

ASX Announcement

28 May 2021

Aussie Broadband market update

Highlights:

- Upgraded full year EBITDA forecast to be between \$17 million and \$20 million excluding IPO costs.
- Implementation and transfer of white label product progressing as planned.
- Fibre rollout continuing to advance in multiple states, with 28 to 31 NBN Points of Interconnect (POI) and data centre sites to be completed by 30 June 2021.
- Downgraded residential connection forecast, impacted by NBN's significant issues with its appointment system, and its announcement of a further delay to the restart of HFC connections.

Aussie Broadband Limited (ASX:ABB) provides a market update which includes an upgrade to its full year EBITDA forecast.

Based on preliminary, unaudited management accounts, the company expects FY21 EBITDA to be within the range of \$16 to \$19 million, with EBITDA excluding IPO costs in the range of \$17 to \$20 million. This compares to prospectus forecast of EBITDA excluding IPO costs of \$12.3 million.

The increased EBITDA forecast has been driven by strong retail ARPU growth, customer growth in the business segment, careful CVC management, and NBN promotional rebates.

White label update

Since announcing the company's white label solution on 13 April 2021, Aussie Broadband can confirm that the implementation and onboarding of our foundation white label customer, Origin Energy is progressing well.

Discussions are also progressing with other parties interested in a similar white-label service.

Fibre build update

Rollout of the company's optic fibre network to 76 nbn POIs and over 20 data centres continues with a complex section of the Sydney build nearing completion. Construction is now underway in Western Australia, Queensland and continues in New South Wales and Victoria, with South Australia due to start in coming weeks.

The project is now running at scale, with multiple projects and site builds occurring simultaneously.

The company anticipates completing 28 to 31 POI and data centre sites by 30 June 2021 with a significant pipeline of work underway due for completion in the first half of FY22.

Customer interest for direct fibre connections on the Aussie network remains strong with 24 customer builds in progress and over 250 prospects in the sales pipeline.

Outlook

The company reiterates previous advice that the updated residential connection guidance provided on 17 February 2021 was based on a number of the white label customer transfers occurring in FY21. As

outlined in our ASX announcement on 13 April 2021, the first tranche of white label connections will now transfer in early FY22.

Residential connections have also been affected by increased market competition in high-speed tiers due to NBN's Focus on Fast Campaign and most recently, by NBN's significant issues with its connection appointment system, which has delayed the re-start of new HFC connections. NBN appointment availability issues have also delayed other connection types, resulting in our work in progress queues significantly increasing over the past 5 weeks. We continue to accept pre-orders for HFC services and will provision and connect these services once NBN allows HFC orders to be placed.

These factors combined have resulted in a lower updated residential connection guidance outlined below. Relative to competitors, however, we are performing strongly and took 16.5% of overall nbn net adds for Q3 2021.

Business customer connections remain on track to achieve the previous guidance range.

In providing this guidance update, the Board notes the announced 7-day lockdown in Victoria related to COVID-19 outbreaks. Past lockdowns have increased network utilisation which increases NBN CVC costs. This guidance assumes no further impacts other than the 7 days which has been announced and that traffic levels are within assumed limits.

	28 May 21 Guidance for FY21	17 Feb 21 Guidance for FY21
Revenue	\$349m to \$351m	\$345m to \$355m
Normalised EBITDA ¹	\$17m to \$20m	\$13m to \$15m
Residential broadband ²	360,000 to 364,000	380,000 to 410,000
Business broadband ³	37,000 to 38,000	37,000 to 42,000
Total broadband	397,000 to 402,000	417,000 to 452,000

1 Normalised EBITDA is EBITDA excluding IPO costs

2 Residential broadband connections including white label services

3 Business broadband includes business, enterprise and wholesale services

The company will release its full year results on Monday 30 August 2021. All financial information included in this results update is unaudited and remains subject to further review and finalisation.

ENDS

Authorised for release by the 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, entertainment bundles through its partnership with Fetch TV and connections through its own fibre, the Opticomm network and its white label platform.