First Half FY2021

Results presentation

Aussie Broadband

Bloody good broadband

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Hauling 720 core optic fibre through the Sydney Harbour Tunnel.

Agenda

1. First half result
2. Looking ahead
3. Questions

Summary

Continued strong organic growth across both residential and business segments.

Strong Financial Growth

- Revenue **up 89% to $157.4m** ($83.4m 1H20)
- EBITDA **up 87% to $7.3m** ($3.9m 1H20)

Strong organic connection growth

- Residential broadband **up 30% to 313,193 services** and Business broadband **up 49% to 29,441 services** since June 2020
- Total broadband services **up 31% to 342,634 services** since June 2020

Fibre project progressing well

- 79km now in the ground, 6 data centres and 7 nbn POIs now connected representing 7% of the project complete
- Build pipeline now running at scale with 150km of fibre to 8 data centres and 17 POIs under construction
- First direct customer connections active on the network

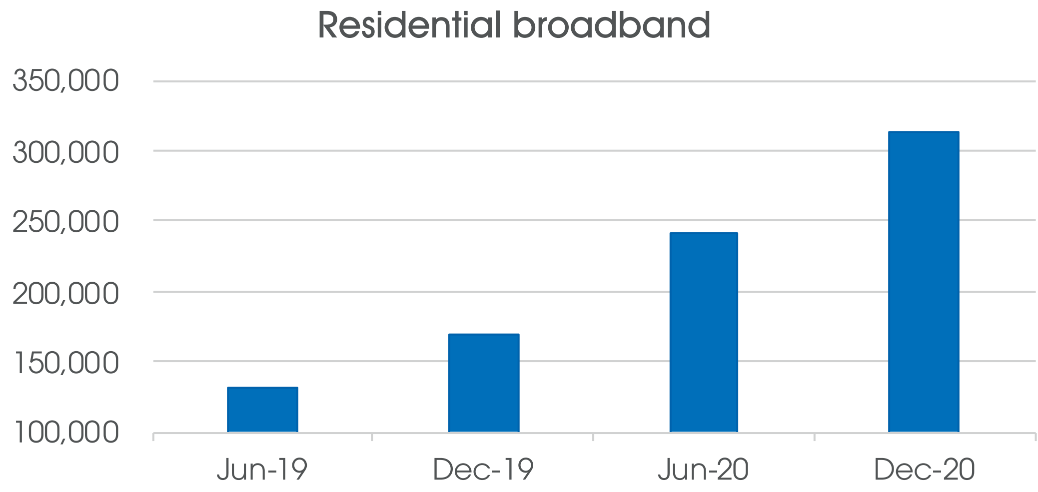
Broadband services

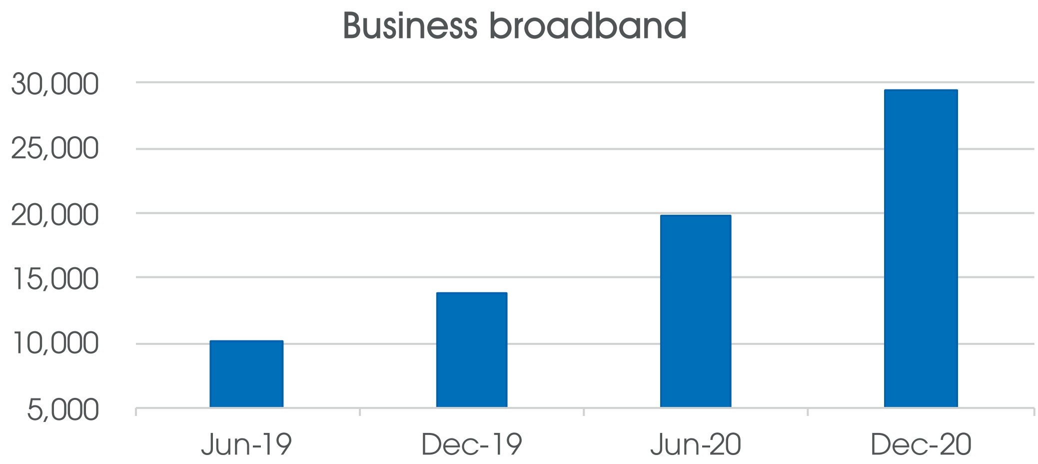
Taking market share in a highly competitive market

- Broadband market share (excluding satellite technology) 4.2% (up from 2.8% at December 19)
- The nbn network roll out is largely complete. Currently 70% of sales are from customers switching nbn providers and this is expected to increase
- 71,566 net residential additions
- 9,707 net business additions
- 100% organic growth

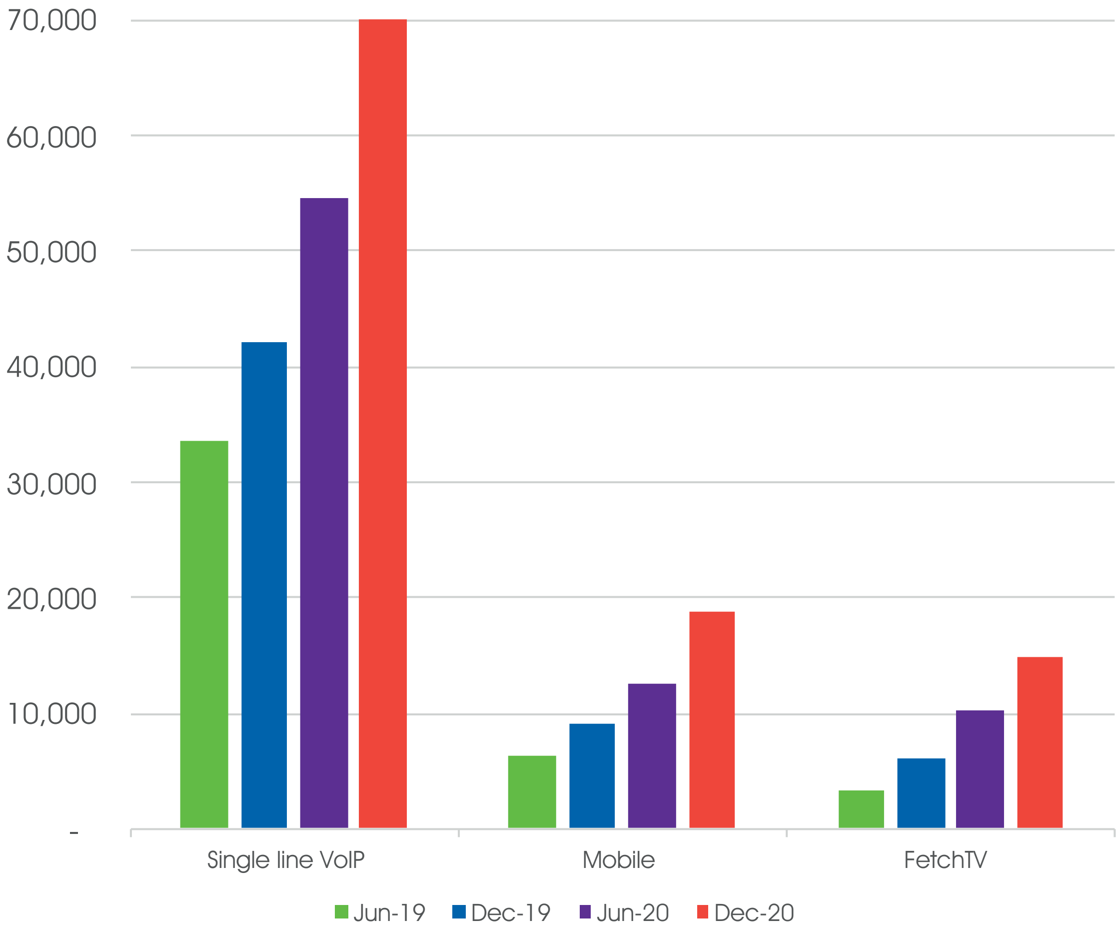
Churn better than forecast

- Average residential connection churn for the period was 1.9% per month (forecast 2.1%)
- Forecast was higher for the period due to price rises from September to December 2020
- Average residential customer churn for the period was 0.9% per month





Complementary services



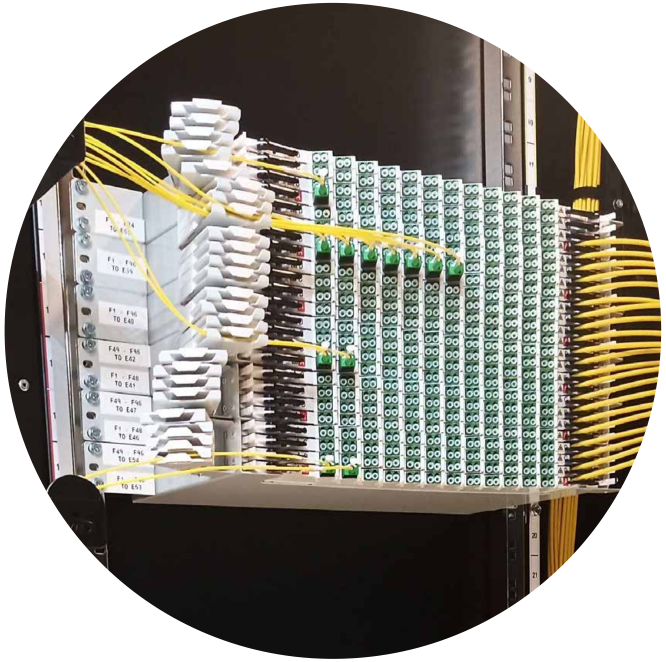
Single line VoIP growth is stronger due to increased business customer signups.

Mobile growth is improving due to more competitive plan offerings and increased sales focus.

Expecting further mobile growth from Q4FY21 with new MVNO agreement signed and increased marketing focus to promote complementary services to existing customers.

FetchTV is only sold in the residential segment. Mobile & single line VoIP includes both residential & business segments.

Fibre network



Victoria

- 6 data centres and 7 nbn POIs connected
- 68km of fibre completed for this segment
- Network is active and carrying customer traffic

New South Wales

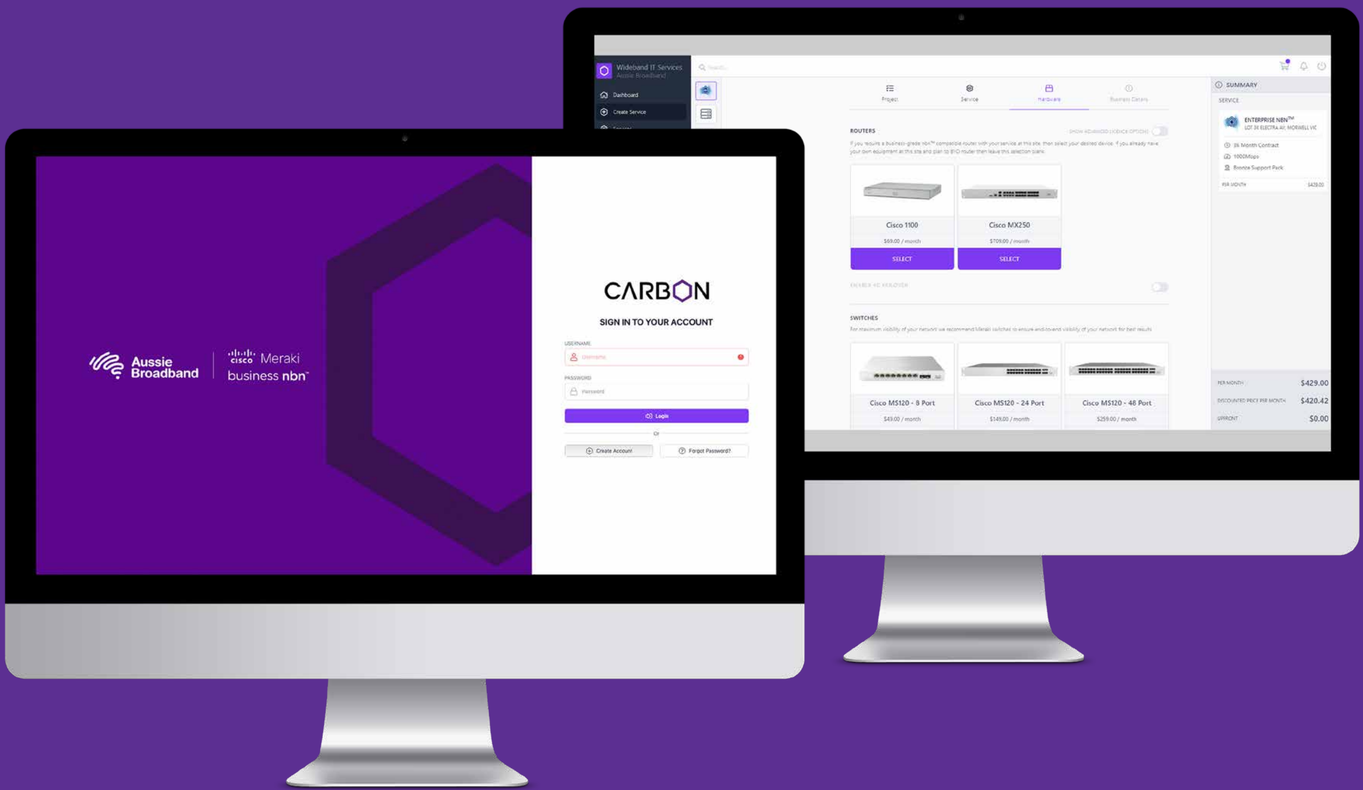
- Connections to 6 data centres and 6 nbn POIs at an advanced stage of construction - due to be completed by March 2021
- 10.2km of fibre completed in this segment including through Sydney Harbour Tunnel

Western Australia

- Connections to 2 data centres and 4 nbn POIs under construction.

CARBON

- Have signed over 300 MSP partners on to the Carbon platform.
- Carbon is now billing in excess of $275,000 per month and is growing rapidly.
- Have recently launched Hosted PBX on to Carbon allowing MSPs to deliver business voice services to their clients.



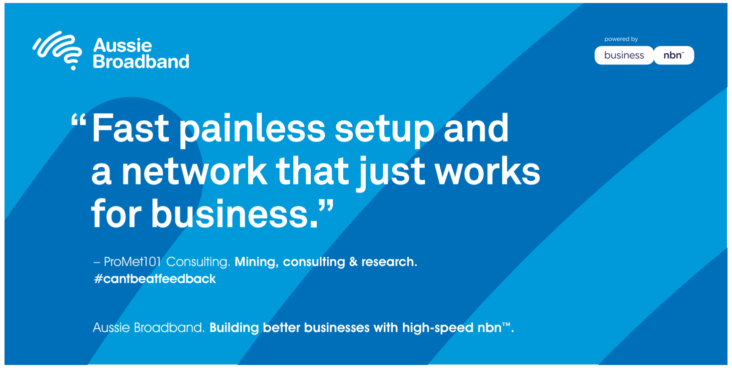
Investing in customer growth

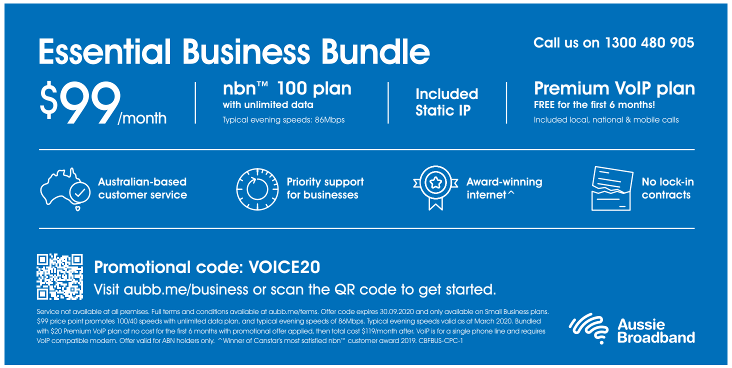
Lower cost to acquire

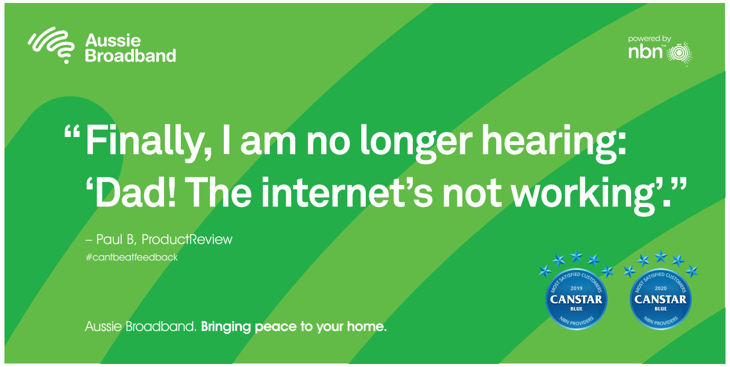
- Lower than forecast cost to acquire achieved in 1H21
- Overall marketing spend was $9.7m, 16% under budget whilst still achieving sales in excess of forecast

Strong business growth

- New business campaigns have generated strong sales growth and raised brand awareness in the business segment
- Several national chains signed as key clients







Building our brand

Continuing to build brand awareness

- Increased use of above-the-line channels such as TV and billboards has built higher brand awareness.
- This strategy has supported further scaling of our direct mail and digital campaigns.
- Prompted brand awareness increased from 33% in May 2020 to 38% in November 2020

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Melbourne Stars partnership

- Principal partners of the Melbourne Stars BBL cricket team for the 2020/21 season.
- First major sponsorship for Aussie which generated excellent coverage both on-ground and on TV.

Customer experience

4.6 from 5523 reviews on

PRODUCT REVIEW .COM.AU

4.3 from 2782 reviews on

facebook

4.8 from 1754 reviews on

Google

- Customer satisfaction remained high even through price rise period of September to December
- Winner Customer Service Organisation of the Year, Large Business – Australian Service Excellence Awards

Most Satisfied Customers 2020 CANSTAR BLUE NBN Providers

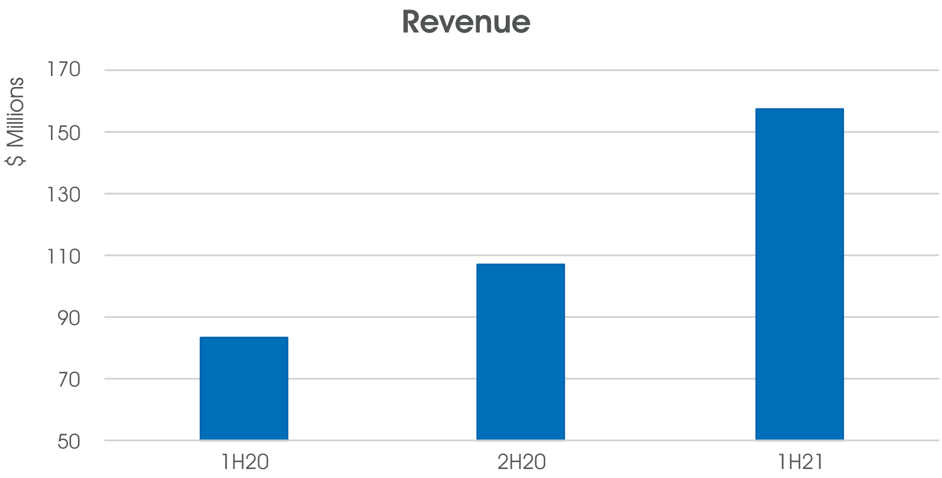
PRODUCT REVIEW .COM.AU 2020 AWARDS / WINNER INTERNET SERVICE PROVIDERS

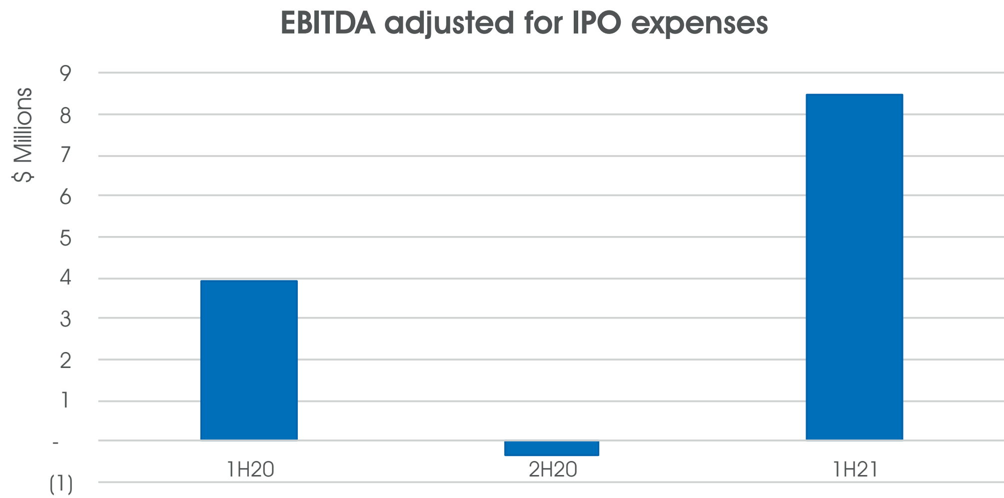
The ACOMMS Communications Alliance Awards 2020 WINNER Commitment to Customer Service AUSSIE BROADBAND

australian service excellence awards csia 2020 winner

Great Place To Work® Certified AUSTRALIA 2020

Financial results





Revenue up 89% to $157.4m due to:

- 81,273 net broadband additions in 1H21
- Growth in mobile, fetch TV and VoIP
- Strong growth in business broadband and Hosted phone
- Increase in retail broadband prices and lower than expected churn

EBITDA adjusted for IPO expenses up 115% to $8.4m due to:

- Strong organic growth in both residential & business segments
- Marketing efficiency better than forecast albeit with net spend being lower than forecast due to additional nbn marketing rebates received and advertising mail delivery restrictions during COVID-19 lock downs
- Extended nbn CVC rebates yielded an above forecast benefit of $1.2m to the result.

Financial performance

Profit and Loss			
$'m	**H1FY21**	**H1 FY20**	**Change %**
Revenue	157.4	83.4	89%
Network and hardware expenses	(115.4)	(64.5)	-79%
Gross margin	42.0	18.9	122%
Gross margin %	26.7%	22.7%	-
Marketing expenses	(9.7)	(3.0)	-222%
Employee and administration expenses	(23.9)	(12.0)	-99%
IPO expenses	(1.1)	-	-
EBITDA	**7.3**	**3.9**	**87%**
Depreciation and Amortisation	(3.6)	(2.5)	-44%
Net interest expense	(1.9)	(3.1)	37%
Change in fair value of derivative	(12.3)	0.3	4318%
Net profit before tax	**(10.5)**	**(1.4)**	**673%**

- Revenue growth driven by ongoing volume growth
- Gross margin benefitting from static CVC charges for bulk of the year
- Significant increase in investment in marketing YoY fuelling revenue growth
- Employee and administrative costs almost doubling with both volume and upskilling in advance of IPO
- Embedded derivative associated with conversion mechanics of convertible note at IPO resulted in fair value adjustment

Financial position

Balance Sheet			
$'m	**Dec-20**	**Jun-20**	**Change**
Cash and cash equivalents	50.4	21.4	29.0
Trade and other receivables	16.5	11.4	5.1
Other current assets	5.1	4.2	0.8
Property, Plant and Equipment	12.4	5.4	7.0
Right of use assets	13.9	12.4	1.5
Intangibles and financial assets	3.7	2.7	1.1
Total Assets	**102.0**	**57.5**	**44.5**
Trade payables and other trade liabilities	**33.0**	**26.9**	**6.2**
Lease liabilities	12.9	11.5	1.3
Employee benefit liabilities	3.0	2.2	0.8
Derivative	-	10.4	(10.4)
Debt	0.5	27.2	(26.7)
Total Liabilities	**49.4**	**78.3**	**(28.9)**
Net Assets / (Liabilities)	**52.7**	**(20.7)**	**73.4**

- Cash boosted by IPO proceeds
- Slight increase in debtor days with extended credit offered during COVID period
- PPE increase driven by fibre network construction
- Debt reduced through convertible note conversion and repayment of bulk of external debt ($5.0m)

Cash flow

Cash flow statement			
$'m	**H1FY21**	**H1 FY20**	**Change**
Receipts from customers	171.5	90.4	90%
Payments to suppliers & employees	(162.5)	(88.5)	-84%
Net interest payments	(0.2)	(0.3)	23%
Operating cash flows	**8.8**	**1.6**	**453%**
Payment for PPE	(8.1)	(1.9)	-332%
Payment for Intangibles	(1.4)	(0.5)	-145%
Investing cash flows	**(9.5)**	**(2.4)**	**-290%**
Lease payments	(2.7)	(2.1)	-32%
Proceeds from convertible note	-	23.4	-100%
Repayment of debt	(5.0)	-	-
Net proceeds of IPO	37.4	-	-
Other	(0.0)	(0.1)	93%
Financing cash flows	**29.7**	**21.2**	**40%**
Net increase in cash and cash equivalents	**29.0**	**20.4**	**42%**

- Customer receipts and supplier/employee payments movements broadly consistent with financial performance
- Strong correlation between EBITDA and operating cash flows in 1H FY21
- PPE spend related to fibre roll out
- Intangible spend on systems development and IP addresses
- Debt reduced through convertible note conversion and repayment of bulk of external debt
- Successful IPO raised $40m gross proceeds

Looking ahead

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Continued growth

Residential

- Marketing spend will be accelerated for the remainder of the year to take advantage of opportunities as they present
- Additional focus on bundling with new campaigns to target existing customers towards multiple products
- Using nbn focus on fast campaign to further target growth into 100 Mbps and above tiers

Business

- Adding further pre sales engineering functions to target customers with more complex needs
- Business specific marketing now operating at scale and providing strong lead generation
- Business sales call centre increased and achieving good conversion results

Carbon

- Focus now shifting from onboarding MSPs into scaling up order volume from existing MSPs
- Continued platform development with mobiles the next product to be added into the platform

Fibre project

- Fibre build now operating at scale with over 150km currently under construction
- Builds are now underway in Victoria, New South Wales and Western Australia
- Queensland and South Australia presently in final design
- Exploring partnerships to reduce the need to construct redundancy paths and access regional POIs not originally contemplated in the initial project design
- Pipeline of direct fibre customer orders building with signed orders ahead of forecast

Network growth

- Next phase of network expansion underway to take the company past the present 500,000 connection design
- Presently assessing vendors and design pathways to support 1 million connections

Relaunch of mobiles

MVNO agreement signed with Optus Wholesale

- Will replace existing MVNO (mobile virtual network operator) agreement for access to the Telstra mobile network
- Will transition our existing 19,000 mobile customers on to the Optus network
- Flexible agreement with the ability for Aussie to create new plans without the need for wholesaler involvement
- We will offer 4G failover for both residential and business nbn customers
- Includes access to the full Optus 5G network and fixed wireless offering
- Expecting new plans and handsets to be available Q4 FY2021

Refreshed marketing

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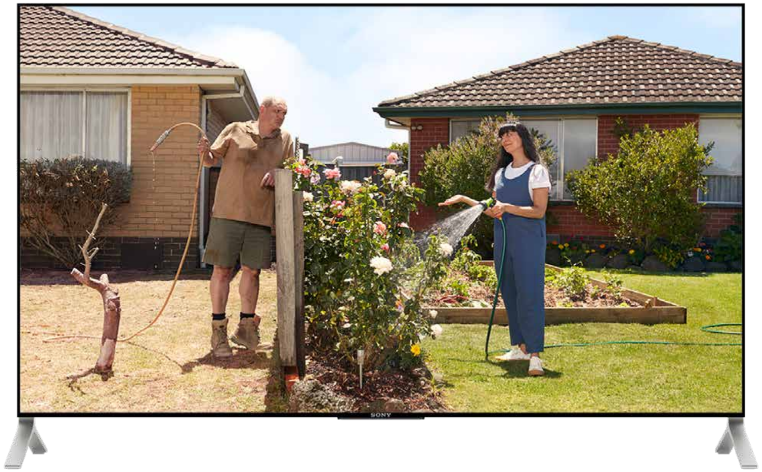

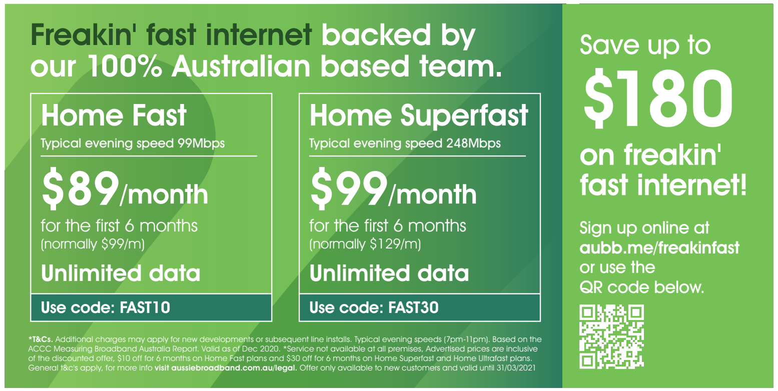

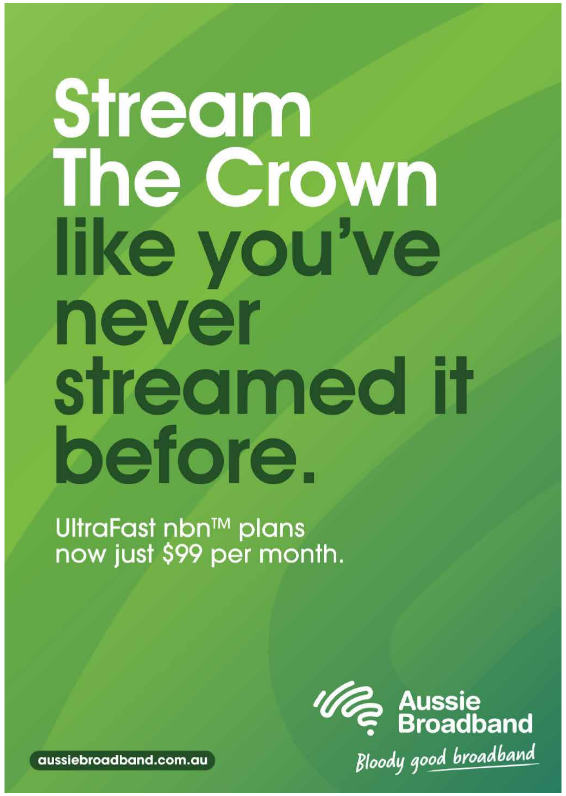

Guidance

As noted by the Reserve Bank of Australia recently, a high degree of uncertainty continues to surround Australia's economic outlook. The potential exists for further COVID-19 geographic lockdowns as outbreaks occur, with associated bandwidth usage impacting the company's CVC and network costs.

The company is accelerating its investment in marketing in H2 which impacts short term EBITDA but drives long term growth. The company expects an impact from the NBN HFC stop sell which has been allowed for in the guidance below.

As a result, the Board provides the following updated guidance for FY2021:

	Updated Guidance for FY2021	Prospectus
Revenue	$345 million to $355 million	$338.0 million
Normalised EBITDA [1]	$13.0 million to $15.0 million	$12.3 million
Residential broadband [2]	380,000 to 410,000	368,172
Business broadband [3]	37,000 to 42,000	Not provided
Total broadband	417,000 to 452,000	Not provided

1. Normalised EBITDA is EBITDA excluding IPO costs
2. Residential broadband connections
3. Business broadband includes small business, enterprise and wholesale services

Thank you

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