ASX Announcement:

Annual Report for the year ended 30 June 2024

30th September 2024

Attached is the 5G Networks Limited Annual Report for the year ended 30 June 2024, including the audited Annual Financial Report. A copy of the Annual Report will be sent to those shareholders who have elected to receive a printed copy and a weblink to the Annual Report will be emailed to all other shareholders.

The changes to statutory financial measures previously reported in the Appendix 4E and Preliminary Financial Report as required by ASX Listing Rules are due to goodwill impairment expense and the finalisation of income tax expense, deferred tax assets and liabilities are presented below:

	2024 Audited results $'000	2024 Appendix 4E preliminary results $'000
Loss after tax from continuing operations	(28,008)	(22,757)
Profit after tax from discontinued operations	77,424	89,380
Profit after tax attributable to members of the parent	49,416	66,623
	Cents	Cents
Loss per share from continuing operations	(8.36)	(6.80)
Loss per share attributable to members of the parent	14.71	19.85

The Consolidated Statement of Financial Position has been changed in relation to the assets and liabilities of 5G Network Operations Pty and Security Shift Pty Ltd. Because of the proposed sale of those entities the assets and liabilities have disclosed as held for sale. The total amount of the assets and liabilities has not altered except for the changes discussed above.

There were no other changes to the reported financial results for the year ended 30 June 2024.

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

About 5GN

5GN is an Australian owned digital services company who empower more than 2,500 corporate clients to grow and thrive online. Our portfolio of digital services is extensive, with market leading offers across Cloud, Data networks, Data centre, managed IT services and digital marketing.

5GN currently owns and operates its own Nationwide and Internationally highspeed Data Network with points of presence in all major Australian capital cities, Singapore, USA, Hong Kong and New Zealand. In addition, the Company offers managed cloud solutions through its Cloud and Data Centre capabilities as well as managed services to optimise customers' IT and network environments. Supporting this is the Company's combined rack capacity of over 1,200 racks through its owned and operated Data Centres across Melbourne, Sydney, Brisbane and Adelaide.

Our customer focussed heritage has been built on expertise, innovation and personalised service; critical attributes delivered through our culture and embraced by our people.

The 5GN mission is dedicated to leading online success for our customers. We achieve this by building trusted and valued client relationships which convert successful business outcomes at each milestone across the customers' digital journey.

7/505 Little Collins Street, Melbourne VIC 3000
www.5gnetworks.au
investors@5gn.com.au
1300 10 11 12

2024 Annual Report

5G NETWORKS LTD AND ITS
CONTROLLED ENTITIES
ABN: 21 073 716 793

CORPORATE DIRECTORY

DIRECTORS
Natalie Mactier (Non-Executive Director and Chair)
Joseph Demase (Managing Director)
Jason Ashton (Non-Executive Director)

COMPANY SECRETARY
Michael Wilton

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS
Level 7, 505 Little Collins Street
Melbourne, VIC, 3000
Tel: 1300 10 11 12

COMPANY NUMBER
ACN 073 716 793

COUNTRY OF INCORPORATION
Australia

ASX CODE
5GN

COMPANY DOMICILE AND LEGAL FORM
5G Networks Limited is the parent entity and an Australian Company limited by shares

LEGAL ADVISORS
Cornwalls
Level 4, 380 Collins Street
Melbourne, VIC, 3000

SHARE REGISTER
Link Market Services Limited
Tower 4, 727 Collins Street
Melbourne, VIC, 3000

PRINCIPAL PLACE OF BUSINESS
Level 7, 505 Little Collins Street
Melbourne VIC 3000

AUDITORS
Grant Thornton Audit Pty Ltd
Tower 5, 727 Collins Street
Melbourne, VIC, 3000

INTERNET ADDRESS
www.5gnetworks.au

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CHAIR'S STATEMENT: STRATEGIC EVOLUTION AND FINANCIAL YEAR OVERVIEW

As Chair of the Board, I am pleased to provide an overview of our Group's achievements and significant developments for the financial year ending 30 June 2024. This year has been transformative, with decisive actions taken to refine our strategic focus and strengthen our core operations. Our emphasis on expanding 5G networks and optimizing telecommunications services has been supported by strategic divestments and acquisitions that have enhanced our business capabilities.

STRENGTHENING CORE OPERATIONS

Our core operations have evolved significantly, driven by a focused strategy centred on high-impact growth areas:

- **Advanced Telecommunications Services:** Our telecommunications segment continues to be the foundation of our business, catering to both enterprise and wholesale customers. Through the 5GN business, we manage and operate vital infrastructure such as data centres, private cloud solutions, and fibre optic networks. We also provide extensive managed IT services to over 2,500 enterprise clients and 100 wholesale partners.
- **Innovative Cloud Solutions:** Our cloud-based solutions and managed services have been a key area of development, ensuring we meet the growing demands of our clients for secure, scalable IT environments.
- **Data Centre Operations:** Data management remains a priority, with our data centre facilities focused on high-performance and secure data operations, which are integral to our service portfolio.
- **Digital and Online Services:** We maintain a strong presence in domain registration, website and email hosting, and digital marketing services across Australia and New Zealand, providing a diverse range of digital solutions.

STRATEGIC TRANSACTIONS: DIVESTMENTS AND ACQUISITIONS

During the year, we undertook several key transactions that aligned with our strategic objectives and refined our business portfolio.

Key Divestments:

1. **Domains Business:** On 20 December 2023, we completed the sale of our Webcentral and Melbourne IT domain name registry and consumer hosting services. The transaction generated $127.73 million, including $107.42 million in cash and $20.31 million in shares of Hosting Group TopCo S.à r.l. (Topco). The subsequent sale of these shares for $20.15 million allowed us to reallocate capital effectively.
2. **Digital Marketing Exit:** On 28 June 2024, we divested our digital marketing business, WME, for a total of $0.58 million. This decision aligned with of our strategy to streamline operations and focus on our core strengths.

Strategic Acquisition:

- **Security Shift:** On 16 January 2024, we acquired Security Shift, a cybersecurity consultancy and managed services firm, for $4.3 million. This acquisition, funded from existing cash reserves, included $2.2 million in cash, $1.24 million in new shares, and two deferred payments totalling $1.1 million. The addition of Security Shift has bolstered our capabilities in cybersecurity and managed services. Chris Wright, the founder of Security Shift, has joined our Group as Chief Technology and Information Officer.

FINANCIAL PERFORMANCE REVIEW

The Group's financial performance reflects the impact of these strategic initiatives and ongoing operational improvements:

- **Revenue Growth:** Revenue from continuing operations increased by 8.3% to $49.3 million, up from $45.6 million in the previous period. This growth was driven by our Cloud, Networks, Data Centre, and Managed Services segments, as well as contributions from the Security Shift acquisition. There was, however, a decline in revenue from our Hardware & Software and Digital Marketing segments.
- **Other Income:** Other income rose to $3.2 million, mainly due to the sale of intellectual property assets ($1.6 million) and interest income ($1.4 million).
- **Underlying EBITDA Improvement:** The Group's underlying EBITDA loss decreased by 73%, improving to $2.6 million from $9.6 million in the prior period. This improvement reflects increased revenue, higher other income, and reduced operating costs.
- **Profit Turnaround:** The Group reported a profit after income tax, a significant turnaround from the $19.0 million loss recorded in the previous period. This positive result was primarily due to the gain realized from the sale of the Domains Business.

CAPITAL MANAGEMENT AND INVESTMENTS

Share Buyback and Issuances:

- **Share Buyback Program:** On 8 December 2023, we initiated an on-market share buyback, acquiring 20,943,639 shares for $3.15 million and subsequently cancelling 2,853,121 shares. On 24 April 2024, we cancelled an additional 4,144,387 shares for $0.58 million.
- **Share Issuances:** Throughout the year, shares were issued under the Executive and Director Share Option Plan (ESOP), and 7,294,118 shares were issued to the vendor of Security Shift as part of the acquisition consideration.

Debt Management:

- **Debt Reduction:** On 20 December 2023, we repaid $28.15 million of our debt facilities using proceeds from the Domains Business sale. Following this, we amended our debt facility agreement with CBA to eliminate certain loan facilities and financial covenants. In May 2024, we also repaid our equipment loan facilities. Our remaining debt with CBA is now limited to bank guarantees secured by a $2.9 million term deposit.

While the market environment remains competitive and subject to economic fluctuations, we will continue to monitor external conditions closely and adjust our strategy as needed. Our ongoing investments in infrastructure, combined with a disciplined approach to capital management and cost control, will be crucial in supporting our operational goals.

The Board remains committed to fostering a resilient and adaptable business that can respond effectively to evolving market dynamics. We will continue to focus on driving value for our stakeholders through careful strategic planning and execution.

Yours sincerely,

Natalie Mactier

Natalie Mactier
Chair

"Our core operations have evolved significantly, driven by a focused strategy centred on high-impact growth areas."

"Our focus on 5G networks and telecommunications has been pivotal, alongside a series of strategic divestments and acquisitions that have reshaped our business landscape."

MANAGING DIRECTOR'S REVIEW: 5G NETWORKS AND STRATEGIC DEVELOPMENTS

As we review the financial year ended 30 June 2024, it is evident that our Group has made significant strides in enhancing its core operations and strategic position. Our focus on 5G networks and telecommunications has been pivotal, alongside a series of strategic divestments and acquisitions that have reshaped our business landscape.

PRINCIPAL ACTIVITIES

Our Group's activities have been centred around:

- **Telecommunications Services:** As a telecommunications carrier, we have been dedicated to servicing enterprise and wholesale customers. The 5GN business segment owns and operates critical infrastructure, including data centres, private cloud solutions, and fibre optic cables, while providing managed IT services to 2,500 enterprise clients and 100 wholesale customers.
- **Cloud-Based Solutions:** We have continued to deliver innovative cloud-based solutions and managed services to meet the evolving needs of our clients.
- **Data Centres:** Operating our data centre facilities with a focus on high-performance and secure data management.
- **Digital Services:** Offering domain name registrations, website and email hosting, and digital marketing services in Australia and New Zealand.

STRATEGIC DIVESTMENTS AND ACQUISITIONS

Strategic Divestments:

- **Domains Business:** On 20 December 2023, we finalised the sale of our Webcentral and Melbourne IT domain name registry, consumer hosting, and email hosting services. This transaction provided $127.73 million in total, including $107.42 million in cash and $20.31 million in shares of Hosting Group TopCo S.à r.l. (Topco). We later sold these shares for $20.15 million on 17 June 2024.
- **Digital Marketing Business:** On 28 June 2024, we divested our digital marketing business, WME, for a total consideration of $580,000.

Acquisitions:

- **Security Shift Acquisition:** On 16 January 2024, we acquired Security Shift, a cyber security consultancy and managed services business, for $4.3 million. This acquisition, funded from existing cash reserves, included $2.2 million in cash, $1.24 million in new shares, and two deferred payments totalling $1.1 million. This strategic acquisition strengthens our security consulting capabilities and expands our service offerings. Chris Wright, the vendor, has been appointed Chief Technology and Information Officer of the Group.

FINANCIAL PERFORMANCE

The Group's financial performance during the period reflects our strategic focus and operational improvements:

- **Revenue:** From continuing operations, revenue reached $49.3 million, an 8.3% increase from $45.6 million in the previous period. Growth was driven by our Cloud, Networks, Data Centre, and Managed Services segments, bolstered by the Security Shift acquisition. However, revenue from Hardware & Software and Digital Marketing declined.
- **Other Income:** We recorded other income of $3.2 million, significantly higher than the previous period due to the sale of IP assets ($1.6 million) and interest income ($1.4 million).
- **Underlying EBITDA:** Our underlying EBITDA loss improved by 73%, decreasing to $2.6 million from $9.6 million in the prior period, reflecting increased revenue, higher other income, and reduced operating costs.
- **Profit:** The Group reported a profit for the period after income tax, a notable improvement from a $19.0 million loss in the previous period, primarily due to the gain on the sale of the Domains Business.

Share Buyback and Issuances:

- **Share Buyback:** On 8 December 2023, we launched an on-market share buyback, acquiring 20,943,639 shares for $3.15 million and cancelling 2,853,121 shares. On 24 April 2024, we cancelled an additional 4,144,387 shares for $0.58 million.
- **Share Issuances:** During the year, we issued shares under various plans, including the Executive and Director Share Option Plan (ESOP), and issued 7,294,118 shares to the vendor of Security Shift as part consideration for the acquisition.

Debt and Financing:

- **Debt Repayment:** On 20 December 2023, we repaid $28.15 million of our debt facilities using proceeds from the Domains Business sale. We subsequently amended our debt facility agreement with CBA to remove market rate and acquisition loan facilities and financial covenants. In May 2024, we also repaid our equipment loan facilities. Our remaining debt facilities with CBA are now limited to bank guarantees secured by a $2.9 million term deposit.

CONCLUSION

I would like to thank the Board, Executive Team and our dedicated team in Australia and overseas for their ongoing hard work and our customers for the trust they have in our business to service critical infrastructure.

Yours sincerely,

Joe Demase
Managing Director

DIRECTORS' REPORT

Your Directors submit their report for the year ended 30 June 2024.

Directors were in office for the entire period unless otherwise stated.

DIRECTORS

Mr. J. Demase
Ms. N. Mactier
Mr. J. Ashton
Mr. J. Gangi (resigned 13 August 2024)

MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER

Mr. J. Demase

CHIEF EXECUTIVE OFFICER – MELBOURNE IT

Mr J. Horne (resigned 20 December 2023)

CHIEF FINANCIAL OFFICER

Mr. G. Dymond (resigned 13 September 2024)

CHIEF OPERATING OFFICER

Mr. J. Stevens (resigned 29 February 2024)

COMPANY SECRETARIES

Mr. M. Wilton
Mr. G. Dymond (resigned 13 September 2024)

DETAILS OF DIRECTORS' EXPERIENCE, EXPERTISE AND DIRECTORSHIPS

Directors in office during the period are presented below:

NATALIE MACTIER

Non-Executive Director since 2020 and Chair since 14 August 2024

Chair of the Audit & Risk Committee and Member of the Nomination & Remuneration Committee

Experience and Expertise

Natalie has over 20 years' experience in the tech industry having held senior management and Executive roles at Australian start-up and scale-up organisations. With a background in Sales and Marketing, Natalie helped build online brands SEEK and Kidspot before being approached by Square Peg capital to create School Places, an online private school marketplace. Since 2018 Natalie has been the CEO of Vivi International, an Australian technology company that is transforming the way that educators connect with and engage students though innovative software solutions. Natalie believes in the importance of creating diverse and inclusive environments in tech, ensuring that future generations have the skills and opportunities they need to thrive.

Other Current Listed Company Directorships

Nil

Former Listed Company Directorships in Last Three Years

Nil

JASON ASHTON

Non-Executive Director

Chair of the Nomination & Remuneration Committee and Member of the Audit & Risk Committee

Experience and Expertise

Mr Ashton has deep knowledge and experience in the IT and Telecommunications industries. Jason was co-founder (1993) and Managing Director of leading ISP Magna Data which was acquired in 1999. Jason was also co-founder (2002) of ASX listed BigAir Group Limited and was its Chief Executive Officer from 2006 until its acquisition by Superloop Limited in 2016 (ASX: SLC). Jason Ashton served as an Executive Director at Superloop from 2016 to 2018 prior to joining the Board of 5G Networks Limited in 2019.

Other Current Listed Company Directorships

Nil

Former Listed Company Directorships in Last Three Years

5G Networks Limited

JOE DEMASE

Managing Director & CEO

Member of the Audit & Risk Committee and Member of the Nomination & Remuneration Committee

Experience and Expertise

Mr Demase comes from a background in building a host of successful businesses, including the completion of two ASX listings in the telecommunications sector. Further to this, Joseph has acquired experience in the telecommunications sector amongst both the Australian and UK divisions, along with over 25 years of business experience, allowing Joseph to skilfully identify market opportunities across the board. Joseph displays an abundance of experience, having succeeded in a broad range of executive positions.

Other Current Listed Company Directorships

Nil

Former Listed Company Directorships in Last Three Years

5G Networks Limited
Powerhouse Ventures Limited

JOE GANGI
Non-Executive Director and Chair
(resigned 13 August 2024)
Member of the Audit & Risk Committee and Member of the Nomination & Remuneration Committee

Experience and Expertise
Mr Gangi has over 30 years' experience in corporate management and governance and was an independent director of the Company since October 2020. He is a member of the RMIT University, Engineering Faculty, Industry Advisory Committee and is an active advisor to several private sector boards. He also provides consulting services to the Local Government sector.

His expertise lies in business management and leadership with a focus on business sustainability, growth and development, strategic and client relationship management and risk management. Joe's business management skills are underpinned by the management of several business units across the Asia Pacific region in the professional engineering services sector while his technical experience is demonstrated by the successful delivery of several industrial manufacturing projects.

Other Current Listed Company Directorships
Nil

Former Listed Company Directorships in Last Three Years
5G Networks Limited

COMPANY SECRETARIES

MR GLEN DYMOND
Company Secretary since 2020
(resigned 13 September 2024)

Mr Dymond has more than 25 years' experience in senior finance and operations management roles at several ASX-listed entities, including Zenitas Healthcare Limited, Spotless Group Limited, Broadspectrum Limited and ConnectEast Group. Mr Dymond's commercial finance and operations experience has been achieved across a diverse range of business programs. This includes process development to drive financial performance, as well as client commercial management and driving successful change management across organisations undergoing rapid growth and change.

MR MICHAEL WILTON
Company Secretary since 2020

Mr Wilton has a wealth of domestic and international experience, spanning across mergers and acquisitions and equity capital market strategies, most recently as a partner at Cornwalls and Norton Rose Fulbright prior to that. His expertise includes public company takeovers, private treaty sales and acquisitions, joint ventures and corporate reconstructions. His ECM experience includes a number of IPOs and many secondary capital raisings for ASX listed companies. In the IT and Telecommunications sector, Michael has worked with the Commonwealth Government on a number of major transactions including the Telstra privatisation and the State of Victoria where he was engaged in a number of large government IT and Telecommunications projects.

PRINCIPAL ACTIVITIES

The Group's principal activities during the period were:

- the supply of cloud-based solutions, managed services and network services
- the operation of fibre and wireless infrastructure and management of cloud computing environment
- the operation of data centre facilities
- the supply of domain name registrations and renewals, website and email hosting, website development, search engine marketing and social advertising campaigns for businesses in Australia and New Zealand

On 20 December 2023, the Group sold its Webcentral and Melbourne IT domain name registry, consumer hosting (cPanel hosting) and email hosting services business (the **Domains Business**).

On 28 June 2024, the Group sold its digital marketing business, WME or Web Marketing Experts, which provided search engine marketing and social advertising services to businesses in Australia and New Zealand.

There have been no other significant changes in the nature of the Group's activities.

REVIEW AND RESULTS OF OPERATIONS

	Year ended	
	30-Jun-24 $'000	30-Jun-23 $'000
CONTINUING OPERATIONS		
Total revenue from contracts with customers	49,336	45,569
Underlying EBITDA[1] from Continuing Operations	(2,861)	(9,630)
Loss after tax from continuing operations	(28,008)	(31,223)
Profit after tax from discontinued operations	77,424	12,204
Profit/(Loss) after tax attributable to members of the parent	49,416	(19,019)

1. Refer section below – Management performance measures – underlying EBITDA

A review of the continuing operations of the Group during the period and the results of those operations found that the revenue for the period from continuing operations was $49.3 million, representing growth of 8.3% compared to the prior comparative period of $45.6 million. The Group achieved growth in its Cloud, Networks and Data Centre and Managed Services revenue lines due to higher sales and organic growth initiatives and the contribution from the Security Shift business acquired in January 2024, offset by a decline in Hardware & Software and Digital Marketing revenue. Other Income of $3.2 million for the period was significantly higher than the prior comparative period due to the sale of IP assets during the period of $1.6 million and interest income of $1.4 million.

The underlying EBITDA loss of the Group for the period of $2.9 million was a 70% improvement compared to the prior comparative period loss of $9.6 million, predominantly due to increased revenue and other income and a reduction in operating costs and labour costs.

The profit of the Group for the period after providing for income tax amounted to $49.4 million (2023: $19.0 million loss), a significant improvement compared to the prior comparative period due to the gain on sale of the Domains Business in December 2023.

The key strategic and financial highlights for the year ended 30 June 2024 were as follows:

- Sale of Domains Business completed in December 2023 which generated a gain on sale of $93.3 million before provisions and income tax expense.
- Sale of the digital marketing business including the WME and Web Marketing Experts brands.
- Purchase in January 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.
- Existing customer re-signs of $2.7 million in FY24.

MANAGEMENT PERFORMANCE MEASURES – UNDERLYING EBITDA

The Group makes use of a management performance measure, "Underlying EBITDA" (Earnings before Interest, Tax, Depreciation and Amortisation). The Group believes that Underlying EBITDA is useful for users of financial reports when assessing the Group's underlying business performance and profit generation after adjusting for non-recurring and unusual items affecting comparability between financial periods. Underlying EBITDA is also the primary financial performance indicator used by the Group and is the basis for driving internal business decision-making as well as setting remuneration and reward outcomes. Underlying EBITDA is a non-IFRS and unaudited performance measure and therefore may not be comparable with measures sharing similar descriptions by other entities. A reconciliation of Underlying EBITDA to statutory IFRS performance measures (profit before tax) is shown below:

	Year ended	
	30-Jun-24 $'000	30-Jun-23 $'000
CONTINUING OPERATIONS		
(Loss) / profit before tax	(30,093)	(39,725)
Depreciation and amortisation expense	7,650	8,721
Share based expenses	1,885	1,374
Finance costs (excl. bank charges and merchant fees)	2,643	3,475
Acquisition costs	-	184
Non-recurring costs	8,315	2,264
Impairments of financial assets, goodwill, fixed assets and intangible assets	6,911	14,077
Profit on sale of businesses and investments	(172)	-
Underlying EBITDA	**(2,861)**	**(9,630)**

SALE OF DOMAINS BUSINESS

On 20 December 2023, the Company completed the sale of its Domains Business to an investment group based in Europe. The buyer was Oakley Barcelona AUS Bidco Pty Ltd (**Bidco**). The ultimate holding company is Hosting Group TopCo S.à r.l. (**Topco**), a Luxembourg domiciled investment holding company.

The Group received a portion of the sale proceeds as an equity investment via new shares issued by Topco. The total consideration received was $127.73 million, consisting of $107.42 million in cash and $20.31 million in shares in Topco. On 17 June 2024, the Group completed the sale of all the shares it held in Topco for $20.15 million.

Following completion, the Group provides managed services to the Domains Business for a period of five years from Completion under a Managed Services Agreement (**MSA**) and Transitional Services Agreement (**TSA**) for total value of $9.1M.

Following completion, the Group has continued to carry on its remaining businesses, primarily being the 5GN operations as a telecommunications carrier servicing enterprise and wholesale customers. The 5GN business owns and operates data centres, private cloud, fibre optic cables and provides managed IT services to 2,500 enterprise clients and 100 wholesale customers.

ACQUISITIONS AND INVESTING ACTIVITIES

On 16 January 2024, the Company announced the acquisition of Security Shift, a cyber security consultancy and security managed services business with revenue of $4 million and normalised EBITDA of $1.2 million. The acquisition price was $4.3 million with $2.2 million paid in cash, $1.24 million in new shares issued by the Company and two deferred acquisition payments of $1.1 million payable 12 months and 24 months after Completion. The acquisition was funded from existing cash reserves.

The strategic rationale for the acquisition of Security Shift is to strengthen the Group's security consulting service offerings and expand the products and services that it can sell to its customers.

The vendor of Security Shift, Chris Wright, was appointed Chief Technology and Information Officer of the Group.

On 28 June 2024, the Group sold its digital marketing business, WME or Web Marketing Experts, which provided search engine marketing and social advertising services to businesses in Australia and New Zealand. The total consideration was $0.58 million consisting of upfront cash consideration received of $0.16 million and deferred consideration receivable of $0.42 million.

During the period the Group also continued to invest in its data centre and cloud infrastructure with capital expenditure investment of $4 million.

CAPITAL STRUCTURE

On 8 December 2023, the Company announced the launch of an on-market share buyback **(Buyback)**. During the year the Company acquired 20,943,639 shares on-market pursuant to the Buyback for total consideration of $3.15 million. During the period a total of 2,853,121 shares were cancelled.

On 24 April 2024 the Company cancelled 4,144,387 shares for total consideration of $0.58 million pursuant to an unmarketable parcel buyback.

During the year, the following shares were issued pursuant to the exercise of options:

- 1,125,000 ordinary shares at an exercise price of $0.20 per share;
- 4,000,000 ordinary shares at an exercise price of $0.17 per share under the Company's Executive and Director Share Option Plan **(ESOP)**;
- 1,000,000 ordinary shares at an exercise price of $0.11 per share under the Company's ESOP; and
- 300,000 ordinary shares at an exercise price of $0.20 per share under the Company's ESOP.

On 16 January 2024 the Company issued 7,294,118 ordinary shares at an issue price of $0.17 per share to the vendor of the Security Shift business as part-consideration for the acquisition.

During the year, 24,000,000 unlisted performance rights and options were issued under the ESOP at an exercise price of $0.11, subject to the satisfaction of service vesting conditions and expiry date of five years after grant.

During the year, 5,250,000 unlisted options were forfeited and cancelled and 750,000 unlisted options expired and were cancelled.

On 20 December 2023, the Company repaid $28.15 million of its debt facilities with Commonwealth Bank of Australia (**CBA**) from the proceeds of the sale of the Domains Business. The Company also amended its debt facility agreement with CBA to remove the market rate loan and acquisition loan facilities and remove the financial covenants under the agreement. The Group subsequently repaid $0.9 million of its equipment loan facilities in May 2024. The Group's remaining debt facilities with CBA consist of bank guarantees secured by a $2.9 million term deposit with CBA.

MATERIAL BUSINESS RISKS

The material business risks that have the potential to impact on the future prospects of the Group include:

CUSTOMER RETENTION AND REVENUE GROWTH

The continued strong growth in sales and profitability of the Group depends on a number of factors, including attracting new customers on a sufficiently profitable basis, and retaining and increasing revenue from existing customers. Customer revenue growth is particularly dependent upon the provision of consistently high-quality customer service and continued satisfaction of sales objectives. If these growth factors were to be impaired, the financial performance and reputation of Group would be adversely affected.

The Group's success is heavily reliant on its positive reputation, and particularly its customer satisfaction, in relation to its operating brands. The occurrence of any unforeseen issue or event which impacts the performance of the Group's services may result in a diminution of customer satisfaction and loyalty and place the reputation of the Group's brands at risk. These implications bear a risk of adversely impacting the financial performance of the Group's business.

COMPETITION

The digital services industry is rapidly evolving with a heightened environment of change characterised by disruptive technologies. The Group therefore faces potential loss of its competitive or market position as a result of potential product innovation by existing competitors or new entrants to the market. The Group may not anticipate or respond to any such developments with sufficient speed to maintain its market position. Other competitive risks faced by the Group include price competition, competitor marketing campaigns, mergers of, or acquisitions by, competitors and possible new entrants to the market.

CHANGES IN TECHNOLOGY

The digital services industry is evolving rapidly with the frequent introduction of new technologies, products and innovations. Consumer behaviours, preferences and trends are also constantly changing upon the onset of new methods of communication and digital platforms. The Group must likewise evolve and adapt its products and service offering to maintain pace with the industry in which it operates and to maintain its competitive position. Given the pace of change, there is no guarantee that the Group will be able to continue to introduce new and superior products, or products that are perceived to be new and superior by consumers, at the rate seen by other competitors in the market generally. The Group's ability to do so is constrained by factors including its available capacity, resources and capital to invest in product develop, innovation and design. This may adversely impact on the Group's long- and short-term business performance.

The Group's businesses are heavily dependent on information communication technology for the delivery of their various services, across large geographic distance, and tit has invested significantly in technology to maximise the efficiency of its operations. Should these systems not be adequately maintained, secured and updated, or the Group's disaster recovery processes not be adequate, system failures may negatively impact the Group's performance.

The Group has undertaken IT transformation programs in recent years which are still in progress and may cause unexpected disruptions, fail to provide anticipated benefits or otherwise be unsuccessful. A significant implementation and migration failure could result in a major impact on the Group's customer retention, revenues, costs and reputation.

INFRASTRUCTURE AND TECHNOLOGY FAILURE

The Group relies on its technical infrastructure and networks to provide its customers with a highly reliable service. There may be a failure to deliver this level of service as a result of numerous factors, including human error, power loss, failure of third-party equipment, services or networks, improper maintenance by landlords and security breaches. Service interruptions, regardless of their cause, may cause contractual and other losses to the Group.

CYBER AND SECURITY RISKS

Protection of customer and third-party data is critical to the Group's ongoing business and any breaches of this could have significant negative financial ramifications. The Group retains a significant amount of sensitive customer and third-party information. Customers and third parties have high expectations regarding the protection of their information. Additionally, the legal and regulatory environment surrounding information security and privacy is increasingly complex and demanding. Failures or breaches of data protection systems can result in reputational damage, regulatory impositions (such as for breaches of the Privacy Act 1988 (Cth)) and financial loss, including claims for compensation by customers or penalties by telecommunications regulators or other authorities.

As a technology business, the Group's business may be particularly adversely affected by technological disruptions, including through impacts of malicious third-party applications or other form of cyber-attack on the Group that could result in failures and interfere with its systems, products and platforms. It is possible that the measures taken by the Group will not prevent unauthorised access to its systems and technologies, risking third party access to confidential or otherwise sensitive data. This could lead to loss of key business or customer information, reputational damage and claims from customers or other third parties whose data may be affected.

If, as a consequence, the Group is unable to provide services to its customers, it may experience loss of market share, damage to reputation and brand, customer compensation claims and regulatory action. This may result in the Group incurring significantly increased expenses or suffering reduced revenue.

COMPLIANCE RISKS

The Group relies on certain accreditations and licences to operate their businesses. In particular, the Group holds a carrier licence under the Telecommunications Act 1997 which is essential to operate as a carrier of telecommunications infrastructure. If this licence or other licences were to be cancelled it could severely restrict the ability of the Group to operate and could result in the Group breaching a number of its contractual obligations.

The Group's businesses are reliant on wholesale licences to provide digital services to customers and cannot be assured that it will continue to be provided with these brand licences. If the Group were to not have such brand licences, its ability to attract customers or provide attractive offerings could be negatively affected, which in turn could have a material adverse effect on its business, financial condition and results or operations of the Group.

The Group operates in a highly regulated environment with several accreditation and licensing compliance obligations. These compliance obligations have strong penalties for non-compliance, including undertakings or the imposition of substantial civil and criminal penalties. Possible changes to existing regulation may impose substantial risks to the Group's businesses and increased compliance costs.

The Group is also exposed to risks from unexpected regulatory policies, outcomes or decisions by regulators empowered to regulate the telecommunications sector, including the Australian Competition & Consumer Commission and the Australian Communications and Media Authority which may result in an increase in compliance costs and delays in having to seek additional, or variations to, government approvals, adverse impacts upon the Group's ability to continue to acquire goods and services from existing suppliers from foreign countries, or fines and penalties being imposed for contraventions of relevant laws.

AVAILABILITY OF EQUIPMENT

The Group is dependent upon third party suppliers for IT and network infrastructure and, in some cases, licences, services, equipment and content from parties over whom the Group may have no direct operational or financial control. If any of these third party providers fail to maintain their products, solutions, services or offerings properly or fails to respond and adapt quickly to any of the Group's requirements, customers may experience service interruptions.

The dependence on these third party suppliers for support and delivery of certain core business functions means that the impact of regulatory changes or issues with the Group's supply chain could have a significant adverse impact on the timeliness or cost of building or maintaining the Group's network.

There is also a risk that third party suppliers may provide services or products with defects, which may lead to network underperformance or other impacts on customers. This could, in turn, adversely affect the Group's market share or revenue.

EQUITY AND DEBT MARKET RISKS

The Group's ability to service its existing debt depends upon its financial performance and cash flows which to some extent are subject to general economic, financial, regulatory and other factors beyond the control of the Group. If the Group is unable to generate sufficient cash flow to meet specific debt repayment obligations, it may face additional financial penalties, higher interest rates or difficulty obtaining further funding in the future.

The Group may in the future require additional debt or equity capital in order to fund growth strategies, in particular for acquisition opportunities that may arise from time to time. There is a risk that the Group may be unable to access debt or equity funding from the capital markets on favourable terms, or at all.

FINANCIAL AND ECONOMIC CONDITIONS

The financial performance of the Group and the value of its shares may fluctuate due to various factors, including movements in the Australian and international capital markets, recommendations by brokers and analysts, interest rates, exchange rates, inflation, Australian and international economic conditions, change in international economic conditions, change in government, fiscal, monetary and regulatory policies, prices of commodities, global geo-political events and hostilities, global health pandemics and acts of terrorism, investor perceptions and other factors that may affect the Group's financial position and earnings. In the future, these factors may affect the Group and may cause the price of its shares to fluctuate and trade below current prices.

In light of recent global macroeconomic events, including the impact of the recent COVID-19 pandemic, Australia may experience an economic recession or downturn of uncertain severity and duration which could impact the Group's ability to attract and retain customers, to invest sufficiently to develop, adopt and integrate the latest technologies into existing infrastructure, and to secure and maintain third party suppliers for IT and network infrastructure over whom the Group may have no direct operational or financial control. These economic disruptions may adversely impact the Group's earnings and assets, as well as the value of its shares.

EMPLOYEE RELATIONS AND PERSONNEL RISKS

The Group's ongoing success depends in part upon its ability to retaining its key employees. If there is a departure of key employees the Group's business could be adversely affected. The Group may have to incur significant costs in identifying, hiring and retaining replacements for departing employees and may lose significant expertise and talent relating to the business. Certain key executives and other employees of the Group may terminate their management positions or their employment contracts on their own initiative. If members of the Group's senior management depart, the Group may not be able to find effective replacements in a timely manner, or at all, and its business may be disrupted.

DIVIDENDS

On 10 January 2024, the Company declared an unfranked special dividend of $0.02 (2 cents) per ordinary share which was paid on 22 February 2024. The record date was 25 January 2024.The special dividend was funded from the sale proceeds of the Domains Business. No final dividend was or is proposed to be declared with respect to the current period. A dividend of $0.005 (half a cent) per ordinary share franked to 20% was paid in the prior corresponding period.

SIGNIFICANT CHANGES IN AFFAIRS

The Company's name was changed from Webcentral Limited to 5G Networks Limited following approval by the Company's shareholders at the Company's 2023 Annual General Meeting held on 23 November 2023.

PROPOSED SALE OF 5GN BUSINESS AND RETURN OF CAPITAL

On 27 June 2024 the Company announced that its wholly owned subsidiary 5G Networks Holdings Pty Ltd (**5GN Holdings**) had entered into sale agreements with entities associated with the Group's Managing Director Mr Joe Demase (**Purchasers**), in relation to the sale of 100% of the shares in its primary operating subsidiary, 5G Network Operations Pty Ltd (**5GN Operations**) and its cyber security consultancy business operated by Security Shift Pty Ltd (**Security Shift**).

The sales of 5GN Operations and Security Shift to the Purchasers (the **Transaction**) are interdependent and must be completed simultaneously if they are approved by non-associated shareholders of the Company and certain other conditions are met. The total sale consideration implied by the Transaction is $3.2 million, comprising of a cash price of $500,000 plus the assumption of certain liabilities, including ongoing litigation, and a normalised level of working capital.

Following completion of the Transaction, it is expected that the Group's only material assets will consist of surplus cash which, subject to receipt of a waiver from ASX, the Group intends to distribute to the Company's shareholders by way of a capital return (**Capital Return**) shortly after completion of the Transaction. The Capital Return will only occur if the Transaction is completed. The estimated Capital Return is approximately $0.15 per share after retaining adequate funds for all remaining liabilities of the Group and transaction costs in relation to the sale.

Should the Transaction be approved, the company intends to delist from ASX following the Capital Return before being formally wound up and returning any remaining capital to the Company's shareholders in 2025.

In accordance with the Company's Board policies and given the involvement in the Transaction by Mr Joe Demase, the Company formed an Independent Board Committee (**IBC**) comprising the independent directors of the Company: Joe Gangi, Natalie Mactier and Jason Ashton (**Independent Directors**). The role of the IBC has been to facilitate the evaluation of the Transaction. Mr Joe Gangi resigned from the Company on 13 August 2024 and therefore has also resigned from the IBC.

The Independent Directors have unanimously recommended that the Company's Shareholders vote in favour of the Transaction in the absence of a superior proposal and subject to the Independent Expert concluding (and continuing to conclude) that the Transaction is fair and reasonable (or not fair but reasonable) in the interests of non-associated shareholders of the Company.

KEY TERMS OF THE TRANSACTION

As the Purchasers are related parties of the Company, completion of the Transaction is subject to it being approved by non-associated shareholders of the Company (for the purposes of ASX Listing Rule 10.1 and section 208 of the *Corporations Act 2001*). Shareholders will have the opportunity to vote on the Transaction at an Extraordinary General Meeting (**EGM**) of shareholders, which is expected to occur in November 2024. Joe Demase and his respective associates are not eligible to vote on the resolutions to approve the Transaction.

Further, as the Transaction involves the sale of the Company's main undertaking, an additional approval by shareholders will be required under ASX Listing Rule 11.2. This approval has been received from ASX.

Completion of the Transaction is also subject to customary closing conditions for a transaction of this nature including:

- The Foreign Investment Review Board (**FIRB**) advising that it has no objection to the sale of 5GN Operations to the 5GN Operations purchaser (being a foreign person for the purposes of Australia's foreign investment laws);
- An Independent Expert concluding that the Transaction is fair and reasonable (or not fair but reasonable) in the interests of non-associated shareholders of the Company;
- Change of name and other related matters; and
- The Company obtaining various ASX approvals and/or waivers in relation to the Transaction and the Capital Return.

At the date of this report, FIRB has advised that it has no objection to the sale of 5GN Operations to the 5GN Operations purchaser and the required waivers and approvals have been received from ASX.

STATUS OF TRANSACTION

At the time of this report, completion of the Transaction, the Capital Return and the subsequent delisting of the Company have not occurred as they have not been approved by non-associated shareholders of the Company at an EGM, which is expected to occur in November 2024. The Group has not presented the businesses operated by 5GN Operations and Security Shift as a discontinued operation because they make up the entire operations of the Group rather than just a major line of business; but the assets and liabilities have been presented as available for sale for the year ended 30 June 2024. The Group has continued to present the financial statements on a going concern basis due to the uncertainty surrounding the proposed winding up the Group.

There were no other significant changes in the state of affairs of the Group during the year ended 30 June 2024.

SIGNIFICANT EVENTS AFTER REPORTING DATE

During the period from 1 July 2024 to 13 September 2024, the Company acquired a further 12,461,493 shares on-market pursuant to the Buyback for total consideration of $1.84 million. The total number of shares acquired under the Buyback was 33,405,122 for total consideration of $4.99 million, representing 10% of the issued capital of the Company at the time the Buyback commenced. All shares acquired under the Buyback were cancelled by 13 September 2024.

No other matter or circumstance has arisen since the end of the financial year which 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 future financial years.

LIKELY DEVELOPMENTS, BUSINESS STRATEGIES AND PROSPECTS

The Group's strategy for FY25 and future years is to achieve revenue and EBITDA growth across each of its customer segments to deliver growth in returns to its shareholders. The Group's believes that the continued growth in demand for digital, cloud and network services will support the growth in demand for the Group's products and services.
The Board also expects to focus on EBITDA-accretive acquisition of businesses that complement the Group's existing products and services.

Further information on the Group's future prospects are contained in the Chairman's and Managing Director's Reports on pages 4 and 7 respectively.

INSURANCE OF OFFICERS

During the period, 5G Networks Limited agreed to pay a premium to insure the Directors and secretaries of the Group and its Australian-based controlled entities.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else to cause detriment to the Group.

Details of the amount of the premium paid in respect of insurance policies are not disclosed as such disclosure is prohibited under the terms of the contract.

The Group has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify any current or former officer of the Group against a liability incurred as such by an officer.

MEETINGS OF DIRECTORS

The number of meetings of the Company's Board of Directors and of each Board committee held during the year ended 30 June 2024, and the numbers attended by each Director were:

	Full meetings of Directors		Meetings of Committees			
			Audit and Risk		Nomination and Remuneration	
Number of meetings held	**11**		**4**		**1**	
Name of Director	**Eligible**	**Attended**	**Eligible**	**Attended**	**Eligible**	**Attended**
Joseph Gangi	11	11	4	4	1	1
Joe Demase	11	11	4	4	1	1
Natalie Mactier	11	11	4	4	1	1
Jason Ashton	11	9	4	4	1	1

INDEMNITY AND INSURANCE OF AUDITOR

The Group has not, during or since the end of 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 Group has not paid a premium in respect of a contract to insure the auditor of the Group or any related entity.

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. No proceedings have been brought or intervened in on behalf of the company with leave of the Court under section 237 of the *Corporations Act 2001.*

NON-AUDIT SERVICES

The Group may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Group are important.

Details of the amounts paid or payable to the auditor for audit and non-audit services provided during the period are set out below in relation to the Group's current auditor, Grant Thornton Audit Pty Ltd.

The Board of Directors has considered the position and, in accordance with advice received from the audit committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- All non-audit services have been reviewed by the audit committee to ensure they do not impact the impartiality and objectivity of the auditor; and
- None of the services undermines the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants.

During the year the following fees were paid or payable for non-audit services provided by the auditor of the parent entity, its related practices and non-related audit firms:

	Consolidated	
	2024 $	2023 $
Other Assurance Services		
Due Diligence Services	48,107	-
Total Remuneration for Other Assurance Services	**48,107**	**-**
Taxation Services		
Tax Compliance Services	181,958	114,111
Total Remuneration for Taxation Services	**181,958**	**114,111**
Total Remuneration for Non-Audit Services	**230,065**	**114,111**

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 32.

ROUNDING

The Group is a type of Company referred to in *ASIC Corporations (Rounding in Financial / Directors' Reports) Instrument 2016/191* and therefore the amounts contained in this report and in the financial report have been rounded to the nearest $1,000, or in certain cases, to the nearest dollar.

CORPORATE GOVERNANCE

The Company's Corporate Governance Statement is available on the Company's website www.5gnetworks.au.

Signed in accordance with a resolution of the Board of Directors:

Natalie Mactier

Natalie Mactier
Chair
Melbourne
30 September 2024

REMUNERATION REPORT

The Directors present the 5G Networks Limited 2024 remuneration report, outlining key aspects of our remuneration policy and framework as well as remuneration awarded this year. It has also been audited as required by section 308(3C) of the *Corporations Act 2001*.

The Report is structured as follows:
(a) Key management personnel (KMP) covered in this report
(b) Remuneration policy and link to performance
(c) Elements of remuneration
(d) Remuneration expenses for executive KMP
(e) Non-executive Director arrangements
(f) Other statutory information

(A) KEY MANAGEMENT PERSONNEL (KMP) COVERED IN THIS REPORT

Directors:

Natalie Mactier - Non-Executive Chair (appointed Chair on 14 August 2024)

Joseph Demase - Managing Director

Jason Ashton - Non-Executive Director

Joseph Gangi - Non-Executive Director (Chair until resignation on 13 August 2024)

Other key management personnel:

Jonathan Horne – Chief Executive Officer, Melbourne IT (resigned 20 December 2023 on sale of the Domains Business)

Glen Dymond - Chief Financial Officer and Company Secretary (resigned 13 September 2024)

Garry White - National Sales Director (resigned 30 November 2023)

John Stevens – Chief Operating Officer (resigned 29 February 2024)

There have been no other changes in KMP since the end of the reporting period.

(B) REMUNERATION POLICY AND LINK TO PERFORMANCE

Our remuneration committee is currently made up of all directors. The Committee makes recommendations to the Board with respect to appropriate remuneration and incentive policies for executive Directors and senior executives that:

a. Motivate Executive Directors and senior executives to pursue long term growth and success of the Group within an appropriate control framework;
b. Demonstrate a clear correlation between key performance and remuneration; and
c. Align the interests of key leadership with the long-term interests of the Group's shareholders.

Executive KMP Remuneration Policy Statement

Consistent with contemporary Corporate Governance standards the Group's remuneration policy aims to set employee and executive remuneration that is fair, competitive and appropriate for the markets in which it operates. Specific objectives of the policy include the following:

a. Ensuring executive remuneration packages involve a balance between fixed and incentive pay, reflecting short and long term performance objectives appropriate to the Group's circumstances and objectives;
b. A proportion of executives' remuneration is structured in a manner designed to link reward to corporate and individual performances; and
c. Ensure that incentive plans are designed around appropriate and realistic performance targets that measure relative performance and provide rewards when they are achieved.

Group performance and link to remuneration

In considering the Group's performance and benefit of shareholder's wealth, the Nomination and Remuneration Committee had regard to the following measures in respect of the current financial year and the previous four financial years:

Measure	2024 $'000	2023 $'000	2022 $'000	2021[1] $'000	2019[1] $'000
Underlying EBITDA from continuing operations[2]	(2,861)	(9,630)	17,561	11,928	14,794
Net profit/(loss) after tax	49,416	(19,109)	(24,738)	(61,922)	(131,222)
	2024 Cents	**2023 Cents**	**2022 Cents**	**2021[1] Cents**	**2019[1] Cents**
Dividend per share	2.0	-	0.5	-	-
Change in share price	2.5	(8.5)	(26.5)	9.50	(158.0)
Share price close	15.0	12.5	21.0	47.5	38.0

1. The financial year end date for the Group was changed from 31 December to 30 June after the financial year ended 31 December 2019. The measures for 2021 represent the 18-month period ended 30 June 2021
2. Underlying EBITDA from continuing operations is a management performance measure (Earnings before Interest, Tax, Depreciation and Amortisation) that the Group believes is useful for users of financial reports when assessing the Group's underlying business performance and profit generation after adjusting for non-recurring and unusual items affecting comparability between financial periods. Underlying EBITDA is also the primary financial performance indicator used by the Group and is the basis for driving internal business decision-making as well as setting remuneration and reward outcomes.

(C) ELEMENTS OF REMUNERATION

Fixed Annual Remuneration

Executives may receive their fixed remuneration as cash, superannuation and fringe benefits.

Short-term Incentives ("STI") – Operational Bonuses

The short-term performance objectives implemented for the following KMP in relation to FY24 were as follows:

KMP	STI targets for the year	STI achieved and forfeited for the year
Glen Dymond	(i) Success completion of the sale of the Domains Business This target reflects the importance of the sale of the Domains Business to the Group's financial position. (ii) Projects to increase revenue or reduce operating costs This target reflects the importance of ongoing improvement of systems and processes and the identification and achievement of revenue and cost synergies	(i) Achieved: 100% / $120,000 Forfeited: 0% / $0 Assessed by reference to the actual completion of the sale (ii) Achieved: 100% / $20,000 Forfeited: 0% / $0 Assessed by reference to the actual achievement of revenue increase or cost savings compared to project targets Total achieved: 100% / $140,000 Total forfeited: 0% / $0

The grant dates for the bonuses paid in respect of FY24 were 1 July 2023 and 20 December 2023.

No other short-term incentives were paid to KMP during the year.

Long-term Incentives
The 5G Networks Limited Executive and Director Share Option Plan (ESOP) was adopted in December 2020 for directors and executives of the Group. The 5G Networks Limited Executive Equity Plan (EEP) was adopted in April 2022 for executives and senior leaders of the Group.

During the year ended 30 June 2024 the Group issued 24,000,000 performance rights and share options to KMP under the ESOP as a means of rewarding and incentivising executives.

Further details of the performance rights and share options, including details of rights issued during the financial year, are set out in section D below.

(D) REMUNERATION EXPENSES FOR EXECUTIVE KMP

The following table shows details of the remuneration expense recognised for the Group's executive key management personnel for the current and previous financial year measured in accordance with the requirements of the accounting standards. Remuneration paid to Directors and executives is valued at the cost to the Group.

KEY MANAGEMENT PERSONNEL REMUNERATION

		Short term benefits				Post employment benefits	Share based payments	Other		
Name	Year	Cash salary & fees	Cash STI[1]	Annual leave	Other[2]	Superannuation	Options and Performance Rights[3]	Termination pay	Total	Performance related[4]
		$	$	$	$	$	$	$	$	%
Managing Director										
Joseph Demase	**2024**	**210,449**	**-**	**22,885**	**6,200**	**22,891**	**1,014,469**	**-**	**1,276,894**	**79%**
	2023	291,667	-	50,000	4,934	25,292	302,934	-	674,827	45%
Other Management personnel										
Jonathan Horne[5]	**2024**	**156,731**	**-**	**16,346**	**3,100**	**19,013**	**245,505**	**-**	**440,695**	**56%**
	2023	122,756	-	23,077	2,534	14,834	62,663	-	225,864	28%
Glen Dymond	**2024**	**209,484**	**140,000**	**21,085**	**7,314**	**27,335**	**28,951**	**-**	**434,169**	**39%**
	2023	225,306	35,000	19,671	6,134	25,292	39,413	-	350,816	21%
Garry White[6]	**2024**	**103,463**	**-**	**11,461**	**3,183**	**12,642**	**50,956**	**33,258**	**214,963**	**24%**
	2023	228,819	7,500	16,159	6,134	25,292	138,397	-	422,301	35%
John Stevens[7]	**2024**	**175,000**	**-**	**1,154**	**3,900**	**17,977**	**4,024**	**17,394**	**219,449**	**2%**
	2023	276,923	65,136	23,077	6,134	25,292	99,028	-	495,590	33%
Total KMP excluding Non-Executive Directors	**2024**	**855,127**	**140,000**	**72,931**	**23,697**	**99,858**	**1,343,905**	**50,652**	**2,586,170**	**57%**
	2023	1,145,471	107,636	131,984	25,870	116,002	642,435	-	2,169,398	35%
Total Non-Executive Directors (Section E)	**2024**	**431,818**	**-**	**-**	**-**	**9,000**	**602,328**	**-**	**1,043,146**	**58%**
	2023	281,818	-	-	-	8,591	490,119	-	780,528	63%
Total KMP	**2024**	**1,286,945**	**140,000**	**72,931**	**23,697**	**108,858**	**1,946,233**	**50,652**	**3,629,316**	**57%**
	2023	1,427,289	107,636	131,984	25,870	124,593	1,132,554	-	2,949,926	42%

1. Represents STIs paid in relation to the 2024 financial period.
2. Represents the cost to the business of any non-cash business benefits provided.
3. Represents the expense recorded during the period in relation to the fair value of Performance Rights and Options.
4. Calculated as STI plus Performance Rights and Options expense, as a proportion of total remuneration. These two elements represent the at-risk and discretionary amount payable which will vary depending on the financial performance of the Company and achievement of individual KPIs. They are in addition to the fixed remuneration.
5. Mr Jonathan Horne resigned on 20 December 2023.
6. Mr Garry White resigned on 30 November 2023.
7. Mr John Stevens resigned on 29 February 2024.

OPTIONS AND RIGHTS HELD

Name	Balance at 1 July 2023	Grant Details			Exercised	Exercised	Lapsed	Balance at 30 June 2024
Key Management Personnel	No.	Grant Date	No.	Fair Value $'000	No.	Value $'000	No.	No.
Joe Demase	20,000,000	07/12/2023	15,000,000	2,519	-	-	-	**35,000,000**
Natalie Mactier	1,500,000	07/12/2023	3,000,000	504	-	-	-	**4,500,000**
Jason Ashton	1,500,000	07/12/2023	3,000,000	504	-	-	-	**4,500,000**
Joe Gangi	1,500,000	07/12/2023	3,000,000	504	-	-	-	**4,500,000**
Jonathan Horne	4,000,000	-	-	-	4,000,000	308	-	**-**
Glen Dymond	1,100,000	-	-	-	-	-	-	**1,100,000**
Garry White	2,100,000	-	-	-	800,000	55	1,300,000	**-**
John Stevens	1,500,000	-	-	-	500,000	32	1,000,000	**-**
KMP Total	**33,200,000**		**24,000,000**	**4,031**	**5,300,000**	**395**	**2,300,000**	**49,600,000**

The key criteria for performance rights and options granted during the period are as follows:

- Performance Rights and Options (Directors) – the completion of tenure periods of two years. There is no performance condition in relation to these options as the Board considers the service condition is sufficient.

The weighted average fair value per option is $0.11 for the 24,000,000 performance rights and options granted during the period.

The following table summarises information about performance rights and options held by KMP as at 30 June 2024.
5,000,000 performance rights and 4,800,000 options were exercisable at period end (2023: 5,000,000 performance rights):

Issue Date and Type	Number	Grant date	Vesting date	Expiry date	Weighted average exercise price
2020 Performance Rights - Director	5,000,000	18/12/2020	22/09/2021	18/12/2025	**$0.20**
2021 Performance Rights - Director	15,000,000	22/12/2021	-[1]	21/12/2026	**$0.45**
2021 Options - Director	4,500,000	22/12/2021	22/12/2023	21/12/2026	**$0.45**
2021 Options – Executive (3)	300,000	15/07/2021	15/07/2023	15/07/2026	**$0.45**
2022 Options – Executive (3)	300,000	01/09/2022	01/09/2024	01/09/2027	**$0.20**
2023 Options – Executive (1)	500,000	29/06/2023	29/06/2025	29/06/2028	**$0.11**
2023 Performance Rights - Director	15,000,000	07/12/2023	07/12/2025	07/12/2028	**$0.11**
2023 Options - Director	9,000,000	07/12/2023	07/12/2025	07/12/2028	**$0.11**
	49,600,000				**$0.19**

1. Vesting period is dependent on the achievement of inclusion in the S&P ASX300 Index.

The fair values of options granted were determined using a variation of the binomial option pricing model that takes into account factors specific to the ESOP, such as the vesting period. The following table lists the inputs to the Black-Scholes-Merton models used for the LTI Grants:

	Share price	Dividend yield	Expected volatility	Risk-free interest rate	Fair value per option
2020 Rights	$0.415	0.0%	73.4%	0.38%	$0.3031
2021 Rights	$0.465	0.0%	45.0%	1.27%	$0.192
2021 Options	$0.465	0.0%	45.0%	1.27%	$0.3031
2021 Options (3)	$0.475	0.0%	73.4%	0.69%	$0.205
2022 Options (3)	$0.175	2.9%	96.1%	3.50%	$0.08
2023 Options (1)	$0.130	3.8%	92.8%	3.93%	$0.06
2023 Rights	$0.240	2.1%	90.0%	3.86%	$0.17
2023 Options - Director	$0.240	2.1%	90.0%	3.86%	$0.17

The expected volatility was determined using the group's average five-year share price. The risk-free rate is derived from the yield on Australian Government Bonds of an appropriate term.

Historical share price volatility has been the basis for determining expected share price volatility as it is assumed that this is indicative of future volatility.

(E) NON-EXECUTIVE DIRECTOR ARRANGEMENTS

Current Board fees are $110,000 per annum for the Chair and $90,000 per annum for non-executive directors.

The table below represent the amounts paid during the periods in which their services were provided.

		Short term benefits			Post Employment benefits	Long term benefits	Share based payments		
Key Management Personnel	Year	Cash salary & fees	Cash STI	Annual leave	Superannuation	Long service leave	Options and Performance Rights	Total	Performance related
		$	$	$	$	$	$	$	%
Non-Executive Directors									
Mr Joe Gangi	**2024**	**160,000**	**-**	**-**	**-**	**-**	**200,776**	**360,776**	**56%**
	2023	110,000	-	-	-	-	163,373	273,373	60%
Ms Natalie Mactier	**2024**	**140,000**	**-**	**-**	**-**	**-**	**200,776**	**340,776**	**59%**
	2023	90,000	-	-	-	-	163,373	253,373	64%
Mr Jason Ashton	**2024**	**131,818**	**-**	**-**	**9,000**	**-**	**200,776**	**341,594**	**59%**
	2023	81,818	-	-	8,591	-	163,373	253,782	64%
Total	**2024**	**431,818**	**-**	**-**	**9,000**	**-**	**602,328**	**1,043,146**	**58%**
	2023	281,818	-	-	8,591	-	490,119	780,528	63%

All non-executive Directors enter into a service agreement with the Group in the form of a letter of appointment. The letter summarises the Board policies and terms, including remuneration, relevant to the office of Director.

(F) OTHER STATUTORY INFORMATION

Shareholdings

The numbers of shares in the Group held (directly, indirectly or beneficially) during the financial year by KMP, including their related parties, are set out below.

	Balance at 1 July 2023 or date of appointment	Received on the exercise of option or right	Net Other Changes	Balance at 30 June 2024
Directors				
Joe Gangi	7,745,040	-	-	7,745,040
Joe Demase	58,668,719	-	-	58,668,719
Natalie Mactier	1,000,000	-	-	1,000,000
Jason Ashton	4,967,147	-	-	4,967,147
Total Directors	**72,380,906**	**-**	**-**	**72,380,906**
Other Management Personnel (OMP)				
Jonathan Horne[1]	-	4,000,000	(4,000,000)	-
Glen Dymond[4]	1,539,813	-	(300,000)	1,239,813
Garry White[2]	6,235,048	800,000	(7,035,048)	-
John Stevens[3]	74,000	500,000	(574,000)	-
Total OMP	**7,848,861**	**5,300,000**	**(11,909,048)**	**1,239,813**
Group Total	**80,229,767**	**5,300,000**	**(11,909,048)**	**73,620,719**

1. Mr Jonathan Horne resigned on 20 December 2023.
2. Mr Garry White resigned on 30 November 2023.
3. Mr John Stevens resigned on 29 February 2024.
4. Mr Glen Dymond resigned on 13 September 2024.

Voting and comments made at the Company's Annual General Meeting

The Company received 75.34% of 'yes' votes on its Remuneration Report for the financial year ending 30 June 2023. The Company received no specific feedback on its Remuneration Report at the Annual General Meeting.

Service Agreements

Remuneration and other terms of employment for the Managing Director and other Key Management Personnel are formalised in an Executive Service Agreement between the Company and each executive:

Executive	Base Salary	Term of agreement	Notice period
Joseph Demase	$350,000	Unspecified	6 months
Jonathan Horne[1]	$250,000	Unspecified	3 months
Glen Dymond[4]	$270,000	Unspecified	3 months
Garry White[2]	$270,000	Unspecified	3 months
John Stevens[3]	$300,000	Unspecified	3 months

1. Mr Jonathan Horne resigned on 20 December 2023.
2. Mr Garry White resigned on 30 November 2023.
3. Mr John Stevens resigned on 29 February 2024.
4. Mr Glen Dymond resigned on 13 September 2024.

Loans to Key Management Personnel

(i) Executive and Director Share Plan

Under the Executive and Director Share Plan the Company may loan its Executives some or all of the amount of the exercise price for options exercised to acquire shares. Such loans are non-recourse and no interest is charged in respect of the loan amounts. The executive does not have a beneficial interest in the shares until the loan is repaid with any such shares subject to a holding lock. For accounting purposes, this arrangement is not considered as loan receivable but considered as share-based payment in substance. The granting of a loan is considered to be a modification to the existing option. Any increase in the fair value of the option recognised as an expense immediately at the date the loan is granted. If the executive fails to repay the loan, the Company can sell some of the shares to repay the loan. In the event that the shares are sold for an amount less than the value of the loan, the executive is only required to repay the loan out of the sale proceeds. The Company has no other recourse against the employee. During the year total loans of $795,000 were provided under the Executive and Director Share Plan (2023: Nil).

(ii) Other Loans

During the year ended 30 June 2021, the Group granted loans of $280,000 to key management personnel, $140,000 each (Glen Dymond and Garry White) to allow them to take up shares in a capital raising being undertaken by the Company. Loan repayments of $148,400 were made during the year ended 30 June 2022 ($74,200 from Glen Dymond and $74,200 from Garry White). No repayments were made during the year ended 30 June 2024.The loans are full recourse loans and repayable on termination of employment of the relevant employees.

The table below provides aggregate information relating to the Company's loans to KMP during the year:

	2024
	$000
Balance at the start of the year	**128**
Repayment from KMP	-
Balance at the end of the year	**128**

Other Transactions with Key Management Personnel

During the year, the Group has conducted the following related party transactions:

- A total of $871,622 (2023: $213,191) was paid to Studio Inc., an entity related to Joe Demase, consisting of $171,622 for the design of marketing materials for the Group and $700,000 for consulting fees for services provided to the Group. All transactions are carried at commercial third-party rates.
- No payments were made to Mr Hunter Demase during the year ended 30 June 2024 for sales consulting services (2023: $18,315). All transactions are carried at commercial third-party rates.

There were no other transactions with KMP during the year ended 30 June 2024.

End of Remuneration Report

This report, incorporating the Remuneration Report is signed in accordance with a resolution of Directors.

Natalie Mactier

Natalie Mactier
Chair
30 September 2024

CORPORATE GOVERNANCE STATEMENT

The Board of 5G Networks Limited (5GN or the Company) recognises the need for the highest standards of corporate behaviour and accountability. The Board is committed to optimising security holder returns within a framework of ethical business practices.

5GN's corporate governance practices and policies comply with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4th Edition) (the Governance Principles and Recommendations), the ASX Listing Rules and the *Corporations Act 2001* (Cth). This Statement reflects a summary of 5GN's corporate governance framework, policies and procedures that are in place and operating as at the date of this report.

Further information on 5GN's corporate governance policies, including Board and Committee charters, are available from the Corporate Governance page of the Company's website.

Principles and Recommendations	Compliance	Comply
Principle 1 – Lay solid foundations for management and oversight		
1.1 Establish the functions expressly reserved to the Board and those delegated to management, and disclose those functions.	The Board is responsible for the overall corporate governance of the Company. It has adopted various charters and key corporate governance documents which set out the policies and procedures followed by the Company.	Compliant
1.2 Undertake appropriate checks before appointing a person as a director, and provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	The Company has, and will continue to conduct, appropriate searches in relation to all appointed and future nominated directors. It will carry out necessary background checks, including ASIC Banned & Disqualified Persons Register and bankruptcy searches for all appointed and future nominated directors. The Company has published profiles of its directors on the Company's website outlining biographical details, other directorships held, commencement date of office and level of independence.	Compliant
1.3 Have a written agreement with each director and senior executive setting out the terms of their appointment.	The Company has written agreements with each director and senior executive. On appointment of directors and senior executives the Company will issue necessary written agreements outlining the terms of their appointment.	Compliant
1.4 The company secretary should be accountable directly to the Board on all matters to do with the proper functioning of the Board.	The Company Secretary reports directly to the Board, through the Chairman, on matters relating to the proper functioning of the Board. All Directors have access to the Company Secretary.	Compliant
1.5 Establish a diversity policy and disclose the policy. The policy should include requirements for the Board to establish measurable objectives for achieving gender diversity and for the Board to assess annually both the objectives and progress in achieving them, for reporting against in each reporting period.	The Company is committed to promoting a diverse workplace where everyone is treated with respect regardless of gender, age, race, disability, language, cultural background or sexual preference. The Company has a Diversity & Inclusion Policy that outlines how it meets the highest standard of inclusion and respect. The Diversity & Inclusion Policy is available from the Corporate Governance page of the Company's website.	Compliant

Principles and Recommendations	Compliance	Comply
1.6 Have a process for periodically evaluating the performance of the Board, its committees and individual directors, and disclose that process and, at the end of each reporting period, whether such performance evaluation was undertaken in that period.	The Nomination and Remuneration Committee ('NRC') is responsible for, among other things, reviewing the Board's performance, policies and practices, and reviewing the performance of its Committees and the Board and Committee Chairs. The NRC, which operates under a nomination and remuneration committee charter, currently comprises the following Directors: • Jason Ashton (Committee Chair, Independent, Non-Executive Director); • Natalie Mactier (Independent, Non-Executive Director); and • Joe Demase (Managing Director and CEO). The NRC meets at least twice a year and operates in accordance with its charter which is available on the Corporate Governance page of the Company's website.	Compliant
1.7 The Company should have a process evaluating the performance of the Company's senior executives, and disclose that process and, at the end of each reporting period, whether such performance evaluation was undertaken in that period.	The Managing Director (MD) reviews the performance of the senior executives on a regular basis throughout the reporting period. Additionally, the Board reviews the Managing Director's performance throughout the reporting period. These reviews were conducted in the current reporting period.	Compliant
Principle 2 – Structure the Board to be effective and add value		
2.1 The Company should have a nomination committee, which has at least three members, a majority of independent directors and is chaired by an independent director. The functions and operations of the nomination committee should be disclosed.	A Nomination and Remuneration Committee ('NRC') has been established with its own charter and currently comprises the following Directors: • Jason Ashton (Committee Chair, Independent Non-Executive Director); • Natalie Mactier (Independent, Non-Executive Director) and • Joe Demase (Managing Director and CEO). The primary objective of the NRC is to assist the Board with the discharge of its responsibilities with respect to constitution of the members of the Board of Directors and the remuneration of directors and senior management as set out in its charter which is available on the Corporate Governance page of the Company's website.	Compliant
2.2 Have and disclose a board skills matrix, setting out what the board is looking to achieve in its membership.	The NRC undertakes its deliberations in accordance with the rules set out in its charter. The NRC seeks to ensure that the Directors have a broad range of experience, expertise, skills, qualifications and contacts and that they are relevant to the Company and its business.	Compliant
2.3 Disclose the names of the directors that the Board considers to be independent directors, and an explanation of why the Board is of that opinion if a factor that impacts on independence applies to a director, and disclose the length of service of each director	The Board considers Natalie Mactier (Non-Executive Director, appointed 22 October 2020), and Jason Ashton (Non-Executive Director, appointed 24 November 2021) to be independent directors. The Board notes that Joseph Demase is not an independent director for the purposes of the Governance Principles and Recommendations. Mr Demase is Managing Director and Chief Executive Officer of the Company.	Compliant

Principles and Recommendations	Compliance	Comply
2.4 A majority of the Board should be independent directors.	The Board is presently comprised of three directors, of which two are independent, non-executive directors.	Compliant
2.5 The Chair of the Board should be an independent director and should not be the CEO.	The Chair of the Board, Natalie Mactier, is an independent, non-executive director.	Compliant
2.6 The Company should have a program for inducting new directors and providing appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as a director effectively	The Board Charter provides a program for inducting new directors and requires that directors have access to opportunities for professional development so as to ensure the continual development of their skills and knowledge. The Board Charter is available on the Corporate Governance page of the Company's website.	Compliant
Principle 3 – Act lawfully, ethically and responsibly		
3.1 The Company should articulate and disclose its values	The Company articulates and discloses its guiding principles and values in its Code of Conduct. The Code of Conduct is available on the Corporate Governance page of the Company's website.	Compliant
3.2 The Company should have a Code of Conduct and ensure that any material breaches of that Code are reported.	The Company has a Code of Conduct that articulates the standards of behaviour it expects of its directors, senior executives and employees. The Code also sets out the process for identifying and reporting material breaches of the Code. The Code of Conduct is available on the Corporate Governance page of the Company's website.	Compliant
3.3 The Company should have a whistleblower policy and ensure that the Board is informed of any material breaches reported under that policy.	The Company encourages directors, senior executives and employees to speak up about any unlawful, unethical or irresponsible behaviour within the organisation. The Company has a Whistleblower Policy to guide the directors, senior executives and employees as to the practices necessary to report unlawful, unethical or irresponsible behaviour. The Policy is available on the Corporate Governance page of the Company's website.	Compliant
3.4 The Company should have an anti-bribery and corruption policy and ensure that the Board is informed of any material breaches reported under that policy	The Company recognises the serious criminal and civil penalties that may be incurred and the reputational damage that may be done, if the Company and any of its directors, as well as officers, employees, contractors, consultants and other persons that act on its behalf, engages in bribery or corruption. The Company has an Anti-Bribery and Corruption policy that articulates the standards of behaviour it expects of its directors, senior executives and employees as regards observing and upholding the prohibition on bribery and related improper conduct. The Company's Anti-Bribery and Corruption Policy is available on the Corporate Governance page of the Company's website.	Compliant

Principles and Recommendations	Compliance	Comply
Principle 4 – Safeguard the integrity of corporate reports		
4.1 The Company should have an audit committee, which consists of only non-executive directors, a majority of independent directors, is chaired by an independent chairman who is not chairman of the Board, and has at least three members. The functions and operations of the audit committee should be disclosed.	The Board has established an Audit and Risk Committee ('ARC') which operates under an audit and risk committee charter. The Audit and Risk Committee members are: • Natalie Mactier (Committee Chair, Independent, Non-Executive Director); • Jason Ashton (Independent, Non-Executive Director); and • Joseph Demase (Managing Director and CEO). The ARC oversees the Company's corporate reporting process pursuant to the rules of its Charter which is available on the Corporate Governance page of the Company's website. Until 13 August 2024 Natalie Mactier was Chair of the ARC and Joe Gangi was a member of the ARC and Chair of 5GN. On 13 August 2024 Joe Gangi ceased to be a director of 5GN and Natalie Mactier took over as Chair of 5GN. In the interests of continuity Natalie Mactier has remained Chair of the ARC and the Managing Director Joe Demase agreed to become a member of the ARC to assist in its work.	Non-Compliant
4.2 The Board should, before approving financial statements for a financial period, receive a declaration from the CEO and CFO that, in their opinion, the financial records have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Company, formed on the basis of a sound system of risk management and internal controls, operating effectively.	In accordance with section 295A of the Corporations Act 2001 (Cth), each year the CEO and CFO state in writing to the Board that, for the relevant financial year, the financial records of the Company have been properly maintained, the financial statements and the notes comply with the accounting standards and give a true and fair view of the financial position and performance of the Company, and that their statement has been provided on the basis of a sound system of risk management and internal control which is operating effectively.	Compliant
4.3 The Company's auditor should attend the AGM and be available to answer questions from security holders relevant to the audit.	External auditors attend the Company's Annual General Meeting and are available to answer reasonable questions from security holders in relation to the conduct of the audit, the preparation and content of the independent audit report and the accounting policies adopted by the Company.	Compliant
Principle 5 – Make timely and balanced disclosure		
5.1 The Company should have a written policy for complying with its continuous disclosure obligations under ASX Listing Rule 3.1.	The Company has a Disclosure Policy which is designed to ensure that all material matters are appropriately disclosed in a balanced and timely manner and in accordance with the requirements of the ASX Listing Rules. The Policy is available on the Corporate Governance page of the Company's website.	Compliant

Principles and Recommendations	Compliance	Comply
5.2 The Company should ensure that its Board receives copies of all material market announcements promptly after they have been made.	The Company's Disclosure Policy provides that the Board receives market announcements promptly after they have been made. The Policy is available on the Corporate Governance page of the Company's website.	Compliant
5.3 The Company should release copies of presentation materials on the ASX Market Announcements Platform ahead of the presentation.	The Company diligently releases copies of all of its presentation materials on the ASX Market Announcements Platform ahead of presentations.	Compliant
Principle 6 – Respect the rights of security holders		
6.1 The Company should provide information about itself and its governance to investors via its website	The Corporate Governance landing page on the Company's website contains a range of documents concerning information about the entity and its governance that security holders can download. Further information about the Company's Corporate Governance regime can be found on the Corporate Governance page of the Company's website.	Compliant
6.2 The Company should have an investor relations program that facilitates effective two-way communication with investors.	The Company will use its website, half year and annual reports, market announcements and media disclosures to communicate with its security holders, as well as encourage participation at general meetings.	Compliant
6.3 The Company should disclose how it facilitates and encourages participation at meetings of security holders.	The Company's security holders have the opportunity to ask questions of the Company's external auditors who attend the Company's annual general meeting. Further, the Company has adopted a range of appropriate technologies to facilitate two-way engagement at its annual general meetings.	Compliant
6.4 The Company should ensure that all substantive resolutions at a meeting of security holders are decided by a poll.	All resolutions at meetings of security holders are decided on a poll.	Compliant
6.5 The Company should give security holders the option to receive communications from, and send communications to, the Company and its security registry electronically.	The Company's security holders have the option to electronically receive communications from, and send communications to, the Company and its security registry.	Compliant
Principle 7 – Recognise and manage risk		
7.1 The Board should have a committee to oversee risk with at least three members, a majority of whom are independent directors; and is chaired by an independent director.	The Board has established an Audit and Risk Committee ('ARC') which operates under an audit and risk committee charter. The Audit and Risk Committee members are: • Natalie Mactier (Committee Chair, Independent Non-Executive Director); • Jason Ashton (Independent, Non-Executive Director); and • Joseph Demase (Managing Director and CEO). The ARC oversees the Company's corporate reporting process pursuant to the rules of its Charter which is available on the Corporate Governance page of the Company's website.	Compliant

Principles and Recommendations	Compliance	Comply
7.2 The Board should review the Company's risk management framework at least annually; and disclose, in relation to each reporting period, whether such a review has taken place.	The ARC meets at least four times each year and a risk review is conducted in relation to each reporting period.	Compliant
7.3 The Company should disclose if it has an internal audit function, how the function is structured and what role it performs, or if it does not have an internal audit function, that fact and the processes the Company employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	The ARC oversees the Company's internal audit program. It reviews and approves the Company's internal audit plan and monitors the progress of the Company's internal audit.	Compliant
7.4 The Company should disclose whether the Company has any material exposure to economic, environmental and social sustainability risks and, if so, how it manages those risks.	The Board does not believe that the Company has any such material risks. While the Company is not exposed to such risks, the Board has adopted an Environment & Sustainability Policy to deal with such risks if they are ever to eventuate. The Environment & Sustainability Policy is available on the Corporate Governance page of the Company's website.	Compliant
Principle 8 – Remunerate fairly and responsibly		
8.1 The Board should have a remuneration committee which is structured so that it consists of a majority of independent directors, is chaired by an independent director, and has at least three members. The functions and operations of the remuneration committee should be disclosed.	A Nominations and Remuneration Committee ('NRC') has been established with its own charter and consists of the following Directors: • Jason Ashton (Committee Chair, Independent, Non-Executive Director); • Natalie Mactier (Independent, Non-Executive Director); and • Joe Demase (Managing Director and CEO). The primary objective of the NRC is to assist the Board with the discharge of its responsibilities as set out in its charter which is available on the Corporate Governance page of the Company's website.	Compliant
8.2 The Company should disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	The NRC oversees the policies and practices regarding the remuneration of non-executive directors, and the remuneration of executive directors and other senior executives.	Compliant
8.3 The Company should have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme, and disclose that policy or a summary of it.	The Company operates an Executive and Director Share Option Plan (ESOP) in which directors and senior management participate. In accordance with the Company's Share Trading Policy, participants are not permitted to enter into transactions which limit economic risk without written clearance.	Compliant

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Auditor's Independence Declaration

To the Directors of 5G Networks Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of 5G Networks Limited for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

M J Climpson
Partner – Audit & Assurance

Melbourne, 30 September 2024

www.grantthornton.com.au
ACN-130 913 594

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

5G NETWORKS LTD AND ITS
CONTROLLED ENTITIES
ABN: 21 073 716 793

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2024

	Notes	Year ended 30 June 2024 $000	Year ended 30 June 2023 $000
CONTINUING OPERATIONS			
Revenue	5	49,336	45,569
Other income	6	3,536	38
Revenue and other income		**52,872**	**45,607**
Network and data centre costs		(28,229)	(26,030)
Rent and office expenses		(481)	(135)
Marketing and travel expenses		(721)	(1,859)
Employee benefits expenses		(21,433)	(24,636)
Other expenses		(4,540)	(2,577)
Loss on sale of investments		(157)	-
Impairment of assets		(6,911)	(14,077)
Share-based payment expenses		(1,885)	(1,374)
Acquisition costs		-	(184)
Non-recurring costs		(8,315)	(2,264)
Depreciation expenses		(6,849)	(8,529)
Amortisation expenses		(801)	(192)
Finance costs		(2,643)	(3,475)
Total expenses		**(82,965)**	**(85,332)**
Loss before income tax		**(30,093)**	**(39,725)**
Income tax (expense) / benefit	8	2,085	8,502
Loss after tax		**(28,008)**	**(31,223)**
DISCONTINUED OPERATION			
Profit from discontinued operation, net of tax	21	77,424	12,204
Profit after tax for the year		**49,416**	**(19,019)**
Other comprehensive income for the year, net of income tax			
Items that will be reclassified to profit or loss in subsequent years:			
Currency translation differences		(141)	52
Items that will not be reclassified to profit or loss in subsequent years:			
Change in fair value of equity instruments designed at fair value through other comprehensive income		-	1,014
Other comprehensive income for the year, net of income tax		**(141)**	**1,066**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**49,275**	**(17,953)**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2024

	Notes	Year ended 30 June 2024 $000	Year ended 30 June 2023 $000
Profit/(Loss) for the year attributable to:			
Members of the parent		49,416	(19,019)
Non-controlling interests		-	-
		49,416	**(19,019)**
Total comprehensive income attributable to:			
Members of the parent		49,275	(17,953)
Non-controlling interests		-	-
		49,275	**(17,953)**
Total comprehensive income attributable to members of the parent arises from:			
Continuing operations		(28,149)	(30,157)
Discontinued operations	21	77,424	12,204
		49,275	**(17,953)**
		30-Jun-24 cents per share	**30-Jun-23 cents per share**
Loss per share from continuing operations			
Basic loss per share	7	(8.36)	(9.51)
Diluted loss per share	7	(8.36)	(9.51)
Profit/(Loss) per share attributable to members of the parent			
Basic loss per share	7	14.71	(5.47)
Diluted loss per share	7	14.71	(5.47)

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 30 JUNE 2024

	Notes	30 June 2024 $000	30 June 2023 $000
ASSETS			
Current Assets			
Cash and cash equivalents	9	64,986	4,498
Restricted cash	9	2,925	-
Trade and other receivables	10	522	5,088
Contract assets	11	-	1,089
Other assets	16	871	3,998
Prepayments of domain name registry charges		-	6,279
		69,304	**20,952**
Assets classified as held for sale	23	31,277	-
Total Current Assets		**100,581**	**20,952**
Non-Current Assets			
Plant and equipment	12	-	9,805
Right-of-use assets	13	-	10,376
Intangible assets	15	-	21,067
Goodwill	14	-	50,280
Other financial assets	30	725	725
Prepayments of domain name registry charges		-	2,719
Deferred tax assets	8	-	890
Other assets	16	426	36
Total Non-Current Assets		**1,151**	**95,898**
TOTAL ASSETS		**101,732**	**116,850**
LIABILITIES			
Current Liabilities			
Trade and other payables	17	5,024	14,666
Borrowings	30	-	29,158
Lease liability	13	-	3,937
Employee benefits	19	-	3,536
Provision for income tax	8	14,352	124
Contract liabilities	11	-	25,440
Other financial liabilities	30	-	2,182
Other liabilities	18	-	4,123
		19,376	**83,166**
Liabilities directly related to assets classified as held for sale	23	29,751	-
Total Current Liabilities		**49,127**	**83,166**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 30 JUNE 2024

	Notes	30 June 2024 $000	30 June 2023 $000
Non-Current Liabilities			
Lease liability	13	-	13,229
Employee benefits	19	-	487
Contract liabilities	11	-	9,698
Total Non-Current Liabilities		**-**	**23,414**
TOTAL LIABILITIES		**49,127**	**106,580**
NET ASSETS		**52,605**	**10,270**
EQUITY			
Share capital	24	198,292	200,521
Reserves	25	(130,054)	(132,049)
Accumulated losses		(15,633)	(58,202)
TOTAL EQUITY		**52,605**	**10,270**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2024

	Notes	Share Capital	Reserves	Accumulated Losses	Total Equity
		$000	$000	$000	$000
BALANCE AT 1 JULY 2023		**200,521**	**(132,049)**	**(58,202)**	**10,270**
Profit for the period		-	-	49,416	49,416
Other comprehensive income		-	(141)	-	(141)
Total comprehensive income for the period		**-**	**(141)**	**49,416**	**49,275**
Transactions with owners in their capacity as owners:					
Dividend paid		-	-	(6,847)	(6,847)
Shares issued as acquisition consideration	20	1,240	-	-	1,240
Shares issued on exercise of Options	24	280	-	-	280
Cancellation of shares pursuant to on-market buy back	24	(3,145)	-	-	(3,145)
Cancellation of shares pursuant to unmarketable parcel share buy back	24	(580)	-	-	(580)
Share issue costs		(24)	-	-	(24)
Share based compensation	25	-	2,136	-	2,136
BALANCE AT 30 JUNE 2024		**198,292**	**(130,054)**	**(15,633)**	**52,605**

BALANCE AT 1 JULY 2022		**201,301**	**(134,661)**	**(37,707)**	**28,933**
Loss for the period		-	-	(19,019)	(19,019)
Other comprehensive income		-	1,066	-	1,066
Total comprehensive income for the period		**-**	**1,066**	**(19,019)**	**(17,953)**
Transactions with owners in their capacity as owners:					
Dividend paid		-	-	(1,476)	(1,476)
Shares issued on exercise of Options	24	137	-	-	137
Share issued - Dividend reinvestment plan	24	52	-	-	52
Cancellation of shares pursuant to on-market buy back	24	(955)	-	-	(955)
Share issue costs		(14)	-	-	(14)
Share based compensation	25	-	1,546	-	1,546
BALANCE AT 30 JUNE 2023		**200,521**	**(132,049)**	**(58,202)**	**10,270**

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2024

	Notes	Year ended 30 June 2024 $000	30 June 2023 $000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		78,576	105,455
Payments to suppliers and employees		(80,674)	(94,019)
Interest received		1,330	4
Interest paid		(2,642)	(3,235)
Income tax paid		(334)	-
Payments for acquisition and restructuring costs		(10,726)	(184)
NET CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES		**(14,470)**	**8,021**
CASH FLOWS FROM INVESTING ACTIVITIES			
Net cash on purchase of Security Shift		(1,615)	-
Proceeds from sale of Domains business	21	107,420	-
Proceeds from sale of investments	21	20,154	-
Proceeds from sale of Digital business	22	163	-
Net cash on purchase of New Domain		(1,500)	(3,500)
Purchase of plant and equipment		(2,782)	(3,746)
Proceeds from sale of intangible assets		1,637	-
Proceeds from sale of plant and equipment		60	-
Purchase of intangible assets		-	(2,411)
Sublease payments received		-	60
Increase in pledged bank deposits	9	(2,925)	-
Return of capital and dividends received from investments		27	33
Proceeds from sales of CNW shares		-	5,487
NET CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		**120,639**	**(4,077)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issues of shares on exercise of options		280	-
Proceeds from borrowings		500	8,800
Payment of security deposit		(828)	(40)
Payments of share buyback		(1,013)	(1,914)
Repayment of borrowings		(29,730)	(5,539)
Payment of equity transaction costs		(24)	
Payment of dividend on ordinary shares		(6,847)	(1,476)
Payment of lease liabilities		(4,725)	(4,696)
NET CASH FLOWS USED IN FINANCING ACTIVITIES		**(42,387)**	**(4,865)**
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS, INCLUDING CASH CLASSIFIED WITHIN CURRENT ASSETS HELD FOR SALE		**63,782**	**(921)**
LESS: NET DECREASE IN CASH CLASSIFIED WITHIN CURRENT ASSETS HELD FOR SALE	23	**(3,336)**	**-**
Net foreign exchange differences		42	52
Cash and cash equivalents at beginning of period		4,498	5,367
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**9**	**64,986**	**4,498**

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

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

The consolidated financial statements of 5G Networks Limited ('the **Company**' or '**5GN**') and its subsidiaries (collectively, 'the **Group**') for the year ended 30 June 2024 were authorised for issue in accordance with a resolution of the directors on 30 September 2024.

5G Networks Limited is a limited company, incorporated and domiciled in Australia, whose shares are publicly traded on the Australian Securities Exchange (**ASX**). The Company's name was changed from Webcentral Limited to 5G Networks Limited following approval by the Company's shareholders at the Company's 2023 Annual General Meeting held on 23 November 2023.

OPERATIONS AND PRINCIPAL ACTIVITIES

The principal activities of the Group during the period are described below:

Continuing operations

5G Networks provides the following services to enterprise and wholesale customers:

- the supply of cloud-based solutions, managed services and network services
- the operation of fibre and wireless infrastructure and management of cloud computing environment
- the operation of data centre facilities
- website development, search engine marketing and social advertising campaigns for businesses in Australia and New Zealand

On 28 June 2024, the Group sold its digital marketing business, WME or Web Marketing Experts, which provided search engine marketing and social advertising services to businesses in Australia and New Zealand.

Discontinued operation – Domains Business

The Domains Business provides domain name registry, consumer hosting (cPanel hosting) and email hosting services to businesses in Australia and New Zealand under the Webcentral, Melbourne IT and Domainz brands. The Domains Business was sold on 20 December 2023.

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

The registered office and principal place of business of the Company is Level 7, 505 Little Collins Street, Melbourne Victoria 3000.

2. MATERIAL ACCOUNTING POLICIES

BASIS OF PREPARATION

These general purpose financial statements have been prepared in accordance with Australian Accounting Standard and s Interpretations issued by the Australian Accounting Standards Board (**AASB**) and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards (**IFRS**) as issued by the International Accounting Standards Board (**IASB**).

The financial statements have been prepared on an accruals basis except for cash flow information. The financial statements have been prepared on a historical cost basis, except for assets held for sale which have been measured at the lower of carrying amount and fair value less costs to sell.

The Financial Statements were authorised for issue, in accordance with a resolution of the Directors on 30 September 2024.

GOING CONCERN

The financial report for the full year ended 30 June 2024 has been prepared on the going concern basis that contemplates the continuity of normal business activities and the realisation of assets and extinguishment of liabilities in the ordinary course of business.

Proposed sale of 5GN business and Return of Capital

On 27 June 2024 the Company announced that its wholly owned subsidiary 5G Networks Holdings Pty Ltd (**5GN Holdings**) had entered into sale agreements with entities associated with the Group's Managing Director Mr Joe Demase (**Purchasers**), in relation to the sale of 100% of the shares in its primary operating subsidiary, 5G Network Operations Pty Ltd (**5GN Operations**) and its cyber security consultancy business operated by Security Shift Pty Ltd (**Security Shift**).

The sales of 5GN Operations and Security Shift to the Purchasers (the **Transaction**) are interdependent and must be completed simultaneously if they are approved by non-associated shareholders of the Company and certain other conditions are met. The total sale consideration implied by the Transaction is $3.2 million, comprising of a cash price of $500,000 plus the assumption of certain liabilities, including ongoing litigation, and a normalised level of working capital.

Following completion of the Transaction, it is expected that the Group's only material assets will consist of surplus cash which, subject to receipt of a waiver from ASX, the Group intends to distribute to the Company's shareholders by way of a capital return (**Capital Return**) shortly after completion of the Transaction. The Capital Return will only occur if the Transaction is completed. The estimated Capital Return is approximately $0.15 per share after retaining adequate funds for all remaining liabilities of the Group and transaction costs in relation to the sale.

Should the Transaction be approved, the company intends to delist from ASX following the Capital Return before being formally wound up and returning any remaining capital to the Company's shareholders in 2025.

In accordance with the Company's Board policies and given the involvement in the Transaction by Mr Joe Demase, the Company formed an Independent Board Committee (**IBC**) comprising the independent directors of the Company: Joe Gangi, Natalie Mactier and Jason Ashton (**Independent Directors**). The role of the IBC has been to facilitate the evaluation of the Transaction. Mr Joe Gangi resigned from the Company on 13 August 2024 and therefore has also resigned from the IBC.

The Independent Directors have unanimously recommended that the Company's Shareholders vote in favour of the Transaction in the absence of a superior proposal and subject to the Independent Expert concluding (and continuing to conclude) that the Transaction is fair and reasonable (or not fair but reasonable) in the interests of non-associated shareholders of the Company.

Key terms of the Transaction

As the Purchasers are related parties of the Company, completion of the Transaction is subject to it being approved by non-associated shareholders of the Company (for the purposes of ASX Listing Rule 10.1 and section 208 of the *Corporations Act 2001*). Shareholders will have the opportunity to vote on the Transaction at an Extraordinary General Meeting (**EGM**) of shareholders, which is expected to occur in November 2024. Joe Demase and his respective associates are not eligible to vote on the resolutions to approve the Transaction.

Further, as the Transaction involves the sale of the Company's main undertaking, an additional approval by shareholders will be required under ASX Listing Rule 11.2. This approval has been received from ASX.

Completion of the Transaction is also subject to customary closing conditions for a transaction of this nature including:

- The Foreign Investment Review Board (**FIRB**) advising that it has no objection to the sale of 5GN Operations to the 5GN Operations purchaser (being a foreign person for the purposes of Australia's foreign investment laws);
- An Independent Expert concluding that the Transaction is fair and reasonable (or not fair but reasonable) in the interests of non-associated shareholders of the Company;
- Change of name and other related matters; and
- The Company obtaining various ASX approvals and/or waivers in relation to the Transaction and the Capital Return.

At the date of this report, FIRB has advised that it has no objection to the sale of 5GN Operations to the 5GN Operations purchaser and the required waivers and approvals have been received from ASX.

The proposed sale of the 5GN Business, the Capital Return the subsequent delisting of the Company have not occurred at the time of this report as they have not been approved by non-associated shareholders of the Company at an EGM, which is expected to occur in November 2024 and is therefore uncertain at this time. The proposed sale and potential wind up represents a material uncertainty on going concern.

The Directors have considered whether the preparation of the financial report should be an alternative basis and have concluded that the going concern basis is appropriate for the financial year ended 30 June 2024. If the financial report was prepared on an alternative basis, assets and liabilities may not be realised at current carrying values.

The Directors have determined that there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

NEW OR AMENDED ACCOUNTING STANDARDS NOT YET ADOPTED IN THE PERIOD

At the date of authorisation of these financial statements, several new, but not yet effective, Standards and amendments to existing Standards, and Interpretations have been published by AASB.

None of these Standards or amendments to existing Standards have been adopted early by the Group. Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New Standards, amendments and Interpretations not adopted in the current year have not been disclosed as they are not expected to have a material impact on the Group's financial statements.

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of 5G Networks Limited as at 30 June 2024 and the result of all subsidiaries for the year then ended.

Subsidiaries are all those entities over which the Group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. Refer to the 'Business Combinations' accounting policy for further details. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly inequity attributable to the parent.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

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 acquire 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.

Where the business combination is achieved in stages, the Group remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition date fair value. Subsequent changes in the fair value of contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

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 purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer 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 acquirer's previously held equity interest in the acquiree.

Business combinations are initially accounted for on a provisional basis. The acquirer 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 acquirer receives all the information possible to determine fair value.

ASSOCIATES AND EQUITY METHOD

Associates are all entities over which the group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of voting rights. Investments in associates are accounted for using the equity method of accounting after initially being recorded at cost.

Under the equity method of accounting, the investments are initially recorded at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit or loss, and the group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment.

FOREIGN CURRENCY TRANSACTIONS

Both the functional and presentation currency of the Group and its Australian subsidiaries is Australian dollars (AUD).

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

The assets and liabilities of overseas subsidiaries are translated into the presentation currency of the Group at the rate of exchange ruling at the reporting date, and the statement of comprehensive income is translated at the weighted average exchange rates for the period.

The exchange differences arising on retranslation are taken directly to other comprehensive income. On disposal of a foreign entity, the deferred cumulative amount recognised in other comprehensive income relating to that particular foreign operation is recognised in the determination of profit and loss for the period.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designed as hedges of such investments, are taken to the foreign currency translation reserve in equity. When a foreign operation is sold, or any borrowings forming part of the net investment are repaid, a proportionate share of such exchange differences is recognised in the statement of comprehensive income, as part of the gain on sale or loss on sale where applicable.

INCOME TAX

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

(i) Current Taxes

Current tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current period's taxable income. 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 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.

(ii) Deferred Taxes

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

(iii) Tax Consolidation

The Group and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation as of 1 January 2006. Members of the tax consolidated group have entered into a tax-funding agreement. Each entity is responsible for remitting its share of the current tax payable (receivable) assumed by the head entity.

In accordance with UIG 1052 and Group accounting policy, the Group has applied the 'separate taxpayer within group approach', in which the head entity, 5G Networks Limited, and the controlled entities in the tax consolidated group continue to account for their own current and deferred tax amounts.

In addition to its own current and deferred tax amounts, the Group also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax credits assumed from controlled entities in the tax consolidated group. The allocation of taxes to the head entity is recognised as an increase/decrease in the controlled entity's inter-company accounts with the tax consolidated Group head entity.

Members of the Group have entered into a tax-sharing agreement that provides for the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. No amounts have been recognised in the financial statements in respect of this agreement, on the grounds that the possibility is remote.

REVENUE

Revenue is recognised either at a point in time or over time when (or as) the Group satisfies performance obligations by transferring the promised goods or services to its customers. All revenue is stated net of the amount of Goods and Services Tax (GST).

(i) Hardware and software sales

Sale of hardware and software products for a fixed fee is recognised as revenue when the goods are delivered and control is transferred to the customer.

(ii) Rendering of Services – network and voice, data centre, managed services

The Group provides network, voice, data centre and managed services under fixed-price and variable price contracts. Revenue from providing services is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised over time based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously. In case of fixed-price contracts, the customer pays the fixed amount based on a payment schedule. If the services rendered by the Group exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised. If the contract includes a variable fee, revenue is estimated at the amount the Group expects to receive. Customers are invoiced on a monthly basis and consideration is payable when invoiced.

(iii) Rendering of Services – domain name registration

Domains revenue primarily consists of domain registrations and renewals, as well as aftermarket sales. Domain registrations are assessed as a distinct service that provides a customer with the exclusive use of the domain name over the contracted period, including the provision of Domain Name System services.

Consideration is recorded as income received in advance when it is received, which is typically at the time of sale and revenue, with the exception of aftermarket sales, is recognised evenly over the contract period as performance obligation is satisfied.

As the customer simultaneously receives and consumes the benefits of the domain services provided, this revenue is recognised evenly over the contract period.

Aftermarket sales are recognised as revenue when ownership of the domain has been transferred.

(iv) Rendering of Services – cloud hosting (email and web including website build)

Hosting revenue primarily derives from website and email hosting services provided over a contracted period of time. Where consideration is received in advance of performance, it is initially recorded as income received in advance. Revenue is recognised as the performance obligations are satisfied, which is considered to be evenly over the contracted term that the hosting services are provided.

Website build revenues consist of fees charged for the creation of websites for customers. Where the Group has an enforceable right to payment for performance completed to date, and no alternative use for the asset, it recognises revenue over the period of the build based on time incurred, because there is a direct relationship between the Group's effort and the transfer of service to the customer. In the absence of such a right, the Group recognises revenue at a point in time being transfer of the website to the customer.

Revenue from the build of websites are recognised over an average build period of three months.

(v) Rendering of Services –digital marketing

Online marketing revenue consists of search engine optimisation (SEO), pay-per-click (PPC) advertising, and social media advertising. Where consideration is received in advance of performance, it is initially recorded as income received in advance. Revenue is recognised as the performance obligations are satisfied, which is considered to be evenly over time in line with the contracted term as the customer simultaneously receives and consumes the benefits of online marketing services.

Contract fulfilment costs incurred in advance of revenue recognition are capitalised when they are directly attributable to the contract, generate the resources to satisfy the performance obligations, and will be recovered. These costs are expensed over the period when revenue is recognised.

OTHER INCOME

Other income includes miscellaneous items including expense recoveries. Other income is recognised when it is received or when the right to receive payment is established.

(i) Interest

Interest revenue is recognised as interest accrues under 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.

(ii) Dividend

Dividend is defined as distributions of profits to holders of equity investments in proportion to their holdings of a particular class of capital and it is recognised as dividend income on the basis when the shareholder's right to receive payment is established.

(iii)Sale of other assets

The sale of other assets is recognised at the time the sale is completed and consideration is transferred.

LEASES

(i) The Group as a lessee

As a lessee, the Group considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract. That coveys the right to use as asset (the underlying asset) for a period of time in exchange for consideration'.

Measurement and recognition of leases as a lessee

At the commencement date, the Group recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted lease payments using its incremental borrowing rate. The weighted-average rate applied is in the range of 6%-8%.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), and variable payments based on an index or rate stated in the lease agreements.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

(ii) The Group as a lessor

The Group accounts for a head lease and sublease as two separate contracts, applying both lessee and lessor accounting requirements respectively.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings of current liabilities on the statement of financial position.

INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost includes all expenses directly attributable to the manufacturing process as well as suitable portions of related production overheads, based on normal operating capacity. Costs of ordinarily interchangeable items are assigned using the first in, first out cost formula. Net realisable value is the estimated selling price in the ordinary course of business less any applicable selling expenses.

PROPERTY, PLANT AND EQUIPMENT

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is provided on a straight-line or diminishing value basis on all plant and equipment. Major depreciation periods are:

Leasehold improvements	Lease term or 6 years if the lease term is over 6 years
Plant and Equipment	2 to 10 years
Furniture and fittings	2 to 5 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements and plant and equipment under lease are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

INTANGIBLE ASSETS

(i) 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 units representing the lowest level at which goodwill is monitored.

(ii) Brand name and customer contracts

Brand names and customer contracts acquired in a business combination that qualify for separate recognition are recognised as intangible assets at their fair values.

Brand names and customer contracts are amortised on a straight-line basis over their estimated useful lives of five to ten years.

(iii) Capitalised Software

Costs relating to the research phase of the project are expensed while costs relating to the development phase are capitalised as Capitalised Software when the project meets the definition of an asset; and is identifiable. The costs capitalised are being amortised over a useful life of four to six years.

IMPAIRMENT OF NON-FINANCIAL ASSETS

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever 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.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

FINANCIAL INSTRUMENTS

(i) Recognition and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

(ii) Classification and measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets, other than those designated and effective as hedging instruments, are classified into one of the following categories:

- amortised cost
- fair value through profit or loss (FVTPL), or
- fair value through other comprehensive income (FVOCI).

Financial assets at amortised cost

All of the Group's financial assets are classified as financial assets at amortised cost as they meet the following conditions:

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, restricted cash, trade and other receivables fall into this category of financial assets.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at FVTPL. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply (see below).

The category also contains an equity investment. The Group accounts for the investment at FVTPL and did not make the irrevocable election to account for the investment in Tiger Pistol and listed equity securities at fair value through other comprehensive income (FVOCI). The fair value was determined in line with the requirements of IFRS 9 'Financial Instruments', which does not allow for measurement at cost.

Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

Financial assets designated at fair value through OCI FVOCI)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under AASB 132: Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of comprehensive income when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group elected to classify irrevocably its Other non-listed equity investments under this category.

(iii) Impairment of Financial assets

The Group assesses on a forward-looking basis the expected credit losses associated with other receivables carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Group makes use of a simplified approach in accounting for trade receivables as well as contract assets and records the loss allowance as lifetime expected credit losses.

These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The Group assess impairment of trade receivables on a collective basis as they possess shared credit risk characteristics they have been grouped based on the days past due. Refer to Note 10 for a detailed analysis of how the impairment requirements of AASB 9 are applied.

(iv) Classification and measurement of financial liabilities

The Group's financial liabilities include trade and other payables, loans and borrowings, derivative financial instruments and contingent consideration.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method, which are carried subsequently at fair value with gains or losses recognised in profit or loss.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

PROVISIONS, CONTINGENT ASSETS AND CONTINGENT LIABILITIES

Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of a past event, it is probable the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Any reimbursement that the Group is virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

No liability is recognised if an outflow of economic resources as a result of present obligations is not probable. Such situations are disclosed as contingent liabilities unless the outflow of resources is remote.

EMPLOYEE BENEFITS

(i) Wages and Salaries and Annual Leave

Liabilities for wages and salaries, including non-monetary benefits, and annual leave expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Long Service Leave

The liability for long service leave is recognised in current and non-current liabilities, depending on the unconditional right to defer settlement of the liability for at least 12 months after the reporting date. The liability is measured as 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 Australian corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(iii) Share-based payments

The Group operates equity-settled share-based remuneration plans for its employees. None of the Group's plans are cash-settled.

All goods and services received in exchange for the grant of any share-based payment are measured at their fair values.

Where employees are rewarded using share-based payments, the fair value of employees' services is determined indirectly by reference to the fair value of the equity instruments granted. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions (for example profitability and sales growth targets and performance conditions).

All share-based remuneration is ultimately recognised as an expense in profit or loss with a corresponding credit to retained earnings. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest.

Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any adjustment to cumulative share-based compensation resulting from a revision is recognised in the current period.

The number of vested options ultimately exercised by holders does not impact the expense recorded in any period.

Upon exercise of share options, the proceeds received, net of any directly attributable transaction costs, are allocated to share capital up to the nominal (or par) value of the shares issued with any excess being recorded as share premium.

ISSUED CAPITAL

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

DIVIDENDS

Dividends are recognised when declared during the financial year.

EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to the owners of the Group, by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

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 tax authority. 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 other receivables or 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 tax authority, 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.

COMPARATIVE FIGURES

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

NON-CURRENT ASSETS (OR DISPOSAL GROUPS) HELD FOR SALE AND DISCONTINUED OPERATIONS

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits and financial assets.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised. Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the statement of financial position. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the statement of financial position.

3. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances and with the exceptions of income tax and revenue recognition, were the same as those applied in the Group's last annual financial statements for the year ended 30 June 2023. The resulting accounting judgements and estimates will seldom equal the related actual results. 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.

PROVISION FOR IMPAIRMENT OF RECEIVABLES

The provision for impairment of receivables assessment requires a degree of estimation and judgement. The level of provision is assessed by taking into account the recent sales experience, the ageing of receivables, historical collection rates and specific knowledge of the individual debtor's financial position.

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 lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

GOODWILL AND OTHER INDEFINITE LIFE INTANGIBLE ASSETS

The Group tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in Note 2.

IMPAIRMENT OF NON-FINANCIAL ASSETS OTHER THAN GOODWILL AND OTHER INDEFINITE LIFE INTANGIBLE ASSETS

The Group assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

LEASES

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 the option, under some of its premises leases to lease the assets for additional terms of five years. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. 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., a change in business strategy). The Group excluded the renewal period as part of the lease term for leases of rental premises as the Group is not reasonably certain to exercise the renewals.

INCOME TAX

The Group is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Group recognises liabilities based on the Group's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made. The deductibility of prior and current period tax losses is uncertain as the Group is continuing to assess its ability to recoup current and prior year capital losses. Refer to note 8 Uncertain tax position.

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.

LONG SERVICE LEAVE PROVISION

As discussed in Note 2, the liability for long service leave 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 values of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

BUSINESS COMBINATIONS

Business combinations are initially accounted for on a provisional basis. The fair value of assets acquired, liabilities and contingent liabilities assumed are initially estimated by the Group taking into consideration all available information at the reporting date. Fair value adjustments on the finalisation of the business combination accounting is retrospective, where applicable, to the period the combination occurred and may have an impact on the assets and liabilities, depreciation and amortisation reported.

ASSETS HELD FOR SALE

The Group has determined that the assets and the liabilities in relation to 5GN Operations and Security Shift meet the conditions under AASB 5 *Assets Held for Sale and Discontinued Operations* and accordingly these have been presented as a single line item in the Statement of Financial Position.

4. SEGMENT INFORMATION

From 1 July 2023, Management has identified the operating segments monitored by the Group's Chief Operating Decision Maker ("CODM") as being Enterprise, Wholesale and Retail:

- Enterprise: cloud hosting, domain names, 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, networks and voice products and services provided to wholesale telecommunications and Segment information is provided below in relation to these segments.
- Retail: domains, web hosting, email hosting and digital marketing services to consumer and small and medium enterprise customers.

All of the Group's Retail segment operations are classified as a discontinued operation for the period as they were included within the Domains Business which was sold on 20 December 2023.

Segment information for continuing operations for the reporting period is as follows:

2024	Enterprise $'000	Wholesale $'000	Total $'000
Segment revenue	**40,477**	**8,859**	**49,336**
Cost of goods sold	**(21,188)**	**(7,041)**	**(28,229)**
Gross margin	**19,289**	**1,818**	**21,107**
Other income			**3,536**
Rent and office expenses	(395)	(86)	**(481)**
Marketing and travel expenses	(592)	(129)	**(721)**
Employee benefits expenses	(20,846)	(587)	**(21,433)**
Other expenses	(3,725)	(815)	**(4,540)**
Total Adjusted EBITDA	**(6,269)**	**201**	**(2,532)**
Impairment of goodwill			**(6,911)**
Loss on sale of investments			**(157)**
Share-based payment expenses			**(1,885)**
Restructuring costs			**(8,315)**
Depreciation and amortisation expenses	(6,276)	(1,374)	**(7,650)**
Finance costs			**(2,643)**
Loss before income tax expense			**(30,093)**
Total Segment assets	**87,828**	**19,222**	**107,050**
Total Segment liabilities	**27,224**	**5,958**	**33,182**

2023	Enterprise $'000	Wholesale $'000	Total $'000
Segment revenue	**37,657**	**7,912**	**45,569**
Cost of goods sold	**(18,833)**	**(7,197)**	**(26,030)**
Gross margin	**18,824**	**715**	**19,539**
Other income			**38**
Rent and office expenses	(112)	(23)	**(135)**
Marketing and travel expenses	(1,536)	(323)	**(1,859)**
Employee benefits expenses	(23,818)	(818)	**(24,636)**
Other expenses	(2,130)	(447)	**(2,577)**
Total Adjusted EBITDA			**(9,630)**
Impairment of goodwill			**(14,077)**
Share-based payment expenses			**(1,374)**
Acquisition costs			**(184)**
Restructuring costs			**(2,264)**
Depreciation and amortisation expenses	(7,207)	(1,514)	**(8,721)**
Finance costs			**(3,475)**
Loss before income tax expense			**(39,725)**
Total Segment assets	**51,522**	**10,825**	**62,347**
Total Segment liabilities	**39,587**	**8,317**	**47,904**

(a) Adjusted EBITDA

Adjusted EBITDA excludes discontinued operations and the effects of significant items of income and expenditure which may have an impact on the quality of earnings such as restructuring costs, legal expenses and impairments where the impairment is the result of an isolated, non-recurring event. It also excludes the effects of equity-settled share-based payments and unrealised gains or losses on financial instruments.

Interest income and finance cost are not allocated to segments, as this type of activity is driven by the central treasury function, which manages the cash position of the group.

5. REVENUE FROM CONTRACTS WITH CUSTOMERS

The revenue breakdown by product and service line for the year ended 30 June 2024 is shown below:

	2024 $'000	2023 $'000
CONTINUING OPERATIONS		
Types of goods or service		
Cloud	7,827	7,566
Network & Voice	7,624	6,849
Data Centres	9,239	8,850
Managed Services	14,808	10,953
Digital Marketing	2,570	3,201
Hardware & Software	7,268	8,150
Total revenue from contracts with customers	**49,336**	**45,569**
Timing of revenue recognition		
Goods and services transferred at a point in time	7,268	8,150
Services transferred over time	42,068	37,419
Total revenue from contracts with customers	**49,336**	**45,569**

The Group's revenue disaggregated by pattern of revenue recognition is as follows:

	For the year ended 30 June 2024						
	Cloud $000	Network and Voice $000	Data Centres $000	Managed Services $000	Digital Marketing $000	Hardware and Software $000	Total $000
Goods transferred at a point in time	-	-	-	-	-	7,268	7,268
Service transferred over time	7,827	7,624	9,239	14,808	2,570	-	42,068

	For the year ended 30 June 2023						
	Cloud $000	Network and Voice $000	Data Centres $000	Managed Services $000	Digital Marketing $000	Hardware and Software $000	Total $000
Goods transferred at a point in time	-	-	-	-	-	8,150	8,150
Service transferred over time	7,566	6,849	8,850	10,953	3,201	-	37,419

6. OTHER INCOME

Other income includes miscellaneous items including expense recoveries. Other revenue is recognised when it is received or when the right to receive payment is established.

	Consolidated	
	2024 $000	2023 $000
Sale of network assets	1,637	-
Profit on sale of business	329	-
Dividend income	27	33
Interest income	1,399	5
Sundry income	146	-
TOTAL OTHER INCOME	**3,536**	**38**

7. EARNINGS PER SHARE

Basic Earnings Per Share (EPS) amounts are calculated by dividing net profit or loss for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period. Diluted EPS amounts are calculated by dividing net profit attributable to ordinary equity holders of the parent 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 the conversion of all the dilutive potential ordinary shares into ordinary shares. There were no dilutive potential ordinary shares in existence during the year (2023: Nil) as the share options and performance rights of the Company were antidilutive. The following represents the share data used in the EPS computations:

	Consolidated 2024 Number	Consolidated 2023 Number
Weighted average number of shares used in calculating earnings per share and diluted earnings per share	334,895,109	328,328,188

8. INCOME TAX

	Consolidated	
	2024 $000	2023 $000
(A) INCOME TAX BENEFIT / (EXPENSE)		
Loss from continuing operations before income tax expense	(30,093)	(39,725)
Profit from discontinued operation before income tax expense	98,324	17,508
Profit/(Loss) before income tax expense	**68,231**	**(22,217)**
Tax at the Group's statutory income tax rate of 30% (2023: 30%)	(20,469)	6,665
Accounting and tax difference on sale of businesses	6,066	-
Other tax-exempt income	-	(10)
Non-deductible goodwill impairment charge	(2,073)	(1,644)
Expense on performance rights and options	(641)	(464)
Other non-deductible expenses	(113)	(10)
Net under/over	(1,176)	848
Movement in temporary differences relating to sale entities	160	-
Derecognition of DTA	(3,815)	-
Unrecognised tax loss for the year	-	(2,187)
Utilisation of tax losses	3,246	-
Actual tax benefit / (expense)	**(18,815)**	**3,198**
Tax expense comprises:		
- Current tax	(14,352)	-
- Deferred tax – origination and reversal of temporary differences	(4,463)	3,198
Aggregate Income tax (expense) / benefit	**(18,815)**	**3,198**
Tax (Expense) / Benefit reported in the Statement of Comprehensive Income:		
- From continuing operations	2,085	8,502
- From discontinued operation	(20,900)	(5,304)
Aggregate Income tax (expense) / benefit	**(18,815)**	**3,198**
(B) DEFERRED TAX ASSETS AND LIABILITIES		
Deferred tax assets and liabilities are comprised of the following temporary differences:		
Allowable section 40-880 deductions	541	946
Accrued expenses and provisions	1,860	2,716
Plant & equipment and leased assets	994	609
Lease liability	3,391	4,824
Tangible and intangible assets	(1,777)	(3,028)
ACA impact on depreciating assets	(71)	(89)
Brand and Customer contract	(973)	(5,088)
Accrued income	(150)	-
NET DEFERRED TAX ASSET / (DEFERRED TAX LIABILITY)	**3,815**	**890**
Derecognition of Deferred Tax Asset	**(3,815)**	**-**
DEFERRED TAX ASSET	**-**	**890**

Uncertain tax position
As at 30 June 2024, the group has determined the following potential income tax losses may be available:
- $36.1m of trading losses
- $124.5m of capital losses

Determining the availability of the above tax losses is highly complex and uncertain at the date of this report. Accordingly, the financial statements as at 30 June 2024 have been prepared on the basis this represents an uncertain tax position, and that losses should not be recognised until such time as they are confirmed as being available to offset taxable income. The Group believes this position will be confirmed prior to lodgement of the group's 2024 income tax return.

As at 30 June 2024, the provision for income tax payable of $14.4m is the gross amount that may be payable before the availability of any potential income tax losses.

Furthermore, no capital losses have been calculated on the potential sale (ASX announcement 27 June 2024) of the 5G business on the basis that there has been no change of ownership of the business at the time of this report. Management understand that if approved by shareholders this may become a CGT event effective for inclusion in the 2024 income tax return. This again is a complex area and the timing of the CGT event is currently being considered.

9. CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

(A) RECONCILIATION OF CASH AND CASH EQUIVALENTS

For the purposes of the statement of cash flows, cash includes cash at bank and in hand net of bank overdrafts. Cash at the end of the year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

	Consolidated	
	2024 $000	2023 $000
Cash at bank and in hand	68,322	4,498
Restricted cash	2,925	-
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH INCLUDING CASH CLASSIFIED WITHIN CURRENT ASSETS AS HELD FOR SALE	**71,247**	**4,498**

	Consolidated	
	2024 $000	2023 $000
Cash at bank and in hand including cash classified within current assets as held for sale	68,322	4,498
Less: Transfer to assets reclassified as held for sale	(3,336)	-
Cash and cash equivalents	**64,986**	**4,498**
Restricted cash	2,925	-
TOTAL CASH AND CASH EQUIVALENTS AND RESTRICTED CASH	**67,911**	**4,498**

(B) RECONCILIATION OF LOSS AFTER TAX TO NET CASH FLOWS FROM OPERATING ACTIVITIES

	Consolidated	
	2024 $000	2023 $000
Loss after income tax	49,416	(19,019)
Non-operating cash flows in profit:		
Profit on sale of businesses and investments	(77,267)	-
Depreciation and amortisation	7,650	12,447
Share-based payment expenses	1,885	1,546
Impairment expenses	6,911	14,077
Income tax benefit	(2,085)	-
Deferred tax movement	(4,463)	(3,245)
Other non-cash expenses / (income)	1,435	846
Changes in assets and liabilities net of effects of purchases and disposals of controlled entities:		
Movement in trade and other receivables	796	1,039
Movement in other assets	(3,671)	1,283
Movement in deferred tax asset	5,436	1,617
Movement in trade and other payables	(1,155)	(977)
Movement in employee benefits provisions	(630)	(371)
Movement in Income tax payable	(124)	(89)
Movement in other liabilities	1,396	(1,133)
NET CASH FROM OPERATING ACTIVITIES	**(14,470)**	**8,021**

Restricted cash
The restricted cash amounts of $2.925 million (2023: nil) are held as security for property lease bank guarantees issued by Commonwealth Bank of Australia on behalf of the Group.

10. TRADE AND OTHER RECEIVABLES

	Consolidated	
	2024 $000	2023 $000
Trade receivables	-	4,747
Allowance for impairment of receivables	-	(238)
	-	**4,509**
Unsecured loans – at call [1]	378	424
Other receivables	144	155
TOTAL TRADE AND OTHER RECEIVABLES	**522**	**5,088**

[1] Unsecured loans represent loans granted to key management personnel and employees to allow them to take up shares in a capital raising undertaken by 5G Networks Limited in FY21.

The Group applies the AASB 9 simplified model of recognising lifetime expected credit losses for all trade receivables as these items do not have a significant financing component.

In measuring the expected credit losses, the trade receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due and also according to the geographical location of customers.

The expected loss rates are based on the payment profile for sales over the past 36 months before 30 June 2024 and 1 July 2023 respectively as well as the corresponding historical credit losses during that period. The historical rates are adjusted to reflect current and forwarding looking macroeconomic factors affecting the customer's ability to settle the amount outstanding.

Trade receivables are written off (i.e. derecognised) when there is no reasonable expectation of recovery. Failure to make payments within 120 days from the invoice date and failure to engage with the Group on alternative payment arrangement amongst other is considered indicators of no reasonable expectation of recovery.

On the above basis the expected credit loss for trade receivables as at 30 June 2024 and 30 June 2023 was determined as follows:

	2024			2023		
	ECL Rate	Gross $'000	ECL $'000	ECL Rate	Gross $'000	ECL $'000
Current	-	-	-	0.0%	1,751	-
1-30 days past due	-	-	-	0.1%	946	(1)
31-60 days past due	-	-	-	6.0%	92	(5)
61-90 days past due	-	-	-	38.9%	133	(53)
91 days + past due	-	-	-	9.8%	1,825	(179)
CLOSING BALANCE		**-**	**-**		**4,747**	**(238)**

The closing balance of the trade receivables loss allowance as at 30 June 2024 reconciles with the trade receivables loss allowance opening balance as follows:

	$000
Opening loss allowance as at 1 July 2022	1,768
Transfer to other receivables /trade receivables	(1,530)
Loss allowance as at 30 June 2023	**238**
Reduction in loss allowance	(89)
Transfer to assets reclassified as held for sale	(149)
Loss allowance as at 30 June 2024	**-**

In respect of trade and other receivables, the Group is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. Trade receivables consist of a large number of customers in various industries and geographical areas. Based on historical information about customer default rates management consider the credit quality of trade receivables that are not past due or impaired to be good.

11. CONTRACT ASSETS AND LIABILITIES

Contract assets consist of the following:

	Consolidated	
	2024 $000	2023 $000
Contract assets[1]		
Work in progress	-	1,089
	-	**1,089**

Movement of contract assets during the period:

	Consolidated	
	2024 $000	2023 $000
As at 1 July 2023	1,089	669
Additions	1,946	1,967
Cash received	(2,275)	(1,547)
Assets reclassified as held for sale	(760)	-
As at 30 June 2024	**-**	**1,089**

[1]The Group makes uses of a simplified approach in accounting for contract assets and records the loss allowance as lifetime expected credit losses. After the assessment of contract asset on a collective basis, the Group determined to apply zero as the loss rate.

Contract liabilities consist of the following:

	Consolidated	
	2024 $000	2023 $000
Deferred revenue	-	25,440
Contract liabilities - current	**-**	**25,440**
Deferred revenue	-	9,698
Contract liabilities - non-current	**-**	**9,698**

Movement of contract liabilities during the period:

	Consolidated	
	2024 $000	2023 $000
Balance as at 1 July 2023	**25,440**	**23,409**
Add: customer payments received	32,527	60,734
Less: revenue released to P&L	(31,131)	(58,963)
Less: Sale of business	(26,397)	-
Reclassification from non-current liabilities	-	260
Assets reclassified as held for sale	(439)	-
Contract liabilities (current)	**-**	**25,440**
Balance as at 1 July 2023	**9,698**	**8,072**
Reclassification to current liabilities	-	(260)
Net customer payments received	-	1,886
Less: Sale of business	(9,698)	-
Contract liabilities (non-current)	**-**	**9,698**

12. PROPERTY, PLANT AND EQUIPMENT

	Leasehold Improvements $000	Plant and Equipment $000	Total $000
Gross carrying amount			
At 1 July 2023	4,410	30,994	35,404
Assets acquired in the business acquisition	-	-	-
Additions	-	4,381	4,381
Disposals	(46)	(123)	(169)
Assets reclassified as held for sale	(4,364)	(35,252)	(39,616)
CLOSING VALUE AT 30 JUNE 2024	-	-	-
Depreciation and impairment			
At 1 July 2023	(3,864)	(21,735)	(25,599)
Depreciation	(291)	(3,337)	(3,628)
Disposals	46	62	108
Assets reclassified as held for sale	4,109	25,010	29,119
Closing value at 30 June 2024	-	-	-
CARRYING AMOUNT AT 30 JUNE 2024	-	-	-
Gross carrying amount			
At 1 July 2022	4,427	27,103	31,530
Assets acquired in the business acquisition	-	8	8
Additions	2	3,893	3,895
Disposals	(19)	(10)	(29)
Closing value at 30 June 2023	**4,410**	**30,994**	**35,404**
Depreciation and impairment			
Balance at 1 July 2022	(3,430)	(12,430)	(15,860)
Depreciation	(434)	(3,970)	(4,404)
Impairment	-	(5,344)	(5,344)
Disposals	-	9	9
Closing value at 30 June 2023	**(3,864)**	**(21,735)**	**(25,599)**
CARRYING AMOUNT AT 30 JUNE 2023	**546**	**9,259**	**9,805**

13. LEASES

The Group has leases for data centres and related facilities, and offices premises. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. Variable lease payments which do not depend on an index or a rate (such as lease payments based on a percentage of Group sales) are excluded from the initial measurement of the lease liability and asset.

Set out below are the amounts recognised in profit and loss during the period:

	2024 $000	2023 $000
Depreciation expense of right-of-use assets	2,622	3,879
Interest expense on lease liabilities	1,062	1,166
Rent expense - short-term leases	119	167

	Building $000	IT Equipment $000	Total $000
As at 1 July 2023	9,954	422	10,376
Additions during the year	1,844	-	1,844
Disposals during the year	(2,080)	-	2,080)
Depreciation expense	(2,494)	(129)	(2,623)
Assets reclassified as held for sale	(7,224)	(293)	(7,517)
As at 30 June 2024	**-**	**-**	**-**
As at 1 July 2022	14,626	551	15,177
Additions during the year	2,277	-	2,277
Disposals during the year	(89)	-	(89)
Depreciation expense	(3,751)	(129)	(3,880)
Impairment	(3,109)	-	(3,109)
As at 30 June 2023	**9,954**	**422**	**10,376**

	Consolidated 2024 $000	Consolidated 2023 $000
Current		
Obligations under property leases	-	3,903
Obligations under equipment leases	-	34
	-	**3,937**
Non Current		
Obligations under property leases	-	13,191
Obligations under equipment leases	-	38
	-	**13,229**

Each lease generally imposes a restriction that, unless there is a contractual right for the Group to sublet the asset to another party, the right-of-use asset can only be used by the Group. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. Some leases contain an option to purchase the underlying leased asset outright at the end of the lease, or to extend the lease for a further term. The Group is prohibited from selling or pledging the underlying leased assets as security. For leases over data centres and office premises the Group must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease. Further, the Group must insure items of property, plant and equipment and incur maintenance fees on such items in accordance with the lease contracts.

The table below describes the nature of the Group's leasing activities by type of right-of-use asset recognised on balance sheet, included within assets classified as held for sale::

	RIGHT-OF-USE ASSET					
	No. of right-of-use assets leased	Range of remaining term	Average remaining lease term	No. of leases with extension options	No. of leases with variable payments linked to an index	No. of leases with termination options
Data centres and related facilities	5	0-6 years	3 years	4	4	0
Office premises	8	0-3 years	1 year	6	6	0
IT Equipment	2	1 year	1 year	0	0	0

The lease liabilities that are included within liabilities directly related to assets classified as held for sale are secured by the related underlying assets. Future minimum lease payments at 30 June 2024 were as follows:

	MINIMUM LEASE PAYMENTS DUE						
	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	After 5 years	Total
30 June 2024							
Lease payments	4,070	3,925	2,875	3,639	585	720	15,814
Finance charges	(745)	(497)	(287)	(129)	(83)	(39)	(1,780)
Net present values	**3,325**	**3,428**	**2,588**	**3,510**	**502**	**681**	**14,034**
30 June 2023							
Lease payments	4,989	4,825	4,058	3,375	1,438	1,305	19,990
Finance charges	(1,037)	(756)	(491)	(286)	(133)	(122)	(2,825)
Net present values	**3,952**	**4,069**	**3,567**	**3,089**	**1,305**	**1,183**	**17,165**

Lease payments not recognised as a liability

The group has elected not to recognise a lease liability for short term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. In addition, certain variable lease payments are not permitted to be recognised as lease liabilities and are expensed as incurred.

The expense relating to payments not included in the measurement of the lease liability is as follows:

	Consolidated	
	2024 $000	2023 $000
Short-term leases	119	167
Total	**119**	**167**

14. GOODWILL

The following table shows the movements in goodwill:

	Consolidated	
	2024 $000	2023 $000
Gross carrying amount		
Balance at beginning of period	67,253	61,706
Acquired through business combination (refer note 20)	1,375	5,547
Disposed through sale of business	(44,744)	-
Balance at end of the period	**23,884**	**67,253**
Accumulated impairment		
Balance at beginning of period	(16,973)	(11,494)
Impairment loss recognised	(6,911)	(5,479)
Balance at end of the period	**(23,884)**	**(16,973)**
Carrying amount at end of the period	**-**	**50,280**

Impairment Disclosures and Testing of Goodwill

Goodwill is allocated to the Group's cash generating units (CGU), which are the units expected to benefit from the synergies of the business combinations in which the goodwill arises.

	Consolidated	
	2024 $000	2023 $000
Data Centres, Networks and Cloud	-	-
Managed Services	-	5,536
Webcentral	-	44,744
Goodwill allocation at 30 June	**-**	**50,280**

The recoverable amount of the CGU was determined based on a calculation of fair value less costs to sell. To determine fair value, the Group used the fair value of the business based on the offer received from the Purchasers in relation to the Proposed sale of the 5GN Business, as described in the Significant Changes in Affairs section in the Directors' Report. The Group estimated the costs to sell based on estimated costs of the Transaction.

Impairment Charge for Goodwill

The Group recorded an impairment charge of $6.911 million in relation to the Managed Services segment as at 30 June 2024 because the carrying amount of goodwill of $6.911 million exceeded the fair value less costs to sell of the segment.

15. OTHER INTANGIBLE ASSETS

The following table shows the movements in other intangible assets:

	Customer contract $'000	Brand name $'000	Capitalised software $'000	Marketing Related Intangibles $'000	Total $'000
Gross carrying amount					
At 1 July 2023	20,486	4,017	5,432	231	30,166
Additions	-	3,553	-	-	3,553
Assets reclassified as held for sale and other disposals	(20,486)	(7,570)	(5,432)	(231)	(33,719)
Closing Value at 30 June 2024	-	-	-	-	-
Amortisation and impairment					
At 1 July 2023	(5,314)	(2,044)	(1,704)	(37)	(9,099)
Amortisation	(947)	(732)	(529)	(17)	(2,225)
Assets reclassified as held for sale and other disposals	6,261	2,776	2,233	54	11,324
Closing value at 30 June 2024	-	-	-	-	-
Carrying Amount at 30 June 2024	-	-	-	-	-
Gross carrying amount					
At 1 July 2022	18,932	4,017	4,856	180	27,985
Additions	1,554	-	806	51	2,411
Disposals	-	-	(230)	-	(230)
Closing Value at 30 June 2023	**20,486**	**4,017**	**5,432**	**231**	**30,166**
Amortisation and impairment					
Balance at 1 July 2022	(3,295)	(1,380)	(1,214)	(37)	(5,926)
Amortisation	(1,918)	(620)	(490)	-	(3,028)
Impairment loss recognised	(101)	(44)	-	-	(145)
Closing value at 30 June 2023	**(5,314)**	**(2,044)**	**(1,704)**	**(37)**	**(9,099)**
Carrying Amount at 30 June 2023	**15,172**	**1,973**	**3,728**	**194**	**21,067**

(a) Brand Name and Customer Contracts

Brand names and customer contracts acquired in a business combination that qualify for separate recognition are recognised as intangible assets at their fair values.

Brand names and customer contracts are amortised on a straight-line basis over their estimated useful lives of five to ten years.

16. OTHER ASSETS

Other assets consist of the following:

	Consolidated	
	2024 $000	2023 $000
Other prepayments	-	3,057
Inventory	-	201
Security deposits	871	-
Bond payments	-	123
Other	-	617
Other assets - current	**871**	**3,998**
Other receivables	426	36
Other assets - non-current	**426**	**36**

17. TRADE AND OTHER PAYABLES

	Consolidated	
	2024 $000	2023 $000
Trade payables	3,874	11,737
Accrued liabilities	136	1,442
Deposits received in advance	-	289
Other Creditors	1,014	1,198
Total trade and other payables	**5,024**	**14,666**

All amounts are short-term. The carrying values of trade and other payables are considered to be a reasonable approximation of fair value.

18. OTHER LIABILITIES

	Consolidated	
	2024 $000	2023 $000
GST and PAYG due to ATO	-	3,904
Payroll tax provision	-	111
Other	-	108
Other liabilities - current	**-**	**4,123**

19. EMPLOYEE BENEFITS PROVISIONS

	Consolidated	
	2024 $000	2023 $000
Current		
Annual leave	-	1,796
Long Service Leave	-	935
Wages Payable	-	13
Superannuation payable	-	682
Accrued bonuses and sales commission	-	110
Employee benefits provisions - current	**-**	**3,536**
Non-current		
Long service leave	-	487
Employee benefits provisions – non-current	**-**	**487**

20. BUSINESS ACQUISITIONS

Security Shift
On 16 January 2024, the Company announced the acquisition of Security Shift, a cyber security consultancy business for $4 million. The acquisition was funded from existing cash reserves and from the issue of 7,294,118 ordinary shares in 5GN for value of $1.24 million. The total cash payments consist of upfront payments of $2.116 million and two deferred payments of $0.55 million payable over the two years following completion. The net assets acquired include cash of $0.55 million, trade receivables of $0.9 million and liabilities of $0.5 million with the balance of the purchase price represented by goodwill and intangible assets. The Company acquired all of the shares in Security Shift Pty Ltd, Security Shift Group Pty Ltd Security Shift Holdings Pty Ltd.

The goodwill value of $1.375 million identified in relation to the acquisition is provisional as the Company continues to obtain information in relation to the acquisition and determine the fair value of assets and liabilities.

The acquisition of Security Shift has been assessed under the requirements of AASB3: *Business Combinations* and has been assessed to meet the requirements of a business combination.

The strategic rationale for the acquisition of Security Shift is to strengthen the Group's security consulting service offerings and expand the products and services that it can sell to its customers. The vendor of Security Shift, Chris Wright, was appointed Chief Technology and Information Officer of the Group.

Details of the net assets acquired and goodwill are as follows.

	Number	$'000
Cash consideration paid		2,166
Amount settled in shares	7,294,118	1,240
Deferred payments		910
Total consideration		**4,316**

The provisional fair value of the net assets acquired were:

		$'000
Cash and cash equivalents		550
Trade debtors		91
Accrued income		105
Income tax instalments paid		162
Intangible assets		3,553
Deferred tax liability		(1,066)
Trade creditors and accruals		(140)
Other payables		(140)
Provisions		(174)
Fair value of the net assets of Security Shift		**2,941**
Goodwill		**1,375**

(a) Identifiable intangible asset – brand name

An intangible asset has been recognised in relation to the brand name of Security Shift at the time it was acquired by the Company. The asset has been valued under a Royalty Relief Model (RRM) whereby an estimate of royalty savings has been calculated and discounted to present-value. The key assumptions used in the valuation are forecast revenue growth of 2.5% p.a.

The goodwill that arose on the combination can be attributed to the revenue synergies and growth in the security services business expected to be derived from the combination and the value of the workforce of Security Shift which cannot be recognised as an intangible asset. Goodwill has been allocated to the cash-generating unit of Managed Services as at 30 June 2024. The goodwill that arose from this business combination is not expected to be deductible for tax purposes.

From the date of the acquisition to 30 June 2024, Security Shift contributed $2.07 million revenue and $0.85 million to the Group's EBITDA.

21. DISCONTINUED OPERATION – DOMAINS BUSINESS

a) Webcentral and Melbourne IT Domain, Hosting and Email business

On 20 December 2023 the Group sold its Webcentral and Melbourne IT domain name registry, consumer hosting (cPanel hosting) and email hosting services businesses (**Domains Business**) to an investment group based in Europe. The buyer was Oakley Barcelona AUS Bidco Pty Ltd (**Bidco**). The ultimate holding company is a Luxembourg domiciled investment holding company, Hosting Group TopCo S.à r.l. (**Topco**). The total consideration received was $127.73 million consisting of $107.42 million in cash and $20.31 million in equity in Topco. At the time of sale, the equity in Topco was held by eight separate shareholders who each held between 0.1% and 33.3%, represented by three Board representatives, being Oakley Capital (33.3%), 5GN (33.3%) and Equivia (33.3%).

In April 2024, the Group's investment in Topco reduced from 33.3% to 27.2% following a capital raising by Topco in which the Company did not participate.

On 29 May 2024, the Company entered into a Share Transfer Agreement (**STA**) to sell its shares in Topco for EUR12,500,000. The key terms of the SSA were:

- A reduction in the take or pay obligations in the Master Services Agreement (**MSA**) between 5G Network Operations Pty Ltd (**5GNO**) and Netregistry Pty Ltd (**Netregistry**) (a company owned by TopCo, which is the direct owner of the Webcentral business) from $12m to $9.1m over the 5-year period of the MSA from December 2023;
- Warranty insurance was obtained to allow the Company's warranty obligations and liabilities under the Webcentral SPA to be fully released; and
- The Company's share of profits for the period from 21 December 2023 to completion of the share sale, estimated at $646,000, were offset with other completion adjustment amounts owing to BidCo.

The Domains Business is reported in the current period as a discontinued operation. Financial information relating to the discontinued operation for the period to 20 December 2023 is set out below.

b) Financial performance and cash flow information

The financial performance and cash flow information presented is for the period 1 July 2023 to 20 December 2023 (2024 column) and for the year ended 30 June 2023 (2023 column).

	Note	Consolidated	
		2024 $000	2023 $000
Revenue		24,519	50,569
Expenses		(19,381)	(33,061)
Profit before income tax		5,138	17,508
Income tax expense		(6,548)	(5,304)
Profit after income tax of discontinued operations		(1,410)	12,204
Gain on sale of the subsidiary after income tax (see (c) below)		78,834	-
Profit from discontinued operations		**77,424**	**12,204**
Other comprehensive income from discontinued operations		**77,424**	**12,204**
Net cash inflow from operating activities		13,389	20,147
Net cash inflow/(outflow) from investing activities		(561)	(1,473)
Net cash inflow/(outflow) from financing activities		-	-
Net increase in cash generated by the discontinued operation		**12,828**	**18,674**

c) Details of the sale of the business

	Note	Consolidated 2024 $000	Consolidated 2023 $000
Consideration received or receivable:			
Cash		107,420	-
Fair value of investment	(i)	20,310	-
Total disposal consideration		127,730	-
Carrying amount of net assets sold		(34,544)	-
Gain on sale before income tax and reclassification of foreign currency translation reserve		**93,186**	**-**
Income tax expense on gain		(14,352)	-
Gain on sale after income tax		**78,834**	**-**

(i) The fair value of the Company's investment in Topco of $20.31 million was calculated as follows:

	Amount
EUR Value of equity in Topco	€12,500
AUD/EUR exchange rate on 20 December 2023	0.61546
AUD Value of equity in Topco	$20,310

(ii) The carrying amounts of assets and liabilities as at the date of sale (20 December 2023) were:

	20 December 2023 $000
Cash and cash equivalents	3,288
Trade and other receivables	365
Prepayments of domain name registry charges	10,068
Property, plant and equipment	106
Intangible assets	62,539
Other assets	873
Total assets	**77,239**
Trade and other payables	(1,534)
Provisions	(520)
Contract liabilities	(36,095)
Deferred tax liabilities	(4,546)
Total liabilities	**(42,695)**
Net assets	**34,544**

d) Sale of investment in Topco

The fair value of 5GN's equity investment in Topco at Sale Date was $20.15m, calculated as follows:

	Amount
EUR Value of equity in Topco	€12,500
AUD/EUR exchange rate on 17 June 2024	0.6202
AUD Value of equity in Topco	$20,154

22. SALE OF DIGITAL BUSINESS

On 28 June 2024, the Group sold its digital marketing business, WME or Web Marketing Experts, (**Digital business**), which provided search engine marketing and social advertising services to businesses in Australia and New Zealand. The total consideration was $0.58 million consisting of upfront cash consideration received of $0.16 million and deferred consideration receivable of $0.42 million. The companies sold were Web Marketing Experts Pty Ltd, Nothing But Web Pty Ltd and Names by Request Pty Ltd. The Digital business was sold as it was considered a non-core operation of Group following the sale of the Domains Business in December 2023.

The Digital business was not reported as a discontinued operation in the current period as its revenue and profit contribution to the Group's financial performance was not considered material.

23. ASSETS CLASSIFIED AS HELD FOR SALE

The assets and liabilities of the Group's primary operating subsidiary, 5G Network Operations Pty Ltd and its cyber security consultancy business operated by Security Shift Pty Ltd have been classified as held for sale as at 30 June 2024.

The carrying amounts of assets and liabilities classified as held for sale as at 30 June 2024 were:

	30 June 2024 $000	30 June 2023 $000
Cash and cash equivalents	3,336	-
Trade and other receivables	3,405	-
Contract assets	760	-
Property, plant and equipment	10,497	-
Right-of-use assets	7,517	-
Intangible assets	3,297	-
Other assets	2,465	-
Total assets classified as held for sale	**31,277**	**-**
Trade and other payables	(6,943)	-
Lease liability	(14,034)	-
Provisions	(2,874)	-
Contract liabilities	(439)	-
Other financial liabilities	(2,094)	-
Other liabilities	(3,367)	-
Total liabilities directly related to assets classified as held for sale	**(29,751)**	**-**

The assets and liabilities are included within the Enterprise and Wholesale segments.

24. ISSUED CAPITAL

During the period, 7,294,118 ordinary shares were issued to the vendor of the Security Shift business as part-consideration for the acquisition and, 1,625,000 ordinary shares were issued pursuant to the exercise of options. In addition, the Company acquired 20,943,639 shares on-market pursuant to an on-market share buyback and the Company cancelled 4,144,387 shares pursuant to an unmarketable parcel buyback.

	Consolidated	
	2024 $000	2023 $000
Issued and paid-up capital		
Ordinary shares each fully paid	198,292	200,521

Movement in ordinary shares on issue	30 June 2024		30 June 2023	
	Number of shares	$'000	Number of shares	$'000
Beginning of the financial period	**329,126,229**	**200,521**	**331,092,792**	**201,301**
- Issue of shares to vendor	7,294,118	1,240	1,000,000	137
- Acquisition of shares through on-market share buyback	(20,943,629)	(3,145)	(5,401,820)	(955)
- Cancellation of shares – unmarketable parcel facility	(4,144,387)	(580)	-	-
- Shares issued following exercise of options	1,625,000	280	-	-
- Issues of shares under Dividend Reinvestment Plan	-	-	346,611	52
- Transaction costs for share issue	-	(24)	-	(14)
Shares issued and fully paid	**312,957,331**	**198,292**	**327,037,583**	**200,521**
- Issue of shares to employees under Employee Share Plan	-	-	2,088,646	-
- Issue of shares under ESOP	4,800,000	-	-	-
End of the financial period	**317,757,331**	**198,292**	**329,126,229**	**200,521**

ORDINARY SHARES

Ordinary shares entitle the holder to participate in dividends and the proceeds of winding up the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

SHARE BASED PAYMENTS - EMPLOYEE SHARES

During the year, no shares were issued to employees under the Employee Share Plan as free shares (2023: 2,088,646).

Shares acquired under this plan carry all of the same rights and obligations of other shares, except for any rights attaching to shares by reference to a record date prior to the date of issue or transfer.

SHARE BASED PAYMENTS – OPTIONS

During the year the Group issued 24,000,000 options to key management personnel under the Executive and Director Share Option Plan as a means of rewarding and incentivising key employees.

Further details of the performance rights, including details of rights issued during the financial year, are set out in Note 26.

There were 35,000,000 performance rights and 24,470,000 unlisted options on issue at the end of the year.

TREASURY SHARES

The loans granted under Executive and Director Share Plan (Note 26) are limited in recourse over the shares issued on exercise of the options, and the Company placed a holding lock over these shares to secure repayment. These shares were treated as treasury shares. During the year, 4,800,000 treasury shares were issued (2023: Nil).

Movements in treasury shares:

	30 June 2024		30 June 2023	
	Number of shares	$'000	Number of shares	$'000
Beginning of the financial period	2,000,000	-	2,000,000	-
- Issue of shares under ESOP	4,800,000	-	-	-
End of the financial period	**6,800,000**	**-**	**2,000,000**	**-**

25. RESERVES

	Consolidated	
	2024 $'000	2023 $'000
Share-based payments reserve	15,153	13,017
Other reserve	5,450	5,450
Foreign currency reserve	147	288
Reorganisation reserve	(150,804)	(150,804)
Total	**(130,054)**	**(132,049)**

Share-based payment reserve	Consolidated	
	2024 $'000	2023 $'000
Balance at the beginning of the period	13,017	11,471
Arising on share-based payments	2,136	1,546
Balance at the end of the year	**15,153**	**13,017**

The share-based payments reserve is used to recognise the value of equity-settled share-based payment transactions provided to employees, including KMP, as part of their remuneration. Refer to note 26 for further details of these plans.

Other reserves	2024 $'000	2023 $'000
Balance at the beginning of the period	5,450	4,436
Change in fair value of equity instruments	-	1,014
Balance at the end of the year	**5,450**	**5,450**

Other reserves represent the fair value reserve (for equity investments at fair value through equity). The fair value reserve of financial assets at FVOCI is used to record changes to the fair value of non-current financial asset as disclosed in note 30 to the financial statements.

Foreign currency reserve	2024 $'000	2023 $'000
Balance at the beginning of the period	288	236
Currency translation differences	(141)	52
Balance at the end of the year	**147**	**288**

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

Reorganisation reserve	2024 $'000	2023 $'000
Balance at the beginning of the period	(150,804)	(150,804)
Balance at the end of the year	**(150,804)**	**(150,804)**

Reorganisation reserve is used to record any difference arising when applying a book-value method to business combinations under common control.

26. SHARE-BASED PAYMENTS - PERFORMANCE RIGHTS AND OPTIONS

The Group operates two long-term incentive (**LTI**) plans as a means of rewarding and incentivising directors, executives and senior leaders of the Group.

The Company's Executive and Director Share Option Plan (**ESOP**) was adopted in December 2020 for directors and executives of the Group. The Company's Executive Equity Plan (**EEP**) was adopted in April 2022 for executives and senior leaders of the Group.

The key criteria for options issued under the ESOP and EEP during the year are the completion of tenure periods between one and three years and the achievement of individual KPIs.

The Performance Rights and Options will not give the holder a legal or beneficial interest in ordinary fully paid shares in the Company until those Performance Rights and Options vest. Prior to vesting, Performance Rights and Options do not carry a right to vote or receive dividends. When the Performance Rights and Options have vested, ordinary fully paid shares will be allocated, and these shares will rank equally with existing Company shares.

(a) Rights and options held at the beginning of the reporting period

There were 44,070,000 rights and options held as at 1 July 2023 in relation to the ESOP and EEP.

(b) Movement of rights and options during the reporting period

The following table summarises the movement in performance rights and options issued during the year:

	2024 Number	2023 Number
Outstanding at the beginning of the year	44,070,000	35,110,000
Granted during the year[1]	24,000,000	10,660,000
Vested and exercised during the year	(5,300,000)	-
Lapsed during the year	-	-
Forfeited during the year[2]	(4,550,000)	(1,700,000)
Outstanding at year end	**58,220,000**	**44,070,000**

1. During the year, 24,000,000 Performance Rights and Options were issued under the ESOP (2023: 6.650.000) and no Options were issued under the EEP (2023: 4,010,000).
2. During the year, 2,600,000 Options were forfeited under the ESOP (2023: 600,000) and 1,950,000 were forfeited under the EEP (2023: 1,100,000).

(c) Rights and options vested during the reporting period

During the year, no Performance Rights were vested (2023: Nil) and 5,300,000 Options were vested (2023: 350,000).

(d) Rights and options forfeited during the reporting period

During the year, 2,600,000 Options were forfeited by employees (2023: 600,000) with a weighted average exercise price of zero (2023: nil) under the ESOP and 1,950,000 Options were forfeited by employees (2023: 1,100,000) with a weighted average exercise price of zero (2023: nil) under the EEP.

(e) Rights and options held at the end of the reporting period

The following table summarises information about Performance Rights and Options held by Directors and employees as at 30 June 2024. 5,000,000 Performance Rights and 9,720,000 Options are exercisable at 30 June 2024 (2023: 5,000,000 Rights and 350,000 Options):

(e) Rights and options held at the end of the reporting period

The following table summarises information about Performance Rights and Options held by Directors and employees as at 30 June 2024. 5,000,000 Performance Rights and 9,720,000 Options are exercisable at 30 June 2024 (2023: 5,000,000 Rights and 350,000 Options):

Issue Date and Type	Number	Grant date	Vesting date	Expiry date	Weighted average exercise price	Weighted average remaining contractual life
2020 Performance Rights - Director	5,000,000	18/12/2020	22/09/2021	18/12/2025	$0.20	1.47
2021 Performance Rights - Director	15,000,000	22/12/2021	n/a	21/12/2026	$0.45	2.48
2021 Options - Director	4,500,000	22/12/2021	22/12/2023	21/12/2026	$0.45	2.48
2021 Options - Executive (1)	100,000	01/02/2021	01/02/2023	01/02/2026	$0.485	1.59
2021 Options - Executive (2)	100,000	29/03/2021	29/03/2023	29/03/2026	$0.485	1.74
2021 Options – Executive (3)	1,900,000	15/07/2021	15/07/2023	15/07/2026	$0.45	2.04
2022 Options – Executive (1)	260,000	13/04/2022	n/a	13/04/2025	$0.26	0.79
2022 Options – Executive (2)	2,600,000	02/06/2022	02/06/2024	02/06/2027	$0.25	2.92
2022 Options – Executive (3)	2,000,000	1/09/2022	1/09/2024	1/09/2027	$0.20	3.17
2022 Options – Executive (4)	260,000	3/10/2022	n/a	3/10/2025	$0.20	1.26
2022 Options – Executive (7)	250,000	14/12/2022	14/12/2024	14/12/2025	$0.17	1.46
2023 Options – Executive (1)	2,250,000	29/06/2023	29/06/2025	29/06/2028	$0.11	4.00
2023 Performance Rights - Director	15,000,000	7/12/2023	7/12/2025	7/12/2028	$0.11	4.44
2023 Options - Director	9,000,000	7/12/2023	7/12/2025	7/12/2028	$0.11	4.44
	58,220,000				**$0.20**	**3.27**

(f) Pricing model: LTI grants

The fair values of options granted were determined using a variation of the binomial option pricing model that takes into account factors specific to the Executive Share Plan, such as the vesting period. The following principal assumptions were used in the valuation:

	Share price	Dividend yield	Expected volatility	Risk-free interest rate	Fair value per option
2020 Rights	$0.415	0.0%	73.4%	0.38%	$0.3031
2021 Rights	$0.465	0.0%	45.0%	1.27%	$0.192
2021 Options	$0.465	0.0%	45.0%	1.27%	$0.3031
2021 Options (1)	$0.44	0.0%	73.4%	0.42%	$0.16
2021 Options (2)	$0.53	0.0%	73.4%	0.68%	$0.23
2021 Options (3)	$0.475	0.0%	73.4%	0.69%	$0.205
2022 Options (1)	$0.275	0.0%	73.4%	2.74%	$0.20
2022 Options (2)	$0.225	0.0%	73.4%	3.28%	$0.09
2022 Options (3)	$0.175	2.9%	96.1%	3.50%	$0.08
2022 Options (4)	$0.145	3.6%	94.6%	3.70%	$0.06
2022 Options (7)	$0.16	3.1%	93.3%	3.06%	$0.07
2023 Options (1)	$0.13	3.8%	92.8%	3.93%	$0.06
2023 Options (2)	$0.13	3.8%	92.8%	3.93%	$0.05
2023 Rights	$0.24	2.1%	90.0%	3.86%	$0.17
2023 Options (3)	$0.24	2.1%	90.0%	3.86%	$0.17

The expected volatility was determined using the group's average five-year share price. The risk-free rate is derived from the yield on Australian Government Bonds of an appropriate term. The weighted average fair value of the performance rights and options granted during the year was $0.17 (2023: $0.15).

The total consolidated share-based payment expense for the year was $2.136 million (2023: $1.546 million).

27. DIVIDENDS

On 10 January 2024, the Company declared an unfranked special dividend of $0.02 (2 cents) per ordinary share which was paid on 22 February 2024. The record date was 25 January 2024.The special dividend was funded from the sale proceeds of the Domains Business. No final dividend was or is proposed to be declared with respect to the current period. A dividend of $0.005 (half a cent) per ordinary share franked to 20% was paid in the prior corresponding period.

28. PARENT INFORMATION

The following information has been extracted from the books and records of the parent and has been prepared in accordance with Australian Accounting Standards.

The parent entity for the group is 5G Networks Limited and following information is the financial position for 5G Networks Limited.

PARENT ENTITY STATEMENT OF FINANCIAL POSITION As at 30 June 2024	2024 $'000	2023 $'000
Current assets	68,927	72,415
Non-current assets	3,224	17,219
Total assets	72,151	89,634
Current liabilities	35,410	82,502
Non-current liabilities	-	6,382
Total liabilities	35,410	88,884
Net assets	**36,741**	**750**
Contributed equity	213,589	218,859
Share-based payments reserve	7,966	5,830
Reorganisation reserve	(150,804)	(104,762)
Foreign currency reserve	(88)	53
Other reserves	12,589	(1,941)
Retained earnings	(46,511)	(117,289)
Total Equity	**36,741**	**750**
Profit/(Loss) of the parent entity	91,942	(11,746)
Total comprehensive income of the parent entity	**92,083**	**(10,680)**

GUARANTEES

During the reporting period, each of the companies in the Group, including 5G Network Limited provided a cross guarantee to CBA for the facilities provided by CBA (refer note 30).

CONTINGENT LIABILITIES

The parent entity did not have any contingent liabilities as at 30 June 2024 (30 June 2023: Nil).

29. CONTROLLED ENTITIES

Investments in controlled entities are initially recognised at cost, being the fair value of the consideration given. Following initial recognition, investments are measured at cost less any accumulated impairment losses.

The consolidated financial statements include the financial statements of 5G Networks Limited and the subsidiaries in the following table:

ENTITY	Country of incorporation	Equity holding as at 30 June	
		2024	2034
5G Networks Limited	Australia	100%	100%
5G Networks Holdings Pty Ltd	Australia	100%	100%
5G Network Operations Pty Ltd	Australia	100%	100%
Intergrid Group Pty Ltd	Australia	100%	100%
Annitel Pty Ltd	Australia	100%	100%
Hostworks Group Pty Ltd	Australia	100%	100%
Hostworks Pty Ltd	Australia	100%	100%
Enspire Pty Ltd	Australia	100%	100%
Australian Pacific Data Centres Pty Ltd	Australia	100%	100%
Asian Pacific Telecommunications Pty Ltd	Australia	100%	100%
Modular I.T. Pty Ltd	Australia	100%	100%
Security Shift Pty Ltd	Australia	100%	N/A
Security Shift Holdings Pty Ltd	Australia	100%	N/A
Security Shift Group Pty Ltd	Australia	100%	N/A
5G Networks Finance Pty Ltd	Australia	100%	100%
Uber Global Pty Ltd	Australia	100%	100%
Uber Business Pty Ltd	Australia	100%	100%
5G Networks Lanka (PVT) Ltd	Sri Lanka	100%	N/A
Logic Communications Pty Ltd	Australia	N/A	100%
Web Marketing Experts Pty Ltd	Australia	N/A	100%
Nothing But Web Pty Ltd	Australia	N/A	100%
Names By Request Pty Ltd	Australia	N/A	100%
Domainz Limited	New Zealand	N/A	100%
Netregistry Group Pty Ltd	Australia	N/A	100%
Netregistry Pty Ltd	Australia	N/A	100%
Netregistry Wholesale Pty Ltd	Australia	N/A	100%
Netregistry Services Pty Ltd	Australia	N/A	100%
Netregistry Operations Pty Ltd	Australia	N/A	100%
Netregistry Domains Pty Ltd	Australia	N/A	100%
Webcentral Services Pty Ltd	Australia	N/A	100%
ACN 132 400 787 Pty Ltd	Australia	N/A	100%
Planetdomain Pty Ltd	Australia	N/A	100%
ACN 063 963 039 Pty Ltd	Australia	N/A	100%
ACN 139 714 686 Pty Ltd	Australia	N/A	100%
Bachco Pty Ltd	Australia	N/A	100%
Terrific.com.au Pty Ltd	Australia	N/A	100%

30. FINANCIAL RISK MANAGEMENT

The main risks the Group is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

FINANCIAL RISK MANAGEMENT OBJECTIVES

The Group's financial instruments consist mainly of deposits with banks, local money market instruments, accounts receivable and payable, loans to and from subsidiaries, and leases.

The main purpose of non-derivative financial instruments is to raise finance for Group operations.

The Group does not have any derivative instruments at 30 June 2024 or 30 June 2023.

The totals for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements, are as follows.

30 June 2024	Amortised cost	FVTPL	FVOCI	Total
	$000	$000	$000	$000
Cash and cash equivalents	68,322	-	-	68,322
Restricted cash	2,925	-	-	2,925
Trade and other receivables	3,549	-	-	3,549
Unsecured loans	-	378	-	378
Other financial assets	-	-	725	725
Total financial assets	**74,796**	**378**	**725**	**75,899**
Non-current lease liabilities	9,125	-	-	9,125
Trade and other payables	11,967	-	-	11,967
Lease liabilities	3,316	-	-	3,316
Other financial liabilities	-	2,094	-	2,094
Total financial liabilities	**24,408**	**2,094**	**-**	**26,502**

30 June 2023	Amortised cost	FVTPL	FVOCI	Total
	$000	$000	$000	$000
Cash and cash equivalents	4,498	-	-	4,498
Trade and other receivables	4,664	-	-	4,664
Unsecured loans	-	424	-	424
Other investments	-		725	725
Total financial assets	**9,162**	**424**	**725**	**10,311**
Non-current lease liabilities	13,229	-	-	13,229
Current borrowings	29,158	-	-	29,158
Trade and other payables	14,666	-	-	14,666
Lease liabilities	3,937	-	-	3,937
Other financial liabilities	-	2,182	-	2,182
Total financial liabilities	**60,990**	**2,182**	**-**	**63,172**

Borrowings include the following financial liabilities:

	Consolidated	
	2024 $'000	2023 $'000
Current		
At amortised cost:		
Obligations under bank loan[1]	-	29,158
		29,158
Non-current		
At amortised cost:		
Obligations under bank loan[1]	-	-
	-	**-**

Security arrangements

[1] The bank loans are from Commonwealth Bank of Australia (CBA) and they are secured with a fixed charge over particular assets and a floating charge over other collateral.

FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

The Group measures financial instruments such as derivatives at fair value at each reporting date. 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 fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that the market participants act in their economic best interest.

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 financial statements are categorised within their fair-value hierarchy, described as follows, based on the lowest level of input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- 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 re-assessing 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.

The following table provides the fair value measurement hierarchy of the Group's financial assets and liabilities as at 30 June 2024:

	Note	Date of valuation	TOTAL	Fair value measurement using		
				Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
			$'000	$'000	$'000	$'000
Assets / (liabilities) measured at fair value						
Financial assets						
Investment in The Pistol shares		30-Jun-24	725	-	-	725
Unsecured loans		30-Jun-24	378	-	-	378
Financial liabilities						
Contingent consideration		30-Jun-24	2,094	-	-	2,094

There have been no transfers between Level 1, 2 and 3 during the period.

CAPITAL MANAGEMENT

For the purpose of the Group's capital management, capital includes issued capital, all other equity reserves attributable to the equity holders of the parent and debt capital, principally raised from the Group's banking partners, but inclusive of other debt-like instruments, such as earn-outs due. The Board's primary objective is to maximise the value of the Group's operations to its shareholders.

The Group manages its capital structure and financing facilities and makes adjustments in light of changes in economic and market conditions, requirements of the business operations and requirements of its financial covenants. To maintain or adjust the capital structure, the Group may raise or repay debt, adjust the dividend payment to shareholders, return capital to shareholders, issue new shares, or sell assets to fund these activities.

LIQUIDITY RISK

The Group manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.

Cash flows realised from financial assets in the table below reflect management's expectation as to the timing of realisation. Actual timing may therefore defer from that disclosed.

The table below sets out the available financing facilities as at 30 June 2024:

	Total facility amount	Amount drawn	Unused financing facilities
	$000	$000	$000
CBA contingent loan facilities (bank guarantees)[1]	2,925	2,925	-
Total	**2,925**	**2,925**	**-**

1. The bank guarantees are cash-backed with a term deposit with Commonwealth Bank of Australia. The term deposit is recorded as Restricted Cash in the Statement of Financial Position.

The table below sets out the maturity periods of the financial liabilities of the consolidated Group as at 30 June 2024 and 30 June 2023. All carrying amounts of IT equipment finance are undiscounted contractual cash flows.

Contracted maturities at 30 June 2024	< 6 Months	6-12 Months	1-2 Years	2-5 Years	> 5 Years	Total
	$000	$000	$000	$000	$000	$000
Trade & Other Payables	11,967	-	-	-	-	11,967
Other Financial Liabilities	-	-	2,094	-	-	2,094

Contracted maturities at 30 June 2023	< 6 Months	6-12 Months	1-2 Years	2-5 Years	> 5 Years	Total
	$000	$000	$000	$000	$000	$000
Trade & Other Payables	14,666	-	-	-	-	14,666
Borrowings	281	289	566	28,022	-	29,158
Interest on Borrowings	37	29	37	18	-	121
Other Financial Liabilities	-	2,182	-	-	-	2,182

CREDIT RISK

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements.

There are no material amounts of collateral held as security at 30 June 2024 or 30 June 2023.

Credit risk is managed on a Group basis and reviewed regularly by the Board. It arises from exposures to customers as well as through deposits with financial institutions.

The following table provides information regarding the credit risk relating to cash and money market securities based on Moody's counterparty credit ratings.

	Consolidated	
	2024 $'000	2023 $'000
Aa3 rated cash & cash equivalents	68,322	4,498
Aa3 rates restricted cash (term deposit)	2,925	-
TOTAL	**71,247**	**4,498**

The Group does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the Group.

The Group has recognised an impairment loss of nil (2023: Loss of nil) in profit and loss in respect of impairment provision for receivables for the year ended 30 June 2024. The movements in the provision for impairment of receivables were outlined in Note 10.

INTEREST RATE AND MARKET RISK

Market risk is the risk that changes in market prices, such as interest rates will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising returns.

At 30 June 2024, the Group is not exposed to changes in market interest rates through bank borrowings at variable interest rates. All of the Group's bank guarantees are at a fixed interest rate.

TREASURY RISK

The Board's overall risk management strategy seeks to assist the consolidated Group in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

FOREIGN CURRENCY RISK

The Group conducts some of its business in US dollars ('USD'), New Zealand Dollars ('NZD'), Singapore Dollars ('SGD') and Japanese Yen ('JPY') and is therefore exposed to movements in the AUD exchange rates with USD, NZD, SGD and JPY respectively. The Group actively manages the gross margin risk by its foreign currency risk management strategy.

Both the functional and presentation currency of the Group is in Australian dollars (AUD). The consolidated Group contains functional currencies in USD, NZD, SGD and JPY. Transactions in foreign currencies are initially recorded in the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date.

The exchange differences arising on the retranslation are taken directly to other comprehensive income.
On disposal of a foreign entity, the deferred cumulative amount recognised in other comprehensive income relating to that particular foreign operation is recognised in the determination of profit and loss for the year.

At 30 June 2024, the Group had the following exposures to USD, NZD, SGD and JPY. denominated assets and liabilities, where the functional currency is not USD, NZD, SGD and JPY. The Group's exposure to foreign currency changes for all other currencies is not material. Assets and liabilities that are designated in cash flow hedges are not included:

	2024 $'000	2023 $'000
Financial assets		
Cash and cash equivalents	314	235
Trade and other receivables	116	200
Financial liabilities		
Trade and other payables	(1,043)	(2,381)
Net exposure	**(613)**	**(1,946)**

The following sensitivity is based on foreign currency risk exposures in existence at the reporting date.

At 30 June 2024, had the AUD moved as illustrated in the table below with all other variables held constant, post-tax profit and equity would have been affected as follows:

	Net profit Higher / (Lower)		Equity Higher / (Lower)	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Consolidated				
- AUD/USD +10%	39	173	39	173
- AUD/USD -10%	(48)	(211)	(48)	(211)

The Group also has exposures to foreign exchange when retranslating foreign currency subsidiaries into AUD. The sensitivity range has been determined using an expected range of 0.590 to 0.721 USD/AUD for the retranslation of USD denominated balances for the forthcoming year.

SENSITIVITY ANALYSIS

As the Group's bank guarantee loans are not material to the Group and at a fixed interest rate, no sensitivity analysis has been performed, as any +/- variation in interest rates would not have a material impact on the post-tax profit for the remaining period of the loans.

A change in interest rates on the Cash on Deposit would not have a material impact to the Group and therefore no sensitivity analysis has been performed.

31. RELATED PARTY DISCLOSURES

Subsidiaries
Details relating to subsidiaries are included in Note 29.

Ultimate and direct parent
5G Networks Limited is the ultimate parent entity in the wholly owned Group comprising the Company and its wholly owned controlled entities.

Key Management Personnel (KMP) Compensation

	Consolidated	
	2024 $'000	2023 $'000
Short-Term Employee Benefits	1,523	1,693
Post-Employment Benefits	109	125
Termination Payments	51	-
Share based Payments	1,946	1,132
TOTAL	**3,629**	**2,950**

Detailed remuneration disclosures are provided in the remuneration report on pages 18 to 25.

Transactions with related parties
During the year, the Group has conducted the following related party transactions:

- A total of $871,622 (2023: $213,191) was paid to Studio Inc., an entity related to Joe Demase, consisting of $171,622 for the design of marketing materials for the Group and $700,000 for consulting fees for services provided to the Group. All transactions are carried at commercial third-party rates.
- No payments were made to Mr Hunter Demase during the year ended 30 June 2024 for sales consulting services (2023: $18,315). All transactions are carried at commercial third-party rates.

Terms and conditions of related party trading transactions
Purchases from related parties are made at arm's length at normal market prices and on normal commercial terms. The Group settles related party trade payables according to the payment conditions confirmed by the supplier of invoices and are non-interest bearing and generally on 30 day terms from invoice.

Transactions with key management personnel
The table below provides aggregate information relating to the Company's loans to key management personnel during the year:

	2024 $'000
Balance at the start of the year	**128**
Repayment from KMP	-
Balance at the end of the year	**128**

31. AUDITORS' REMUNERATION

	2024 $	2023 $
During the year ended 30 June 2024, the following fees were paid or payable for services provided by Grant Thornton:		
Audit and review	466,004	443,481
Taxation and other compliance services	181,958	114,111
Due diligence services	48,107	-
	696,069	**557,592**

32. EVENTS SUBSEQUENT TO REPORTING DATE

During the period from 1 July 2024 to 13 September 2024, the Company acquired a further 12,461,493 shares on-market pursuant to the Buyback for total consideration of $1.84 million. The total number of shares acquired under the Buyback was 33,405,122 for total consideration of $4.99 million, representing 10% of the issued capital of the Company at the time the Buyback commenced. All shares acquired under the Buyback were cancelled by 13 September 2024.

There has not been any other matter or circumstance in the interval between the end of the year and the date of this report that has materially affected or may materially affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial periods.

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

Set out below is a list of entities that are consolidated in this set of Consolidated Financial Statements at the end of the financial year.

Name of Entity	Type of entity	Trustee, partner, or participant in JV	Place of incorporation	% of Share Capital as at 30 June 2024	Australian or foreign tax resident	Jurisdiction for foreign tax resident
5G Networks Limited	Body corporate	-	Australia	100%	Australian	N/A
5G Networks Holdings Pty Ltd	Body corporate	-	Australia	100%	Australian	N/A
5G Network Operations Pty Ltd	Body corporate	-	Australia	100%	Australian	N/A
Intergrid Group Pty Ltd	Body corporate	-	Australia	100%	Australian	N/A
Annitel Pty Ltd	Body corporate	-	Australia	100%	Australian	N/A
Hostworks Group Pty Ltd	Body corporate	-	Australia	100%	Australian	N/A
Hostworks Pty Ltd	Body corporate	-	Australia	100%	Australian	N/A
Enspire Pty Ltd	Body corporate	-	Australia	100%	Australian	N/A
Australian Pacific Data Centres Pty Ltd	Body corporate	-	Australia	100%	Australian	N/A
Asian Pacific Telecommunications Pty Ltd	Body corporate	-	Australia	100%	Australian	N/A
Modular I.T. Pty Ltd	Body corporate	-	Australia	100%	Australian	N/A
Security Shift Pty Ltd	Body corporate	-	Australia	100%	Australian	N/A
Security Shift Holdings Pty Ltd	Body corporate	-	Australia	100%	Australian	N/A
Security Shift Group Pty Ltd	Body corporate	-	Australia	100%	Australian	N/A
5G Networks Finance Pty Ltd	Body corporate	-	Australia	100%	Australian	N/A
Uber Global Pty Ltd	Body corporate	-	Australia	100%	Australian	N/A
Uber Business Pty Ltd	Body corporate	-	Australia	100%	Australian	N/A
5G Networks Lanka (PVT) Ltd	Body corporate	-	Sri Lanka	100%	Australian	N/A

Basis of preparation
This consolidated entity disclosure statement (CEDS) has been prepared in accordance with the Corporations Act 2001 and includes information for each entity that was part of the consolidated entity as at the end of the financial year in accordance with AASB10: Consolidated Financial Statements.

Determination of tax residency
Section 295 (3A)(vi) of the Corporation Act 2001 defines tax residency as having the meaning in the Income Tax Assessment Act 1997. The determination of tax residency involves judgement as there are different interpretations that could be adopted, and which could give rise to a different conclusion on residency. In determining tax residency, the consolidated entity has applied the following interpretations:

- Australian tax residency
  The consolidated entity has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5
- Foreign tax residency
  Where necessary, the consolidated entity has used independent tax advisers in foreign jurisdictions to assist in its determination of tax residency to ensure applicable foreign tax legislation has been complied with (see section 295(3A)(vii) of the Corporations Act 2001).

DIRECTORS' DECLARATION

1. In the Directors' opinion:

(a) The financial statements and notes of 5G Networks Limited for the year ended 30 June 2024 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 2024 and of its performance for the financial year ended on that date; and

(ii) complying with Australian Accounting Standards (Including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*;

(b) There are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable; and

(c) The consolidated entity disclosure statement on page 81 is true and correct.

1. The Directors have been given the declaration required by Section 295A of the Corporations Act 2001 from the Chief Executive Officer and Chief Financial Officer for the year ended 30 June 2024.

2. Note 2 confirms that the consolidated financial statements also comply with international financial reporting standards.

Signed in accordance with a resolution of the Directors made pursuant to section 303(5) of the *Corporations Act 2001*.

On behalf of the Board of Directors

Joseph Demase
Managing Director
Melbourne, 30 September 2024

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Independent Auditor's Report

To the Members of 5G Networks Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of 5G Networks Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2024, the 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, and notes to the consolidated financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a giving a true and fair view of the Group's financial position as at 30 June 2024 and of its performance for the year ended on that date; and

b complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. 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 auditor independence requirements of 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 also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 2 in the financial statements which indicates that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance 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.

In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Revenue Recognition – Note 5	
In the financial year ended 30 June 2024, the Group recorded revenue of $49,366,000. There is a risk of potential overstatement of revenue given there is pressure placed on the performance of the Group against market expectations. The Group offers diverse services to its customers that require different patterns of revenue recognition due to varying contractual terms, which require the identification of performance obligations and the determination of how the Group satisfies those obligations. This area is a key audit matter because of the financial significance of revenue, and the significant judgement involved in determining appropriate revenue recognition for these various services.	Our procedures included, amongst others: • Obtaining an understanding of the processes and controls used by the Group in evaluating contracts under the five-step model of AASB 15 *Revenue Contracts with Customers*; • Analytically reviewing revenue streams against prior corresponding period to identify and assess potential anomalies; • Reviewing revenue recognition policies of individual customer agreements and contractual arrangements to ensure compliance with AASB 15 *Revenue from Contracts with Customers*; • Selecting a sample of revenue transactions to verify the occurrence and accuracy of revenue, and to determine if these transactions were being recognised in accordance with revenue recognition policies; • Assessing the appropriateness of accounting policy including compliance with the Australian Accounting Standards; and • Assessing the disclosures in the financial statements for appropriateness and consistency with Australian Accounting Standards.
Goodwill and Other Long-Lived Assets Impairment Assessment – Note 14 and Note 15	
As disclosed an impairment charge of $6,911,000 was recognised during the year, which brought the balance of goodwill to nil at year-end. At 30 June 2024 5G Networks Limited also has other intangibles of $3,297,000 consisting of customer contracts and brand names. In accordance with AASB 136 *Impairment of Assets*, goodwill and other intangible assets acquired in a business combination must be allocated to the Group's cash generating units (CGUs). For each CGU to which goodwill has been allocated, the Group is required to assess if the carrying value of the CGU is in excess of the recoverable value. The goodwill and other long-lived assets impairment assessment has been assessed as a key audit matter due to the significant judgement and assumption required by management in performing the annual impairment assessment to satisfy the requirement under AASB 136.	Our procedures included, amongst others: • Assessing management's determination of the Group having two CGUs based on the nature of the business and the economic environment in which the units operate; • Reviewing management's annual impairment assessment for compliance with AASB 136; • Assessing the information arising from the proposed sale of the 5G business and considering the relevant details as part of our review of management's impairment assessment; • Assessing the reasonableness and appropriateness of inputs and assumptions applied to the model; • Testing the mathematical accuracy of the underlying calculations; • Assessing the appropriateness of accounting policy including compliance with the Australian Accounting Standards (AASBs); and • Assessing the disclosures in the financial statements for appropriateness and consistency with accounting standards.

Key audit matter	How our audit addressed the key audit matter
Disposal of business – Note 21	
5G Networks Limited completed the sale of two-thirds of their Domains Business for a total of $107,420,000 received in cash. As part of this transaction, it was agreed that 5G Networks Limited would hold a remaining equity portion of the business, valued at around $20,310,000. On the 29th of May, the Group then entered into an agreement to sell the remaining equity in the Domains business back to Oakley, an existing major shareholder. As part of this transaction, 5G obtained a warranty insurance to release its obligations and liabilities under the SPA and has offset its entitlement to its share of profits from 21 December 2023 with other completion adjustments. The sale of business brings in some other areas of risk: • Balances relating to the sold business in the Profit & Loss are disclosed as Discontinued Operations in the financial report; • Assets held by the Group will need to be assessed for impairment under AASB 136 *Impairment of Assets* to determine if carrying amount exceeds recoverable amount; and • Treatment of the remaining investment in the Domain Business and subsequent sale in line with accounting standards. Given the complexity of these transactions, we have determined this to be an area of audit focus and a key audit matter.	Our procedures included, amongst others: • Reading the executed business sale agreements and agreeing the terms of the transactions to signed agreements, board meeting minutes, ASX announcements and any other relevant documentation; • Obtaining management's workings and technical assessment of AASB 5 *Non-current Assets Held for Sale and Discontinued Operations in relation to assets held for sale and discontinued operations*, and ensuring these are materially correct and in line with accounting standards; • Evaluating the competence, capabilities and objectivity of the specialist engaged by management; • Evaluating management's determination of the disposal accounting journals and the gain made on the sale; • Assessing management's position paper on significant influence of the investment, evaluating the treatment of the remaining equity held in the newly created company, and subsequent disposal, to ensure this is correctly recorded in line with accounting standards; • Assessing the accuracy of the note disclosure by substantially testing balances to supporting documentation; and • Assessing the disclosures in the financial statements for appropriateness and consistency with accounting standards.
Assets classified as held for sale – Note 23	
On 27 June 2024, the Group announced that its wholly owned subsidiary 5G Networks Holdings Pty Ltd had entered into sale agreements with entities associated with the Group's Managing Director Mr Joe Demase, in relation to the sale of 100% of the shares in its primary operating subsidiary, 5G Network Operations Pty Ltd and its cyber security consultancy business operated by Security Shift Pty Ltd. In line with accounting standards, the assets and liabilities of the Group's primary operating subsidiaries have been classified as held for sale as at 30 June 2024 following this announcement. Given the judgements involved in determining the accounting treatment for this transaction we have determined this area to be a key audit matter.	Our procedures included, amongst others: • Obtaining an understanding of the transaction with management and with board of directors; • Reading the executed business sale agreements and agreeing the terms of the transactions to relevant documentation; • Obtaining management's workings and technical assessment of AASB 5 *Non-current Assets Held for Sale and Discontinued Operations in relation to assets held for sale*, and ensuring these are materially correct and in line with accounting standards; • Assessing the accuracy of the note disclosure by substantially testing the balances included as held for sale as at 30 June 2024; and • Assessing the disclosures in the financial statements for appropriateness and consistency with accounting standards.

Key audit matter	How our audit addressed the key audit matter
Income tax – Note 8	
The Group incurred income tax expense of $18,815,000 for the period and has a provision for income tax as at 30 June 2024 of $14,352,000. There are a number of transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain and significant judgement is required in determining the provision for income tax and availability of capital tax losses. Given the complexities involved in calculating the income tax provisions we have determined this area to be a key audit matter.	Our procedures included, amongst others: • Obtaining an understanding of the various transactions that occurred in the period that would impact the income tax calculations; • Evaluating the competence, capabilities and objectivity of management's expert who assisted the Group with the income tax calculation; • Utilising an internal tax specialist to: – Review the methodology used in the income tax calculations; – Assess the technical paper prepared by management's expert and determine if the position is reasonable; – Consider the various amounts included in the tax reconciliation and assess if the correct tax treatment was applied; – Conclude on the final tax expense and tax payable as at 30 June 2024; and • Evaluating the disclosures in the financial statements for appropriateness and consistency with accounting standards.

Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2024 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, 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.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial report

The Directors of the Company are responsible for the preparation of:

a the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* (other than the consolidated entity disclosure statement); and

b the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

for such internal control as the Directors determine is necessary to enable the preparation of:

i. the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

ii. the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are 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 the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and 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 this 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: http://www.auasb.gov.au/auditors_responsibilities/ar1_2020.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Opinion on the remuneration report

We have audited the Remuneration Report included in pages 18 to 25 of the Directors' report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of 5G Networks Limited, for the year ended 30 June 2024 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The Directors of the Group are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

M J Climpson
Partner – Audit & Assurance

Melbourne, 30 September 2024

SHAREHOLDER INFORMATION

The shareholder information set out below was applicable as at 13 September 2024.

5G Networks Limited

Issued capital ordinary shares: 305,295,838 as at 13 September 2024.

Substantial Shareholders

Substantial shareholders and the number of equity securities in which it has an interest, as shown in the Company's register of Substantial Shareholders is:

	Shares	%
J D Management Pty Ltd, JMD Superannuation Fund, Studio Incorporate Pty Ltd and Joseph Demase	58,668,719	18.74%
Boutique Capital Pty Ltd ATF Tectonic Opportunities Fund	23,281,276	7.45%
TOTAL	**81,949,995**	**26.19%**

DISTRIBUTION OF EQUITY SHARES

	Ordinary Shares	
	Number Held	Number of Holders
1 – 1,000	84,796	163
1,001 – 5,000	5,990,576	1,657
5,001 – 10,000	11,238,610	1,504
10,001 – 100,000	53,537,124	1,869
100,001 – and over	234,444,732	249
TOTAL	**305,295,838**	**5,442**

There were 830 unmarketable parcels as at 13 September 2024

VOTING RIGHTS
The voting rights attached to each class of equity securities are set out below:

ORDINARY SHARES
On a show of hands every member present at a meeting in person, or by proxy, shall have one vote, and upon a poll each share shall have one vote.

THE NUMBER AND CLASS OF RESTRICTED SECURITIES SUBJECT TO VOLUNTARY ESCROW THAT ARE ON ISSUE

Voluntary Escrow
There are 7,294,118 ordinary shares subject to Voluntary Escrow until 16 January 2025.

SHAREHOLDER INFORMATION

The 20 Largest Holders of Each Class of Quoted Equity Securities

	Ordinary Shares	
J D MANAGEMENT GROUP PTY LTD	57,628,060	18.88%
BNP PARIBAS NOMINEES PTY LTD	36,039,303	11.80%
PACIFIC CUSTODIANS PTY LIMITED	24,547,054	8.04%
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	8,515,081	2.79%
CHRIS WRIGHT CYBER PTY LTD	7,294,118	2.39%
CITICORP NOMINEES PTY LIMITED	6,681,413	2.19%
MR ALBERT SAYCHUAN CHEOK & MR ERIC VICTOR CHEOK	3,714,018	1.22%
BNP PARIBAS NOMS PTY LTD	3,468,668	1.14%
ECKERT INVESTMENTS PTY LTD	2,526,666	0.83%
MOLINI INVESTMENTS PTY LTD	2,500,001	0.82%
WARNEET SUPER PTY LTD	2,414,994	0.79%
MR XU WANG	1,900,000	0.62%
NZAU INVESTMENTS PTY LTD	1,833,334	0.60%
MR FRANCIS ANDREW KING & MRS MARGARET SUSAN KING	1,639,170	0.54%
PALM BEACH NOMINEES PTY LIMITED	1,582,244	0.52%
ALBERT CHEOK	1,504,284	0.49%
MRS MARIA O'CONNOR	1,500,000	0.49%
MS KYLIE LYNETTE NUSKE & MR MATTHEW JAMES COOK	1,500,000	0.49%
MR CLINTON BARRY MICHAEL & MR ANDREW BASIL WARE	1,499,491	0.49%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	1,492,976	0.49%
TOTAL	**169,780,875**	**55.61%**

Unissued equity securities

Number of options issued: 59,470,000

Securities exchange

The Company is listed on the Australian Securities Exchange.

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