



amaysim Australia Pty Ltd

ABN 65 143 613 478

General purpose financial statements

For the half year ended

31 December 2014

amaysim Australia Pty Ltd

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amaysim Australia Pty Ltd

Directors' report

The Directors of amaysim Australia Pty Ltd (amaysim) (ABN 65 143 613 478) present their report together with the financial report of the group and its controlled entities (the Group) for the half year ended 31 December 2014.

Directors

The Directors of the Group during the period and up to the date of this report are shown below. Directors were in office for this entire period:

	Appointment Date
PETER O'CONNELL	12 May 2010
ROLF HANSEN	12 May 2010
THORSTEN KRAEMER	6 August 2010
MALTE VON DER ROPP	6 August 2010
THOMAS FALK	16 August 2010
SAAD RAJA	15 March 2011
CHRISTIAN MAGEL	15 March 2011
ANDREAS PERREITER	23 March 2013
GEORGE SIDJIMKOV (Alternate Director)	15 March 2011
THOMAS ENGE (Alternative Director)	23 March 2013

Principal activity

The principal activity of the Group is the provision of mobile telecommunication services.

Review of operations

The group's operating results were significantly better in the 6 months to 31 December 2014 as compared to 31 December 2013. The profit from continuing operations was \$17,060,923 for the 6 months to 31 December 2014 marking a considerable increase on the loss of \$3,201,923 in 31 December 2013.

There are several major operating influences resulting in this increased profit are:

- Service revenue which is one of amaysim's key business indicators is up 92.72% period on period from \$50.3m in the 6 months to December 2013 to \$97.0m in the 6 months to December 2014.
- In the 12 months since 31 December 2013 the active customer base has increased by 183,700. As amaysim continues to add customers to the base the future operating results are forecasted to continue increasing.
- amaysim effected on 1 September 2014 to make two significant changes to the revenue structure:
 1. the amaysim Unlimited price increased from \$39.90 to \$44.90 (GST inclusive); and,
 2. Customers who utilised social media data services were charged for this usage (historically there were no charges for social media data prior to 1st of September).
- amaysim recognised a one-off income tax credit of \$14.9m in the 6 months to 31 December 2014 relating to the recognition of carried forward income tax losses and research & development credits the group has built up since its inception.

amaysim recognised a loss from discontinued operations of \$3.049m in the 6 months to 31 December 2013. This loss is from the incorporation and operations of amaysim USA Inc. which the directors determined to discontinue.

amaysim Australia Pty Ltd

Directors' report

Review of operations (continued)

amaysim reached a significant milestone on 11 December 2014 with the execution of a variation agreement with our wholesale network provider. This new agreement provides the Group with long term access to the Optus network. Importantly, the agreement will see amaysim launch 4G product offerings prior to the release of our 2015 annual report. It is expected that these new products will strengthen amaysim's operations by providing a more appealing and diversified suite of products to the Australian consumer market. Additionally, the new products will assist in mitigating and reducing the disconnection of customers from amaysim's customer base.

amaysim views the business based on one operating segment. Therefore, the summary of the financial results for 31 December are detailed below as a single segment:

	2014 \$'000	2013 \$'000	Growth %
Service revenue	96,962	50,313	92.72
Network related expenses	(73,796)	(41,095)	79.57
EBITDA	4,631	(2,319)	n/a
EBITDA margin	4.78%	(4.61%)	n/a
Profit (before tax)	3,275	-3,002	n/a
Closing subscribers	679,362	495,662	37.06
Cash balance at 31 December	5,883	4,078	44.26

Review of financial position

amaysim continually manages the financial position and cash flows to ensure the group is a going concern. As a result of achieving positive cash flows and strengthening financial position as at 31 December 2014 the directors have prepared this interim financial report on a going concern basis. Additionally, the directors are of the opinion that no asset is likely to be realised for a value less than the amount at which it is recorded in the financial report.

The Groups net assets have increased by \$21.958m period on period. As at 31 December 2014 the net assets were negative \$9.996m compared to negative \$31.954m as at 30 June 2014. The major influences which produced this improved position are:

- amaysim successfully converted to ordinary share capital or repaid all borrowing balances outstanding as at 30 June 2014. The conversion/repayment of all borrowings were carried out as provided for in the relevant convertible note agreements.
- The Groups assets were strengthened with the purchase of Eastpoint Pty Limited for \$5.05m. Eastpoint is the entity which holds the international trademark of amaysim. As result, the Group has unfettered access to utilise the trademark as it deems appropriate in supporting future growth. The purchase consideration is carried out in tranches with \$3.057m still to be paid as at 31 December 2014. amaysim utilised its strong cash position to repay these tranches early with all remaining consideration settled on the 25th of February 2015.
- The directors have not recommended any payment of dividends for the current financial period. This will ensure the financial position strength is maintained.
- At 31 December 2014 a deferred tax asset (DTA) was recognised of \$13.786m. This consists of carried forward losses and a forecasted income tax expense for the 6 months to 31 December 2014. With the Group now liable for income tax and the probability that it will remain in such a position into future periods, the recognition of the DTA is appropriate.
- Fully reflected in the closing cash balance amaysim made a one-off advance payment of \$4m to one of its major suppliers in December 2014. The advance payment was based on favourable terms provided by the supplier and highlights the overall strength of the Groups cash position.

There are no significant changes in the state of affairs for the half year ended 31 December 2014 which have not already disclosed above.

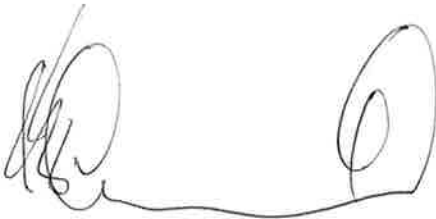
amaysim Australia Pty Ltd

Directors' report

Rounding

The amounts contained in this report and in the financial report have been rounded under the option available to the Group under ASIC Class Order 98/100. The Group is an entity to which the Class Order applies, and in accordance with the Class Order, amounts in the Directors' Report and the Financial Report have been rounded to the nearest thousand dollars (where rounding is appropriate).

Signed in accordance with a resolution of the Directors:

A handwritten signature in black ink, appearing to be 'Peter O'Connell', written in a cursive style.

Peter O'Connell
Chairman and Director
Dated 5 May 2015, Sydney

A handwritten signature in black ink, appearing to be 'Rolf Hansen', written in a cursive style.

Rolf Hansen
Director
Dated 5 May 2015, Sydney

amaysim Australia Pty Ltd

Preliminary note

This financial statement covers the consolidated entity consisting of amaysim Australia Pty Ltd and its controlled entities.

amaysim Australia Pty Ltd is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principle place of business is:

Level 6
17-19 Bridge Street
Sydney NSW 2000

A description of the nature of the consolidated entity's operations and principal activities for the period is included in the directors' report on pages 3 - 5.

The financial statements were authorised for issue by the directors on 5 May 2015.

The company has the power to amend and reissue the financial statements.

The financial statements are presented in the Australian currency.

amaysim Australia Pty Ltd

Consolidated statement of comprehensive income For the half year ended 31 December 2014

	Notes	31 Dec 2014 \$'000	31 Dec 2013 \$'000
REVENUE			
Service revenue		96,962	50,313
Other revenue		2,570	1,577
Total revenue		99,532	51,890
Other income		71	78
EXPENSES			
Network related expenses		(73,796)	(41,095)
Employee benefits expense	3	(9,362)	(6,682)
Marketing expenses		(6,296)	(3,456)
Depreciation and amortisation expense	6, 7, 8	(1,355)	(799)
Other expenses		(5,394)	(3,002)
Finance costs		(125)	(136)
Total expenses		(96,328)	(55,170)
Profit/(Loss) before income tax		3,275	(3,202)
Income tax credit	4	13,786	-
Profit/(Loss) from continuing operations		17,061	(3,202)
(Loss) from discontinued operations	5	-	(3,049)
Profit/(Loss) attributable to members of amaysim Australia Pty Ltd		17,061	(6,251)
Other comprehensive income for the year net of tax		-	-
Total comprehensive income/(loss) for the half year attributable to members of amaysim Australia Pty Ltd		17,061	(6,251)

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

amaysim Australia Pty Ltd

Consolidated statement of financial position As at 31 December 2014

	Notes	31 Dec 2014 \$'000	30 Jun 2014 \$'000
CURRENT ASSETS			
Cash and cash equivalents		5,883	7,403
Trade and other receivables		7,604	5,490
Other current assets		504	843
Total current assets		13,991	13,736
NON-CURRENT ASSETS			
Property, plant and equipment	6	644	822
Intangible assets	7, 8	7,571	2,111
Deferred tax asset	4	13,786	-
Other non-current assets		1,999	1,373
Total non-current assets		24,000	4,306
TOTAL ASSETS		37,991	18,042
CURRENT LIABILITIES			
Trade and other creditors		43,359	41,192
Lease liabilities		88	277
Provisions		480	426
Borrowings	9	-	2,193
Total current liabilities		43,927	44,088
NON-CURRENT LIABILITIES			
Lease liabilities		-	35
Other payables		3,792	4,166
Provisions		268	245
Borrowings	9	-	1,462
Total non-current liabilities		4,060	5,908
TOTAL LIABILITIES		47,987	49,996
NET ASSETS / (DEFICIENCY OF ASSETS)		(9,996)	(31,954)
EQUITY			
Contributed equity		35,521	32,017
Reserves	3	1,393	-
Accumulated losses		(46,910)	(63,971)
TOTAL EQUITY / (DEFICIENCY OF EQUITY)		(9,996)	(31,954)

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

amaysim Australia Pty Ltd

Consolidated statement of cash flows For the half year ended 31 December 2014

	Notes	31 Dec 2014 \$'000	31 Dec 2013 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers (inclusive of GST)		107,382	59,995
Payments to suppliers and to employees (inclusive of GST)		(104,946)	(59,414)
Borrowing costs		(125)	(136)
Interest received		124	53
Income tax paid		-	-
Net cash inflows from operating activities		2,435	498
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment		(101)	(174)
Payment for intangible assets		(3,479)	(901)
Net cash outflows from investing activities		(3,580)	(1,075)
CASH FLOWS FROM FINANCING ACTIVITIES			
(Repayment)/Proceeds from issuance of convertible notes		(151)	3,475
Repayment of leases		(224)	(146)
Net cash inflows from investing activities		(375)	3,329
Net (decrease)/increase in cash and cash equivalents held		(1,520)	2,752
Cash and cash equivalents at beginning of the year		7,403	1,326
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		5,883	4,078

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

amaysim Australia Pty Ltd

Consolidated statement of changes in equity For the half year ended 31 December 2014

	Contributed equity \$'000	Reserves \$'000	Accumulated losses \$'000	Total \$'000
Balance at 1 July 2013	32,017	-	(54,064)	(22,047)
Loss for the half year	-	-	(6,251)	(6,251)
Other comprehensive income	-	-	-	-
Total comprehensive income for the half year	-	-	(6,251)	(6,251)
Transactions with owners in their capacity as owners:				
Contributions of equity	-	-	-	-
Balance at 31 December 2013	32,017	-	(60,315)	(28,298)
Balance at 1 July 2014	32,017	-	(63,971)	(31,954)
Profit for the half year	-	-	17,061	17,061
Other comprehensive income	-	-	-	-
Total comprehensive income for the half year	-	-	17,061	17,061
Transactions with owners in their capacity as owners:				
Share rights	-	1,393	-	1,393
Contributions of equity	3,504	-	-	3,504
Balance at 31 December 2014	35,521	1,393	(46,910)	(9,996)

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

amaysim Australia Pty Ltd

Notes to the financial statements For the half year ended 31 December 2014

1. Summary of accounting policies

The principal accounting policies applied in the preparation of the financial report are set out below.

(a) Basis of preparation

General purpose financial report

In the directors' opinion, the group is a reporting entity because there are users dependent on general purpose financial reports.

This is a condensed general purpose financial report that has been prepared in accordance with AASB 134, 'Interim financial reporting'. The interim financial statements should be read in conjunction with the annual special purpose financial statements for the year ended 30 June 2014, which have been prepared in accordance with the recognition and measurement principles of all applicable Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the Corporations Act 2001.

Continuation as a going concern

The directors believe that the consolidated entity, consisting of amaysim Australia Pty Ltd and its wholly owned subsidiaries, will be successful in generating both a positive cash flow and profit for the 18 months to 30 June 2016 and have therefore prepared the financial report on a going concern basis. Detailed cash flow and profit forecasts for the period to 30 June 2016 have been prepared by the directors. The cash flow and profit forecasts show the continuing viability of the consolidated entity to meet its debts and commitments as and when they fall due and payable.

For the half year ending 31 December 2014, the consolidated entity has a profit from continuing operations of \$17.1m which is a significant improvement from prior year's loss of \$3.2m. At 31 December 2014 a total net asset deficiency of \$9.996m. The current liabilities include amounts payable on fixed terms for costs associated with the provision of network services.

During the half year, amaysim Australia has maintained and continued to grow on its critical mass of customers that will ensure cash flows from operations will exceed cash outgoings on a sustainable basis. Positive EBITDA from operations has been achieved since December 2013 resulting in the generation of an overall operating cash inflow of \$2.4m in the 6 months to 31 December 2014.

The directors have prepared detailed cash flow and profit forecasts for the period to 30 June 2016. The detailed forecasts are based on the following key assumptions:

- Customer base growth of 29% for the 18 months to June 2016. The directors are of the view that the growth forecast is supported by current opportunities within the Australian market and this is supported by year on year growth since inception of the company; and, the launching of 4G products aimed at a broader market segment than currently offered.
- Improving brand awareness and customer acquisition efficiency by maintaining overall marketing investment at 4% of Service Revenue in FY2016.
- The repayment in due course of the current liabilities, which will be replaced by new generated debts of the same nature, based on business growth.
- The majority of current liabilities will continue to comprise of mainly the costs associated with the ongoing operation of the network which are repayable on fixed terms over the next 18 months.

The forecasts show that the consolidated entity will generate positive cash flows from operations of \$45.6m and \$40.8m profit for the 18 month period to 30 June 2016 which will enable its obligations to be met. Results from 1 Jan 2015 to 28 Feb 2015 are in line or ahead of forecast prepared by the directors.

The continuing viability of the consolidated entity and its ability to continue as a going concern and meet its debts and commitments as they fall due are dependent upon the consolidated entity being successful in achieving the cash flow and profit forecasts, by maintaining the existing customer base and acquiring new customers, which, combined with amaysim's subscription business model, will generate positive cash flows and profit.

The directors are of the opinion that no asset is likely to be realised for an amount less than the amount at which it is recorded in the financial report as at 31 December 2014. Accordingly, no adjustments have been made to the financial report relating to the recoverability and classification of the asset carrying amounts or the amounts and classification of liabilities that might be necessary should the company and the consolidated entity not continue as going concern.

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Notes to the financial statements For the half year ended 31 December 2014

1. Summary of accounting policies (continued)

(b) Accounting policies

The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

At 31 December 2014, certain new accounting standards and interpretations have been issued that will become mandatory for future reporting periods. amaysim has not early-adopted these new or amended accounting standards and interpretations in 2015.

AASB 9: Financial Instruments and AASB 2009-11: Amendments to Australian Accounting Standards arising from AASB 9 are applicable to annual reporting periods beginning on or after 1 January 2017. AASB 9 addresses the classification, measurement and derecognition of financial assets and liabilities and may affect amaysim's accounting for financial assets and liabilities. amaysim does not expect that this standard will have a significant impact on its financial statements.

AASB 115: Revenue from Contracts with Customers is applicable to annual reporting periods beginning on or after 1 January 2017. AASB 115 provides a single, comprehensive revenue recognition model for all contracts with customers. amaysim has not yet determined the potential impact of this standard on its financial statements and disclosures.

(c) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of amaysim Australia Pty Ltd ("parent entity") as at 31 December 2014 and the results of all subsidiaries for the half year ended on that date. The parent and its subsidiaries are referred to in the financial report as the consolidated entity of the Group.

Subsidiaries are all those entities (including special purpose entities) over which the parent entity has the power to govern the financial and operating policies so as to obtain benefits from their activities.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the parent entity. Subsidiaries are fully consolidated from the date on which control is transferred.

During the half year amaysim purchased 100% of the equity in Eastpoint Pty Ltd for \$5.05m. Eastpoint is the entity holding the global trademark of amaysim.

All transactions and balances between the parent entity and subsidiaries are eliminated. Accounting policies of subsidiaries are consistent with the policies adopted by the Group.

(d) Significant accounting judgements, estimates and assumptions

The group may make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Assumptions made at each balance date are based on best estimates at that date.

Estimates and judgements are continually evaluated and based on historical experience and other factors, including expectations of future events. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of the assets and liabilities are discussed below:

(i) Income taxes

The group is subject to income taxes in Australia. Significant judgement is required in determining the income tax expense and unbooked tax losses. There are certain transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The group estimates its tax based on the group's understanding of the tax law, including the assumption that it will both generate sufficient future taxable profits and continue to satisfy the Continuity of Ownership and/or Same Business tests in future periods'. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences could impact the availability of booked tax assets in future periods in which any determination is made. The group has recognised \$13.8m of deferred tax asset relating to tax losses and timing differences at 31 December 2014 after taking into account the profit for the 6 months to December 2014 and the forecasted profits in the 18 months to June 2016.

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Notes to the financial statements For the half year ended 31 December 2014

1. Summary of accounting policies (continued)

(ii) Employee share rights

The group have issued share rights to certain employees. The cost of the plan recognised in the Groups financial statement is an estimation of the fair value of the share rights at grant date. This requires judgement in respect of the valuation methodology adopted and the valuation assumptions embedded within the methodology. The group have utilised the Monte-Carlo simulation valuation methodology as it is a highly flexible valuation technique and commonly used in valuing share rights plans.

2. Segment information

Operating segments have been identified based on separate financial information that is regularly reviewed by the Chief Operating Decision Maker (CODM). The term CODM refers to the role performed by the Managing Director and the Director's, in assessing performance and determining the allocation of resources.

The CODM considers the business as having only one operating segment and assesses the performance of the operating segment based on a measure of EBITDA. Additionally, service revenue is a key performance measure used by the CODM used in assessing performance and determining the allocation of resources. This measure excludes discontinued operations from amaysim USA Inc. for 31 December 2014 (31 December 2013 EBITDA includes operations from amaysim USA Inc.).

As there is only the one deemed operating segment the revenue and profit information is consistent with the consolidated statement of comprehensive income.

3. Share-based payments

(i) Employee share rights

The establishment of amaysim's Employee right plan occurred in May 2012. The plan is designed to provide an incentive to employees who joined amaysim in its formative years, and ensure that employees receive a reward based on the work they placed into the business and the success of the Group. Under the plan, participants are granted rights to ordinary shares which only vest if certain performance hurdles are met. Participation in the plan is at the Group's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

The rights vest if amaysim successfully executes a liquidation event, either in the form of an IPO, trade sale, or merger. Once vested the rights convert to ordinary shares in three tranches over a two year period (1/3 at liquidation date; 1/3 twelve months after liquidation; 1/3 twenty four months after liquidation). The board have determined that a liquidity event is now probable and recognition in the financial statements is appropriate for the half year ended 31 December 2014. The expense is reflected in employee benefits expense in the Consolidated statement of comprehensive income and provisions recognised under reserves in the Consolidated statement of financial position, with the current year financial impact being the valuation price of all rights issued to employees since the inception of the Group. Therefore, this initial recognition of the rights has a higher expense recognition, then what will be recognised in future reporting periods.

Rights granted under the plan do not carry any dividend or voting rights.

The exercise price is based on the number of rights issued. Employees are entitled to one ordinary share per ever right held. amaysim has the discretion to determine if the rights are paid out in shares or shares are sold on the ASX and proceeds provided to employees in cash.

No rights have been exercised and set out below are details of the rights granted under the plan:

Grant Date	Tranche #	Vesting Date	Fair Value	Share rights
13 June 2012	1	31 July 2015	\$32.89	7741.0
13 June 2012	2	31 July 2016	\$32.07	7741.0
13 June 2012	3	31 July 2017	\$31.18	7741.0
16 July 2012	1	31 July 2015	\$32.43	375.3
16 July 2012	2	31 July 2016	\$31.62	375.3
16 July 2012	3	31 July 2017	\$30.73	375.3
17 December 2012	1	31 July 2015	\$30.68	203.0
17 December 2012	2	31 July 2016	\$29.91	203.0
17 December 2012	3	31 July 2017	\$29.06	203.0
2 January 2013	1	31 July 2015	\$30.46	138.3
2 January 2013	2	31 July 2016	\$29.70	138.3
2 January 2013	3	31 July 2017	\$28.86	138.3

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Notes to the financial statements For the half year ended 31 December 2014

3. Share-based payments (continued)

(i) Employee share rights (continued)

Grant Date	Tranche #	Vesting Date	Fair Value	Share rights
11 June 2013	1	31 July 2015	\$78.49	5749.0
11 June 2013	2	31 July 2016	\$76.77	5749.0
11 June 2013	3	31 July 2017	\$74.97	5749.0
8 August 2013	1	31 July 2015	\$77.98	307.7
8 August 2013	2	31 July 2016	\$75.98	307.7
8 August 2013	3	31 July 2017	\$73.88	307.7
2 October 2013	1	31 July 2015	\$77.27	59.7
2 October 2013	2	31 July 2016	\$75.31	59.7
2 October 2013	3	31 July 2017	\$73.22	59.7
16 October 2013	1	31 July 2015	\$77.15	101.3
16 October 2013	2	31 July 2016	\$75.21	101.3
16 October 2013	3	31 July 2017	\$73.14	101.3
17 October 2013	1	31 July 2015	\$77.08	217.7
17 October 2013	2	31 July 2016	\$75.13	217.7
17 October 2013	3	31 July 2017	\$73.06	217.7
31 October 2013	1	31 July 2015	\$76.82	153.7
31 October 2013	2	31 July 2016	\$74.87	153.7
31 October 2013	3	31 July 2017	\$72.80	153.7
1 November 2013	1	31 July 2015	\$76.82	301.3
1 November 2013	2	31 July 2016	\$74.87	301.3
1 November 2013	3	31 July 2017	\$72.80	301.3
19 November 2013	1	31 July 2015	\$76.54	104.7
19 November 2013	2	31 July 2016	\$74.60	104.7
19 November 2013	3	31 July 2017	\$72.54	104.7
9 January 2014	1	31 July 2015	\$75.61	86.0
9 January 2014	2	31 July 2016	\$73.71	86.0
9 January 2014	3	31 July 2017	\$71.71	86.0
30 June 2014	1	31 July 2015	\$83.37	203.0
30 June 2014	2	31 July 2016	\$81.49	203.0
30 June 2014	3	31 July 2017	\$79.41	203.0
1 July 2014	1	31 July 2015	\$83.36	255.7
1 July 2014	2	31 July 2016	\$81.46	255.7
1 July 2014	3	31 July 2017	\$79.39	255.7
27 June 2014	1	31 July 2015	\$41.17	154.0
27 June 2014	2	31 July 2016	\$40.33	154.0
27 June 2014	3	31 July 2017	\$39.56	154.0
Total				48,454.0

(ii) Fair value of rights granted

The assessed weighted average fair value at grant date of rights granted since the inception of the Group was \$52.94 per right. The fair value at grant date is independently determined using a Monte-Carlo simulation valuation. The key assumptions used in the fair value are:

Expected IPO date	31 July 2015
Share price target	2 times the exercise price
Volatility	80%
Risk free interest rate	Australian Government Bond Rates (between 2.24% - 3.28%)
Dividend Yield	0%
Dilution	Immaterial for the calculation

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Notes to the financial statements For the half year ended 31 December 2014

4. Income Tax

This note provides an analysis of the group's income tax expense, shows what amounts are recognised directly in equity and how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to the group's tax position.

(i) Income tax expense

	31 Dec 2014 \$'000	31 Dec 2013 \$'000
Current tax	2,075	-
Deferred tax	(15,861)	-
	<u>(13,786)</u>	<u>-</u>
Income tax expense is attributable to:		
Profit from continuing operations	(13,786)	-
Loss from discontinued operations	-	-
Aggregated income tax expense	<u>(13,786)</u>	<u>-</u>

(ii) Numerical reconciliation of income tax expense to prima facie tax payable

Profit/(Loss) from continuing operations before income tax expense	3,275	(3,202)
Profit from discontinuing operation before income tax expense	-	-
	<u>3,275</u>	<u>(3,202)</u>
Tax at the Australian tax rate of 30%	983	(961)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Amortisation of intangibles	103	-
Entertainment	59	-
Share-based payments	418	-
Sundry items	194	-
Subtotal	<u>1,757</u>	<u>(961)</u>
Recognition of research and development tax credit	(684)	-
Recognition of tax losses	(14,859)	-
Previously unrecognised tax losses	-	961
Income tax expense	<u>(13,786)</u>	<u>-</u>

5. Loss from discontinued operations

In August 2013 amaysim Australia incorporated amaysim USA Inc. a wholly owned subsidiary. With the intention of launching a mobile virtual network operation (MVNO) in the United States of America. In May 2014 the board decided to discontinue the operations of amaysim USA Inc.

In the comparative six months to 31 December 2013 amaysim USA has therefore been classified for financial reporting purposes as a discontinued operation which allows for consistent comparison to the 30 June 2014 financials reports. As a result, any costs incurred for the 6 months to 31 December 2013 are reflected in the consolidated statement of comprehensive income as a loss from discontinued operations.

In the statement of comprehensive income for the 6 months to 31 December 2014 there is no impact from amaysim USA Inc. as it was entirely discontinued in May 2014 and no further costs incurred after this date.

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Notes to the financial statements
For the half year ended 31 December 2014

6. Property, plant and equipment

	Leasehold improvement \$'000	Office equipment \$'000	EDP equipment \$'000	Telecommunication -ion equipment \$'000	Furniture & fittings \$'000	Leased assets - MV \$'000	Total \$'000
At 30 June 2014							
Cost or fair value	1,405	54	792	145	87	349	2,832
Accumulated depreciation	(984)	(19)	(579)	(99)	(13)	(316)	(2,010)
Closing net book amount	421	35	213	46	74	33	822
Half-year ended 31 December 2014							
Opening net book amount	421	35	213	46	74	33	822
Additions	-	17	44	10	30	-	101
Depreciation charge	(140)	(5)	(65)	(29)	(7)	(33)	(279)
Closing net book amount	281	47	192	27	97	-	644
At 31 December 2014							
Cost or fair value	1,405	71	836	155	117	349	2,933
Accumulated depreciation	(1,124)	(24)	(644)	(128)	(20)	(349)	(2,289)
Closing net book amount	281	47	192	27	97	-	644

7. Intangible assets

	Trademark \$'000	Acquired software \$'000	Total \$'000
At 30 June 2014			
Cost or fair value	-	4,990	4,990
Accumulated depreciation	-	(2,879)	(2,879)
Closing net book amount	-	2,111	2,111
Half-year ended 31 December 2014			
Opening net book amount	-	2,111	2,111
Additions	5,131	1,405	6,536
Amortisation charge	(342)	(734)	(1,076)
Closing net book amount	4,789	2,782	7,571
At 31 December 2014			
Cost or fair value	5,131	6,395	11,526
Accumulated depreciation	(342)	(3,613)	(3,955)
Closing net book amount	4,789	2,782	7,571

amaysim Australia Pty Ltd

Notes to the financial statements For the half year ended 31 December 2014

8. Asset Acquisition

On 11 July 2014 amaysim Australia Pty Ltd entered into an agreement with Shark Holding GmbH to purchase the world wide trademark of amaysim which was owned by Eastpoint Pty Ltd. The purchase consideration was \$AU5,050,000 and completed through the acquisition of 100% of Eastpoint's equity. The consideration was payable in instalments at: 11 July 2014; 1 October 2014; 1 January 2015; and, 1 April 2015.

As at 31 December the outstanding purchase consideration (\$3.1m) of Eastpoint Pty Ltd is reflected in the Trade and Other Creditors in the Statement of financial position. amaysim utilised its improved cash position to repay these outstanding loans early and settled the balance owing on the 25th of February 2015.

The trademark has a finite life and will be amortised over a period of 7 years.

9. Borrowings

	31 Dec 2014			30 Jun 2014		
	Current	Non-current	Total	Current	Non-current	Total
	\$	\$	\$	\$	\$	\$
<i>Secured</i>						
Loans	-	-	-	-	-	-
Total secured borrowings	-	-	-	-	-	-
<i>Unsecured</i>						
Loans	-	-	-	-	-	-
Convertible notes	-	-	-	2,193	1,462	3,655
Total unsecured borrowings	-	-	-	2,193	1,462	3,655
Total borrowings	-	-	-	2,193	1,462	3,655

Convertible notes

The parent entity issued 30,063 12% convertible notes for \$US3,006,300 (\$AU3,354,741) on 30 August 2013. The notes were convertible into ordinary shares of the parent entity, at the option of either party, or repayable of 5 instalments on the dates as follows:

- 31st of August, 2014
- 30th of November, 2014
- 31st of May, 2015
- 30th of November, 2015
- 28th of February, 2016

Throughout the half year to 31 December 2014 the notes were either converted to ordinary shares of the parent entity at the note holders' discretion or notes were redeemed at amaysim's discretion at the following dates and percentages:

Date	Conversion (%)	Redemption (%)	Total (%)
31 st of August, 2014	87.60	-	87.60
31 st of October, 2014	9.33	-	9.33
30 th of December, 2014	1.66	-	1.66
31 st of December, 2014	-	1.41	1.41
	98.59	1.41	100.00

The convertible notes are presented in the Consolidated statement of financial position as contributed equity at 31 December 2014 and a liability at 30 June 2014 as detailed below and interest is accrued on the outstanding balances until the notes conversion. The liability will be reduced on each of the outstanding repayable dates.

amaysim Australia Pty Ltd

Notes to the financial statements For the half year ended 31 December 2014

9. Borrowings (continued)

	31 Dec 2014 \$	30 Jun 2014 \$
Face value of notes issued	-	3,355
	-	3,355
Interest expense	-	300
Interest paid	-	-
Total convertible notes	-	3,655

10. Fair value measurement of financial instruments

As at 31 December 2014 the group holds no assets or liabilities that require fair value measurements, other than the Share based payments outlined in Note 3. The fair values of all financial instruments held on the balance sheet as at 31 December 2014 equal the carrying amount.

11. Related party information

(i) Ultimate parent entity

The ultimate parent entity is amaysim Australia Pty Ltd

(ii) Subsidiaries

All subsidiaries have a 30 June financial year end.

amaysim Australia has the following wholly owned subsidiaries:

Entity name	Country of incorporation	Equity holding
amaysim Services Pty Limited	Australia	100%
Eastpoint Pty Limited	Australia	100%
amaysim USA Inc.	United States of America	100%

(iii) Transactions with related parties

As outlined in Note 8, amaysim purchased the amaysim trademark through the acquisition of Eastpoint. Eastpoint was purchased from Shark Holding GmbH. Shark Holding is owned by 4 current directors in amaysim Australia and is the largest shareholder in the Group. The terms of the transaction were made on normal commercial terms and conditions and based on a valuation performed by Ernst & Young (an external independent expert).

The Group carries out its business over 4 floors at 17-19 Bridge St, Sydney. This building is owned by Bridgelane Holdings Pty Limited (Bridgelane). Bridgelane is owned by a minority shareholder in the Group. The leasing agreements are based on normal commercial terms and conditions and managed by an external and independent building management entity (Colliers International (NSW) Pty Ltd).

(iv) Loans to/from related parties

amaysim Australia acquired as part of the acquisition of Eastpoint a loan to the owners of Shark Holding. The value of the loan as at 31 December 2014 is \$90,158 and is subject to an interest rate at the Euribor rate at the end of each financial year plus 2%.

As part of the purchase consideration of \$5.05m for Eastpoint, amaysim pays this consideration over a period up until the 1st of April 2015. There is no interest payable of the outstanding consideration. Due to the Groups improved cash position the purchase consideration was paid early and settled on the 25th of February, 2015.

12. Subsequent event note

The Directors are not aware of any matter or circumstance that has arisen since the end of the financial year that has significantly affected or may significantly affect the operations of the Group, the results of its operations or its state of affairs, which is not already reflected in this report.

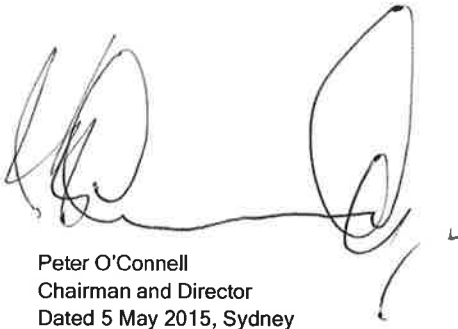
amaysim Australia Pty Ltd

Directors declaration

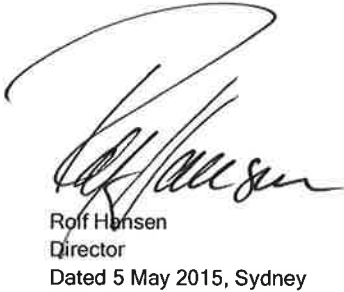
In the directors' opinion:

1. The consolidated financial statements and notes, set out on pages 6 to 18:
 - (a) comply with Accounting Standards and other mandatory professional reporting requirements as detailed above; and
 - (b) give a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half year ended on that date; and
2. there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.



Peter O'Connell
Chairman and Director
Dated 5 May 2015, Sydney



Rolf Hansen
Director
Dated 5 May 2015, Sydney



Independent auditor's review report to the members of amaysim Australia Pty Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of amaysim Australia Pty Limited (the Company), which comprises the consolidated statement of financial position as at 31 December 2014, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, selected explanatory notes and the directors' declaration for the amaysim Australia group (the consolidated entity). The consolidated entity comprises the company and the entities it controlled during that half-year.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Australian Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report does not give a true and fair view of the consolidated entity's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting*. As the auditor of amaysim Australia Pty Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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



Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of amaysim Australia Pty Limited does not:

- a) give a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date;
- b) comply with Accounting Standard AASB 134 *Interim Financial Reporting*.

A handwritten signature in black ink, appearing to read 'Sumanth Prakash', with a horizontal line underneath.

Sumanth Prakash
Authorised Representative

Sydney
5 May 2015