

The background of the slide is a high-angle, close-up photograph of various electronic devices and accessories. A laptop keyboard is visible in the upper right, a tablet lies horizontally in the center, and a pair of black headphones is on the left. In the lower left, there is a white power adapter with a coiled cable. A notebook with a black and white speckled cover is in the bottom center. The entire image is overlaid with a semi-transparent purple filter.

cellnet

2018 AGM

10th October 2018

Cellnet sources products and represents market leading brands of lifestyle technology products into retail and business channels.

Our innovative and passionate approach makes Cellnet the most exciting and engaging company to partner with and be part of.

discover the **next**

OUR PLAYGROUND

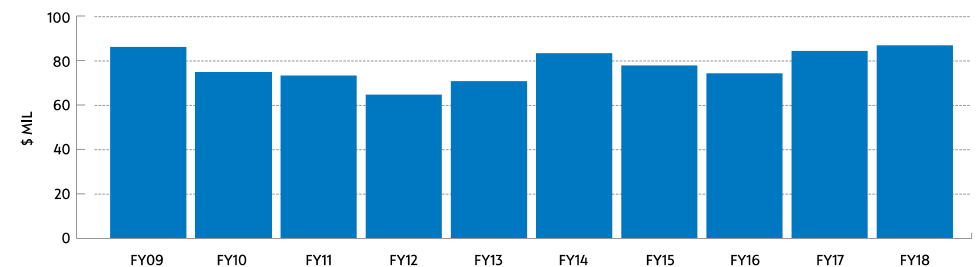
This is where we find the latest and greatest technology that the market has to offer through our own brands and through our innovative partners.



FY18 Financial Highlights

- 6% increase in revenue
- 56% increase year on year in Net Profit After Tax to \$3,167m
- 43% operational earnings per share growth to 5.6 cents per share
- Recognition of crystallized tax losses accounting for Deferred Tax Asset of \$3,8M
- Dividend (unfranked) retained at 1.25 cents per share
- Decrease in Inventories by \$2,8M and in Receivables by \$1,9M
- Reduced funding requirements – net cash position of -\$150K

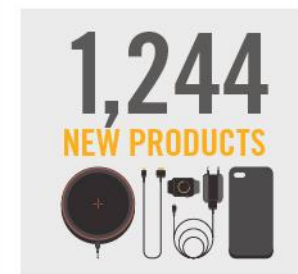
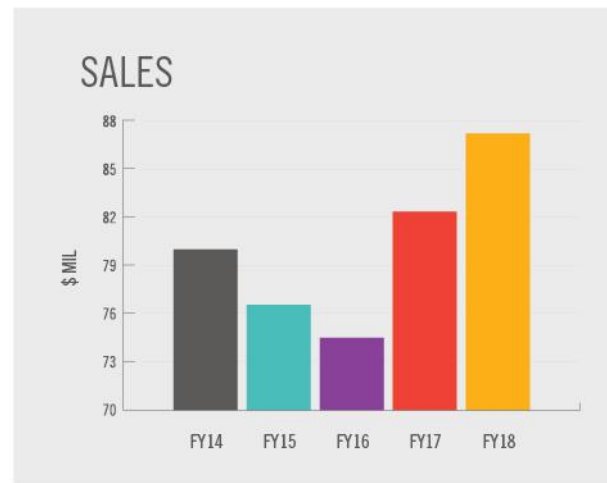
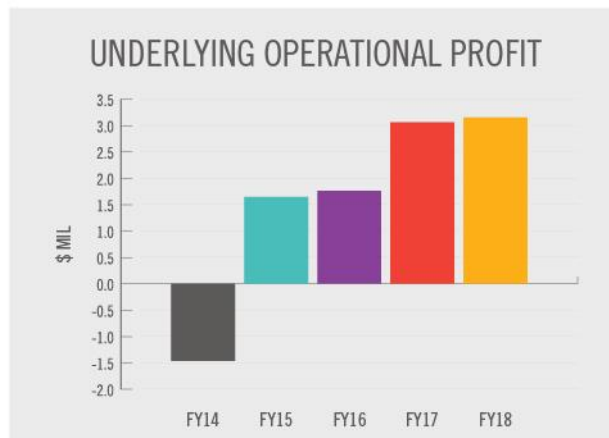
Sales



2017-18 BY NUMBERS

Cellnet : 2017-18

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15 NEW BRANDS



3SIXT : Growth



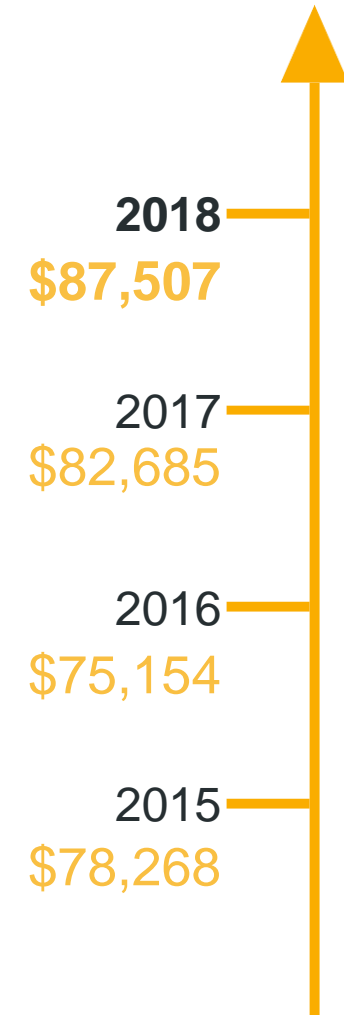
- Positioned as a fast following, commodity, high volume, high margin brand
- In FY18 sold over 3,000,000 units
- Retail value of \$57M
- Allows for complete category management approach
- Sold in 7 countries around the world



Financial History

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\$000's	2015	2016	2017	2018
Revenue	78,268	75,154	82,685	87,507
EBITDA	2,314	2,337	2,585	3,956
EBITDA%	3.0%	3.1%	3.1%	4.5%
NPAT (operational)	1,649	1,748	2,035	3,167
Non recurring costs	-	-	1,026	-
EPS (cps) operational	3.0	3.3	3.9	5.6
DPD (cps)	1.00	1.25	1.25	1.25



FY18 Highlights

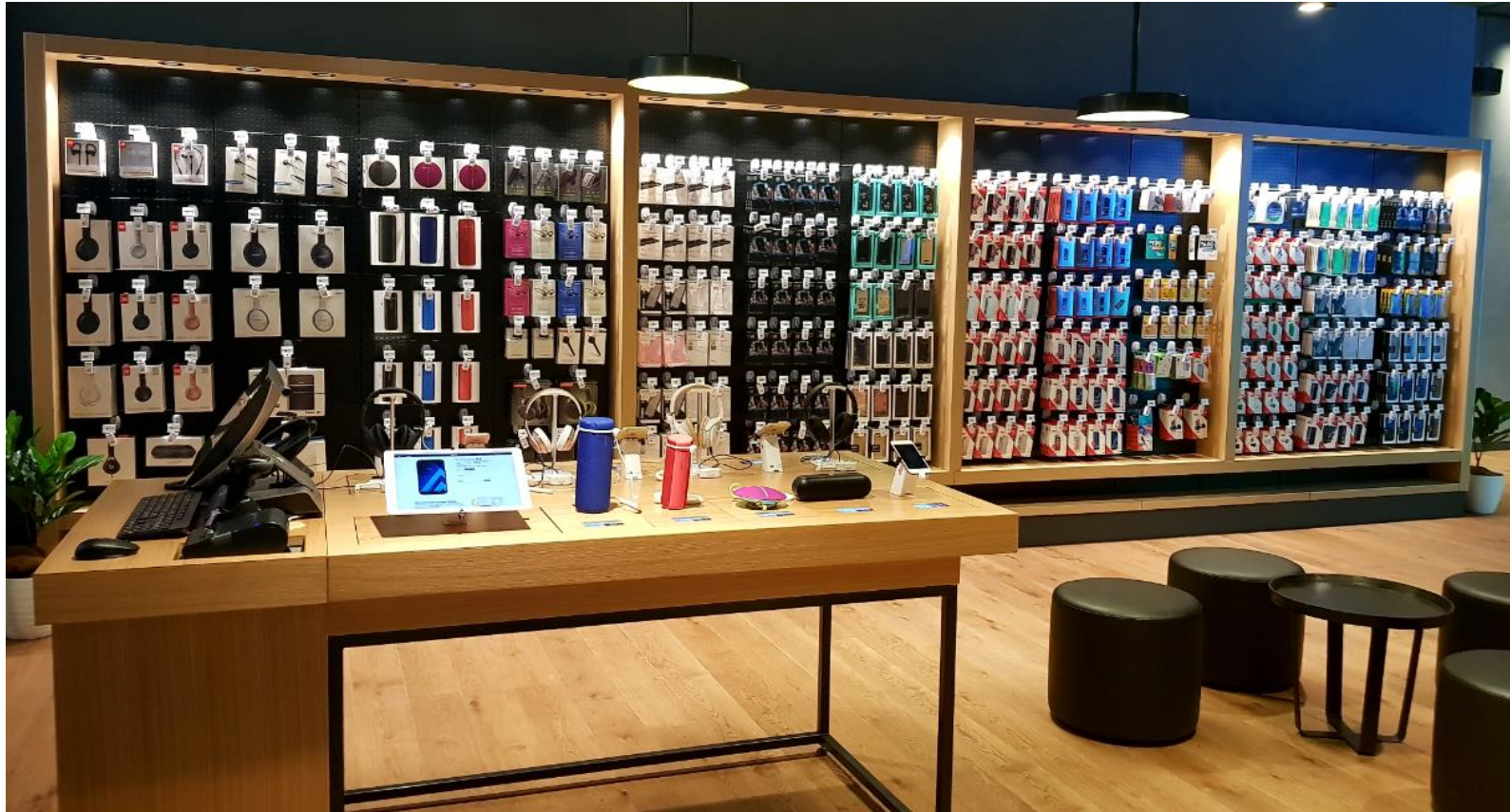
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- Continued to capture synergies with Wentronic sourcing in HK/China
- Beginning to get sales traction in Wentronic International joint venture (addressing non-ANZ and Europe sales)
- Category Captain in Noel Leeming (NZ) for accessories
- Continued successful retail penetration with 3SIXT brand
- Supplier of the year at Noel Leeming
- Supplier of the year again at Newslink and confirmed international supplier to Lagadère Travel
- Successful implementation of Infor M3 - ERP
- 3SIXT is again the leading mobility accessory brand in Australia
- Addition of UAG, Mous and GoGogate Brands
- Successful conclusion of Turn Left Distribution acquisition



Exclusive Supplier : Category Captain

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OPTUS

vodafone

noel leeming

Lagardère
TRAVEL RETAIL

FY19 Outlook

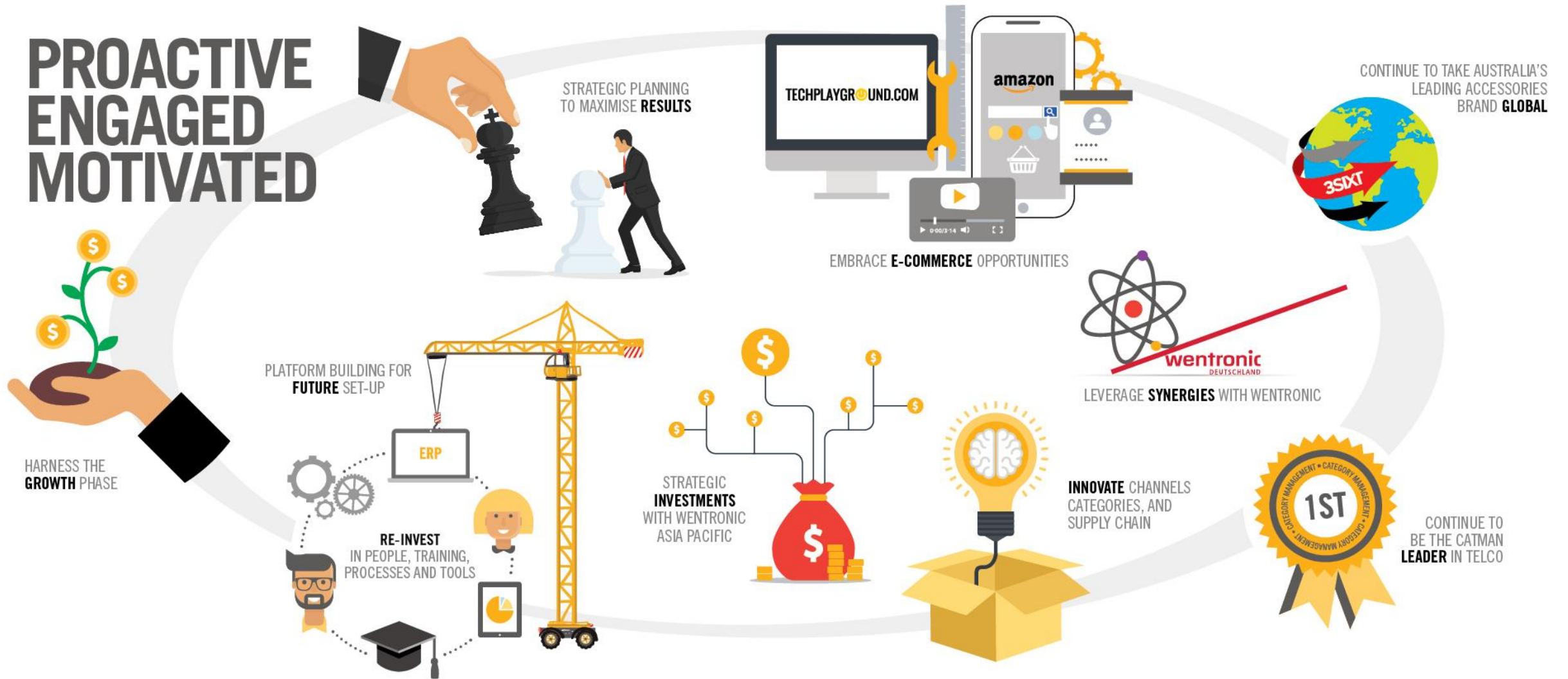
- Further leverage Wentronic synergies in Products and Markets
- Integrate Turn Left Distribution and drive growth in gaming category
- Continue penetrate customers with Category Management solutions
- Increase Telco penetration
- Increase online sales channel penetration
- Investigate further synergistic acquisitions

Group Internal Brands

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PROACTIVE ENGAGED MOTIVATED



GIVING BACK WITH ASPIRATIONS4KIDS IN SPORT

cellnet



Ian Healy
Chair - Aspirations4Kids
in Sport Ltd

IN NOVEMBER 2017, ASPIRATIONS4KIDS IN SPORT WELCOMED CELLNET AS ITS NEWEST CORPORATE PARTNER.

At A4K our constant goal is to partner with organisations that value the important role that participation in sport can play in improving the lives of thousands of Queensland students annually.

Clearly, Cellnet has a community conscience and share our dream to assist more kids and families facing hardship, disabilities, chronic illness and remote living issues. This is evidenced by the wonderful support shown for A4K fund raising initiatives as together we share the hope that no-one misses out on playing sport due to unique or extenuating circumstances.

Our gratitude for Cellnet's contributions include corporate donations and staff workplace giving, to volunteering time to assist A4K with introductions to prospective corporate partners, graphic design production and attendance at events towards optimising guest experiences.

Due to these valuable contributions, A4K has been able to assist in excess of 150 kids and their families. On a daily basis these kids face life challenges with a tenacity and resilience you simply can't teach. A love of sport is their common bond and the catalyst for enhancing their lives.

I would like to take this opportunity to sincerely thank Alan Sparks, Brett Perkins and all the Cellnet staff for believing in our organisation's work and assisting A4K in so many valuable ways.

We look forward to continuing this very important association.

Yours In Sport,

Ian Healy
Chair – Aspirations4Kids in Sport Ltd



2018 A4K Scholarship Holder Poppy Richards

Poppy faces multiple life challenges due to the effects of Cerebral Palsy (Left Hemiplegia) and Periventricular leukomalacia (PVL) resulting from premature birth and pre-eclampsia during her mother's pregnancy.

A calf surgery due to a combination of moderate pain, an uneven gait and balance issues has added another layer of complexity to Poppy's sports' career, however this is somewhat off-set by enhanced levels of self-esteem and confidence derived from sport that affords her the drive to progress and keep doing the things she loves.

A4K funding has assisted Poppy to attend the National Schools Cross Country Titles in Hobart. In 2018 Poppy was awarded an A4K Scholarship, which will assist with training fees, gear and special equipment purchases and travel to swimming, running and life-saving events.

Poppy dreams of being able to mentor other kids with disabilities.

We thank Cellnet for assisting A4K to support Poppy and other kids like her.

CELLNET ENTERS GAMING BY AQUISITION

Turn Left is one of the leading distributors of entertainment products throughout the Oceania region and continues to deliver entertainment experiences with a focus on AAA gaming products.



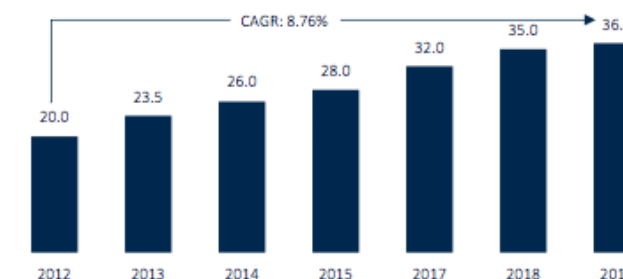
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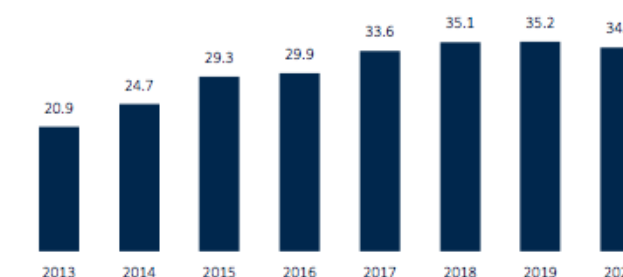
Gaming Market

- Global Gaming Hardware revenue is expected to remain constant through 2020
- ANZ Retailers are identifying Gaming as one of their high growth categories
- On-line sales for accessories will increase rapidly offering increased margin opportunity
- Gaming software sales are seasonal depending on launch cycles of the software vendor and are reasonably predictable based on past version performance
- Gaming software is under pressure from free to play / online, but the physical asset remains a value proposition for resale

PC gaming software sales revenue worldwide (USD billion)



Revenue PC gaming hardware worldwide (USD billion)



Revenue console gaming hardware worldwide (USD billion)



The Company

Turn Left Distribution was acquired from its private owners.

TLD has been in business for the past 6 Years and has steadily consolidated its position to become a leading distributor to Retail channels, serving the rapidly growing Gaming market with hardware accessories and gaming software.

It's Gaming software revenues have grown very rapidly superseding that of Hardware in 2018 - Hardware sales are growing fast and are expected to exceed software sales in 2019.

TLD's key customers are JB HiFi and EB Games with a growing opportunity in the On-Line eCommerce space.

Operations are focused on Distribution in Australia to retail partners with a sub distributor in New Zealand.

The company outsources its warehousing.

Key Brands

The company's main objective is to provide its clients and customers with category leading software and accessories brands that deliver a highly satisfying entertainment experience.

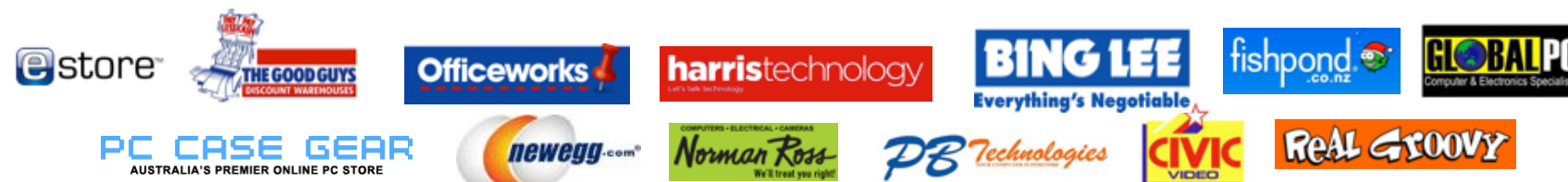


Retail Partners

Retail/E-tail



Retail: Other



Non-Traditional



Competitors



Opportunities

- Expand Operations in New Zealand
- Consolidate supply chain operations
- Eliminate duplication of overhead
- Attract additional vendor brands
- Increase Cellnet Group relevance to Retailers
- Increase the Group's relevance to Vendor Brands
- Increase Online Revenue

Rationale

- Grow revenue in adjacent categories
- Gaming is a high growth category
- Similar to Cellnet's current business model
- Software segment is the subject of earn-out provisions
- Same customer set
- Capture efficiencies in Admin and Supply Chain
- Utilise Group assessed tax losses