



**ASX:SKL**

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**Directors**

**Mathew Walker** Chairman  
**Tim Johnston** Non-executive Director  
**Eugene Loy** Non-executive Director

**Proposed Directors**

**Bert Mondello** Director  
**Keaton Wallace** Director  
**Josh Hunt** Director  
**Salvatore Vallelonga** Director

**Company Secretary**

**Loren Jones**  
Cicero Corporate Services Pty Ltd  
Suite 9, 330 Churchill Avenue  
Subiaco WA 6008

**Contacts**

Skywards Limited  
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**Loren Jones**

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**ASX ANNOUNCEMENT**

24 January 2014

**ACQUISITION OF AUSSIESIM PTY LTD**

The directors of Skywards Limited ("Skywards" or the "Company") are pleased to advise that the Company has entered into a binding Agreement ("the Agreement") to acquire 100% of the issued capital in AussieSim Pty Ltd ("AussieSim," ACN 147 227 683).

**About AussieSim**

AussieSim is an Australian-owned and operated telecommunications (telco) business, offering customers a cheap mobile phone roaming service for overseas travel in over 180 countries. AussieSim offers consumers heavily discounted roaming rates for talk, text and data usage of up to 95% when compared to Australian telco providers.

Over the past two and a half years AussieSim has developed a fully integrated retail and online trading solution for the travel Sim marketplace. This includes infrastructure, such as SMS based top up technology, along with a call forwarding platform, which enables customers to receive international calls on their Australian mobile while travelling overseas.

AussieSim has direct partnerships with international telco networks including T Mobile (US), Indosat (Indonesia) and Everything Everywhere (UK). It has also developed an Intelligent Network (IN Platform) online trading platform which is scalable, can be rebranded, and is capable of being deployed offshore with domestic currency and different languages. All technology platforms and network partnerships are wholly owned by AussieSim.

The global roaming market is growing with total roaming revenues forecast to exceed \$80 Billion by 2017, compared with \$47 Billion in 2013.

AussieSim has experienced exceptional growth in sales since its first product launch in March 2013. Key milestones in the first year of commercial operation have included the introduction of its destination specific UK/Europe Sim, US Sim and Indonesia/Bali Sim. In October 2013 AussieSim launched its 'OneSim' solution which allows consumers the ability to roam across the globe with a single Sim card.

AussieSim has four distinct revenue streams within its business model:

1. Upfront revenue from online sales,
2. Upfront revenue from distribution partners,
3. Trailing revenue on Sim Top Up,
4. Trailing revenue on Call Forwarding Top Up.

AussieSim continues to expand its distribution footprint throughout Australia. AussieSim's current retail partners include Newlink in the international airport terminals, Trafalgar Holidays, Travel Managers, Camera House, Travel Money Changers, Newpower, Netra and Lucky Charm, Telechoice, Student Edge, JR Duty Free and W Hotels Bali.

### **Terms of the Acquisition**

Under the terms of the Agreement, the Company has agreed to acquire 100% of the issued capital of AussieSim ("Acquisition") for 25,000,000 fully paid ordinary shares on a post consolidation basis in the Company ("Shares") and 12,500,000 options to acquire Shares exercisable at \$0.30 on or before 31 December 2016 ("Options").

The conditions to be satisfied before completion of the Acquisition include agreement with each shareholder of AussieSim, completion of mutual due diligence by both parties, completion of a capital raising of not less than \$3,430,000, a consolidation at a ratio of 500:1 and all necessary shareholder, regulatory and third party approvals and consents.

The Agreement otherwise contains terms typical for a transaction of this nature, including standard representations and warranties from the vendors.

Further details of the material terms of the Agreement are set out in the annexure to this announcement.

### **Indicative timetable**

The proposed timetable for completion of the Acquisition is as follows:

<b>Event</b>	<b>Date</b>
Announcement of the Transaction	24 January 2014
Distribute Notice of Meeting (NOM) seeking shareholder approval for, amongst other things, the Acquisition	7 March 2014
Lodgement of prospectus with respect to the Capital Raising	14 March 2014
Shareholder meeting to approve the Acquisition and any other associated matters	14 April 2014
Closing date of the Capital Raising	14 April 2014
Completion of the Acquisition	14 April 2014
Reinstatement to official quotation on ASX	21 April 2014
End date to satisfy conditions precedent in the Agreement	30 June 2014

*Please note the timetable is indicative only and may be varied in consultation with ASX. Shareholders should also note that the Company's securities will be suspended from trading on the day of the general meeting seeking approval for the Acquisition and if such approval is obtained will remain suspended until such time as the Company has satisfied Chapters 1 and 2 of the ASX Listing Rules.*

### **Pro-forma capital structure**

The capital structure of the Company immediately following completion of the Acquisition (i.e. stated on a post-Consolidation basis) is expected to be:

<b>Shares</b>	<b>Number</b>
Existing shares on issue	8,000,000
Shares issued upon conversion of Converting Loans	3,100,000
Shares issued upon completion of Capital Raising (based on the minimum of \$3,430,000)	17,150,000
Shares issued upon completion of the Acquisition	25,000,000
<b>Total Shares on issue after completion of the Acquisition</b>	<b>53,250,000</b>

<b>Options (all quoted, \$0.30, 31 December 2016)</b>	<b>Number</b>
Options currently on issue	NIL
Options issued upon completion of Capital Raising (based on the minimum of \$3,430,000)	8,075,000
Options issued upon completion of the Acquisition	12,500,000
Options issued as a corporate advisory fee for management of Capital Raising	3,500,000
<b>Total Options on issue after completion of the Acquisition</b>	<b>24,075,000</b>

### **Board and Management**

At settlement, the incumbent Directors of Skywards have agreed to resign and to appoint the four current Directors of AussieSim. Details of each director are as below.

#### ***Bert Mondello - Co-Founder and CEO***

Mr Bert Mondello entered the telecommunications industry in 1997, and up until 2002, he managed key retail distribution channels for Optus and Vodafone. During this period, the telecommunications industry evolved significantly, shifting from the basic analogue network to digital and 3G. In 2002, Bert was invited to assist in building the business model and blueprint of Vodafone's outsourced pilot distribution model called Vodafone Alliance. As an equity partner and General Manager of Vodafone Alliance, his responsibility was to build and manage a national business to business sales team.

In 2004, his private company 3G Corporate was appointed by 3 Mobile to manage part of their Australian business channel. Subsequently in 2009, Vodafone and 3 Mobile merged in Australia and 3G Corporate became one of the largest Vodafone business channels in the country. As the Managing Director of the Company, Bert has been responsible for signing up over 50,000 subscribers to the Vodafone and 3 Network over an eight year period. It is still today one of Vodafone's most prominent and long-standing business partners.

***Keaton Wallace - Co-Founder and Executive Director***

Mr Keaton Wallace recently oversaw the tender and negotiation process with the four major telecommunication network providers in Indonesia and the three major telecommunications providers in Thailand. He has also successfully reached terms with Indosat Pt Indonesia and DTAC Thailand for partnerships with AussieSim.

Prior to co-founding AussieSim, Keaton was in property management and development. During this time, he oversaw major property development syndications and capital raisings within Australia and Indonesia, with award-winning results for Parkwater Estate and Brookfield Estate in Margaret River. Keaton has also managed a residential and commercial property portfolio for Jamac Properties, with assets in excess of \$200 million.

***Josh Hunt - Director***

Mr Josh Hunt is a lawyer and Principal of project law firm Hunt & Humphry, with experience in providing advice to listed public and private companies and in all aspects of project acquisitions and disposals. His experience extends internationally, where he has acted for a number of companies with operations in Africa, South East Asia, Mongolia, the United States, Canada, United Kingdom and throughout South America.

***Salvatore Vallelonga - Director***

Mr Salvatore Vallelonga is a Chartered Accountant and a Director of Plexus Global Consultants Pty Ltd, a Chartered Accounting and business advisory business specialising in the provision of tailored tax and consultative solutions to its SME and emerging growth clients. He is also a Director of Plexus Wealth Pty Ltd, which provides financial planning and wealth solutions to clients. Salvatore is a Director of numerous private companies and is also on a number of Boards and Committees of Non-Profit organisations.

***Long Horse and Hooley Well Acquisitions***

The Company has resolved not to pursue the acquisition of the Long Horse and Hooley Well projects and has terminated these agreements.

**By Order of the Board**

For further information contact:

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Chairman  
Skywards Limited  
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## Annexure

### Material terms of Agreement

- (a) **(Conditions)** The conditions precedent which must be satisfied prior to the Company completing the Acquisition are:
- (i) agreement of each minority shareholder of AussieSim on or before 14 February 2014.;
  - (ii) completion of due diligence by the Company and AussieSim on each other's business and operations on or before 28 February 2014;
  - (iii) completion of a capital raising by the Company to raise a minimum of \$3,430,000 through the issue of Shares at an issue price of \$0.20 each with one free attaching Option for every 2 Shares subscribed for and issued ("Capital Raising");
  - (iv) completion of a consolidation of capital by the Company on a ratio of 500:1 ("Consolidation");
  - (v) the Company obtaining all necessary third party, regulatory and shareholder approvals or consents pursuant to the ASX Listing Rules, Corporations Act 2001 (Cth) or any other law to allow the Company to lawfully complete the matters set out in the Agreement, including but not limited to, approval to reinstatement to official quotation on ASX on conditions satisfactory to the Company;
  - (vi) the Company raising sufficient funds to repay current outstanding liabilities prior to the transaction completing and not incurring any material liability other than those incurred in the normal course of business or otherwise in connection with the Acquisition without the express approval of AussieSim except for \$496,000 in converting loans (with a conversion price of \$0.16 (post-Consolidation) and converting automatically on approval of the Company's shareholders ("Converting Loans"); and
  - (vii) the Company's directors committing to vote their relevant interests in Shares in favour of the Acquisition.
- (b) **(End Date):** Unless otherwise stated, the final date for satisfaction of the conditions is 30 June 2014.
- (c) **(Consideration)** The consideration payable by the Company (on a post-Consolidation basis) is 25,000,000 Shares and 12,500,000 Options.
- (d) **(Loan):** The Company will advance \$176,000 to AussieSim as an interest free loan to be repaid on or before 30 June 2014.
- (e) **(Board composition):** On completion of the Acquisition, the board of the Company will comprise at least 4 persons nominated by AussieSim with the existing directors of the Company resigning.
- (f) **(Warranties):** The Agreement contains standard warranties and representations on behalf of the parties typical for an agreement of this nature.
- (g) **(Other):** The Agreement otherwise contains terms and conditions typical for an agreement of this nature.

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