

1. Company details

Name of entity:	Symbio Holdings Limited
ABN:	37 118 699 853
Reporting period:	For the half-year ended 31 December 2023
Previous period:	For the half-year ended 31 December 2022

2. Results for announcement to the market

				\$'000
Revenue from ordinary activities	up	2.9%	to	105,867
Loss after tax from ordinary activities attributable to members of Symbio Holdings Limited	down	(2626.6%)	to	(1,996)
Gross profit	up	8.1%	to	51,311

Dividends

	Amount per security Cents	Franked amount per security Cents
Final dividend declared for the year ended 30 June 2023 paid on 4 October 2023	1.70	1.70

Comments

The loss for the Group after providing for income tax amounted to \$1,996,000 (31 December 2022: profit of \$79,000).

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>76.25</u>	<u>86.69</u>

The calculation of net tangible assets excludes goodwill and intangibles held in assets classified as held for sale on the consolidated statement of financial position. Right-of-use assets, deferred tax asset and deferred tax liability have been included in the calculation of net tangible assets.

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Dividends

Current period

	Amount per security Cents	Franked amount per security Cents
Final dividend declared for the year ended 30 June 2023 paid on 4 October 2023	1.70	1.70

On 5 February 2024 the directors have determined to pay a fully franked special dividend of 35 cents per Symbio ordinary share to be paid on 28 February 2024, conditional on the proposed Scheme of Arrangement with Aussie Broadband Limited (ASX: ABB) becoming effective.

Previous period

	Amount per security Cents	Franked amount per security Cents
Final dividend for the year ended 30 June 2022 paid on 4 October 2022	1.70	1.70
Special dividend for the year ended 30 June 2022 paid on 18 October 2022	3.00	3.00

7. Dividend reinvestment plans

A dividend reinvestment plan did not operate during the current and previous financial half-year.

8. Details of associates and joint venture entities

Not applicable.

9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

10. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

11. Attachments

Details of attachments (if any):

The Interim Report of Symbio Holdings Limited for the half-year ended 31 December 2023 is attached.

Symbio Holdings Limited

ABN 37 118 699 853

Interim Report - 31 December 2023

Symbio Holdings Limited

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31 December 2023

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Directors' report

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group' or 'Symbio Group') consisting of Symbio Holdings Limited (referred to hereafter as 'Symbio' or the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2023.

Directors

The following persons were Directors of Symbio Holdings Limited during the financial half-year and up to the date of this report, unless otherwise stated:

Anne Ward	Non-Executive Director & Chairman
Michael Boorne	Non-Executive Director
Andy Fung	Non-Executive Director
Gail Pemberton	Non-Executive Director
Leanne Heywood	Non-Executive Director
Rene Sugo	Executive Director & CEO

Principal activities

Symbio is a Software-as-a-Service (SaaS) company that enables innovative communications technologies through its proprietary software platforms. Symbio aims to disrupt the \$70 billion legacy global telecommunications industry by enabling a shift from traditional physical networks to cloud based software infrastructure.

The Company provides communication services to software companies, telecom providers and enterprise customers across Australia and Internationally.

The Company generates revenues consisting of monthly recurring charges for access to communications capabilities delivered in an as-a-service model, as well as usage charges for associated services. Revenue was also derived from sale of hardware, which helps support use of these services.

Dividends

Dividends paid during the financial half-year were as follows:

	Consolidated	
	31 Dec 2023	31 Dec 2022
	\$'000	\$'000
Final dividend for the year ended 30 June 2023 of 1.70 cents (2022: 1.70 cents) per ordinary share	1,449	1,435
Special dividend for the year ended 30 June 2023 of nil cents (2022: 3.00 cents) per ordinary share	-	2,531
	<u>1,449</u>	<u>3,966</u>

Review of operations

The Company operates across three revenue generating divisions: CPaaS, TaaS and UCaaS. These divisions are supported by the Finance, People Experience, Legal & Compliance, and Technology corporate business units.

The three revenue generating divisions are:

- **CPaaS – Communications Platform as a Service**

The CPaaS division focuses on empowering software companies (in Australia, APAC and globally) and larger infrastructure-based service providers to enable calling and messaging via Symbio hosted phone numbers. CPaaS directly contributes to our overall goal of acquiring 100 million phone numbers on network by 2030.

- **TaaS – Telecom as a Service**

The TaaS division focuses on providing a digital platform for small service providers (initially in Australia only) to operate their telecom and managed services business. TaaS will purchase infrastructure from CPaaS as well as other industry leading vendors of complementary telecom services, thereby indirectly contributing to our overall goal of acquiring 100 million phone numbers on network by 2030. TaaS predominantly operates under the Telcoinabox brand.

● **UCaaS – Unified Communications as a Service**

The UCaaS division focuses on enabling the roll-out and self-service management of Enterprise collaboration services (in Australia and APAC) based on industry leading partnerships with Microsoft Teams, Cisco WebEx, Twilio and other Enterprise software specialists. UCaaS purchases infrastructure from CPaaS, thereby indirectly contributing to our overall goal of acquiring 100 million phone numbers on network by 2030.

Financial Performance

Gross margin from operations has increased by 8% to \$51,311,000 (31 December 2022: \$47,481,000).

The Directors consider Underlying Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) to reflect the core earnings of the Group. Underlying EBITDA is a financial measure which is not prescribed by Australian Accounting Standards (AAS) and represents the profit under AAS adjusted for non-cash and significant items.

Underlying EBITDA has increased to \$16,264,000 (31 December 2022 continuing EBITDA: \$11,614,000).

Net profit/loss after tax excluding amortisation (NPATA) is also considered by the Directors as a financial metric to reflect the core earnings of the Group. Underlying NPATA is not a financial measure prescribed by AAS and represents profit under AAS adjusted for non-cash and significant items.

Underlying NPATA increased to \$7,009,000 (31 December 2022: \$4,344,000) in line with increased gross margin and continued cost saving measures.

Reconciliation of NPAT to underlying EBITDA⁽¹⁾:

	Consolidated	
	31 Dec 2023	31 Dec 2022
	\$'000	\$'000
Group consolidated NPAT	(1,996)	79
<i>Add:</i>		
Depreciation and amortisation	9,545	9,388
Income tax expense/(benefit)	888	(187)
Net interest	19	438
Acquisition and scheme transaction costs	4,714	70
Restructuring costs	104	-
Share scheme and earn-out expenses	2,638	1,826
Loss on sale of business	352	-
	<u>18,260</u>	<u>11,535</u>
Underlying EBITDA⁽¹⁾	<u><u>16,264</u></u>	<u><u>11,614</u></u>

(1) Underlying EBITDA: excludes loss on sale of businesses, net interest, share scheme costs and earn-out expenses, acquisition and scheme transaction costs, tax, depreciation and amortisation.

Underlying NPATA⁽²⁾:

	Consolidated	
	31 Dec 2023	31 Dec 2022
	\$'000	\$'000
Group consolidated NPAT	<u>(1,996)</u>	<u>79</u>
<i>Add:</i>		
Amortisation from acquired intangible asset	1,602	2,390
Acquisition and scheme transactions cost	4,714	70
Restructuring costs	104	-
Share scheme and earn-out expenses	2,638	1,826
Applicable tax	(405)	(21)
Loss on sale of business	<u>352</u>	<u>-</u>
Underlying NPATA⁽²⁾	<u><u>7,009</u></u>	<u><u>4,344</u></u>

(2) Underlying NPATA excludes amortisation of acquired customer contracts, acquired software and brands, acquisition and scheme transactions cost, share scheme and earn-out expenses, tax affected restructure, and tax affected gain or loss on sale of businesses.

	31 Dec 2023	31 Dec 2022	Change	Change
	\$'000	\$'000	\$'000	%
Revenue	<u>105,867</u>	<u>102,897</u>	<u>2,970</u>	<u>3%</u>
Gross margin ⁽ⁱ⁾	<u>51,311</u>	<u>47,481</u>	<u>3,830</u>	<u>8%</u>
Group NPAT	<u>(1,996)</u>	<u>79</u>	<u>(2,075)</u>	<u>(2627%)</u>

(i) Gross margin calculated using Revenue less Network and communication expenses.

The increase in revenue is due to the stabilisation in the global technology sector and addition of revenue from the acquisition of the voice assets of Intrado Australia (UCaaS). The increase in EBITDA is a result of increased gross margin and ongoing cost discipline implemented since December 2022.

During the half-year to 31 December 2023, the Group entered into a Scheme Implementation Agreement (SIA) with Aussie Broadband (ASX: ABB) under which Aussie Broadband agreed to acquire 100% of the shares in Symbio by way of a scheme of arrangement. This resulted in \$4,714,000 of Acquisition and scheme transaction costs, of which \$2,652,000 is from cancellation of employee share-based payments expense and \$174,000 of related income tax expense, should the Scheme be implemented on 28 February 2024 as targeted.

The loss for the Group after providing for income tax (net profit/loss after tax or NPAT) amounted to \$1,996,000 (31 December 2022: profit of \$79,000), resulting in an earnings per share ('EPS') for the Group of (2.33) cents (31 December 2022: 0.09 cents).

The directors have not resolved to pay an interim dividend for the period ending 31 December 2023. On 5 February 2024 the directors have determined to pay a fully franked special dividend of 35 cents per Symbio ordinary share to be paid on 28 February 2024, conditional on the proposed Scheme of Arrangement with Aussie Broadband Limited becoming effective.

	31 Dec 2023	31 Dec 2022	Change
	Cents	Cents	%
EPS	(2.33)	0.09	(2597%)
Dividends	-	1.70	-

Summary of net cash position of the Group:

	Consolidated	
	31 Dec 2023	30 Jun 2023
	\$'000	\$'000
Cash	45,947	35,844
Debt	-	-
<i>Net cash</i>	<u>45,947</u>	<u>35,844</u>
<i>Debt facility limit</i>	<u>60,000</u>	<u>60,000</u>

The Group's balance sheet is well positioned to support future acquisitions with \$45,947,000 of cash and undrawn revolving credit facilities totalling \$60,000,000 at 31 December 2023.

Business outlook

The Company remains confident that the global megatrends of enterprise cloud adoption and new ways of working, including hybrid working, will continue to grow. Our expansion into the new high-tech Asian markets of Singapore and Malaysia further increases our addressable market, fuelling long term growth.

The Company is profitable, cash generative and continues to maintain a strong balance sheet, with no drawn debt and sizable debt facilities as for 31 December 2023.

Domestic market

The Company continues to generate the bulk of its revenue and margins from the Australia and New Zealand domestic business. The CPaaS business continued number porting; generating an overall 13% growth in numbers; the TaaS business achieved 6% growth in services; and UCaaS achieved 134% growth in seats, which includes the addition of approximately 60,000 seats from the Intrado acquisition in January 2023. The Company expects organic growth rates to continue in the second half.

Asian market expansion

Singapore continues to grow in sales and revenue generation. There are now 53,000 numbers in our inventory at the end of January 2024, with a further 33,000 in the provisioning system.

Symbio Group was granted Malaysia Digital Economy Corporation (MDEC) status, and a tier-two license, allowing it to commence trading and complete its network build for an organic market entry into Malaysia. The tier-one license is progressing and will allow Symbio to improve future operating margins once granted.

Investment into the promising Taiwan market has been halted due to the ongoing Scheme Implementation Agreement with Aussie Broadband.

Significant changes in the state of affairs

On 1 August 2023, the Group announced to the market it had received a non-binding indicative proposal from Superloop Limited (ASX: SLC or 'Superloop') to acquire all of the shares in Symbio via a scheme of arrangement.

On 29 September 2023, Aussie Broadband Limited (ASX: ABB) submitted a conditional non-binding indicative proposal to acquire all of the shares in Symbio.

On 2 October 2023, Superloop Limited advised that its Best and Final Offer (BOFA) to acquire all of Symbio Holdings Limited's shares via a scheme of arrangements lapsed on 29 September 2023.

On 1 November 2023, Symbio entered into a Scheme Implementation Agreement (SIA) with Aussie Broadband under which Aussie Broadband agreed to acquire 100% of the shares in Symbio by way of a scheme of arrangement.

On 22 December 2023, the Federal Court of Australia (Court) approved the Scheme booklet for distribution to Symbio shareholders and ordered that Symbio convene a meeting of its shareholders to consider, and if thought fit, approve the Scheme (Scheme Meeting). The Symbio Board unanimously recommend that Symbio shareholders vote in favour of the Scheme in the absence of a superior proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Symbio shareholders.

There were no other significant changes in the state of affairs of the Group during the financial half-year.

Matters subsequent to the end of the financial half-year

On 5 February 2024 the directors have determined to pay a fully franked special dividend of 35 cents per Symbio ordinary share to be paid on 28 February 2024, conditional on the proposed Scheme of Arrangement with ABB becoming effective.

On 7 February 2024, the Scheme Meeting was held and Symbio Shareholders voted in favour of the Implementation of the Scheme.

On 16 February 2024, the Court approved the Scheme.

On 19 February 2024, the Scheme became effective and this was Symbio's last day of trading on the ASX. Symbio shares were suspended from trading on the ASX on this date.

The Implementation of the Scheme is targeted to occur on 28 February 2024.

No other matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the Group's operations.

Rounding of amounts

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

This report is made in accordance with a resolution of Directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the Directors



Anne Ward
Chairman



Rene Sugo
Executive Director and Group CEO

21 February 2024
Sydney

21 February 2024

Board of Directors
Symbio Holdings Limited
Level 3, 580 George Street
Sydney NSW 2000

Dear Board Members

Auditor's Independence Declaration to Symbio Holdings Limited

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Symbio Holdings Limited.

As lead audit partner for the review of half year financial report of Symbio Holdings Limited for the half year ended 31 December 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours faithfully

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Pooja Patel

Pooja Patel
Partner
Chartered Accountants

Symbio Holdings Limited
Consolidated statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2023

		Consolidated	
	Note	31 Dec 2023	31 Dec 2022
		\$'000	\$'000
Revenue	4	105,867	102,897
Other income	5	794	648
Expenses			
Network and communication		(54,556)	(55,416)
Employee benefits	6	(26,277)	(27,111)
Depreciation and amortisation	6	(9,545)	(9,388)
Acquisition and scheme transaction costs	6	(4,714)	(70)
Restructure costs		(104)	-
Other expenses	6	(12,158)	(11,067)
Financing costs	6	(415)	(601)
Loss before income tax (expense)/benefit		(1,108)	(108)
Income tax (expense)/benefit		(888)	187
(Loss)/profit after income tax (expense)/benefit for the half-year		(1,996)	79
Other comprehensive (loss)/income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		(238)	505
Other comprehensive (loss)/income for the half-year, net of tax		(238)	505
Total comprehensive (loss)/income for the half-year		(2,234)	584
		Cents	Cents
Basic earnings per share	7	(2.33)	0.09
Diluted earnings per share	7	(2.33)	0.09

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

Symbio Holdings Limited
Consolidated statement of financial position
As at 31 December 2023

	Consolidated	
Note	31 Dec 2023 \$'000	30 Jun 2023 \$'000
Assets		
Current assets		
Cash and cash equivalents	45,947	35,844
Trade and other receivables	39,678	42,679
Inventories	1,326	1,180
Income tax refund due	2,102	3,976
	<u>89,053</u>	<u>83,679</u>
Assets classified as held for sale	-	556
Total current assets	<u>89,053</u>	<u>84,235</u>
Non-current assets		
Trade and other receivables	140	93
Other financial assets	7,200	7,200
Property, plant and equipment	23,890	25,140
Right-of-use assets	8 10,030	12,117
Intangibles	9 97,589	94,724
Deferred tax asset	753	723
Total non-current assets	<u>139,602</u>	<u>139,997</u>
Total assets	<u>228,655</u>	<u>224,232</u>
Liabilities		
Current liabilities		
Trade and other payables	37,993	29,969
Lease liabilities	3,447	3,667
Employee benefits	10 5,359	5,318
Provisions	448	484
Customer deposits	3,851	3,702
Total current liabilities	<u>51,098</u>	<u>43,140</u>
Non-current liabilities		
Lease liabilities	9,175	11,493
Deferred tax liability	3,585	3,664
Employee benefits	10 852	864
Provisions	692	726
Total non-current liabilities	<u>14,304</u>	<u>16,747</u>
Total liabilities	<u>65,402</u>	<u>59,887</u>
Net assets	<u>163,253</u>	<u>164,345</u>
Equity		
Issued capital	11 102,523	102,579
Reserves	15,811	13,402
Retained profits	44,919	48,364
Total equity	<u>163,253</u>	<u>164,345</u>

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

Symbio Holdings Limited
Consolidated statement of changes in equity
For the half-year ended 31 December 2023

Consolidated	Issued capital \$'000	Treasury shares \$'000	Foreign currency reserve \$'000	Share-based payment reserve \$'000	Retained profits \$'000	Total equity \$'000
Balance at 1 July 2022	103,313	(1,249)	201	7,768	52,006	162,039
Profit after income tax benefit for the half-year	-	-	-	-	79	79
Other comprehensive income for the half-year, net of tax	-	-	505	-	-	505
Total comprehensive income for the half-year	-	-	505	-	79	584
Transactions with members in their capacity as members:						
Own shares acquired in the year	-	(1,153)	-	-	-	(1,153)
Share-based payments	-	-	-	2,159	-	2,159
Dividends paid (note 12)	-	-	-	-	(3,966)	(3,966)
Balance at 31 December 2022	<u>103,313</u>	<u>(2,402)</u>	<u>706</u>	<u>9,927</u>	<u>48,119</u>	<u>159,663</u>
Consolidated	Issued capital \$'000	Treasury shares \$'000	Foreign currency reserve \$'000	Share-based payment reserve \$'000	Retained profits \$'000	Total equity \$'000
Balance at 1 July 2023	103,822	(1,243)	873	12,529	48,364	164,345
Loss after income tax expense for the half-year	-	-	-	-	(1,996)	(1,996)
Other comprehensive loss for the half-year, net of tax	-	-	(238)	-	-	(238)
Total comprehensive loss for the half-year	-	-	(238)	-	(1,996)	(2,234)
Transactions with members in their capacity as members:						
Share-based payments	2,154	-	-	2,647	-	4,801
Own shares acquired in the year	-	(2,210)	-	-	-	(2,210)
Dividends paid (note 12)	-	-	-	-	(1,449)	(1,449)
Balance at 31 December 2023	<u>105,976</u>	<u>(3,453)</u>	<u>635</u>	<u>15,176</u>	<u>44,919</u>	<u>163,253</u>

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

Symbio Holdings Limited
Consolidated statement of cash flows
For the half-year ended 31 December 2023

	Note	Consolidated	Consolidated
		31 Dec 2023	31 Dec 2022
		\$'000	\$'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		118,047	111,736
Payments to suppliers and employees (inclusive of GST)		(95,497)	(97,035)
Interest received		367	163
Interest and other finance costs paid		(473)	(529)
Income taxes paid		941	(3,497)
		<u>23,385</u>	<u>10,838</u>
Net cash from operating activities			
Cash flows from investing activities			
Payments for property, plant and equipment		(2,589)	(2,717)
Software development costs	9	(7,597)	(7,696)
Proceeds received for sale of businesses		472	1,618
		<u>(9,714)</u>	<u>(8,795)</u>
Net cash used in investing activities			
Cash flows from financing activities			
Proceeds from issue of shares	11	2,154	-
Purchase of treasury shares	11	(2,210)	(1,153)
Dividends paid	12	(1,449)	(3,966)
Repayment of lease liabilities		(1,729)	(1,658)
		<u>(3,234)</u>	<u>(6,777)</u>
Net cash used in financing activities			
Net increase/(decrease) in cash and cash equivalents		10,437	(4,734)
Cash and cash equivalents at the beginning of the financial half-year		35,844	42,586
Effects of exchange rate changes on cash and cash equivalents		(334)	269
		<u>45,947</u>	<u>38,121</u>
Cash and cash equivalents at the end of the financial half-year			

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

Symbio Holdings Limited
Notes to the consolidated financial statements
31 December 2023

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Note 1. General information

The financial statements cover Symbio Holdings Limited as a Group consisting of Symbio Holdings Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is Symbio Holdings Limited's functional and presentation currency.

Symbio Holdings Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 3, 580 George Street
Sydney NSW 2000

A description of the nature of the Group's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 21 February 2024.

Note 2. Material accounting policy information

These general purpose financial statements for the interim half-year reporting period ended 31 December 2023 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2023 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards does not have any material impact for the Group.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Note 3. Operating segments

Identification of reportable operating segments

These segments are based on the internal reports that are reviewed and used by the Board including the CEO (who is identified as the Chief Operating Decision Maker 'CODM'), in assessing performance and in determining the allocation of resources.

- **UCaaS – Unified Communications as a Service**

The UCaaS segment is focused on enabling the roll-out and self-service management of enterprise collaboration services (in Australia and the entire APAC region) based on industry leading partnerships with Microsoft Teams and Cisco WebEx. This segment purchases infrastructure from the CPaaS division. The UCaaS segment predominantly operates under the Symbio Enterprise brand.

- **TaaS – Telecom as a Service**

The TaaS segment is focused on providing a digital platform for small service providers (in Australia only) to operate their telecom and managed services business. This division purchases infrastructure from the CPaaS division as well as other industry leading vendors of complementary telecom services. The TaaS segment predominantly operates under the Telcoinabox brand and incorporates the iBoss brand and customer base.

Note 3. Operating segments (continued)

• **CPaaS – Communications Platform as a Service**

The CPaaS division is focused on empowering software companies (in Australia, APAC and globally) and larger infrastructure-based service providers to enable calling and messaging via Symbio hosted phone numbers. The CPaaS division predominantly operates under the Symbio brand.

Discrete financial information for each of these segments is reported to the CODM regularly. The CODM reviews the revenues and the gross margin for their internal decision-making and to assess performance. The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in these financial statements.

Intersegment transactions

Intersegment transactions were made at market rates. Intersegment transactions are eliminated on consolidation.

Consolidated - 31 Dec 2023	UCaaS \$'000	TaaS \$'000	CPaaS \$'000	Group total \$'000
Rendering of services	11,152	31,750	62,142	105,044
Sale of goods	45	766	12	823
External revenue	<u>11,197</u>	<u>32,516</u>	<u>62,154</u>	<u>105,867</u>
Inter-segment revenue	5	3,496	4,103	7,604
External and inter-segment revenue	<u><u>11,202</u></u>	<u><u>36,012</u></u>	<u><u>66,257</u></u>	<u><u>113,471</u></u>
Network and communication expense	(3,772)	(18,216)	(32,568)	(54,556)
Gross margin	<u>7,425</u>	<u>14,300</u>	<u>29,586</u>	<u>51,311</u>
Other income				794
Expenses				(53,213)
Profit before tax				<u>(1,108)</u>
Income tax expenses				(888)
Group profit after tax				<u><u>(1,996)</u></u>

Note 3. Operating segments (continued)

Consolidated - 31 Dec 2022	UCaaS \$'000	TaaS \$'000	CPaaS \$'000	Group total \$'000
Rendering of services	4,457	30,520	67,029	102,006
Sale of goods	126	756	9	891
External revenue	4,583	31,276	67,038	102,897
Inter-segment revenue	4	3,510	4,110	7,624
External and inter-segment revenue	4,587	34,786	71,148	110,521
Network and communication expense	(1,636)	(18,242)	(35,538)	(55,416)
Gross margin	2,947	13,034	31,500	47,481
Other income				648
Expenses				(48,237)
Profit before tax				(108)
Income tax expenses				187
Group profit after tax				79

Geographical information

Australia and New Zealand are the only individual countries from which the Group derives material revenues. In the current half-year, the Group derived revenue of \$84,840,000 from Australia (31 December 2022: \$77,031,000) and \$10,222,000 from New Zealand (31 December 2022: \$13,067,000). Of the Group's non-current assets, \$126,780,000 (30 June 2023: \$125,919,000) are located in Australia and \$1,873,000 (30 June 2023: \$2,673,000) are located in New Zealand.

The geographical non-current assets above are exclusive of, where applicable, financial instruments, deferred tax asset, post-employment benefits assets and rights under insurance contracts.

Revenue totals for the financial year have been disaggregated by each operating segment - CPaaS, TaaS, UCaaS - and further into recurring revenue and non-recurring revenue for each segment:

- Recurring revenue comprises revenue from customer contracts that comprise a fixed monthly charge and include intrinsic telecommunications charges associated with that service.
- Non-recurring revenue comprises revenue from customer contracts where the revenue recognised is based purely on telecommunication services consumed each month.

Note 3. Operating segments (continued)

Disaggregation of revenue

	Consolidated	
	31 Dec 2023	31 Dec 2022
	\$'000	\$'000
Recurring		
UCaaS	10,461	4,583
TaaS	30,718	29,107
CPaaS	23,232	23,518
Total	<u>64,411</u>	<u>57,208</u>
Non-recurring		
UCaaS	736	-
TaaS	1,798	2,169
CPaaS	38,922	43,520
Total	<u>41,456</u>	<u>45,689</u>
Total operations	<u><u>105,867</u></u>	<u><u>102,897</u></u>

Note 4. Revenue

	Consolidated	
	31 Dec 2023	31 Dec 2022
	\$'000	\$'000
Rendering of services	105,044	102,006
Sale of goods	823	891
	<u>105,867</u>	<u>102,897</u>

Refer to note 3 for information on disaggregation of revenue.

Revenue from services provided are recognised over time and revenue from sale of goods are recognised at a point in time.

Note 5. Other income

	Consolidated	
	31 Dec 2023	31 Dec 2022
	\$'000	\$'000
Other income	398	485
Interest on bank deposits	396	163
Other income	<u>794</u>	<u>648</u>

Note 6. Expenses

Consolidated
31 Dec 2023 **31 Dec 2022**
\$'000 **\$'000**

Loss before income tax includes the following specific expenses:

Depreciation

Leasehold improvements	438	306
Network infrastructure and equipment	2,938	2,712
Office furniture and equipment	89	182
Buildings right-of-use assets	1,499	1,626
	4,964	4,826

Total depreciation

Amortisation

Customer contracts	529	902
Software and other assets	1,073	1,488
Software development	2,979	2,172
	4,581	4,562

Total amortisation

Total depreciation and amortisation

9,545 **9,388**

Employee benefits

Salaries and wages	21,009	22,762
Superannuation	1,943	1,788
Share-based payment expense	2,638	2,159
Earn-out expenses	-	(333)
Other employee benefits expense	687	735
	26,277	27,111

Total employee benefits

Acquisition and scheme transaction costs

External transaction costs	2,062	70
Cancellation of employee share-based payment expense	2,652	-
	4,714	70

Total Acquisition and scheme transaction costs

External transaction costs are expenses which have been incurred in connection with the Scheme, primarily financial, legal, tax and accounting advisors, the Independent Expert and the Symbio share registry. Prior year's costs relate to acquisition of the Intrado business.

Cancellation of employee share-based payment expense of \$2,652,000 relates to accounting adjustments to reflect the cancellation of various equity incentives, should the Scheme be implemented as targeted on 28 February 2024, as outlined in the Scheme Booklet.

Finance costs

Interest and finance charges paid/payable on borrowings	332	322
Interest and finance charges paid/payable on lease liabilities	83	279
Total finance costs	415	601

Note 6. Expenses (continued)

	Consolidated 31 Dec 2023 \$'000	Consolidated 31 Dec 2022 \$'000
Other expenses		
Technology and support	4,616	3,969
International partners	2,988	2,287
Legal and consulting	331	721
Insurance	567	560
Property	583	467
Accounting, tax and audit	509	542
Travel	289	628
Loss on sale of business	352	-
Others	1,923	1,893
	<hr/>	<hr/>
Total other expenses	12,158	11,067

Note 7. Earnings per share

	Consolidated 31 Dec 2023 \$'000	Consolidated 31 Dec 2022 \$'000
Earnings per share for profit attributable to the members of the Company		
Profit after income tax	(1,996)	79
	<hr/>	<hr/>
	Cents	Cents
Basic earnings per share	(2.33)	0.09
Diluted earnings per share	(2.33)	0.09
	<hr/>	<hr/>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	85,763,738	84,839,564
Adjustments for calculation of diluted earnings per share:		
Options over ordinary shares	-	645,408
	<hr/>	<hr/>
Weighted average number of ordinary shares used in calculating diluted earnings per share	85,763,738	85,484,972

Note 8. Right-of-use assets

	Consolidated 31 Dec 2023 \$'000	Consolidated 30 Jun 2023 \$'000
Non-current assets		
Land and buildings - right-of-use	20,908	22,940
Less: Accumulated depreciation	(10,878)	(10,823)
	<hr/>	<hr/>
	10,030	12,117
	<hr/>	<hr/>

Additions to the right-of-use assets during the half-year were \$562,000 (31 December 2022: \$3,561,000) and expired lease assets were \$2,653,000 (31 December 2022: \$2,153,000). Additions to the leased liabilities during the half-year were \$562,000 (31 December 2022: \$3,561,000), and expired lease liabilities were \$3,193,000 (31 December 2022: \$1,647,000).

The Group leases land and buildings for its offices under agreements of between three to seven years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated.

Note 8. Right-of-use assets (continued)

The Group leases office equipment under agreements of less than 1 year. These leases are either short-term or low-value, so have been expensed as incurred and not capitalised as right-of-use assets.

Note 9. Intangibles

	Consolidated	
	31 Dec 2023	30 Jun 2023
	\$'000	\$'000
Non-current assets		
Goodwill - at cost	39,700	39,700
Brands - at cost	672	672
	<u>672</u>	<u>672</u>
Customer contracts - at cost	11,024	11,024
Less: Accumulated amortisation	(6,620)	(6,091)
	<u>4,404</u>	<u>4,933</u>
Software and other assets - at cost	26,729	26,729
Less: Accumulated amortisation	(18,263)	(17,190)
	<u>8,466</u>	<u>9,539</u>
Software development - at cost	60,311	52,865
Less: Accumulated amortisation	(15,964)	(12,985)
	<u>44,347</u>	<u>39,880</u>
	<u><u>97,589</u></u>	<u><u>94,724</u></u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

Consolidated	Goodwill	Brands	Customer	Software and	Software	Total
	\$'000	\$'000	contracts	other	development	\$'000
	\$'000	\$'000	\$'000	assets	\$'000	\$'000
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2023	39,700	672	4,933	9,539	39,880	94,724
Additions	-	-	-	-	7,597	7,597
Disposals	-	-	-	-	(104)	(104)
Transfers in/(out)	-	-	-	-	(47)	(47)
Amortisation expense	-	-	(529)	(1,073)	(2,979)	(4,581)
Balance at 31 December 2023	<u><u>39,700</u></u>	<u><u>672</u></u>	<u><u>4,404</u></u>	<u><u>8,466</u></u>	<u><u>44,347</u></u>	<u><u>97,589</u></u>

Note 10. Employee benefits

	Consolidated	
	31 Dec 2023 \$'000	30 Jun 2023 \$'000
Current liabilities		
Annual leave	3,144	3,264
Long service leave	2,215	2,054
	<u>5,359</u>	<u>5,318</u>
Non-current liabilities		
Long service leave	852	864
	<u>6,211</u>	<u>6,182</u>

Note 11. Issued capital

	Consolidated			
	31 Dec 2023 Shares	30 Jun 2023 Shares	31 Dec 2023 \$'000	30 Jun 2023 \$'000
Ordinary shares - fully paid	<u>86,113,190</u>	<u>85,258,885</u>	<u>102,523</u>	<u>102,579</u>
Movements in ordinary share capital	Date	Shares	Issue price	\$'000
Balance	1 July 2023	85,258,885		103,822
Employee share trust - Equity incentive plan	1 September 2023	751,285	\$2.47	1,852
Employee share plan	20 December 2023	103,020	\$2.93	302
Balance	31 December 2023	<u>86,113,190</u>		<u>105,976</u>

Share capital movements above are presented net of transaction costs.

Treasury shares

During this half-year ended 31 December 2023, 19,027 fully paid ordinary shares at an average price per security of \$2.92 were purchased on-market for the purpose of an employee incentive scheme or to satisfy entitlements of the holders of options granted under an employee incentive scheme.

Movements in ordinary share capital	\$'000
Balance as at 1 July 2023	(1,243)
Treasury shares acquired	(2,154)
Treasury shares purchased on market	(56)
Balance as at 31 December 2023	<u>(3,453)</u>

Ordinary shares

Ordinary shares have the right to receive dividends as declared and in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back

There is no current on-market share buy-back.

Note 12. Dividends

Dividends

Dividends paid during the financial half-year were as follows:

	Consolidated	
	31 Dec 2023	31 Dec 2022
	\$'000	\$'000
Final dividend for the year ended 30 June 2023 of 1.70 cents (2022: 1.70 cents) per ordinary share	1,449	1,435
Special dividend for the year ended 30 June 2023 of nil cents (2022: 3.00 cents) per ordinary share	-	2,531
	<u>1,449</u>	<u>3,966</u>

On 5 February 2024 the directors have determined to pay a fully franked special dividend of 35 cents per Symbio ordinary share to be paid on 28 February 2024, conditional on the proposed Scheme of Arrangement with Aussie Broadband Limited (ASX: ABB) becoming effective.

Franking credits

	Consolidated	
	31 Dec 2023	30 Jun 2023
	\$'000	\$'000
Franking credits available for subsequent financial years based on a tax rate of 30%	<u>15,348</u>	<u>17,250</u>

The above amounts represent the balance of the franking account as at the end of the financial half-year, adjusted for:

- franking credits that will arise from the payment of the amount of the provision for income tax at the reporting date
- franking debits that will arise from the payment of dividends recognised as a liability at the reporting date
- franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date

Note 13. Fair value measurement

Fair value hierarchy

The following tables detail the Group's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

Consolidated - 31 December 2023	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Assets				
Financial asset at fair value through other comprehensive income	-	-	7,200	7,200
Total assets	<u>-</u>	<u>-</u>	<u>7,200</u>	<u>7,200</u>
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Consolidated - 30 June 2023				
Assets				
Financial asset at fair value through other comprehensive income	-	-	7,200	7,200
Total assets	<u>-</u>	<u>-</u>	<u>7,200</u>	<u>7,200</u>

Note 13. Fair value measurement (continued)

Assets and liabilities held for sale are measured at fair value on a non-recurring basis.

There were no transfers between levels during the financial half-year.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

Valuation techniques for fair value measurements categorised within level 2 and level 3

Unquoted investments have been valued using a discounted cash flow model.

The other financial asset of \$7,200,000 was acquired at fair value and there are no current indicators that suggest changes to the fair value at 31 December 2023. Therefore, no movement to the financial asset has been recognised in other comprehensive income for the half-year ended 31 December 2023.

Note 14. Contingent liabilities

The Scheme Implementation Agreement entered into between the Group and Aussie Broadband (ASX: ABB) contains a break fee of \$2,600,000 which would be payable in certain circumstances.

The Group had no other material contingent liabilities as at 31 December 2023 and 30 June 2023.

Note 15. Commitments

The Group had no material capital commitments as at 31 December 2023 and 30 June 2023.

Note 16. Events after the reporting period

On 7 February 2024, the Scheme Meeting was held and Symbio Shareholders voted in favour of the Implementation of the Scheme.

On 16 February 2024, the Court approved the Scheme.

On 19 February 2024, the Scheme became effective and this was Symbio's last day of trading on the ASX. Symbio shares were suspended from trading on the ASX on this date.

The Implementation of the Scheme is targeted to occur on 28 February 2024.

Apart from the dividend as disclosed in note 12, no other matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Symbio Holdings Limited
Directors' declaration
31 December 2023

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the Directors



Anne Ward
Chairman



Rene Sugo
Executive Director and Group CEO

21 February 2024
Sydney

Independent Auditor's Review Report to the Members of Symbio Holdings Limited

We have reviewed the half-year financial report of Symbio Holdings Limited (the "Company") and its subsidiaries ("the Group"), which comprises the condensed consolidated statement of financial position as at 31 December 2023, and the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of cash flows and the condensed consolidated statement of changes in equity for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration as set out on pages 8-23.

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 the Group does not comply with the *Corporations Act 2001*, including:

- (a) Giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- (b) Complying with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Half-year Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

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 and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Half-year Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the half-year ended on that date and



complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Pooja Patel

Pooja Patel
Partner
Chartered Accountants
Sydney, 21 February 2024