Annual Report 2022

Aussie Broadband

Aussie Broadband Limited • ABN 29 132 090 192

In the spirit of reconciliation, we acknowledge the Traditional Custodians of country throughout Australia and their connections to land, sea and community. We pay our respect to their Elders past and present and extend that respect to all Aboriginal and Torres Strait Islander peoples today.

As well as our regional birthplace of Gippsland, the traditional land of the Braiakaulung people of the Gunaikurnai nation, we also recognise the lands and peoples of each of our major offices around the country; the Bunurong/Boon Wurrung and Wurundjeri Woi-wurrung, Whadjuk Noongars, Turrbal, Jagera, Gadigal, Larrakia and Kaurna.

The image shows Yuendumu student painting part of a mural created by community during Red Dust's Healthy Living Program. The Mural was inspired by the school's values, pukurl-pukurlpa, yulkanjaku, and jintangka. While it is difficult to translate from Warlpiri to English the exact meaning, the sentiment of these words talk about being proud, being happy, caring for each other and together as one.

Red Dust is a charity partner of Aussie Broadband's Small Change Big Change program. Through customer support of as little as $1 per month, Red Dust is able to deliver innovative health promotion and community development programs directly to remote communities.

Image reproduced here by kind permission of Red Dust.

About this report

The Annual Report 2022 is a summary of Aussie Broadband's operations, activities and financial performance for the 12 months ended 30 June 2022 (FY22).

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 2021 to 30 June 2022 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:
aussiebroadband.com.au/investor-centre

Report objectives

This report meets our governance 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 FY22.

Additional information

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

Key dates

Financial Year End: 30 June 2022
Annual General Meeting: 21 October 2022

Please refer to our website for further detail:
aussiebroadband.com.au/investor-centre

Cover imagery

Front and back cover photos show one of our more creative fibre installations on the underside of Ryde Bridge, NSW.

On 16 February 2022, a 16m reach scissor lift was mounted on a barge under Ryde Bridge and windows were cut in to one of the conduits approximately every 60m along the entire bridge. 360ft of cable was then hauled on the underside of the bridge. This work took place as part of the Sydney core network build. This particular section is an integral part, as it provides a diverse path from the existing Sydney Harbour Tunnel path, giving us redundant links between Data Centre localities in Alexandria and Macquarie Park.

Images used by kind permission of Global Unity Construction.

Contents

About this report	4
Chair & Managing Director's report	6
Highlights	8
Awards and achievements	10
Building better communities	12
Operational highlights	16
Directors' report	24
Auditor's independence declaration	53
Consolidated statement of profit or loss and other comprehensive income	54
Consolidated statement of financial position	56
Consolidated statement of changes in equity	58
Consolidated statement of cash flows	60
Notes to the financial statements	62
Directors' declaration	123
Independent auditor's report	124
ASX additional information	130
Corporate directory	135

Chair and Managing Director's report

Dear Shareholder,

We are very pleased to be able to present this report to the many, many people invested in Aussie Broadband and our performance - not only as Australia's fifth largest telco, but as a business that sets out to change the game.

There is no doubt that FY22 has been challenging, and we are proud of the way our team has continued to mature in approach, balanced constantly against our desire to be innovative and be nimble in market.

We know this balance is a challenge that many high-growth companies face, and we believe the constant attention to our culture – particularly our "why" and our values – plays a major part in our continued success.

Of course, the headline for FY22 was our acquisition of Brisbane-based Over the Wire in March 2022, a telco, cloud and managed IT solutions provider and one of six Tier 1 voice network operators in Australia. This acquisition is part of Aussie's strategy to expand our footprint in the business and enterprise market, which offers greater opportunity for better margins and stronger customer retention. This acquisition was enabled by our successful capital raise in September 2021.

The talented team at OTW has been delivering solutions to Australian and New Zealand organisations for more than 15 years and their major customers include NextDC, NOVA Entertainment, National Storage, the City of Brisbane, and many others. Their product set and capability are highly complementary to Aussie Broadband's residential services and we believe there are significant synergies to be unlocked through this acquisition. Considerable work has already gone into integration.

Our performance

Our FY22 operational performance was spearheaded by an EBITDA of $39.4 million (before transaction costs), slightly above our forecast guidance range to the market on 3 May 2022 of between $38m and $39m.

The costs arising from NBN's pricing related to CVC (and in turn, increased customer usage) has been a bone of contention over the last twelve months, however now we are seeing some positive steps forward coming out of the latest update (August 2022) to NBN's Special Access Undertaking (SAU). Although the SAU is still a work in progress, we will continue to constructively engage with NBN Co, the ACCC, industry and government.

In addition to our industry advocacy, we continue to explore technical solutions to reduce CVC overage growth.

Growth

Our growth in the residential, business and wholesale sectors continued at pace throughout FY22, leading to a total broadband connection year-on-year increase of 46%. Of note, our NBN market share (excluding satellite) grew from 4.74% to 6.46%

Capability

Building business capability for the future has been a significant focus for FY22. Notable highlights included:

- becoming one of only six Tier 1 voice providers in Australia following the completion of Over the Wire's multi-year Carrier Connect project
- the launch of our white label product with its first major customer onboarded during the year, and continued discussions with potential new white label/ wholesale customers
- the continuation of the fibre rollout project, which is already unlocking significant savings through migration off existing Telstra backhaul agreements
- connecting 77 multi-storey buildings customers to the Aussie fibre network
- securing our ISO certification 27001: Managing Information Security in addition to our existing 9001: Quality Management certification

Customer service

A significant factor in our success is an ongoing desire to change the game in customer service – not just in telco and tech, but beyond. In FY22 our team won many customer service awards, including the Australian Service Excellence Award for Large Business for the second year in a row.

As well as ongoing improvements to every part of our customer experience, our customer service team launched new projects including automation to help detect faults, and a customer retention team.

In line with our value of "being good to people", we continued to provide support to customers impacted by natural disasters including the WA bushfires and East Coast floods.

Despite tremendous customer and staff growth, our Customer Experience scores remain consistently high. Across a range of public review platforms (Facebook, Product Review, Google) we have kept an average weighted rating of 4.5 over the last 2 years.

Our people and culture

Aussie Broadband would be nothing without our people; there are now more than 1,000 of us. No matter how much we grow, our first principle remains - that if we look after our staff, and trust them to look after our customers, we will continue to generate good returns for our shareholders. Our staff regularly go above and beyond in their service to our customers, and we deeply appreciate their efforts.

As many know, we are a company strongly driven by our values – don't be ordinary be awesome, think big, no bullsh*t, be good to people and have fun. They are specific instructions to our staff on how we do business, and we use them to make decisions at all levels of the company, every day. We found significant alignment between these values and those embedded within Over the Wire.

Whilst our values are our 'how', and our 'why' is clearly defined as changing the game, we spent time in FY22 developing our "who" or company identity. We know that in many respects we are unconventional, and identified that it would be useful for existing and new staff to define what that actually means. We launched "the unconventional corporate" to staff during a series of Town Hall meetings across the company in early June 22.

COVID has continued to impact on our people throughout FY22, as it has most other businesses in Australia. Although we have had the benefit of continued demand for high quality internet services, there is no doubt that it has taken its toll on our workforce. The bulk of our team began the financial year in significant lockdowns, and in the second half of the year, we have seen ongoing COVID infections impacting all parts of the business. We continue to focus on staff wellbeing projects to support Aussie Broadbanders through this challenge.

Likewise, we have seen increasing recruitment challenges and wage pressures in a volatile jobs market. As a result, we have increased our recruitment resources and are focusing on employee experience to an even greater degree. We were pleased to be named one of only 13 HRD 5 Star Employers of Choice in May and despite the disruption of integration, 82% of our staff said this is a great place to work.

One of the six pillars of our strategy is building better communities, and we continue to look at ways that we can change the game in how businesses contribute to the broader community. As well as being part of the 1% Pledge movement, and operating as a Carbon Neutral organisation, we also took a significant step in FY22 by lodging our first B Corporation submission.

Our outlook

Despite some significant challenges during FY22, we are confident Aussie Broadband is positioned well for growth in FY23 and beyond.

We will continue our marketing and sales focus on organic growth of our residential and small business segments, and consolidate the integration of Over the Wire to deliver value for our shareholders and stakeholders.

We will also continue to grow our capability and customer base in the larger business and enterprise segment, where we see higher margins and stronger customer retention as significant opportunities. The company continues to explore new channels for growth where appropriate.

Thank you

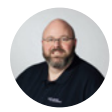
Aussie Broadband now touches the lives of millions of people. This is quite startling for a company that was a small regional internet provider only six years ago.

This growth, and impact, would not be possible without our staff, our customers, our shareholders, our suppliers and the many other stakeholders we interact with.

We thank each and every one of you for your support during a challenging year, and your ongoing faith in our vision to change the game.

Yours sincerely,

Adrian Fitzpatrick
Chair



Phillip Britt
Managing Director

Highlights

*as at 30 June 2022

51%
Increase in business connections

46%
Overall increase in broadband connections

Staff numbers
85%
increase from 568 to 1,051

37,996
Mobile services increase of 48%

ASEA winner
Customer Service Organisation of the Year – Large 2021

HRD's
5-Star
Employer of Choice

8.1/10
Customer satisfaction
as measured by voice of customer surveys 8.4% in FY21

$149,391
Small Change Big Change customer donations
Total donated to date: $351,158

105 POIs & data centres
connected to Aussie Fibre

$3.31
Share price increase of 12%

6.46%
Share of NBN services
(increase from 4.74% as at 30 June 2021)

5.16
complaints per 10,000 services

	FY22	FY21
Revenue	$547m	$350m
EBITDA	$39.4m before transaction costs	$19.1m excludes IPO costs
Resi Connections	464,979	363,455
Total Services	738,246	525,644

Awards & achievements

ACOMM Awards for excellence in telecommunications

The judges for the 2021 ACOMM award for Diversity and Inclusion were impressed by our 'Inclusion First' program, which focuses on real actions rather than just words on paper.

We were also named finalists in the Commitment to Customer Service, Community Contribution, and Innovation (Carbon) categories.

Australian Service Excellence Awards

The Australian Service Excellence Awards (ASEAs) are highly prestigious customer service awards across all industries in Australia, not just telco.

One of their biggest awards is for Customer Service Organisation of the Year (Large), which we won for the second year in a row in 2021.

Our Carbon platform also received a nod in the Customer Service Project of the Year (Service Innovation) award, where we were named Service Champion runner up.

CEO Magazine Managing Director of the Year

Our Managing Director, Phillip Britt, was named CEO Magazine's Managing Director of the Year for 2021, following a runner-up position the previous year.

Phil was recognised for being an innovator, with a no-nonsense approach, and for successfully leading Aussie Broadband through an extended period of extraordinary growth.

The CEO Magazine said: "As an industry disrupter, Britt leads his team with the mindset of taking a stand on matters that affect all telco users across Australia and changing the game by driving innovation."

Roy Morgan awards

This year we were named Australia's Most Trusted Telco by Roy Morgan. The awards are based on independent research with nominations from more than 20,000 Australians being analysed to identify the nation's most trusted, and most distrusted brands.

In the 2021 Roy Morgan Customer Satisfaction Awards, we also took out the Internet Service Provider of the Year award for the second year in a row. We were one of only four companies to consecutively finish in the top 10 for the 'Best of the Best' award.

Winners of the Customer Satisfaction Awards were determined based on Roy Morgan's Single Source survey of over 60,000 consumers from around Australia.

HRD 5-Star Employer of Choice

From 35 commended HRD Employer of Choice companies, we were announced as one of 13 five-star Employers of Choice and one of only 4 five-Star employers in our size category (500+ employees).

Entries were scored on the companies' achievements and initiatives across a range of areas, including leadership, learning and development, wellbeing, flexibility, diversity and inclusion, work-life balance, and recruitment.

Edison Awards

For the third time, we won the Edison Award for Best Fixed Broadband Provider. This was the fifth time we've been a finalist in this category.

The awards are hosted by CommsDay and are one of the highest accolades a company can receive in the telco industry.

CommsDay Publisher, Grahame Lynch, said: "Judges remarked how impressed they were at the way in which Aussie Broadband has created a distinct identity and value proposition for customers and how that has translated directly into increased market share and presence."

International awards

For the first time, Aussie Broadband took out awards at an international level.

We won the 'Hammer Award' at the 2021 Pause Awards. The Hammer Award recognises companies that build success on their own terms in the market and hammer away at their success. The judges praised us for our "very strong entry and success story" and for "taking it to the big end of town and winning."

"We believe a deep care for people is really at the heart of customer service. And if you have that, no matter where you come in these awards, you're a winner."

- Janet Granger-Wilcox, Chief Reputation and People Officer

Building better communities

In FY22, Aussie Broadband completed our first submission for assessment as a Certified B Corporation.

B-Corps are companies that meet high standards of social and environmental performance, accountability and transparency. We chose B Corporation as our Environmental, Social, and Governance (ESG) benchmarking platform because of its fit with our preference for simplicity and transparency.

Aussie's submission for assessment met the initial threshold for further progress, and we expect assessment by B Corporation to be complete in FY23. We are reporting here our activities against the B Corporation framework, including highlights of FY22. Once our assessment is complete, we will include B Corporation scores in future reports for transparency.

Highlights

82%
of staff say this is a great place to work (FY21: 86%)

32.6%
non-entry level vacancies filled by existing staff

Inclusion scores between
89-96%
(FY21: 91-98%)

$331,417
towards our 1% pledge contribution to community

Carbon Neutral for FY21

4.5/5
average weighted customer satisfaction (public platforms)

Governance

Aussie Broadband has several mechanisms governing our ESG approach, including:

- The People and Community sub-committee of our Board, responsible for oversight and review of our people strategy, inclusion and diversity program, remuneration principles, community programs, and sustainability activities
- Formal policy oversight on matters such as gifts and entertainment, donations, our values, and Code of Conduct
- Strategic focus, with "Thriving and Talented People" and "Building Better Communities" as two of our six strategic pillars

Training aligned with these mechanisms is embedded across the organisation – for example, annual compliance training on dealing with customers in financial hardship, our modern slavery obligations, helping those experiencing domestic and family violence, or gifts and entertainment.

People

In FY22, we began our first company-wide salary benchmarking exercise, to be completed in early FY23, with the aim of paying fair market rates. Further information on Aussie Broadband's approach to remuneration can be found in the remuneration report on page 36.

We provide a range of ongoing wellbeing initiatives including an Employee Assistance Program, discounted gym membership, a quit smoking program, and mental health first aid training.

COVID has continued to pose challenges for our team during FY22, including lockdowns and infections. During FY22 we introduced activities designed to help staff with resilience, including care packs, mindfulness training, and return to the office programs.

Aussie Broadband has a comprehensive Learning and Development program which provides staff with support at different stages of their employment. This includes induction, study leave, professional development planning, ongoing training opportunities, career mapping, and more. During FY22 we provided all staff with access to LinkedIn Learning. 22.5% of our staff have signed up for career mapping, and in the last 12 months, 32.6% of our non-entry level vacancies were filled by existing staff.

We provide supplementary benefits including above-award parental leave, paid study leave, paid community service leave, and a transport safety net for late-finishing staff. Our parental leave arrangements include adoption, surrogacy, stillbirth, infant death, kinship care, and fostering. In FY22, we also refreshed our support for staff experiencing domestic and family violence.

Staff have the opportunity to have their say through our annual staff survey, regular pulse check surveys, and through an ideas register which provides transparency in tracking their suggestions and responses. In FY22, we responded to 1,152 staff suggestions via this register.

With the release of lockdowns, Aussie Broadband was able to resume its relationship with services providing pre-employment pathways for people experiencing disadvantage. Through these partnerships we employed 53 people in our call centres.

We continued our 'all the small things' focus on inclusion and diversity, driven largely from our staff working groups. Our definition of diversity at Aussie covers not only gender, but also cultural background, LGBTIQ+, disability, neurodivergence, 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.

We measure our inclusion and diversity success through a range of questions in our annual survey across a range of diversity aspects, with FY22 results showing satisfaction rates at between 89% and 96% (FY21: 91-98%).

Initiatives during FY22 included the launch of our Neurodiversity Network, sponsorship of Gippsland Pride and the Victorian GLOBE Awards, and the launch of Rooms of Any Requirement (ROAR) at our major locations for staff needing quiet space to meditate, pray, breastfeed etc.

Our efforts were recognised with a telco industry ACOMM Award for Diversity and Inclusion.

Community

Aussie Broadband is committed to making a real difference in the community, not just through our staff and services but just as importantly with support from our suppliers and customers.

We are a proud supporter of the Pledge 1% Global Movement, where we have committed to giving up to 1% of our time, by offering 3 days of annual paid community service leave to our staff, and a total of 1% of our EBITDA through time, direct donations and product discounts.

Our community contribution has resulted in over 400 not-for-profits, charities and community groups receiving discounted NBN Services. It's our way of supporting grass roots work through the power of connection, as well as giving back to the community. An example of this support is providing free internet services to over 30 Country Fire Authority (CFA) stations across rural Victoria, allowing them to spend much needed funds on saving lives.

Through our Community Service leave challenge, we encourage our staff to use their 3 days of community leave to donate their time and skills to a variety of worthy local charities including Surf Life Saving, SES, the CFA, and Scouts Australia. Despite COVID impacts, over 1,000 volunteer hours were donated in the past year, with plans to double this in FY23.

We encourage staff to also give back through their own individual Passion Projects which in FY22 included support and action in the areas of mental health, homelessness support, neurodiversity awareness, and pride and diversity.

Aussie Broadband customers are also given the opportunity to join us on this shared journey toward meaningful impact, through our promotion of Small Change Big Change. Customers can opt in to donate $1 a month, with 100% of funds raised going directly to charities that support building resilience in young people. To date, the program has raised over $350,000 from over 12,000 active monthly donors. With this support over 33,500 young Australians have been given access to a wide range of education and engagement programs that promote good mental health, a strong sense of identity and connections beyond connectivity.

Aussie Broadband also supports specific National Charity Partners in ways that go beyond just donations, and explore ways we can provide mentoring, job opportunities, product, and staff time. Our key focus areas are ending period poverty through Share the Dignity, domestic and family violence support through Wesnet, support for regional students through RESN, and support for mental health through Lifeline.

We also made two major Christmas donations, one of $30,000 to the Black Dog Institute, which directly impacted approximately 3,000 people, and $10,000 to Foodbank, which enabled them to provide 20,000 meals to vulnerable Australians.

We are committed to embedding reconciliation with first nation peoples through the implementation of our Reflect Reconciliation Action Plan (RAP). In FY22, we also joined 17 other Australian Telcos in an industry pledge to tackle domestic and family violence, with a supporting action plan.

Similarly, we are proud supporters of the Australian Telecommunications Leadership Statement on Human Rights and Modern Slavery, and we continue to work closely with our suppliers and the wider industry to reduce the incidence of Modern Slavery in Australia and our supply chains.

Environment

We engaged the company Carbon Neutral to assess Aussie Broadband's carbon footprint for FY21.

The audit estimated our total organisational greenhouse gas (GHG) emissions at 3,735 tonnes (CO2-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 FY21. This comprised of 3,750 tonnes of carbon credits including 951 Australian Biodiverse Reforestation Carbon Offsets (BRCO) and 2,784 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 FY21 Carbon Footprint calculated represents a 17% increase from the previous year due to the growing nature of our business, new premises, and better data from third-party suppliers in freight and courier services.

We have made a commitment to reduce and offset our emissions on an ongoing (annual) basis, supported by initiatives including increased onsite power generation, staff behaviour change initiatives, and automation of lighting and meeting room booking automation.

Supported by our Sustainable Procurement Policy, Aussie Broadband has partnered with Givvable, an innovative Australian sustainable procurement platform solution that makes it easier for companies to engage and track the sustainability, social, and diversity attributes of suppliers and trading partners. In FY22 we have seen an increase in certifications held by our suppliers from 23% to 31% - compared to an Australian organisation average of between 3 and 4%.

Customers

Aussie Broadband is out to change the game in customer service, and we benchmark ourselves continually using awards and other third-party data. We monitor customer satisfaction through our internal "Voice of Customer" program (FY22 average score 8.1/10), and through ratings on third-party sites such as Product Review and Facebook. Our weighted average for FY22 was 4.5/5. On social media platforms, where ratings can be switched on or off, we choose to leave them switched on, and regard any feedback, good or bad, as a gift.

We offer customers a range of ways to provide feedback, including an easy-to-find complaints/feedback form on our website as well as invitations to provide feedback at critical touchpoints, such as after a fault resolution. All negative feedback is followed up, and positive feedback is provided back to individual staff wherever they can be identified.

In FY22 we added ISO:27001 (information security management) to our existing ISO:9001 (quality management) qualifications. We also monitor consistency through quality control reviews and an internal audit program

We also benchmark ourselves against the International Customer Service Standard through our annual entries in the Australian Service Excellence Awards. In FY22, we took out Customer Service Organisation of the Year – Large, for the second consecutive year.

We comply with industry requirements for data privacy, ethical marketing, advertising and customer engagement, but we also go above and beyond this with policies in place for ethical sales and a Customer Charter. We have a disaster support program in place for customers experiencing natural disasters, and financial hardship policies and processes that make things as simple as possible for customers who are already going through a hard time.

Rolling up our sleeves to answer the call at Lifeblood Mt Waverley Donor Centre

Operational highlights

An overview

Group EBITDA of

$39.4 million

growth of 107%

$546.9m

revenue, growth of 56%

738,246

Total services

584,793

Total broadband services

6.46%

Share of NBN services

(increase from 4.74% as at 30 June 2021)

82%

Great Place to Work score

During FY22, Aussie Broadband continued to operate as a challenger brand in the Australian telecommunications and tech industry.

As part of our strategy to grow our capability and products, we expanded our focus from a provider largely of NBN services to a broader telco offering across residential, business, enterprise, and wholesale.

Aussie Broadband is best-known for its NBN subscription plans and bundles, and a range of other services including VoIP, mobile plans and handsets, entertainment bundles through its partnership with Fetch TV, and connections through our own fibre network, the Opticomm network and our white label platform.

With the acquisition of Over the Wire, we are now a Tier 1 voice provider, and offer a range of tailored cloud, connect and collaborate solutions to business, government and enterprise customers.

Integration with Over the Wire (OTW) began in April with early synergy wins including the migration of Aussie Broadband voice services to the OTW network, due for completion early in FY23, and likewise migration of OTW NBN services to the Aussie Broadband network. Work to fully integrate the two businesses continues at pace.

Including combined results of Aussie Broadband and 3.5 months contribution from Over the Wire, our EBITDA (before transaction/integration expenses and fair value adjustments) grew by 107% to $39.4 million and revenue increased by 56% to $546.9 million.

Of course, our ability to challenge the market is only possible with great people – and we regard our people as the bedrock of the company. Through organic growth and our acquisition of Over the Wire, our staff numbers grew in FY22 from 568 to 1,051, an increase of 85%. Despite the disruption of integration, 82% of our staff told us in June that this is a great place to work, and we were pleased to be recognised as one of only 13 Five-Star Employers of Choice in Australia by HRD Magazine.

Residential segment highlights

$17.4m
EBITDA contribution, growth of 41%

$415m
revenue,
growth of 36%

462,369
Customers

464,979
broadband services

37,996
mobile services

Average revenue per ARPC
$80.02 per month

ARPC means average recurring revenue per customer in June 22 and excludes GST. Each customer may hold multiple services, across multiple technology types.

Our organic growth in the residential segment was underpinned by increased marketing activity, new products, and word-of-mouth recommendations from our award-winning customer service.

Residential broadband connections grew by 28% during the year, from 363,455 to 464,979. New connections were mildly impacted by natural disasters and end-of-financial-year competition between internet service providers.

Our customer operations team, including customer service and service delivery, has played a critical role in keeping our customers connected during lockdowns and other COVID challenges. We expanded our residential customer service call centre operations in Perth, with some creative delivery of remote training when borders were closed. In FY22 we opened new warehouse facilities in Perth to improve hardware shipping times and provide backup for our east coast operations. We also introduced a new customer retention team.

COVID lockdowns and infections have impacted many staff, leading to increased sick leave and call wait times. However, a heavy focus on recruitment and further efficiencies in automation have helped drive these down towards the end of the financial year. Call-wait times across the year averaged 447 seconds, complaints per 10,000 customers were at 5.2 and our weighted average customer satisfaction scores across a range of public platforms was 4.5 out of 5.

We migrated our mobile customer base to the Optus network, with the majority of customers retained, and online signup was introduced for mobile services in December 2021. We continue to see mobile as a growth opportunity, particularly with access to Optus's 5G, data-sharing and e-sim facilities.

Business segment highlights

$10.8 million
EBITDA contribution,
growth of 62%

$67 million
revenue,
growth of 54%

$188.07 per month
ARPC

ARPC means average recurring revenue per customer in June 22 and excludes GST. Each customer may hold multiple services, across multiple technology types.

Aussie Broadband continued to ramp up our focus on the business telecommunications segment, growing connections by 51% during FY22 from 35,466 to 53,559 (excluding OTW connections).

Demand for Aussie's NBN Enterprise Ethernet services grew, with active services almost doubling during FY22 to 1,919. Aussie Broadband is now ranked second in Australia for net EE service orders.

Several large customers were onboarded, including a national network for Mitsubishi Australia, and an SD-WAN network rollout to Goondiwindi Regional Council. We were also successful in our bid to become a certified provider on the Victorian Government, NSW Government and Local Buy panels of suppliers, and have signed a number of government clients under this arrangement.

In other capability improvements, we expanded our Carbon business platform into a wholesale platform and introduced bulk mobile activation for business customers.

Wholesale segment highlights

60,326
Total services

$26.4 million
revenue,
growth of 1,453%

$1.5 million
EBITDA contribution,
growth of 2,233%

In FY22, Aussie Broadband put considerable focus on expanding our capability in the wholesale segment, which includes white label, reseller and wholesale services.

We onboarded our first white label client, with accompanying work to migrate their existing broadband customer base. The bulk of this migration was completed by March, with 57,000 active services at end of financial year. Aussie Broadband provides broadband and VoIP services, customer support, service delivery, account and credit management, with the white label customer undertaking its own sales and marketing activities.

In June, we launched a new reseller portal that allows our partners to resell Aussie Broadband products.

We expect to see continued organic growth from this white label customer, and are exploring further opportunities for wholesale broadband customers across white label, reseller, wholesale and community partner channels.

Over the Wire segment highlights

EBITDA contribution of
$9.6million
for the 3.5 months owned by ABB

Revenue of
$38.5 million

Total annualised synergies achieved to date of
$5.2 million

In one of our most significant capability steps, we (Over the Wire) completed a multi-year Carrier Interconnect project, enabling us to become a Tier 1 voice provider in Australia – joining a handful of others with this status. This means far less reliance on third party providers, and a host of opportunities for growth.

At the beginning of April, new Over the Wire orders for NBN business services shifted to the Aussie system, and migration of existing services from other providers onto the Aussie network will be complete early in FY23.

Fibre highlights

Over
90%
of the network is now complete

over
1500kms
of fibre in the ground

105
NBN POIs and data centres connected

77
multi-storey buildings connected

$29m
capital expenditure
for FY22

During FY22, Aussie Broadband continued construction of our fibre network, completing an additional 942kms of fibre in the ground and connections to 105 Points of Interconnect (POIs) and data centres. A further 6 POIs and data centres are in the final stages of construction and are expected to be completed in 1Q FY23.

The project has replaced a significant portion of our leased backhaul capacity to NBN POIs, and has removed leased dark fibre capacity in other areas of the network. It has also reduced 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.

In early FY22, we announced a strategic ten-year fibre swap deal with VicTrack and a five-year deal with Telstra Wholesale, both of which will each enhance or complement Aussie's fibre network.

The network is being built using 720 & 360 core optic fibre manufactured in Australia by Prysmian.

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 ('Company' or 'parent') and the entities it controlled at the end of, or during, the year ended 30 June 2022.

1. Directors

The following persons were Directors of Aussie Broadband Limited during the year ended 30 June 2022 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 Chair

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 holds two not-for-profit Board positions.

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

Richard is an experienced Director, currently serving on the boards of Australia Post, Wisetech Global and Nexus Day Hospitals. He is also the Chairman of Doctor Care Anywhere PLC and Creative Partnerships Australia, the Australian Government's primary body encouraging and facilitating private investment in the arts. Richard is an Adjunct Professor at Monash Business School, and has held a range of senior leadership roles in major Australian companies. His telco experience includes roles at Telstra, Telecom New Zealand and AAPT, and (as a partner of leading law firm Minter Ellison) 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.

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.

Philip 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.

Patrick Greene

Non-Executive Director

Patrick has owned and managed a range of businesses including Retail, Print, Commercial Property Leasing and Broadband Services since 1987. He has extensive sales, marketing, financial and management experience. Patrick won Franchisee of the Year Awards at a state and national level for Snooze, a chain of retail furniture stores. He was a co-founder and general manager of Westvic Broadband from 2003 before it merged with Wideband Networks in 2008 culminating in his retirement.

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

Vicky Papachristos

Non-Executive Director

Vicky is an experienced 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 and Scale Investors Limited.

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

Michael Omeros

Executive Director (appointed 15 March 2022)

Michael was a co-founder and the Managing Director of Over the Wire Holdings Limited prior to its acquisition by the Company. He has over 20 years of experience in the telecommunications and IT services sectors and graduated from QUT in 1994 with a Bachelor of Engineering – Electronics (First Class Honours) and Bachelor of IT (with Distinction).

Prior to Over the Wire, Michael held a Senior Management role at GBST, worked for Zurich Insurance in the UK and founded Celentia which was subsequently absorbed by Over the Wire.

John Reisinger

Chief Technology Officer and Executive Director (resigned as a Director 15 March 2022)

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 until his resignation. 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 2022, 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	20	21	4	4	4	4
Richard Dammery	20	21	4	4	4	4
Vicky Papachristos	21	21	4	4	3	4
Patrick Greene	21	21	4	4	4	4
Phillip Britt*	21	21	4	4	3	4
Michael Omeros*	4	4	1	1	2	2

*Executive Directors are not members of committees but do have a standing invitation to attend with 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	Rights over ordinary shares
Adrian Fitzpatrick	105,103	-	10,015
Richard Dammery	95,620	-	12,325
Vicky Papachristos	71,803	-	12,325
Patrick Greene	10,361,992	-	-
Phillip Britt	16,069,059	1,375,623	-
Michael Omeros	4,757,874	39,500	-

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.

On 15 March 2022 the Group completed the acquisition of Over the Wire Holdings Limited. This acquisition enhanced the capability of the Group in the telecommunications sector with the addition of a Tier 1 Voice Network together with Cloud and Security Services product sets.

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 FY22 saw a number of significant milestones including:

- Acquisition of ASX listed Over the Wire Holdings Limited; a telco, cloud and managed IT solution provider and one of six Tier 1 voice network operators in Australia. This acquisition has significantly increased Aussie Broadband's business, cloud, security and voice product offerings.
- Named the "Most trusted telco brand in Australia" by Roy Morgan Research.
- Increase in broadband connections of 46% to 584,793.
- Significantly increased the size of the Group's fibre optic assets increasing cable in the ground from 250km to over 1,500km during the year and increasing data centres and NBN POIs connected to Aussie fibre from 25 to 105 sites.
- Onboarded the first white label customer and the Group is now supporting over 60,000 of their broadband customers.
- 68% growth in the business connections to 59,488 across the Group and further expansion of the Carbon platform.
- 1 million numbers hosted on the NetSIP voice platform.
- Increase in mobile services of 48% to 37,996.
- 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 for the second year in a row.

This was all achieved through the dedication of the whole team during a hectic year including the ongoing COVID-19 environment, a challenging labour market and completing the acquisition of, and commencing the integration of, Over the Wire.

Operations

The business operations were expanded and developed during FY22 to maintain high levels of service to our growing customer base.

The Group's network infrastructure was further enhanced with upgrades to core network equipment to support 400G connections and additional customer aggregation equipment to support the 46% increase in broadband connections.

The rollout of the Group's fibre optic network to the majority of NBN Points of Interconnect (POI) and 20 data centres continued throughout the year. By the end of the year, 96 sites were completed with Western Australia and South Australia fully complete. The remaining 11 sites are expected to be completed in 1Q FY23.

The Group migrated 105 of the 121 NBN POIs off the previous backhaul agreements onto the Aussie fibre network and new 100G Telstra agreements for POIs not covered by Aussie fibre unlocking significant operational savings. This investment provides significant scale in the backhaul network for future growth.

The Group invested in new back-office technology platforms including new ERP, HRIS, and Payroll systems. These systems are being implemented and will come online during FY23. Further investments in call centre and work flow systems will be made in FY23.

The Group has also expanded the capability of its internal operating systems across a range of fronts with further enhancements made in Carbon, MyAussie and linking the telco billing and inventory systems to the new ERP platform. These systems, which were developed in-house, enabled the Group to quickly expand and take advantage of growth opportunities in the market.

The Group experienced challenges recruiting staff across all departments in the second half of the financial year. A tight labour market has led to increased wages combined with inflationary pressure to which the Group was not immune.

The Group conducted its first whole company benchmarking exercise late in the financial year which identified several areas where the Company was paying below the market median. This has been addressed as a priority to ensure the Group continues to attract and retain its talent.

Aussie Broadband's success is down to its people and headcount increased by 50% during the year (not including those staff acquired from Over the Wire), many of whom were frontline customer focused staff. The Group continued to add 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 three areas have been particularly affected:

- Bandwidth usage – increased demand on the network continued during the first half of the year as the community continued with home schooling, working from home and entertainment challenges. The Company provided free additional daytime data to those affected by lockdowns and increased its Connectivity Virtual Circuit (CVC) provisioning. During the second half of the year traffic levels reduced but continued to remain higher than pre-pandemic levels. Ongoing CVC management has been required to keep CVC overage expense within tolerable levels.
- Hardware availability – chipset shortages continued to impact the sourcing of hardware for customers. The Group managed to work through the shortages for residential and small business customers, and continued to hold increased inventory levels to allow for further supply interruptions. Stock of specialist enterprise, security and cloud hardware has been challenging within the Over the Wire business and has delayed the delivery of some customer projects, resulting in delayed revenue recognition.
- Staff – like many in the community, Aussie Broadband staff were impacted heavily by COVID-19 and many have continued to work from home. The staff have met this challenge and, whether office based or remote, continue to offer outstanding service to customers. Staff satisfaction results remain 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. Hybrid working has been embedded into all departments and this flexibility has allowed the opportunity to recruit staff from locations without an Aussie Broadband office. This has been particularly useful within the software development team.

Financial performance

A summary of the Group's performance in FY22 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 employees, marketing, 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 before IPO/transaction expenses, integration costs and fair value adjustments to provide a normalised view of performance.

	2022	2021	Movement
	$m	$m	%
Revenue	546.9	350.3	↑ 56%
Network and hardware expenses	(385.6)	(252.0)	↑ 53%
Gross margin	**161.3**	**98.3**	↑ 64%
Gross margin %	29.5%	28.1%	
Employee expenses	(72.8)	(41.3)	↑ 77%
Marketing expenses	(31.5)	(26.3)	↑ 20%
Administration and other expenses	(17.6)	(11.6)	↑ 48%
EBITDA before transaction/ integration expenses and fair value adjustments	**39.4**	**19.1**	↑ 107%
IPO/Transaction expenses	(3.1)	(1.2)	↑ 163%
Integration expenses	(1.3)	-	
Depreciation and amortisation	(24.0)	(7.6)	↑ 218%
Interest expenses	(2.5)	(2.3)	↑ 10%
Interest income	0.1	0.1	-
Change in fair value of derivative	-	(12.3)	↓ 100%
Profit / (Loss) before income tax expense	**8.6**	**(4.2)**	↑ 205%

The Group's revenue at $546.9m represents an increase of 56% on the previous year with material growth in broadband connections of 46%. Revenue was also supplemented by a contribution of $38.5m from Over the Wire since acquisition (after elimination of intercompany revenue).

Gross margin improving from 28.1% in FY21 to 29.5% in FY22 with the addition of the higher margin Over the Wire revenue. On a like for like basis gross margin for FY22 was 27.4% with 2H FY margin modestly higher than 1H but stronger again into 4Q.

EBITDA before transaction/integration expenses and fair value adjustments improved by $20.2m with EBITDA margin at that level improved from 5.4% to 7.2%. Employee expenses increased at a faster rate than revenue with increased investment in middle management and specialist roles to position the Company for further growth. Marketing expenses increased to fuel the growth of the business in a more challenging market. The overall NBN market is now considered a churn market with growth overwhelmingly achieved through customers churning from other providers. This required a change of emphasis in marketing campaigns to focus on potential customers churning from their existing NBN providers.

Depreciation and amortisation continued to increase as a result of the fibre network reaching scale and additional network hardware required in the core and customer aggregation.

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

	2022	2021	Movement
	$m	$m	%
Cash and cash equivalents	47.7	57.0	↓ 16%
Trade and other receivables	37.2	16.9	↑ 120%
Plant and equipment	64.1	17.4	↑ 269%
Right-of-use assets	44.3	12.3	↑ 261%
Intangibles	416.4	4.0	↑ 10327%
Other assets	18.8	9.3	↑ 102%
Total assets	**628.5**	**116.9**	**↑ 438%**

	2022	2021	Movement
	$m	$m	%
Trade and other payables	53.7	26.8	↑ 100%
Contract liabilities	28.2	15.8	↑ 79%
Lease liabilities	42.7	10.6	↑ 304%
Borrowings	174.0	-	↑
Deferred tax liabilities	50.3	-	↑
Other liabilities	10.9	4.2	↑ 157%
Total liabilities	**359.8**	**57.4**	**↓ 527%**
Net assets	**268.7**	**59.5**	**↑ 351%**

During the year the Group raised equity and debt to fund the acquisition of Over the Wire Holdings Limited and the consolidated statement of financial position incorporates the net assets of that company. The acquisition gave rise to a significant increase in intangible assets and further information on the acquisition can be found at note 28. Further information on the borrowings can be found at Note 17.

Business strategies and prospects for future financial years

Aussie Broadband's strategy has transitioned from being a largely residential focused retail service provider (RSP) into a full-service communications & technology services company servicing the residential, business, enterprise & government and wholesale segments.

The Group remains focused on changing the telco game and continues to expand its reach by growing market share through directly sourced customers and strategic partnerships.

The specific areas of focus are:

- Residential and white label (part of wholesale) will focus on the consumer market;
- Small to medium businesses looking for standard services that don't require customisation.
- Enterprise & Government is large scale business or businesses that require custom solutions to meet complex needs.
- Wholesale which offers specific products from the portfolio, primarily data and voice services to other telcos, over the top providers and managed service providers.

The Group will leverage its existing MyAussie, Carbon and NetSIP platforms and further enhance these to continue the Group's industry leading automation and self service tools.

Additional focus will be placed on growing share in the business, enterprise & government, and wholesale segments with the aim to grow the mix of higher margin services.

Whilst the focus will continue to be on organic growth, the Group is open to further 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, further expansion of the fibre network will be undertaken to transition up to 2,000 enterprise and business grade fibre services away from other carriers directly onto the Aussie fibre network. This additional capital expenditure is key to unlocking the full synergy potential from the Over the Wire acquisition and improve margins across the Group.

The combination of these initiatives is aimed at meeting the Group's aspirational target of achieving 1 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 on 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 the emergence of 5G and low orbit satellite services do offer genuine alternatives to broadband services.

  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 its special access undertaking (SAU) which will determine future pricing and conditions. This process is ongoing.

  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 the 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 business as usual capital investment plan and has strong operating cash flows, opportunities have been identified to expand the Group's fibre optic network which would provide additional margin improvement. This additional capital works program is discretionary and can be timed as existing cash flows permit or fast-tracked with additional access to capital. 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 tight labour market combined with inflation is leading to increased wages which has continued into FY23.

  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, however 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.

- Acquisition integration and synergies – the Group completed its first significant acquisition during the year and there are inherent risks in integrating two business both from an operational and cultural perspective. Significant progress has been made and there is still work to do to harmonise systems and processes and evaluating the optimal future operating model. Synergies of $8 to $12m were identified as achievable through the combination of the entities and some of these have already been actioned. Management will continue to identify and implement synergies through FY23.

7. Significant changes in the state of affairs

In September and October 2021 the Company raised a total of $134m by way of a Placement and a Share Purchase Plan in anticipation of M&A activity.

On 15 March 2022 the Company acquired 100% of the shares in Over the Wire Holdings Limited (OTW) by way of Scheme of Arrangement. The total consideration paid was $347m of which $275m was in cash and the balance in scrip. The acquisition was funded by way of the prior equity raise and a syndicated debt facility totalling $175m.

The acquisition provides the Group with the ability to integrate the OTW network with that of the Group to achieve operational and financial scale, efficacy and margins

The acquisition of OTW is expected to provide the following benefits to the Group:

- creation of a larger and diversified telecommunications company, with a strong combined growth profile and customer mix;
- accelerating the acquisition of product and skills capability in the Group's business segment with the addition of recurring and contracted revenue derived from the OTW customer base;
- the ability to share in the value creation from synergies as a result of the combination of two highly complementary business, noting that the transaction is expected to deliver annual cost synergies of $8 to $12 million within 3 years and meaningful replacement capital expenditure savings; and
- enhanced trading liquidity through a broadened shareholder base, and potential for enhanced analyst coverage and potential inclusion in market indices.

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 2021: $nil).

9. Matters subsequent to the end of the financial year

Since the end of the financial year the Group has extended the tenor of its syndicated debt facilities such that Facility B, which had an original maturity date of 10 December 2022, now matures at 10 March 2025 together with Facility A. Further details on the debt facilities are set out in Note 17 to the financial statements.

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 and extend the network where there is demand and a strong business case to do so. Continued expansion of business, enterprise and government revenue is expected with newly acquired product capabilities being bundled with the Group's existing capabilities. 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 and rights

Share 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
30 June 2028	1 July 2025	$3.30	874,825

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 2022 and up to the date of this report.

Non-executive director share rights

On 30 July 2021 the Company established a Non-Executive Directors' Fee Sacrifice Plan under which directors can elect to sacrifice some or all of their directors' fees in exchange for rights to acquire shares in the Company, such rights to convert to shares with no additional price payable on dates determined by the Directors which will generally be following the half and full year financial results announcement. 75,414 rights were granted in July 2021 and on 21 February 2022 33,303 rights were converted to shares which were issued as new shares. The balance of these rights were converted to shares at the date of this report.

On 26 August 2022 34,665 rights were granted in relation to directors' fees for the year ending 30 June 2023.

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 $1,047,726 (2021: $627,369) 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 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 34.

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 off 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 provide this second Remuneration Report for Aussie Broadband since its listing in 2020.

Aussie's remuneration policy and approach is largely unchanged since the IPO. However, over that time, the Company has grown and developed, including through our first major acquisition of Brisbane-headquartered Over the Wire (OTW).

The People and Community Committee ('P&C Committee') has needed to consider carefully a range of issues during the year, including:

- How to maintain and strengthen Aussie's culture and bring that to life for the OTW team;
- How to respond in the current 'war for talent' to ensure we attract and retain the best people for our business;
- In this light, whether our remuneration polices and practices were fit for purpose; and
- How to reward people fairly for their efforts and achievements in a fast-moving and changing environment.

My colleagues on the P&C Committee have responded to these needs diligently and have been well-supported by the management team and our external remuneration advisers.

In May, we reviewed Aussie's first full salary benchmarking exercise across the entire Company. As a result, the Company implemented an increase equating to approximately 7% annual increase across all existing staff (on a like-for-like basis, not including staff growth), with a value of approximately $7 million, and approved by the Board through its budget review process.

Separately, the P&C Committee engaged advisers to assist with an independent review of the MD's and Executive Leadership Team's remuneration. This has led to an average increase of 4% on a like-for-like basis.

The front line staff changes took effect from 1 July 2022 and the remaining staff changes took effect from 1 August 2022.

In last year's report, I emphasised that 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.

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. So too is the emphasis we place on developing 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 embed recognition and acknowledgement within the Company in other ways, through benefits and direct recognition programs. We were especially pleased to join twelve other companies recognised as a 5-Star Employer of Choice in Australia by HRD Magazine.

Highlights of FY22

As was the case in FY21, Short-term incentive (STI) and Long-term incentive (LTI) arrangements continued for Key Management Personnel (KMP) and five executives. An STI scheme for senior and mid-tier leaders was also established, and a discretionary bonus scheme for all other employees. Requirements of the STI scheme continued Aussie Broadband's cultural preference for a 'one team approach' set of KPIs, focused on growing business capability, increasing product mix, and maintaining customer and employee experience.

KMP reward outcomes are clearly described in this report, both on a statutory basis and a 'cash and benefits received' basis. KMP, along with the other members of the executive and senior leadership team, received 60% of their STI target – an increase from the 45% achieved on a strict application of the target metrics following an exercise of board discretion.

In FY22, the Board also exercised discretion to offer our frontline staff 100% of their bonus scheme, in recognition of an extremely difficult year due to COVID-19 and other sickness impacting call centre workloads, while still achieving strong growth for the business. This bonus ranged from $1,000 to $5,000 per individual depending on their level.

As a component of the FY23 STI and staff bonus scheme, the Board also approved an offer of shares to the value of $1,000 to all staff (excluding the executive team), with the ability to opt-out for cash instead. This scheme is designed to encourage staff to become shareholders in the business – often meaning our customers are talking directly to an owner – but also recognises that in tough financial times, staff may prefer cash.

Over the Wire

Upon completion of the acquisition of OTW in March, the Board determined that the OTW Executive STI scheme would continue to run until the end of FY22. This scheme was originally approved by the former OTW Board's People and Culture Committee, with KPIs relating to both company and individual performance, and subject to a NPATA gateway. Unfortunately this gateway was not met, and after careful consideration and discussion with the former Managing Director of OTW, Michael Omeros (one of Aussie's Directors), it was determined that no Board discretion should be applied.

The OTW STI scheme was dissolved, as all OTW Executive and staff are being integrated into Aussie Broadband structures. In FY23 they will come under the Aussie Broadband STI, LTI and/or bonus schemes.

In summary

On behalf of the P&C Committee, I would like to take this opportunity to thank the entire team at Aussie Broadband, including our new team members from Over the Wire, for their efforts and achievements during a challenging year. They have continued to deliver value for our customers and shareholders despite the challenges, and they deserve to be applauded.

The Aussie Broadband team continues to change the telco and tech game in many ways – not the least of which is reinforcing that great customer service IS possible in this industry.

Richard

Richard Dammery
Chair, People and Community Committee

18.2 Who is covered by this report?

This Remuneration Report applies to Key Management Personnel (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 Chief Financial Officer, the Chief Operating Officer and the Chief Technology Officer.

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		
Michael Omeros[1]	Executive Director	2022		
John Reisinger[2]	Chief Technology Officer and Director	2008		
Executive only				
Brian Maher	Company Secretary and Chief Financial Officer	2019		
Matthew Kusi-Appauh[3]	Chief Operating Officer	2016		

1. Appointed 15 March 2022
2. Resigned as a director 15 March 2022 but continues as CTO and therefore remains as KMP throughout the year
3. Appointed as Chief Strategy Officer in July 2021. Appointed Chief Operating Officer in April 2022

18.3 Remuneration at a glance

Our why - to change the telco and tech game

A thriving people, culture and community	Exceptional customer experience, products and services	Sustainable growth and expansion, nimble approach

Our values

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

Our remuneration principles

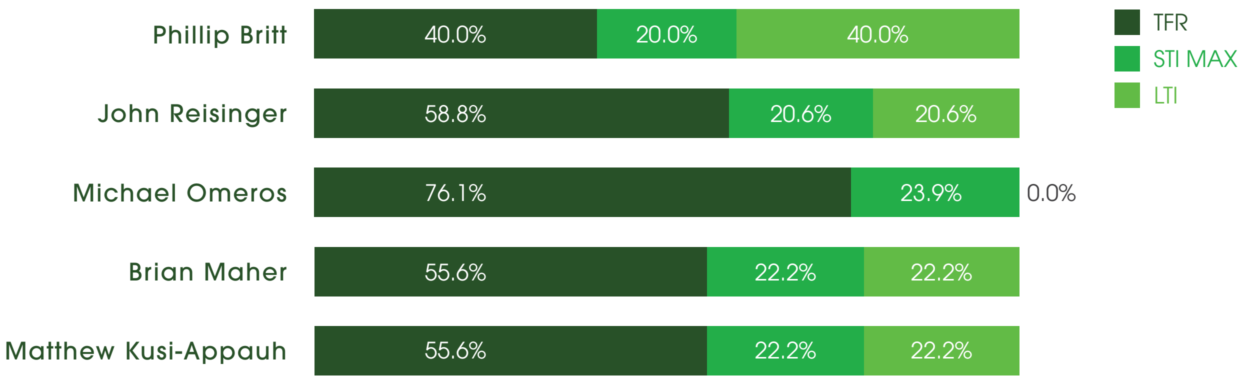
Our employees share in our success	Keep it simple and recognise great performance	Pay fairly for our market position, benchmarked against market practice

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 (a one team approach). In FY22 this was based on 4 KPIs aligned with our strategic priorities, as set out in section 18.7. Note that STI for Michael Omeros was set via the OTW STI scheme for FY22 and based on a range of performance metrics.
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 3 years if participants remain employed by the Company (or may be offered on a pro-rata basis for anyone subject to the good leaver policy) and are exercisable for a further period of up to 3 years.

Our executive remuneration mix for FY22



Michael Omeros' remuneration for FY22 was determined by the former OTW Board's People and Culture Committee and his LTI arrangements were settled prior to the acquisition of OTW by the Group.

STI targets for FY22

Currently, all KMP and other executive leaders share the same four performance targets (one team approach). These targets:

- link directly 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
- reflect our desire to acquire and integrate a major business.

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 FY22

For FY22, KMP (with the exception of Michael Omeros who operated under the Over the Wire STI scheme) were paid 60% of their maximum STI.

Actual FY22 remuneration received was:

	Position	Total Fixed Remuneration	Total STI paid[1]	Total LTI vested	Total Remuneration
Phillip Britt	Managing Director	492,933	150,000	-	**642,933**
Michael Omeros	Executive Director	110,583	-	-	**110,583**
John Reisinger	Chief Technology Officer	273,839	58,800	-	**332,639**
Brian Maher	Company Secretary and Chief Financial Officer	400,000	96,000	-	**496,000**
Matthew Kusi-Appauh	Chief Operating Officer	295,371	72,000	-	**367,371**

1. Represents Short-term Incentives paid or payable in relation to performance in FY22.

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 executive 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

- Consultants and advisers provide the P&C Committee with 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 P&CC 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 decision.

External consultants

During the year, the P&C 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	2022	2021	2020	2019	2018
Revenue ($'000)	546,940	350,270	190,493	99,652	49,266
Gross margin ($'000)	161,352	98,274	44,792	17,888	10,791
Gross margin %	29.5%	28.1%	23.5%	18.0%	21.9%
EBITDA ($'000)	34,976	17,843	3,064	(2,373)	(156)
Net profit / (loss) ($'000)	5,321	(4,494)	(12,299)	(4,889)	(1,081)
Dividends declared	-	-	-	120	-
Return of capital to shareholders	-	-	-	-	-
Share price at start of year ($)[1]	2.95	1.00			
Share price at end of year ($)	3.31	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 2021 and there was no active market for the shares to determine a price.

FY22 was a significant year for Aussie as we completed our first acquisition, while increasing annual revenue by 56%. The result for the year was impacted by costs associated with acquiring and integrating Over the Wire. The business grew residential connections by 28% and business connections by 51% (excluding the connections acquired with Over the Wire) and has completed 90% of its fibre network roll-out. Other notable events included migrating our white label customer's existing portfolio and onboarding new customer services to more than 57,000 customer services at the end of the financial year, the acquisition of Over the Wire, and Over the Wire's accreditation as one of six Tier 1 voice providers in Australia.

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 Aussie Broadband needs to achieve the Company's 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.

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

Fees paid

Following a review on 21 October 2021 Non-Executive Directors' fees (inclusive of superannuation) were adjusted to:

- Chair - $130,000
- Non-Executive Director - $100,000
- Additional fee for Committee Chair - $10,000

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

Details of NED Share Plan

As set out in the Notice of Meeting for the 2021 AGM, in July 2021, the Board approved establishing a Non-Executive Director's Fee Sacrifice Plan to further encourage and facilitate share ownership for ABB's Non-Executive Directors (NEDs). The NED Share Plan allows greater flexibility for NEDs to sacrifice directors' fees and in return be allocated an equivalent value of shares in the Company.

Each NED receives an offer to participate in the NED Plan (Participant) and may voluntarily elect to sacrifice up to 100%, but no less than 20%, of the fees they are otherwise entitled to receive as non-executive directors into rights, which each entitle the NED to receive 1 share per right.

The details of the plan rights for FY22 are set out below:

	Number of rights granted	Grant date	Vesting and exercisable date	Expiry date	Exercise price	Fair Value at grant date ($)
NED Share Rights						
Adrian Fitzpatrick	14,827	30/7/2021	31/01/2021	31/08/2022	$2.81	41,605
	19,276	30/7/2021	30/06/2022	31/08/2023	$2.81	54,011
Richard Dammery	13,197	30/7/2021	31/01/2021	31/08/2022	$2.81	37,031
	16,311	30/7/2021	30/06/2022	31/08/2023	$2.81	45,703
Vicky Papachristos	5,279	30/7/2021	31/01/2021	31/08/2022	$2.81	14,813
	6,524	30/7/2021	30/06/2022	31/08/2023	$2.81	18,280

	Opening balance at 1 July 2021	Granted	Exercised	Closing balance at 30 June 2022	Vested and exercisable	Vested during the year
NED Share Rights						
Adrian Fitzpatrick	-	34,103	14,827	19,276	19,276	34,103
Richard Dammery	-	29,508	13,197	16,311	16,311	29,508
Vicky Papachristos	-	11,803	5,279	6,524	6,524	11,803

18.7 Executive remuneration

Our approach

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

Details of Short-term incentive plan

All KMP share the same four performance targets (one team approach), other than Michael Omeros whose performance targets remained as those set in the OTW FY22 STI scheme.

These targets:

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

Target definitions, including thresholds and pro-rata amounts for payment, are set by the Board, and measured via a range of methods as listed below:

Target	Weighting	Measured by	Reason for inclusion	Conditions of satisfaction	Performance assessment
Grow business capability	40%	Delivery of agreed capacity	The Board considers this a critical measure of sustainable growth and expansion.	New business functions, products and support functionality focused on business and enterprise customers, as defined by our strategic goals, added to ABB's portfolio	Met (40% of STI)
Increase services per residential customer	40%	Internal measures	Additional services such as mobile phones identified as a key area for growth in our residential business	Services per customer increased to an agreed target	Not achieved
Staff engagement	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 maintaining engagement score	Not achieved
Maintain our customer experience	10%	Internal and external measures including data from Voice of Customer program, public ratings, NBN and other external independent surveys, complaints per 10,000 customers	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 and customer complaint levels.	Partly achieved (5% of STI)

Total weighting against all metrics yielded a result of 45%. The Board approved the Managing Director's recommendation to apply a 15% discretion component in recognition of other growth metrics achieved and the acquisition of OTW which took the total awarded to 60%.

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 the weightings to be appropriate in the financial year that Aussie Broadband completed its first acquisition. 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.

The OTW STI scheme was approved by its People and Culture Committee and consisted of a mix of executive team KPIs (70%) and individual or function KPIs (30%). Executive KPIs included Monthly Recurring Revenue, EBITDA margin, Customer Net Promoter Scores, and company-wide performance KPIs. This scheme was subject to a NPATA gateway which was not met, and, after careful consideration, it was determined that no Board direction should be applied.

Details of Long-term incentive plan

Aussie Broadband's LTI plan was designed to align long-term executive reward with shareholders' interests. After consideration of alternative approaches, the Board – on recommendation of the People & 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.

Summary of options held by executives

	Opening balance at 1 July 2021	Received as part of remuneration	Exercised	Closing balance at 30 June 2022	Vested and exercisable	Vested during the year
Directors						
Phillip Britt	698,228	471,698	-	1,169,926	-	-
John Reisinger	189,642	92,453	-	282,095	-	-
Executives						
Brian Maher	237,915	150,943	-	388,858	-	-
Matthew Kusi-Appauh	157,231	113,208	-	270,439	-	-

	Number of options granted	Grant date	Vesting and exercisable date	Expiry date	Exercise price	Fair Value at grant date ($)
Directors						
Phillip Britt	698,228	01/07/2020	01/07/2023	30/06/2026	$1.00	337,500
	471,698	01/07/2021	01/07/2024	30/06/2027	$2.85	500,000
John Reisinger	189,642	01/07/2020	01/07/2023	30/06/2026	$1.00	91,667
	92,453	01/07/2021	01/07/2024	30/06/2027	$2.85	98,000
Executives						
Brian Maher	237,915	01/07/2020	01/07/2023	30/06/2026	$1.00	115,000
	150,943	01/07/2021	01/07/2024	30/06/2027	$2.85	160,000
Matthew Kusi-Appauh	157,231	01/07/2020	01/07/2023	30/06/2026	$1.00	76,000
	113,208	01/07/2021	01/07/2024	30/06/2027	$2.85	120,000

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 so awards are forfeited/lapse in certain circumstances (e.g. if they are designated a 'bad leaver' as per the good leaver/bad leaver policy adopted at the October 2021 Annual General Meeting).

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 their obligations, the Board may deem any deferred STI or LTI held by the participant to be forfeited. No clawbacks occurred in FY22.

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. The key terms of those agreements are outlined in the following table:

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
Michael Omeros	No fixed term	6 months	Non-solicitation and non-compete clauses 6 months' redundancy pay
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
Matthew Kusi-Appauh	No fixed term	6 months	Non-solicitation and non-compete clauses Statutory leave entitlements

1. All Senior Executives were KMP for the duration of the financial year, with the exception of Michael Omeros who was appointed on 15 March 2022 following the acquisition of Over the Wire.
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 2022 financial year are as follows:

		Short-term benefits				Post employ't benefits	Long-term benefits		
		Salary / Fees	Cash STI[4,5]	Non-monetary benefits[6]	Other short-term benefits[7]	Super	Long service leave[8]	Share-based payments[9,10]	Total
Directors									
Phillip Britt	2022	452,290	150,000	13,143	2,485	27,500	15,305	278,383	**939,106**
	2021	389,381	366,000	13,143	20,998	25,000	27,015	112,500	**954,037**
Michael Omeros[1]	2022	104,691	-	-	-	5,892	1,724	-	**112,307**
	2021	-	-	-	-	-	-	-	**-**
John Reisinger[2]	2022	237,020	58,800	13,117	4,836	23,702	4,948	63,009	**405,432**
	2021	231,490	79,200	13,117	31,014	23,892	23,425	30,556	**432,694**
Adrian Fitzpatrick	2022	108,116	-	-	-	1,233	-	-	**109,349**
	2021	75,000	-	-	-	5,000	-	25,000	**105,000**
Richard Dammery	2022	95,234	-	-	-	-	-	-	**95,234**
	2021	75,000	-	-	-	-	-	25,000	**100,000**
Vicky Papachristos	2022	89,684	-	-	-	5,659	-	-	**95,343**
	2021	68,493	-	-	-	6,507	-	25,000	**100,000**
Patrick Greene	2022	79,546	-	-	-	7,954	-	-	**87,500**
	2021	63,927	-	-	-	6,073	-	-	**70,000**
Executives									
Brian Maher	2022	372,510	96,000	-	37,416	27,490	5,795	91,400	**630,611**
	2021	300,000	260,400	-	25,046	25,000	707	38,333	**649,486**
Matthew Kusi-Appauh[3]	2022	268,531	72,000	-	12,082	26,840	13,416	65,157	**458,026**
	2021	-	-	-	-	-	-	-	**-**

1. Appointed 15 March 2022
2. Resigned as a Director 15 March 2022 but continues as Chief Technology Officer and KMP throughout the year.
3. Appointed Chief Strategy Officer 1 July 2021 and Chief Operating Officer 1 April 2022 and was considered KMP in both roles.
4. 2021 included $150,000 paid to each of the Managing Director and Chief Financial Officer for the completion of the IPO.
5. 20% of STI arising in each year is deferred for 12 months but included as short-term benefits.
6. Fully maintained vehicles.
7. Increase in annual leave liability.
8. Increase in long service leave provision.
9. In relation to Non-executive Directors for 2021 this represents shares issued at IPO in recognition of special exertions during the IPO process.
10. 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 2021	Received as part of remuneration	Additions	Disposals	Closing balance at 30 June 2022
Directors					
Phillip Britt	17,946,809	-	122,250	(2,000,000)	16,069,059
Michael Omeros	-	-	4,757,874	-	4,757,874
John Reisinger	17,946,809	-	122,250	(2,000,000)	16,069,059
Adrian Fitzpatrick	65,000	14,827	6,000	-	85,827
Richard Dammery	60,000	13,197	6,112	-	79,309
Vicky Papachristos	50,000	5,279	10,000	-	65,279
Patrick Greene	12,148,342	-	122,250	(1,908,600)	10,361,992
Executives					
Brian Maher	168,414	-	5,300	-	173,714
Matthew Kusi-Appauh	933,873	-	-	-	933,873

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
Chair

Phillip Britt
Managing Director

Melbourne
29 August 2022

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 2022 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
29 August 2022

Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Notes	2022	2021
		$'000	$'000
Revenue	5	546,940	350,270
Network and hardware expenses		(385,588)	(251,996)
Employee expenses		(72,792)	(41,334)
Marketing expenses		(31,548)	(26,294)
Administration and other expenses	6	(17,633)	(11,616)
Depreciation and amortisation	11, 12, 14	(24,043)	(7,560)
Interest expense		(2,476)	(2,257)
Interest income		149	93
Change in fair value of derivative	19	-	(12,273)
IPO expenses		-	(1,187)
Business acquisition expenses		(3,124)	-
Business integration expenses		(1,279)	-
Profit / (loss) before income tax expense		8,606	(4,154)

	Notes	2022	2021
		$'000	$'000
Income tax expense	7	(3,285)	(340)
Profit / (loss) after income tax expense for the year		5,321	(4,494)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Other comprehensive loss for the year, net of tax		(54)	-
Total comprehensive income for the year		5,267	(4,494)
Earnings per share		cents	cents
Basic profit / (loss) per share	24	2.393	(2.638)
Diluted profit / (loss) per share	24	2.376	(2.638)

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

	Notes	2022	2021
		$'000	$'000
Assets			
Current assets			
Cash and cash equivalents	8	47,722	57,010
Trade and other receivables	9	37,204	16,948
Inventories	10	4,793	5,500
Financial assets	13	1,109	15
Current tax assets	7	2,139	-
Prepayments		10,675	2,017
Total current assets		103,642	81,490
Non-current assets			
Property, plant and equipment	11	64,120	17,393
Right-of-use assets	14	44,296	12,275
Intangibles	12	416,358	3,993
Deferred tax assets	7	-	1,080
Financial assets	13	79	682
Total non-current assets		524,853	35,423
Total assets		628,495	116,913

	Notes	2022	2021
		$'000	$'000
Liabilities			
Current Liabilities			
Trade and other payables	15	53,722	26,799
Contract liabilities	20	28,150	15,769
Current tax liabilities	7	-	654
Borrowings	17, 35	64,466	-
Lease liabilities	14	12,369	5,489
Employee benefits	16	7,583	3,232
Deferred Consideration		2,500	-
Total current liabilities		168,790	51,943
Non-current liabilities			
Borrowings	17, 35	109,514	-
Lease liabilities	14	30,324	5,075
Deferred tax liabilities	7	50,345	-
Employee benefits	16	800	348
Total non-current liabilities		190,983	5,423
Total liabilities		359,773	57,366
Net assets		268,722	59,547
Equity			
Issued capital	21	298,288	95,088
Reserves		962	308
Accumulated losses	23	(30,528)	(35,849)
Total surplus in equity		268,722	59,547

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

	Notes	Issued capital	Share-based payment reserve	Foreign currency translation reserve	Accumulated losses	Total surplus/ (deficiency) in equity
		$'000	$'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

	Notes	Issued capital	Share-based payment reserve	Foreign currency translation reserve	Accumulated losses	Total surplus/ (deficiency) in equity
		$'000	$'000	$'000	$'000	$'000
Balance at 1 July 2021		95,088	308	-	(35,849)	59,547
Profit after income tax expense for the year		-	-	-	5,321	5,321
Other comprehensive income		-	-	(54)	-	(54)
Total comprehensive loss for the year		-	-	(54)	5,321	5,267
Transactions with owners of the Company						
Issue of ordinary shares	21	206,291	-	-	-	206,291
Costs associated with issue of ordinary shares	21	(3,091)	-	-	-	(3,091)
Share-based payment expense	22	-	708	-	-	708
Total transactions with owners of the Company		203,200	708	-	-	203,908
Balance at 30 June 2022		298,288	1,016	(54)	(30,528)	268,722

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

	Notes	2022	2021
		$'000	$'000
Cash flows from operating activities			
Receipts from customers		595,117	384,736
Payments to suppliers & employees		(552,862)	(359,244)
		42,255	25,492
Interest received		147	93
Interest and other finance costs paid		(1,030)	(302)
Taxation paid		(3,583)	-
Net cash from operating activities		37,789	25,283
Cash flows from investing activities			
Payments for property, plant and equipment	11	(40,733)	(14,993)
Payments for intangibles	12	(1,736)	(2,140)
Payments for business acquisitions (net of cash acquired)		(265,627)	-
Proceeds from disposal of property, plant and equipment		14	1
Net cash used in investing activities		(308,082)	(17,132)

	Notes	2022	2021
		$'000	$'000
Cash flows from financing activities			
Equity proceeds (net of costs)		130,877	37,438
Payment of lease liabilities		(11,935)	(5,992)
Repayment of borrowings		(32,312)	(5,500)
Drawdown of debt facility (net of costs)		173,756	-
Net recovery of security deposits		619	1,478
Net cash from financing activities		261,005	27,424
Net (decrease) / increase in cash and cash equivalents		(9,288)	35,575
Cash and cash equivalents at the beginning of the financial year		57,010	21,435
Cash and cash equivalents at the end of the financial year	8	47,722	57,010

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

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 2022 were authorised for issue in accordance with a resolution of the Directors on 29 August 2022. 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 Going concern

The Consolidated financial statements have been prepared on a going concern basis which contemplates the continuity of business operations, realisation of assets and settlement of liabilities in the ordinary course of business and at the amounts stated in the financial report. The Group recorded a profit for the year of $5.3m (2021: loss $4.5m). The Group has net assets of $268.7m and its current liabilities exceed current assets by $65.1m as at 30 June 2022 (30 June 2021: Net current assets of $59.5m). However, since the end of the financial year the Group has extended the tenor of part of its debt facilities such that $40m which was originally maturing in December 2022 will now mature in March 2025. There remains a shortfall of current assets against current liabilities but despite this the Directors' opinion that the Group is a going concern is based on a number of considerations including:

The nature of the current liabilities which include:

- customer prepayments of $28.1m for which there is not expected to be any direct cash outflow; and
- a revolving working capital facility of $15m that matures in March 2023 but expects that this will be renewed;
- The Group has strong operating cash flows;
- The Group has ready access to the capital markets should it be necessary to raise additional funds; and
- The Group has the ability to alter its strategies, plans and operations to operate within the parameters of its available cash resources.

In the opinion of the Directors there is reasonable expectation that the Group will have adequate resources to continue to operate as a going concern and meet its obligations as they fall due in the foreseeable future.

2.3 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.

2.4 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 30.

2.5 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 30 June 2022. 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. A summary of controlled entities is included at Note 30.

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.

2.6 Business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquirer's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the Group assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Deferred consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of deferred consideration classified as an asset or liability is recognised in profit or loss.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain, the difference is recognised as a gain directly in profit or loss on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the previously held equity interest in the acquiree.

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity interest forms the cost of the investment.

Business combinations may initially be accounted for on a provisional basis. Where appropriate the Group retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the Group receives all the information possible to determine fair value.

2.7 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.

2.7.1 Identification of reportable operating segments

The Group provides telecommunication services in Australia focused on providing internet and other telecommunication services. It is organised into four operating segments: Residential, Business, Wholesale and Over the Wire. 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.

2.8 Revenue

2.8.1 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.

2.8.2 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.

2.8.3 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).

2.8.4 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.

2.8.5 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 1 month).

2.8.6 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.

2.8.7 Wholesale customer contracts

Wholesale revenue represents revenue from customers who on-sell the telecommunications services provided by the Group to end users. The largest component is a single white label contract where the Group provides broadband and voice services together with customer support and billing services. Revenue is recognised consistent with Residential contracts to the extent that each service is provided on a month-to-month basis but under a wholesale master agreement with a term of three years.

2.8.8 Over the Wire customer contracts

Customer contracts for Over the Wire are recognised on a consistent basis with the policies set out in 2.8.1 to 2.8.7.

2.8.9 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.

2.8.10 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.

2.8.11 Significant financing component

The payment terms in the Group's contracts range from monthly in advance for the goods or services to 30 days in arrears.. 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.

2.8.12 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).

2.8.13 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.

2.8.14 Other revenue

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

2.9 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.

2.9.1 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.

2.9.2 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.

2.10 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.

2.11 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.

2.12 Cash and cash equivalents

Cash and cash equivalents 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.

2.13 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 prior year. Credit management practices were eased during that 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 were 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 in the current year.

2.14 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.

2.15 Plant and equipment

2.15.1 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:

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.

2.15.2 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.

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

2.16 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:

Brand Value

Brands are acquired in a business combination. Some brands are not amortised where the Group has assessed them to have indefinite useful lives due to the strength of the brand in the market and the intention to continue using the brand indefinitely into the future. These are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Some brands are amortised where the Group has identified the Brand as likely to be transitioned to a Group brand in the future.

Customer Relationships

Customer relationships acquired in a business combination are amortised on a straight-line basis over the period of their expected benefit, being their expected finite life of approximately 10 years, based upon the Group's historical levels of customer retention. Customer relationships are carried at fair value less any accumulated amortisation and impairment losses.

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.

Internally generated software

Costs that are clearly associated with an identifiable and unique product, which will be controlled by the Group and have a profitable benefit exceeding the cost beyond one year, are recognised as intangible assets. The following criteria are required to be met before the related expenses can be capitalised as an intangible asset:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale.
- The intention to complete the intangible asset and use or sell it.
- The Group's ability to use or sell the intangible asset.
- How the intangible asset will generate probable future economic benefits. Among other things, the Group can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset.
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset, and
- Its ability to measure reliably the expenditure attributable to the intangible asset during its development.

Computer software development costs recognised as assets are amortised over their useful lives, not exceeding a period of five years.

Acquired Software

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

Goodwill

Goodwill arises on the acquisition of a business combination. Goodwill is calculated as the excess sum of:

- the consideration transferred;
- any non-controlling interest; and
- the acquisition date fair value of any previously held equity interest; over the acquisition date fair value of net identifiable assets acquired.

Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

Goodwill is allocated to the Group's Cash Generating Unit's ('CGU') or groups of CGU's, representing the lowest level at which goodwill is monitored.

2.17 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 ROU 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.

(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.

2.18 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 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 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.

2.19 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.

2.19.1 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.

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.

2.19.2 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.

2.19.3 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.

2.20 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.

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 2022 or 2021.

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.

2.21 Employee benefits

2.21.1 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 twelve 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.

2.21.2 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.

2.22 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.

2.23 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.

2.23.1 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.

2.24 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 Group has assessed the recoverable amount of CGUs with goodwill using a value-in-use calculation. The post-tax discount rate applied in impairment testing was 10% and the terminal growth rate used was 3%. Key assumptions in the CGU cash flow projections include growth rates and gross margins which are based on the Group's plans that factor into consideration of historic performance, forecast macroeconomic and industry conditions and the estimated effect of strategies. For other indefinite life intangible assets, the Group uses a 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 service. New processes have been introduced that continue to offer assistance to those in need but shortens 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 ECL 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 ROU 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.

4.2.6 Business Combinations

The fair value of the assets acquired and liabilities assumed have been measured on a provisional basis as set out in Note 28.

4.2.7 Measurement of Fair Values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 12: Intangibles
- Note 17: Borrowings
- Note 19: Fair Values
- Note 22: Share-based Payments
- Note 28: Business Combinations

5. Revenue

	2022	2021
	$'000	$'000
Disaggregation of revenue		
The disaggregation of revenue from contracts with customers is as follows:		
Rendering of services	528,880	334,058
Sale of goods	17,643	16,037
Other income from customers	417	175
Revenue from contracts with customers	546,940	350,270
Timing of revenue recognition		
Services transferred at a point in time	21,324	17,304
Services transferred over time	525,616	332,966
	546,940	350,270

Performance obligations

Information about the Group's performance obligations are 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 2022 is as follows:

	2022	2021
	$'000	$'000
Within one year	16,534	9,125
More than one year	17,436	8,617
Revenue from contracts with customers	33,970	17,742

6. Administration and other expenses

	2022	2021
	$'000	$'000
Included in Administration and other expenses are:		
Financial expenses	6,516	5,833
Professional expenses	2,293	5,833
Office expenses	5,390	2,965
Other expenses	3,434	1,476
Total	17,633	11,616

7. Income tax expense

	2022	2021
	$'000	$'000
Tax recognised in profit or loss		
Current tax expense		
Current period	(3,478)	2,077
Change in unrecognised tax losses	71	(1,423)
	(3,407)	654
Deferred tax expense		
Origination and reversal of temporary differences	5,940	869
Tax effect of deductible expenses recognised against equity	1,324	-
Changes in timing difference related to prior years	(572)	-
Change in the unrecognised deductible temporary differences	-	(1,183)
	6,692	(314)
Total tax expense	3,285	340
Reconciliation of effective tax rate		
Profit / (loss) for the period	8,606	(4,154)
Tax at the statutory tax rate of 30%	2,582	(1,246)
Effect of tax rates in foreign jurisdictions	(6)	-
Non-deductible expenses – convertible note related expenses	-	4,099
Non-deductible expenses – other expenses	1,210	93
Changes in timing difference related to prior years	(572)	-
Change in unrecognised deductible temporary differences	-	(1,183)
Change in unrecognised tax losses	71	(1,423)
	3,285	340

	2022	2021
	$'000	$'000
Unrecognised deferred tax assets		
Deferred tax assets have not been recognised in respect of the following items:		
Tax losses	1,660	1,940
	1,660	1,940

At June 2022 tax losses have been recognised as deferred tax assets to the extent that it is probable that future taxable profit would be available against which the Group could utilise the benefits therefrom. Certain losses, which relate to the period prior to the Group's initial public offering, have not been recognised this portion of the Group's tax losses are subject to ongoing testing that creates uncertainty as to their recoverability.

Deferred tax assets were not recognised in respect of these items at June 2021 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 2022 tax losses have not been recognised as there is no certainty that they can be utilised.

Deferred tax balances relate to the following:

	Consolidated statement of financial position		Consolidated statement of profit or loss and other comprehensive income	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Property, plant & equipment	(10,628)	(1,027)	(9,480)	(1,027)
Acquired intangibles	(50,277)	-	2,018	-
Right-of-use asset/liability	225	(513)	166	(263)
Intangible asset – software	(33)	(185)	(294)	(185)
Expected credit loss provision	468	133	146	52
Accrued revenue	-	(22)	27	27
Employee provisions	2,514	1,074	464	413
Other deferred tax differences	4,513	1,620	1,013	114
Tax Losses	2,873	-	-	-
Net deferred tax balance	(50,345)	1,080		
Deferred tax expense			(5,940)	(869)

In addition, $1,324,728 of deferred tax movements were recognised in equity in 2022 as they related to costs offset against the equity in relation to costs associated with issuing new equity (2021: $765,634).

8. Cash and cash equivalents

	2022	2021
	$'000	$'000
Cash on hand	3	1
Cash at bank	47,719	57,009
Total	47,722	57,010

9. Trade and other receivables

	2022	2021
	$'000	$'000
Trade receivables	31,694	17,315
Allowance for expected credit loss (Note 29)	(1,559)	(442)
Sundry debtors	7,069	75
	37,204	16,948

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:

	2022	2021
	$'000	$'000
As at 1 July	442	269
Allowance for expected credit loss	2,720	2,814
Written off during the year	(1,603)	(2,641)
As at 30 June	1,559	442

Further details on the ageing of trade receivables and expected credit loss are included in Note 29.

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.

	2022	2021
	$'000	$'000
Routers	4,630	5,395
IP Phones	16	11
Other	147	94
	4,793	5,500

11. Property, plant and equipment

	2022	2021
	$'000	
Leasehold improvements		
At cost	3,917	571
Less: accumulated depreciation	(1,607)	(272)
	2,310	299
Plant and equipment		
At cost	91,419	20,164
Less: accumulated depreciation	(47,867)	(11,778)
	43,552	8,386
Motor vehicles		
At cost	652	577
Less: accumulated depreciation	(403)	(396)
	249	181
Office & computer equipment		
At cost	5,171	2,504
Less: accumulated depreciation	(2,324)	(1,026)
	2,847	1,478
Capital Work in Progress	15,162	7,049
Total property, plant & equipment at net book value	64,120	17,393

	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 2021	299	8,386	181	1,478	7,049	17,393
Additions through Business Combination	1,990	9,301	2	208	-	11,501
Additions	227	7,771	129	1,741	30,794	40,662
Transfers from Capital Work in Progress	-	22,446	-	235	(22,681)	-
Disposals	(5)	(76)	-	-	-	(81)
Depreciation expense	(201)	(4,276)	(63)	(815)	-	(5,355)
Carrying amount at 30 June 2022	2,310	43,552	249	2,847	15,162	64,120

	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

	2022	2021
	$'000	$'000
Software		
At cost	32,734	5,885
Less: accumulated depreciation	(6,299)	(3,855)
	26,435	2,030
Customer Relationships		
At cost	144,600	-
Less: accumulated depreciation	(4,276)	-
	140,324	-
Brand		
At cost	5,200	-
Less: accumulated depreciation	(769)	-
	4,431	-
IP Addresses at cost	5,932	1,963
	5,932	1,963
Goodwill at cost	239,236	-
	239,236	-
Total intangible assets at net book value	416,358	3,993

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	Customer Relationships	IP Addresses	Goodwill	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Carrying amount at 1 July 2020	2,030	-	-	1,963	-	3,993
Additions through Business Combination	25,113	144,600	5,200	3,969	239,236	418,118
Write down	1,736	-	-	-	-	1,736
Amortisation expense	(2,444)	(4,276)	(769)	-	-	(7,489)
Carrying amount at 30 June 2022	26,435	140,324	4,431	5,932	239,236	416,358

	Software	IP Addresses	Customer Relationships	IP Addresses	Goodwill	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Carrying amount at 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 & Goodwill with indefinite useful lives are tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

Recent market transactions of IP Addresses confirm that the fair value of the assets is greater than its carrying value and therefore there is no evidence of impairment. There is no evidence of impairment of Goodwill.

13. Financial assets

	2022	2021
	$'000	$'000
Current		
Deposits	1,109	15
Total	1,109	15
Non-current		
Other deposits	79	682
Total	79	682

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 three to five 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 2021	1,318	10,957	12,275
Additions through business combination	11,606	3,994	15,600
Additions	17,021	16,593	33,614
Modification	46	(202)	(156)
Disposals	(5,664)	(175)	(5,839)
Depreciation expense	(1,947)	(9,251)	(11,198)
As at 30 June 2022	22,380	21,916	44,296

	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

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 2021	1,368	9,196	10,564
Additions through business combination	11,606	3,986	15,592
Additions	17,021	16,593	33,614
Modification	46	(202)	(156)
Accretion of interest	414	538	952
Disposals	(5,757)	(181)	(5,938)
Payments	(1,812)	(10,123)	(11,935)
As at 30 June 2022	22,886	19,807	42,693
Current			12,369
Non-current			30,324

	Software	IP Addresses	Total
	$'000	$'000	$'000
As at 1 July 2021	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 2022	1,368	9,196	10,564
Current			5,489
Non-current			5,075

The maturity analysis of lease liabilities is disclosed at Note 29.

The following are amounts recognised in profit or loss:

	2022	2021
	$'000	$'000
Depreciation expense of ROU assets	11,198	4,510
Interest expense on lease liabilities	952	608
Expense relating to short-term leases (not included in the measurement of the lease liability)	662	3
Total amount recognised in profit or loss	12,812	5,121

The Group had cash outflows for ROU leases of $11,934,562 which includes interest of $951,694.

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

	2022	2021
	$'000	$'000
Trade creditors	34,929	18,507
Accrued charges	15,240	7,649
Other creditors	3,553	643
Total	53,722	26,799

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

16. Employee benefits

	2022	2021
	$'000	$'000
Current		
Annual leave	5,647	2,660
Long service leave	1,936	572
Total	7,583	3,232
Non-current		
Long service leave	800	348
Total	800	348

17. Borrowings

	2022	2021
	$'000	$'000
Current		
Syndicated term debt facility	64,466	-
Total	64,466	-
Non-current		
Syndicated term debt facility	109,514	-
Total	109,514	-

17.1 Syndicated debt facility

The Group entered into a syndicated debt facility agreement in March 2022 for the purpose of acquiring the share capital of Over the Wire Holdings Limited. The facility is secured over all present and subsequently acquired property of the Group excluding certain property under lease arrangements. There are three facilities under the agreement as follows:

- Facility A - $120,000,000 – matures 10 March 2025 and subject to 6 monthly repayments of $10,000,000 where the net leverage ratio is greater than 1.25 commencing in March 2023 and as such $10,000,000 has been recorded as a current liability as it is expected that this repayment will be necessary.
- Facility B - $40,000,000 – The original maturity date was 10 December 2022 but the tenor has been extended since the end of the financial year to 10 March 2025. Accordingly the facility has been recorded as current at balance date.
- Facility C - $15,000,000 working capital facility – matures 10 March 2023.

Under the terms of these facilities the Group is required to comply with the following financial covenants:

- Net leverage ratio to be less than 3.0 times at 31 December 2022 and 2.5 times each half-year end date thereafter; and
- Interest cover ratio to be not less than 3.0 times at each half-year end

As at 30 June 2022 the Group complied with these covenants

17.2 Other debt facility

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.

17.3 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 in October 2020.

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

Reconciliation of convertible note:

	2022	2021
	$'000	$'000
Opening balance	-	21,738
Accreted interest	-	1,381
Converted to equity	-	(23,119)
Carrying amount of liability as at 30 June 2022	-	-

Reconciliation of changes in liabilities arising from financing activities:

	30 June 2021	Changes from financing cash flows	New/ modified/ terminated leases	Accreted interest	Change in fair value	Conversion to equity	30 June 2022
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Borrowings	-	173,756	-	224	-	-	173,980
Convertible notes	-	-	-	-	-	-	-
Derivative	-	-	-	-	-	-	-
Lease liabilities	10,564	(11,935)	43,112	952	-	-	42,693
Total liabilities from financing activities	10,564	161,821	43,112	1,176	-	-	216,673

	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

18. Reconciliation of profit / (loss) after income tax to net cash from operating activities

	2022	2021
	$'000	$'000
Profit / (loss) after income tax expense for the year	5,321	(4,494)
Adjustments for:		
Depreciation and amortisation	24,043	7,559
Net loss on disposal of property, plant and equipment	(13)	50
Equity settled share-based payments	708	785
Non-cash NED Share Plan costs	94	-
Non-cash interest costs on convertible notes	-	1,381
Lease interest costs in financing cash flows	952	608
Change in fair value of derivative	-	12,273
Debt cost amortisation	224	-
Change in operating assets and liabilities:		
Increase in trade and other receivables	(4,519)	(5,559)
Decrease / (increase) in inventories	864	(3,808)
Decrease / (increase) in prepayments	198	(242)
(Increase) / decrease) in net tax assets	(298)	340
Increase in trade and other payables	6,242	10,009
Increase in employee benefits	1,547	1,375
Increase in contract liabilities	2,426	5,006
Net cash from operating activities	37,789	25,283

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:

		2022			2021		
	Notes	At amortised cost	At fair value	Total	At amortised cost	At fair value	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Financial assets							
Cash and cash equivalents	8	47,722	-	47,722	57,010	-	57,010
Trade & other receivables	9	37,204	-	37,204	16,948	-	16,948
Financial Assets	13	1,188	-	1,188	697	-	697
Total		86,114	-	86,114	74,655	-	74,655
Financial liabilities							
Trade & other payables	15	53,722	-	53,722	26,799	-	26,799
Borrowings	17	173,980	-	173,980	-	-	-
Deferred consideration	28	-	2,500	2,500	-	-	-
Convertible note	17	-	-	-	-	-	-
Derivative		-	-	-	-	-	-
Lease liabilities	14	42,693	-	42,693	10,564	-	10,564
Total		270,395	2,500	272,895	37,363	-	37,363

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	2022	2021
		$'000	$'000
Financial assets		-	-
Financial liabilities		-	-
Deferred consideration	3	2,500	
Derivative	3	-	-
Total		2,500-	-

Reconciliation of embedded derivative

	2022	2021
	$'000	$'000
Opening balance	-	10,384
Fair value on initial recognition	-	-
Fair value movements	-	12,273
Conversion to equity at IPO	-	(22,657)
Balance at period end	-	-

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

	2022	2021
	$'000	$'000
Customer prepayments	28,150	15,769
Total contract liabilities	28,150	15,769

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:

	2022	2021
	$'000	$'000
Opening balance	15,769	10,764
Additions through business combination	9,954	-
Payments received in advance (excluding GST)	528,043	337,971
Transfer to revenue	(525,616)	(332,966)
Closing balance	28,150	15,769

21. Issued capital

	2022	2022	2021	2021
	$'000	$'000	$'000	$'000
Ordinary shares, fully paid	298,288	237,623,165	95,088	190,340,026

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
Share Placement	15 Sep 2021	28,500,000	$4.00	114,000
Share Purchase Plan	8 Oct 2021	4,991,925	$4.00	19,968
Shares issued pursuant to the NED Share Plan	24 Feb 2022	33,303	$2.81	94
Shares issued as consideration for acquisition of Over The Wire Holdings Limited	15 Mar 2022	13,757,911	$5.25	72,229
Share issue costs attributable to equity				(3,091)
Closing balance	30 June 2022	237,623,165		298,288

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

22. Share based payments

The Long-Term Incentive Plan was established to provide incentives to deliver long-term shareholder value share options were awarded to Key Management Personnel and senior employees to purchase shares in the Company at a future date. Under the 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 details of the share options granted are as follows:

	2022	2021
	$'000	$'000
Issue date	19 July 2021	28 Aug 2020
Number of options issued	1,138,678	1,911,940
Market price at grant of option	$2.85	$1.00
Exercise price of option1	$2.85	$1.00
Vesting date	1 Jul 2024	1 Jul 2023
Expiry date	30 Jun 2027	30 Jun 2026

The fair value of each share option granted has been measured using a Black-Scholes model utilising the following inputs and output:

	2022	2021
	$'000	$'000
Expected share price volatility at grant	45.0%	60.9%
Expected dividend yield per annum	1.50%	1.50%
Risk-free interest rate per annum (being the 5-year Australian Government bond yield)	0.77%	0.38%
Fair value of each option	$1.06	$0.48

1. For 2022, 10-day Volume Weighted Average Price at 30 June. For 2021 the IPO issue price.

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.

Expense arising from share based payment transactions

	2022	2021
	$'000	$'000
Long-term Incentive plan share options	708	308
Employee share gift offer	-	402
Director special exertion shares	-	75
	708	785

23. Accumulated losses

	2022	2021
	$'000	$'000
Accumulated losses at beginning of financial year	(35,849)	(31,355)
Profit / (loss) after income tax benefit	5,321	(4,494
Dividend paid	-	-
Accumulated losses at end of financial year	(30,528)	(35,849)

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:

	2022	2021
	$'000	$'000
Profit / (loss) for the year ($)	5,320,567	(4,493,730)
Weighted average number of shares	222,304,711	170,369,180
Basic profit / (loss) per share (cents)	2.393	(2.638)
Weighted average number of shares - diluted	223,932,463	170,369,180
Diluted profit / (loss) per share ($)	2.376	(2.638)

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.

25. Dividends

No dividends were paid or declared in the current or previous financial year.

Franking credits

	2022	2021
	$'000	$'000
Franking credits available for subsequent financial years based on a tax rate of 30%	22,548	455
Income tax (recoverable) / liability	(2,224)	654
Franking credit balance at end of financial year	20,324	1,109

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 no lease contracts that had not yet commenced as at 30 June 2022.

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.

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

	2022	2021
	$'000	$'000
Property, plant and equipment	8,592	6,130
Total committed spend	8,592	6,130

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. Business combinations

On 15 March 2022 the Company acquired 100% of the share capital of Over the Wire Holdings Limited (OTW) following the implementation of a Scheme of Arrangement approved by the Federal Court on 3 March 2022.

The acquisition of OTW provided the Group with an additional 16,000 customers and provided the Group with an expanded product and capability set to facilitate future growth in the business, enterprise and government sectors.

For the period to 30 June 2022 OTW contributed revenue of $38.5m and profit of $4.5m to the Group's results (before amortisation of acquired intangibles). If the acquisition had occurred on 1 July 2021 the Group estimates that consolidated revenue would have been $642m and the consolidated profit $1.4m (including $16.1m in relation to the amortisation of acquired intangibles).

28.1 Consideration transferred

Following elections made by the former shareholders of OTW the final consideration for the acquisition amounted to $347.4m comprising $275.2m of cash and 13.8m shares at a nominal value of $68.8m but at market value at market close on 14 March of $72.2m.

28.2 Acquisition costs

The Group incurred $3.0m for legal fees, due diligence and advisory costs in relation to the acquisition. Costs associated with securing debt and issuing securities relating to the acquisition have been set off against the debt and equity proceeds.

28.3 Identifiable assets and liabilities acquired

The following table summarises the recognised amounts of assets and liabilities acquired at the date of acquisition. As of the date of this report, due to the acquisition completing close to balance date, the accounting for the net identifiable assets is provisional and has not been finalised due to the ongoing work to be carried out on the identification and valuation of the net assets acquired. Therefore, the amounts recognised may be subject to change. Finalisation is expected no later than 15 March 2023.

	$'000
Plant & equipment	11,501
Right of use assets	15,600
Deferred tax assets and liabilities	3,353
Trade & other receivables	15,737
Cash and cash equivalent assets	9,546
Other assets	10,125
Trade & other payables	(20,668)
	(9,954)
Borrowings	(32,312)
Lease liabilities	(15,592)
Employee benefits	(3,257)
Deferred consideration	(2,500)
Identifiable intangibles assets (Note 12)	178,882
	160,461

Fair values have been established as follows:

- Plant & Equipment - Valued as assets in use having regard to the estimated useful life of the assets.
- Intangible assets:
    - Customer relationships – multi-period excess earnings which considers the present value of net cash flows expected to be generated by the customer relationships
    - Software, Brand and IP Addresses – a mixture of replacement cost, historical cost and relief from royalty methods have been used, appropriate to each asset. The relief-from-royalty method considers the discounted estimated royalty payments that are expected to be avoided as a result of the intellectual property being owned.

28.4 Goodwill

Goodwill arising from the acquisition has been recognised as follows:

	$'000
Consideration transferred	347,402
Add: Fair value of identifiable net liabilities	18,421
Add: Deferred tax liability on limited life intangibles	52,295
Less: Identifiable intangible assets	(178,882)
Goodwill	239,236

29. Financial risk management

29.1 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 syndicated borrowing facilities (see Note 17) lease liabilities and trade and other payables. For year ended 30 June 2021 borrowings included a convertible loan (which converted in October 2021), a secured term bilateral facility (repaid during that year). 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.

29.2 Market risk – interest rates

The Group's main interest rate risk arises from borrowings. Borrowing obtained at variable rates exposes the Group to interest rate risk. Refer to Note 17 for details of borrowings.

The Group had no hedging arrangements in place during the period having considered the relative pricing of hedges against the risk exposure in the context of its enterprise wide risk management framework. The Group will continue to monitor the economic conditions and the hedging market and consider its risk management strategies accordingly.

A reasonably possible change of 100 basis points in interest rates throughout the reporting period would have increased (decreased) equity and profit or loss by the amounts shown below (noting that the borrowings were only in place since March 2022).

Interest rate sensitivity

	Increase/(decrease) in basis points	$'000
2022	100	510
	(100)	(510)
2021	100	-
	(100)	-

29.3 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 2022, there was no particular concentration of credit risk in any single customer (2021: $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:

	Trade receivables				
	< 30 days	31 – 60 days	61 – 90 days	>91 days	Total
	$'000	$'000	$'000	$'000	$'000
30 June 2022					
Estimated total gross carrying amount at default	30,183	539	370	602	31,694
Total expected credit loss	764	219	201	375	1,559

	Trade receivables				
	< 30 days	31 – 60 days	61 – 90 days	>91 days	Total
	$'000	$'000	$'000	$'000	$'000
30 June 2021					
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
Expected credit loss	176	139	90	37	442

29.4 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:

	<12 months	1-5 years	Total
	$'000	$'000	$'000
30 June 2022			
Trade payables	53,722	-	53,722
Borrowings	64,466	109,514	173,980
Lease liabilities	12,369	30,324	42,693
Deferred consideration	2,500	-	2,500

	<12 months	1-5 years	Total
	$'000	$'000	$'000
30 June 2021			
Trade payables	26,799	-	26,799
Borrowings	-	-	-
Lease liabilities	5,489	5,075	10,564

Facilities available and the amounts drawn and undrawn as at balance date are as follows:

Facility detail

	2022	2021
	$'000	$'000
Syndicated debt - Facility A limit	120,000,000	-
Syndicated debt - Facility A unused portion	-	-
Syndicated debt - Facility B limit[1]	40,000,000	-
Syndicated debt - Facility B unused portion	-	-
Syndicated debt - Facility C limit	15,000,000	-
Syndicated debt - Facility C unused portion	-	-
ANZ performance guarantee facility limit	1,000,000	1,000,000
ANZ performance guarantee facility unused portion	269,158	640,000
ANZ commercial card facility limit	300,000	200,000
ANZ commercial card facility unused portion	291,654	199,649
NAB Asset Finance Facility limit	1,500,000	-
NAB Asset Finance Facility unused portion	1,475,231	-
NAB bank guarantee limit	126,970	84,657
NAB bank guarantee facility unused portion	-	-
NAB corporate card facility limit	160,000	50,000
NAB corporate card facility unused portion	155,751	49,908
Westpac bank guarantee facility	1,500,000	-
Westpac bank guarantee facility unused portion	620,023	-

1. Refer notes 17 and 35 for re-financing arrangements agreed post-balance date.

29.5 Fair value of financial instruments

Refer Note 19 for details of fair value.

30. Parent entity information

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

Entity	Country of Incorporation	Equity Holding 2022	Equity Holding 2021
Access Digital Networks Pty. Limited[1]	Australia	100%	-
Comlinx Pty Ltd[1]	Australia	100%	-
Digital Sense Hosting Pty Ltd[1]	Australia	100%	-
Faktortel Holdings Pty Ltd[1]	Australia	100%	-
Faktortel Pty Ltd[1]	Australia	100%	-
Netsip Pty Ltd[1]	Australia	100%	-
OTW Corp Pty Ltd[1]	Australia	100%	-
Over the Wire Holdings Limited[1]	Australia	100%	-
Over the Wire Pty. Ltd.[1]	Australia	100%	-
Sanity Holdings Pty Ltd[1]	Australia	100%	-
Telarus Pty Ltd[1]	Australia	100%	-
VPN Solutions Pty Limited[1]	Australia	100%	-
Westvic Broadband Pty Ltd	Australia	100%	100%
Wideband Networks Pty Ltd	Australia	100%	100%
Zintel Communications Limited[1]	New Zealand	100%	-
Zintel Communications Pty Ltd[1]	Australia	100%	-

1. Acquired 15 March 2022 – see note 28

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

Statement of profit or loss and other comprehensive income:

	2022	2021
	$'000	$'000
Revenue	509,043	350,270
Network and hardware expenses	(369,802)	(251,996)
Employee expenses	(63,122)	(41,334)
Marketing expenses	(31,250)	(26,294)
Administration and other expenses	(19,001)	(12,804)
Depreciation and amortisation	(14,798)	(7,548)
Interest expenses	(2,344)	(2,257)
Interest income	148	93
Change in fair value of derivative	-	(12,273)
Profit / (loss) before income tax expense	8,874	(4,143)
Income tax expense / (benefit)	(3,309)	(343)
Profit / (loss) after income tax expense	5,565	(4,486)

Statement of financial position

	2022	2021
	$'000	$'000
Current assets		
Cash and cash equivalents	34,327	56,986
Trade and other receivables	65,288	16,948
Inventories	4,660	5,500
Financial assets	-	15
Current tax assets	1,064	-
Prepayments	4,328	2,017
Total current assets	109,667	81,466
Non-current assets		
Investment in subsidiary	347,403	1
Property, plant & equipment	53,245	17,393
Right-of-use assets	29,771	12,275
Intangibles	4,729	3,993
Deferred tax	-	1,080
Financial assets	79	538
Total non-current assets	435,227	35,280
Total assets	544,894	116,746
Current liabilities		
Trade and other payables	41,482	26,266
Contract liabilities	23,351	15,765
Current tax liabilities	-	657
Borrowings	64,466	-
Lease liabilities	8,746	5,489
Employee benefits	4,470	3,232
Total current liabilities	142,515	51,409

	2022	2021
	$'000	$'000
Non-current liabilities		
Borrowings	109,514	-
Lease liabilities	19,438	5,075
Deferred tax liabilities	3,472	
Employee benefits	613	347
Total non-current liabilities	133,037	5,422
Total liabilities	275,552	56,831
Net assets	269,342	59,915
Equity		
Issued capital	298,288	95,088
Reserves	1,016	308
Accumulated losses	(29,962)	(35,481)
Surplus in equity	269,342	59,915

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.

Capital commitments – Property, plant and equipment:

The parent had no lease contracts that had not yet commenced as at 30 June 2022.

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 $307,501 within one year, $2,003,414 within the next five years and and none thereafter.

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

	2022	2021
	$'000	$'000
Property, plant and equipment	8,592	6,130
Total committed spend	8,592	6,130

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

31. Key Management Personnel

31.1 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.

31.2 Compensation of Key Management Personnel of the Group

Key Management Personnel ('KMP') refer 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 Executive Director; and

(c) The Chief Financial Officer, the Chief Technology Officer, and the Chief Operating Officer

	2022	2021
	$'000	$'000
Short-term employee benefits	2,267,500	2,012,209
Post-employment benefits	126,271	91,472
Long-term benefits	41,188	51,147
Share-based payments	497,949	256,389
Total compensation paid to key management personnel	2,932,908	2,411,217

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.

32. Related party transactions

32.1 Transactions with related parties

Details of the composition of KMP and their remuneration are included in Note 31. During the year, related parties of KMP were employed by the Group and were paid gross wages of $1,024 (2021: $8,320) plus superannuation.

32.2 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.

32.3 Loans to/from related parties

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

33. 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 four 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.

(c) the "Wholesale" segment which provides telecommunications to third party's customers

(d) the "Over the Wire" segment represents the newly acquired Over the Wire business that provides telecommunications services. This segment will be integrated across the other segments during the subsequent financial year.

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 including transaction and integration costs

The comparative segment information has been restated to reflect the introduction of the Wholesale segment in the current financial year.

Year ended 30 June 2022

	Residential	Business	Wholesale	Over the Wire	Other	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Revenue	415,038	67,049	26,369	38,484	-	546,940
Network and hardware expenses	(307,449)	(43,185)	(18,612)	(16,342)	-	(385,588)
Gross margin	107,589	23,864	7,757	22,142	-	161,352
Employee expenses	(52,075)	(8,062)	(2,985)	(9,670)	-	(72,792)
Marketing expenses	(25,417)	(3,396)	(2,437)	(298)	-	(31,548)
Administration and other expenses	(12,677)	(1,624)	(792)	(2,540)	-	(17,633)
Business acquisition expenses	-	-	-	-	(3,124)	(3,124)
Business integration expenses	-	-	-	-	(1,279)	(1,279)
Earnings before interest, tax, depreciation and amortisation (EBITDA)	17,420	10,782	1,543	9,634	(4,403)	34,976
Depreciation and amortisation						(24,043)
Interest expense						(2,476)
Interest income						149
Change in fair value of embedded derivative						-
Profit/(loss) before income tax						8,606
Income tax (expense) / benefit						(3,285)
Profit/(loss) after income tax						5,321

Year ended 30 June 2021 (restated)

	Residential	Business	Wholesale	Over the Wire	Other	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Revenue	305,023	43,530	1,717	-	-	350,270
Network and hardware expenses	(221,272)	(29,357)	(1,367)	-	-	(251,996)
Gross margin	83,751	14,173	350	-	-	98,274
Employee expenses	(37,614)	(3,505)	(215)	-	-	(41,334)
Marketing expenses	(23,544)	(2,750)	-	-	-	(26,294)
Administration and other expenses	(10,129)	(1,245)	(68)	-	(174)	(11,616)
IPO expenses	-	-	-	-	(1,187)	(1,187)
Earnings before interest, tax, depreciation and amortisation (EBITDA)	12,464	6,673	67	-	(1,361)	17,843
Depreciation and amortisation						(7,560)
Interest expense						(2,257)
Interest income						93
Change in fair value of embedded derivative						(12,273)
Profit/(loss) before income tax						(4,154)
Income tax (expense) / benefit						(340)
Profit/(loss) after income tax						(4,494)

34. Remuneration of auditors

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

	2022	2021
	$'000	$'000
Audit services		
KPMG - audit of financial statements	484,391	320,165
Other services		
KPMG - financial advisory	293,973	704,641
Total	778,364	1,024,806

35. Events occurring after reporting date

Since the end of the financial year the Group has extended the tenor of its syndicated debt facilities such that Facility B, which had an original maturity date of 10 December 2022, now matures at 10 March 2025 together with Facility A. Further details on the debt facilities are set out in Note 17 to the financial statements.

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 included 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 2022 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 2022.
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
Chair

Phillip Britt
Managing Director

Melbourne
29 August 2022

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 2022 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 2022
- 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 these requirements.

Key Audit Matters

The ***Key Audit Matters*** we identified are:

- Revenue from contracts with customers
- Acquisition accounting

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

These matters were 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 these matters.

Revenue from contracts with customers ($547m)

Refer to Note 2.8 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.

Acquisition accounting ($347m)	
Refer to Note 2.6 and Note 28 to the Financial Report	
The key audit matter	**How the matter was addressed in our audit**

On 15 March 2022, the Group acquired 100% of Over the Wire Limited for consideration of $347m, resulting in the recognition of various assets and liabilities, including the identifiable intangible assets of customer relationships, brands, IP addresses, software and goodwill.
 	
The acquisition is considered to be a key audit matter due to the:
• Size of the acquisition and impact on the Group's Financial Report;
• Significant judgement and complexity relating to the determination of the fair values of assets and liabilities acquired in the transaction requiring significant audit effort. The Group engaged an external valuation expert to assess the identification and fair value of certain assets including customer relationships, brands and software;
• Valuation methodology used to determine the fair value of acquired intangible assets is complex and sensitive to changes in a number of key assumptions. This drives additional audit effort specifically on the feasibility of these key assumptions; and
• Complexity of disclosures required by accounting standards.
 	
We involved our valuation, taxation and debt advisory specialists to supplement our senior audit team members in assessing this key audit matter.
	Our procedures included:
	• We read the Scheme Implementation Deed to understand the key terms and conditions of the acquisition.
	• We evaluated documentation underlying the Group's assessment of when control is obtained of Over the Wire Limited.
	• We evaluated the Group's determination of the purchase consideration with reference to the underlying agreements, cash consideration paid and shares issued.
	• We assessed the scope, objectivity and competency of the Group's external advisors (valuation and taxation specialists) and the extent to which information provided by them can be relied upon.
	• Working with our valuation specialists:
	  ○ We assessed the valuation methodology used by the Group's external valuation experts to determine the fair value of identifiable intangible assets acquired, considering accounting standard requirements and observed industry practices.
	  ○ We assessed the key assumptions in the Group's external valuation expert report prepared in relation to the identification and valuation of customer relationships, including checking forecast earnings assumptions for consistency with the Group's valuation model used as part of the pre-acquisition due diligence process and assessing key customer contracts by using our industry experience and knowledge of the terms and conditions of a sample of the underlying agreements and against the accounting standard requirements.
	• We independently developed a discount rate range considered comparable using publicly available market data for comparable entities, adjusted by risk factors specific to the Group and the industry it operates in.
	• We engaged our taxation specialists to review the Allocable Cost Amounts applied by the Group's taxation specialists.
	• We engaged our debt advisory specialists to review the Incremental Borrowing Rates applied to the leases recognised upon acquisition.
	• We agreed working capital balances, including adjustments to recognise these balances at fair value, to bank statements, invoices and underlying books and records.
	• We recalculated the goodwill balance recognised as a result of the transaction and compared it to the goodwill amount recorded by the Group.
	• We evaluated management's conclusions as to whether any element of the acquisition accounting is incomplete and provisional as at 30 June 2022.
	• We agreed, on a sample basis, acquisition-related costs incurred to underlying supporting documentation.
	• We assessed the adequacy of disclosures in the Financial Report using our understanding of the acquisition obtained from our testing and against the requirements of the accounting standards.

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.

Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of Aussie Broadband Limited for the year ended 30 June 2022, 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 2022.

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

KPMG

KPMG

Suzanne Bell

Partner

Melbourne

29 August 2022

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 5 August 2022.

Distribution of shareholders and holdings

	Number of holders		Number of shares	
Size of holding	#	%	#	%
1 – 1,000	10,100	44.92	4,445,693	1.87
1,001 – 5,000	9,976	44.37	25,454,530	9.87
5,001 – 10,000	1,399	6.22	10,238,462	4.31
10,001 – 100,000	933	4.15	19,964,512	8.40
100,001 and over	76	0.34	179,519,968	75.55
Total	22,484	100.00	237,623,165	100.00

Included in the above total are 1,660 shareholders holding a less than marketable parcel of 161 shares.

The holdings of the 20 largest shareholders of fully paid ordinary shares represent 69.56% of the shares.

Substantial shareholders

Substantial shareholders of the Company were as follows:

	Shares	% of total
J P Morgan Nominees Australia Pty Limited	23,333,369	9.82
HSBC Custody Nominees (Australia) Limited	20,374,710	8.57
Citicorp Nominees Pty Limited	17,117,248	7.20
Digital Interworks Pty Ltd	15,946,809	6.71
Intertubes Pty Ltd	15,946,809	6.71
National Nominees Limited	12,880,936	5.42

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
J P Morgan Nominees Australia Pty Limited	23,333,369	9.82
HSBC Custody Nominees (Australia) Limited	20,374,710	8.57
Citicorp Nominees Pty Limited	17,117,248	7.20
Digital Interworks Pty Ltd	15,946,809	6.71
Intertubes Pty Ltd	15,946,809	6.71
National Nominees Limited	12,880,936	5.42
Panama Trial Pty Ltd	10,361,992	4.36
Ian Watson Holding Company Pty Ltd	8,719,561	3.67
BNP Paribas Noms Pty Ltd <DRP>	7,357,494	3.10
BNP Paribas Nominees Pty Ltd <Agency Lending DRP A/C>	5,419,347	2.28
Michael Nictarios Omeros <Milimais Investments A/C>	4,020,479	1.69
JVB1 Super Pty Ltd <JVB1 Super Fund A/C>	3,975,791	1.67
David Swan Holding Company Pty Ltd	3,920,074	1.65
UBS Nominees Pty Ltd	3,675,993	1.55
BNP Paribas Nominees Pty Ltd Hub24 Custodial Serv Ltd <DRP A/C>	3,114,155	1.31
Washington H Soul Pattinson and Company Limited	3,000,000	1.26
Cambenic Pty Ltd	2,124,698	0.89
Citicorp Nominees Pty Limited <Colonial First State Inv A/C>	1,346,381	0.57
Matthew Kusi-Appauh	931,873	0.39
Mrs Jasmin Zheng-Min Litster & Mr Ian James Litster	900,015	0.38
Total of Top 20 holders	164,467,734	69.20
Balance of register	73,155,431	30.80

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

(i) 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.

James Cook University

Case Study

As a world-leading educational institution with over 21,000 students, James Cook University (JCU) recognised the importance of a robust network infrastructure that could assist the delivery of exceptional teaching and learning experiences, particularly for its regional students learning remotely.

JCU had been operating their several regional sites using satellite, fixed wireless, and Fibre to the Node (FTTN) technologies. However, these technologies were not enough to give the school the global advantage they are best known for and were negatively impacting student and staff experiences.

To meet the university's needs, we installed a business NBN Enterprise Ethernet connection to three sites. This gave the school options to adjust the speed and bandwidth as operations grew. This provided JCU with improved online learning capabilities, to keep staff, as well as regional and remote students connected.

By employing business NBN Enterprise Ethernet, JCU was able to find a cost effective, reliable solution that would allow them to deliver world-class education to their students.

"For educational institutions, connectivity is non-negotiable. You have to invest in doing it right"

- Professor Sabina Knight, Director of Murtupuni Centre for Rural and Remote Health (James Cook University).

NOVA Entertainment

Case Study

With a highly strategic partnership developed over the last ten years, NOVA Entertainment and Over the Wire (OTW) have implemented four major upgrades to their corporate network to date. OTW have maintained, upgraded, and optimised NOVA's telecommunications solutions through changing business environments and improved technology standards.

The first challenge was to improve performance, by implementing Zscaler into NOVAs corporate network and deliver connectivity to all of NOVA's broadcasting locations. The second challenge was to address the demands of hybrid working, by implementing a flexible and intuitive voice solution, to enable a 'work from anywhere' policy.

OTW and NOVA worked together to create a reliable, fast connectivity solution to connect multiple sites with varying requirements by having two active connections with failover through VMware SD-WAN. This meant NOVA could use both connections without one sitting inactive, but with the assurance that performance would continue even if one connection was interrupted.

Microsoft Teams was identified as the preferred option by NOVA for the voice solution. OTW integrated Microsoft Teams Calling into NOVA's existing instance, as well as completely refreshing meeting and boardrooms with certified Yealink conferencing solutions.

"Whenever you listen to any of NOVA Entertainment's stations on your radio or online, you're hearing the performance of Over the Wire's networks in real-time"

- Matt Steadman, CTO at NOVA

Corporate directory

Aussie Broadband Limited

ACN 132 090 192

ABN 29 132 090 192

Registered Office

3 Electra Avenue

Morwell VIC 3840

1300 880 905

Board of Directors

Adrian Fitzpatrick	Non-Executive Chair
Phillip Britt	Executive Director and Managing Director
Michael Omeros	Executive Director
Patrick Greene	Non-Executive Director
Richard Dammery	Non-Executive Director
Vicky Papachristos	Non-Executive Director

Company Secretary

Brian Maher

Investor Relations

Email: investors@team.aussiebroadband.com.au

Website: www.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

1300 554 474 (within Australia)

+61 1300 554 474 (outside Australia)

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

Auditor

KPMG

Tower 2, Collins Square

727 Collins Street

Melbourne VIC 3008


Aussie
Broadband