

ASX Announcement

1 November 2023

Aussie Broadband enters into Scheme Implementation Agreement to acquire Symbio

- Aussie Broadband to acquire 100% of the shares in Symbio by way of a scheme of arrangement (**Scheme**)
- Scheme Consideration of \$2.26 in cash and 0.192 Aussie Broadband shares for each Symbio share, implying an offer value of \$3.01 per Symbio share¹
- Acquisition expected to be EPS accretive in the first full financial year after completion, before synergies
- The Symbio Board unanimously recommends that Symbio shareholders vote in favour of the Scheme and have committed to voting any Symbio shares they hold or control in favour of the Scheme, subject to an independent expert report concluding that the Scheme is in the best interests of Symbio shareholders and in the absence of a superior proposal
- The Scheme is subject to customary conditions including Symbio shareholder and court approval

Aussie Broadband Limited (ASX:ABB) is pleased to announce that it has entered into a Scheme Implementation Agreement (**SIA**) with Symbio Holdings Limited (**Symbio**) under which Aussie Broadband will acquire 100% of Symbio's shares on issue by way of a Scheme of Arrangement (**Scheme**) (the **Proposed Acquisition**).

Aussie Broadband's Managing Director, Phillip Britt stated, "We have been impressed by the Symbio story, its team and its culture, which we think is well aligned to ours. Symbio brings additional scale and capabilities that will support the continued growth of Aussie Broadband's Wholesale and Enterprise & Government offering. We are excited about the future potential of this combination, leveraging the strengths of both businesses to create long-term value for shareholders."

¹ Based on Aussie Broadband close on 31 October 2023 of \$3.92. Rounded to 2 decimal places.

Overview of the Proposed Acquisition

Under the terms of the SIA, Symbio shareholders will receive \$2.26 in cash and 0.192 Aussie Broadband shares for each Symbio share representing an implied value \$3.01 per Symbio share² (**Scheme Consideration**). A maximum cash and maximum scrip alternative will also be available subject to applicable caps, with relevant scale back mechanisms as outlined in the SIA.

The Scheme Consideration represents a:

- 26.6% premium to Symbio's undisturbed closing share price of \$2.38 per share on 31 July 2023; and
- 49.5% premium to Symbio's 1 month VWAP of \$2.02 per share as at 31 July 2023.

The Scheme Consideration represents an implied equity value of \$262 million³ and enterprise value of \$241 million⁴.

Under the SIA, Symbio is permitted to pay a fully franked special dividend of up to \$0.35 per Symbio share (**Special Dividend**) subject to approval by Symbio directors and conditional on the Scheme becoming effective. To the extent that the Special Dividend is paid, the cash component of the consideration to be received under the Scheme will be reduced by the cash amount of the Special Dividend.

Strategic rationale and investment highlights

The Symbio business is highly complementary to the existing Aussie Broadband business and strategy, and the combined entity will be attractively positioned as a scale, diversified modern voice, business and unified communications player in Australia.

The acquisition provides Aussie Broadband the following benefits:

- Accelerates significant growth in Wholesale and Enterprise & Government segments
- Diversification creating new growth opportunities
- Increased scale and strengthened financial profile
- Highly complementary businesses with operational and cost efficiency opportunities
- Access to new capabilities

Aussie Broadband's current intention is to operate Symbio predominantly as a standalone business in the near-term following acquisition, with the businesses to be integrated and efficiencies realised over time.

² Based on Aussie Broadband close on 31 October 2023 of \$3.92. Rounded to 2 decimal places.

³ Based on Aussie Broadband close on 31 October 2023. Assumes diluted shares outstanding of 87.0m based on basic shares of 86.0m and performance rights / options of 1.0m.

⁴ Based on cash balance of A\$35.8m and lease liabilities of \$15.2m as at 30 June 2023.

Conditions

The Scheme remains subject to customary conditions including court, regulatory and Symbio shareholder approval, the independent expert concluding that the Scheme is in the best interests of Symbio shareholders and no material adverse effect or prescribed events affecting either Aussie Broadband or Symbio.

Under the SIA, Symbio will be bound by customary exclusivity protections, including no shop, no talk and notification obligations and a matching right in the event of a competing proposal, as well as a break fee.

Scheme Consideration Funding and New Debt Facilities

The cash component of the Scheme Consideration will be funded via new debt facilities and the scrip component via the issuance of approximately 17 million shares to Symbio shareholders, representing 7% of Aussie Broadband's existing shares.

Aussie Broadband has obtained committed debt facilities of \$435m, comprising a \$220m revolving cash facility, \$160m acquisition facility, \$30m bridging facility and \$25m working capital facility. These will be utilised to fund the acquisition and refinance ABB's existing debt facilities.

Timetable

As set out in the SIA, it is expected that the Scheme Booklet will be provided to Symbio shareholders in December 2023 and the Scheme Meeting held in early February 2024.

Implementation of the Scheme is expected to occur in February 2024.

Goldman Sachs is acting as financial adviser and Gadens as legal adviser to Aussie Broadband.

ENDS

Authorised for release by the Aussie Broadband Board.

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About Aussie Broadband Limited

Aussie Broadband is an Australian operated telecommunications and technology company that formed in 2008 in Morwell, Victoria.

The Company provides a broad range of solutions to residential, business, enterprise and government customers, and provides wholesale services to other telecommunications companies and managed service providers.

The Company is the 5th largest provider of broadband services in Australia and is one of only six tier 1 voice providers in Australia.

Aussie Broadband is focused on building market share in the business, enterprise & government and wholesale segments through its range of data, voice, cloud and managed solutions, whilst continuing to build share in the residential segment.

For further information please visit: <https://www.aussiebroadband.com.au/>