

ASX Announcement

11 August 2021

Aussie Broadband upgrades network capacity through strategic backhaul deal

Highlights:

- Five-year deal with Telstra Wholesale to provide fibre connectivity to 42 nbn POIs (point of interconnect) and data centre connectivity not covered by Aussie Broadband's own fibre network
- When combined with Aussie Broadband's own fibre network build, brings forward combined savings of \$1m in FY22 and \$15 million annually from FY 23 onwards
- Provides a significant network upgrade capacity across the Aussie Broadband network
- Is highly complementary to Aussie Broadband's own fibre network build
- The upgrade underpins Aussie Broadband's strategy to increasingly target the enterprise and business market

Aussie Broadband Limited (ASX:ABB) has announced a new five-year deal with Telstra Wholesale to provide backhaul capacity between 42 nbn POIs and data centres in the remaining areas not covered by Aussie's own fibre network. The deal is complementary to Aussie Broadband's own fibre network build.

It brings forward savings from Aussie Broadband's own fibre network and legacy Telstra Wholesale leasing agreements by an estimated \$1 million for FY22, and \$15 million per year from FY23 onwards.

The deal comprises both inter-capital and NBN POI capacity through the use of dark fibre and wavelengths and allows for significant capacity increases across the network. Upgrades will be rolled out over the next nine months and are expected to be completed by April 2022.

All 121 NBN Points of Interconnect (POIs), through both Aussie Broadband's own fibre and through Telstra Wholesale fibre, will be upgraded from current 10G or 20G connections to 100G minimum capacity at each POI.

The combination of the Telstra Wholesale deal and Aussie Broadband's own fibre network will provide fully diverse and protected capacity to all 121 NBN POIs connecting each POI to two separate capital city data centres along with equipment diversity at both the POI and data centre level. This increased protection will significantly reduce the potential of customer impact should a link or piece of equipment fail.

The deal will also allow Aussie Broadband to upgrade its inter-capital links, which connect major data centre sites around Australia, with 400G fully protected links on major routes and multiple 100G paths to all remaining capital cities.

This additional network capacity will accelerate growth in the business segment and underpins the company's plans to increasingly target the enterprise and business market, specifically using NBN Enterprise Ethernet and Telstra Ethernet access products which are ideal for the enterprise and mid-tier business markets. It will also provide additional capacity to continue the company's residential and white label segments growth.

The company has commenced further expansion of its business direct sales, solution design and pre-sales engineering capabilities, as well as expanding capacity of its award-winning Carbon platform, to target larger business customers.

Managing Director Phillip Britt said that over the next six months, Aussie Broadband intends to release a range of new products into the Carbon platform specifically suited to larger businesses.

“Carbon has been a game-changer for many of our larger corporate customers; helping them to fully customise, design and order telecommunication services rather than prescribing strict, pre-determined service packages,” said Phil.

“Carbon is an industry-leading, one-stop shop for everything business and enterprise customers need. It is a key feature in our product suite, and it allows our customers a level of control over their services that they’ve never had access to before, positioning the company as a leader in the business and enterprise space.”

The company will release its full year results on Monday 30 August 2021, with an online presentation to shareholders at 1pm AEST. Details on how to join the online meeting will be provided a week before the presentation.

ENDS

Authorised for release by the Managing Director and Aussie Broadband Board.

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About Aussie Broadband Limited:

Aussie Broadband is an Australian owned and operated telecommunications company that was formed in 2008 and is based in Morwell Victoria, Australia.

The company’s main focus is nbn™ (NBN) subscription plans and bundles to residential homes, small businesses, not-for-profits, corporate/enterprise and managed service providers.

As a licensed carrier, the company provides these services through a wholesale agreement with NBN Co, a mix of leased backhaul infrastructure from third parties and its own network equipment.

The company also offers a range of other telecommunications services including VOIP, mobile plans and handsets, entertainment bundles through its partnership with Fetch TV and connections through its own fibre, the Opticomm network and its white label platform.