

Aussie Broadband Limited

ABN 29 132 090 192

Appendix 4D and Interim Financial Report for half-year ended 31 December 2023

1. Reporting periods:

Current: 1 July 2023 to 31 December 2023
 Previous: 1 July 2022 to 31 December 2022

2. Results for announcement to the market:

	31 Dec 2023 \$'000	31 Dec 2022 \$'000	Change \$'000	Change %
Revenue from ordinary activities	445,948	378,991	66,957	17.7%
Profit from ordinary activities after tax attributable to members	9,817	8,569	1,248	14.6%
Net profit after tax attributable to members	9,817	8,569	1,248	14.6%

The Group generated revenue of \$445.9m and a net profit after tax of \$9.8m for the period. The result reflects growth in revenue of 17.7% compared to the prior corresponding period due to the growth in broadband subscribers and other revenue streams.

No dividend has been proposed or declared in respect of the period ended 31 December 2023.

3. Net tangible assets

	31 Dec 2023	31 Dec 2022
Net tangible assets backing per share	\$0.17	\$(0.57)

4. Additional Information

Additional financial information is included in the attached Interim Financial Report which has been reviewed by the Group's auditors.



Aussie Broadband Limited

ABN 29 132 090 192

Consolidated Interim Financial Report - 31 December 2023

Aussie Broadband Limited Directors' report 31 December 2023

The Directors present their report, together with the condensed consolidated interim financial statements, on the consolidated entity (referred to hereafter as the '**Group**') consisting of Aussie Broadband Limited (referred to hereafter as the '**Company**' or '**Parent**') 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 Aussie Broadband Limited during the whole of the financial half-year and up to the date of this report:

Adrian Fitzpatrick – Non-Executive Director and Chair
Richard Dammerly – Non-Executive Director
Patrick Greene – Non-Executive Director
Sue Klose - Non-Executive Director (appointed on 1 February 2024)
Vicky Papachristos – Non-Executive Director
Phillip Britt – Managing Director and Executive Director
Michael Omeros – Executive Director

Principal activities

The principal activity of the Group is operating as a national carrier of telecommunications and technology services in Australia, servicing residential, business, wholesale, and enterprise and government customers. There has been no significant change in the nature of this activity during the half-year.

Review of operations

The profit for the Group after providing for income tax amounted to \$9,819,000 (31 December 2022: \$8,569,000).

Key items of note in the half-year include:

- Revenue of \$445.9m for the six months ended 31 December 2023, an increase of 17.7% over the \$379.0m of revenue recorded for the prior corresponding period.
- Significant growth in EBITDA (before transaction related costs) to \$46.3m, 12.7% higher than the prior corresponding period.
- Continued volume growth across all key product lines. At 31 December 2023 the Company had:
 - 765,806 Broadband connections, an increase of 74,634 since 30 June 2023 and 130,564 since 31 December 2022.
 - 169.1m average voice minutes per month, an increase of 25m per month since 30 June 2023.
- We have continued to build nbn® market share, now at 8.3% excluding satellite, up from 7.6% at 30 June 2023.
- Continued investment in staff and marketing with expenses in these areas up 21.1% and 38.6% respectively over the prior corresponding period.
- Net cash held of \$77.8m at 31 December 2023 (net debt of \$74.2m at 30 June 2023).
- Operating cashflow of \$40.7m for the six months to 31 December 2023, with cash conversion rate of 94.6%.
- \$135.7m of equity (net of costs) raised in the period from an institutional share placement (\$115.7m) and shareholder purchase plan (\$20.0m). This funding was provided to support M&A activity and other capital expenditure. In the short term, the funds were temporarily used to reduce debt and therefore the interest costs.

Significant changes in the state of affairs

There were no 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 16 February 2024, the Federal Court made orders approving the Scheme of Arrangement (Scheme) for the proposed acquisition of 100% of the shares in Symbio Holdings Limited (ASX: SYM) by the Company. The Scheme will be implemented on 28 February 2024. The total consideration is approximately \$259m, with \$195m to be settled in cash and the remainder by way of issue of new shares in the Company. The cash component of the Scheme is to be funded through a new \$435m syndicated debt facility which will be accessed at completion. This facility will also be used to refinance the existing syndicated debt facility, which will be cancelled concurrently, and to fund ongoing M&A activity together with working capital support.

Aussie Broadband Limited
Directors' report
31 December 2023

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.

Rounding of amounts

The Group is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) 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, unless otherwise stated.

Auditor's Independence Declaration

The Auditor's Independence Declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' Report and forms part of it.

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the *Corporations Act 2001*.

On behalf of the Directors.



Adrian Fitzpatrick
Chair



Phillip Britt
Managing Director

23 February 2024

Aussie Broadband Limited
Auditor's independence declaration



Lead Auditor's Independence Declaration under
Section 307C of the Corporations Act 2001

To the Directors of Aussie Broadband Limited

I declare that, to the best of my knowledge and belief, in relation to the review of Aussie Broadband Limited for the half-year ended 31 December 2023 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- ii. no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

KPMG

S Bell

Suzanne Bell

Partner

Melbourne

23 February 2024

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Aussie Broadband Limited
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Aussie Broadband Limited
Condensed 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	5	445,948	378,991
Network and hardware expenses		(291,639)	(246,818)
Employee benefits expense		(72,888)	(60,152)
Marketing expenses		(21,929)	(15,770)
Administration and other expenses		(13,201)	(15,180)
Depreciation and amortisation expense	8,9,10	(27,016)	(23,982)
Loss on disposal of business		(104)	-
Interest expenses		(5,899)	(4,692)
Business acquisition expenses		(1,035)	(60)
Business integration expenses		(417)	(297)
Interest income		1,681	419
Profit before income tax expense		13,501	12,459
Income tax expense		(3,682)	(3,890)
Profit after income tax expense for the half-year		9,819	8,569
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		-	64
Other comprehensive income for the half-year, net of tax		-	64
Total comprehensive income for the half-year		9,819	8,633
		Cents	Cents
Basic earnings per share	16	3.93	3.61
Diluted earnings per share	16	3.92	3.59

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

Aussie Broadband Limited
Condensed consolidated statement of financial position
As at 31 December 2023

		Consolidated	
	Note	31 Dec 2023	30 Jun 2023
		\$'000	\$'000
Assets			
Current assets			
Cash and cash equivalents	6	117,201	75,056
Trade and other receivables	7	52,596	43,355
Inventories		5,432	6,424
Financial assets		693	1,112
Current tax asset		-	246
Prepayments		23,918	20,011
Total current assets		<u>199,840</u>	<u>146,204</u>
Non-current assets			
Trade and other receivables	7	980	956
Property, plant and equipment	8	98,814	91,827
Right of use assets	10	48,688	56,457
Intangibles	9	390,470	398,089
Financial assets		54	54
Total non-current assets		<u>539,006</u>	<u>547,383</u>
Total assets		<u>738,846</u>	<u>693,587</u>
Liabilities			
Current liabilities			
Trade and other payables	11	98,994	94,711
Contract liabilities		37,088	34,143
Financial liabilities	12	11,666	23,629
Current tax payable		9,105	-
Employee benefits		10,873	9,769
Deferred consideration		782	782
Total current liabilities		<u>168,508</u>	<u>163,034</u>
Non-current liabilities			
Financial liabilities	12	77,291	180,373
Deferred tax liability		51,188	56,858
Employee benefits		1,970	1,541
Total non-current liabilities		<u>130,449</u>	<u>238,772</u>
Total liabilities		<u>298,957</u>	<u>401,806</u>
Net assets		<u>439,889</u>	<u>291,781</u>
Equity			
Issued capital	13	436,613	298,462
Reserves		2,300	2,162
Retained profits/(accumulated losses)		976	(8,843)
Total equity		<u>439,889</u>	<u>291,781</u>

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

Aussie Broadband Limited
Condensed consolidated statement of changes in equity
For the half-year ended 31 December 2023

Consolidated	Issued capital \$'000	Share based payments reserve \$'000	Foreign currency translation reserves \$'000	Retained profits/(accumulated losses) \$'000	Total equity \$'000
Balance at 1 July 2023	298,462	2,162	-	(8,843)	291,781
Profit after income tax expense for the half-year	-	-	-	9,819	9,819
Total comprehensive income for the half-year	-	-	-	9,819	9,819
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of equity, net of transaction costs (note 13)	138,151	-	-	-	138,151
Share-based payments	-	138	-	-	138
Balance at 31 December 2023	<u>436,613</u>	<u>2,300</u>	<u>-</u>	<u>976</u>	<u>439,889</u>

Consolidated	Issued capital \$'000	Share based payments reserve \$'000	Foreign currency translation reserves \$'000	Accumulated losses \$'000	Total equity \$'000
Balance at 1 July 2022	298,288	1,016	(54)	(30,528)	268,722
Profit after income tax expense for the half-year	-	-	-	8,569	8,569
Other comprehensive income for the half-year, net of tax	-	-	64	-	64
Total comprehensive income for the half-year	-	-	64	8,569	8,633
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of equity, net of transaction costs	118	-	-	-	118
Share-based payments	-	584	-	-	584
Balance at 31 December 2022	<u>298,406</u>	<u>1,600</u>	<u>10</u>	<u>(21,959)</u>	<u>278,057</u>

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

Aussie Broadband Limited
Condensed consolidated statement of cash flows
For the half-year ended 31 December 2023

	Note	Consolidated	31 Dec 2022
		31 Dec 2023	31 Dec 2022
		\$'000	\$'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		484,398	412,470
Payments to suppliers and employees (inclusive of GST)		<u>(440,625)</u>	<u>(381,672)</u>
		43,773	30,798
Interest received		1,206	419
Other revenue		-	8
Interest paid		(4,300)	(3,980)
Income taxes paid		<u>-</u>	<u>(1,398)</u>
Net cash from operating activities		<u>40,679</u>	<u>25,847</u>
Cash flows from investing activities			
Payment for purchase of business and other related costs		(628)	(1,325)
Payments for property, plant and equipment	8	(14,005)	(23,814)
Payments for intangibles	9	(4,397)	(7,420)
Proceeds from disposal of business		196	-
Proceeds from disposal of property, plant and equipment		<u>260</u>	<u>81</u>
Net cash used in investing activities		<u>(18,574)</u>	<u>(32,478)</u>
Cash flows from financing activities			
Proceeds from issue of shares (net of costs)		137,080	-
Repayment of borrowings		(110,095)	-
Repayment of lease liabilities		(5,569)	(6,781)
Interest paid on lease liabilities	10	(1,391)	(650)
Payments/(Repayment) for security deposits		<u>16</u>	<u>(1)</u>
Net cash from/(used in) financing activities		<u>20,041</u>	<u>(7,432)</u>
Net increase/(decrease) in cash and cash equivalents		42,146	(14,063)
Cash and cash equivalents at the beginning of the financial half-year		<u>75,055</u>	<u>47,722</u>
Cash and cash equivalents at the end of the financial half-year		<u><u>117,201</u></u>	<u><u>33,659</u></u>

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

Aussie Broadband Limited

Notes to the condensed consolidated interim financial statements

31 December 2023

1. Reporting Entity

The condensed consolidated interim financial statements of Aussie Broadband Limited (referred to hereafter as the 'Company' or 'Parent') and its subsidiaries (collectively, the 'Group') for the half-year ended 31 December 2023 were authorised for issue in accordance with a resolution of the Directors on 23 February 2024.

Aussie Broadband Limited is a public company incorporated and domiciled in Australia. The financial statements are presented in Australian dollars, which is the functional currency of the Parent and its subsidiaries and the presentation currency of the Group. The consolidated annual financial statements of the Group as at and for the year ended 30 June 2023 are available at <https://www.aussiebroadband.com.au/investor-centre/>.

The registered office and principal place of business is located at 3 Electra Avenue Morwell VIC 3840.

The principal activity of the Group is operating as a national carrier of telecommunications and technology services in Australia, servicing residential, business, wholesale, and enterprise and government customers.

2. Basis of preparation

These condensed consolidated interim financial statements (referred to hereafter as the 'interim financial statements') are general purpose financial statements of the Group for the half-year ended 31 December 2023. These have been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

These interim financial statements also comply with the International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board ('IASB'). Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*.

They have been prepared using the same accounting policies and methods of computation as the last annual consolidated financial statements as at and for the year ended 30 June 2023.

They do not include all of the information required for a complete set of annual consolidated financial statements and we recommend that they are read in conjunction with the 2023 Annual Report and the public announcements made by the Group during the interim half-year reporting period ended 31 December 2023. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes to the Group's financial position and performance since the last annual consolidated financial statements as at and for the year ended 30 June 2023.

3. Significant accounting judgements, estimates and assumptions

The preparation of the interim financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The significant judgements made by Management in applying the Group's accounting policies and the key sources of estimation of uncertainty were the same as those described in the last annual consolidated financial statements as at and for the year ended 30 June 2023.

4. Operating segments

Identification of reportable operating segments

The Group is organised into business units based on the types of customers it provides services to and has identified four reportable segments:

Aussie Broadband Limited
Notes to the condensed consolidated interim financial statements
31 December 2023

4. Operating segments (continued)

- The "Residential" segment, which provides telecommunications services to residential users.
- The "Business" segment, which provides telecommunications services to business users.
- The "Wholesale" segment, which provides telecommunication services to third party resellers.
- The "Enterprise and Government" segment, which provides telecommunication services to large enterprises including those in the public sector.

No operating segments have been aggregated to form the above reportable operating segments.

The Managing Director is identified as the Chief Operating Decision Maker ('CODM'), and he monitors the operations and operating results of the segments separately for the purpose of making decisions about resource allocation and performance assessment.

The CODM reviews the performance of individual segments, together with segmental 'margin'. The segment margin constitutes revenue and applicable network and hardware expenses attributable to a segment. The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

There are no transfers between operating segments.

The information reported to the CODM is on a monthly basis.

Operating segment information

Consolidated - 31 December 2023	Residential \$'000	Business \$'000	Wholesale \$'000	Enterprise and Government \$'000	Total \$'000
Revenue	283,882	48,024	72,310	41,732	445,948
Network and hardware expenses	(198,063)	(26,371)	(47,463)	(19,742)	(291,639)
Gross margin	85,819	21,653	24,847	21,990	154,309
Employee benefits expense					(72,888)
Marketing expenses					(21,929)
Administration and other expenses					(13,201)
Depreciation and amortisation					(27,016)
Interest expenses					(5,899)
Business acquisition expenses					(1,035)
Business integration expenses					(417)
Loss on disposal of business					(104)
Interest income					1,681
Profit before income tax expense					13,501
Income tax expense					(3,682)
Profit after income tax expense					9,819

Aussie Broadband Limited
Notes to the condensed consolidated interim financial statements
31 December 2023

4. Operating segments (continued)

Consolidated - 31 December 2022 (restated)	Residential \$'000	Business \$'000	Wholesale \$'000	Enterprise and Government \$'000	Total \$'000
Revenue	246,095	43,202	47,449	42,245	378,991
Network and hardware expenses	(170,709)	(23,049)	(32,365)	(20,695)	(246,818)
Gross margin	75,386	20,153	15,084	21,550	132,173
Employee benefits expense					(60,152)
Marketing expenses					(15,770)
Administration and other expenses					(15,180)
Depreciation and amortisation					(23,982)
Interest expenses					(4,692)
Business acquisition expenses					(60)
Business integration expenses					(297)
Interest income					419
Profit before income tax expense					12,459
Income tax expense					(3,890)
Profit after income tax expense					8,569

5. Revenue

	Consolidated 31 Dec 2023 \$'000	31 Dec 2022 \$'000
<i>Revenue from contracts with customers</i>		
Revenue	445,948	378,991
Disaggregation of revenue		
Rendering of services	434,356	366,837
Sale of goods	11,560	11,844
Other income from customers	32	310
Revenue from contracts with customers	445,948	378,991
<i>Timing of revenue recognition</i>		
Services transferred over time	429,594	361,961
Services transferred at a point in time	16,354	17,030
	445,948	378,991

6. Cash and cash equivalents

	Consolidated 31 Dec 2023 \$'000	30 Jun 2023 \$'000
<i>Current assets</i>		
Cash on hand	3	3
Cash at bank	117,198	75,053
	117,201	75,056

Aussie Broadband Limited
Notes to the condensed consolidated interim financial statements
31 December 2023

7. Trade and other receivables

	Consolidated	
	31 Dec 2023	30 Jun 2023
	\$'000	\$'000
<i>Current assets</i>		
Trade receivables	44,642	35,086
Less: Allowance for expected credit losses	(1,987)	(1,292)
	<u>42,655</u>	<u>33,794</u>
Other receivables	<u>9,941</u>	<u>9,561</u>
	<u>52,596</u>	<u>43,355</u>
<i>Non-current assets</i>		
Other receivables	<u>980</u>	<u>956</u>

Aussie Broadband Limited
Notes to the condensed consolidated interim financial statements
31 December 2023

8. Property, plant and equipment

	Consolidated	
	31 Dec 2023	30 Jun 2023
	\$'000	\$'000
Leasehold improvements - at cost	4,308	4,045
Less: Accumulated depreciation	<u>(2,327)</u>	<u>(1,963)</u>
	<u>1,981</u>	<u>2,082</u>
Plant and equipment - at cost	143,984	131,395
Less: Accumulated depreciation	<u>(59,217)</u>	<u>(53,715)</u>
	<u>84,767</u>	<u>77,680</u>
Motor vehicles - at cost	630	630
Less: Accumulated depreciation	<u>(467)</u>	<u>(432)</u>
	<u>163</u>	<u>198</u>
Computer equipment - at cost	7,494	7,166
Less: Accumulated depreciation	<u>(4,286)</u>	<u>(3,527)</u>
	<u>3,208</u>	<u>3,639</u>
Capital Work in progress	<u>8,695</u>	<u>8,228</u>
	<u><u>98,814</u></u>	<u><u>91,827</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	Leasehold improvements	Plant and equipment	Motor vehicles	Computer equipment	Capital Work in progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2023	2,082	77,680	198	3,639	8,228	91,827
Additions	263	5,498	-	518	7,726	14,005
Disposals	-	(105)	-	(155)	-	(260)
Transfers in/(out)	-	7,259	-	-	(7,259)	-
Depreciation expense	<u>(364)</u>	<u>(5,565)</u>	<u>(35)</u>	<u>(794)</u>	<u>-</u>	<u>(6,758)</u>
Balance at 31 December 2023	<u><u>1,981</u></u>	<u><u>84,767</u></u>	<u><u>163</u></u>	<u><u>3,208</u></u>	<u><u>8,695</u></u>	<u><u>98,814</u></u>

Aussie Broadband Limited
Notes to the condensed consolidated interim financial statements
31 December 2023

9. Intangibles

	Consolidated	
	31 Dec 2023	30 Jun 2023
	\$'000	\$'000
Goodwill - at cost	239,236	239,236
IPv4 Addresses - at cost	12,062	12,062
Customer relationships - at cost	142,767	140,618
Less: Accumulated amortisation	(25,413)	(18,177)
	<u>117,354</u>	<u>122,441</u>
Software - at cost	37,582	35,334
Less: Accumulated amortisation	(16,295)	(12,815)
	<u>21,287</u>	<u>22,519</u>
Brands - at cost	5,200	5,200
Less: Accumulated amortisation	(4,669)	(3,369)
	<u>531</u>	<u>1,831</u>
	<u><u>390,470</u></u>	<u><u>398,089</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	IPv4	Customer	Software	Brands	Total
	\$'000	Addresses	relationships	\$'000	\$'000	\$'000
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2023	239,236	12,062	122,441	22,519	1,831	398,089
Additions	-	-	2,149	2,248	-	4,397
Amortisation expense	-	-	(7,236)	(3,480)	(1,300)	(12,016)
Balance at 31 December 2023	<u><u>239,236</u></u>	<u><u>12,062</u></u>	<u><u>117,354</u></u>	<u><u>21,287</u></u>	<u><u>531</u></u>	<u><u>390,470</u></u>

IPv4 Addresses have an indefinite useful life. The Group determined that this assessment remained appropriate as there are a finite number of IP Addresses which for the foreseeable future will continue to be widely used globally. The Group will continue to monitor the useful life of the IP Addresses and make changes to the useful life as appropriate. IP Addresses are subsequently measured at cost less any accumulated impairment loss.

Aussie Broadband Limited
Notes to the condensed consolidated interim financial statements
31 December 2023

10. Right-of-use assets and lease liabilities

	Consolidated	
	31 Dec 2023	30 Jun 2023
	\$'000	\$'000
<i>Non-current assets</i>		
Property	22,661	24,322
Less: Accumulated depreciation	(6,287)	(5,503)
	<u>16,374</u>	<u>18,819</u>
Network equipment	69,122	68,828
Less: Accumulated depreciation	(36,847)	(31,190)
	<u>32,275</u>	<u>37,638</u>
Other equipment	40	-
Less: Accumulated depreciation	(1)	-
	<u>39</u>	<u>-</u>
	<u>48,688</u>	<u>56,457</u>

Reconciliations

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

Consolidated	Property \$'000	Network equipment \$'000	Other equipment \$'000	Total \$'000
Balance at 1 July 2023	18,819	37,638	-	56,457
Additions	349	1,199	40	1,588
Disposals	(1,009)	(106)	-	(1,115)
Depreciation expense	(1,785)	(6,456)	(1)	(8,242)
Balance at 31 December 2023	<u>16,374</u>	<u>32,275</u>	<u>39</u>	<u>48,688</u>

Reconciliations

Set out below are the carrying amounts of lease liabilities (included under note 12 Financial liabilities) and the movements during the period:

Consolidated	Property \$'000	Network equipment \$'000	Other equipment \$'000	Total \$'000
Balance at 1 July 2023	19,997	34,723	-	54,720
Additions	318	1,229	40	1,587
Accretion of interest	320	1,070	1	1,391
Disposals	(1,075)	(101)	-	(1,176)
Payments	(1,845)	(5,114)	(1)	(6,960)
Balance as at 31 December 2023	<u>17,715</u>	<u>31,807</u>	<u>40</u>	<u>49,562</u>

Aussie Broadband Limited
Notes to the condensed consolidated interim financial statements
31 December 2023

11. Trade and other payables

	Consolidated	
	31 Dec 2023	30 Jun 2023
	\$'000	\$'000
<i>Current liabilities</i>		
Trade payables	67,591	69,494
Accrued charges	20,668	18,481
Other creditors	10,735	6,736
	<u>98,994</u>	<u>94,711</u>

12. Financial liabilities

		Consolidated	
	Note	31 Dec 2023	30 Jun 2023
		\$'000	\$'000
Borrowings		39,395	149,282
Lease liability	10	49,562	54,720
		<u>88,957</u>	<u>204,002</u>
<i>Current liabilities</i>			
Borrowings		-	9,699
Lease liability		11,666	13,930
		<u>11,666</u>	<u>23,629</u>
<i>Non-current liabilities</i>			
Borrowings		39,395	139,583
Lease liability		37,896	40,790
		<u>77,291</u>	<u>180,373</u>

13. Issued capital

	Consolidated			
	31 Dec 2023	30 Jun 2023	31 Dec 2023	30 Jun 2023
	Shares	Shares	\$'000	\$'000
Ordinary shares - fully paid	<u>278,651,922</u>	<u>237,682,509</u>	<u>436,613</u>	<u>298,462</u>

Movements in ordinary share capital

Details	Date	Shares	\$'000
Balance	1 July 2023	237,682,509	298,462
Shares issued pursuant to the NED Share Plan	29 August 2023	17,432	58
Shares issued pursuant to the Employee Share Plan	6 September 2023	1,396,572	2,067
Shares issued pursuant to the Employee Share Plan	28 September 2023	112,847	343
Share placement, net of costs	8 November 2023	33,802,817	115,662
Share purchase plan	6 December 2023	5,639,745	20,021
Balance	31 December 2023	<u>278,651,922</u>	<u>436,613</u>

Aussie Broadband Limited
Notes to the condensed consolidated interim financial statements
31 December 2023

13. Issued capital (continued)

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

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.

The ordinary shares do not have a par value.

14. Fair values

Classification of financial assets and financial liabilities

Set out below is the classification of financial assets and liabilities according to their measurement bases together with their carrying amounts as reported in the Statement of Financial Position:

	Note	At Amortised cost \$'000	At Fair values \$'000	Total \$'000
Consolidated - 31 Dec 2023				
<i>Financial Assets</i>				
Cash and cash equivalents	6	117,201	-	117,201
Trade and other receivables	7	53,576	-	53,576
Financial assets		747	-	747
Total assets		<u>171,524</u>	<u>-</u>	<u>171,524</u>
<i>Financial Liabilities</i>				
Trade and other payables	11	98,994	-	98,994
Borrowings	12	39,395	-	39,395
Lease liabilities	12	49,562	-	49,562
Deferred consideration		-	782	782
Contract liabilities		37,088	-	37,088
Total liabilities		<u>225,039</u>	<u>782</u>	<u>225,821</u>
	Note	At Amortised cost \$'000	At Fair values \$'000	Total \$'000
Consolidated - 30 Jun 2023				
<i>Financial Assets</i>				
Cash and cash equivalents	6	75,056	-	75,056
Trade and other receivables	7	43,355	-	43,355
Financial assets		1,166	-	1,166
Total assets		<u>119,577</u>	<u>-</u>	<u>119,577</u>
<i>Financial Liabilities</i>				
Trade and other payables	11	94,711	-	94,711
Contract liabilities		34,143	-	34,143
Borrowings	12	149,282	-	149,282
Lease liabilities	12	54,720	-	54,720
Deferred consideration		-	782	782
Total liabilities		<u>332,856</u>	<u>782</u>	<u>333,638</u>

Aussie Broadband Limited
Notes to the condensed consolidated interim financial statements
31 December 2023

14. Fair values (continued)

Fair value hierarchy - financial assets and liabilities measured at fair value

Set out below is the assets and liabilities carried at fair value:

Consolidated	Deferred consideration \$'000	Total \$'000
Balance at 1 July 2023	782	782
Balance at 31 December 2023	782	782

15. Commitments

Capital expenditure contracted for at the end of each financial period but not recognised as liabilities is as follows:

	Consolidated	
	31 Dec 2023	30 Jun 2023
	\$'000	\$'000
<i>Capital commitments</i>		
Committed at the reporting date but not recognised as liabilities, payable:		
Property, plant and equipment	13,807	12,440

Capital commitments relate to contractual commitments associated with upgrades to network infrastructure and the development of the fibre optic network.

Aussie Broadband Limited
Notes to the condensed consolidated interim financial statements
31 December 2023

16. Earnings per share

	Consolidated	
	31 Dec 2023	31 Dec 2022
	\$'000	\$'000
Profit after income tax	<u>9,819</u>	<u>8,569</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	250,151,403	237,653,564
Adjustments for calculation of diluted earnings per share:		
Options over ordinary shares	<u>555,029</u>	<u>1,113,874</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>250,706,432</u>	<u>238,767,438</u>
	Cents	Cents
Basic earnings per share	3.93	3.61
Diluted earnings per share	3.92	3.59

17. Share-based payments

Under the Company's Long-Term Incentive Plan the members of Key Management Personnel and other senior employees have been awarded options to purchase shares in the Company at a future date. The plan is designed to provide incentives to deliver long-term shareholder value. Under this plan, holders of vested options are entitled to purchase shares at the market price at grant date and participation is at the discretion of the Board following recommendations by the People and Community Committee.

The terms and conditions of the share options granted during the half-year ended 31 December 2023, together with the valuation approach are as follows. The fair value of each share option granted has been measured as \$1.14 per option using a Black-Scholes model involving the following inputs:

- Volume of options granted: 2,226,665
- Grant date: 01 July 2023
- Market price at grant date: \$2.93 per share being the 10-day volume weighted average price (VWAP) up to and including 30 June 2023
- Vesting date: 01 July 2026
- Expiry date: 30 June 2029
- Strike price of the option: \$2.93
- Expected share price volatility: 41%
- Expected dividend yield: 1.5%
- Risk free interest rate: 3.91%
- Fair value per option: \$1.14

The Company has established a Non-Executive Directors' Fee Sacrifice Plan under which directors can elect to sacrifice some or all of their directors' fees in exchange for rights to acquire shares in the Company, such rights to convert to shares (referred as 'NED Rights') with no additional price payable on dates determined by the Directors which will generally be following the half and full financial year results announcement.

On 1 July 2023, 37,724 NED Rights were granted. On 28 August 2023, 17,432 NED rights were converted to ordinary shares (upon conversion of FY23 NED Rights) which were issued to the respective Non-Executive Directors as new shares.

Aussie Broadband Limited
Notes to the condensed consolidated interim financial statements
31 December 2023

17. Share-based payments (continued)

Expense arising from share-based payment transactions

	Consolidated	
	31 Dec 2023	31 Dec 2022
	\$'000	\$'000
Long-term Incentive plan share options	807	584

18. Matters subsequent to the end of the half-year

On 16 February 2024, the Federal Court made orders approving the Scheme of Arrangement (Scheme) for the proposed acquisition of 100% of the shares in Symbio Holdings Limited (ASX: SYM) by the Company. The Scheme will be implemented on 28 February 2024. The total consideration is approximately \$259m, with \$195m to be settled in cash and the remainder by way of issue of new shares in the Company. The cash component of the Scheme is to be funded through a new \$435m syndicated debt facility which will be accessed at completion. This facility will also be used to refinance the existing syndicated debt facility which will be cancelled concurrently, and to fund ongoing M&A activity together with working capital support.

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.

Aussie Broadband Limited
Directors' declaration
31 December 2023

In the opinion of the Directors of Aussie Broadband Limited (the 'Group'):

- the Condensed Interim Financial Statements and accompanying notes are in accordance with the Corporations Act 2001, including:
 - i. giving 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,
 - ii. complying with Australian Accounting Standard AASB 134 '*Interim Financial Reporting*', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

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

On behalf of the directors



Adrian Fitzpatrick
Chair



Phillip Britt
Managing Director

23 February 2024



Independent Auditor's Review Report

To the shareholders of Aussie Broadband Limited

Report on the Interim Financial Report

Conclusion

We have reviewed the accompanying **Interim Financial Report** of Aussie Broadband Limited.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Interim Financial Report of Aussie Broadband Limited does not comply with the *Corporations Act 2001*, including:

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

The **Interim Financial Report** comprises:

- Condensed consolidated statement of financial position as at 31 December 2023
- Condensed consolidated statement of profit or loss and other comprehensive income, Condensed consolidated statement of changes in equity and Condensed consolidated statement of cash flows for the half-year ended on that date
- Notes 1 to 18 comprising a summary of significant accounting policies and other explanatory information
- The Directors' Declaration.

The **Group** comprises Aussie Broadband Limited (the Company) and the entities it controlled at the half year's end or from time to time during the half-year.

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 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 these requirements.

Aussie Broadband Limited

Independent auditor's review report to the members of Aussie Broadband Limited



Responsibilities of the Directors for the Interim Financial Report

The Directors of the Group are responsible for:

- the preparation of the Interim Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- such internal control as the Directors determine is necessary to enable the preparation of the Interim Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Interim Financial Report

Our responsibility is to express a conclusion on the Interim 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 Interim Financial Report does not comply 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 Interim Period ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of an Interim 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.

KPMG

KPMG

A handwritten signature in black ink, appearing to read 'Suzanne Bell'.

Suzanne Bell

Partner

Melbourne

23 February 2024