Aussie Broadband

Annual Report 2021

Aussie Broadband Limited
ABN 29 132 090 192

Aussie Broadband respectfully acknowledges all First Peoples of this land and celebrates their enduring connections to Country, knowledge and stories.

We recognise in particular our regional birthplace of Gippsland, the traditional land of the Braiakaulung people of the Gunaikurnai nation. We celebrate their continuing connection to the land and waters, and thank them for protecting this region and its precious ecosystems.

Artist – Gunaikurnai artist Ronald Edwards Pepper, 2020.

This work represents a meeting place. A place to sit and learn about Country and culture, and the Aboriginal people of the Gunaikurnai nation. A meeting of cultures where stories are shared, and a common future is created.

Contents

About this report

The Annual Report 2021 is a summary of Aussie Broadband's operations, activities and financial performance for the 12 months ended 30 June 2021 (FY21).

In this report, Aussie Broadband Limited will be referred to as 'Aussie', 'Aussie Broadband', 'the Company', 'we', 'our', and 'us'.

We will also be referring to 'NBN Co Ltd' and 'nbn™' as 'NBN' or 'NBN Co'.

Any reference to the financial year relates to the period 1 July to 30 June unless otherwise stated.

Our Corporate Governance Statement, detailing our compliance with the 4th edition of the ASX Corporate Governance Council's 'Corporate Governance Principles and Recommendations', can be found on the Investor Centre part of our website: **investors.aussiebroadband.com.au**

Report objectives

This report meets our governance and compliance requirements and has been written to provide shareholders and interested parties with clear, easy-to-understand information about the Company and its performance in FY21.

Additional information

This report can also be found online via **investors.aussiebroadband.com.au**

Key dates

Financial Year End

30 June 2021

Annual General Meeting

28 October 2021

Please refer to our website for further detail:

investors.aussiebroadband.com.au

Cover and back cover photos show the fibre haul through Sydney Harbour Tunnel, courtesy of Global Utility Construction.

Chairman & Managing Director's Report

Dear Shareholder,

It is our pleasure to present the first Chairman and Managing Director's Report for Aussie Broadband, after our listing on the Australian Securities Exchange last October.

During the COVID-19 pandemic, it is no surprise that stable internet has become an essential service for nearly every Australian – whether using it for leisure, shopping, working from home, home schooling, or running a business.

Even more importantly, the pandemic has highlighted the importance of good customer support when internet problems do arise.

We are proud of the way the Aussie Broadband team has weathered the COVID-19 storm. In the last quarter of FY20, we saw demand lift by 24%, which increased flow-through pressure on our service delivery and customer service teams. We recruited quickly, moved most of our staff to work from home and, into FY21, began to meet the demands of providing great customer service with staff in and out of various lockdowns, including the long haul in Victoria.

We have done our best to support our customers and have been able to meet the lockdown-driven demands for extra bandwidth with particular support from NBN Co during the first part of the pandemic. We even did our best to support customers from other telcos, frantic to get through to someone for support when overseas call centres had shut down.

Our business 'why'

Aussie Broadband's reason for being in business (our 'why') is a simple one – we're here to change the game. Primarily, we're out to change the telco game, for our customers and for telco users across Australia. As a company with a conscience, we're also interested in other games worth playing, such as how a large company can still feel like a family for our staff, or how we can take a stand for diversity in the workplace.

Game-changing is an approach that we took to our Initial Public Offering on the Australian Securities Exchange in October 2020. As well as the more traditional offerings to institutional and sophisticated investors, we took the opportunity to show appreciation for our staff and our customers – two critical groups who enable our business success. We offered our staff the chance to participate in an employee share scheme and, similarly, offered customers the chance to become shareholders.

In the lead up to listing, we were pleased to welcome three new Board members to the Company – Adrian Fitzpatrick (our Chair), Vicky Papachristos and Richard Dammery joined existing Board Directors Patrick Greene, John Reisinger and Phillip Britt.

They have brought a depth of experience to our governance, as well as a strong alignment to Aussie's unique culture and approach to strategy and performance.

Our operational performance

We are pleased to report on the performance of the company for FY21, a highlight of which was EBITDA of $19.1 million excluding IPO costs, in line with our announcement to the market on 28 May 2021. This result was driven by strong retail average recurring revenue per user (ARPU) growth, continuing strong customer growth in both residential and business segments, careful Connectivity Virtual Circuit (CVC) management, and NBN promotional rebates.

Despite significant challenges in residential connections, including well-publicised issues with NBN's appointment systems and its HFC stop sell due to global chipset shortages, we met our most recent residential connection guidance with 363,350 connections for the year (guidance range 360,000 to 364,000).

One of the unsung stories in our performance was the increased focus on connecting business customers. Business and enterprise telecommunications continues to grow as a percentage of our business, underpinned by our expanded sales team and our award-winning Carbon platform.

We added products, including mobile plans with our new mobile partner Optus, mobile handsets, and white label with Origin Energy as our flagship customer.

Rollout of our optic fibre network to 76 NBN Points of Interconnect (POIs) and over 20 data centres continued at scale, with multiple projects and site builds occurring simultaneously across Western Australia, Queensland, New South Wales, Victoria and South Australia. At 30 June 2021, we had connected to 25 POI and data centre sites, and there is a significant pipeline of work underway and on track for completion in the first half of FY22.

Our people, culture and community

Aussie Broadband has five pillars to its strategy, and it is no coincidence that the first one on the list is a thriving culture and people.

None of our rapid success would have been possible without our people. We believe that looking after our staff, and trusting them to look after customers, generates great return for shareholders. Given our broad-based employee share scheme, more often than not our customers are talking to a part-owner of the business.

Even at close to 600 staff, our Senior Leadership Team and Board deliberately refer to Aussie Broadband as a family. We find this language useful to continue to drive our personal approach and ensure that every staff member feels included at Aussie.

Our values are an incredibly important part of our culture. We say that while you can see them up on the walls in posters and graphics, the place they really live is within the business. We empower staff to use our values to make decisions every day, whether in an interaction with a customer, or making a decision at senior leadership level. They are strong instructions on how we do business.

Another pillar in our strategy is building better communities. Nearly all our senior leadership team have been or are currently volunteers in community organisations in their spare time. For us, business and community are intertwined. This approach drives our work in inclusion and diversity, in community impact, and in sustainability.

As Aussie Broadband continues to grow, one of our greatest challenges is to ensure that we continue to maintain and evolve our culture, the spirit of the company.

Outlook

With our record of strong financial and operational achievements over the past financial year, we believe Aussie Broadband is positioned well for growth in FY22.

We will continue our marketing and sales focus on organic growth of our residential and business/enterprise segments, as well as exploring new channels for growth. We will continue to review merger and acquisition opportunities that are aligned with our strategy and culture and would deliver value for our shareholders.

We anticipate that our fibre network will start to show financial benefits not only through offloading existing leased infrastructure, but also through the opportunity to directly connect customers to our own network. Customer interest for direct fibre connections on the Aussie network remains strong with 35 customer builds in progress and over 400 prospects in the sales pipeline.

A sincere thank you

The Aussie Broadband family extends beyond our staff. Our customers, shareholders, suppliers and the many other stakeholders we interact with every day form a part of our broader family.

We would like to sincerely thank each of you for your support during such a challenging year. We thank our staff, who performed under extraordinary circumstances. We thank our suppliers and stakeholders, for your input and support. And finally, we thank our shareholders, large and small, for placing your faith in Aussie Broadband.

Each one of you is critical to what we do, and we would not be able to change the game without you.

Yours sincerely,

Adrian Fitzpatrick
Chairman

Phillip Britt
Managing Director

SPOILERS!

*As at 30 June 2021

90%
increase in business and wholesale connections

53%
Overall increase in broadband connections

Staff numbers
28%
increase from 444 to 568

25,606
Mobile services
increase of 102%

ASEA winner
Customer Service Organisation of the Year – Large 2020

australian service excellence awards
csia
2020 winner

86%
Great Places to Work score
16th place in medium business

8.4/10
Customer satisfaction
as measured by voice of customer surveys

$127,670
Small Change Big Change customer donations
total donated to date: $201,163

$2.95
Share price
increase of 195%

138 seconds
Average call wait time

5.76
complaints
per 10,000
services

25 POIs and data centres
connected
to Aussie Fibre

Prospectus vs Actual

	Prospectus	Actual
Revenue	$338m	$350m
EBITDA (Excludes IPO costs)	$12.6m	$19.1m
Resi Connections	368,000	363,350
Residential ARPU ($/month)	$76.43	$78.19

Awards and achievements

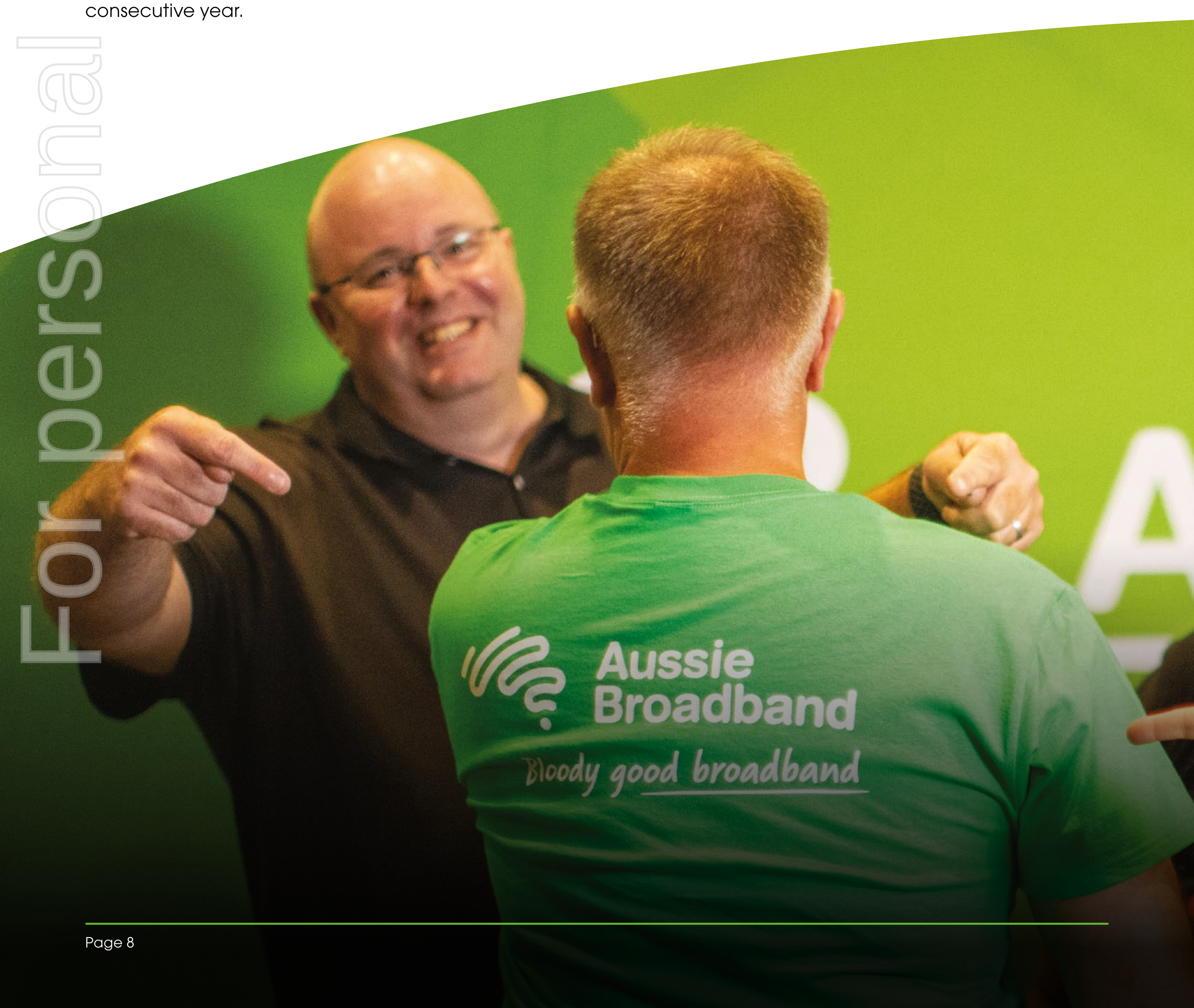
ACOMM awards for excellence in telecommunications

Our Managing Director, Phillip Britt, was named the 2020 Communications Ambassador of the Year, which is the highest honour presented by the Communications Alliance each year. Communications Alliance CEO, John Stanton, said Phil was the personification of the qualities that the judging panel looked for in an ambassador for the industry. "He is technically savvy, a fierce competitor and sits at the forefront of industry innovation in this country."

Aussie Broadband also won the ACOMM Commitment to Customer Service Award for the second consecutive year.

Australian Service Excellence Awards

Despite the challenges presented by COVID-19 and the rapid spread of the global pandemic, our Customer Experience (CX) scores remained consistently high, with an average rating of 8.4 out of 10. In FY21, we were delighted to win Customer Service Organisation of the Year in the Large Business category at the Australian Service Excellence Awards. These national awards recognise customer service excellence across all industries, not just telecommunications.



Roy Morgan awards

Aussie Broadband was named the 2020 Internet Service Provider of the Year in Roy Morgan's Annual Customer Satisfaction Awards, with an average customer satisfaction rating of 91.3%. We also took out every single monthly award, the first time a telco has ever done so.

The awards are based on independent research, including annual surveys of more than 50,000 Australians.

Australian Workplace Equality Index

Aussie Broadband placed in the Bronze category in the Small Employer section of the Australian Workplace Equality Index, which benchmarks workplace inclusion for LGBTIQ+ staff.

Canstar Blue innovation excellence award

Our Carbon platform for business, enterprise and managed service providers took out this consumer award from Canstar Blue. The judges recognised Carbon as unique, with considerable 'wow' factor due to the level of functionality aimed at saving time and improving the customer experience. Carbon enables users to order and configure telco services at the touch of a button, which was deemed to have a significant impact on how businesses operate.

Runner-Up Managing Director of the Year

In addition to the many prestigious awards the company won, Phillip Britt was named Runner-Up Managing Director of the Year 2020 by CEO Magazine. Phil was recognised for being an industry disruptor and for running a straight-talking telco. The judges noted that: "Aussie Broadband has worked tirelessly outside the box, building its own national network and publishing daily bandwidth graphs."

Operational highlights

Overall highlights

523,783
total services

$350.3m revenue,
growth of 84%

400,848
total broadband
services

28% staff
increase to 568

EBITDA
(before IPO costs)
grew by 433%
to $19.1m

86% Great Place
to Work score,
16th place in
medium business
category

In FY21, Aussie Broadband's place as a strong contender in the Australian telecommunications market was solidified.

Our main operational focus is providing NBN services to residential, small business and large business/enterprise customers.

Aussie Broadband offers a range of other telecommunications services including VoIP, mobile plans and handsets, entertainment bundles through our partnership with Fetch TV, and connections through our own fibre network, the Opticomm network and our white label platform.

Overall broadband connections grew by 139,487, from 261,361 to 400,848. Alongside this, our EBITDA, excluding IPO costs, grew by 433% to $19.1 million, and revenue increased by 84% to $350.3 million.

None of this would have been possible without our people. In FY21, our team increased by 28% to enable us to take advantage of the final stages of the full NBN rollout and opportunities for growth presented by COVID-19. A rapid increase in staff numbers brings its own challenges for maintaining our culture, and we were pleased to be certified for the second year in a row as a Great Place to Work.

Residential segment highlights

472,576
total services

$305m revenue,
growth of 85%

363,350
broadband
services

ARPU:
$78.19 p/m

Our organic growth in the residential segment during FY21 was underpinned by increased marketing activity, new products and award-winning customer service.

Residential NBN broadband connections grew by 50% in the period, from 241,627 to 363,350. In the second half of FY21, NBN connections were impacted by increased competition generated by NBN's Focus on Fast campaign, its significant appointment system and staffing issues, and its stop-sell on HFC connections due to equipment shortages during the pandemic. Most of these issues should resolve early in FY22.

Our service delivery and customer service teams, as always, played an incredibly important role in servicing and retaining customers. Australian-based support became even more important during the peak of the pandemic, when many overseas call centres closed. We moved swiftly to enable staff to work from home during lockdowns where necessary and expanded our call centre operations to a third site in Perth, WA.

Despite the pandemic, our customer experience remained stable. Call wait times for FY21 averaged 138 seconds, complaints per 10,000 customers reduced from 7.1 in FY20 to 5.8 in FY21, and our weighted average customer satisfaction scores across a range of public platforms was 4.6 out of 5.

A new partnership with Optus enabled us to revamp our mobile offering to residential customers, spearheaded by a range of 4G and 5G plans. Higher than expected take-up in the first two months of the offering (to end of FY21) resulted in a 20% increase in active services over the previous quarter. To complement the new plans, in mid-June we launched a range of mobile handsets.

In August 2020, we launched a wholesale supply agreement with OptiComm, a fibre infrastructure provider that offers competing technology solutions to the NBN in greenfield developments. At 30 June 2021, Aussie Broadband was providing 7,654 services on the OptiComm network.

Business & wholesale segment highlights

51,207 total services

$45.2m revenue, growth of 83%

37,498 broadband services

ARPU: $129.67 p/m

425 carbon partners

An increased focus on the business telecommunications segment saw Aussie Broadband's business connections grow by 90% during FY21, from 19,734 (FY20) to 37,498 (FY21).

Similar to our approach to residential services, this focus included putting in place the right people and skills, quality products and services, and a strong emphasis on automation.

We increased capacity in our business sales call centre, upskilled staff and introduced a broad range of products including Aussie On-Net Fibre. Customer experience was significantly improved with increased pre-sales engineering capabilities for solution design.

Automation was headlined by our unique Carbon platform for business, enterprise and managed service provider customers. Carbon began as a dream to put as much control back into the hands of our larger business customers as possible, automating order processes that previously took weeks or months into minutes.

The platform offers deep network integration that not only enables 'touch of a button' orders, but also assists customers with the ongoing management of their services, including automated troubleshooting.

Although Carbon is a long-term investment, we are seeing significant results in growth, cost efficiencies and revenue. At 30 June 2021, 425 partners were signed onto the platform and it is billing in excess of $500,000 per month in revenue.

Case studies

Westpac

While the concept for Carbon was formed in-house at Aussie Broadband, the platform we see today was pioneered in collaboration with one of our major customers, Westpac. The major bank wanted to structure its services so it had full visibility over the rollout of connections to its Australian sites – a process that is ongoing today as the NBN becomes available in new locations.

The end design allows Westpac to deliver connections into all branches and corporate offices where the NBN is available in a self-serving capacity – no more time wasted in call queues or waiting for quotes.

Aaron O'Keefe
General Manager of Sales, Aussie Broadband.

Shire of Mundaring

As bushfires tore through Western Australia, the Shire of Mundaring set up an incident control centre at its indoor sports facility, Mundaring Arena.

It rapidly became apparent the basic WiFi bandwidth at the arena wasn't coping with the increased usage, as agencies struggled to get critical news and advice online and access information. The Shire feared it might take days to provision more – days they didn't have to spare.

However, when the Shire's IT team contacted Aussie Broadband, we put the order through our automated Carbon platform. Within an hour, the service was increased from 25 to 250 Mbps.

"I cannot articulate how impressed and grateful I was and continue to be to Aussie Broadband, for their immediate attention and swift action to provide an enhanced capability of 250 Mbps from 25 Mbps at this critical time."

Melanie Ponnan
Manager Information Technology, Shire of Mundaring.

Fibre project

25 NBN POIs and data centres

250kms of fibre in the ground

$11.1m capital expenditure

48 customer orders

In FY21, Aussie Broadband continued construction of our fibre network, completing 250kms of fibre in the ground and connections to 25 Points of Interconnect (POIs) and data centres as at 30 June 2021.

Although the project experienced some delays due to the impacts of COVID-19 on equipment and staffing, as well as site issues, there is significant work in progress across multiple states and sites as part of the rollout. The $67 million project is on track to be completed within its two-year timeframe.

When complete the fibre project will connect 78 NBN POIs, replacing 63% of our leased backhaul capacity, and will remove leased dark fibre capacity in other areas of the network. It will also reduce our reliance on third-party carriers and costs associated with leasing backhaul and dark fibre.

In addition to providing backhaul to the NBN POIs, the new dark fibre network enables Aussie Broadband to provide direct services to end customers by bypassing the NBN. At the end of FY21, we had 13 on-net customers connected, 35 customer fibre builds underway, and over 400 prospects in the sales pipeline.

Smart people

From the start, Aussie Broadband's strategy for business success has relied on the right blend of automation without losing the human touch with our customers. Our emphasis has always been to build this functionality wherever possible within the business, immersed in our culture.

In FY21, we continued to expand our team of in-house developers and product leads. These teams work on our smart systems and software, such as the MyAussie and Carbon platforms, as well as new product launches such as our white label solution.

This in-house functionality helps keep our costs low, our customer experience high, and makes our solutions hard to replicate. It also enables us to make swift changes and improvements.

Similarly, the customer interaction side of the business – including our sales, service delivery and customer service teams – is based entirely in-house. It is no secret that Aussie Broadband call centres do not use scripts except for compliance purposes. Instead, we place a strong emphasis on the right training, trust and empowering our staff to use our values in their daily interactions with customers.

In FY21 we were thrilled to be the principal partner of the Melbourne Stars for the 2020/21 Big Bash League (BBL) season. It was our first sponsorship with a major professional sport. The partnership saw Aussie Broadband's branding appear prominently on all playing and training uniforms together with a range of digital and at-venue positions.

Like the Stars, Aussie Broadband has firm roots in Victoria, but has grown to compete on the national stage. We really enjoyed cheering the Women's Big Bash League (WBBL) Stars to the finals last season, and it'll be great watching them soar to new heights under the guidance of Coach Jarrad Loughman. We will be continuing our partnership into FY22 for both the men and women representing the Stars, not only as athletes, but also as game changers behind the scene, helping raise awareness for causes like mental health and sustainability.

COVID-19 really has had a profound impact on the whole telco industry, but it also highlighted how much our industry matters to Australia.

Today, the internet is no longer a luxury item. It's a necessity.

Working through COVID-19

The start of FY21 marked the beginning of the 112-day lockdown in Melbourne, where many of our staff are based. The ongoing pandemic has created additional challenges not just for Aussie Broadband and our employees, but also our customers.

Our customers

From the start of the pandemic, the company has provided special COVID-19 support for customers while still sustaining our business. Support has varied depending on circumstances, but free daytime data for states in lockdown was offered throughout, as were financial hardship arrangements.

Aussie Broadband participated in most of the NBN's COVID-19 relief programs for Australian families and businesses, including free connections for low-income households with school-aged children who didn't have an active NBN connection.

Our people

Like most other businesses affected by lockdowns, we faced the significant challenge of moving most of our employees to work from home in very abrupt circumstances. We ramped up recruitment to meet demand and delivered onboarding via a range of techniques according to circumstance and role.

Throughout the pandemic, and during return-to-work phases, we paid particular attention to employee wellbeing with regular updates, check-ins, social strategies and an unlimited negative sick leave policy.

Specific messaging and policies were developed for staff who may have been more vulnerable at home than at work, for example, parents trying to home-school and work at the same time, or LGBTIQ+ staff who were 'out' at work but not at home.

Our Employee Assistance Program (EAP), which offers free counselling, was in higher demand throughout FY21 and we added extra hours to our contract to ensure staff had the access they needed. As part of our approach to mental health, 11% of our staff completed Mental Health First Aid training.

Special Working Group

Aussie Broadband joined five other telcos to work together to ensure bandwidth availability during the crisis. Led by the NBN, the group's main priority was to keep businesses and consumers connected and supported. Aussie Broadband was a strong participant in this group, and the information shared in these meetings formed the telco industry response to the crisis.

Managing the network

High-quality network operations underpin almost every product in the Aussie Broadband range. In FY21, we put considerable focus on expanding our network operations and engineering teams, and our automation, to enhance our reputation for quality.

CVCBot

In FY21, Aussie Broadband developed an in-house CVCBot to optimise bandwidth use across our customer base. CVCBot automatically increases and decreases bandwidth in response to usage. This not only enables our customers to receive the best possible speeds during peak hours, but it also allows us to dial-down bandwidth in off-peak periods and thus reduce operating costs.

Bandwidth growth due to COVID-19

COVID-19's impact on our people and customers is described elsewhere in this Annual Report, but operationally it has also posed challenges. We believe COVID-19 has permanently accelerated the way Australians use the internet, including entertainment, videoconferencing and online shopping.

We have carefully managed bandwidth across the network to meet peak demand during numerous lockdowns, which peaked at 35% higher than normal bandwidth usage and, in more recent lockdowns, is still running at 24.5% above average.

Prior to COVID-19, we monitored our CVC capacity closely and upgraded if necessary. Now, we pre-emptively upgrade the CVC across the country when lockdowns occur.

Game patches, such as Call of Duty and Fortnite, were massive in FY21. Peak evening traffic during game patches increased from around 600Gbps to 1,290Gbps. On a typical night, peak evening traffic increased from around 430Gbps to 600Gbps.

We proactively liaised with content delivery networks (CDNs), such as Blizzard, to increase our capacity directly to them. This alleviated pressure on other parts of the network.

Our people, our planet

Aussie Broadband has not yet adopted a specific framework to report on our environmental, social and corporate governance (ESG) activities.

Nevertheless, goals aligned with ESG principles have been embedded in our strategy for the past five years and are continually evolving.

In keeping with our values, we are voluntarily reporting on ESG activities in this section of our Annual Report.

Governance

Our Directors' Report (p22) provides an overview of Aussie Broadband's corporate governance arrangements, including reporting on our approach to remuneration and rewards for performance.

Our Board established its People and Community Committee to align with the company's emphasis on a thriving people and culture, and building better communities. This Committee is responsible for overseeing not only people and culture policies and practices, but also the company's approach to community impact, social responsibility and sustainability.

Our governance framework includes specific policies and procedures that empower our staff to bring their whole selves to work, including:

- Support for staff affirming/transitioning their gender.
- The Aussie Way, a storytelling document highlighting our values in action.
- Extra parental leave and a policy that supports taking leave for situations such as kinship care, foster care and stillbirth or miscarriage.
- A mental health policy and program, with 11% of the company trained in mental health first aid.
- Support for staff experiencing family violence.

Aussie Broadband uses the international platform, Great Place to Work, to benchmark itself against other employers and track staff satisfaction. This process includes both a comprehensive staff survey and a culture audit. During the financial year, we were certified as a Great Place to Work and 86% of our staff who participated in the survey agreed that Aussie is a great place to work. We continue to track against this figure with quarterly pulse checks.

As an active Telco Together Foundation member, we participate in two working groups that consider the impact of Domestic and Family Violence and Modern Slavery on customers and industry. Work started in FY21 on the development of a Domestic and Family Violence (DFV) Action Plan for the telco industry to use as a best-practice framework to respond to customers experiencing DFV.

Aussie Broadband is also part of the group looking to establish an industry portal for modern slavery reporting that complies with competition guidelines.

Social

Aussie Broadband takes an 'inclusion first' approach to diversity and inclusion, with a focus on hundreds of small steps to embed inclusion across the company from point of recruitment onwards. During FY21, we submitted our first Reconciliation Action Plan and revised our Disability Action Plan. We are a corporate member of Pride in Diversity and participate in the National Executive Allies Forum.

Our definition of diversity at Aussie covers gender, cultural background, LGBTIQ+, disability, neurodiversity, socio-economic, justice system experience, age, menopause, Aboriginal and Torres Strait Islander, geographic location and religion, and continues to expand as our understanding of diversity increases.

Our measurement of inclusion at Aussie is encompassed by questions in our staff survey across a range of diversity aspects, with FY21 results showing staff satisfaction at between 91 and 98 percent. We also use the Australian Workplace Equality Index as a benchmark, scoring a Bronze ranking for FY21.

All Aussie Broadband corporate giving is framed by our commitment to the Pledge 1% global movement, dedicating 1% in the areas of Time and EBITDA.

We have undertaken a broad range of community impact projects, with a particular focus on the digital divide and marginalised groups. From providing free public WiFi for the Gippsland town of Fish Creek, to supporting national organisations such as the Regional Student Network (RESN) in their work to connect regional high school students with free tutors and mentors, we worked with, and were guided by, the people trying to make a real difference to their communities.

One of our flagship projects is the on-bill Small Change Big Change donations program auspiced by the Telco Together Foundation. The second full year of operation of this program ended on 30 June 2021. Over two years of the program, our customers have donated a combined total of just over $200,000. Small Change Big Change reported that this money provided 19,149 young Australians with a wide range of education and engagement programs to promote good mental health, a strong sense of identity and connections beyond connectivity through its partner agencies Red Dust, ReachOut and Beacon Foundation.

Environment

Carbon neutral

In FY21, we engaged the company Carbon Neutral to assess Aussie Broadband's carbon footprint for FY20.

The audit estimated our total organisational greenhouse gas (GHG) emissions at 1,718.10 tonnes (CO_2-e) for the period. Our main GHG emitting activities were associated with products and services purchased through supply chain, freight (outbound) and staff commuting (Scope 3 Emissions).

As a result, Aussie Broadband purchased and surrendered carbon credits to offset our GHG emissions to become a 'carbon neutral' organisation for FY20.

This comprised 1,719 carbon credits including 500 Australian Biodiverse Reforestation Carbon Offsets (BRCO) and 1,219 international renewable energy offsets.

The BRCO were generated from carbon sequestrated by planting mixed native (biodiverse) trees and shrubs on degraded unproductive farmland in the Yarra Yarra Biodiversity corridor. The project plants over 50 species native to the region, and so far, 30+ million trees and shrubs have been established on 13,500 hectares.

The Yarra Yarra Biodiversity corridor is situated in Southwest Australia, one of only 35 global biodiversity hotspots (as claimed by the World Wildlife Fund (WWF) and Conservation International). These regions have exceptionally high numbers of plant and animal species found nowhere else in the world, and account for 90% of all species on Earth.

The international renewable energy offsets related to wind power generation in India, Turkey and China.

We have committed to reduce and offset our emissions on an ongoing basis, offsetting FY21 using projected carbon emissions (based on the FY20 carbon footprint). We've calculated our carbon emissions and invested in carbon-offset projects that will remove the same amount of carbon from the atmosphere, bringing us to neutral.

Sustainable purchasing

As part of our work in sustainable procurement, we became an early-adopter member of Givvable, an innovative Australian sustainable procurement platform. An initial 'wash' of our top 100 suppliers' sustainability credentials and attributes found that 21% had listed credentials, compared to an Australian organisation average of 3-4%.

We developed a Sustainable Procurement Action Plan for increasing representation across our suppliers, with a focus on diversity and inclusion and sustainable practices.

Figure 1: Diagram of activity sources included in Aussie Broadband's FY20 Organisational GHG Emissions Inventory

Scope 1 Emissions

Natural Gas

Fleet

Scope 2 Emissions

Electricity

Scope 3 Emissions

Natural Gas (indirect)

Fleet (indirect)

Electricity (indirect)

Supply Chain

Catering & Food

Accommodation

Freight & Couriers

Business Related Travel

Staff Commuting

Office Paper

Water

Exclusions

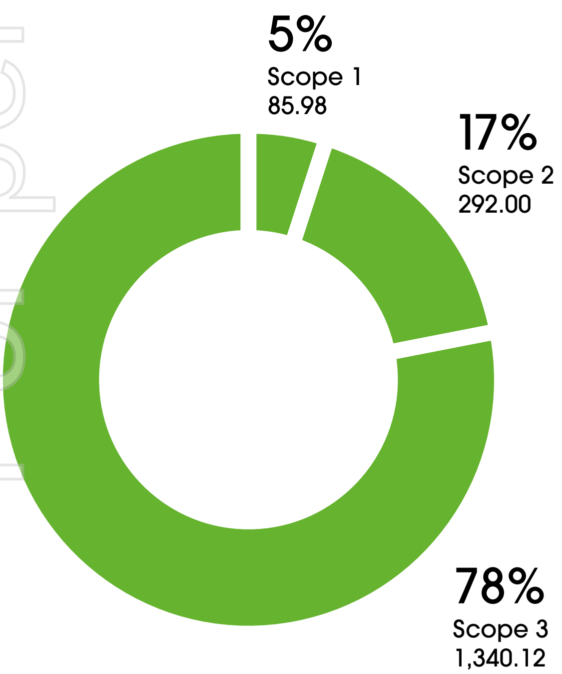
Refrigerant Leaks

Air Travel

Inbound Freight

Waste

Figure 2: Total GHG emissions by scope (tCO2-e, %)



Notes to Figure 1 and Figure 2 on previous page

GHG emissions by scope

The breakdown of Aussie Broadband's GHG Emissions Inventory by Scope 1, 2 and 3 emissions can be seen in the diagrams on the previous page.

Scope 1

Scope 1 (direct) emissions arise from the combustion of liquid fuels (eg petrol or natural gas) in fleet and warehouse vehicles.

Scope 2

Scope 2 emissions arise from the use of electricity at Aussie Broadband-operated facilities.

Scope 3

Scope 3 are indirect emissions associated with purchases of electricity and fuel (extraction, production, transport, transmission and distribution), supply chain products and services, catering and food, accommodation, freight, business-related road travel, staff commuting, office paper and water.

Exclusions and justifications

Exclusions and justifications are provided where adequate activity data was not available, where emissions were deemed insignificant or immaterial, or where reliable emission factors were not available.

The following activities are excluded from this carbon footprint report.

Fugitive emissions

Fugitive emission leaks from air conditioners and chillers used in facilities are not included as activity data is not available.

This activity is unlikely to contribute significantly to the organisation's GHG emissions inventory.

Air travel

Data on air travel was not available and GHG emissions from this activity are excluded.

This activity is likely to be material (greater than 1%) against the Aussie Broadband total carbon footprint, if so it will be included in a future report.

Inbound freight

Data on inbound freight was not available and GHG emissions from this activity are excluded.

This activity is likely to be material (greater than 1%) against the Aussie Broadband total carbon footprint, if so it will be included in a future report.

Waste

Resources disposed to landfill and recycling are not included in calculations for this report.

Data is non-quantified as the activity is included in the rental agreements across all locations.

As per the National Greenhouse and Energy Reporting (NGER) Technical Guidelines, materials sent for recycling do not carry a carbon emission liability for the organisation. Any emissions associated with the treatment of these materials are accounted for when they are re-processed and re-used.

Directors' Report

The Directors present their Report, together with the Financial Statements, on the Group (referred to hereafter as 'the Group') consisting of Aussie Broadband Limited ('the Company' or 'parent') and the entities it controlled at the end of, or during, the year ended 30 June 2021.

1 Directors

The following persons were Directors of Aussie Broadband Limited during the year ended 30 June 2021 and up to the date of this report. All Directors held their position as a Director throughout the entire year and up to the date of this report unless otherwise stated.

Adrian Fitzpatrick – Non-Executive Director and Chairman (appointed 1 July 2020)

Adrian has extensive operational, financial management and strategic experience from a career that has spanned over 30 years. He has held senior leadership and management positions with Pitcher Partners, where he was one of the firm's founding partners. He holds Non-Executive Directorships with ARB Corporation Limited and is a former Director of RXP Services Limited and the Accident Compensation Conciliation Service and holds one not-for-profit Board position.

Adrian is a Fellow of the Institute of Chartered Accountants in Australia and New Zealand and holds a Bachelor of Commerce from the University of Melbourne.

Adrian is a member of the Audit, Risk and Compliance Committee and the People and Community Committee.

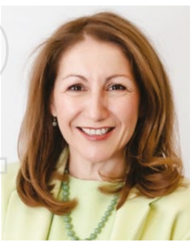
Richard Dammery – Non-Executive Director (appointed 1 July 2020)

Richard is an experienced Director, currently serving on the boards of Doctor Care Anywhere PLC (ASX:DOC), Nexus Day Hospitals Pty Ltd, and Creative Partnerships Australia. Richard was formerly a Director of Quantium Group Holdings Pty Limited and Australian Leisure and Hospitality Group (now part of Endeavour Group Ltd). He is also an Adjunct Professor at Monash University where he teaches corporate governance in the business school.

Richard has held senior leadership roles in a range of major Australian and New Zealand companies, most recently with Woolworths Group. His telco experience includes roles at Telstra, Telecom New Zealand and AAPT, and he has also served as a partner of major law firm Minter Ellison where he advised NBN, SingTel, Optus, M2 Telecommunications, and the Commonwealth Government Department of Communications.

Richard is a Fellow of the Australian Institute of Company Directors.

Richard is the Chair of the People and Community Committee and a member of the Audit, Risk and Compliance Committee.



Vicky Papachristos – Non-Executive Director (appointed 1 July 2020)

Vicky is an experienced Company Director, executive and marketing and business development consultant with over 30 years' experience. She has worked in both Australia and the USA, across private, public/ASX, government, not-for-profit/mutual organisations and start-ups. She holds professional Directorships with Big River Industries Limited, GMHBA Private Health Insurance, Scale Investors Limited and Camp Quality Revenue Committee.

Vicky is a member of the Australian Institute of Company Directors and holds a Bachelor of Engineering from Monash University and a Master of Business Administration from the Australian Graduate School of Management.

Vicky is Chair of the Audit, Risk and Compliance Committee and a member of the People and Community Committee.

Patrick Greene – Non-Executive Director

Patrick has owned retail businesses since 1987 and has extensive sales, marketing, financial and management experience. He has won Franchisee of the Year Awards at a state and national level. Patrick was a co-founder of Westvic Broadband before it merged with Wideband Networks in 2008.

Patrick has been a Director since 2017 and is a member of the Audit, Risk and Compliance Committee and the People and Community Committee.

Phillip Britt – Managing Director and Executive Director

Phillip is a highly experienced executive with 24 years in the telecommunications industry. He co-founded Wideband Networks in 2003 and became Managing Director when it merged with Westvic Broadband in 2008 under the name Aussie Broadband. He has served on the Board of Directors of Aussie Broadband since the merger and is also a Director of Communications Alliance Limited.

Phillip is a graduate of the JMW Leader of the Future program, has held voluntary leadership roles at a state and national level, was awarded the ACOMMS Communications Ambassador in 2020 and is an inductee into the telco industry Edison Awards Hall of Fame.

John Reisinger – Chief Technology Officer and Executive Director

John has worked in the telco industry since 2001. He was a co-founder of Wideband Networks and has held the role of Chief Technology Officer at Aussie Broadband since 2008, also serving on the Board as a Director since that time. He holds a Bachelor of Computing from Monash University and is a graduate of the JMW Leader of the Future program.

2 Directors' meetings

The number of meetings of the Company's Board of Directors ('the Board') and its committees held during the year ended 30 June 2021, and the number of meetings attended by each Director were:

	BOARD		AUDIT, RISK AND COMPLIANCE COMMITTEE		PEOPLE AND COMMUNITY COMMITTEE	
DIRECTOR	ATTENDED	HELD	ATTENDED	HELD	ATTENDED	HELD
Adrian Fitzpatrick	22	22	6	6	5	5
Richard Dammery	22	22	6	6	5	5
Vicky Papachristos	22	22	6	6	5	5
Patrick Greene	22	22	6	6	5	5
Phillip Britt*	22	22	6	6	5	5
John Reisinger*	22	22	6	6	5	5

* Executive Directors are not members of committees but do have a standing invitation to attend but have no entitlement to vote.

3 Directors' interests

The relevant interest of each Director in the shares, debentures, interests in registered schemes and rights or options over such instruments issued by the companies within the Group and other related bodies corporate, as notified by the Directors to the ASX in accordance with S205G(1) of the *Corporations Act 2001*, at the date of this report is as follows:

DIRECTOR	ORDINARY SHARES	OPTIONS OVER ORDINARY SHARES
Adrian Fitzpatrick	65,000	–
Richard Dammery	60,000	–
Vicky Papachristos	50,000	–
Patrick Greene	12,148,342	–
Phillip Britt	17,946,809	698,228
John Reisinger	17,946,809	189,642

4 Company Secretary

The Company Secretary is Brian Maher who was appointed in November 2019. Brian is a Chartered Accountant and Chartered Secretary and holds a Bachelor of Arts from the University of Nottingham, and a Graduate Diploma of Applied Corporate Governance from the Governance Institute of Australia.

5 Principal activities

The principal activity of the Group is a national carrier of telecommunications services in Australia focused on providing NBN and other networks' broadband services to residential and business segments together with related products and services.

In support of this activity the Group has commenced the rollout of its own fibre optic network to 78 NBN Points of Interconnect and 20 data centres. This network will enable a reduced reliance on third-party providers for backhaul services and facilitate the provision of direct broadband services to business customers.

There were no other significant changes in the nature of the Group's activity during the financial year.

6 Operating & financial review

Overview

Aussie Broadband's 'why' is to '*change the game*' in the telecommunications sector and beyond and FY21 saw a number of significant milestones including:

- Listing on the Australian Securities Exchange in October 2020 and a marked increase in share price since then.
- A 53% increase in broadband connections.
- Significant progress in the rollout of the fibre network with 250km of cable laid and connections to 25 sites.
- Securing the first white label customer, which will deliver an expected initial tranche of connections of 32,000 with ongoing growth potential.
- Significant growth in the business offering and expansion of use of the Carbon platform.
- A new mobile virtual network operator agreement with Optus.
- A number of awards but of particular note, Aussie Broadband was awarded Customer Service Organisation of the Year in the Large Business category at the Australian Service Excellence Awards.

This was achieved through the dedication of the whole team during a disrupted and challenging year.

Operations

The business operations expanded during FY21 to match the growth in the customer base.

The Group's network infrastructure was enhanced with upgrades to core network equipment, customer aggregation equipment and the server infrastructure, which supports our core software platforms like Carbon, in-house billing and CRM platform, and voice services platforms.

The company connected its network infrastructure to the Opticomm network, enabling the supply of broadband services into Opticomm serviced estates and apartment buildings.

The rollout of the Group's fibre optic network to the majority of NBN Points of Interconnect (POI) and 20 data centres commenced late in FY20 and continued throughout the year. By the end of the year, 25 sites were completed and work was in progress on multiple locations across Queensland, South Australia, Western Australia and Victoria.

The Group also expanded the capability of its internal operating systems across a range of fronts but most notably to facilitate the onboarding of the initial and future white label customers as well as development to enable new mobile products to be offered to the market. The systems, which were developed in-house, enabled the Group to quickly expand and take advantage of growth opportunities in the market.

The Group entered into a mobile virtual network operator agreement with Optus and built new systems to connect its CRM and billing systems with the Optus mobile platform. This led to an increased take up of mobile services and provides another platform of growth for the company.

Since the end of the financial year the Group has commenced operating its white label offering and has executed 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.

Aussie Broadband's success is down to its people and headcount increased by 28% during the year, many of whom were frontline customer-focused staff. The Group also added new and more advanced skill sets across all areas of the business.

Impact of COVID-19

COVID-19 presented challenges to all businesses and for Aussie Broadband four areas have been particularly affected:

- **Bandwidth usage** – increasing demand on the network was felt during lockdowns as the community wrestled with home schooling, working from home and entertainment challenges. Bandwidth increases were experienced of up to 37%. The company provided free additional daytime data to those affected by lockdowns and increased its Connectivity Virtual Circuit (CVC) provisioning. From a financial perspective, this was supported by partners NBN and Telstra.
- **Credit management** – the Company eased its credit management practices, recognising the challenging circumstances experienced by many customers. Generally, customers in difficulty responded positively and worked with the business to ensure bills were paid, albeit on delayed terms. However, some customers did not choose to engage with us on the repayment of debts and we had to terminate their services. Bad debts increased by approximately 38% year-on-year. New processes continue to offer assistance to those in need but shorten the time frames allowed for those customers who do not work with the Company to resolve issues.
- **Hardware availability** – at certain times during the year, chipset shortages impacted on the sourcing of hardware for customers. The Group managed to work through the shortages and increased its inventory levels to allow for further supply interruptions. Hardware stocks provided to customers by NBN for HFC (Hybrid Fibre Coaxial) services were exhausted in the second half of the year to the extent that new HFC connections were suspended from February 2021 until July 2021. This impacted sales.
- **Staff** – like many in the community, Aussie Broadband staff were impacted heavily by COVID-19 and many transitioned to working from home. The staff met this challenge and, whether office based or remote, continued to offer outstanding service to customers. Staff satisfaction results remained high, although lower than previous years, and the Company continues to seek ways to support its people and culture to provide the best possible employee experience.

Financial performance

A summary of the Group's performance in FY21 is below. The Group monitors performance at a number of levels including two non-IFRS measures:

- **Gross margin** being revenue less network and hardware expenses, which represents the margin generated from customers before the costs of marketing, sales, support and administration to identify whether the Group is generating leverage from its network as it scales; and
- **EBITDA** – earnings before interest, tax, depreciation and amortisation as it's often the key focus of investors and has a strong correlation to operating cash flow. EBITDA is represented below before IPO expenses and fair value adjustments to provide a normalised view of performance.

	2021	2020	MOVEMENT
	$m	$m	%
Revenue	350.3	190.5	↑ 84%
Network and hardware expenses	(252.0)	(145.7)	↑ 73%
Gross margin	**98.3**	**44.8**	↑ 119%
Gross margin %	*28.1%*	*23.5%*	
Employee expenses	(41.3)	(22.9)	↑ 81%
Marketing expenses	(26.3)	(11.2)	↑ 134%
Administration and other expenses	(11.6)	(7.1)	↑ 62%
EBITDA before IPO expenses and fair value adjustments	**19.1**	**3.6**	↑ 433%
IPO expenses	(1.2)	(0.4)	↑ 217%
Depreciation and amortisation	(7.6)	(5.5)	↑ 37%
Interest expenses	(2.3)	(7.0)	↓ 68%
Interest income	0.1	0.1	↓ 9%
Change in fair value of derivative	(12.3)	(3.0)	↑ 312%
Loss before income tax expense	**(4.2)**	**(12.3)**	↓ 66%

The Group's revenue at $350.3m represents an increase of 84% on the previous year, with material growth in both residential and business segments represented by connection increases of 50% and 90% respectively. A price increase was implemented across a range of residential and small business products in November 2020, which contributed to this increased revenue.

Gross margin improved from 23.5% in FY20 to 28.1% in FY21, with key drivers being the impact of price increases, cost mitigations provided by NBN on CVC and an increase in speed mix towards higher margin products.

EBITDA before IPO expenses and fair value adjustments improved by $15.5m with EBITDA margin at that level improved from 1.9% to 5.5%. Employee expenses increased approximately in line with revenue while marketing expenses significantly increased to fuel the growth of the business in a more challenging market. With the NBN rollout largely complete at the end of FY20, the level of first-time connects to NBN declined steadily over the year. This required a change of emphasis in marketing campaigns to focus on potential customers churning from their existing NBN providers.

Depreciation and amortisation increased as the capital expenditure program rolled out including the fibre network.

The change in fair value related to the derivative component of the pre-IPO convertible notes, which converted at IPO in October 2020.

Financial position

A summary of the financial position of the Group is set out below.

	2021	2020	MOVEMENT
	$m	$m	%
Cash and cash equivalents	57.0	21.4	↑ 166%
Trade and other receivables	16.9	11.4	↑ 49%
Plant and equipment	17.4	5.4	↑ 222%
Right-of-use assets	12.3	12.4	↓ 1%
Other assets	13.3	6.9	↑ 92%
Total assets	**116.9**	**57.5**	↑ 103%
Trade and other payables	26.8	16.1	↑ 66%
Contract liabilities	15.8	10.8	↑ 47%
Current tax liabilities	0.6	–	
Lease liabilities	10.6	11.5	↓ 9%
Debt	–	37.6	↓ 100%
Other liabilities	3.6	2.2	↑ 62%
Total liabilities	**57.4**	**78.2**	↓ **27%**
Net assets	**59.5**	**(20.7)**	↑ **387%**

The Group is in a significantly better financial position at 30 June 2021 compared to the prior corresponding period following the completion of the IPO. The convertible notes converted at IPO and the $5.5m debt facility with Longreach Credit Investment were paid out during the year.

Trade receivables returned to normal levels, relative to revenue, by the end of the financial year, having increased for a period during the year due to relaxation of credit management procedures to assist customers through the early stages of the COVID-19 pandemic.

The IPO raised approximately $37m net of costs and the Group finished the year with $57m of cash, having generated $25m in operating cash flows during the year.

Business strategies and prospects for future financial years

Aussie Broadband's strategy remains focused on changing the telco game and continuing to expand its reach through growing its market share both through directly sourced customers and strategic white label partnerships. While white label focuses largely on the residential segment, the Group will continue to seek ways to enhance its business offering through a broader and deeper product set as well as leveraging the automation and speed to connect benefits that its Carbon platform offers.

Additional focus will be placed on growing share in the business segment with additional products being added to the Carbon platform over the coming months. The Group will also increase its business sales and support teams to enable further growth in this area and will continue to expand its systems to support these teams.

While the focus will continue to be on organic growth, the Group is open to the potential of both 'bolt-on' and transformative acquisitions that may present themselves. As always, such opportunities will only be pursued where it is believed that they will deliver superior value to shareholders.

Operationally, the fibre network should be completed within the next 12 months which will yield EBITDA margin benefits as the Group exits supplier contracts to provide backhaul support, which can then be serviced through its own fibre network.

The combination of these initiatives is aimed at meeting the Group's aspirational target of achieving one million customers. While this will likely take a number of years, no specific timeline has been targeted for this milestone and none of our goals can be achieved without the consideration of material risks to this strategy.

Material business risks

The material business risks that have the potential to impact the future prospects of the Group include:

- *Competitive landscape* – the telecommunications market is concentrated at the top with 4 large players with a long tail of challengers led by Aussie Broadband. Competition is based on price and product quality, with the Group focused on delivering a quality product at an appropriate price. Periodic incentives are offered to retail service providers by NBN in order to increase its revenue. These incentives often create increased competitive activity that can impact new sales. New technologies also present potential threats and while the emergence of 5G and low orbit satellite services offer genuine alternatives to broadband services, they are expected to have only a modest impact on the Group's core customer demographic.

  The Group constantly monitors the market to identify its relative positioning and responds accordingly.

- *Bandwidth utilisation and NBN pricing* – customer usage of bandwidth grows significantly year-on-year and the nature of NBN pricing through its CVC overage construct exposes the Group to potentially significant cost increases. The Group mitigates this risk by engaging in industry-wide consultation with the ACCC and NBN around changes to future pricing models. At an operational level, the Group constantly reviews ways of optimising bandwidth use and CVC provisioning. In the absence of relief in the pricing model, the Group will consider product pricing, and if ultimately necessary, product design to offset unsustainable cost increases.

- *Community and environmental risks* – the Group considers social, political and physical environments when assessing the risks it faces. The ongoing COVID-19 pandemic is the most immediate and apparent risk that has the potential to impact the Group in a number of areas. This risk will continue to be monitored, managed and mitigated. Beyond COVID-19, the Group does not anticipate climate change to have a material impact on the prospects in the near term but remains alert to the evidence of any emerging risks and runs a program to identify measures to minimise its own impact on the environment.

- *Capital* – while the Group has sufficient resources to fund its current capital investment plan and has strong operating cash flows, acquisition opportunities may require additional funding. If the Group is unable to access capital at an appropriate cost, the Group's objectives may be affected.

- *People & Culture risks* – the Group's staff are key to its success and maintaining the culture is crucial to its future success. Competition in the employment market is fierce and increasing, and hence sourcing the right people at sustainable cost levels will remain an ongoing challenge.

  The Group relies on a number of key senior employees and if they were to leave their departure may have an adverse impact on the Group. Long-term Incentives are in place to partially mitigate this risk.

- *Regulation and compliance* – the Group operates in a heavily regulated environment and has established compliance protocols to ensure the fitness for purpose of its products and services, but there is a risk that a supply of products or services may breach the Competition Act, the Australian Consumer Law or other relevant consumer law. This may result in infringement notices, enforceable undertakings or more formal legal action, any of which could have a material impact on the Company's business and performance.

  The Group holds a carrier licence under the Telecommunications Act and must comply with the applicable licence conditions set out in that Act. There is a risk that licence conditions may be varied or, if the Company does not comply with the licence conditions, that the licence is cancelled. Should the licence conditions be varied or the licence cancelled it would have a material impact on the Company's activities.

  The Company reviews its carrier licence compliance obligations on a regular basis and will endeavour to take all reasonable steps to prevent the cancellation, expiry, lapsing or such other adverse effect to the Group's carrier licence.

  The Company is also subject to having its market behaviour monitored and regulated by the Australian Communications and Media Authority, the Australian Competition and Consumer Commission and the Telecommunications Industry Ombudsman as well as state Fair Trading Bodies. There are also a number of consumer groups that monitor the conduct of major providers and report persistent failure to comply with consumer and trading and telecommunications regulations.

7 Significant changes in the state of affairs

Aussie Broadband Limited listed on the Australian Securities Exchange on 16 October 2020 and as a consequence, the outstanding convertible notes and the related interest converted to equity in accordance with the terms of the note.

There were no other significant changes in the state of affairs of the Group during the financial year.

8 Dividends

Dividends paid during the financial year were $nil (30 June 2020: $nil).

9 Matters subsequent to the end of the financial year

Since the end of the financial year the Group has commenced operating its white label offering and has executed 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.

There has not been any other matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in subsequent financial periods.

10 Likely developments and expected results of operations

The Group will continue to invest in its marketing activities to fuel ongoing organic customer growth. In addition, the Group will continue its investment in the development of its own fibre optic network. Potential acquisition opportunities will be considered where it is believed such acquisitions will deliver superior value to shareholders.

11 Environmental regulation

The Group is not subject to any significant environmental regulation under Australian Commonwealth or State law.

12 Shares options

At the date of this report unissued shares of the Group under option are:

EXPIRY DATE	VESTING DATE	EXERCISE PRICE	NUMBER OF SHARES
30 June 2026	1 July 2023	$1.00	1,911,937
30 June 2027	1 July 2024	$2.85	1,138,679

All unissued shares are ordinary shares of the Company.

All options expire on the earlier of their expiry date or termination of the employee's employment. Further details about share-based payments to Key Management Personnel (KMP) are included in the Remuneration Report.

These options do not entitle the holder to participate in any share issue of the Company or any other body corporate.

Shares issued on the exercise of options

There were no ordinary shares of Aussie Broadband Limited issued on the exercise of options during the year ended 30 June 2021 and up to the date of this report.

13 Indemnification and insurance of officer or auditor

The Group has agreed to indemnify the Directors of the Company for all liabilities, costs and expenses that may arise from their position in the Company to the maximum extent permitted by the *Corporations Act 2001*.

During the year, the Group paid premiums of $627,369 (2020: $26,519) for insurance policies that included the insurance of Directors and Officers of the Group against a liability incurred as a Director or Officer, to the extent permitted by the *Corporations Act 2001*.

The Group has not, during or since the financial year, indemnified or agreed to indemnify the auditor of the Group or any related entity against a liability incurred by the auditor. During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

14 Non-audit services

During the year, KPMG, the Group's auditor, performed certain other services in addition to the audit and review of the financial statements.

The Board considered the non-audit services provided during the year by the auditor, and in accordance with written advice provided by resolution of the Audit, Risk and Compliance Committee, is satisfied that the provision of those non-audit services during the year by the auditor is compatible with, and did not compromise, the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

(a) All non-audit services were subject to the corporate governance procedures adopted by the Group and have been reviewed by the Audit, Risk and Compliance Committee to ensure they do not impact the integrity and objectivity of the auditor; and

(b) The non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Group, acting as an advocate for the Group or jointly sharing risks and rewards.

Details of the amounts paid to the auditor of the Group, KPMG, and its network firms for audit and non-audit services provided during the year are set out at Note 33.

15 Rounding

The Group is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and, in accordance with that Instrument, amounts in the consolidated financial statements and Directors' Report have been rounded to the nearest thousand dollars, unless otherwise stated.

16 Proceedings on behalf of the company

No person has applied to the court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

17 Auditor's Independence Declaration

The Auditor's Independence Declaration is set out immediately after this Directors' Report and forms part of it.

18 Remuneration Report (audited)

18.1 Letter from the Chair of the People and Community Committee

Dear Shareholders,

I'm pleased to introduce this first remuneration report for Aussie Broadband. One of the company's values is **'Be good to people'**: it's central to how we engage with our customers, our team members and other stakeholders. 'Purpose' and 'culture' have become popular topics in the corporate world but – as in life – it's what you do, not what you say, that matters.

When we formed our Board Sub-Committees, we deliberately chose to combine oversight of 'People' and 'Community'. Contributing to the community in tangible ways has been part of the Aussie Way for a long time. It's part of who we are. So too is the emphasis we place on thriving people, doing the right thing, and looking for ways to change the game. Our approach to recognition and reward is designed to support this.

Remuneration is not the only way to reward people, and we continue to work to embed recognition and acknowledgement across the Company, including peer-to-peer recognition and awards based on our values.

As outlined elsewhere in this Annual Report, FY21 was a massive year for the Aussie Broadband team. In addition to the significant effort needed to list the company on the ASX, Aussie Broadband delivered outstanding operational performance while continuing its commitment to the community. I'd like to take this opportunity to thank the whole team at Aussie Broadband, and our customers, for their support during a very challenging year. Based mostly in Victoria, our team has swung in and out of lockdowns, has shown care and compassion for customers and each other, and has continued to deliver for our customers and shareholders despite many challenges.

Reward highlights of FY21

Before the IPO, the People and Community Committee carefully considered both the appropriate remuneration design, and remuneration levels, for KMP and other members of the leadership group, assisted by benchmarking and specialist remuneration advice. Short-term Incentive (STI) and Long-term Incentive (LTI) arrangements were put in place as described below.

KMP reward outcomes are clearly described in this report, both on a statutory basis and a 'cash and benefits received' basis. Deservedly, KMP – along with the other members of the leadership team – received an STI award of 96% of target. This reflects the strong EBITDA outcome and continuing high levels of customer and team engagement.

As part of our listing, all our staff were offered 1,000 Aussie Broadband shares under a tax-exempt scheme. Offering our people shares in the company was more than just giving our team 'skin in the game'; our leaders and Board saw it as the right thing to do – a demonstration that we play the game together, and an appropriate appreciation to every staff member for their hard work.

Similarly, we continue to offer above-award base pay rates for those staff without access to commissions.

Given Aussie Broadband's strong operating performance, and the team's 'above and beyond' commitment over a difficult 12 months, the Board also decided to offer a cash bonus to all staff not covered by our STI scheme.

Into the future

As Aussie continues to grow and develop, we continue to evaluate our structure and remuneration policies to ensure we can attract and retain the right people for our culture and ambitions. As part of this, the Board has approved for FY22:

- A new STI scheme for our mid-tier leaders, with criteria that match KMP and other senior leaders;
- A new STI scheme for all other staff, with variations on satisfaction measures where appropriate; and
- A Board share purchase scheme (fee sacrifice).

The Board intends to review the appropriateness of the company's current remuneration framework in FY22, including benchmarking Director and executive remuneration, and reconsidering the most appropriate design for the LTI scheme.

In summary

The Board is very proud of the achievements of the team in FY21, when the critical importance of reliable internet in the daily lives of Australians came to the fore. We believe that the Aussie Broadband team continues to change the telco game and show customers that great internet backed by great customer service is possible.

Richard Dammery
Chair, People and Community Committee

18.2 Who is covered by this report?

This Remuneration Report applies to KMP defined as those people having authority and responsibility for planning, directing, and controlling the activities of the Company, namely the Directors, the Managing Director, the CFO and the CTO.

DIRECTOR	POSITION	APPOINTED	PEOPLE AND COMMUNITY COMMITTEE	AUDIT, RISK AND COMPLIANCE COMMITTEE
Directors				
Adrian Fitzpatrick	Chair – Non-Executive	2020	Yes	Yes
Richard Dammery	Non-Executive Director	2020	Chair	Yes
Vicky Papachristos	Non-Executive Director	2020	Yes	Chair
Patrick Greene	Non-Executive Director	2017	Yes	Yes
Executive Directors				
Phillip Britt	Managing Director	2008		
John Reisinger	Chief Technology Officer and Director	2008		
Executive only				
Brian Maher	Company Secretary and Chief Financial Officer	2019		

To avoid confusion, we consider FY21 to be the full financial year rather than from the date of listing on the ASX (16 October 2020).

18.3 Remuneration at a glance

Our 'why' – to change the telco game

- a thriving people, culture and community
- exceptional customer experience, products and services
- sustainable growth and expansion

Our values

- don't be ordinary, be awesome
- think big
- no bullsh*t
- be good to people
- have fun

Our remuneration principles

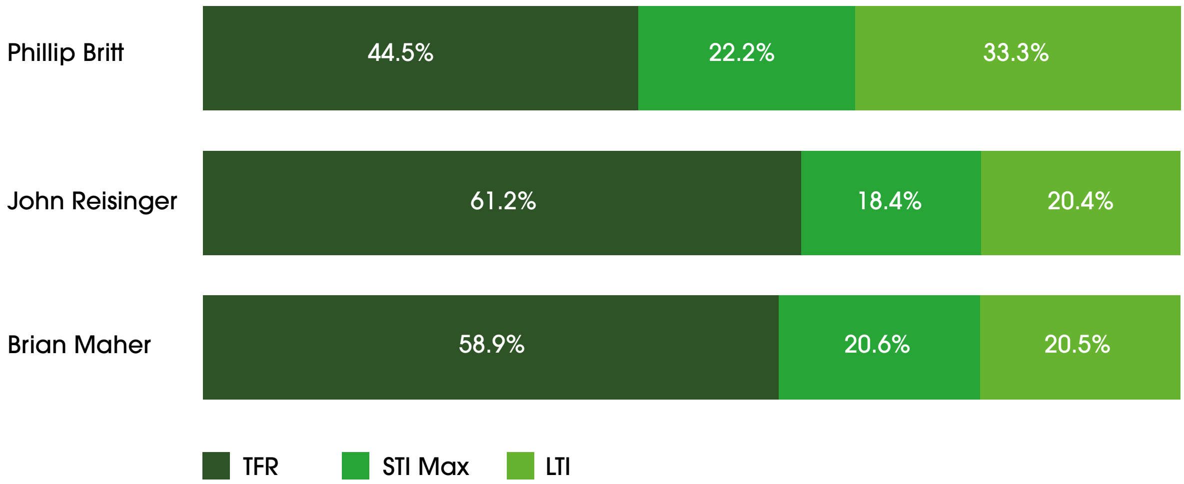
- our employees share in our success
- keep it simple and recognise great performance
- pay fairly for our market position, benchmarked against market practice

We seek to pay our executives at the market median for Total Fixed Remuneration and at the 75th percentile for Total Target Remuneration where outstanding performance is delivered. We benchmark our executives' remuneration against companies of similar market capitalisation, with particular reference to industry peers.

How we pay our executives

	DEFINITION	CONDITIONS
Total Fixed Remuneration (TFR)	Consists of base salary, superannuation, car and other allowances.	TFR reflects the strategic value of the role, size and complexity, individual responsibilities and experience and skills. TFR is set by reference to the market median for comparators including companies of similar market capitalisation with particular reference to industry peers.
Short-term Incentive (STI)	A defined % of TFR paid as a cash bonus upon signing of the financial statements. For KMP, 20% is deferred for 12 months, after which it is paid in cash.	STI is payable on the same basis for all participants (i.e. a one team approach). In FY21 this was based on 3 KPIs aligned with our strategic priorities, as set out in section 18.7.
Long-term Incentive (LTI)	Consists of options and/or performance rights.	LTI is currently awarded as an option grant to eligible participants with an exercise price indexed to the market price at the time of issue. Options vest after a 3-year period if participants remain employed by the Company and are exercisable for a further period of up to 3 years.

Executive KMP remuneration mix for FY21



STI targets for FY21

Currently, all executive members of the KMP and other members of the leadership group share the same three performance targets (one team approach). These targets are:

- directly linked to our strategic areas of fundamental importance;
- align with Aussie Broadband's underlying business approach that we look after staff, customers and shareholders alike;
- match our cultural preference for simplicity, transparency and clarity; and
- reflective of our new position as a listed entity.

Target definitions, including thresholds and pro-rata amounts for payment, are set by the Board and measured independently. More details on each target are in section 18.7.

What we paid our executive KMP for FY21

For FY21, KMP were paid 96% of their maximum STI.

Actual FY21 remuneration received was:

	POSITION	TOTAL FIXED REMUNERATION	IPO INCENTIVE[1]	TOTAL STI[2]	TOTAL LTI VESTED	TOTAL REMUNERATION
Phillip Britt	Managing Director	427,524	150,000	216,000	–	793,524
John Reisinger	Chief Technology Officer and Director	268,498	–	79,200	–	347,698
Brian Maher	Company Secretary and Chief Financial Officer	325,000	150,000	110,400	–	585,400

1. The Managing Director and Chief Financial Officer received pre-agreed incentive payments of $150,000 each for the successful completion of the IPO.
2. Represents Short-Term Incentives paid or payable in relation to performance in FY21.

18.4 Remuneration governance framework

Board

The Board is responsible for:

- defining Aussie's remuneration strategy; and
- determining the structure and quantum of remuneration for the Managing Director and other executives to support and drive the achievement of Aussie's strategic objectives.

The Board has overarching discretion on the awards given under Aussie's incentive plans.

Consultation with shareholders and other stakeholders

People and Community Committee

The P&C Committee is delegated responsibility by the Board to review and make recommendations on the remuneration approach, strategy and structure for Aussie's Directors, Managing Director and leadership team (including KMP).

The P&C Committee has in place a process of engaging and seeking independent advice from external remuneration advisers and ensures remuneration recommendations in relation to other executives are free from undue influence by management.

Remuneration consultants and other external advisers

- Provide the P&C Committee independent advice, information including benchmarking data and recommendations relevant to remuneration decisions.
- In performing its duties and making recommendations to the Board, the Chairman of the P&C Committee seeks independent advice from external advisers on various remuneration-related matters.
- Any advice or recommendations provided by external advisers are used to assist the Board – they do not substitute for the Board and HRC process.

Management

Provides information relevant to remuneration decisions and makes recommendations to the P&C Committee.

May obtain remuneration information from external advisers to assist the P&C Committee (i.e. market data, legal advice, accounting advice, tax advice).

Remuneration consultants and other external advisers

- Management may seek its own independent advice on information and recommendations relevant to remuneration decisions.

External consultants

During the year, the People and Community Committee engaged external consultants, SW Corporate, to provide independent advice on remuneration, including market practice perspectives on remuneration proposals, review of disclosures in the Remuneration Report and advice on STI, LTI and Director fee sacrifice share plan design. AON was engaged to provide benchmarking advice. Neither consultant provided remuneration recommendations as defined in the *Corporations Act 2001 (Cth)* in their engagements since listing.

18.5 Company performance outcomes for 5 years

YEAR ENDED 30 JUNE	2021	2020	2019	2018	2017
Revenue ($'000)	350,270	190,493	99,652	49,266	25,462
Gross margin ($'000)	98,274	44,792	17,888	10,791	7,688
Gross margin %	28.1%	23.5%	18.0%	21.9%	30.2%
EBITDA ($'000)	17,843	3,064	(2,373)	(156)	(1,633)
Net loss ($'000)	4,494	12,299	4,889	1,081	2,526
Dividends declared	–	–	120	–	–
Return of capital to shareholders	–	–	–	–	–
Share price at start of year ($)[1]	1.00				
Share price at end of year ($)	2.95				

1. For 2021 share price at IPO has been used as the price.

Aussie Broadband Limited was not a listed entity prior to the current financial year and there was no active market for the shares to determine a price.

FY21 was a significant year for Aussie as it transitioned from a proprietary company to a listed public company while increasing annual revenue by 84%. The result for the year was impacted by the costs associated with the conversion of convertible notes and IPO costs and was profitable before these costs. The Company grew residential connections by 50% and business connections by 90% and commenced the rollout of its fibre network. Other notable events included the execution of its first white label contract and a new Mobile Virtual Network Operator arrangement with Optus.

Short-term Incentives were awarded in the period and the details are set out in Section 18.7. Long-term Incentives in the form of share options were granted and the details are set out in Section 18.7.

18.6 Director remuneration

Our approach

In keeping with our remuneration principles, fees and payments to Non-Executive Directors reflect the demands and responsibilities of their roles, and are benchmarked regularly against market trends to ensure they are fair and competitive. They are designed to attract and retain Directors with the skills, experience, knowledge and cultural alignment that we need to achieve our goals and ambitions.

Under the Constitution:

- the Board decides the total amount paid to each Director as remuneration for their services as a Director; and
- the total amount paid to all Non-Executive Directors for their services must not exceed in aggregate in any financial year the amount fixed by the company in general meeting. Note this amount has been fixed by Aussie Broadband at $500,000 per annum until its first general meeting after listing, as described in the Prospectus.

To maintain independence, the remuneration of Non-Executive Directors cannot include a commission on, or a percentage of, profits or operating revenue.

Fees paid

Current annual Non-Executive Directors' fees (inclusive of superannuation) are:

- Chair – $80,000
- Committee Chair – $75,000
- Non-Executive Director – $70,000

Non-Executive Directors are entitled to be reimbursed for travel and other expenses incurred while carrying out their duties as a Director. Directors may be paid additional or special remuneration if, at the request of the Board, they perform any extra services or make special exertions.

The Company allotted and issued 25,000 shares to Directors Adrian Fitzpatrick, Richard Dammery and Vicky Papachristos (or their nominees) for nil cash consideration as a special exertion fee for their involvement in the Company's Initial Public Offering during FY21.

18.7 Executive remuneration

Our approach

Our approach to executive remuneration is outlined in the Chair's letter at the start of this Report and the 'Remuneration at a glance' table in section 18.3.

Details of Short-Term Incentive plan

All executive members of the KMP share the same three performance targets (one team approach). These targets are:

- directly linked to our strategic areas of fundamental importance;
- aligned with Aussie Broadband's underlying business approach that we look after staff, customers and shareholders alike;
- match our cultural preference for simplicity, transparency and clarity; and
- reflective of our new position as a listed entity.

Target definitions, including thresholds and pro-rata amounts for payment, are set by the Board, and measured independently.

They are currently:

TARGET	WEIGHTING	MEASURED BY	REASON FOR INCLUSION	CONDITIONS OF SATISFACTION	PERFORMANCE ASSESSMENT
EBITDA	80%	Financial audit	The Board considers this a critical measure of sustainable growth and expansion	EBITDA meets the gateway criteria of exceeding forecast at the time of setting STIs by enough to fund the STI scheme	Met
Staff satisfaction	10%	International Great Place to Work benchmarking survey	Ensuring our staff are engaged and satisfied is critical to the operations of Aussie Broadband. Our reputation for great customer service is built on the efforts of all of our staff	Target set at 90% staff satisfaction, with pro-rata rating down to 80%	Staff satisfaction 86% being 96% of target
Customer satisfaction	10%	External measures including data from public ratings, NBN and other surveys	High customer satisfaction ratings for both product and service is Aussie Broadband's major point of difference to competitors	Target set at maintaining current levels of customer satisfaction across an index of external scores	Met

Aussie Broadband's STI program is measured across the financial year to 30 June, with final assessment of performance after full-year audited results are finalised.

The Board deemed these weightings to be appropriate in the financial year that Aussie Broadband listed on the ASX, with accompanying forecasts. Targets and weightings are reviewed annually.

When assessing performance, the Board considers:

- performance against targets, including any EBITDA gateway;
- executive behaviour consistent with the Aussie Broadband values; and
- any Malus policy considerations.

Details of Long-Term Incentive plan

Aussie Broadband’s LTI plan has been designed to align long-term executive reward with shareholders’ interests. After consideration of alternative approaches, the Board – on recommendation of the People and Community Committee – determined to 'keep it simple' and, for the first two financial years after ASX listing (FY21 and FY22), award options to eligible executives. The operation of the options scheme is described in section 18.3. The most appropriate LTI scheme will be considered again by the Board during FY22.

The Board granted awards for 698,228 options to Phillip Britt, 189,642 to John Reisinger, 237,915 to Brian Maher and 786,155 options to other senior executives, with effect from listing on 16 October 2020. These options vest on 1 July 2023 subject to continued service.

Cessation of employment

Under the terms and conditions that attach to the grants made under the STI and LTI plans, the treatment of awards will be determined based on the circumstances of the departure of the executive where the Board maintains an overriding discretion over any treatment. While it is the default treatment for awards to remain on foot following cessation, the Board may exercise discretion such that awards are forfeited/lapse in certain circumstances (e.g. if they are designated a 'bad leaver').

Clawback and malus

Our plan rules grant the Board clawback powers. If, in the opinion of the Board, a participant acts fraudulently or dishonestly or is in breach of his or her obligations, the Board may deem any deferred STI or LTI held by the participant to be forfeited. No clawbacks occurred in FY21.

18.8 Employment terms for Key Management Personnel

Directors

Non-Executive Directors of Aussie Broadband are appointed by the Board and elected or re-elected by the shareholders. They are engaged through a letter of appointment.

Senior executives

Remuneration and other terms of employment for senior executives are formalised in employment agreements. Key terms of those agreements include:

NAME[1]	DURATION OF CONTRACT	NOTICE PERIOD (COMPANY AND INDIVIDUAL)	POTENTIAL TERMINATION PAYMENTS AND CONDITIONS[2]
Phillip Britt	No fixed term	9 months	Non-solicitation and non-compete clauses Statutory leave entitlements
John Reisinger	No fixed term	6 months	Non-solicitation and non-compete clauses Statutory leave entitlements
Brian Maher	No fixed term	6 months	Non-solicitation and non-compete clauses Statutory leave entitlements

1. All executive KMP were in their respective roles for the duration of the financial year.
2. Executive KMP have no entitlement to termination payments if they are removed for misconduct.

18.9 Statutory remuneration

The remuneration details of Key Management Personnel for the 2021 financial year are as follows:

Directors

	SHORT-TERM BENEFITS				POST EMPLOY'T BENEFITS	LONG-TERM BENEFITS		
	SALARY /FEES	CASH STI[1,2]	NON-MONETARY BENEFITS[3]	OTHER SHORT-TERM BENEFITS[4]	SUPER	LONG SERVICE LEAVE[5]	SHARE-BASED PAYMENTS[6,7]	TOTAL
Directors								
Phillip Britt	389,381	366,000	13,143	20,998	25,000	27,015	112,500	954,037
John Reisinger	231,490	79,200	13,117	31,014	23,892	23,425	30,556	432,694
Adrian Fitzpatrick	75,000	–	–	–	5,000	–	25,000	105,000
Richard Dammery	75,000	–	–	–	–	–	25,000	100,000
Vicky Papachristos	68,493	–	–	–	6,507	–	25,000	100,000
Patrick Greene	63,927	–	–	–	6,073	–	–	70,000
Executives								
Brian Maher	300,000	260,400	–	25,046	25,000	707	38,333	649,486

1. Includes $150,000 incentives paid to each of the Managing Director and Chief Financial Officer for the completion of the IPO.
2. 20% of STI arising for FY21 is deferred for 12 months but included as short-term benefits.
3. Fully maintained vehicles.
4. Increase in annual leave liability.
5. Increase in long service leave provision.
6. In relation to Non-Executive Directors this represents shares issued at IPO in recognition of special exertions during the IPO process.
7. In relation to executives this represents the value calculated under AASB 2 *Share-based Payment* for share options which vest over three years. Value only accrues to the executive when performance conditions have been met. The share-based payment expense represents the amount required under Accounting Standards to be expensed during the year in respect of Long-term Incentive allocations to executives. These amounts are therefore not amounts received by executives during the year nor may they be payable to the executive at any other time if the executive ceases to be employed by the company prior to vesting (unless Board discretion is exercised).

No termination benefits were paid during the period.

18.10 Summary of shares held by KMP

	OPENING BALANCE AT 1 JULY 2020	SHARE SPLIT PRE-IPO	RECEIVED AS PART OF REMUNERATION	ADDITIONS	DISPOSALS	CLOSING BALANCE AT 30 JUNE 2021
Directors						
Phillip Britt	2,000	19,544,809	–	–	(1,600,000)	17,946,809
John Reisinger	2,000	19,544,809	–	–	(1,600,000)	17,946,809
Adrian Fitzpatrick	–	–	25,000	40,000	–	65,000
Richard Dammery	–	–	25,000	35,000	–	60,000
Patrick Greene	1,243	12,147,099	–	–	–	12,148,342
Vicky Papachristos	–	–	25,000	25,000	–	50,000
Executives						
Brian Maher	7	68,407	–	100,000	–	168,414

18.11 Summary of options held by KMP

	OPENING BALANCE AT 1 JULY 2020	RECEIVED AS PART OF REMUNERATION	EXERCISED	CLOSING BALANCE AT 30 JUNE 2021	VESTED AND EXERCISABLE	VESTED DURING THE YEAR
Directors						
Phillip Britt	–	698,228	–	698,228	–	–
John Reisinger	–	189,642	–	189,642	–	–
Executives						
Brian Maher	–	237,915	–	237,915	–	–

18.12 Shares under option or performance rights

	NUMBER OF OPTIONS GRANTED	GRANT DATE	VESTING AND EXERCISABLE DATE	EXPIRY DATE	EXERCISE PRICE	FAIR VALUE AT GRANT DATE ($)
Directors						
Phillip Britt	698,228	1/7/2020	1/7/2023	30/6/2026	$1.00	337,500
John Reisinger	189,642	1/7/2020	1/7/2023	30/6/2026	$1.00	91,667
Executives						
Brian Maher	237,915	1/7/2020	1/7/2023	30/6/2026	$1.00	115,000

This concludes the Remuneration Report, which has been audited.

19 Directors' declaration

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 **Chairman**	**Phillip Britt** **Managing Director**

Melbourne
30 August 2021

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 audit of Aussie Broadband Limited for the financial year ended 30 June 2021 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

Suzanne Bell

Partner

Melbourne

30 August 2021

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2021

	NOTES	2021	2020
		$'000	$'000
Revenue	5	350,270	190,493
Network and hardware expenses		(251,996)	(145,700)
Employee expenses		(41,334)	(22,869)
Marketing expenses		(26,294)	(11,216)
Administration and other expenses	6	(12,803)	(7,644)
Depreciation and amortisation	11, 12, 14	(7,560)	(5,503)
Interest expenses		(2,257)	(6,984)
Interest income		93	102
Change in fair value of derivative	19	(12,273)	(2,978)
Loss before income tax expense		**(4,154)**	**(12,299)**
Income tax expense	7	(340)	–
Loss after income tax expense for the year		**(4,494)**	**(12,299)**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Other comprehensive income for the year, net of tax		–	–
Total comprehensive income for the year		**(4,494)**	**(12,299)**

Loss per share		$	$
Basic and diluted loss per share	24	(0.03)	(1,154.84)

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

Consolidated Statement of Financial Position

For the year ended 30 June 2021

	NOTES	2021	2020
		$'000	$'000
Assets			
Current assets			
Cash and cash equivalents	8	57,010	21,435
Trade and other receivables	9	16,948	11,389
Inventories	10	5,500	1,692
Financial assets	13	15	1,947
Prepayments		2,017	590
Total current assets		**81,490**	**37,053**
Non-current assets			
Property, plant and equipment	11	17,393	5,408
Right-of-use assets	14	12,275	12,385
Intangibles	12	3,993	2,458
Deferred tax	7	1,080	–
Financial assets	13	682	228
Total non-current assets		**35,423**	**20,479**
Total assets		**116,913**	**57,532**
Liabilities			
Current liabilities			
Trade and other payables	15	26,799	16,115
Contract liabilities	20	15,769	10,764
Current tax liabilities	7	654	–
Borrowings	17	–	27,238
Derivative	19	–	10,384
Lease liabilities	14	5,489	4,009
Employee benefits	16	3,232	1,970
Total current liabilities		**51,943**	70,480
Non-current liabilities			
Lease liabilities	14	5,075	7,541
Employee benefits	16	348	234
Total non-current liabilities		**5,423**	**7,775**
Total liabilities		**57,366**	**78,255**
Net assets/(liabilities)		**59,547**	**(20,723)**
Equity			
Issued capital	21	95,088	10,632
Reserves		308	–
Accumulated losses	23	(35,849)	(31,355)
Total surplus/(deficiency) in equity		**59,547**	**(20,723)**

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

Consolidated Statement of Changes in Equity

For the year ended 30 June 2021

	NOTES	ISSUED CAPITAL	SHARE-BASED PAYMENT RESERVE	ACCUM-ULATED LOSSES	TOTAL DEFICIENCY IN EQUITY
		$'000	$'000	$'000	$'000
Balance at 1 July 2019		10,632	–	(19,056)	**(8,424)**
Loss after income tax expense for the year		–	–	(12,299)	**(12,299)**
Total comprehensive loss for the year		–	–	(12,299)	**(12,299)**
Balance at 30 June 2020		**10,632**	**–**	**(31,355)**	**(20,723)**

	NOTES	ISSUED CAPITAL	SHARE-BASED PAYMENT RESERVE	ACCUM-ULATED LOSSES	TOTAL SURPLUS/ (DEFICIENCY) IN EQUITY
		$'000	$'000	$'000	$'000
Balance at 1 July 2020		10,632	–	(31,355)	**(20,723)**
Loss after income tax expense for the year		–	–	(4,494)	**(4,494)**
Total comprehensive loss for the year		–	–	(4,494)	**(4,494)**
Transactions with owners of the company					
Issue of ordinary shares	21	86,253	–	–	**86,253**
Costs associated with issue of ordinary shares	21	(1,797)	–	–	**(1,797)**
Share-based payment expense	22	–	308	–	**308**
Total transactions with owners of the company		84,456	308	–	**84,764**
Balance at 30 June 2021		**95,088**	**308**	**(35,849)**	**59,547**

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

Consolidated Statement of Cash Flows

For the year ended 30 June 2021

	NOTES	2021	2020
		$'000	$'000
Cash flows from operating activities			
Receipts from customers		384,736	209,303
Payments to suppliers and employees		(359,244)	(201,231)
		25,492	8,072
Interest received		93	102
Interest and other finance costs paid		(302)	(1,277)
Net cash from operating activities		**25,283**	**6,897**
Cash flows from investing activities			
Payments for property, plant and equipment	11	(14,993)	(3,899)
Payments for intangibles	12	(2,140)	(1,529)
Proceeds from disposal of property, plant and equipment		1	63
Net cash used in investing activities		**(17,132)**	**(5,365)**
Cash flows from financing activities			
Equity proceeds (net of costs)		37,438	–
Payment of lease liabilities		(5,992)	(3,898)
Repayment of borrowings		(5,500)	–
Drawdown of debt facility		–	23,436
Net recovery of security deposits		1,478	(125)
Net cash from financing activities		**27,424**	**19,413**
Net increase in cash and cash equivalents		35,575	20,945
Cash and cash equivalents at the beginning of the financial year		21,435	490
Cash and cash equivalents at the end of the financial year	8	**57,010**	**21,435**

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

Notes to the Financial Statements

For the year ended 30 June 2021

1 Reporting entity

The consolidated financial statements of Aussie Broadband Limited (the '**parent**' or '**Company**') and its subsidiaries (collectively, the 'Group') for the year ended 30 June 2021 were authorised for issue in accordance with a resolution of the Directors on 30 August 2021. 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 presentation currency of the Group.

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

The principal activity of the Group is a national carrier of telecommunication services in Australia, focused on providing internet and other telecommunication services to its customers.

2 Significant accounting policies

2.1 Basis of preparation

The consolidated financial statements are general purpose financial statements, which have been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board ('**AASB**').

These consolidated financial statements also comply with the International Financial Reporting Standards ('**IFRS**') as issued by the International Accounting Standards Board ('**IASB**').

The consolidated financial statements have been prepared on a historical cost basis.

The consolidated financial statements provide comparative information in respect of the previous period. The accounting policies have been applied consistently to all periods presented in the financial statements.

2.2 Critical accounting judgements, estimates and assumptions

The preparation of the consolidated 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 estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed at Note 4.

2.3 Parent entity information

In accordance with the *Corporations Act 2001*, these consolidated financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in Note 29.

2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 30 June 2021. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

2 Significant accounting policies continued

Profit or loss and each component of other comprehensive income ('OCI') are attributed to the equity holders of the parent of the Group. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

2.5 Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Maker ('**CODM**'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

2.5.1 Identification of reportable operating segments

The Group provides telecommunication services in Australia focused on providing internet and other telecommunication services. It is organised into two operating segments: Residential and Business. These segments have separate marketing, sales and support functions but operate largely across the same network, and as such, a significant proportion of operating costs need to be allocated to each segment on a proportional basis.

2.6 Revenue

2.6.1 Revenue from contracts with customers

The Group's primary revenue streams relate to the provision of internet services, together with related hardware, to residential and business customers.

The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer, with the exception of new development connections, for which the Group considers itself to be an agent.

The Group's primary performance obligations are the supply of internet data services and related hardware. Generally, contracts are a bundle of goods and services including NBN services, related hardware such as modems, mobile services and handsets. The Group allocates the transaction price to the distinct goods and services in the bundle based on observable standalone selling prices of these products and services. However, any lease components (with the Group as lessor) are separated and accounted for under the lease accounting standard, AASB 16.

2.6.2 Sale of goods

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery of those goods at the customer's location.

2.6.3 Rendering of services

Revenue is recognised when control has transferred to the customer. Transfer of control from sale of services occurs based on passage of time (for contracts with fixed monthly fees) or when the services have been consumed (for usage or excess based contracts).

2.6.4 Billing in advance

Where goods or services have been billed in advance and the performance obligations to transfer the goods or services to the customer have not been satisfied, the consideration received will be recognised as revenue received in advance and recognised as a contract liability until such time as those performance obligations are met, and revenue is recognised.

2.6.5 Residential contracts

Residential sales represent sales to residential property owners/renters for broadband services and related hardware. Residential contracts are described as 'no lock-in contracts' whereby the customer can terminate the services at any time. In such a situation, the customer is entitled to a pro-rata refund of the monthly subscription fee paid in advance. For these contracts, the enforceable duration of the contract is short-term (less than one month).

2.6.6 Business customer contracts

Business sales represent sales to small, medium, and large enterprises including government for telecommunication services, including NBN, telephony, other internet, and support services. Business contracts are generally described as 'no lock-in contracts' and operate on a similar basis to residential contracts. Some business contracts are based on a fixed monthly charge for each service/hardware provided and range in duration from 12 to 36 months. Penalties to the customer apply in the event of early termination and accordingly the enforceable duration of the contracts coincide with the term stipulated in the contract. Modems, hardware, and telephony systems provided under these contracts are generally considered to represent leases, with the Group as lessor, and are accounted for in accordance with AASB 16.

2.6.7 Costs to obtain a contract (sales commissions)

Sales commissions paid under the long-term contract commission structure are directly attributable to obtaining customer contracts mainly in the business customer segment and are paid or payable throughout the life in relation to the acquired customer. The sales commissions value is determined and payable on a regular basis over the period that customer ultimately remains with the Group. As such, the costs are expensed as incurred.

Management has elected to apply the practical expedient to immediately expense commissions payable or paid on any sales contract which has a term of 12 months or less.

Sales commissions paid under the sales commission scheme are immediately expensed as and when paid. These commissions are based on sales made to residential and business customers who are under a 'no lock-in contract' and therefore the contract operates on a month-to-month basis.

2.6.8 Variable consideration

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts for the sale of equipment provide customers with a right to return the goods within a specified period. The rights of return and volume rebates give rise to variable consideration.

2.6.9 Significant financing component

The payment terms in the Group's contracts range from monthly in advance for the goods or services to 30 days. On this basis, it is considered that there is not a significant time difference between payment and performance by the Group (either providing the goods or services). Accordingly, the Group does not believe that the contracts contain a significant financing component.

2.6.10 Trade receivables

A receivable is recognised if an amount of consideration that is unconditional is due from the customer (i.e. only the passage of time is required before payment of the consideration is due).

2.6.11 Interest revenue

Interest revenue is recognised as interest accruing using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

2.6.12 Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

2 Significant accounting policies continued

2.7 Income tax

Income tax expense for the year is the tax payable on that year's taxable income based on the applicable income tax rate, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior years, where applicable. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in the Consolidated Statement of Financial Position.

Taxable profit differs from profit before tax as reported in the Consolidated Statement of Profit or Loss and Other Comprehensive Income because of items of income or expenses that are taxable or deductible in other years and items that are never taxable or deductible.

2.7.1 Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the Consolidated Statement of Profit or Loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

2.7.2 Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, except:

(a) when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

(b) in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

(c) when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

(d) in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

2.8 Goods and Services Tax (GST) and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the Australian Taxation Office ('ATO'). In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in trade and other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the ATO, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

2.9 Current and non-current classification

Assets and liabilities are presented in the Consolidated Statement of Financial Position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

2.10 Cash and cash equivalents

Cash and short-term deposits in the Consolidated Statement of Financial Position comprise cash at bank and on hand and short-term highly liquid deposits with a maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

For the purpose of the Consolidated Statement of Cash Flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, and are considered an integral part of the Group's cash management.

2.11 Trade and other receivables

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 14 to 30 days.

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. A percentage of aged debt revenue is used to determine the expected credit loss provision. This is continually reviewed and adjusted for any market factors.

The COVID-19 pandemic impacted the expected credit loss position of the Group during the year. Credit management practices were eased during the year, recognising the challenging circumstances experienced by many customers and, generally, customers in difficulty responded positively to this approach and worked with the business to ensure bills were paid, albeit on delayed terms. However, some customers did not choose to engage with the Company on the repayment of debts and it had to terminate their services. New processes have been

2 Significant accounting policies continued

introduced that continue to offer assistance to those in need but shorten the time frames allowed for those customers who do not work with the Company to resolve the issue. It is expected that the Group's credit loss position has returned to historical norms but additional allowance has been made for ongoing COVID-19 impacts in expected credit loss provision to allow for uncertainty.

2.12 Inventories

Stock on hand is stated at the lower of cost and net realisable value. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.13 Plant and equipment

2.13.1 Recognition and measurement

Plant and equipment is stated at historical cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, as follows:

Plant and equipment	3 to 10 years
Motor vehicles	5 years
Office furniture and equipment	3 to 20 years
Lease hold improvements	10 years
Fibre assets	25 years

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal (i.e. at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

2.13.2 Capital Work In Progress

Assets that are created over time through the combination of materials and activity are carried as capital work in progress until the asset is completed and available for us at which point it is capitalised in the appropriate category and depreciated therefrom.

2.14 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised but are tested for impairment annually. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Subsequently, intangible assets are measured in the following way:

IP Addresses

IPv4 Addresses have an indefinite useful life. The Group determined that this assessment remained appropriate because there is a finite number of these IP Addresses which for the foreseeable future will remain 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.

Software

Software is subsequently measured at cost and amortised over a five-year period, which is the period of their expected benefit.

Hawaiki Submarine Cable set up

Hawaiki Submarine Cable set up is subsequently measured at cost and amortised over a 36-month period, which is the period of its expected benefit.

2.15 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets (where relevant). The Group recognises lease liabilities to make lease payments and right-of-use ('ROU') assets representing the right to use the underlying assets.

(a) **Right-of-use assets**

The Group recognises ROU assets at the commencement date of the lease (i.e. the date the underlying asset is made available for use). ROU assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of the ROU assets includes the amount of lease liabilities recognised, initial direct costs incurred, and any lease payments made at or before the commencement date less any lease incentives received. The cost of right-of-use assets also includes an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease. ROU assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

(i) Property: 3 to 10 years

(ii) Network equipment: 3 to 10 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The ROU assets are also subject to impairment.

2 Significant accounting policies continued

(b) **Lease liabilities**

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Group uses its incremental borrowing rate ('**IBR**') at the lease commencement date because the interest rate implicit in the lease is generally considered to not be readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are disclosed in the Statement of Financial Position (see Note 14).

(c) **Short-term leases and leases of low-value assets**

The Group applies the short-term lease recognition exemption to its short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low-value (where relevant). Lease payments on short-term leases and leases of low-value assets are recognised as expense in profit or loss on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising from operating leases is accounted for on a straight-line basis over the lease term and is included in revenue in profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

2.16 Impairment of non-financial assets

Intangible assets that have an indefinite useful life and goodwill are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Unit's ('**CGU**') fair value less costs of disposal and its value-in-use.

For all other non-financial assets, the Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on the most recent budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses are recognised in profit or loss in expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

2.17 Financial assets and liabilities

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

2.17.1 Financial assets

Initial recognition and measurement

On initial recognition, a financial asset is classified as measured at: amortised cost, fair value through OCI or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest ('**SPPI**')' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e. the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories: financial assets at amortised cost, financial assets at fair value through OCI, and financial assets at fair value through profit or loss.

Financial assets at amortised cost

Financial assets at amortised cost are subsequently measured using the effective interest rate ('**EIR**') method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost includes trade receivables, deposits, and cash and cash equivalents.

Impairment

The Group recognises an allowance for expected credit losses ('**ECLs**') for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original EIR. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

2 Significant accounting policies continued

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment such as the recent COVID-19 pandemic.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e. removed from the Group's consolidated statement of financial position) when the rights to receive cash flows from the asset have expired or the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

2.17.2 Financial liabilities

Initial recognition and measurement

On initial recognition, a financial asset is classified as measured at: amortised cost, fair value through OCI or fair value through profit or loss.

All financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortised cost, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, borrowings and convertible notes.

Convertible notes

Upon initial recognition, convertible notes are analysed to determine whether they contain liability and/or equity components based on the terms of the contract. On issuance, where a convertible note contains both components, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption. The remainder of the proceeds would then be allocated to the conversion option that is recognised and included in equity. Transaction costs are apportioned between the liability and equity components of the convertible note based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised. Transaction costs are deducted from equity, net of associated income tax. Where the conversion option is classified as equity, the carrying amount of the conversion option is not remeasured in subsequent years.

Where the equity conversion feature is not considered to represent an equity component, i.e. because it fails the fixed for fixed conversion requirements, it instead would represent an embedded derivative that needs to be separated from the host non-derivative debt contract and measured at fair value initially and subsequently. In such a situation, the face value of the convertible note is separated between the non-derivative debt contract and the embedded derivative. Transaction costs are allocated to the non-derivative post contract on initial recognition.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

(a) financial liabilities at fair value through profit or loss; and

(b) financial liabilities at amortised cost.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by AASB 9 *Financial Instruments* ('**AASB 9**'). Separated embedded derivatives, e.g. those relating to the convertible notes which are not considered to be equity components, are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in AASB 9 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

Financial liabilities at amortised cost

This is the category most relevant to the Group. After initial recognition, borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as interest expense in profit or loss.

This category generally applies to trade and other payables and borrowings. For more information, refer to Note 17.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

2.17.3 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.18 Fair value measurement

The Group measures financial instruments, and non-financial assets at fair value at each balance sheet date in accordance with AASB 13 *Fair Value Measurement* ('**AASB 13**').

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

2 Significant Accounting Policies continued

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

(a) Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

(b) Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

(c) Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. No transfers between the levels of the fair value hierarchy occurred during 2020 or 2019.

Management determines the policies and procedures for both recurring fair value measurement and for non-recurring measurement.

At each reporting date, management analyses the movements in the values of assets and liabilities which are required to be remeasured or reassessed as per the Group's accounting policies. For this analysis, management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

2.19 Employee benefits

2.19.1 Wages, salaries, annual leave and sick leave

Liabilities for employee benefits for wages, salaries, annual leave, sick leave and any other employee benefits expected to be settled within 12 months of the reporting dates are calculated at undiscounted amounts based on the remuneration rates that the Group expects to pay as at the reporting date, including related on-costs such as workers compensation insurance and payroll tax.

2.19.2 Long-term service benefits

The Group's net obligation in respect of long-term service benefits, other than superannuation plans, is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using expected future increases in wage and salary rates including related on-costs and expected settlement dates and is discounted using the rates attached to high-quality corporate bonds at the balance sheet date which have maturity dates approximating to the terms of the Company's obligations.

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date is measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

2.20 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.21 Foreign currencies

The Group's consolidated financial statements are presented in Australian dollars, which is also the parent company's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

2.21.1 Transactions and balances

Transactions in foreign currencies are initially recorded by each entity at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

2.22 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

3 Changes in accounting policies and disclosures

3.1 New and amended standards and interpretations

A number of new accounting standards and interpretations became mandatory during the financial year. None of these had a material impact on the accounting policies of the Group or the preparation of the financial statements.

3.2 Standards issued but not yet effective

The Group has not early adopted any standard or interpretation that has been issued but is not yet effective and it is not expected that any of them will have a material impact on the financial results of the Group upon adoption.

4 Significant accounting judgements, estimates and assumptions

The preparation of the Consolidated Financial Statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the Consolidated Financial Statements. Management continually evaluates its judgements and estimates in relation to assets and liabilities, contingent liabilities, revenues and expenses. Management bases its judgements, estimates and assumptions on historical experience and on various other factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

In the process of applying the Group's accounting policies, management has made the judgements. Those with the most significant effect on the amounts recognised in the consolidated financial statements have been outlined below. The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

4.1 Judgements

4.1.1 Determining the lease term of contracts with renewal and termination options – Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease, if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew (e.g. construction of significant leasehold improvements or significant customisation to the leased asset).

Typically, the Group included the renewal period as part of the lease term for:

(a) Property leases with shorter non-cancellable periods (3 – 5 years). The Group historically exercises these renewal options.

(b) The Group also has several leases of space on towers to which it attaches its broadband communication equipment. Many of these leases are in 'hold-over' whereby the non-cancellable period of the lease has expired however the Group is entitled to continue to lease the tower space on a month-to-month basis. The entity includes the hold-over period as part of the lease and has determined the hold-over periods of these leases to be between 5 and 7 years, based on business plans and forecasts. There will be a significant negative effect if a replacement tower is not readily available and the costs associated with relocating the Group's broadband communication equipment to alternative towers is significant.

The Group does not typically include the renewal period for data network cable leases as the end of each contract provides an opportunity to tender the services and secure better terms.

4.1.2 Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the Group considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

4.2 Estimates and assumptions

4.2.1 Estimation of useful lives of assets

The Group determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

4.2.2 Impairment of non-financial assets

Impairment exists when the carrying value of an asset exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value-in-use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset.

4.2.3 Provision for expected credit losses of trade receivables (ECLs)

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due. These provision rates are considered representative across all customers of the Group based on recent sales experience, historical collection and forward-looking information that is available.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions are expected to deteriorate, which can lead to an increased number of defaults in the telecommunications sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

An additional consideration at the current time is the potential impact of COVID-19 on anticipated credit loss experience. The pandemic impacted the expected credit loss experience of the Group during the year. Credit management practices were eased during the year, recognising the challenging circumstances experienced by many customers and, generally, customers in difficulty responded positively to this approach and worked with the business to ensure bills were paid, albeit on delayed terms. However, some customers did not choose to engage with the Company on the repayment of debts and it had to terminate their services. New processes have been introduced that continue to offer assistance to those in need but shorten the time frames allowed for those customers who do not work with the Company to resolve the issue. The Group's credit loss position has returned to historical norms but additional allowance has been made for ongoing COVID-19 impacts in expected credit loss provision to allow for uncertainty.

4.2.4 Employee benefits

As discussed in Note 16, the liability for employee benefits expected to be settled more than 12 months from the reporting date is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

4.2.5 Leases – Estimating the incremental borrowing rate (IBR)

The Group cannot readily determine the interest rate implicit in the lease, therefore it uses its IBR to measure lease liabilities. The IBR is the rate of interest that the lessee would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the lessee would have to pay, which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease.

The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

5 Revenue

	2021	2020
	$'000	$'000
Disaggregation of revenue		
The disaggregation of revenue from contracts with customers is as follows:		
Rendering of services	334,058	179,965
Sale of goods	16,037	10,462
Other income from customers	175	66
Revenue from contracts with customers	**350,270**	**190,493**
Timing of revenue recognition		
Services transferred at a point in time	17,304	10,870
Services transferred over time	332,966	179,623
	350,270	**190,493**

Performance obligations

Information about the Group's performance obligations is summarised below:

- Internet data, mobile calls and data, telephony services, Fetch and customer support performance obligations are satisfied over time and payment is generally due monthly, either in advance or arrears.
- Certain contracts with customers contain performance obligations for the delivery of equipment (i.e. modems and hardware). These performance obligations are satisfied upon delivery of the equipment and payment is generally due within 30 days of delivery.

The transaction price allocated to the remaining performance obligations (unsatisfied or partially satisfied) as at 30 June 2021 is as follows:

	2021	2020
	$'000	$'000
Within one year	9,125	16,627
More than one year	8,617	5,879
	17,742	**22,506**

6 Administration and other expenses

	2021	2020
	$'000	$'000
Included in Administration and other expenses are:		
Professional expenses	5,720	3,014
Office expenses	2,972	2,959
Other expenses	2,924	1,297
IPO preparation expenses	1,187	374
Total	**12,803**	**7,644**

7 Income tax expense

	2021	2020
	$'000	$'000
Tax recognised in profit or loss		
Current tax expense		
Current period	2,077	(608)
Change in unrecognised tax losses	(1,423)	608
	654	–
Deferred tax expense		
Origination and reversal of temporary differences	869	(1,489)
Change in the unrecognised deductible temporary differences	(1,183)	1,489
	(314)	–
Total tax expense	**340**	**–**
Reconciliation of effective tax rate		
Loss for the period	(4,154)	(12,299)
Tax at the statutory tax rate of 30%	(1,246)	(3,690)
Non-deductible expenses – convertible note related expenses	4,099	1,593
Non-deductible expenses – other expenses	93	–
Change in unrecognised deductible temporary differences	(1,183)	1,489
Change in unrecognised tax losses	(1,423)	608
	340	**–**
Unrecognised deferred tax assets		
Deferred tax assets have not been recognised in respect of the following items:		
Deductible timing differences	–	2,085
Tax losses	1,940	2,740
	1,940	4,825

Deferred tax assets were not recognised in respect of these items at June 2020 because it was not probable at that time that future taxable profit would be available against which the Group could utilise the benefits therefrom. At June 2021 tax losses have not been recognised as there is no certainty that they can be utilised.

7 Income tax expense continued

Deferred tax balances relate to the following:

	CONSOLIDATED STATEMENT OF FINANCIAL POSITION		CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Property, plant & equipment	(1,027)	–	(1,027)	–
Right-of-use asset/liability	(513)	24	(263)	24
Intangible asset – software	(185)	–	(185)	18
Expected credit loss provision	133	81	52	45
Accrued revenue	(22)	(49)	27	(33)
Employee provisions	1,074	661	413	293
Convertible note and derivative	–	920	–	920
Other deferred tax differences	1,620	448	114	222
Derecognition of deductible temporary differences	–	(2,085)	–	(1,489)
Net deferred tax balance	**1,080**	**–**		
Deferred tax expense/(benefit)			**(869)**	**–**

In addition, $765,634 of deferred tax movements were recognised in equity as they related to IPO costs offset against the equity raised.

8 Cash and cash equivalents

	2021	2020
	$'000	$'000
Cash on hand	1	1
Cash at bank	57,009	21,434
Total	**57,010**	**21,435**

9 Trade and other receivables

	2021	2020
	$'000	$'000
Trade receivables	17,315	11,493
Allowance for expected credit loss (Note 28)	(442)	(269)
Sundry debtors	75	165
	16,948	**11,389**

Trade receivables are non-interest bearing and are generally on terms of 30 days.

Set out below is the movement in the allowance for expected credit loss of trade receivables:

	2021	2020
	$'000	$'000
As at 1 July	269	119
Allowance for expected credit loss	2,814	1,183
Written off during the year	(2,641)	(1,033)
As at 30 June	**442**	**269**

Further details on the ageing of trade receivables and expected credit loss are included in Note 28.

10 Inventories

Inventories comprise routers, IP phones and other data network equipment that are sold to customers in connection with their data and broadband services. Inventories are carried at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

	2021	2020
	$'000	$'000
Routers	5,395	1,660
IP Phones	11	22
Other	94	10
	5,500	**1,692**

11 Property, plant and equipment

	2021	2020
	$'000	$'000
Leasehold improvements		
At cost	571	446
Less: accumulated depreciation	(272)	(223)
	299	223
Plant and equipment		
At cost	20,164	13,544
Less: accumulated depreciation	(11,778)	(9,988)
	8,386	3,556
Motor vehicles		
At cost	577	492
Less: accumulated depreciation	(396)	(365)
	181	127
Office and computer equipment		
At cost	2,504	1,394
Less: accumulated depreciation	(1,026)	(566)
	1,478	828
Capital Work in Progress	7,049	674
	7,049	674
Total property, plant & equipment at net book value	**17,393**	**5,408**

11 Property, plant and equipment continued

	LEASEHOLD IMPROVEMENT	PLANT & EQUIPMENT	MOTOR VEHICLES	OFFICE & COMPUTER EQUIPMENT	CAPITAL WORK IN PROGRESS	TOTAL
	$'000	$'000	$'000	$'000	$'000	$'000
Carrying amount at 1 July 2019	**180**	**7,318**	**122**	**371**	**–**	**7,991**
Additions	74	4,948	138	684	674	**6,518**
Disposals	–	(179)	(59)	–	–	**(238)**
Depreciation expense	(31)	(2,708)	(74)	(227)	–	**(3,040)**
Transfer to right-of-use assets	–	(5,823)	–	–	–	(5,823)
Carrying amount at 30 June 2020	**223**	**3,556**	**127**	**828**	**674**	**5,408**

	LEASEHOLD IMPROVEMENT	PLANT & EQUIPMENT	MOTOR VEHICLES	OFFICE & COMPUTER EQUIPMENT	CAPITAL WORK IN PROGRESS	TOTAL
	$'000	$'000	$'000	$'000	$'000	$'000
Carrying amount at 1 July 2020	**223**	**3,556**	**127**	**828**	**674**	**5,408**
Additions	125	2,074	85	1,104	11,144	**14,532**
Transfers from Capital Work in Progress	–	4,763	–	6	(4,769)	**–**
Disposals	–	(53)	–	–	–	**(53)**
Depreciation expense	(49)	(1,954)	(31)	(460)	–	**(2,494)**
Carrying amount at 30 June 2021	**299**	**8,386**	**181**	**1,478**	**7,049**	**17,393**

12 Intangibles

	2021	2020
	$'000	$'000
Software		
At cost	5,885	4,484
Less: accumulated depreciation	(3,855)	(3,299)
	2,030	1,185
IP Addresses at cost	1,963	1,273
Total intangible assets at net book value	**3,993**	**2,458**

Reconciliations

Reconciliations of the carrying amounts of each class of intangible assets at the beginning and end of the current and previous financial year are set out below.

	SOFTWARE	IP ADDRESSES	SUBMARINE CABLE SET UP	TOTAL
	$'000	$'000	$'000	$'000
Carrying amount at 1 July 2019	**1,059**	**343**	**15**	1,417
Additions	606	930	–	**1,536**
Write down	(44)	–	(10)	**(54)**
Amortisation expense	(436)	–	(5)	**(441)**
Carrying amount at 30 June 2020	**1,185**	**1,273**	**–**	**2,458**
Carrying amount at 1 July 2020	**1,185**	**1,273**	**–**	**2,458**
Additions	1,401	810	–	**2,211**
Disposals	–	(120)	–	**(120)**
Amortisation expense	(556)	–	–	**(556)**
Carrying amount at 30 June 2021	**2,030**	**1,963**	**–**	**3,993**

The amortisation expenses are recognised in profit or loss in 'depreciation and amortisation'.

IP Addresses with indefinite useful lives are tested for impairment annually and when circumstances indicate that the carrying value may be impaired. Recent purchases confirm that the fair value of the asset is greater than its carrying value and therefore did not trigger an impairment.

13 Financial assets

	2021	2020
	$'000	$'000
Current		
Deposits	15	1,947
Total	**15**	**1,947**
Non-current		
Security deposits	–	15
Other deposits	682	213
Total	**682**	**228**

The Group held security deposits for rental bonds and transactional security deposits with various financial institutions.

14 Leases

14.1 Group as a lessee

The Group has lease contracts for various offices, long-range data connections and specific equipment in connection with services provided to the Group by various data centres. Lease agreements are typically for fixed periods of 3 - 5 years but may have extension options as described below.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

Set out below are the carrying amounts of ROU assets recognised and the movements during the year:

	PROPERTY	NETWORK EQUIPMENT	TOTAL
	$'000	$'000	$'000
As at 1 July 2020	1,171	11,214	12,385
Additions	–	3,887	3,887
Modification	496	50	546
Disposals	–	(33)	(33)
Depreciation expense	(349)	(4,161)	(4,510)
As at 30 June 2021	**1,318**	**10,957**	**12,275**

	PROPERTY	NETWORK EQUIPMENT	TOTAL
	$'000	$'000	$'000
As at 1 July 2019	**711**	**4,626**	**5,337**
Additions[1]	–	8,326	8,326
Modification	744	–	744
Depreciation expense	(284)	(1,738)	(2,022)
As at 30 June 2020	**1,171**	**11,214**	**12,385**

1 This includes an amount of $5,823,258 transferred from Plant & equipment relating to assets acquired under a Finance lease prior to the adoption of AASB 16.

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	PROPERTY	NETWORK EQUIPMENT	TOTAL
	$'000	$'000	$'000
As at 1 July 2020	1,155	10,395	11,550
Additions	–	3,887	3,887
Modification	496	50	546
Accretion of interest	59	549	608
Disposals	–	(35)	(35)
Payments	(342)	(5,650)	(5,992)
As at 30 June 2021	**1,368**	**9,196**	**10,564**
Current			5,489
Non-current			5,075

	PROPERTY	NETWORK EQUIPMENT	TOTAL
	$'000	$'000	$'000
As at 1 July 2019	**711**	**4,626**	**5,337**
Additions[2]	–	7,407	7,407
Modification	744	–	744
Accretion of interest	24	245	269
Payments	(324)	(1,883)	(2,207)
As at 30 June 2020	**1,155**	**10,395**	**11,550**
Current			4,009
Non-current			7,541

2 This includes an amount of $4,907,152 transferred from borrowing costs relating to assets acquired under a Finance lease prior to the adoption of AASB 16.

The maturity analysis of lease liabilities is disclosed at Note 28.

The following are amounts recognised in profit or loss:

	2021	2020
	$'000	$'000
Depreciation expense of ROU assets	4,510	2,022
Interest expense on lease liabilities	608	269
Expense relating to short-term leases (not included in the measurement of the lease liability)	3	–
Total amount recognised in profit or loss	**5,121**	**2,291**

The Group had cash outflows for ROU leases of $5,992,227 which includes interest of $607,824.

The Group has lease contracts for property that contain variable payments based on the outcome of market rent reviews and the Consumer Price Index ('**CPI**'). The potential future cash outflows relating to changes in these variable payments are not reflected in the measurement of lease liabilities until those indexes or rates change in the future and affect cash outflows.

The future cash outflows relating to leases that have not yet commenced are disclosed in Note 26.

The Group has several lease contracts that include extension options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs.

The Group has determined that, with the exception of data network cable leases, it is reasonably certain of exercising all extension options in its current lease agreements. The potential future rental payments relating to periods following the exercise date of extension options have therefore been included in the measurement of lease liabilities.

Management exercises significant judgement in determining whether these extension options are reasonably certain to be exercised (see Note 4 for a discussion of significant judgements, estimates and assumptions).

15 Trade and other payables

	2021	2020
	$'000	$'000
Trade creditors	18,507	11,175
Accrued charges	7,649	2,972
Other creditors	643	1,968
Total	**26,799**	**16,115**

No interest is payable on trade creditors and standard payment terms are 30 days.

16 Employee benefits

	2021	2020
	$'000	$'000
Current		
Annual leave	2,660	1,535
Long service leave	572	435
Total	**3,232**	**1,970**
Non-current		
Long service leave	348	234
Total	**348**	**234**

17 Borrowings

	2021	2020
	$'000	$'000
Current		
Other debts – Longreach	–	5,500
Convertible notes	–	21,738
Total	**–**	**27,238**

17.1 Secured term bilateral facility agreement

The Group had entered into a secured term bilateral facility agreement with Longreach Credit Investment Limited and AMAL Trustees Limited as trustee for the Longreach Direct Lending Fund in December 2018.

The facility amount of the loan was $5,500,000 with an original maturity in February 2021. $5,000,000 was repaid following the IPO. Following this the facility was mutually extended to June 2021 at which point the balance of $500,000 was paid out and the facility closed.

The rate of interest was 12% per annum and was paid in arrears on the last day of each calendar month and at maturity.

17.2 Convertible notes

In October 2019, the Group issued convertible notes to investors and raised $25,000,000. Each note had a face value of $100 and had a maturity date and an automatic redemption date of 18 months from the issue date – being April 2021, if the notes had not converted prior to this date. The convertible notes automatically converted to ordinary equity at IPO or upon a change of control (trade or share sale) event. The conversion price was the lesser of:

(a) the price per share that shares are issued to investors under an IPO, or the price per share determined to be the value of the shares under the particular transaction at time of a share sale or trade sale, less:
   (i) if the Conversion Event occurs on or prior to the first anniversary of the Issue Date, a discount of 20%; and
   (ii) if the Conversion Event occurs after the first anniversary of the Issue Date, a discount of 25%.

(b) the price per security in the Company determined using the aggregate value of all the securities in the Company on a pre-money, fully diluted basis (for the avoidance of doubt, taking into account the discount on the Conversion Price that would apply under paragraph (a) and any coupon to be converted) as at the Conversion Date but up to a maximum valuation cap of $90,000,000.

The coupon was calculated on each note at 10% per annum from the issue date up to and including the conversion date if converted or the redemption date if the convertible notes were redeemed. The coupon was capitalised and was not paid to the noteholder during the term that the notes were on issue. The coupon calculated and payable did not compound and was calculated on the basis of a 365-day year. The coupon converted to ordinary equity on IPO or would be paid as a component of the redemption amount as the case may have been. The coupon, which totalled $2,465,753, converted to ordinary equity on IPO.

The conversion resulted in the issue of 45,776,260 shares.

Reconciliation of convertible note:

	2021	2020
	$'000	$'000
Opening balance	21,738	–
Proceeds for issue of notes (net of costs)	–	23,436
Amount classified as derivative option	–	(7,406)
Accreted interest	1,381	5,708
Converted to equity	(23,119)	–
Carrying amount of liability as at 30 June 2021	**–**	**21,738**

Reconciliation of changes in liabilities arising from financing activities:

	30 JUNE 2020	CHANGES FROM FINANCING CASH FLOWS	NEW/ MODIFIED/ TERMINATED LEASES	ACCRETED INTEREST	CHANGE IN FAIR VALUE	CONVERSION TO EQUITY	30 JUNE 2021
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Borrowings	5,500	(5,500)	–	–	–	–	–
Convertible notes	21,738	–	–	1,381	–	(23,119)	–
Derivative	10,384	–	–	–	12,273	(22,657)	–
Lease liabilities	11,550	(5,992)	4,398	608	–	–	10,564
Total liabilities from financing activities	**49,172**	**(11,492)**	**4,398**	**1,989**	**12,273**	**(45,776)**	**10,564**

	30 JUNE 2019	CHANGES FROM FINANCING CASH FLOWS	CHANGES FROM ADOPTION OF AASB 16	ACCRETED INTEREST	CHANGE IN FAIR VALUE	CONVERSION TO EQUITY	30 JUNE 2020
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Borrowings	9,763	–	(4,263)	–	–	–	**5,500**
Convertible notes	–	16,030	–	5,708	–	–	**21,738**
Derivative	–	7,406	–	–	2,978	–	**10,384**
Lease liabilities	–	–	11,550	–	–	–	**11,550**
Total liabilities from financing activities	**9,763**	**23,436**	**7,287**	**5,708**	**2,978**	**–**	**49,172**

18 Reconciliation of loss after income tax to net cash from operating activities

	2021	2020
	$'000	$'000
Loss after income tax expense for the year	(4,494)	(12,299)
Adjustments for:		
Depreciation and amortisation	7,559	5,503
Net loss on disposal of property, plant and equipment	50	203
Equity settled share-based payments	785	–
Non-cash interest costs on convertible notes	1,381	5,708
Lease interest costs in financing cash flows	608	–
Change in fair value of derivative	12,273	2,978
Change in operating assets and liabilities:		
Increase in trade and other receivables	(5,559)	(3,961)
Increase in inventories	(3,808)	(1,308)
Increase in prepayments	(242)	(341)
Increase in net tax assets	340	–
Increase in trade and other payables	10,009	5,769
Increase in employee benefits	1,375	978
Increase in contract liabilities	5,006	3,667
Net cash from operating activities	**25,283**	**6,897**

19 Fair values

Set out below is a comparison, by class, of the carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of 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:

		2021			2020		
	NOTES	AT AMORTISED COST	AT FAIR VALUE	TOTAL	AT AMORTISED COST	AT FAIR VALUE	TOTAL
		$'000	$'000	$'000	$'000	$'000	$'000
Financial assets							
Cash and cash equivalents	8	57,010	–	57,010	21,435	–	21,435
Trade & other receivables	9	16,948	–	16,948	11,389	–	11,389
Financial Assets	13	697	–	697	2,175	–	2,175
Total		**74,655**	**–**	**74,655**	**34,999**	**–**	**34,999**
Financial liabilities							
Trade & other payables	15	26,799	–	26,799	16,115	–	16,115
Borrowings	17	–	–	–	5,500	–	5,500
Convertible note	17	–	–	–	21,738	–	21,738
Derivative		–	–	–	–	10,384	10,384
Lease liabilities	14	10,564	–	10,564	11,550	–	11,550
Total		**37,363**	**–**	**37,363**	**54,903**	**10,384**	**65,287**

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

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

	FAIR VALUE HIERARCHY LEVEL	2021	2020
		$'000	$'000
Financial assets		–	–
Financial liabilities			
Derivative	3	–	10,384
Total		**–**	**10,384**

The derivative option is considered a level 3 financial instrument as its value is derived based on significant unobservable inputs for which there is no active market or prices cannot be observed. The group values the embedded derivative using the Monte Carlo valuation technique. The significant unobservable inputs used in the valuation include volatility, probability of conversion, floor on the conversion assumption and equity value of the company.

The valuation is sensitive to reasonably possible changes in the equity value of the company input. Keeping all other inputs constant, a relative increase of 10% would have resulted in an increase in the fair value of $1,407,457 at 30 June 2020.

19 Fair values continued

Reconciliation of embedded derivative

	2021	2020
	$'000	$'000
Opening balance	10,384	–
Fair value on initial recognition	–	7,406
Fair value movements	12,273	2,978
Conversion to equity at IPO	(22,657)	–
Balance at period end	**–**	**10,384**

Fair value hierarchy – financial assets and liabilities not measured at fair value

The Group has determined that the carrying values of financial instruments carried at amortised cost approximate fair value.

20 Contract liabilities

	2021	2020
	$'000	$'000
Customer prepayments	15,769	10,764
Total contract liabilities	**15,769**	**10,764**

All contract liabilities are current.

Reconciliation

Reconciliation of the written down values at the beginning and end of the current and previous financial years are set out below:

	2021	2020
	$'000	$'000
Opening balance	10,764	7,098
Payments received in advance (excluding GST)	337,971	179,623
Transfer to revenue	(332,966)	(175,957)
Closing balance	**15,769**	**10,764**

21 Issued capital

	2021	2021	2020	2020
	$'000	Shares	$'000	Shares
Ordinary shares, fully paid	95,088	190,340,026	10,632	10,650

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings.

The shares do not have a par value.

Movements in Ordinary Share Capital

	DATE	SHARES	ISSUE PRICE	$'000
Opening balance	1 July 2020	10,650		10,632
Share split	13 Sep 2020	104,076,116	–	–
Conversion of convertible note and interest[1]	15 Oct 2020	45,776,260	$1.00	45,776
Shares issued at IPO[1]	15 Oct 2020	40,075,000	$1.00	40,075
Employee gift shares issued at IPO[1]	15 Oct 2020	402,000	$1.00	402
IPO costs attributable to equity				(1,797)
Closing balance	**30 June 2021**	**190,340,026**		**95,088**

1. Shares issued the day before the IPO which occurred on 16 October 2020.

22 Share based payments

On 28 August 2020, the Company established a Long-Term Incentive plan which awarded share options to 3 members of Key Management Personnel and 5 senior employees 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 and participation is at the discretion of the People and Community Committee by recommendation to the Board.

The terms and conditions of the share options granted during the year ended 30 June 2021 are as follows:

GRANT DATE	EMPLOYEES ENTITLED	NUMBER OF OPTIONS
28 August 2020	Key Management Personnel	1,125,785
28 August 2020	Senior management	786,155

The fair value of each share option granted has been measured as $0.48 per option using a Black-Scholes model utilising the following inputs:

- Market price at grant – $1.00 per share being the IPO offer price;
- Exercise price of the option – $1.00;
- Vesting date – 1 July 2023;
- Expiry date – 30 June 2026;
- Expected share price volatility – 60.9% being based on the 12-month standard deviation of daily returns of 13 comparable companies;
- Expected dividend yield – 1.5% pa; and
- Risk-free interest rate – 0.38% pa being the 5-year Australian Government bond yield.

No options have vested or expired since grant and no options have been exercised or forfeited during the period.

On 15 October 2020, as part of and occurring the day before the IPO, all qualifying employees who elected to participate were issued $1,000 of shares for no cash consideration under the Aussie Broadband Tax-Exempt Share Plan. A total of 402,000 shares were issued and the fair value of those shares was $402,000 based on the IPO issue price of $1.00.

On 15 October 2020, as part of and occurring the day before the IPO, three Directors were issued 25,000 shares each in recognition of the special exertions required during the course of the IPO. A total of 75,000 shares were issued and the fair value of those shares was $75,000 based on the IPO issue price of $1.00.

22 Share-based payments continued

Expense arising from share-based payment transactions

	$
Long-term Incentive plan share options	308,000
Employee share gift offer	402,000
Director special exertion shares	75,000
	785,000

23 Accumulated losses

	2021	2020
	$'000	$'000
Accumulated losses at beginning of financial year	(31,355)	(19,056)
Loss after income tax benefit	(4,494)	(12,299)
Dividend paid	–	–
Accumulated losses at end of financial year	**(35,849)**	**(31,355)**

24 Earnings per share

Basic EPS is calculated by dividing the profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by dividing the loss attributable to ordinary equity holders of the parent (after adjusting for interest, amortisation of transaction costs and the fair value movements on the embedded derivative in relation to the convertible notes) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The following table reflects the income and share data used in the basic and diluted EPS calculations:

	2021	2020
Loss for the year ($)	(4,493,730)	(12,299,627)
Number of shares	143,433,010	10,650
Basic loss per share ($)	(0.03)	(1,154.84)

At June 2020, the convertible notes were excluded from the diluted weighted-average number of ordinary shares calculation because their effect would have been anti-dilutive.

At June 2021, the Long-term Incentive plan share options were excluded from the diluted weighted-average number of ordinary shares calculation because their effect would have been anti-dilutive.

There are no other dilutive instruments held by the Group as at 30 June 2021.

25 Dividends

No dividends were paid in the current or previous financial years.

Franking credits

	2021	2020
	$'000	$'000
Franking credits available for subsequent financial years based on a tax rate of 30%	454,993	454,993
Income tax liability	654,139	–
Franking credit balance at end of financial year	**1,109,132**	**454,993**

The above amounts represent the balance of the franking account as at the end of the financial year, adjusted for:

(a) franking credits/(debits) that may arise from the payment of the current year tax liability or receipt of a tax refund;

(b) franking debits that may arise from the payment of any dividends recognised as a liability at balance date; and

(c) franking credits that may be prevented from being distributed in subsequent financial years.

The ability to utilise the franking credits is dependent upon there being sufficient available profits to declare dividends or the company's assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the dividend.

26 Commitments

The Group had one lease contract that had not yet commenced as at 30 June 2021. The future lease payments for this non-cancellable lease contract were $307,501 within one year, $2,003,414 within the next five years and none thereafter.

The Group had one lease contract that had not yet commenced as at 30 June 2020. The future lease payments for this non-cancellable lease contract were $56,000 within one year, $306,231 within the next 5 years and $355,006 thereafter.

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

	2021	2020
	$'000	$'000
Property, plant and equipment	6,130	5,392
Total committed spend	**6,130**	**5,392**

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

27 Capital management

For the purpose of the Group's capital management, capital includes issued capital and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Group's capital management is to maximise shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of any financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

28 Financial risk management

28.1 Financial risk management objectives

The Group's activities expose it to three financial risks: credit, market and liquidity risk.

Risk management is carried out by senior executives under supervision of the Board of Directors ('**the Board**'). The executives are responsible for the identification and analysis of the risk exposure of the Group and appropriate procedures, controls and risk limits. Executives report to the Board on a regular basis.

The Group's principal financial liabilities comprise borrowings including a convertible loan (converted during the year), a secured term bilateral facility (repaid during the year), lease liabilities and trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include trade receivables, cash and short-term deposits that derive directly from its operations.

28.2 Market risk – interest rates

The Group's main interest rate risk arises from borrowings. Borrowing obtained at fixed rates exposes the Group to fair value interest rate risk. The Group had no borrowings at 30 June 2021. Refer to Note 17 for details of borrowings.

Interest rate sensitivity

	INCREASE/(DECREASE) IN BASIS POINTS	$'000
2021	100	–
	(100)	–
2020	100	104
	(100)	(104)

28.3 Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group manages its credit risk by obtaining, where possible, direct debit arrangements with its customers upon signing contracts for services. When in-arrears, payment arrangements are made where the expected credit provided is in excess of $1,000, typically with larger corporate accounts, these customers are assessed for their credit worthiness by obtaining credit rating agency information, confirming references and setting appropriate credit limits. For 2021, there was no particular concentration of credit risk in any single customer (2020: $nil).

The Group has adopted a lifetime expected credit loss approach in estimating expected credit losses in relation to trade receivables through the use of a provision matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the Group based on recent sales experience, historical collection and forward-looking information that is available (factors specific to debtors and the economic environment such as the recent COVID-19 pandemic).

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than one year.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

30 JUNE 2021	TRADE RECEIVABLES				
	< 30 DAYS	31 - 60 DAYS	61 - 90 DAYS	>91 DAYS	TOTAL
	$'000	$'000	$'000	$'000	$'000
Estimated total gross carrying amount at default	16,911	277	90	37	**17,315**
Expected credit loss	176	58	30	9	**273**
Additional loss allowance for COVID-19 impacts	–	81	60	28	**169**
Total expected credit loss	**176**	**139**	**90**	**37**	**442**

30 JUNE 2020	TRADE RECEIVABLES				
	< 30 DAYS	31 - 60 DAYS	61 - 90 DAYS	>91 DAYS	TOTAL
	$'000	$'000	$'000	$'000	$'000
Estimated total gross carrying amount at default	10,899	324	145	125	**11,493**
Expected credit loss	123	68	48	30	**269**

28.4 Liquidity risk

The Group monitors its risk of a shortage of cash. Vigilant liquidity risk management is required by the Group to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The Group manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

30 JUNE 2021	<12 MONTHS	1-5 YEARS	TOTAL
Trade payables	26,799	–	**26,799**
Borrowings	–	–	**-**
Lease liabilities	5,489	5,075	**10,564**

30 JUNE 2020	<12 MONTHS	1-5 YEARS	TOTAL
Trade payables	16,115	–	**16,115**
Borrowings[1]	27,238	–	**27,238**
Lease liabilities	4,009	7,541	**11,550**

1 Borrowings include $25,000,000 convertible note intended to convert to equity at the IPO.

28 Financial risk management continued

Facilities available and the amounts drawn and undrawn are as follows:

FACILITY DETAIL	2021 $	2020 $
ANZ performance guarantee facility limit	1,000,000	–
ANZ performance guarantee facility unused portion	640,000	–
ANZ commercial card facility limit	200,000	–
ANZ commercial card facility unused portion	199,649	–
NAB bank guarantee limit	84,657	84,657
NAB bank guarantee facility unused portion	–	–
NAB asset finance facility limit	–	495,000
NAB asset finance facility unused portion	–	495,000
NAB corporate card facility limit	50,000	50,000
NAB corporate card facility unused portion	49,908	26,058

All facilities are unsecured and payable on demand and are subject to annual review.

28.5 Fair value of financial instruments

Refer Note 19 for details of fair value.

29 Parent entity information

During the year, the Group owned 100% interests and voting rights in subsidiaries in the following controlled entities:

(a) Westvic Broadband Pty Ltd (Australia); and

(b) Wideband Networks Pty Ltd (Australia).

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income:

	2021	2020
	$'000	$'000
Revenue	350,270	190,493
Network and hardware expenses	(251,996)	(145,707)
Employee expenses	(41,334)	(22,869)
Marketing expenses	(26,294)	(11,215)
Administration and other expenses	(12,804)	(7,643)
Depreciation and amortisation	(7,548)	(5,503)
Interest expenses	(2,257)	(6,986)
Interest income	93	102
Change in fair value of derivative	(12,273)	(2,978)
Loss before income tax expense	**(4,143)**	**(12,306)**
Income tax expense	(343)	–
Loss after income tax expense	**(4,486)**	**(12,306)**

Statement of financial position

	2021	2020
	$'000	$'000
Current assets		
Cash and cash equivalents	56,986	21,410
Trade and other receivables	16,948	11,389
Inventories	5,500	1,692
Financial assets	15	1,947
Prepayments	2,017	590
Total current assets	**81,466**	**37,028**
Non-current assets		
Property, plant and equipment	17,393	5,397
Right-of-use assets	12,275	12,385
Intangibles	3,993	2,458
Deferred tax	1,080	–
Financial assets	538	85
Investment in subsidiary	1	1
Total non-current assets	**35,280**	**20,326**
Total assets	**116,746**	**57,354**
Current liabilities		
Trade and other payables	26,266	15,581
Contract liabilities	15,765	10,760
Current tax liabilities	657	–
Borrowings	–	27,238
Derivative	–	10,384
Lease liabilities	5,489	4,009
Employee benefits	3,232	1,970
Total current liabilities	**51,409**	**69,942**
Non-current liabilities		
Lease liabilities	5,075	7,541
Employee benefits	347	234
Total non-current liabilities	**5,422**	**7,775**
Total liabilities	**56,831**	**77,717**
Net assets/(liabilities)	**59,915**	**(20,363)**
Equity		
Issued capital	95,088	10,632
Reserves	308	–
Accumulated losses	(35,481)	(30,995)
Surplus/(deficiency) in equity	**59,915**	**(20,363)**

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries:

There are no guarantees between the parent entity and its subsidiaries. There is no deed of cross guarantee.

29 Parent entity information continued

Capital commitments – Property, plant and equipment:

The parent had one lease contract that had not yet commenced as at 30 June 2021. The future lease payments for this non-cancellable lease contract were $374,000 within one year, $1,909,000 within the next 5 years and none thereafter.

The parent had one lease contract that had not yet commenced as at 30 June 2020. The future lease payments for this non-cancellable lease contract were $56,000 within one year, $306,231 within the next 5 years and $355,006 thereafter. Capital expenditure contracted for at the end of each financial year but not recognised as liabilities is as follows:

	2021	2020
	$'000	$'000
Property, plant and equipment	6,130	5,392
Total committed spend	**6,130**	**5,392**

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

30 Key Management Personnel

30.1 Directors' loans and interests

The Group did not extend any loans to, nor were there any transactions with, Key Management Personnel.

The aggregate compensation made to Directors and other members of Key Management Personnel of the Group is set out below.

30.2 Compensation of Key Management Personnel of the Group

Key Management Personnel ('**KMP**') refers to those who have authority and responsibility for planning, directing and controlling the activities of the Group. KMP are deemed to include the following:

(a) the Non-Executive Directors of the Group;

(b) the Executive Directors of the Group, being the Managing Director and the Chief Technology Officer; and

(c) the Chief Financial Officer.

	2021	2020
	$	$
Short-term employee benefits	2,012,209	615,926
Post-employment benefits	91,472	53,809
Long-term benefits	51,147	–
Share-based payments	256,389	–
Total compensation paid to KMP	**2,411,217**	**669,735**

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel. Further details are available in the Remuneration Report.

31 Related party transactions

31.1 Transactions with related parties

Details of the composition of KMP and their remuneration are included in Note 30. During the year, related parties of KMP were employed by the Group and were paid gross wages of $8,320 (2020: $8,320) plus 9.5% superannuation.

31.2 Receivable from and payable to related parties

There were no trade receivables from, or trade payables to, related parties at the current and previous reporting dates.

31.3 Loans to/from related parties

There were no loans to, or from, related parties at the current and previous reporting dates.

32 Segment information

For management purposes, the Group is organised into business units based on the types of customers it provides services to and has identified two reportable segments:

(a) the 'Residential' segment, which provides telecommunications services to residential users; and

(b) the 'Business' segment, which provides telecommunications services to business users.

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 they monitor the operating results of the business units separately for the purpose of making decisions about resource allocation and performance assessment.

Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

There are no transfers between operating segments and 'Other' represents income and expenses that are not allocated specifically to segments.

YEAR ENDED 30 JUNE 2021	RESIDENTIAL	BUSINESS	OTHER	TOTAL
	$'000	$'000	$'000	$'000
Revenue	305,023	45,247	–	**350,270**
Network and hardware expenses	(221,272)	(30,724)	–	**(251,996)**
Employee expenses	(37,614)	(3,720)	–	**(41,334)**
Marketing expenses	(23,544)	(2,750)	–	**(26,294)**
Administration and other expenses	(10,129)	(1,313)	(1,361)	**(12,803)**
Total expenses	(292,559)	(38,507)	(1,361)	**(332,427)**
Earnings before interest, tax, depreciation and amortisation (EBITDA)	**12,464**	**6,740**	**(1,361)**	**17,843**
Depreciation and amortisation	–	–	(7,560)	**(7,560)**
Interest expense	–	–	(2,257)	**(2,257)**
Interest income	–	–	93	**93**
Change in fair value of embedded derivative	–	–	(12,273)	**(12,273)**
Profit/(Loss) before income tax	**12,464**	**6,740**	**(23,358)**	**(4,154)**
Income tax expense	–	–	(340)	**(340)**
Profit/(Loss) after income tax	**12,464**	**6,740**	**(23,698)**	**(4,494)**

32 Segment information continued

YEAR ENDED 30 JUNE 2020	RESIDENTIAL	BUSINESS	OTHER	TOTAL
	$'000	$'000	$'000	$'000
Revenue	165,760	24,733	–	190,493
Network and hardware expenses	(129,955)	(15,745)	–	(145,700)
Employee expenses	(19,313)	(3,556)	–	(22,869)
Marketing expenses	(10,068)	(1,148)	–	(11,216)
Administration and other expenses	(6,332)	(673)	(639)	(7,644)
Total expenses	(165,668)	(21,122)	(639)	(187,429)
Earnings before interest, tax, depreciation and amortisation (EBITDA)	**92**	**3,611**	**(639)**	**3,064**
Depreciation and amortisation	–	–	(5,503)	(5,503)
Interest expense	–	–	(6,984)	(6,984)
Interest income	–	–	102	102
Change in fair value of embedded derivative	–	–	(2,978)	(2,978)
Profit/(Loss) before income tax	**92**	**3,611**	**(16,002)**	**(12,299)**
Income tax benefit	–	–	–	–
Profit/(Loss) after income tax	**92**	**3,611**	**(16,002)**	**(12,299)**

33 Remuneration of auditors

During the financial year, the following fees were paid or payable for services provided by the auditor of the Group:

	2021	2020
	$	$
Audit services		
William Buck Audit (Vic) Limited – audit of financial statements	–	53,994
KPMG – audit of financial statements	320,165	238,050
Other services		
William Buck Audit (Vic) Limited – taxation and financial reporting	–	170,709
KPMG – financial advisory	704,641	269,025
Total	**1,024,806**	**731,778**

34 Events occurring after reporting date

Since the end of the financial year the Group has commenced operating its white label offering and has executed 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.

There has not been any other matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in subsequent financial periods.

Directors' Declaration

1. In the opinion of the Directors of Aussie Broadband Limited (the 'Company'):

   (a) the Consolidated Financial Statements and accompanying notes and the remuneration disclosures that are contained in the Remuneration Report in the Directors' Report are in accordance with the *Corporations Act 2001*, including:

      (i) giving a true and fair view of the Group's financial position as at 30 June 2021 and of its performance for the financial year ended on that date; and

      (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*;

   (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2. The Directors have been given the declarations required by Section 295A of the *Corporations Act 2001* from the Managing Director and Chief Financial Officer for the financial year ended 30 June 2021.

3. The Directors draw attention to Note 2 to the consolidated financial statements, which includes a statement of compliance with International Financial Reporting Standards.

Signed in accordance with a resolution of the Board of Directors made pursuant to section 295(5)(a) of the *Corporations Act 2001*.

On behalf of the Directors.

Adrian Fitzpatrick
Chairman

Phillip Britt
Managing Director

Melbourne
30 August 2021

Independent Auditor's Report

Independent Auditor's Report

To the shareholders of Aussie Broadband Limited

Report on the audit of the Financial Report

Opinion

We have audited the ***Financial Report*** of Aussie Broadband Limited (the Company).

In our opinion, the accompanying Financial Report of the Company is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the ***Group's*** financial position as at 30 June 2021 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The ***Financial Report*** comprises:

- Consolidated statement of financial position as at 30 June 2021
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the year then ended
- Notes including a summary of significant accounting policies
- Directors' Declaration.

The ***Group*** consists of the Company and the entities it controlled at the year-end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Group in accordance with 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 Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period.

This matter was addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Revenue from contracts with customers ($350m)	
Refer to Note 2.6 and Note 5 to the Financial Report	
The key audit matter	**How the matter was addressed in our audit**
The majority of the Group's revenue relates to the provision of telecommunication services for residential and business customers. Revenue from contracts with customers was a key audit matter due to: • The quantum of service revenue earned during the year; • The different revenue recognition policies for rendering of services (over time) and sale of goods (point in time); and • The advanced billing arrangements for the rendering of services that require an adjustment for contract liabilities at year end to comply with the Group's revenue recognition policy. The contract liabilities adjustment is prepared manually and is prone to greater risk for bias, error and inconsistent application. Additional audit effort was required to evaluate that the revenue recognised in the last period was in compliance with the Group's revenue recognition policy and the requirements of the applicable accounting standard.	Our procedures included: • We obtained an understanding of the nature of the various revenue streams and the related revenue recording processes, systems and controls. • We assessed the Group's revenue recognition accounting policies compliance with applicable accounting standards. • We tested, on a sample basis, over time and point in time revenue transactions recorded throughout the year. This included assessing: ○ Existence of an underlying arrangement with the customer; ○ The amounts invoiced to customers in accordance with the Group's approved pricing list; and ○ The timing of revenue recognition for each revenue contract based on completed performance obligations and the Group's revenue recognition policy. • We assessed the manual contract liabilities adjustment prepared by the Group for compliance with Australian Accounting Standards. On a sample basis, we tested the accuracy of key inputs to the contract liabilities adjustment by checking an underlying arrangement with the customer existed and checking the customer's billing cycle and plan pricing to customer agreed contractual terms. • We assessed the integrity of the contract liabilities adjustment, including the mathematical accuracy of the underlying formulas. • We assessed the disclosures in the financial report using our understanding obtained from our testing and against the requirements of the accounting standards.

KPMG

Other Information

Other Information is financial and non-financial information in Aussie Broadband Limited's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error
- assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf . This description forms part of our Auditor's Report.

KPMG

Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of Aussie Broadband Limited for the year ended 30 June 2021, complies with *Section 300A* of the *Corporations Act 2001*.

Directors' responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with *Section 300A* of the *Corporations Act 2001*.

Our responsibilities

We have audited the Remuneration Report included in Section 18 of the Directors' report for the year ended 30 June 2021.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with *Australian Auditing Standards*.

KPMG

KPMG

S E Bell

Suzanne Bell

Partner

Melbourne

30 August 2021

ASX additional information

Additional information required by the Australian Securities Exchange Ltd listing rules and not shown elsewhere in this report is as follows. This information was current as at 6 August 2021.

Distribution of shareholders and holdings

	NUMBER OF HOLDERS		NUMBER OF SHARES	
Size of holding	#	%	#	%
1 – 1,000	6,067	39.08	3,088,830	1.62
1,001 – 5,000	8,065	51.95	17,969,682	9.44
5,001 – 10,000	809	5.21	6,303,087	3.31
10,001 – 100,000	527	3.39	12,333,904	6.48
100,001 and over	57	0.37	150,644,523	79.15
Total	15,525	100.00	190,340,026	100.00

Included in the above total are 58 shareholders holding a less than marketable parcel of 159 shares.

The holdings of the 20 largest shareholders of fully paid ordinary shares represent 73.97% of the shares.

Substantial shareholders

Substantial shareholders of the company were as follows:

	SHARES	% OF TOTAL
Citicorp Nominees Pty Limited	18,869,022	9.91
Digital Interworks Pty Ltd	17,946,809	9.43
Intertubes Pty Ltd	17,946,809	9.43
Panama Trial Pty Ltd	12,148,342	6.38
J P Morgan Nominees Australia Pty Limited	11,993,565	6.30
National Nominees Limited	9,833,262	5.17

Twenty Largest Shareholders of Fully Paid Ordinary Shares

The names of the 20 largest shareholders of ordinary fully paid shares and the percentage of capital each holds are as follows:

	SHARES	% OF TOTAL
Citicorp Nominees Pty Limited	18,869,022	9.91
Digital Interworks Pty Ltd	17,946,809	9.43
Intertubes Pty Ltd	17,946,809	9.43
Panama Trial Pty Ltd	12,148,342	6.38
J P Morgan Nominees Australia Pty Limited	11,993,565	6.30
National Nominees Limited	9,833,262	5.17
Ian Watson Holding Company Pty Ltd	8,719,561	4.58
HSBC Custody Nominees (Australia) Limited	8,352,303	4.39
David Swan Holding Company Pty Ltd	5,578,074	2.93
BNP Paribas Nominees Pty Ltd <Agency Lending Drp A/C>	5,569,682	2.93
JVB1 Super Pty Ltd	4,192,791	2.20
Pershing Australia Nominees Pty Ltd <Accum A/C>	3,383,586	1.78
BNP Paribas Noms Pty Ltd <Drp>	2,697,000	1.42
UBS Nominees Pty Ltd	2,695,624	1.42
Cambenic Pty Ltd	2,399,698	1.26
Brispot Nominees Pty Ltd <House Head Nominee A/C>	1,983,007	1.04
CS Fourth Nominees Pty Limited <HSBC Cust Nom AU Ltd 11 A/C>	1,691,769	0.89
BNP Paribas Nominees Pty Ltd Hub24 Custodial Serv Ltd <Drp A/C>	1,652,263	0.87
Citicorp Nominees Pty Limited <Colonial First State Inv A/C>	1,126,000	0.59
Soberno Pty Ltd Superannuation Fund	1,075,075	0.56
Matthew Kusi-Appauh	931,873	0.49
Total of Top 20 holders	**140,786,115**	**73.97**
Balance of register	**49,553,911**	**26.03**

Voting rights

In accordance with the Company's Constitution voting rights for ordinary shares are as follows:

(a) on a show of hands, each member has one vote; and

(b) on a poll, each member has:

- (i) one vote for each fully paid share; and
- (ii) in the case of partly paid shares, that proportion of a vote as is equal to the proportion which the amount paid up on that shareholder's shares bears to the total issue price for the shares, excluding calls paid in advance of the due date for payment for the share.

Corporate directory

Aussie Broadband Limited

ACN: 132 090 192
ABN: 29 132 090 192

Registered Office

3 Electra Avenue
Morwell VIC 3840
Ph. 1300 880 905

Board of Directors

Alan Fitzpatrick	Non-Executive Chair
Phillip Britt	Executive Director & Managing Director
John Reisinger	Executive Director and CTO
Patrick Greene	Non-Executive Director
Richard Dammery	Non-Executive Director
Vicky Papachristos	Non-Executive Director

Company Secretary and CFO

Brian Maher

Investor Relations

Email: **investors@team.aussiebroadband.com.au**

Website: **investors.aussiebroadband.com.au**

ASX

Aussie Broadband is listed on the Australian Securities Exchange Ltd (ASX) under the issuer code: ABB

Share Registry

Link Market Services Limited
Level 13, Tower 4, Collins Square
727 Collins Street
Melbourne VIC 3008

Ph. 1300 554 474 (within Australia)

Ph. +61 1300 554 474 (outside Australia)

View or update your holding details at
investorcentre.linkmarketservices.com.au

Auditor

KPMG
Tower 2, Collins Square
727 Collins Street
Melbourne VIC 3008


Aussie
Broadband