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Ord Minnett Technology Conference

23 March 2022



**Aussie
Broadband**

Bloody Good Broadband

Aussie Broadband at a glance

**Founded
in 2003**

and listed on
the ASX in 2020

Revenue
in excess of
\$500m¹

EBITDA less
transaction costs of
\$27m - \$30m¹

Directly
connected to all
121 nbnTM
**points of
interconnect**

**5th Largest
nbnTM
provider**

> 540,000²
Active
broadband
services

> 60,000³
Business
Customers

> 1,200km
of ABB owned fibre
in the ground and
under construction

Tier 1
Voice Network
with over **800,000**
active numbers

> 1,000
Team members
employed in
Australia



Residential

Focused on delivering best in market customer experience

- Premium broadband offering using the NBN and Opticomm networks, available anywhere in Australia (excluding NBN Satellite areas).
- Companion services including mobiles, home phone, and Fetch TV are available which provide a full service offering to residential customers.
- 100% Australian based, award winning customer service via phone, online and the my.aussie app sets Aussie Broadband apart from its competitors.
- Continuing to explore other complementary product offerings in adjacent sectors.

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Business

Connectivity at our core

- Connectivity has been at the core of our business offering for over 18 years, primarily internet access and private MPLS (multi protocol label switching) networks.
- Other services like Voice (Single Line VoIP, SIP Trunks and Hosted Phone) and Mobile (Handset and data-only plans) have also been part of the offering.
- Carbon our business portal has enabled rapid turn up of connectivity services and supports over 400 managed service providers.

New capabilities

- With the completion of the recent Over The Wire acquisition, additional new products will become available to Aussie customers including:
- Security – a full range of security solutions from multiple vendors.
- Managed hardware – Wifi, switching, and other hardware solutions.
- Cloud – customer or Aussie Broadband managed cloud services.

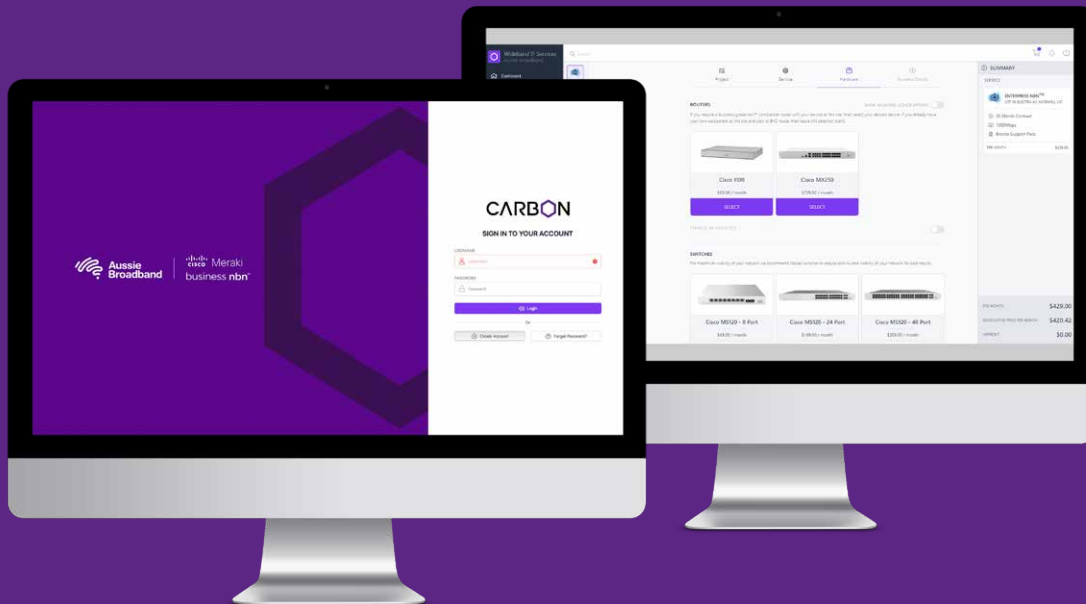
Offering flexibility in service offerings from DIY to Do it For Me

- Provide a “one stop shop” for customers' communications and IT requirements.
- Expert design, advice and implementation of solutions rather than just selling connections that the customer or 3rd parties integrate.
- Business development managers and key account managers that are responsive, technology focused and are supported by skilled solution engineers.
- Enable around the clock support by team members that know and understand the customer's environment, solution and unique requirements.
- Proactive monitoring of the solution so that issues are identified before the customer even notices them.
- Provide market leading tools and portals so that customers that want to self manage have their whole solution at their fingertips.

CARBON

Industry leading automation & control

- Single platform that enables businesses and partners to quote, service qualify, connect, modify and manage nbn services in minutes all through a single platform.
- Manage complex solutions using a simple interface.
- Over 400 partners now signed up and using Carbon including a major corporate customer with over 3000 services.
- Next evolution of Carbon is under development to enable all Aussie Broadband products to be sold and managed through Carbon.



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Optic fibre infrastructure owner

Delivering margin improvement through fibre network construction

- Over 1,200km of Aussie Broadband owned fibre will be in the ground on completion.
- 86 NBN POIs and 21 data centres will be connected to Aussie Broadband owned, swapped or leased dark fibre lit at multiple 100G. Remaining 35 POIs connected via 100G wavelengths.
- Fully protected and diverse network to all NBN POIs and data centres.
- Fibre construction to 77 of 107 sites has been completed.
- 45 of 86 NBN POIs have been transferred over to the ABB fibre network and savings for these sites is now being realised. FY22 savings offset by transition costs.
- Final completion on track for 30 June 2022.

Victoria

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Stats:

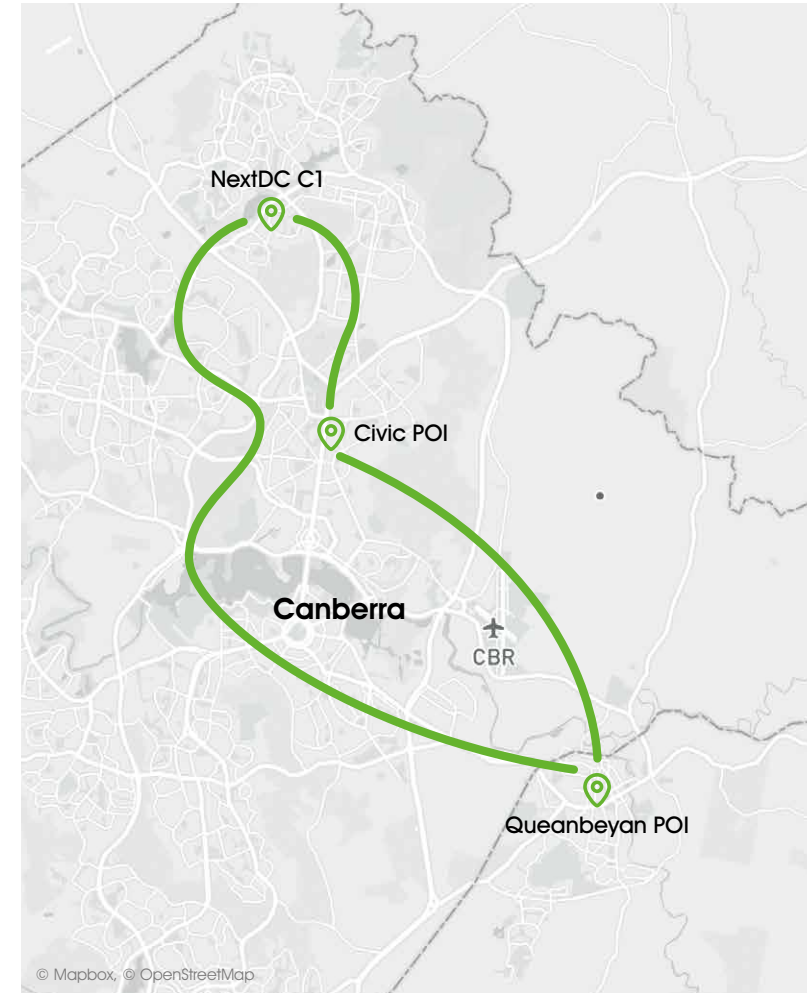
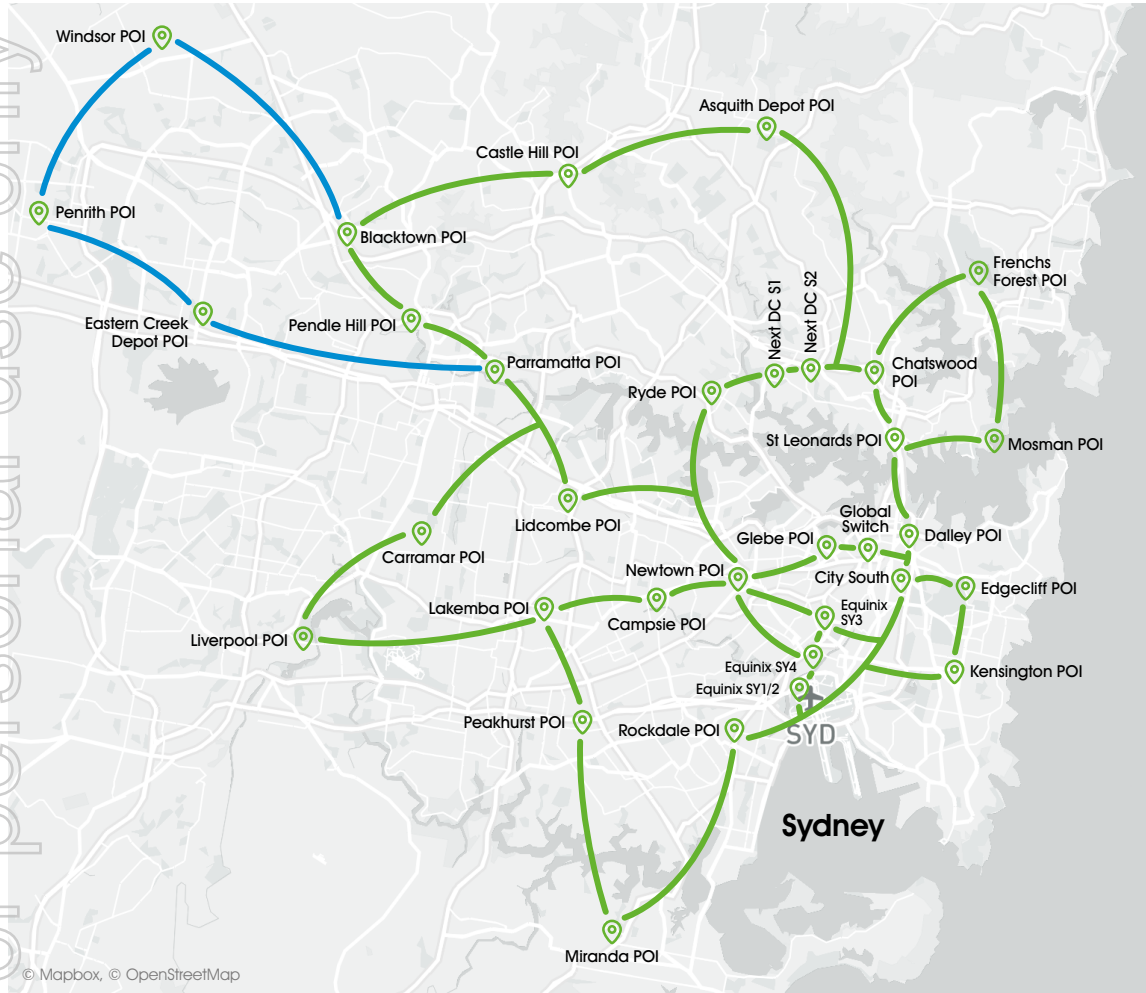
- 5 Data centres, and 24 of 30 NBN POIs connected to ABB owned or leased fibre.
- 331 km of ABB owned fibre.

Legend

- ABB owned fibre
- Leased fibre

New South Wales & ACT

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Legend

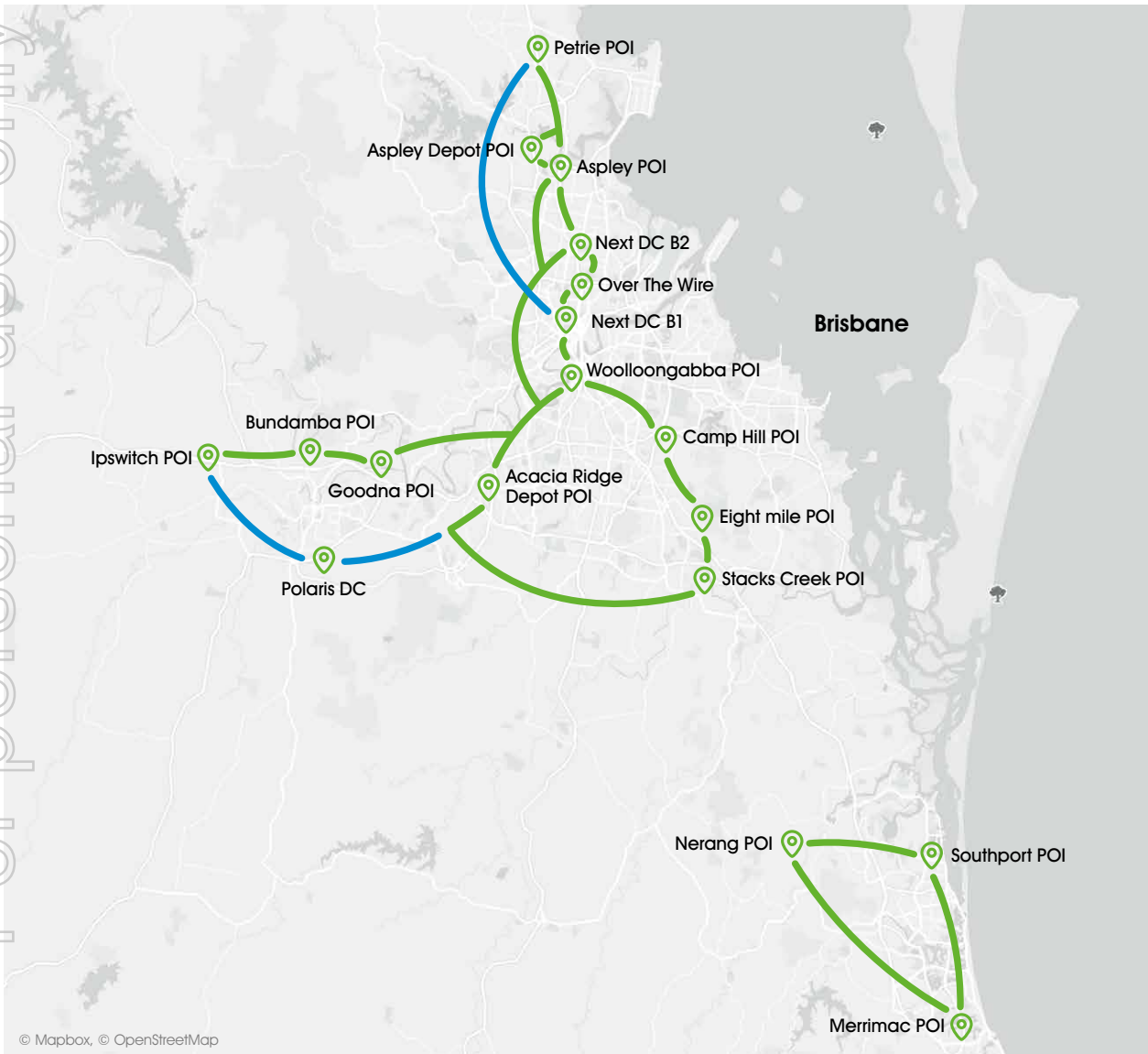
- ABB owned fibre
- Leased fibre

Stats:

- 7 Data centres, and 28 of 43 NBN POIs connected to ABB owned or leased fibre.
- 311km of ABB owned fibre.

Queensland

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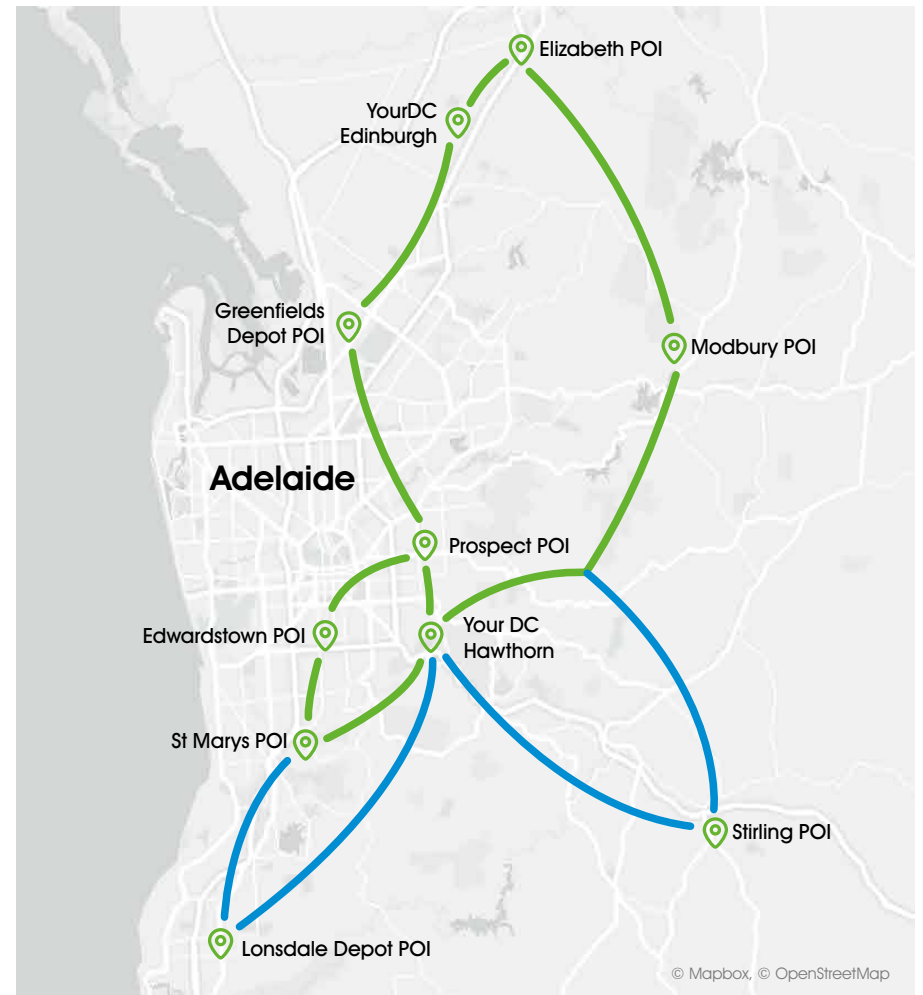
Stats:

- 4 Data centres, and 14 of 22 NBN POIs connected to ABB owned, IRU or leased fibre.
- 236km of ABB owned fibre.

Legend

- ABB owned fibre
- IRU and leased fibre

Western Australia & South Australia



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Legend

- ABB owned fibre
- Leased fibre

Stats:

- 5 Data centres, and 19 of 23 NBN POIs connected to ABB owned or leased fibre.
- 348km of ABB owned fibre.



“ The acquisition of **Over the Wire** will add significant product and skill capability, and will accelerate growth in our business and wholesale segments”

Phillip Britt, Managing Director



About Over The Wire

High margin telecommunications and IT solutions provider offering voice, data networks and cloud infrastructure with contracted revenue.

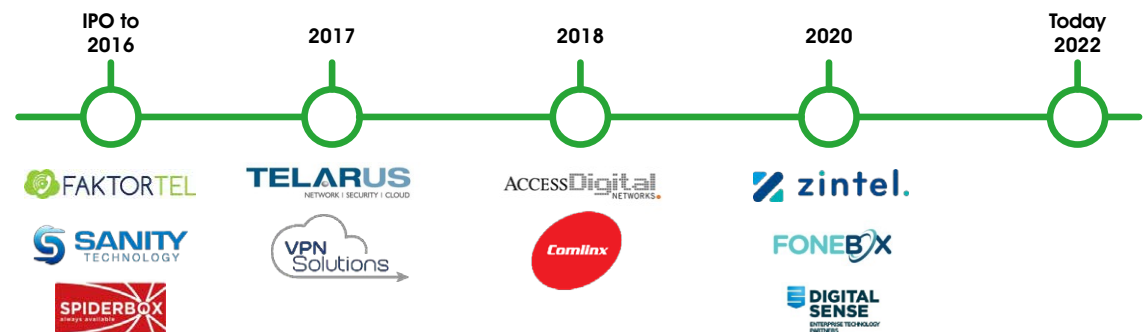
Overview

Founded in 2005, Over the Wire is a technology company and integrated platform provider, establishing the telco of the future.

With offices across Australia, their purpose is to simplify technology to empower business.

- Australian, New Zealand, Singapore & USA network presence, with major points of presence across all major Australian capital cities and Auckland, NZ.
- Headquartered in Brisbane, with approximately 300 onshore employees across its specialist IT and telecommunications divisions including IT development, sales and solutions experts.
- Diversified pool of contracted medium business, enterprise and government customers.
- Delivering impressive and consistent business acquisition, top-line revenue growth and 96% customer retention rates.

Over the wire acquisitions



About Over The Wire

A full end-to-end solutions offering focused on medium business, enterprise, government and wholesale customers.

Telco of the Future

OTW's goal is to be the integrated platform underpinning the digital transformations of Australian and New Zealand businesses.

OTW are challenging the current status quo and establishing the model for the telco of the future. This includes:

- Strategic infrastructure investments and partnerships.
- Automation, self-service capabilities, and AI.
- Business outcomes focus, supporting critical systems.
- Growing their partner ecosystem leveraging their integrated platform.
- Simplify technology to empower business.



Cloud.

- ▣ Public, Private & Dedicated Cloud
- ▣ Hybrid & Multi-Cloud
- ▣ Backup, Storage & Data Protection
- ▣ DC Colocation



Connect.

- ▣ SD-WAN
- ▣ Private IP
- ▣ Internet
- ▣ Private Mobile Data
- ▣ Cloud Connectivity
- ▣ International Ethernet



Collaborate.

- ▣ Cloud PBX
- ▣ SIP & CTS
- ▣ Mobile Fleet
- ▣ SMS Gateway
- ▣ Inbound Voice Routing & Analytics

Management

Security

Portal & APIs



Strategic rationale

Acceleration of business-focused capabilities by leveraging each others' key strengths, technologies and solutions.



Data & Networks

- Direct connection to all 121 NBN Points of Interconnect (POIs).
- 1,200km of owned fibre complete & under construction.
- Presence in 31 data centres nationally and internationally.

- No direct connection to any NBN POIs.
- 99% third party leased fibre network.
- 5 company owned data centres (additional presence in 38 data centres).

Voice

- Wholesale customer of other Tier 1 voice carriers,
- Provides voice services to residential and business customers.

- Tier 1 voice carrier with the capability to provide residential, business and wholesale services via a direct interconnect infrastructure and in house developed software platform.
- Offers both inbound and outbound number hosting.

Cloud

- No offerings currently.

- Range of cloud and hosting products, including private cloud solutions on OTW-owned infrastructure.
- Recent acquisition of Digital Sense to expand existing cloud portfolio, adding a number of blue chip customers.

Security & IT Support

- Limited offerings currently.

- Existing IT support and data security products.
- Longstanding arrangements with a number of vendors, with the ability to offer best-in-class solutions.

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Strategic rationale

Highly compatible customer base and network which will enable synergies to be unlocked quickly.



Customers

- Over 480,000 (incl White label) residential and 30,000 business, MSP & government customers.
- Over 540,000 active broadband services.

- Over 16,000 business, government & wholesale customers.
- Over 800,000 active numbers on the NetSIP voice network.

Customer demographics

- Australian residential, business, local government, and managed solution provider (MSP) customers.

- Australian and New Zealand small & medium business, enterprise, government, MSP and wholesale clients.

Customer engagement and marketing

- 4.5 out of 5 average online review score.
- Australian Service Excellence Award winner for Customer Services Organisation of the Year - Large 2020 & 2021.
- Significant marketing & promotions spend to drive organic new customer growth.

- 97.8% recurring revenue retention in FY21 with excellent track record of revenue and customer retention.
- Low marketing spend.

Team members

- Over 700 team members, all based in Australia.

- ~ 300 team members based in Australia.

Go to market strategy

Multiple customer segments and solutions.

Residential

- Focused on the premium end of the residential market (covers 50% of the market).
- Comprehensive offering including NBN & OptiComm broadband, voice, mobile and Fetch entertainment.
- Best in market customer experience & support, 100% Australian based.

Business

- Focused on small and medium single-site businesses (approx. 2.3 million nationally).
- Essential business offering including broadband, hosted phone, mobile, managed wifi & security.
- Premium support available 24x7, 100% Australian based.

Enterprise

- Focused on large, multi-site businesses and government customers that require tailored solutions or have complex needs.
- Total solution offering including connectivity, voice, mobile, managed services, security, wifi, infrastructure as a service and cloud hosting solutions in multiple availability zones.
- Dedicated support engineers available 24x7, 100% Australian based.

Wholesale, MSP & White Label

- Focused on wholesale customers with delivery through in-house developed Carbon & NetSIP platforms.
- Providing NBN resale, voice, backhaul, dark fibre, IP transit and colocation services.
- Wholesale-focused support engineers available 24x7, 100% Australian based.

Company highlights

1H FY22

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New office & call centre in Burswood WA, opened July 2021.

Highlights

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\$229.3m

Revenue

↑46%

(\$157.4m 1H FY21)



\$9.1m

EBITDA before transaction costs

↑7%

(\$8.5m 1H FY21)



494,803

Total broadband services

↑45%

(342,297 as at 31 December 2020)



5.66%

NBN broadband market share (excluding satellite), up from 4.23% in December 2020



32,207

Mobile services

↑70%

(18,971 as at 31 December 2020)



45,483

Business broadband services

↑67%

(27,248 as at 31 December 2020)



Highlights

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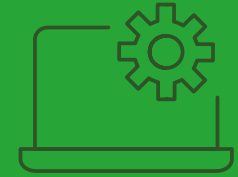
ASEA award winner

Customer Service
Organisation of the
year – Large 2020 & 2021



Successful capital raise

\$134m (less costs)



First round of white label migrations complete

8,725 services migrated
in 1H FY22, remainder of
services will be migrated
in 3Q FY22

8.2/10

Customer satisfaction

As measured by voice of customer surveys



63

NBN POIs &
data centres
connected to Aussie Fibre



29%

Staff increase
to 733

(568 at 31 December 2020)



Customer & team

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4.5/5 from 6314 reviews on



4.3/5 from 2719 reviews on



4.8/5 from 2046 reviews on



ESG

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- Aussie Broadband is on track to become a Certified B Corporation, as part of our goal to benchmark ourselves and improve in ESG (environmental, social, governance) practice.
- We selected B-Corp as our preferred platform because of its fit with our preference for simplicity and transparency.
- B-Corps are companies that meet high standards of social and environmental performance, accountability and transparency.
- We have made our first submission for assessment, meeting the initial threshold to progress further.
- We expect assessment to be complete in the next 6-9 months.



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Financial Results 1H FY22

Financial performance

| | 1H FY22 | 1H FY21 | Movement |
|--|-------------|---------------|---------------|
| | \$m | \$m | |
| Gross Revenue | 237.3 | 159.9 | 49% |
| Promotion Discounts | (8.0) | (2.5) | 222% |
| Reported Revenue | 229.3 | 157.4 | 46% |
| Network and hardware expenses | (167.4) | (115.4) | 45% |
| Gross Margin | 61.9 | 42.0 | 47% |
| GM% | 27% | 26% | 1% |
| Marketing expenses | (16.4) | (9.7) | 69% |
| Employee and administration expenses | (36.4) | (23.8) | 53% |
| EBITDA before transaction costs | 9.1 | 8.5 | 7% |
| IPO/OTW costs | (1.0) | (1.2) | (16%) |
| EBITDA after transaction costs | 8.1 | 7.3 | 10% |
| Depreciation & Amortisation | (6.3) | (3.6) | 77% |
| Net interest expense | (0.4) | (1.9) | (80%) |
| Change in fair value of derivative | - | (12.3) | (100%) |
| Net profit/(loss) before tax | 1.4 | (10.5) | (113%) |
| Tax | 0.0 | - | - |
| Net profit/(loss) after tax | 1.4 | (10.5) | (113%) |

- Revenue growth driven by organic volume growth enhanced by new white label contract.
- Gross margin held up well despite impact of lockdowns in 1Q.
- Marketing investment continued at the 2H FY21 run rate but significantly higher than prior corresponding period.
- Employee and admin costs increasing broadly with revenue.
- Depreciation and amortisation increasing with investment in network including fibre roll out.

Financial position

| | Dec-21 | Jun-21 | Movement |
|--|--------------|--------------|-------------|
| | \$m | \$m | |
| Cash and cash equivalents | 168.2 | 57.0 | 195% |
| Trade and other receivables | 23.3 | 16.9 | 38% |
| Other current assets | 8.1 | 7.6 | 7% |
| Property, Plant and Equipment | 40.4 | 17.4 | 132% |
| Right of use assets | 31.2 | 12.3 | 154% |
| Intangibles and financial assets | 5.8 | 5.7 | 2% |
| Total assets | 277.0 | 116.9 | 137% |
| Trade payables and other trade liabilities | 52.3 | 43.3 | 21% |
| Lease liabilities | 29.2 | 10.6 | 175% |
| Employee benefit liabilities | 4.5 | 3.5 | 29% |
| Total liabilities | 86.0 | 57.4 | 50% |
| Net assets | 191.0 | 59.5 | 221% |

- Cash boosted by Share Placement and Share Purchase Plan.
- Trade debtors increased by less than revenue.
- PPE increasing as fibre network rolled out.
- Increased lease liabilities with network equipment and 2 new office locations.

Cash flow

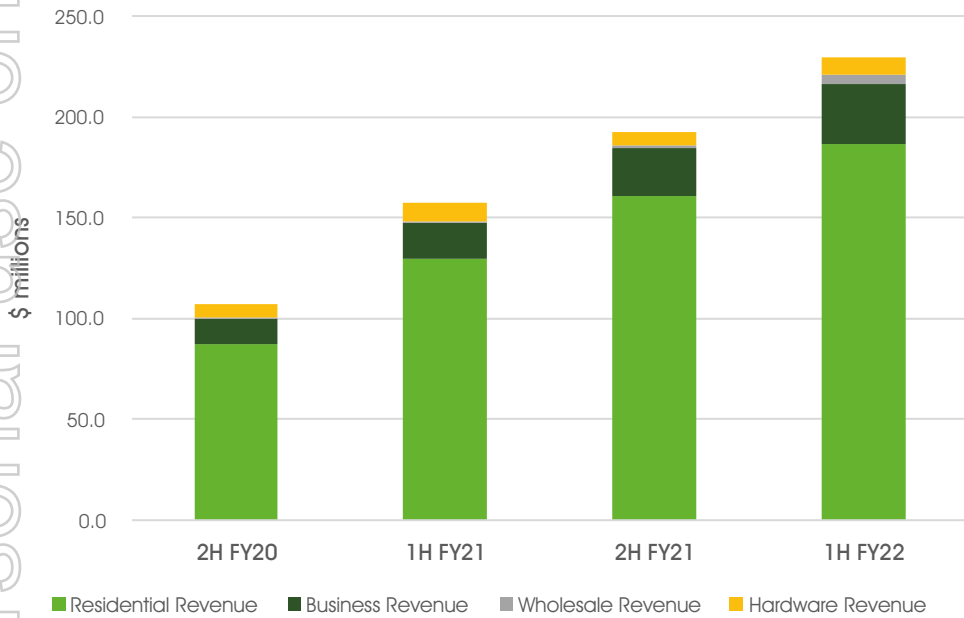
| | 1H FY22 | 1H FY21 | Movement |
|------------------------------------|---------------|--------------|-------------|
| | \$m | \$m | |
| Receipts from customers | 249.1 | 171.5 | 45% |
| Payments to supplier and employees | (237.8) | (162.5) | 46% |
| Net interest payments | - | (0.2) | (100%) |
| Operating cash flows | 11.3 | 8.8 | 28% |
| Payment for PPE | (24.8) | (8.1) | 208% |
| Payment for Intangibles | (0.1) | (1.4) | (93%) |
| Investing cash flows | (24.9) | (9.5) | 162% |
| Net equity proceeds | 129.6 | 37.4 | 246% |
| Lease payments | (5.0) | (2.7) | 85% |
| Repayment of debt | - | (5.0) | (100%) |
| Other | 0.2 | - | - |
| Financing Cash flows | 124.8 | 29.7 | 320% |
| Net increase in cash | 111.2 | 29.0 | 283% |

- Customer receipts and supplier / employee payments broadly consistent with financial performance.
- Strong correlation between EBITDA and operating cash flows.
- PPE spend inflated by fibre roll out.
- Equity proceeds from Share Placement (\$114m gross) and the Share Purchase plan (\$20m gross).

Historical financial performance

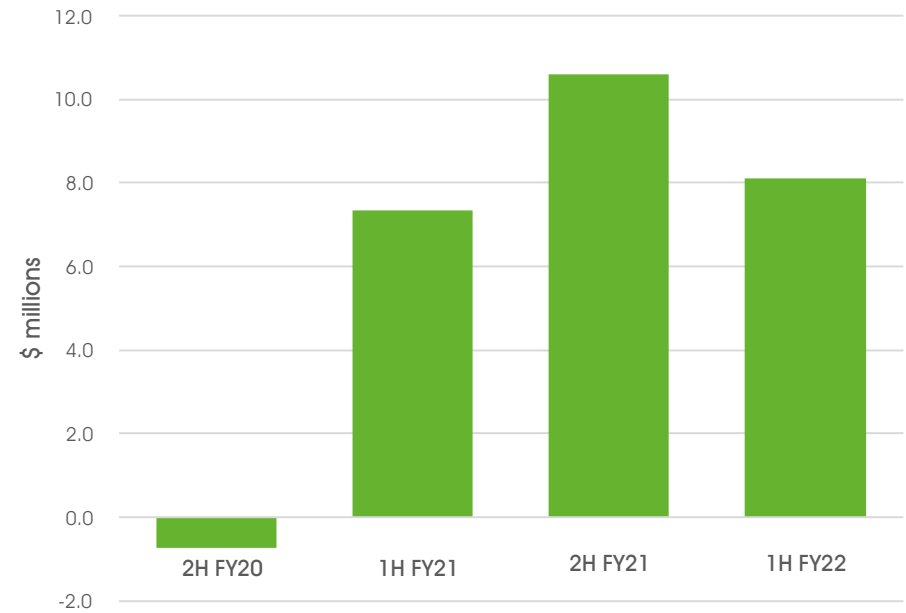
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Revenue Growth



- Residential revenue (excluding hardware) has increased by 44% v pcp.
- Business revenue (excluding hardware) has increased by 68% v pcp.
- Wholesale revenue has been separately disclosed for the first time due to the commencement of the first white label customer.
- Hardware revenue has fallen by 7% due to the lower proportion of new business being first time NBN connects.

EBITDA



- EBITDA 7% higher than prior corresponding period but 15% lower than 2H FY21.
- Half impacted by lockdowns between July and October driving higher CVC and other network costs.
- Increased use of promotions and free month offers for broadband and mobile specifically impacted short term EBITDA but fueled better than expected volume growth.

2H FY22 outlook

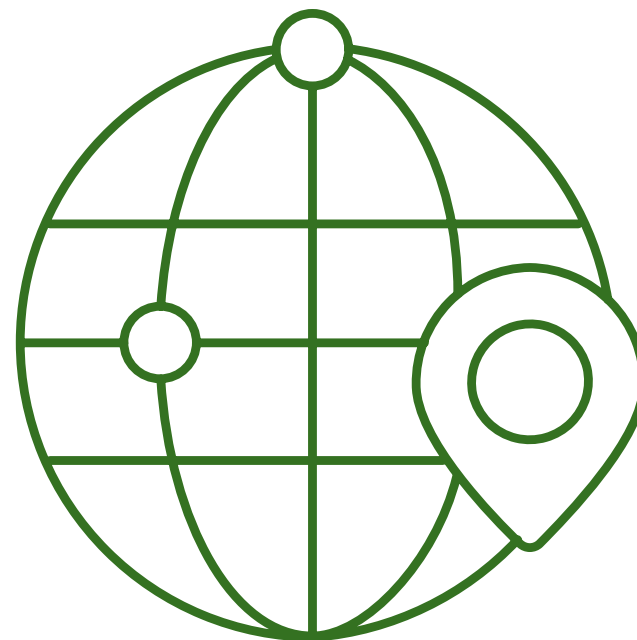
EBITDA guidance

- The company expects full year EBITDA (before transaction costs and excluding any contribution from OTW) to be in the range of \$27m to \$30m. Expected 2H FY22 performance will be driven by:
- Comparable marketing costs but with the benefit of a full half of revenue from 1H FY22 acquired customers;
- Employee and administration costs being lower as a percentage of revenue in 2H FY22;
- Continued growth in connections and other services;
- No further lockdowns leading to increased CVC usage;
- Completion of the white label connection migrations.

Connections guidance

The company expects broadband net additions of 85,000 to 95,000 for 2H FY22, including the migration of white label services, with total active broadband connections at 30 June 2022 to be in the range of 580,000 to 590,000.

Naturally this is dependent on ABB's marketing activities and the relative competitive environment through the period. An update to these figures will be provided in the 3Q update, expected to be released in late April 2022.



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Questions

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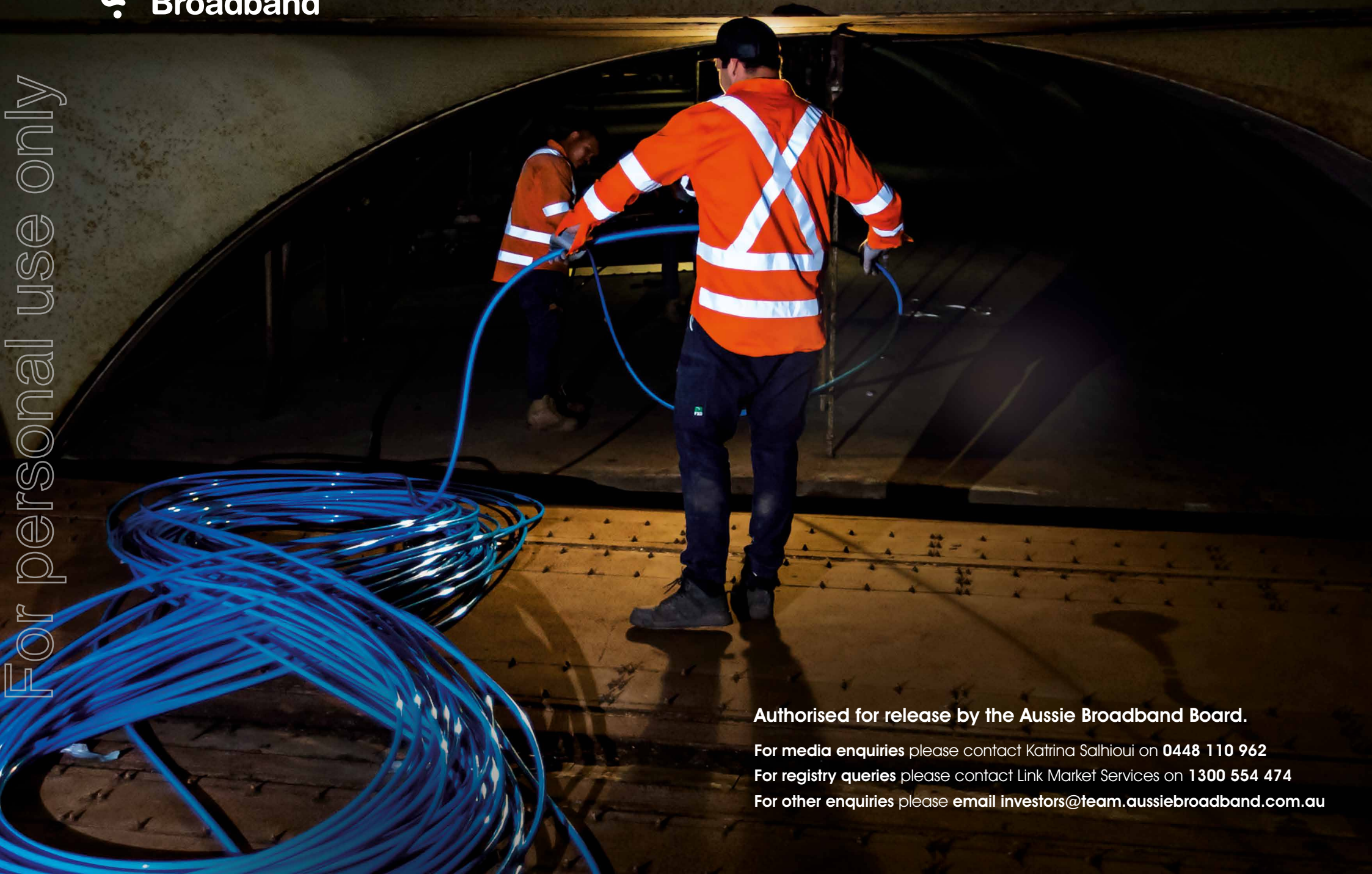
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