

ASX ANNOUNCEMENT

15 October 2020

**AUSSIE BROADBAND LIMITED
(Company)****Pre-Quotation Disclosure**

The following information is provided to ASX Limited (**ASX**) as pre-quotation disclosure for release to the market in connection with:

- A. the initial public offering of fully paid ordinary shares in the Company (**Shares**) under a prospectus (**Prospectus**) lodged with the Australian Securities and Investments Commission on 14 September 2020 (**Offer**); and
- B. the official quotation of Shares in the Company.

Capitalised terms not defined in this document have the meaning given to them in the Prospectus.

1. Funds raised under the Prospectus

The Company confirms that the Offer (consisting of the Institutional Offer, Broker Firm Offer, Priority Offer, Customer Offer, Employee Gift Offer and Cleansing Offer) under the Prospectus has closed and the Company has completed:

- (a) the issue of 40,000,000 Shares on 15 October 2020 at an issue price of \$1.00 per Share under the Institutional Offer, Broker Firm Offer, Priority Offer and Customer Offer, to raise gross proceeds of \$40 million (before expenses); and
- (b) the issue of 402,000 Shares on 15 October 2020 under the Employee Gift Offer for nil consideration.

2. Completion of issue of other Shares and ancillary corporate actions

The Company confirms that the following actions have been completed:

- (a) the issue of 45,776,260 Shares on 15 October 2020 upon conversion of all the Convertible Notes on issue;
- (b) the issue of 25,000 Shares on 15 October 2020 to each of Adrian Fitzpatrick, Richard Dammary and Vicky Papachristos; and
- (c) the issue of 1,911,937 options with an exercise price of \$1.00 expiring on 30 June 2026 (**Options**) on 15 October 2020 under the Company's Long Term Incentive Plan.

3. Despatch of holding statements

The Company confirms that CHESS allotment notices, issuer sponsored holding statements and total refund monies will be despatched on 21 October 2020.

4. Capital Structure of the Company

The Company's capital structure on admission to the ASX will comprise the following:

- (a) 190,340,026 Shares; and
- (b) 1,911,937 unquoted Options the details of which are set out at Section 6.3.4.3 of the Prospectus, whereby each Option is exercisable at \$1.00, subject to the holder remaining employed by the Company at 1 July 2023, and upon vesting is exercisable on or prior to 30 June 2026.

5. ASX waivers

ASX has granted the Company a waiver from Listing Rule 4.7B(a) to the extent necessary that the Company not be required to provide quarterly cash flow reports for the eight quarters after the Company's admission to the official list, on the condition the Company makes an announcement confirming that it expended the funds raised in the manner as indicated in the Prospectus to pay for rollout of its fibre optic project, the costs of the offer and the repayment of debt before 31 January 2021.

ASX has granted the Company a waiver from Listing Rule 4.10.19 to the extent necessary that the Company not be required to include the information required by that rule in the Company's first two annual reports, on the condition the Company makes an announcement confirming that it expended the funds raised in the manner as indicated in the Prospectus to pay for the rollout of its fibre optic project, the costs of the offer and the repayment of debt before 31 January 2021.

6. Bookbuild

The Company confirms that:

- (a) a total amount of \$30 million was raised by the issue of 30 million Shares at \$1.00 per Share pursuant to the institutional bookbuild undertaken by the Company in relation to the Offer (**Bookbuild**);
- (b) no material number of Shares have been applied for by a promotor or a related party of the Company under the Bookbuild;
- (c) no concessionary fees or other arrangements have been entered into which have had the result that the effective transfer price paid some allottees under the Bookbuild differs materially from the Bookbuild price of \$1.00;
- (d) no arrangements have been entered into which have had the result that some allottees under the Bookbuild have received a material benefit for agreeing to participate in the Bookbuild and which have not been received by other allottees; and
- (e) no arrangements have been entered into with associates of the Company or the bookrunner to avoid a shortfall, or the appearance of a shortfall, in the Bookbuild.

7. Updated statement of commitments

Sections 1.5 and 7.1.4 of the Prospectus set out the Company's proposed use of funds raised under the Offer, assuming a minimum raising size of \$30 million (before expenses) and a maximum raising size of \$40 million (before expenses).

Now that the actual amount of funds raised under the Offer is known; being \$40 million (before expenses), an updated statement of commitments is set out below:

Application of funds	Amount
Deployment of fibre optic network	\$26.5 million
Working capital and marketing	\$10.0 million
Costs associated with the Offer	\$3.5 million
Total	\$40 million

8. Updated pro forma historical statement of financial position

Section 4.5 of the Prospectus contained the Company's pro forma historical statement of financial position assuming a minimum raising size of \$30 million (before expenses) and a maximum raising size of \$40 million (before expenses).

Now that the actual amount of funds raised under the Offer is known; being \$40 million (before expenses), an updated pro forma historical statement of financial position is annexed at Annexure A.

Authorised on behalf of the Aussie Broadband Board of Directors by Phillip Britt, MD and Executive Director.

Annexure A

Updated pro forma historical statement of financial position

Statutory and Pro Forma Historical Statement of Financial Position

		Notes	Statutory at 30 June 2020	Pro forma at 30 June 2020		Adjustments at Listing		Adjusted Pro forma at 30 June 2020 (MAX)
				Impact of offer (MAX)	(MAX)	Employee Shares	Convertible Note Shares	
\$000 Assets								
Current assets								
Cash and cash equivalent	Cash and cash equivalents	1	21,435	36,115	57,549			57,549
Trade and other receiv	Trade and other receivables		11,389	143	11,532			11,532
Inventories	Inventories		1,692	-	1,692			1,692
Deposits - current	Financial assets		1,947	-	1,947			1,947
Prepayments	Prepayments		590	-	590			590
Total current assets			37,053	36,258	73,311			73,311
Non-current assets								
Plant & Equipment	Property, plant & equipment		5,408	-	5,408			5,408
Right of Use	Right-of-use assets		12,385	-	12,385			12,385
Intangibles	Intangibles		2,458	-	2,458			2,458
Deposits - non-current	Financial assets		228	-	228			228
Total non-current assets			20,479	-	20,479			20,479
Total assets			57,532	36,258	93,789			93,789
Liabilities								
Current liabilities								
Trade and other payab	Trade and other payables		(16,115)	226	(15,889)			(15,889)
Revenue in advance	Contract liabilities		(10,764)	-	(10,764)			(10,764)
Borrow ings	Borrow ings	3	(27,238)	21,738	(5,500)			(5,500)
Derivative	Derivative	3	(10,384)	10,384	-			-
Lease Liabilities	Lease liabilities		(4,009)	-	(4,009)			(4,009)
Employee benefits - cu	Employee benefits		(1,970)	-	(1,970)			(1,970)
Total current liabilities			(70,480)	32,348	(38,131)			(38,131)
Non-current liabilities								
NC Lease Liabilities	Lease liabilities		(7,541)	-	(7,541)			(7,541)
NC Employee benefits	Employee benefits		(234)	-	(234)			(234)
Total non-current liabilities			(7,775)	-	(7,775)			(7,775)
Total liabilities			(78,255)	32,348	(45,907)			(45,907)
Total net assets/(liabilities)			(20,723)	68,606	47,883			47,883
Equity								
Issued capital	Issued capital	1,2,3	10,632	83,995	94,627	-48	-137	94,442
Accumulated losses	Accumulated losses	1,2	(31,355)	(15,389)	(46,744)	48	137	(46,559)
Total equity			(20,723)	68,606	47,883			47,883