

Investor Presentation FY24



30 August 2024



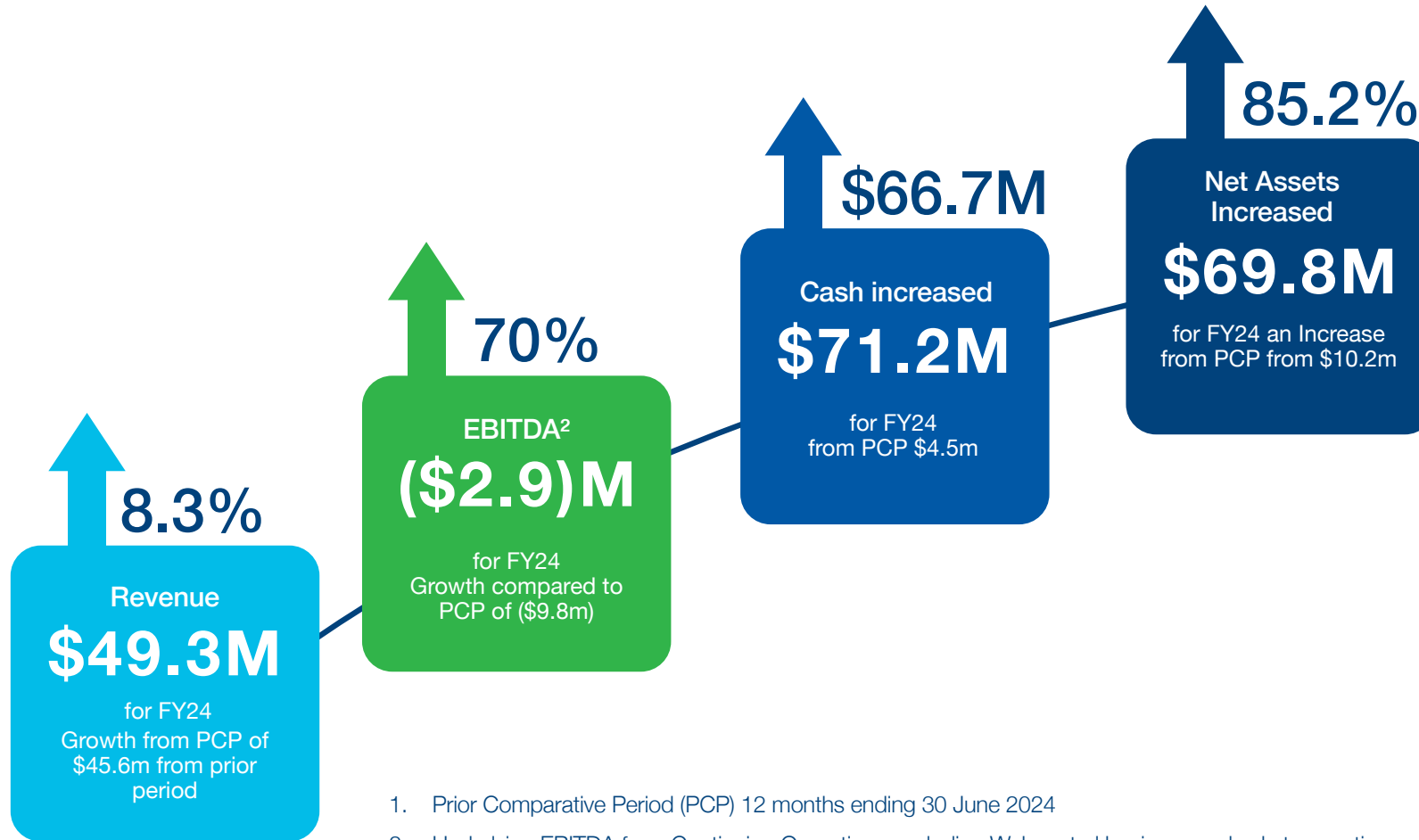
Disclaimer

This presentation contains certain statements that may constitute forward-looking information under applicable securities laws. All statements, other than those of historical fact, which address activities, events, outcomes, results, developments, performance or achievements that 5G Networks Limited (**5GN**) anticipates or expects may or will occur in the future (in whole or in part) should be considered forward-looking information. In some cases, forward-looking information is identified by the use of terms and phrases such as “anticipate”, “believe”, “could”, “estimate”, “expect”, “intend”, “may”, “plan”, “predict”, “project”, “will”, “would”, and similar terms and phrases, including references to assumptions. Such information may involve, but is not limited to, comments with respect to expectations, planned operations or future actions. These forward-looking statements are based on currently available information as of the date of this presentation but are subject to known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from those expressed or implied by such forward-looking information. The forward-looking information contained in this presentation is expressly qualified by this cautionary statement.

A number of risks, uncertainties and other factors could cause actual results to differ materially from the results discussed in the forward-looking information, including, but not limited to, the following: risks associated with reliance on key personnel; financial health of 5GN and its related cash flows; general industry and market conditions and growth rates; legislative and regulatory developments; general economic conditions and levels of economic activity; global financial conditions; financing risks; degree of competition in the industry; risks associated with the development of projects; changes in employee relations; and control of costs and expenses.

Forward-looking information reflects 5GN’s current beliefs and is based on information currently available to 5GN and on assumptions it believes to be reasonable. The forward-looking information is made as of the date of this presentation and 5GN assumes no obligation to update or revise such information to reflect new events or circumstances, except as may be required by applicable law. Prospective investors should not read forward-looking information as guarantees of future performance or results and should not place undue reliance on forward-looking information. Nothing in this presentation is, or should be relied upon as, a promise or representation as to the future.

FY24 Financial Results



1. Prior Comparative Period (PCP) 12 months ending 30 June 2024
2. Underlying EBITDA from Continuing Operations excluding Webcentral business and sale transaction costs, non-recurring costs and share based payments expenses

Key Milestones and Achievements

- Sale of Domains Business completed in December 2023 which generated a gain on sale of \$93.3 million before income tax expense.
- Sale of the digital marketing business including the WME and Web Marketing Experts brands.
- Purchase in Jan 2024 of Security Shift, a cyber security consultancy business for \$4 million.
- Repayment of loan facilities of \$29.73 million from the proceeds of sale.
- Cash position of \$71.2 million at 30 June 2024.
- Revenue from continuing operations of \$49.3 million, representing growth of 8.3% compared to the prior comparative period (PCP).
- Existing customer re-signs of \$2.7 million in FY24.

Security Shift Acquisition



- 5GN acquired Security Shift, a cyber security consultancy business in January 2024
- Normalised Revenue \$4M and EBITDA of \$1.3M
- Security Shift business provides cyber security consultancy, end-to-end managed services and outsourced IT engineering & software development with a strong focus on public cloud, data centre, critical infrastructure, and Australian Government ISM compliance
- Over 25 years pedigree designing, implementing, securing and operating critical infrastructure for various nations - currently securely operating several critical infrastructure systems with ISM compliance up to protected level and other systems that are PCI-DSS service provider certified
- Owner Chris Wright has been appointed CTIO of 5GN
- Acquisition will drive the expansion of security services to 5GN customers
- Transaction Details:
 - \$4M Purchase Price
 - \$1.66M Upfront Cash Consideration funded from existing cash reserves
 - \$1.24M 5GN Shares
 - Two \$550k Deferred Cash Payments over next two years

Enterprise and Wholesale customer segments

Customer Segments (\$M)	FY24	FY23	Change
Enterprise	40.4	37.7	7.5%
Wholesale	8.9	7.9	12.0%
Total Revenue	49.3	45.6	8.3%

- Enterprise growth on PCP due to Webcentral services of \$2M, Security Shift acquisition contributing \$2M, renewal and re-pricing of data centre contracts, offset by decline in net of decline in cloud, hardware & software and digital marketing
- Continued growth from Wholesale customer segment due to several large contract wins, supported by industry sales and digital marketing activities

Services / Segment	Cloud, Email & Webhosting	Data Centre	Networks & Voice	Managed Services	Hardware & Software	Digital Marketing ¹
Enterprise	✓	✓	✓	✓	✓	✓
Wholesale	✓	✓	✓		✓	

Services provided to each customer segment:

- **Enterprise:** cloud hosting, data centre, networks and voice, IT managed services, hardware and software and digital marketing products and services provided to Enterprise and Government customers
- **Wholesale:** cloud hosting, data centre, network services

1. Digital Marketing business sold on 28 June 2024

Profit & Loss - FY24

	FY23	FY24	Change - PCP	
	\$M	\$M	change \$M	change %
Cloud	7.6	7.8	0.2	3%
Network & Voice	6.8	7.6	0.8	12%
Data Centres	8.9	9.2	0.3	3%
Managed Services	11.0	14.8	3.8	35%
Digital Marketing	3.2	2.6	(0.6)	(19%)
Hardware & Software	8.1	7.3	(0.8)	(10%)
Total Revenue	45.6	49.3	3.7	8%
Other income	-	3.3	3.3	
Total revenue and other income	45.7	52.6	6.9	15%
Gross Profit (excl. Other Income)	19.5	21.1	1.6	8%
<i>Gross Margin</i>	<i>42.7%</i>	<i>40.1%</i>	<i>(2.6%)</i>	
Employee costs	(24.6)	(21.4)	3.2	13%
Other expenses	(4.5)	(5.7)	(1.2)	(27%)
EBITDA pre non-recurring costs	(9.6)	(2.8)	6.8	(71%)
EBITDA margin	-21.0%	-5.3%	15.7%	
Non-operating items	(17.9)	(10.0)	7.9	44%
EBITDA after non-recurring costs	(27.5)	(12.8)	14.7	53%
Depreciation & amortisation	(8.7)	(7.7)	1.0	12%
Net interest	(3.5)	(2.6)	0.9	26%
Profit before tax	(39.7)	(23.1)	16.6	42%

- Additional revenue (\$2m for 6 months) from Webcentral partially offset by loss of customers over FY24

- Growth through addition of wholesale customers and additional services provided to existing customers

- Stronger year in project revenue as well as additional revenue from Security Shift (\$2m for 6 Months)

- Continued churn of SEO & PPC customers outpacing addition of new customers

- Decrease due to timing of deliveries for Hardware

- During the year some IP address space was sold (\$1.6m)

- Employee right sizing continues with the sales of Webcentral completed

Cashflow Result - FY24

	FY23 \$M	FY24 \$M	Change
Receipts	105.5	78.6	(25%)
Payments	(92.6)	(80.7)	13%
Interest received	-	1.3	-
Interest paid	(3.2)	(2.6)	19%
Underlying operating cashflow	9.7	(3.4)	(153%)
Restructuring, acquisition and transaction costs	(1.6)	(10.7)	(569%)
Income tax instalments	-	(0.3)	-
Operating cash flows	8.1	(14.4)	(278%)
Sale of Domains Business	-	107.4	100%
Sale of Webcentral shares	-	20.2	100%
Net cash - Other Acquisitions/Investments	(3.5)	(3.0)	14%
Capex	(3.7)	(2.7)	27%
Sale/purchase of intangible assets	(2.4)	1.6	167%
Other investing cashflows	5.6	(2.9)	(152%)
Investing cash flows	(4.0)	120.6	3115%
Proceeds from shares/options	-	0.3	100%
Net borrowings	3.3	(29.2)	(985%)
Dividends paid	(1.5)	(6.8)	(100%)
Payments for share buyback	(1.9)	(1.0)	(100%)
Other financing cash flows	(4.7)	(5.6)	(19%)
Financing cash flows	(4.8)	(42.3)	(781%)
Net cash flows	(0.7)	63.9	9229%

- Sale of Domains Business Dec 23 for Nett Cash \$127.6m
- Interest on surplus cash of \$1.3m for 6 months
- Debt repaid Dec 23 of \$29.2m
- Costs associated with sale of businesses and investment in Webcentral shares
- Security Shift purchase \$1.6m
- Debt repaid FY24 of \$29.2m
- Special 2 cent dividend paid Feb 24 of \$6.8m

Balance Sheet FY24

	FY23 \$M	FY24 \$M	Change \$M
Cash and cash equivalents	4.5	71.2	66.7
Trade and other receivables	5.1	3.9	(1.2)
Deferred COGS	6.3	-	(6.3)
Other current assets	5.1	4.1	(1.0)
Total Current Assets	21.0	79.2	58.2
Intangible assets	81.7	16.1	(65.6)
Property, plant and equipment	9.8	10.5	0.7
Investments	0.7	0.7	-
Other non-current assets	3.7	0.5	(3.2)
Total Non-Current Assets	95.9	27.8	(68.1)
Trade and other payables	14.8	12.0	(2.8)
Borrowings	29.2	-	(29.2)
Deferred revenue	25.4	0.4	(25.0)
Provision for income tax	0.1	4.1	4.0
Other current liabilities	13.7	11.2	(2.5)
Total Current Liabilities	83.2	27.7	(55.5)
Deferred revenue	9.7	-	(9.7)
Other non-current liabilities	13.7	9.5	(4.2)
Total Non-Current Liabilities	23.4	9.5	(13.9)
Net Assets	10.3	69.8	59.5
Contributed Equity	200.5	198.3	(2.2)
Reserves	(132.0)	(130.1)	1.9
Accumulated Losses	(58.2)	1.6	59.8
TOTAL EQUITY	10.3	69.8	59.5

- Deferred COGS reduced by \$6.3m relating to Webcentral

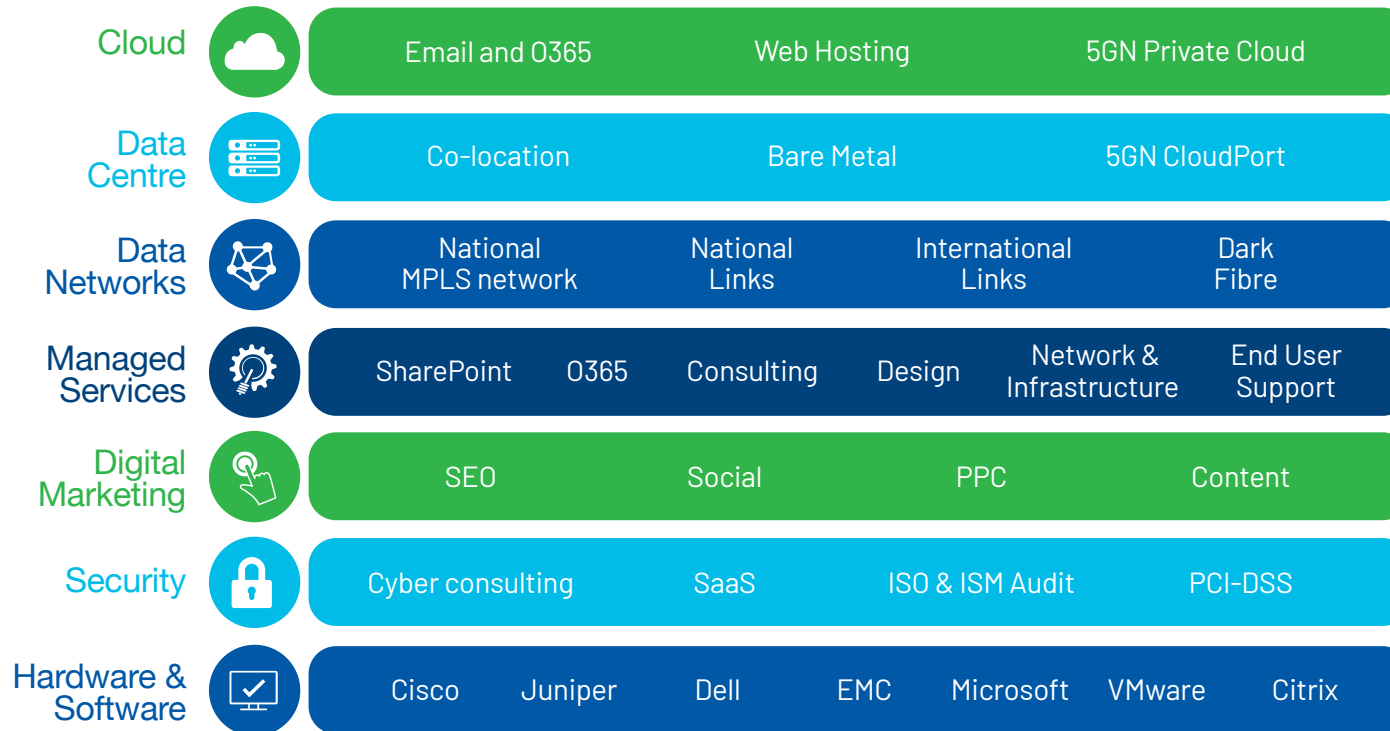
- Reduction in Intangible Assets relating of 65.6m relating to Webcentral

- Deferred Revenue reduction related to Domain sales and declined due to Webcentral Sale by \$37.9m

- Nett unearned Revenue of \$25.5m added to the purchase price of the Webcentral sale increase cash retained.

Product Offering

5GN services more than 2,500 Government, enterprise, wholesale, and small and medium business (SMB) customers across Australia and New Zealand. With 130 employees we seamlessly provide a range of cloud enabling solutions to businesses which consist of the following:



5GN is one of the largest Australian owned operator of Fibre Networks, Cloud and Data Centres

5GN Owned and Operated Network Infrastructure



Thank you

For further information contact

Joe Demase
Managing Director
jd@5gn.com.au
1300 10 11 12

Glen Dymond
Chief Financial Officer
gdy@5gn.com.au
0408 199 712

