 June 2015

## 1 Statement of Significant Accounting Policies (continued)

### (x) Critical Accounting Estimates and Judgements (continued)

#### ***Deferred Tax Asset***

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in profit or loss except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the consolidated Group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

#### ***Internally generated intangible assets – research and development expenditure***

Distinguishing the research and development phases of a new customised software project and determining whether the recognition requirements for the capitalisation of development costs are met requires judgement. After capitalisation, management monitors whether the recognition requirements continue to be met and whether there are any indicators that capitalised costs may be impaired.

Expenditure on research activities is recognised as an expense in the period in which it is incurred. An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred. Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

#### ***R&D Tax Incentive***

NetComm Wireless Limited is entitled to claim R&D tax incentive. The R&D tax incentive is calculated using the estimated R&D expenditure multiplied by a 40% non-refundable tax offset. The Group accounts for this tax incentive as tax credits which means that it will reduce income tax payable and current tax expense. A deferred tax asset is recognised for any unclaimed tax credits that are carried forward as deferred tax assets.

# NetComm Wireless Limited

Notes to the financial statements  
For the Year Ended 30 June 2015

---

## 1 Statement of Significant Accounting Policies (continued)

### (y) Goodwill

Goodwill acquired in a business combination is initially measured at its cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised at the date of the acquisition. Goodwill is subsequently measured at its cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash generating units, or Groups of cash-generating units, expected to benefit from the synergies of the business combination. Cash-generating units or groups of cash-generating units to which goodwill has been allocated are tested for impairment annually or more frequently if events or changes in circumstances indicate that goodwill might be impaired. The impairment testing is performed at least annually.

If the recoverable amount of the cash-generating unit (or group of cash-generating units) is less than the carrying amount of the cash-generating unit (or groups of cash-generating units), the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or groups of cash-generating units) and then to the other assets of the cash generating units pro-rata on the basis of the carrying amount of each asset in the cash-generating unit (or groups of cash-generating units). An impairment loss recognised for goodwill is recognised immediately in profit or loss and is not reversed in a subsequent period. On disposal of an operation within a cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal of the operation.

### (z) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The Group has two operating segments: Machine to Machine (M2M) and Broadband business. In identifying its operating segments, management generally follows the Group's product mix, which represent the main products and services provided by the Group.

### (aa) Parent Entity Financial Information

The financial information for the parent entity, NetComm Wireless Limited ("NetComm"), disclosed in Note 30 has been prepared on the same basis as the consolidated financial statements, except as set out below.

#### ***Investments in subsidiaries, associates and joint venture entities***

Investments in subsidiaries, associates and joint venture entities are account for at cost in the financial statements of NetComm. Dividends received from associates are recognised in the parent entity's profit or loss when its right to receive the dividend is established.

# NetComm Wireless Limited

Notes to the financial statements  
For the Year Ended 30 June 2015

## 2 Revenue and other income from operations

	2015 \$	2014 \$
<b>Revenue</b>		
Sales revenue	74,263,139	64,524,993
	<u>74,263,139</u>	<u>64,524,993</u>
<b>Other revenue</b>		
Interest revenue	64,136	66,197
Other revenue	-	2,055
	<u>64,136</u>	<u>68,252</u>
<b>Total revenue and other income</b>	<b><u>74,327,275</u></b>	<b><u>64,593,245</u></b>

## 3 Expenses

Included in expenses are the following specific items:

### a) Other expenses comprising

	2015 \$	2014 \$
Advertising and marketing	488,103	343,042
Property expenses	1,014,041	927,777
Distribution and selling costs	713,162	903,969
Insurance expenses	418,186	355,050
Legal & professional fees	866,903	602,585
Travel expenses	1,392,404	1,136,201
Contractor costs	748,532	665,483
Other expenses	1,369,934	1,212,139
	<u>7,011,265</u>	<u>6,146,246</u>

### b) Depreciation, amortisation and impairments

	2015 \$	2014 \$
Depreciation of property, plant and equipment (Note 10(b))	785,089	964,553
Amortisation of intangible assets (Note 12(b))	3,030,350	2,703,292
	<u>3,815,439</u>	<u>3,667,845</u>

### c) Auditor's remuneration

Grant Thornton is the auditor of the Group. Amounts received or due and receivable by Grant Thornton are detailed below:

	2015 \$	2014 \$
Auditing or reviewing the financial statements	116,070	111,100
Taxation services	31,353	24,205
Other services - consulting	9,363	12,754
<b>Total auditors' remuneration</b>	<b><u>156,786</u></b>	<b><u>148,059</u></b>

# NetComm Wireless Limited

Notes to the financial statements  
For the Year Ended 30 June 2015

## 3 Expenses (continued)

### d) Rental expenses on operating leases

	2015	2014
	\$	\$
Minimum lease payments	816,869	749,380

### e) Finance costs

	2015	2014
	\$	\$
Bank borrowings	569,964	718,198
Finance leases	34,554	8,432
	<b>604,518</b>	<b>726,630</b>

## 4 Income Tax Expense/(Benefit)

### a) Income tax recognised in profit or loss

	2015	2014
	\$	\$
<b>i) Tax expense/(benefit) comprises:</b>		
Current tax benefit	(87,016)	(625,406)
Deferred tax expense relating to the origination and reversal of temporary differences	465,395	415,231
Under provision for tax in prior year	39,070	18,805
<b>Income tax expense/(benefit)</b>	<b>417,449</b>	<b>(191,370)</b>

### ii) Income tax recognised in other comprehensive income

Income tax relating to components of other comprehensive income	1,536	293,787
<b>Total income tax expense</b>	<b>418,985</b>	<b>102,417</b>

# NetComm Wireless Limited

Notes to the financial statements  
For the Year Ended 30 June 2015

## 4 Income Tax Expense/(Benefit) (continued)

- b) The prima facie income tax expense on pre-tax accounting profit from continuing operations and other comprehensive income reconciles to the income tax expense in the financial statements as follows:

	2015 \$	2014 \$
<b>i) Amounts recognised in profit or loss</b>		
Net profit before tax	2,881,706	826,419
Tax at the Australian tax rate of 30%	864,512	247,925
- Non-deductible expenses	33,481	24,143
- Differential in overseas tax rates	(18,167)	(2,243)
- Other items	(53,658)	-
- Under provision for tax in prior years	39,070	18,805
- Research & Development tax concession	(447,789)	(480,000)
<b>Income tax expense/(benefit)</b>	<b>417,449</b>	<b>(191,370)</b>
<b>ii) Amounts recognised in equity</b>		
Net change in the fair value of cash flow hedges	-	(5,119)
Reclassification of cash flow hedging to profit and loss	5,119	984,410
	<b>5,119</b>	<b>979,291</b>
Tax at the Australian tax rate of 30%	1,536	293,787
<b>Total amounts recognised in equity</b>	<b>1,536</b>	<b>293,787</b>

- c) Deferred tax assets/(liabilities) arise from the following:

	Opening balance \$	Charged to income \$	Charged to other comprehensive income \$	Closing balance \$
<b>2015</b>				
Unused tax losses/credit	5,799,863	525,112	-	6,324,975
<b>Temporary differences</b>				
Accrued expenses	125,418	57,920	-	183,338
Provisions	278,599	12,867	-	291,466
Inventory & Warranty	296,707	(148,663)	-	148,044
Intangibles and Other	(1,987,119)	(387,519)	-	(2,374,638)
Cash flow hedges	1,536	-	(1,536)	-
<b>Total deferred tax assets</b>	<b>4,515,004</b>	<b>59,717</b>	<b>(1,536)</b>	<b>4,573,185</b>



# NetComm Wireless Limited

Notes to the financial statements  
For the Year Ended 30 June 2015

## 4 Income Tax Expense/(Benefit) (continued)

	Opening balance \$	Charged to income \$	Charged to other comprehensive income \$	Closing balance \$
<b>2014</b>				
Unused tax losses/credit	5,017,276	782,587	-	5,799,863
<b>Temporary differences</b>				
Accrued expenses	49,632	75,786	-	125,418
Provisions	286,643	(8,044)	-	278,599
Inventory & Warranty	266,600	30,107	-	296,707
Intangibles and Other	(1,474,039)	(513,080)	-	(1,987,119)
Cash flow hedges	295,323	-	(293,787)	1,536
<b>Total deferred tax assets</b>	<b>4,441,435</b>	<b>367,356</b>	<b>(293,787)</b>	<b>4,515,004</b>

## 5 Dividends

No dividends were paid during the year-ended 30 June 2015 (2014: Nil).

	2015 \$	2014 \$
<b>Balance of franking account</b>	<b>591,961</b>	<b>591,961</b>

Balance of franking account at period end adjusted for franking credits arising from dividends recognised as receivables, and franking debits arising from payment of proposed dividends, and franking credits that may be prevented from distribution in subsequent financial years.

## 6 Cash and Cash Equivalents

### a) Cash on hand

	2015 \$	2014 \$
Cash on hand	1,654	1,833
Cash at bank	3,398,690	4,305,657
	<b>3,400,344</b>	<b>4,307,490</b>

### b) Effective interest rate

These funds are bearing floating interest rates of between 0.05% and 1.7% (2014: 0.05% to 1.7%).

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

	2015 \$	2014 \$
Cash and cash equivalents	3,400,344	4,307,490
	<b>3,400,344</b>	<b>4,307,490</b>

# NetComm Wireless Limited

Notes to the financial statements  
For the Year Ended 30 June 2015

## 7 Trade and Other Receivables

	2015	2014
	\$	\$
Trade receivables (i)	13,718,482	10,721,720
Allowance for doubtful debts	(70,862)	(56,580)
	<u>13,647,620</u>	<u>10,665,140</u>

- (i) The average credit period on sales of goods and rendering of services is 45 days, although a few customers have End of Month 45 day terms. No interest is charged on overdue receivables. An allowance has been made for estimated unrecoverable trade receivable amounts arising from the past sale of goods and rendering of services, determined by reference to past default experience. The Group will also consider any change in the quality of the trade receivable from the date credit was initially granted up to the reporting date.
- (ii) Before accepting any new customers, the Group obtains third party references to assess the potential customer's credit quality and define the credit limits by customer. Included in the Group's trade receivable balance are debtors with a carrying amount of \$3,373,112 (2014: \$3,167,272) which are past due at the reporting date for which the Group has not provided as there has not been a significant change in credit quality and the amounts are still considered recoverable. The Group does not hold any collateral over these balances. The average age of these receivables is 49 days (2014: 52 days).

### Aging of past due but not impaired

	2015	2014
	\$	\$
0-30 Days	3,170,856	2,441,482
30-60 Days	54,425	699,981
60+ Days	147,831	25,809
	<u>3,373,112</u>	<u>3,167,272</u>

### Movement in the allowance for doubtful debts

	2015	2014
	\$	\$
Balance at the beginning of the year	56,580	47,672
Increase in allowance for impairment	14,282	8,908
<b>Balance at the end of the year</b>	<u>70,862</u>	<u>56,580</u>

### Aging of impaired receivables

	2015	2014
	\$	\$
0-30 Days	-	-
30-60 Days	-	-
60+ Days	70,862	56,580
	<u>70,862</u>	<u>56,580</u>

# NetComm Wireless Limited

Notes to the financial statements  
For the Year Ended 30 June 2015

## 8 Inventories

	2015	2014
	\$	\$
<b>Current</b>		
Raw materials and stores	1,543,467	2,092,792
Communication modules	1,977,268	1,564,647
Finished goods	5,424,228	3,618,348
Goods in transit	1,179,118	126,074
<b>Total Inventories</b>	<b>10,124,081</b>	<b>7,401,861</b>

## 9 Other Assets

	2015	2014
	\$	\$
<b>Current</b>		
Prepayments	1,181,756	740,290
Income tax receivable	-	50,432
Deposits and bonds	122,747	528,635
	<b>1,304,503</b>	<b>1,319,357</b>
<b>Non - current</b>		
Deposits and bonds	-	332,143
	<b>-</b>	<b>332,143</b>

## 10 Property, Plant and Equipment

### (a) Summary of property, plant and equipment

	2015	2014
	\$	\$
<b>Plant and equipment</b>		
At cost	5,535,616	4,431,663
Less accumulated depreciation	(4,304,773)	(3,859,509)
Total plant and equipment	1,230,843	572,154
<b>Leased plant and equipment</b>		
At cost	1,028,008	915,207
Less accumulated amortisation	(864,679)	(778,125)
Total leased plant and equipment	163,329	137,082
<b>Leasehold improvements</b>		
At cost	228,864	228,864
Less accumulated amortisation	(219,231)	(212,340)
Total leasehold improvements	9,633	16,524
<b>Development assets</b>		
At cost	1,217,590	1,029,563
Less accumulated amortisation	(823,105)	(576,726)
Total development assets	394,485	452,837
<b>Total property, plant and equipment</b>	<b>1,798,290</b>	<b>1,178,597</b>

# NetComm Wireless Limited

Notes to the financial statements  
For the Year Ended 30 June 2015

## 10 Property, Plant and Equipment (continued)

### (b) Movements in carrying amounts

	Plant and equipment \$	Leased plant and equipment \$	Leasehold improvements \$	Development assets \$	Total \$
<b>2015</b>					
Balance at the beginning of the year	572,154	137,082	16,524	452,837	1,178,597
Additions	1,103,953	112,801	-	188,028	1,404,782
Depreciation expenses	(445,264)	(86,555)	(6,891)	(246,379)	(785,089)
Carrying amount at the end of the year	<u>1,230,843</u>	<u>163,328</u>	<u>9,633</u>	<u>394,486</u>	<u>1,798,290</u>
<b>2014</b>					
Balance at the beginning of the year	1,014,664	286,268	27,943	548,405	1,877,280
Additions	129,914	-	-	135,956	265,870
Depreciation expenses	(572,424)	(149,186)	(11,419)	(231,524)	(964,553)
Carrying amount at the end of the year	<u>572,154</u>	<u>137,082</u>	<u>16,524</u>	<u>452,837</u>	<u>1,178,597</u>

## 11 Goodwill

	2015 \$	2014 \$
<b>Gross carrying amount</b>		
Balance at beginning of financial year	895,999	895,999
Balance at end of financial year	<u>895,999</u>	<u>895,999</u>
<b>Net book value</b>		
At the beginning of the financial year	895,999	895,999
At the end of the financial year	<u>895,999</u>	<u>895,999</u>

### (a) Impairment testing

All Goodwill has arisen from acquisitions made during prior financial years.

The Group assessed the recoverable amount of goodwill by apply a value in use ("VIU") model for each identified cash-generating unit. The recoverable amounts of the cash-generating units were determined based on past experience and expectations for the future, utilising both internal and external sources of data and relevant industry trends.

For the purpose of annual impairment testing, goodwill has been allocated for impairment testing purposes to the following cash-generating units (CGU's) representing the goodwill that arose in the acquisition of each business:

	2015 \$	2014 \$
M2M business	766,023	766,023
Broadband business	129,976	129,976
	<u>895,999</u>	<u>895,999</u>

# NetComm Wireless Limited

Notes to the financial statements  
For the Year Ended 30 June 2015

## 11 Goodwill (continued)

### (b) Key assumptions used

The following describes the key assumptions on which the Group has based its cash flow projections when determining value in use ("VIU") relating to the cash-generating units.

#### i) M2M Business

##### Cash flows:

The VIU calculations use after tax cash flow projections based on actual operating results and financial forecasts for the next four years which have been approved by management. These forecasts are based on management's best estimates to determine income, expenditure and cash flow for the M2M business. The present value of the expected cash flows of each CGU is determined by applying a discount rate.

##### Growth rates:

The primary assumptions underlying the cash flow projections for impairment testing include revenue growth of 95% (mainly attributed to ongoing growth from the Ericsson/NBN project) in FY16 (FY15 actual growth: 1.7%). The increase against the prior year is due to increased focus on M2M wireless opportunities followed by, for the purposes of this impairment testing, no revenue growth from 2016 till 2018 with a terminal value.

##### Discount rates:

Discount rates used are the post-tax weighted average cost of capital ("WACC") with appropriate adjustments for the risk profile relating to each CGU. Having assessed the risk specific to each CGU, management has applied a WACC of 8.5% (2014: 12.5%) to each CGU on the basis that the risk will fall within a similar range across all CGUs.

#### ii) Broadband Business

##### Cash flows:

The VIU calculations use after tax cash flow projections based on actual operating results and financial forecasts for the next four years which have been approved by management. These forecasts are based on management's best estimates to determine income, expenditure and cash flow for the broadband business.

##### Growth rates:

The primary assumptions underlying the cash flow projections for impairment testing include a 14% decrease in revenue in FY15 (FY15 actual growth : 29.24%) and flat growth during FY18-FY19 due to the maturity level of ADSL internet gateways in the market.

##### Discount rates:

Discount rates used are the post-tax weighted average cost of capital ("WACC") with appropriate adjustments for the risk profile relating to each CGU. Having assessed the risk specific to each CGU, management has applied a WACC of 8.5% (2014: 12.5%) to each CGU on the basis that the risk will fall within a similar range across all CGUs.

### (c) Impairment of goodwill

Management believes that any reasonably possible change in the above key assumptions on which recoverable amounts are based would not cause the aggregate amount to exceed the recoverable amount of the CGUs.

There was no impairment of goodwill during the year (2014: Nil).

# NetComm Wireless Limited

Notes to the financial statements  
For the Year Ended 30 June 2015

## 12 Other Intangible Assets

### (a) Summary of intangible assets

	2015 \$	2014 \$
<b>Product development costs</b>		
Cost	19,492,776	15,014,281
Accumulated amortisation	(10,892,848)	(7,905,745)
Net carrying value	8,599,928	7,108,536
<b>Computer software</b>		
Cost	933,764	861,089
Accumulated amortisation	(849,284)	(811,665)
Net carrying amount	84,480	49,424
<b>Other intangibles</b>		
Cost	2,470,140	2,470,140
Accumulated amortisation	(2,460,148)	(2,454,520)
Net carrying amount	9,992	15,620
<b>Total</b>	<b>8,694,400</b>	<b>7,173,580</b>

### (b) Movements in carrying amounts

	Product development costs \$	Computer software \$	Other intangibles \$	Total \$
<b>2015</b>				
Balance at the beginning of the year	7,108,536	49,424	15,620	7,173,580
Additions	4,478,495	72,675	-	4,551,170
Amortisation	(2,987,103)	(37,619)	(5,628)	(3,030,350)
<b>Carrying amount at year end</b>	<b>8,599,928</b>	<b>84,480</b>	<b>9,992</b>	<b>8,694,400</b>
<b>2014</b>				
Balance at the beginning of the year	6,178,397	17,067	21,248	6,216,712
Additions	3,608,779	51,381	-	3,660,160
Amortisation	(2,678,640)	(19,024)	(5,628)	(2,703,292)
<b>Carrying amount at year end</b>	<b>7,108,536</b>	<b>49,424</b>	<b>15,620</b>	<b>7,173,580</b>



# NetComm Wireless Limited

Notes to the financial statements  
For the Year Ended 30 June 2015

## 13 Trade and Other Payables

	2015 \$	2014 \$
<b>Current unsecured liabilities</b>		
Trade payables (i)	11,779,856	6,430,928
Sundry payables and accrued expenses	2,994,497	2,867,734
<b>Total current trade and other payables</b>	<b>14,774,353</b>	<b>9,298,662</b>

- (i) The average credit period on purchases of certain goods from various Asian countries is 60 days, although some request payment in advance of shipment. No interest is charged on overdue payables. The Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

## 14 Borrowings

	2015 \$	2014 \$
<b>Current - secured</b>		
Finance lease (i)	23,581	54,931
Trade refinance (ii)	-	2,178,370
Bank loan (iii)	-	2,500,000
Bank loan (iv)	2,783,124	-
<b>Total current borrowings</b>	<b>2,806,705</b>	<b>4,733,301</b>
<b>Non-current - secured</b>		
Finance lease	79,789	24,539
Bank loan (iv)	458,333	-
<b>Total non-current borrowings</b>	<b>538,122</b>	<b>24,539</b>
<b>Total borrowings</b>	<b>3,344,827</b>	<b>4,757,840</b>

- (i) The finance lease is secured against the underlying finance lease asset. Refer to Note 21 for further details of this borrowing.
- (ii) The trade refinance facility is secured by a General Security Agreement with a fixed and floating charge over all assets and liabilities of NetComm Wireless Limited. This facility expired on 27 May 2015.
- (iii) The bank loan is an amortising bank facility and is secured by a General Security Agreement with a fixed and floating charge over all assets and liabilities of NetComm Wireless Limited. Interest is charged at 7.2%. This bank loan was repaid and the loan facility expired on 27 May 2015.
- (iv) On 27 May 2015, the Company entered into new facilities with HSBC as outlined below. These facilities are secured by a General Security Agreement with a fixed and floating charge over all assets and liabilities of NetComm Wireless Limited.
- AUD 7 Million bank loan. Interest is charged at 4.77% per annum.
  - AUD 1 Million amortising loan maturing on 26 May 2017. Interest is charged at a floating rate of 5.17% per annum.
  - USD 3.4 Million Debtor Finance. Interest is charged at a base rate plus margin.
  - AUD 1 Million Debtor Finance. Interest is charged at a base rate plus margin.

# NetComm Wireless Limited

Notes to the financial statements  
For the Year Ended 30 June 2015

## 15 Employee Benefits

	2015 \$	2014 \$
<b>Current</b>		
Employee entitlements	951,250	910,723
<b>Non - current</b>		
Employee entitlements	296,030	237,920
<b>Total provisions</b>	<b>1,247,280</b>	<b>1,148,643</b>

## 16 Other Liabilities

	2015 \$	2014 \$
<b>Current</b>		
Other	301,837	393,257
	<b>301,837</b>	<b>393,257</b>

## 17 Issued Capital

	2015 \$	2014 \$
129,049,890 (2014: 128,899,890) Ordinary shares - paid up no par value	15,432,272	15,349,022

### (a) Movements in issued and paid up ordinary share capital of the company

	2015 No.	2014 No.	2015 \$	2014 \$
<b>At the beginning of the reporting period</b>	<b>128,899,890</b>	<b>124,339,890</b>	<b>15,349,022</b>	<b>14,331,878</b>
Shares issued 15/07/2013 (i)	-	4,000,000	-	931,324
Exercise of options(ii)	-	560,000	-	85,820
Share-based payments (iii)	150,000	-	83,250	-
<b>At reporting date</b>	<b>129,049,890</b>	<b>128,899,890</b>	<b>15,432,272</b>	<b>15,349,022</b>

Changes to the then Corporations Law abolished the authorised capital and par value concept in relation to share capital from 1 July 1998. Therefore, the Company does not have a limited amount of authorised capital and issued shares do not have a par value. Ordinary shares confer on their holders the right to participate in dividends and/or capital returns declared by the board and an entitlement to vote at any general meeting of the Company.

- (i) On 15 July 2013, the Group issued a total of 4,000,000 ordinary shares at the issue price of \$0.255 per share. Issue costs of \$88,676 associated with the issue of shares have been directly paid from the proceeds of the issues. These costs have been deducted from the issued capital in the statement of financial position, rather than charged as an expense of the Company, as they are considered to form part of the net equity raised.

# NetComm Wireless Limited

Notes to the financial statements  
For the Year Ended 30 June 2015

## 17 Issued Capital (continued)

- (ii) In 2014, 560,000 ordinary shares were issued as a result of the exercise of vested options arising from the employee shares options plan granted to employees. Options were exercised at an average price of \$0.15325 per option. (see Note 24)
- (iii) On 16 October 2014, the Group issued 150,000 ordinary shares under share-based payments. (See Note 24 for details).

## 18 Reserves

### (a) Movements in share options & share rights reserve

	2015	2014
	\$	\$
Balance at the beginning of the year	395,808	395,808
Balance at the end of the year	<u>395,808</u>	<u>395,808</u>

### (b) Movements in foreign currency translation reserve

	2015	2014
	\$	\$
Balance at the beginning of the year	335,600	94,035
Exchange difference on translation of foreign operations	(146,590)	241,565
Balance at the end of the year	<u>189,010</u>	<u>335,600</u>

### (c) Movements in foreign exchange hedging reserve

	2015	2014
	\$	\$
Balance at the beginning of the year	(3,583)	(689,087)
Net change in the fair value of cash flow hedges	-	(5,119)
Reclassified to profit and loss account	5,119	984,410
Tax expense	(1,536)	(293,787)
Balance at the end of the year	<u>-</u>	<u>(3,583)</u>

The hedge reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments, net of tax, related to hedged transactions that have not yet occurred.

In 2014, the Group used USD denominated borrowings as a hedge against USD sales that were expected to occur close to the maturity date of the borrowings. The cumulative deferred gain or loss on the hedge is recognised in other comprehensive income and included within the cash flow hedge reserve in equity.

If a forecast transaction is no longer expected to occur or if the hedging instrument becomes ineffective, any related gain or loss recognised in other comprehensive income is transferred immediately to profit and loss.

# NetComm Wireless Limited

## Notes to the financial statements For the Year Ended 30 June 2015

### 19 Fair Value Measurement

The Group's financial assets and financial liabilities measured and recognised at fair value at 30 June 2015 on a recurring basis are as follows:

- there were no forward contracts as at 30 June 2015 (2014: \$5,119).

AASB 13 requires disclosure of fair value measurements by level of the fair value hierarchy. NetComm Wireless Limited's cash flow hedges are classed as level 2 as the inputs for fair value measurement are based on observable market data (observable inputs).

Measurement of fair value of forward contracts:

The Group's foreign currency forward contracts are not traded in active markets. The fair values of most of these contracts are estimated using a valuation technique that maximises the use of observable market inputs, e.g. market exchange and interest rates and are included in Level 2 of the fair value hierarchy.

The Group did not measure any financial assets or financial liabilities at fair value on a non-recurring basis as at 30 June 2015 (2014: Nil).

### 20 Contingent Liabilities

The Group has provided certain guarantees totalling \$647,639 for performance bonds as at 30 June 2015 (2014: Nil).

There were no other contingent liabilities in existence at 30 June 2015 requiring disclosure in the financial statements.

### 21 Commitments

#### (a) Capital expenditure commitments

There were no capital expenditure commitments as at 30 June 2015 (2014: \$360,932).

#### (b) Expenditure commitments

##### i) Non-cancellable operating lease commitments

	2015	2014
	\$	\$
Not longer than 1 year	555,260	659,725
Longer than 1 year and not longer than 5 years	142,090	362,731
	<u>697,350</u>	<u>1,022,456</u>

The Group leases its offices in Australia and other countries under operating leases. Leases generally provide the right of renewal at which time all terms are renegotiated. Lease payments comprise a base amount and in some cases an incremental contingent rental. Contingent rents are normally based on movements in the CPI or market reviews.

# NetComm Wireless Limited

Notes to the financial statements  
For the Year Ended 30 June 2015

## 21 Commitments (continued)

### ii) Finance lease commitments

	2015	2014
	\$	\$
Not longer than 1 year	27,741	58,303
Longer than 1 year and not longer than 5 years	84,699	25,049
<b>Minimum future lease payments</b>	<b>112,440</b>	<b>83,352</b>
Less future finance charges	(9,070)	(3,882)
<b>Present value of minimum lease payments</b>	<b>103,370</b>	<b>79,470</b>
Included in the financial statements:		
Current borrowings (Note 14)	23,581	54,931
Non - current borrowings (Note 14)	79,789	24,539
	<b>103,370</b>	<b>79,470</b>

Finance leases relate to a motor vehicle. The Group has the option to purchase the motor vehicle at the conclusion of the lease arrangements. The Group's obligation under finance leases are secured by the lessor's title to the leased assets.

## 22 Cash Flow Information

### Reconciliation of cash flow from operations with profit after income tax

	2015	2014
	\$	\$
<b>Profit for the year</b>	<b>2,464,257</b>	<b>1,017,789</b>
<b>Non-cash flows in profit:</b>		
Depreciation and amortisation	3,815,439	3,667,845
Interest received	(64,136)	(66,197)
Change in the fair value of cash flow hedges	3,583	685,504
Foreign exchange translation differences	(146,590)	241,565
Share-based payments	83,250	-
<b>Changes in operating assets and liabilities:</b>		
(Increase) in trade and other receivables	(2,982,480)	(5,964,759)
(Increase)/decrease in inventories	(2,722,220)	2,680,482
Decrease/(increase) in other assets	346,997	(96,676)
(Increase) in deferred tax assets	(58,181)	(73,569)
Increase in trade and other payables	5,475,691	3,398,393
Increase/(decrease) in other liabilities	64,506	(34,892)
Increase in provisions	98,637	201,107
<b>Net cash from operating activities</b>	<b>6,378,753</b>	<b>5,656,592</b>

# NetComm Wireless Limited

Notes to the financial statements  
For the Year Ended 30 June 2015

## 23 Related Party Transactions

There were no related party transactions other than transactions with Key Management Personnel.

	2015	2014
	\$	\$
Short term benefits	1,751,694	2,386,472
Post employment benefits	166,684	124,567
Other long term benefits	28,681	20,894
Share-based payments	83,250	-
<b>Total</b>	<b>2,030,309</b>	<b>2,531,933</b>

Further information on remuneration of key management personnel can be found in the remuneration report within the Directors' Report.

## 24 Share-Based Payments

### (a) Employee option plan

An employee share scheme was established in 1993 and current details are noted below.

The board of directors may at its discretion offer options to employees in such numbers and at such times as it thinks fit, having regard to:

- a) each employee's length of service;
- b) the contribution to the Group which has been made by the employee;
- c) the potential contribution of the employee to the Group; and
- d) any other matters which the board considers relevant.

The Board has decided to discontinue using the Options Plan in favour of the new Share Rights Plan.

#### **Entitlement:**

*Each option entitles the holder to subscribe for and be allotted one share in the capital of the company at the exercise price per share.*

*Shares issued on the exercise of options will rank pari passu with all existing shares in the capital of the company from the date of issue.*

#### **Vesting:**

*All outstanding options have now vested.*

#### **Exercise of Options:**

*An option may be exercised:*

- (i) *After an option has vested in accordance with the rules outlined above, but before expiry of the option, provided the participant is at the time of exercise an employee or director of the Group.*
- (ii) *Within 180 days:*
  - *Of the death, disablement or retirement of the participant; or*
  - *After an option has vested in accordance with the rules outlined above and the participant resigns or is retrenched.*
- (iii) *If the Board otherwise permits it.*
- (iv) *If any person or that person's associate has acquired or become entitled to 40% or more of the Company's voting shares.*

# NetComm Wireless Limited

Notes to the financial statements  
For the Year Ended 30 June 2015

## 24 Share-Based Payments (continued)

As at 30 June 2015, there were no options outstanding (2014: Nil).

No options issued to employees expired during the financial year in accordance with the rules of the Share Option Plan (2014: Nil).

There were no options exercised during the year ended 30 June 2015 (2014: 560,000).

Subsequent to year end, no options were exercised or issued to employees or directors.

### Valuations of Options:

*The fair value at grant date of all options is independently determined using the Binomial Approximation pricing model.*

- (a) Options are granted in accordance with the terms of the Employee Option Plan (refer above for detail),
- (b) The expected price volatility is based on a daily closing share price for NetComm Wireless Limited over the 12 months immediately prior to date of grant: N/A (2014: N/A),
- (c) The risk free interest rate is based on the 5 year Commonwealth Bond rate on date of issue: N/A,
- (d) The expected dividend yield is based on the dividends received by shareholders of NetComm Wireless Limited during the 12 months prior to date of grant: 0% (2014: 0%).

On 1 July 2011 NetComm Wireless Limited "Executive Employee Share Plan" ("EESP") was introduced for invited Participants selected on the basis of their capability to be able to directly impact the Company's performance.

### (b) Share rights held by key management personnel

Details of share rights held directly, indirectly or beneficially by key management personnel and their related parties are as follows:

PARTICIPANTS	Balance on 1 July 2014	Fair Value at grant date	Rights Exercised	Rights Lapsed	Balance at 30 June 2015	Total Vested at 30 June 2015
David Stewart	-	\$ -	-	-	-	-
Ken Sheridan	-	\$ -	-	-	-	-
Danny Morrison*	250,000	\$ 32,500	-	250,000	-	-
Steve Collins	250,000	\$ 32,500	-	250,000	-	-
Michael Cornelius	250,000	\$ 32,500	-	250,000	-	-
<b>Total</b>	<b>750,000</b>	<b>\$ 97,500</b>	<b>-</b>	<b>750,000</b>	<b>-</b>	<b>-</b>

\* Danny Morrison passed away on 10 February 2015.

Implicit Share Price used in determining value of initial share rights:	\$0.20
Actual share price on 1 July 2011 (the date of grant):	\$0.13
Actual share price on 1 July 2012 (the first Vesting Date):	\$0.13



# NetComm Wireless Limited

Notes to the financial statements  
For the Year Ended 30 June 2015

## 24 Share-Based Payments (continued)

### (b) Share rights held by key management personnel (continued)

On July 1, 2011 NetComm Wireless Limited "Executive Employee Share Plan" ("EESP") was introduced for invited Participants selected on the basis of their capability to be able to directly impact the Company's performance. Under this Plan, a Participant is made an offer of a number of Share Rights, as determined by the Board. A Share Right is an entitlement to a cash (for cash participants) or equity (for equity participants) amount equivalent to the value of one fully paid ordinary share in the Company for nil consideration, subject to the achievement of vesting conditions which include service and company performance over a 3-year period. The Share Rights will vest when the Company meets or exceeds a "performance hurdle" based on a specific EBITDA target as at the end of years 1, 2 and 3 respectively, if the Participant remains employed with the Company at that time. If the Company does not meet a performance hurdle at a given year (either year 1 or year 2), the hurdle can be "re-tested" in the subsequent year. The "re-test" would be based on a comparison of the cumulative actual EBITDA results for the current and past years compared to the targeted EBITDA results. The Board has resolved that any entitlements to shares in NetComm Wireless resulting from the EESP will be purchased on market.

As at 1 July 2014, the cumulative EBITDA performance hurdles were not met so share rights for all the participants have lapsed. Accordingly, the fair value of these Rights has been assessed as nil.

### (c) Other shares issued

On 16 October 2014, the Group has issued 150,000 ordinary shares under share-based payments and the total share-based payment expenses were \$83,250 (2014: Nil).

## 25 Retirement Benefit Obligations

### Superannuation commitments:

The Group provides employees with access to external superannuation plans that provide benefits on retirement, resignation, disability or death. This is a defined contribution plan.

## 26 Earnings per Share

	2015 \$	2014 \$
<b>Earnings reconciliation</b>		
Net profit for the year	2,464,257	1,017,789
Basic and diluted earnings	2,464,257	1,017,789
	<b>2015</b>	<b>2014</b>
<b>Weighted average number of ordinary shares used as the denominator</b>	<b>No.</b>	<b>No.</b>
Number for basic earnings per share	129,005,917	128,569,808
Number for diluted earnings per share	129,005,917	128,569,808
	<b>2015</b>	<b>2014</b>
<b>Earnings per share</b>	<b>Cents</b>	<b>Cents</b>
Basic earnings per share	1.91	0.79
Diluted earnings per share	1.91	0.79

# NetComm Wireless Limited

Notes to the financial statements  
For the Year Ended 30 June 2015

---

## 27 Financial Instruments

### (a) Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy is to focus on the global M2M and rural broadband sector. During the financial year the Group has put in place a new \$14 million facility with HSBC Australia. The new facility will better cater for the Company's ongoing working capital financing needs as the business continues to grow and will reduce the cost of debt to the Company.

The capital structure of the Group consists of debt, which includes the borrowings disclosed in Note 14, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and accumulated profits. Operating cash flows are used to maintain and expand the Group's assets as well as to pay for operating expenses, including tax liabilities.

### (b) Financial Risk Management Objectives

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial and exchange rate markets and seeks to minimise potential adverse effects on the Group's performance. Risk management is carried out by the Board of Directors through the Audit and Risk Management Committee.

### (c) Foreign Currency Risk Management

*The Group is mainly exposed to US dollars (USD) (2014: US dollars and Euros).*

The Group undertakes certain transactions denominated in foreign currencies that are different from the functional currency of the respective entities undertaking the transactions, hence exposures to exchange rate fluctuations arise.

Exchange rate exposures are managed within approved policy parameters utilising hedges. The Group in particular has developed a Foreign Exchange hedging strategy to manage its Foreign Exchange Risk on future purchases using Foreign Currency (FX) Forwards. The strategy is to use USD FX Forwards as a hedge against future USD purchases related to its AUD revenues. This is to reduce the variability in the AUD cash flows arising from USD denominated purchases consisting of firm commitments and highly probable forecast transactions. Any gains or losses on revaluing of the forwards are recognised in Other Comprehensive Income and shown in the balance sheet in Equity as a "Foreign Exchange Hedging Reserve". The amount in this reserve is reversed to the Profit and Loss Account when the forwards are settled.

For the year ended 30 June 2015, circa \$1.5 million of FX forward contracts were put in place and were used as a hedge against future "Specific" purchases the Group made for one of its ISP's project. At reporting date there were no exchange contracts outstanding that needed revaluation.

In order to avoid exposure to significant foreign exchange gains or losses on revaluation of USD borrowings, the Group continues to denominate its borrowings in AUD. All other foreign currency denominated financial assets and liabilities which expose the Group to currency risk are disclosed below. The amounts shown are those reported to key management translated into AUD at the closing rate 0.7680. (2014: 0.9420).

# NetComm Wireless Limited

Notes to the financial statements  
For the Year Ended 30 June 2015

## 27 Financial Instruments (continued)

### (c) Foreign Currency Risk Management (continued)

The carrying amount of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date that are denominated in a currency that is different to the functional currency of the respective entities holding the monetary assets and liabilities are as follows:

	Closing rate		Liabilities		Assets	
	2015	2014	2015	2014	2015	2014
US Dollars	0.768	0.942	11,207,583	4,479,697	12,890,713	6,701,527

#### Foreign currency sensitivity analysis

The Group is mainly exposed to US dollars (USD).

The following table details the Group's sensitivity to a 10% increase and decrease in the Australian dollar against the relevant foreign currencies (arising from monetary assets and liabilities held at reporting date in a currency different to the functional currency of the respective entities holding the assets or liabilities), which represents management's assessment of the possible change in foreign exchange rates.

The sensitivity analysis includes only outstanding foreign currency denominated monetary items (including liabilities for goods in transit) and adjusts their translation at period end for a 10% change in foreign currency rates. This analysis demonstrates the impact of each 10% change of foreign currency rates against the Australian dollar on the profit or loss after tax.

	Profit or Loss	
	2015	2014
US Dollars	187,014	257,287

The foreign exchange impact in the table is attributable to the exposure outstanding on USD receivables and borrowings at year end in the Group. In management's opinion, the above sensitivity analysis is representative of the inherent foreign exchange risk during the course of the year.

The Group includes subsidiaries whose functional currencies are different to the Group's presentation currency. As stated in the Group's Accounting Policies per Note 1(c), on consolidation the assets and liabilities of this entity are translated into Australian dollars at exchange rates prevailing on the reporting date. The income and expenses of this entity are translated at the average exchange rates for the period. Exchange differences arising are classified as equity and are transferred to a foreign exchange translation reserve. The Group's future reported other comprehensive income could therefore be impacted by changes in rates of exchange between the Australian Dollar and the other functional currencies.

The following table details the Group's sensitivity to a 10% increase and decrease in the Australian dollar against the relevant foreign currencies arising from translation of foreign operations. A positive number indicates an increase in other comprehensive income where the Australian dollar weakens against the respective currency. For a strengthening of the Australian dollar against the respective currency there would be an equal and opposite impact on the other comprehensive income and other equity, and the balances below would be negative.

	Other comprehensive income	
	2015	2014
New Zealand Dollars	15,806	266,604

# NetComm Wireless Limited

Notes to the financial statements  
For the Year Ended 30 June 2015

---

## 27 Financial Instruments (continued)

### (d) Interest Rate Risk Management

The Group is exposed to interest rate risk as the parent entity borrows funds at floating interest rates. The Group does not hedge this risk through derivatives such as interest rate swaps.

The Group's exposure to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

### (e) Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on a 50 basis point change in interest rates taking place at the beginning of the financial year and held constant throughout the reporting period, which represents management's assessment of the possible change in interest rates. At reporting date, if interest rates had been 50 basis points higher or lower and all other variables were held constant, the Group's net profit would increase/(decrease) by \$25,657 (2014: increase/(decrease) by \$21,420). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

### (f) Credit Risk Management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties. The Group uses publicly available financial information and its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored and controlled by counterparty limits that are reviewed and approved by the CFO. Trade receivables consist of a few large customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

The Group is exposed to the credit risk. The Group has two major customers (Note 29) who generated around 50% (FY14: 52%) revenues to the Group. However, there is minimal credit risk arising from these customers based on the customer's global presence and position, historical information and previous trading experience.

Other than the item noted above, the Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies. The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the Group's maximum exposure to credit risk. Refer further detail in Note 7.

### (g) Liquidity Risk Management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, who have built an appropriate liquidity risk management framework for the management of the Group's short, medium and long term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Group also uses a trade payables finance facility to manage its liquidity risk.

# NetComm Wireless Limited

Notes to the financial statements  
For the Year Ended 30 June 2015

## 27 Financial Instruments (continued)

### (g) Liquidity Risk Management (continued)

The table below details the Company's and the Group's drawn and undrawn facilities.

	Consolidated	
	2015	2014
	\$	\$
<b>Secured Bank Loan</b>	7,000,000	9,000,000
Used at reporting date (Note 14)	2,400,000	-
Used at reporting date (Note 14)	-	2,178,370
Unused at reporting date	<b>4,600,000</b>	<b>6,821,630</b>
<b>Amortising Facility</b>	958,333	2,500,000
Used at reporting date (Note 14)	958,333	2,500,000
Unused at reporting date	-	-
<b>Debtor Finance (AUD)</b>	1,000,000	-
Surplus debtor receipts (Note 14 (iv))	(116,876)	-
Unused at reporting date	<b>1,116,876</b>	-
<b>Debtor Finance (USD)</b>	USD 3,400,000	-
Used at reporting date (Note 14 (iv))	-	-
Unused at reporting date	<b>USD 3,400,000</b>	-

### Liquidity and interest risk tables

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

	Weighted avg effective interest rate %	Less than 1 month \$	1-3 months \$	3 months- 1 year \$	1-5 years \$	5+ years \$
<b>2015</b>						
Non-interest bearing	0.00%	6,344,417	5,383,588	-	-	-
Finance lease liability	4.49%	2,312	4,624	20,806	82,387	-
Variable interest rate instruments	4.88%	2,452,531	126,706	345,786	494,252	-
		<b>8,799,260</b>	<b>5,514,918</b>	<b>366,592</b>	<b>576,639</b>	-
<b>2014</b>						
Non-interest bearing	0.00%	4,032,282	1,922,045	-	-	-
Finance lease liability	8.58%	5,115	10,229	42,959	25,049	-
Variable interest rate instruments	7.24%	-	5,032,441	-	-	-
		<b>4,037,397</b>	<b>6,964,715</b>	<b>42,959</b>	<b>25,049</b>	-

# NetComm Wireless Limited

Notes to the financial statements  
For the Year Ended 30 June 2015

## 27 Financial Instruments (continued)

### (g) Liquidity Risk Management (continued)

The following tables detail the Group's expected maturity for its non-derivative financial assets. The tables have been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets except where the Group anticipates that the cash flow will occur in a different period based on the earliest date on which the Group can expect to receive. The table includes both interest and principal cash flows.

	Weighted avg effective interest rate %	Less than 1 month	1-3 months	3 months- 1 year	1-5 years	5+ years
		\$	\$	\$	\$	\$
<b>2015</b>						
Non-interest bearing	0.00%	10,274,508	3,373,112	-	-	-
Variable interest rate instruments	1.54%	3,400,344	-	122,747	-	-
		<b>13,674,852</b>	<b>3,373,112</b>	<b>122,747</b>	-	-
<b>2014</b>						
Non-interest bearing	0.00%	7,253,711	3,167,271	-	-	-
Variable interest rate instruments	1.71%	4,307,940	-	845,485	-	-
		<b>11,561,651</b>	<b>3,167,271</b>	<b>845,485</b>	-	-

### (h) Capital management policies and procedures

The Group's capital management objectives are:

- to ensure the Group's ability to continue as a going concern; and
- to provide an adequate return to shareholders.

The Group monitors capital on the basis of the carrying amount of equity plus its borrowings, less cash and cash equivalents as presented on the face of the statement of financial position.

The Group sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

Capital for the reporting periods under review is summarised as follows:

	2015	2014
	\$	\$
Borrowings	3,344,827	4,757,840
Cash and cash equivalents	(3,400,344)	(4,307,490)
<b>Net (Cash)/Borrowings</b>	<b>(55,517)</b>	<b>450,350</b>
<b>Total equity</b>	<b>24,595,269</b>	<b>22,190,769</b>
<b>Net Borrowings to Equity ratio</b>	<b>-</b>	<b>0.02</b>

# NetComm Wireless Limited

Notes to the financial statements  
For the Year Ended 30 June 2015

---

## 27 Financial Instruments (continued)

### (i) Fair Value of Financial Instruments

The fair value of financial assets and financial liabilities are determined as follows:

- The fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices;
- The fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions.

The Directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate their fair values.

## 28 Events after the Reporting Date

There has not arisen during the interval between the end of the reporting period and the date of this report any item, transaction or event of a material and unusual nature that has, in the opinion of the Directors of the Company, significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations or the state of affairs of the consolidated entity in subsequent financial years.



# NetComm Wireless Limited

Notes to the financial statements  
For the Year Ended 30 June 2015

## 29 Segment Reporting

Information reported to the chief decision maker for the purposes of resource allocation and assessment of segment performance focuses of:

- Broadband Business
- M2M Business

The Broadband business segment supplies communication devices, including but not limited to Mobile Internet Gateways, designed and manufactured for use primarily by consumer and small medium enterprises (SME). The M2M business segment division specialises in the development of advanced industrial-grade and commercial 3G /4G wireless broadband products and solutions for business continuity (disaster recovery), primary mobile broadband and remote M2M connectivity. NetComm Wireless' M2M products, solutions and services are designed to support applications in areas such as transport, metering, security, surveillance, banking, health and mining.

The following is an analysis of the Group's revenue and results by reportable operating segment.

	Revenue		Segment Profit	
	30 June 2015 \$	30 June 2014 \$	30 June 2015 \$	30 June 2014 \$
<b>Revenue generated from external customers</b>				
Broadband Business	40,506,032	31,345,569	3,249,516	2,416,415
M2M Business	33,757,107	33,179,424	3,988,011	2,736,227
<b>Intersegment Revenue</b>				
Broadband Business	1,551,358	1,271,956	-	-
M2M Business	930,701	706,374	-	-
Intersegment Eliminations	(2,482,059)	(1,978,330)	-	-
<b>Segment result</b>	<b>74,263,139</b>	<b>64,524,993</b>	<b>7,237,527</b>	<b>5,152,642</b>
Other income			64,136	68,252
Depreciation and amortisation expense			(3,815,439)	(3,667,845)
Finance costs			(604,518)	(726,630)
<b>Group Profit before tax</b>			<b>2,881,706</b>	<b>826,419</b>
Income tax (expense)/benefit			(417,449)	191,370
<b>Consolidated revenue and profit for the period</b>	<b>74,263,139</b>	<b>64,524,993</b>	<b>2,464,257</b>	<b>1,017,789</b>

No segment assets and liabilities are disclosed because there is no measure of segment assets or liabilities regularly reported to the chief decision maker.

The revenue reported above represents revenue generated from external customers. Intersegment revenues represent transfers between segments, which are eliminated on consolidation.

# NetComm Wireless Limited

## Notes to the financial statements For the Year Ended 30 June 2015

### 29 Segment Reporting (continued)

Revenues from a single customer greater than 10% of total revenues reside in both Broadband & M2M business segment.

	Broadband	2015 M2M	Total	Broadband	2014 M2M	Total
Customer A	14,400,752	-	<b>14,400,752</b>	10,908,114	-	<b>10,908,114</b>
Customer B	-	22,467,133	<b>22,467,133</b>	-	22,798,902	<b>22,798,902</b>
Total Revenue	40,506,032	33,757,107	<b>74,263,139</b>	31,345,569	33,179,424	<b>64,524,993</b>
Customer Share of Total (%)	36%	67%	<b>50%</b>	35%	69%	<b>52%</b>

During 2015, \$7,513,826 or 10.1% (2014: \$5,936,607 or 9.2%) of the Group's revenues were generated from New Zealand.

Segment profit represents the profit earned by each segment without allocation of other income, finance costs and depreciation and amortisation.

#### (a) Reconciliation of Group's operating segments to financial statements

	30 June 2015 \$	30 June 2014 \$
<b>Revenue and other income</b>		
Total reportable segment revenues	74,263,139	64,524,993
Other Segment income	64,136	68,252
<b>Revenue &amp; other income</b>	<b>74,327,275</b>	<b>64,593,245</b>
<b>Profit or Loss</b>		
Total reportable segment operating profit	7,237,527	5,152,642
Other segment profit	64,136	68,252
<b>EBITDA</b>	<b>7,301,663</b>	<b>5,220,894</b>
Depreciation and amortisation expense	(3,815,439)	(3,667,845)
Finance costs	(604,518)	(726,630)
<b>Profit before tax</b>	<b>2,881,706</b>	<b>826,419</b>

# NetComm Wireless Limited

Notes to the financial statements  
For the Year Ended 30 June 2015

## 30 Parent Entity Disclosures

### (a) Financial position

	2015	2014
	\$	\$
<b>Assets</b>		
Current assets	18,293,032	16,882,254
Non-current assets	20,333,454	18,466,904
<b>Total assets</b>	<b>38,626,486</b>	<b>35,349,158</b>
<b>Liabilities</b>		
Current liabilities	28,898,190	25,034,111
Non-current liabilities	834,152	262,459
<b>Total liabilities</b>	<b>29,732,342</b>	<b>25,296,570</b>
<b>Equity</b>		
Issued capital	15,432,319	15,349,069
Retained earnings/(accumulated losses)	(6,933,983)	(5,688,703)
<b>Reserves</b>		
General reserves	395,808	395,808
Foreign exchange hedging reserve	-	(3,586)
<b>Total equity</b>	<b>8,894,144</b>	<b>10,052,588</b>

### (b) Financial performance

	2015	2014
	\$	\$
Loss for the year	(1,245,280)	(1,239,345)
Other comprehensive expense	(1,536)	(298,906)
<b>Total comprehensive loss</b>	<b>(1,246,816)</b>	<b>(1,538,251)</b>

### (c) Commitments for the acquisition of property, plant and equipment by the parent entity

	2015	2014
	\$	\$
<b>Finance lease liabilities</b>		
Not longer than 1 year	27,741	58,303
Longer than 1 year and not longer than 5 years	84,699	25,049
	<b>112,440</b>	<b>83,352</b>

Finance leases relate to a motor vehicle. The Group has the option to purchase the motor vehicle at the conclusion of the lease arrangements. The Group's obligation under finance leases are secured by the lessor's title to the leased assets.

# NetComm Wireless Limited

Notes to the financial statements  
For the Year Ended 30 June 2015

## 30 Parent Entity Disclosures (continued)

### (d) Subsidiaries

Name of subsidiary	Country of incorporation	Percentage owned	Percentage owned
		2015	2014
		%	%
NetComm Wireless (NZ) Limited	New Zealand	100	100
Call Direct Cellular Solutions 2003 Pty Ltd	Australia	100	100
C10 Communications Pty Ltd	Australia	100	100
NetComm Wireless (Canada) Limited	Canada	100	100
NetComm Wireless Inc.	United States of America	100	100
NetComm Wireless (UK) Limited	United Kingdom	100	100

## 31 Company Details

The registered office and principal place of business of the Company is:

### **NetComm Wireless Limited**

Level 2,  
18-20 Orion Road,  
Lane Cove,  
NSW 2066

# NetComm Wireless Limited

## Directors' Declaration

---

In the opinion of the directors of NetComm Wireless Limited

- (a) the consolidated financial statements and notes of NetComm Wireless Limited are in accordance with the Corporations Act 2001, including:
  - a. giving a true and fair view of its financial position as at 30 June 2015
  - b. and of its performance for the financial year ended on that date; and
  - c. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001
- (b) There are reasonable grounds to believe that NetComm Wireless Limited will be able to pay its debts as and when they become due and payable.
- (c) The Directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the Chief Executive Officer and Chief Financial Officer for the financial year ended 30 June 2015.
- (d) Note 1 confirms that the consolidated financial statements also comply with International Financial Reporting Standards.

Signed in accordance with a resolution of the Directors

On behalf of the Directors



J Milne  
Director  
4 September 2015



D P J Stewart  
Director  
4 September 2015

Level 17, 383 Kent Street  
Sydney NSW 2000

Correspondence to:  
Locked Bag Q800  
QVB Post Office  
Sydney NSW 1230

T +61 2 8297 2400  
F +61 2 9299 4445  
E [info.nsw@au.gt.com](mailto:info.nsw@au.gt.com)  
W [www.grantthornton.com.au](http://www.grantthornton.com.au)

## **Independent Auditor's Report To the Members of NetComm Wireless Limited**

### **Report on the financial report**

We have audited the accompanying financial report of NetComm Wireless Limited (the "Company"), which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

### **Directors' responsibility for the financial report**

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001. The Directors' responsibility also includes such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. The Directors also state, in the notes to the financial report, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, the financial statements comply with International Financial Reporting Standards.

### **Auditor's responsibility**

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require us to comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

Grant Thornton Audit Pty Ltd ACN 130 913 594  
a subsidiary or related entity of Grant Thornton Australia Ltd ABN 41 127 556 389

'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. Grant Thornton Australia Ltd is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate one another and are not liable for one another's acts or omissions. In the Australian context only, the use of the term 'Grant Thornton' may refer to Grant Thornton Australia Limited ABN 41 127 556 389 and its Australian subsidiaries and related entities. GTIL is not an Australian related entity to Grant Thornton Australia Limited.

Liability limited by a scheme approved under Professional Standards Legislation. Liability is limited in those States where a current scheme applies.

In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Independence**

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

### **Auditor's opinion**

In our opinion the financial report of NetComm Wireless Limited:


- a is in accordance with the Corporations Act 2001, including:
  - i giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
  - ii complying with Australian Accounting Standards and the Corporations Regulations 2001; and
- b complies with International Financial Reporting Standards as disclosed in the notes to the financial statements.

### **Report on the remuneration report**

We have audited the remuneration report included in pages 6 to 12 of the directors' report for the year ended 30 June 2015. The Directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

### **Auditor's opinion on the remuneration report**

In our opinion, the remuneration report of NetComm Wireless Limited for the year ended 30 June 2015, complies with section 300A of the Corporations Act 2001.



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



S M Coulton  
Partner - Audit & Assurance

Sydney, 4 September 2015



# NetComm Wireless Limited

## ASX Additional Information

The shareholder information set out below was applicable as at 26 August 2015.

### 1) Distribution of Shareholders

Analysis of number of shareholders by size of holding:

Category of Holding	Number	Number of Shares
1 - 1,000	290	164,876
1,001 - 5,000	938	2,682,722
5,001 - 10,000	488	3,851,104
10,001 - 100,000	856	28,086,341
100,001 - share and over	134	94,264,847
<b>Total</b>	<b>2,706</b>	<b>129,049,890</b>

### 2) Twenty Largest Shareholders

The names of the twenty largest holders of quoted shares are:

Shareholder	Number of Shares	Percentage of total shares
Brad Industries Pty Ltd & Rooke Lane Pty Ltd	23,000,000	17.82%
NBT Pty Ltd & Associated Entities	6,025,242	4.67%
JP Morgan Nominees Aust Ltd	5,349,765	4.15%
National Nominees Limited	4,323,168	3.35%
UBS Nominees Pty Ltd	3,392,983	2.63%
Mr Gary John Jackson & Ms Christine Gregg	2,711,661	2.10%
UBS Wealth Management Australia Nominees P/L	2,053,974	1.59%
Askey Computer Corp	2,053,528	1.59%
Mirrabooka Investments	2,039,834	1.58%
ACK Proprietary Ltd	2,000,000	1.55%
Yarradale Investments Pty Ltd	1,832,158	1.42%
Michael John Cornelius	1,806,170	1.40%
Rapaki Pty Ltd	1,600,000	1.24%
RBC Investor Services Australia Nominee Pty Ltd	1,517,804	1.18%
Dr Colin Rose/Mathstatica Pty Ltd	1,368,322	1.06%
Caprera Pty Ltd	1,300,000	1.01%
Ms DG Leong & Mr RA Press	1,070,000	0.83%
HSBC Custory Nominees	933,613	0.72%
Mr Nicholas Andrew Roxburgh	846,000	0.66%
Mrs Cher Suey Cheah	820,000	0.64%
<b>Total</b>	<b>66,044,222</b>	<b>51.19%</b>

### 3) Voting Rights

All ordinary shares (whether fully paid or not) carry one vote per share without restriction.

### 4) Substantial Shareholders

As at 26 August 2015 the substantial shareholders were as follows:

Shareholder	Number of Shares	Percentage of total shares
Brad Industries Pty Ltd & Rooke Lane Pty Ltd	23,000,000	17.82%
Ophir Asset Management Pty Ltd (shares held through JP Morgan Nominees Aust Ltd and National Nominees Limited)	7,888,563	6.11%

# 13

## CORPORATE DIRECTORY

30 June 2014

---

### **DIRECTORS**

J Milne (Non Executive Director & Chairman)

K Boundy (Non Executive Director)

S Black AM (Non Executive Director)

D P J Stewart (CEO & Managing Director)

K J P Sheridan (CFO & Executive Director)

### **COMPANY SECRETARY**

K J P Sheridan

### **REGISTERED OFFICE**

Level 2, 18-20 Orion Rd

Lane Cove NSW 2066

Telephone: +61 (2) 9424-2000

Facsimile: +61 (2) 9427-9260

### **AUDITOR**

Grant Thornton Audit Pty Limited.

Chartered Accountants

Level 17

383 Kent Street, Sydney NSW 2000

Australia

### **SOLICITORS**

**Maddocks**

Angel Place

123 Pitt St, Sydney NSW 2000

### **BANKERS**

National Australia Bank

### **SHARE REGISTER**

Link Market Services

Level 12

680 George St

Sydney NSW 2000

Telephone: 8280 7552

### **WEB ADDRESS**

[www.netcommwireless.com](http://www.netcommwireless.com)



# NetCommWireless

NETCOMM WIRELESS LIMITED ABN 85 002 490 486

Head Office, 18-20 Orion Road  
Lane Cove, Sydney, NSW 2066, Australia

P: +61 2 9424 2000 E: [ir@netcommwireless.com](mailto:ir@netcommwireless.com)

[www.netcommwireless.com](http://www.netcommwireless.com)

Trademarks and registered trademarks are the property of NetComm Wireless Limited or their respective owners.  
Specifications are subject to change without notice. Images shown may vary slightly from the actual product.