

2022 Symbio AGM CEO and ACFO Presentation Script

8 November 2002

Rene Sugo – CEO

Kate Denton – Acting CFO

Thank-you Anne.

I know we have lots of loyal long-term shareholders joining our AGM today. We also have many new to the Symbio story so I'd like to start with a brief overview of our business.

Symbio is a behind the scenes enabler of voice and messaging communications for over 600 partners globally. Our partners range from domestic retail service providers reselling our white-label Telco-As-A-Service offering; through to certified Cisco and Microsoft partners who leverage our Unified-Communications-As-A-Service for enterprises; through to global Tier 1 carriers and global software and application providers who rely on our leading-edge Communications-Platform-As-A-Service products.

While many people have never heard of us, chances are you have all recently used our services as part of your routine interactions with technology.

Symbio was incorporated on November 7, 2002. As Anne mentioned, we have grown to 530 staff globally across 10 countries, with over 6.6 million phone numbers on our proprietary software platform and network, and we carry over 9 billion conversation minutes annually.

Our platform and network powers the voice and messaging communications needs for some of the largest brands on the planet, through to some highly innovative niche applications around Australia and the world.

Many of our partners have been with us for over 10 years – a testament to our proven track record and reputation. Our success is built upon the success of our partners. We invest heavily in our partner relationships, our product quality, reliability, and innovative features. Over the years this has led to strong year-on-year growth of phone numbers on our network. More recently our partners have inspired us to think bigger and expand our offering into the Asia-Pacific region.

Today we operate Tier 1 communications networks in Australia, New Zealand and Singapore. We also operate a global voice network spanning over 100 countries with 220 direct routing partnerships, allowing us to send and receive phone calls and messages to every corner of the globe.

This combination of multi-country Tier 1 networks with a proprietary global voice network is unique, meaning we can control the quality, latency and cost of global communications for our partners.

Last year, we announced our Vision 2030 initiative to grow to 100 million phone numbers on our platform. To reach our goal we are planning to build new Tier 1 networks in Malaysia, Taiwan, South

Korea, Japan and Vietnam by 2025. This will eventually expand our Total Addressable Market by a factor of 15-fold to over 500 million people covered by our proprietary Tier 1 network capabilities.

This is a massive expansion in addressable market!

Combined with our established partner relationships, our high-quality product portfolio, and our proven operational track record: we are in a very strong position to grow well into the future.

If you've ever used ride share or food delivery service, or been in a Zoom meeting in Australia, then you have probably used our service.

Big global brands such as Google and Cisco rely on Symbio to provide the connection between their software and the local mobile and landline voice networks for their products to function. They are looking for high quality, reliable software that helps them to deliver their communications products to their customers: and that is exactly what we provide, freeing them up to focus on their core business.

We charge them for what they use on a subscription basis so our business scales on predictable recurring revenues as our partners grow. Typically, these customers rent phone numbers from Symbio, and we now have over 6 million hosted on our Australia and New Zealand network today. That has grown at a compound annual growth rate of 20% over the last 3 years.

You may ask: Why do large global software companies want to work with Symbio?

Very simply – we remove **all** the technical, regulatory, and logistical complexity of implementing local voice communications capabilities. We provide our product as a simple, quick to consume, low-code/no-code cloud-based Software-as-a-Service offering, ready to hyper-scale in real time.

Symbio has a unique competitive advantage driven by our proven track record, Tier 1 quality, awesome customer experience and flexible software products.

We are leveraging all of these attributes with our APAC expansion vision where we plan to grow our total addressable market 15-fold with a goal to provision 100 million phone numbers on our network. We are well on track – with Singapore now live, Malaysia underway, and our announcement of launching Taiwan by the end of FY23.

Of course, we could not embark on such an ambitious growth strategy if we didn't have the resources to back this up. Our business is in a strong position to invest for growth. We are a profitable cash generating business, with sizable undrawn debt facilities and ample cash to fund organic and in-organic growth.

And we continue to demonstrate our operational track record today by re-iterating our EBITDA guidance in the range of \$36 to \$39 million, with strong organic growth across all three operating units.

Our services are now more in demand than ever before – this is due to a confluence of factors caused by global technology megatrends...

- **The first key factor is the future of work** – where remote work, digital collaboration and unified communications have become a global necessity. Our software services underpin all these use cases, with some of the largest software companies on the planet leveraging us for their communications services in our current markets of Australia, New Zealand and more recently Singapore.
- **The second key factor is the move to enterprise cloud infrastructure** – where enterprises and governments are seeking productivity gains through digitization and automation. Our software services provide the essential link between traditional voice networks and cloud-based infrastructure for enterprises.
- And lastly, the **rapid growth in demand caused by the digital economies in Asia** which are looking to benefit from the first two megatrends, and where there is considerable opportunity for Symbio to be a first mover in providing our services in these markets.

People new to our story often say to me that “Symbio is an overnight success!” And to which I add “that has been 20 years in the making”.

Yesterday marked the 20th anniversary of the incorporation of Symbio in 2002.

- From our humble beginnings in a shared office in Ultimo, we listed on the ASX in 2006 for a princely sum of 20 cents per share.
- We won our first major global customer: Skype in 2008, and I’m proud to say they are still a top customer of ours today.
- In 2015 we took our first steps outside of Australia with the acquisition of the TNZI global trading business, which elevated us to being recognised as a **global** Tier 1 voice carrier, alongside some of the biggest telcos in the world.
- Soon thereafter we replicated our Australian business model in New Zealand building our domestic network and allowed our partners for the first time to operate a complete trans-Tasman product portfolio from a single point of interconnect in Sydney. A pre-cursor to our Asia pacific strategy.
- In 2019 we acquired Telco-In-A-Box which accelerated our growth as a Telco-As-A-Service operator.
- During the pandemic our capabilities shone brightly as overnight we carried some of the most critical communications workloads across Australia and New Zealand as governments rushed to lock down the country.
- Also during the pandemic, we completed our Singapore domestic network build, launching in June 2021.
- And now we are embarking on an ambitious goal to build domestic networks in 5 additional markets in Asia and capitalise on the post-pandemic demand for cloud-based communications services. A task that only a company with the proven track record and experience of Symbio could hope to address.

I'd like to take this opportunity to say a big thank you to all our team – past and present – without their hard work and contribution it would not be possible to aspire to these goals. Thank-you.

FY22 was the transformational year that has set us up for success into the future. We simplified our business, delivered consistent growth and commenced making strategic investments for our future. We ended the year having met guidance expectations, with an enviable balance sheet, ready to launch our new strategy.

Today in our newly simplified business, we operate in three business divisions, each targeting a different group of customers, markets and products.

Our **Communications Platform-As-A-Service** business provides access to phone numbers, voice call termination and messaging, enabling large software companies and service providers to deliver sophisticated voice services.

Our **Telco-As-A-Service** business provides a marketplace of turn-key telecoms services, enabling small, localised service providers to offer a complete suite of services to their customers.

Our **Unified-Communications-As-A-Service** business provides quick and easy access to cloud-based enterprise infrastructure from partners like Microsoft, Cisco, Twilio and many others.

Our three business units are seeing strong organic growth, with a heavy focus on recurring revenue streams. Our “as-a-service” model is subscription based, which once integrated by our partners becomes very low touch, highly sticky and critical to their ongoing business operations.

Our Asian expansion strategy is focused on the key digital economies of Singapore, Malaysia, Taiwan, South Korea, Japan and Vietnam.

This strategy is driven by our partner's needs, and these are all priority countries for them to roll out their products and services as quickly as possible.

The business case for this strategy is based on leveraging our existing technology, our existing partner relationships, and rapidly increasing the total addressable market... thereby rapidly increasing the growth in phone numbers, and subsequently revenues, margins, and profit. Kate will take you through our investment thesis in more detail a little later.

Singapore is our first market in Asia and has obviously been a steep learning curve. We appreciate that revenues are taking longer to build than we initially anticipated. We are none-the-less very pleased with the progress being made, and the level of investment and commitment shown by our partners building new services on our platform.

We have now signed and onboarded 23 CPaaS partners, and you can see from the logos we are talking credible global players who will deliver meaningful revenues to Symbio as they have done in Australia and New Zealand. We could not attract this quality of partner if it was not for our proven track record and valued relationships.

Our UCaaS launch is also proceeding well with 19 Cisco reseller partners onboarded and able to sell our products. I am pleased to say that as of this morning, we are now up to 1000 enterprise seats in Singapore up from the 750 just a couple days ago.

We have recently revisited our Singapore business case and updated it with our current performance and latest customer pipelines, and I can say it is very much a strong investment case even with the delays we have experienced.

Singapore being our first market in Asia we approached the project in a traditional waterfall methodology. The biggest learning came from our partners, who have encouraged us to engage with them much earlier in our progress to expedite their time to market.

As you can see, this new approach is what we have adopted for Malaysia, and we are already engaging with customers on their roll outs in these markets and have already issued service contracts.

The Malaysian market is a priority market for our customers, meaning they have businesses cases ready to deploy once a suitable offering like Symbio's is available.

The phone number market is highly concentrated with the incumbent, providing us ample opportunity to win market share quickly.

Recently we received formal notice by the Malaysian Government of our "Malaysia Digital" status, which gives Symbio endorsement as a "national strategic initiative" by the Malaysian Government. I cannot emphasize enough the significance of this to our project which is the next milestone to achieving a full license.

We are on track for soft launch in February 2023 and full production in May.

And the next market on our roadmap is Taiwan. Once again Taiwan is a priority market for our customers!

Once again, the phone number market is highly concentrated with the incumbent.

We have been doing extensive work on local M&A to support market entry and have a solid deal pipeline which we hope to be able to announce shortly. This will allow us even faster market entry with product expected to be available before the end of the financial year.

On that note, I'd like to hand over to Kate Denton our Acting CFO for a finance update.

We are on track to meet the stated FY23 guidance of \$36 million to \$39 million EBITDA, after 4 months of trading. We're seeing growth from number porting in the CPaaS division, customer wins in the TaaS division and increases in seats in the UCaaS division. We will provide further information on our trading in our H1 results.

At 30 June we had \$43M of cash and \$60M of undrawn debt, over \$100M to fuel our Vision 2030 and Asian expansion strategy. We turned 93% of our EBITDA into cash.

Today, we remain focused on deploying our cash to invest in our strategy, both through capital expenditure on products, market expansion and acquisitions that provide shareholder value accretion.

We are seeing a good pipeline of potential acquisitions, supported by the current conditions in the tech market. We will continue to run a tight assessment criteria over potential acquisitions, ensuring our cash is only deployed to support strategy and earnings accretion. We currently have a strong deal pipeline and do expect some of these to land in the near future.

With recent changes in economic conditions and the effect on the Symbio share price, capital management has been a focus at Symbio. Many of our investors have suggested that now would be an appropriate time to do a share buy back. We have considered this carefully and are confident that the best use of our balance sheet is to support our strategic investments and acquisitions. In a time of economic uncertainty, having funding available will place us in a strong position to take advantage of potential acquisitions.

We continue to invest in organic growth, with capital expenditure on new products and building of new markets to support our Vision 2030 and Asian expansion.

Our planned capital expenditure for the year includes capitalised wages of \$16m and third party CAPEX of 7.8m. This is a slight increase from prior years in line with prior year trends. In FY22 we budgeted \$16m, but only spent \$10m due to hiring challenges. We are not anticipating recruitment issues this financial year. Changes in the tech sector have made headcount more accessible to find, and our talent pooling initiatives in Asia are proving effective. The additional third party spend is primarily to support our Network build in Malaysia.

Our planned capital expenditure covers three main areas -

The first is Sustaining engineering - \$9.4m (FY22 \$8.2m)

This is the CAPEX required to keep the existing business performing to a high standard. Sustaining, building scale and continuous improvement of all existing global network assets. This expenditure is **consistent** with the last several years, despite our footprint continuing to grow - due to improving efficiencies in our operations and software platform.

New projects - \$10.0m (FY22 \$7.3m)

New products cover automation and enhancements for customer experience and retention as well as new revenue streams. These new products will be leveraged and re-used across all markets, yielding a high return on our investment as we increase our total addressable market beyond Australia.

Asian expansion - \$4.4m (FY22 \$1.4m)

This is the expected cost of our Malaysia market entry this financial year. We do expect some further capex for Malaysia next financial year, after we start operations as we complete the feature roll-out. The overall investment for Malaysia is forecast at \$8.7m.

We have also announced Taiwan as a market entry for later in this financial year. At this stage we expect to be able to launch in that market through acquisition and are not expecting any significant capex to support the initial launch.

Our customers continue to ramp up in Singapore while we target launching in Malaysia and Taiwan. The business case for our expansion into Singapore, Malaysia, Taiwan and beyond remains strong, and on this slide we summarise why.

We've built Symbio in Australia and New Zealand over the past 20 years and today we generate \$202m in revenue from those 20 years of investments. There is a limited population in our home markets of 31 million people and a limited phone number addressable market of 88 million numbers. We have built an enviable position with a high-quality customer base, significant market share, and a consistent phone number growth rate. At 30 June our 3 year phone number CAGR was 20%.

Singapore was our first Asian market entry. It has been a learning ground and required additional upfront investment to uplift our software platforms to be a flexible multi-market platform. The total investment in Singapore from inception has been \$15.0 million. This includes the initial acquisition, all software development, property, plant & equipment and operating losses until breakeven. The phone number market in Singapore is a modest 7.6 million phone numbers. But we are expecting a strong Return on our investment in Singapore as we grow in this new market with limited competition.

We then extrapolate this business case into the additional markets of Malaysia and Taiwan each with large populations and larger total addressable markets for phone numbers – 120m phone numbers across the two countries and combined populations of 55.9m. The big exception between Singapore, Malaysia and Taiwan is that, we'll leverage our experience and uplifted software platform such that we can complete market entry for a much smaller investment. As we move into these denser markets in Asia with higher populations and much higher phone number markets, we will achieve an even greater return on our initial investment.

As Rene mentioned, once we complete the Malaysia and Taiwan market entry which is expected by the end of this financial year, we will have grown our population coverage from 31 million to 95 million people, and increased the phone number TAM from 88 million to 215 million numbers in the space of just 2 years.

We have also diversified our Australia and New Zealand business to include Telco-As-A-Service and Unified-Communications-As-A-Service offerings – both of which are synergistic to the phone number business. They assist in generating domestic growth opportunities and increase our total addressable market revenue and margin potential. For the purpose of understanding our Asian expansion

business case, we've only considered the business case for CPaaS. We of course do plan to leverage the CPaaS market entry with UCaaS and TaaS products where-ever possible.

Including South Korea and Japan, our Vision 2030 strategy sees us achieving an eventual Total Addressable Market of over 500 million numbers across **8 markets**, while leveraging our unique software assets, high quality customer base, and proven 20-year operational track record,

Symbio is a compelling investment.

Global megatrends, including Hybrid Work, digital workers and Enterprise Cloud Adoption rely on access to phone numbers and voice communications, ensuring strong demand for Symbio's products.

We have a Clear vision, expanding our presence across 5 new Asia Pacific regions to reach a larger market and with the goal of reaching 100 million numbers, enabling communications across Asia and the Pacific and creating strong shareholder value.

We have a strong balance sheet, with which to execute our vision. We have \$43 million of cash, \$60 million undrawn debt and strong operating cash flows. We intend to use this funding to support the execution of our strategy through strategic investments such as market expansion and strategic acquisitions.

We have made a solid start on our Asian expansion. Leveraging our 20 years of investment in Australia we've built a network in Singapore, and continue building a unique, highly defensible business through the creation of Regional Hubs enabling cloud communication. We are excited about the value creation from exposure to these much larger phone number markets.

Our strategic partners are highly credible UCaaS and CPaaS companies. And our customers are long term customers, robust business including enterprise, government, Tier 1 carriers and global software companies.

These customers are excited about our regional hubs and continue to build their businesses in Asia to capitalize on the Global Megatrends of Hybrid Work, Enterprise Cloud Adoption.

We are confident in our focus on executing our Vision 2030 and Asian expansion strategy, while running a profitable, growing Australian business with a proven operational track record.

Thank-you, and I will now pass back to Anne.

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