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Investor Presentation

Half year results to 31 December 2022

20 February 2023

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Agenda

Half year results to 31 December 2022

1. Business update
2. Financial results
3. Division results
4. Strategy update
5. Outlook

Our speakers

Rene Sugo
Co-Founder and CEO

Kate Denton
Chief Financial Officer

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1. Business update

Presented by

Rene Sugo Co-founder & Group CEO

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About Symbio

Changing the way the world communicates

World-class software company

Symbio is changing the way the world communicates.

Our technology replaces old-fashioned telecom networks with software, making it faster and easier to deliver modern communication services.

Expanding across Asia Pacific

Targeting **100m numbers** on our network by 2030.

Currently operating in Australia, New Zealand and Singapore, executing expansion into Malaysia and Taiwan.

Operating three business divisions

- Communications Platform as a Service (**CPaaS**)
- Telecommunications as a Service (**TaaS**)
- Unified Communications as a Service (**UCaaS**)

Delivering long term growth

Profitable, strong cash balance to fund strategic growth plans including M&A

Robust business with high quality, long-term customers, operating in high growth markets supported by long term megatrends.

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Our capabilities

Symbio helps enterprise and service providers solve the core challenges of delivering cloud communication in Asia Pacific

APAC coverage

Multi-regional coverage for voice and messaging in key markets throughout Asia and Oceania.

Cloud-ready network

Disrupting legacy telecom networks; true alternative for local number hosting, calling and messaging.

Customer control

APIs and no code / low code tools to streamline carrier interactions including porting, provisioning and service management.

Global connectivity

Worldwide coverage via 220+ global partners. Plus, expertise to manage international traffic on behalf of global enterprise, carriers and service providers.

Major customers include

Google Ads, Microsoft, zoom, dialpad, twilio, RingCentral, cisco, BT, Five9, didlogic, vodafone, TATA, sinch, SecureCo, Spark nz, orange Business Services

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Business update

H1 FY23 summary

Focused on execution

- Continuing to grow domestic market share across the three divisions
- Improving customer experience through new automations, customer portals and improved customer onboarding initiatives
- Market expansion into Singapore, Malaysia and Taiwan

Operating Efficiency

- Consolidation of legacy systems, tech platforms and processes to reduce operating expenses in future years
- Focus on improving profitability and achieving additional operating efficiencies to return to EBITDA growth in FY24

FY23 EBITDA

- 1H23 results impacted by several US-based global software companies returning inventory and expected new deals of approx. 400,000 phone numbers not falling into H1
- EBITDA guidance of $26 million - $30 million unchanged

FY23 strategic priorities

Asian expansion

- Singapore momentum with more strategic customers onboarding onto network
- Organic entry into the Malaysian market with Malaysia Digital status and Tier 2 license granted and Tier 1 license in progress
- Malaysia network build underway, planning to launch with strategic customers in May 2023
- Taiwan market showing progress in discussions with regulators, potential acquisition targets, and tier-one carriers
- Paused activity in South Korea and Japan to focus on profitability in Singapore, Malaysia and Taiwan

Software leadership

- Launched new products to provide customer self service, quality and increased value-added features
- Improved customer experience and automation in existing markets to aid rapid scalability and cost efficiency

Scale

- Executing on organic market share growth in domestic markets
- Acquired Intrado Australia's UCaaS business in Jan 2023, doubling the size of Symbio's existing UCaaS business

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H1 FY23 performance overview

On track for EBITDA range of $26m to $30m

Financial highlights

- EBITDA on track for full year range of $26m to $30m consistent with historical seasonality.
- Net Retention Ratio (NRR) impacted in H1 due to inventory returns and delays in new customer contracts.
- OPEX investments increased in H1 to support strategic goals. Cost reductions implemented in December in response to prevailing conditions.
- H2 focus on improving profitability and achieving additional operating efficiencies to return to EBITDA growth in FY24.
- Cash position strong with $38.1 million of cash as at 31 December 2022.

UNDERLYING EBITDA(1)

$11.6m

Down 33% vs H1 FY22(4)

UNDERLYING NPATA(2)

$4.4m

Down 50% vs H1 FY22(4)

RECURRING REVENUE

$57.2m

Up 5% vs H1 FY22(4)

RECURRING GROSS MARGIN

$32.1m

Up 1% vs H1 FY22(4)

NRR: TOP 10 CUSTOMERS(3)

106%

PHONE NUMBERS

6.8m

Up 6% vs H1 FY22

1. Underlying EBITDA excludes restructure and impairment costs, gain or loss on sales of businesses, net interest, share scheme and earn-out expenses, acquisition costs, tax, depreciation and amortisation.
2. Underlying NPATA excludes amortisation of acquired customer contracts, acquired software and brands, share scheme costs, tax affected restructure and impairment costs, and tax affected gain or loss on sale of businesses.
3. NRR (Net Retention Rate) is H1 FY23 revenue compared to H1 FY22 revenue of Symbio's top 10 customers (excluding those that are minutes trading only). These customers combined represent approximately 22% of H1 FY22 revenue. No single customer is more than 5.4% of revenue.
4. H1 FY22 continuing operations only numbers are used as comparison to current year. Results of discontinued operations are excluded to provide a like-for-like comparison.

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2. Financial results

Presented by

Kate Denton Chief Financial Officer

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1H23 Financial summary

Reported Result	1H23 Actual	1H22 Actual[1]	Δ	Notes
Revenue	$102.9m	$99.2m	4%	
Gross Margin	$47.5m	$46.6m	2%	
Gross Margin %	46%	47%	-2%	
Underlying EBITDA	$11.6m	$17.3m	-33%	2
NPAT	$0.1m	$4.5m	-98%	
Underlying NPATA	$4.4m	$8.7m	-49%	3
Earnings per share (cents)	0.09	5.28	-98%	
Dividend per share - fully franked (cents)	1.70	3.30	-48%	

Key highlights

- Revenue and Gross Margin flat. Driven by TaaS growth combined with flat CPaaS and UCaaS due to softening in the economic environment in Q2.
- Underlying EBITDA decreased from PCP to $11.6m from the flat margin and the impact of Symbio's accelerated investment to support strategy and longer-term growth.
- NPAT change driven by EBITDA decline.
- Declared 1.7 cps fully franked dividend.
- The Company is confident it can weather the current economic cycle.
- Focus on improving profitability and achieving additional operating efficiencies to return to EBITDA growth in FY24.

1. H1 FY22 continuing operations numbers are used as comparison to current year. Results of discontinued operations are excluded to provide a like-for-like comparison.
2. Underlying EBITDA excludes restructure and impairment costs, gain or loss on sales of businesses, net interest, share scheme and earn-out expenses, acquisition costs, tax, depreciation and amortisation.
3. Underlying NPATA excludes amortisation of acquired customer contracts, acquired software and brands, share scheme and earn-out expenses, tax affected restructure and impairment costs, and tax affected gain or loss on sale of businesses.

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Balance sheet & cash flow

Enviable debt-free position and strong cash generating business

Key highlights

- $38.1m cash at 31 December
- Strong cash conversion consistent with prior years
- $31m - $34m cash forecast for 30 June excluding acquisitions
- Deployed $5m cash for acquisition of Intrado UCaaS business in January
- Prudent reduction of FY23 capex by $2m to $22m
- Maintaining $60m undrawn debt facility providing flexibility for growth

$38.1m
Cash at Dec 31

$60m
Debt facility (undrawn)

~$100m
Available liquidity

Operating cash flow	1H23 ($M)	1H22 ($M)	Δ ($M)
Receipts from customers	111.74	114.9	(3.16)
Payments to suppliers & employees	(97.0)	(93.2)	(3.83)
Cash from customers net of payments to suppliers	14.7	21.7	(7.00)
Cash conversion ratio	>100%	>100%	

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3. Division results

Presented by

Rene Sugo Co-founder & Group CEO

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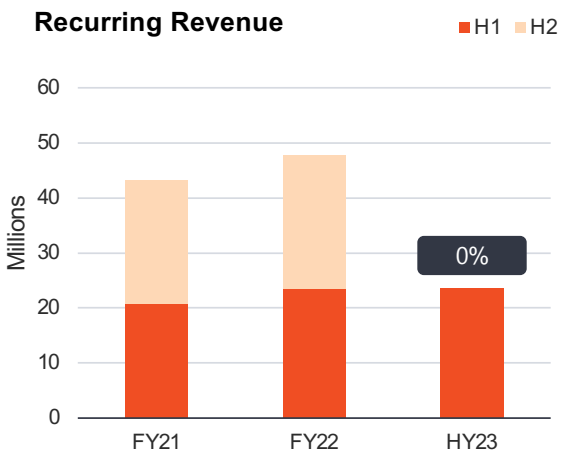
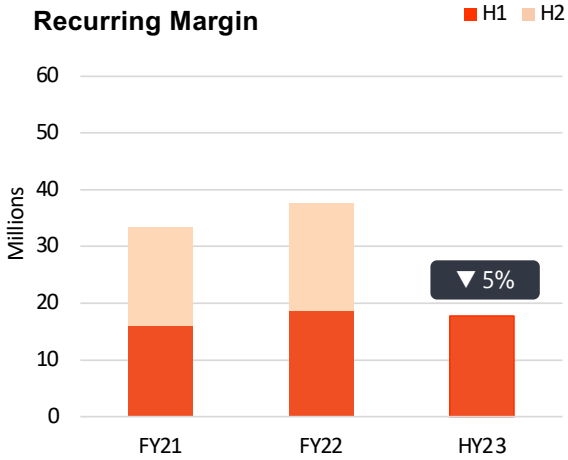
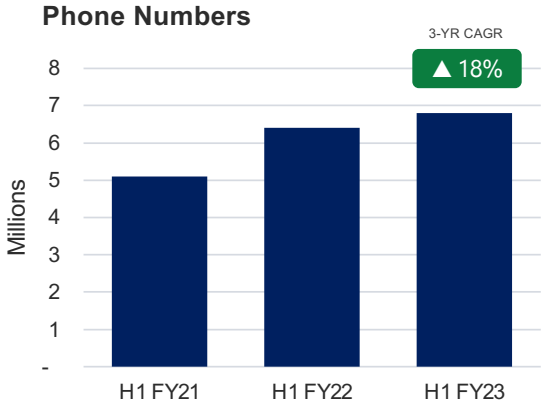
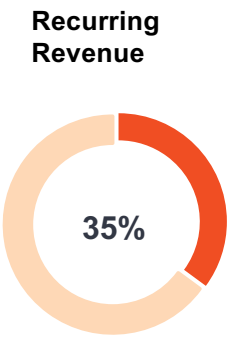
CPaaS division financial performance

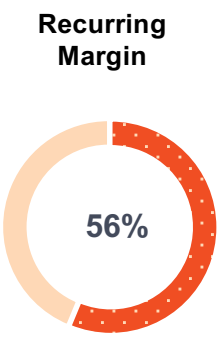
Enables large telecoms and software companies to orchestrate cloud communication services in Asia Pacific











H1 FY23 performance

- Once-off customer inventory movements and COVID conferencing $1.95m margin ($2.4m revenue) in H1 relative to PCP
- Underlying growth after once-off items at 6% margin and 10% revenue
- Singapore network COGS of $1.0m per annum absorbed into margin numbers since go-live
- Organic number porting run-rate consistent over last 6 months

H1 FY23 Achievements

- Singapore signing and onboarding of major global customers

H2 FY23 Focus

- Strategic 400K number order delayed from start of H1 now signed and in porting process
- Malaysia production launch targeting May 2023

CPaaS customers include

zoom RingCentral TATA twilio

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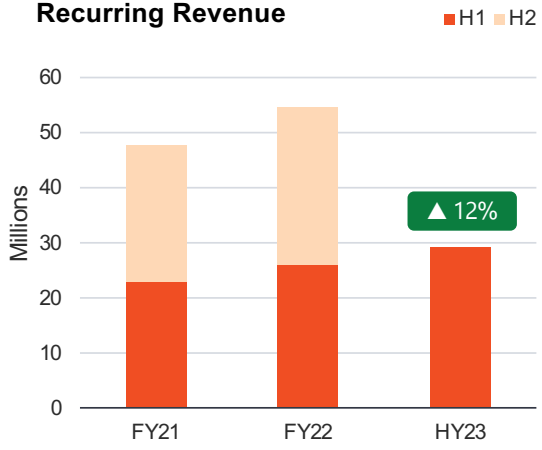
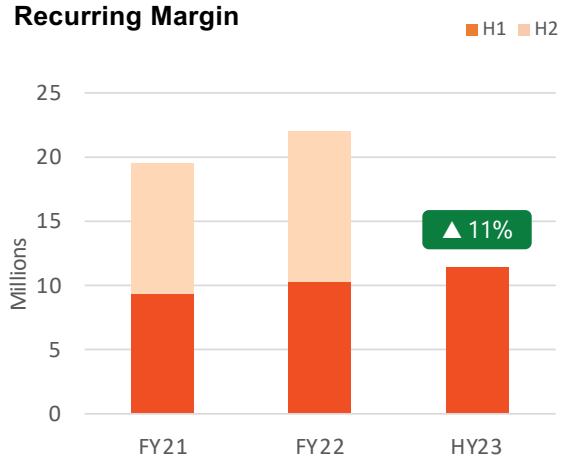
TaaS division financial performance

Enables any Australian consumer brand, telco or ICT provider to sell their own, fully branded, telecom services

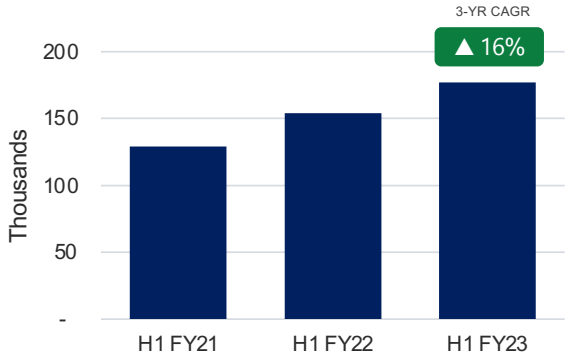
Recurring Revenue



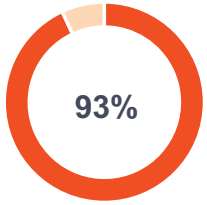
Recurring Margin



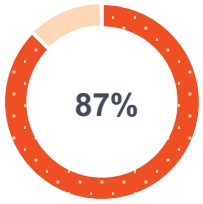
Services in Operation (SIOs)



Recurring Revenue



Recurring Margin



H1 FY23 performance

- High demand for mobile products including higher ARPU Data Pooling and 5G product sets
- Australian domestic challenger market expands as channel partners move to become service providers
- Underlying recurring margin growth of 14% after once-off customer migration costs

H1 FY23 Achievements

- Successful 5G launch & high Data Pooling take up
- Finished NBN migration with less than 2% churn
- Release of market leading NBN self service tools
- Record high customer experience scores

H2 FY23 Focus

- Launch eSIM mobile capability
- Legacy voice migration and platform decommission
- Further NBN self-service tools, lower cost to serve

TaaS customers include

SecureCo™ NCTS TELCO FOR BUSINESS switchtelecom ARROW VOICE & DATA

symbio

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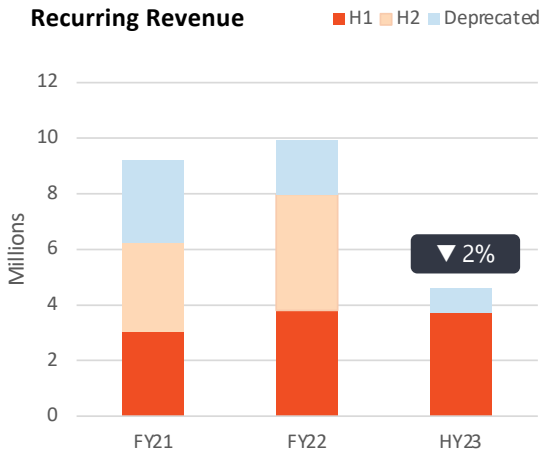
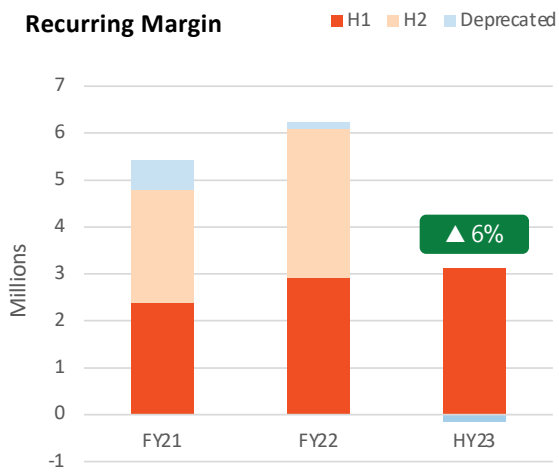
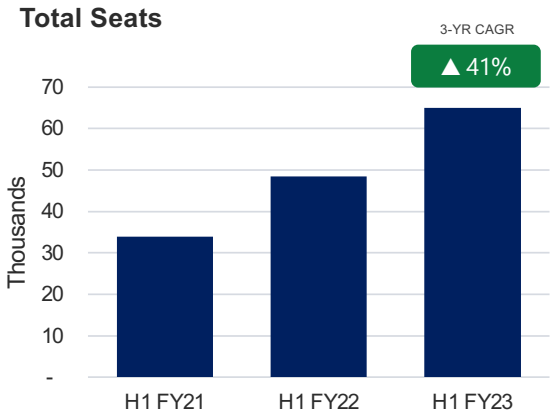
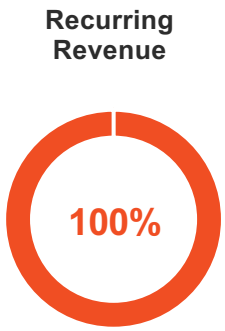
UCaaS division financial performance

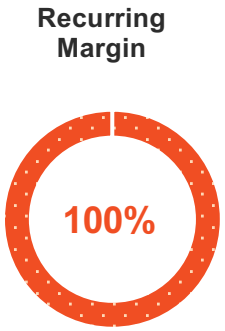
Enterprise-grade cloud calling services in Australia, New Zealand and Singapore











H1 FY23 performance

- Strong organic seat growth at 41% CAGR (34% PCP)
- Underlying recurring margin growth of 6%
- Deprecated data services headwinds almost unwound

H1 FY23 Achievements

- First Cisco Webex voice customers in Singapore
- Launched Symbio Enterprise Calling app for Microsoft Teams Direct Routing
- Renewed major state Government contracts for multi-year extensions

H2 FY23 Focus

- Integration of Intrado Australia voice business
- Launch of Microsoft Teams Operator Connect
- Launch of new customer self-service portal

UCaaS strategic partners include

webex by cisco · Microsoft Teams · twilio · aarnet

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4. Strategy update

Presented by

Rene Sugo Co-founder & Group CEO

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Capitalising on global megatrends

Megatrends supporting our long-term vision have not changed

Future of Work

CUSTOMER CHALLENGE

Worldwide need for hybrid working with reliable, fail-safe calling

SYMBIO STRATEGY

Strategic partnerships with global UCaaS leaders, including Microsoft & Cisco

Enterprise Cloud

CUSTOMER CHALLENGE

Need to deliver modern digitally-enabled customer experience (worldwide)

SYMBIO STRATEGY

Infinite-scale infrastructure + APIs + no-code tools for service management

Emerging Asia

CUSTOMER CHALLENGE

Need to support digital workers worldwide (APAC is often a coverage gap)

SYMBIO STRATEGY

Provide high quality calling and messaging in key Asia-Pacific markets

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Singapore update

Customer wins:

- Customer uptake increasing with 23 CPaaS customers on boarded and 40 in pricing and contract negotiations
- Strong response from UCaaS launch with 19 Cisco partners engaged
- Enterprise growing customers with almost 2000 seats onboarded

Strong future pipeline:

- Successful launch of additional UCaaS products during Q1 – strong customer response
- Multiple prospects in queue for South East Asia Hub, combining Malaysia and Singapore
- Despite partner delays confident of achieving strong ROI

SINGAPORE CUSTOMERS INCLUDE

zoom, fuze An 8x8 Company, TATA, VONAGE, CM.com, NICE inContact, Five9, plivo

"Symbio's local market expertise and on-the-ground presence proved instrumental in accelerating our Singapore market entry… We look forward to further working together in new regions across Asia Pacific."(1)

didlogic

(1) Full customer testimonial https://www.symbio.global/resources/symbio-did-apac-expansion

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Malaysia update

Progressing entry into this strategically important market

Strategy & progress

- Commencing organic market entry
- Submitted application to Malaysian telecom regulator to operate a voice network, host and port numbers
- Received Malaysia Digital Economy Corporation (MDEC) status and tier-two license, allowing Symbio to commence trading and complete network build
- Malaysia and Singapore capabilities to be delivered as a whole – a 'South East Asia Hub' for CPaaS customers

Business case

- Strong customer interest: Malaysia is an IT hub in the Asian region, a priority market for Symbio customers
- Large addressable market: Population of 32.7M with high levels of technology and telecom penetration
- Incumbent voice network has 83% market share of fixed numbers [3] – ripe for disruption by cloud providers

Population[1]
32.7M

Fixed lines[2]
7.4M

Mobiles[2]
43.7M

Major players

astro, axiata, maxis, digi, TM, U mobile, yes

1. Malaysia Population Estimates, DOSM (2022) 2. World Factbook, CIA (2020) 3. FNP Public Consultation Report – Table 2, MCMC (2021).

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Taiwan update

High technology economy ready for cloud communications

Strategy & progress

- Good acquisition opportunities available to support Taiwan market entry
- Customers engaged on Taiwan product roadmap with strong interest from global application providers
- Planned total market entry cost of $10m
- Expecting product launch in late FY23

Business case

- Key investment region for Symbio's strategic customers
- Similar market size to A/NZ
- Emerging regional cloud hub with USD$4.7B investment in data center and enterprise cloud by 2026[1]
- Incumbent voice network has 92% market share of fixed numbers [2] – does not offer Symbio-style products

Population[3]
23.2m

Numbers[4]
66m

Incumbent share[2]
92%

Major players

中華電信 Chunghwa Telecom | Taiwan Mobile | T STAR 台湾之星 | FAR EASTONE 遠傳

1. *Taiwan Data Center Market Investment 2022-27*, Arizton Intelligence (2022). 2. Fixed line share. Annual Report, *Chunghwa Telecom* (2021). 3. National Statistics RoC (Taiwan) (2022) 4. Taiwan market analysis by Symbio (2022).

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Acquisition of Intrado Australia's UCaaS business

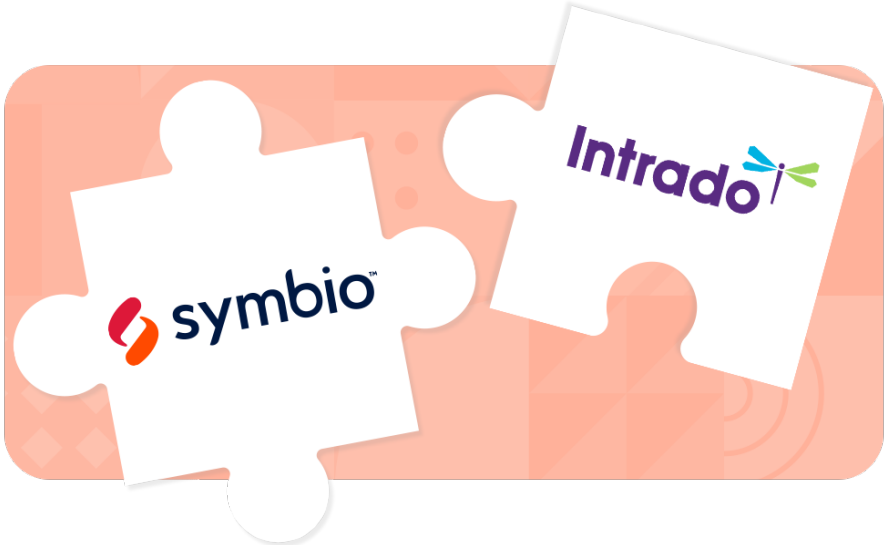
Aligns with strategy to grow market share in Australia

Deal summary

- Acquired Intrado Australia's Cloud Calling, Contact Centre and Collaboration business
- Paid $5 million (funded as an all-cash consideration), completed on 31 January 2023
- The acquisition will provide services to key partners and Enterprise & Government customers

Strategic rationale

- Adds 60,000 seats to Symbio's UCaaS division, providing business scale and key customer relationships
- Will add approximately:
  - $12.5 million of annual recurring revenue
  - Over $6 million in annual recurring gross margin
  - Annualised EBITDA of $2 million



Acquired customers include

GOVERNMENT OF WESTERN AUSTRALIA

Wesfarmers

THE SALVATION ARMY

THE UNIVERSITY OF MELBOURNE

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5. Outlook

Presented by

Rene Sugo Co-founder & Group CEO

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Why Symbio?

High quality business

- Customers include large global software companies, multi-national enterprise and government.
- Our revenue is connected to critical long-term use cases.
- Strong balance sheet.
- Experienced management team and Board.

Executing APAC expansion vision

- Targeting **100M numbers** on our network by 2030.
- Singapore customers growing
- Progressing organic entry into Malaysia for launch in H2.
- Announced Taiwan market entry for late FY23.
- Paused additional markets to focus on success of existing markets.

Unique competitive advantage

- The quality and flexibility of a Tier 1 network.
- Consistent customer experience across multiple countries.
- Deep control via APIs and no-code / low-code tools.
- Globally recognised brand and outstanding product quality.

Focus on returning to growth in FY24

- Profitable, cash generating, no drawn debt and ample cash to fund future growth plans.
- Organic growth across three synergistic SaaS businesses.
- Current projects are helping to improve profitability and operating efficiencies.
- Focus on returning to EBITDA growth in FY24.

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Thank you

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Appendix

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Half year revenue and margin

	FY22 - H1[1]			FY23 - H1			Growth Trend	
Segment	Revenue ($M)	Margin ($M)	Margin %	Revenue ($M)	Margin ($M)	Margin %	Revenue Growth %	Margin Growth %
CPaaS								
Recurring	23.6	18.6	79%	23.5	17.7	75%	-0.2%	-5.0%
Variable	41.6	12.7	31%	43.5	13.8	32%	4.7%	8.2%
Total	**65.2**	**31.3**	**48%**	**67.0**	**31.5**	**47%**	**2.8%**	**0.7%**
TaaS								
Recurring	26.0	10.3*	39%	29.1	11.5	39%	11.9%	11.5%
Variable	3.2	2.0*	64%	2.2	1.6	75%	-32.3%	-19.9%
Total	**29.2**	**12.3**	**42%**	**31.3**	**13.1**	**47%**	**7.0%**	**6.3%**
UCaaS								
Recurring	4.8	3.0	62%	4.6	2.9	64%	-4.4%	-1.0%
Variable								
Total	**4.8**	**3.0**	**62%**	**4.6**	**2.9**	**64%**	**-4.4%**	**-1.0%**
Group Total								
Recurring	54.4	31.9	59%	57.2	32.1	56%	5.2%	0.7%
Variable	44.8	14.7	33%	45.7	15.4	34%	1.9%	4.8%
Total	**99.2**	**46.6**	**47%**	**102.9**	**47.5**	**47%**	**3.7%**	**2.1%**

*There has been a $1.3m margin reclassification in prior year from variable margin to recurring margin. The current year data is comparable to prior year inclusive of this reclass.
1 FY22 - H1 is made up of continuous operations only.

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Cash utilisation

Cash Utilisation	H1 FY22 $M	H2 FY22 $M	H1 FY23 $M
Statutory operating cash flow	**17.6**	**6.9**	**10.8**
Expenditure on fixed assets & software development	-8.1	-8.8	-10.4
Free cash flow	**9.5**	**-1.9**	**0.4**
Dividend payments	-3.6	-2.8	-4
Proceeds on disposal	24.4	4.7	1.6
Business investment	-	-7.2	-
Net debt movement	-	-	-
Other	-1.4	-1.9	-2.5
Net movement in cash	**28.9**	**-9**	**-4.5**
Opening cash balance	22.7	51.6	42.6
Closing cash balance	**51.6**	**42.6**	**38.1**

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Balance sheet

	Dec 21($M)	Jun 22($M)	Dec 22($M)
Cash	**51.6**	**42.6**	**38.1**
Other current assets	40.8	45.7	46.4
Current liabilities	(39.6)	(38.9)	(41.3)
Net current assets	**52.8**	**49.4**	**43.2**
Working capital	61.1	54.6	52.0
Debt (current)	-	-	-
Debt (non-current)	0.0	0.0	0.0
Total Debt	0.0	0.0	0.0
Net Debt	(51.6)	(42.6)	(38.1)
Net Assets/Total Equity	**159.9**	**162.0**	**159.7**
Intangible assets	83.5	82.8	86.1
Net tangible assets	**76.4**	**79.2**	**73.6**

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Underlying EBITDA

	H1 FY23 ($M)	H1 FY22 ($M)*
NPAT	0.1	4.5
Add back:		
Depreciation and amortisation	9.4	8.7
Income tax expense	(0.2)	1.0
Net interest	0.4	0.8
Costs related to acquisition	0.1	0.1
Gain on sale of businesses	-	-
Restructuring costs	-	0.1
Impairment of assets	-	-
Share scheme and earn out expenses	1.8	2.1
Underlying EBITDA[1]	**11.6**	**17.3**

* H1 FY22 is made up of continuous operations only

1. Underlying EBITDA: excludes restructure and impairment costs, gain or loss on sale of businesses, net interest, share scheme and earn out expenses, acquisition costs, tax, depreciation and amortisation.

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Continuing & Underlying NPATA

	H1 FY23 ($M)	H1 FY22 ($M)
Group NPAT	**0.1**	**11.1**
Add back		
Amortisation from acquired intangible asset	2.4	2.1
Acquisition & restructure costs	0.1	0.2
Staff share scheme	1.8	2.1
Tax applicable	(-)	(0.1)
Underlying NPATA	**4.4**	**15.3**
NPAT from discontinued operations	-	-6.6
Continuing NPATA	**4.4**	**8.7**

H1 FY22 underlying NPATA is amended to be consistent with the Underlying NPATA definition:

Underlying NPATA excludes amortisation of acquired customer contracts, acquired software and brands, share scheme and earn-out expenses, tax affected restructure and impairment costs, and tax affected gain or loss on sale of businesses

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Reconciliation of changes in TaaS

Symbio has adjusted the internal recharge methodology within the TaaS segment to better reflect the products reported. These adjustments have been applied in both the current and prior period.

	FY22 - H1[1]			FY23 - H1			Growth Trend	
Segment	Revenue ($M)	Margin ($M)	Margin %	Revenue ($M)	Margin ($M)	Margin %	Revenue Growth %	Margin Growth %
As reported in H1 FY22								
Recurring	26.0	9.0	35%	29.1	11.5	39%	11.9%	27.2%
Variable	3.2	3.3	104%	2.2	1.6	75%	-32.2%	-50.5%
Total	**29.2**	**12.3**	**42%**	**31.3**	**13.1**	**42%**	**7%**	**6.3%**
Recurring - Change in internal recharge methodology	-	1.3		-	-			
Variable - Change in internal recharge methodology	-	- 1.3		-	-			
New methodology applied from FY23								
Recurring	26.0	10.3	39%	29.1	11.5	39%	11.9%	11.5%
Variable	3.2	2.0	64%	2.2	1.6	75%	-32.3%	-19.9%
Total	**29.2**	**12.3**	**42%**	**31.3**	**13.1**	**42%**	**7%**	**6.3%**

1. FY22 - H1 is made up of continuous operations only.

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