



# ASX : 5GG

## INVESTOR UPDATE H1 FY25

26 FEBRUARY 2025

"You can't change the direction of the wind, but you can adjust the sails, and if the wind will not serve, take to the oars" - Latin proverb



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# AGENDA

## 01 INTRODUCTION AND KEY HIGHLIGHTS



**STEPHEN CORNISH**  
MANAGING DIRECTOR

## 02 STRATEGY UPDATE



## 03 FINANCIAL RESULTS



**MART DERMAN**  
CHIEF FINANCIAL OFFICER

## 04 Q&A



# INTRODUCTION AND SUMMARY OF RESULTS



We're excited to share a significant turning point in our business journey, marking the fruition of our strategic focus over the past several quarters. Our commitment this year to double our 5G coverage is on schedule, and not only bolsters our ultrafast bandwidth capabilities but also set the stage for sustainable competitive growth and profitability for our Telco division, capitalising on our 5G spectrum.

As we continue to build and expand our 5G capacity, we've simultaneously increased optimisation of our NVIDIA Cloud division, showcasing our ability to increase monetisation of our CloudGG platform in stages effectively. This achievement is built on the foundation of scaling up from our freemium service strategy, and we're now positioned to leverage our enhanced capacity to deliver even greater value to our customers and further growth for stakeholders. This pivotal moment underscores our dedication to innovation and our readiness to lead in the digital landscape.



**STEPHEN CORNISH**  
**FOUNDER & MANAGING DIRECTOR**



# Key Financial Highlights from H1FY25

- ✓ Delivering First EBITDA<sup>①</sup>+ YTD
- ✓ ~\$0.4m EBITDA improvement H1FY24 to H1FY25
- ✓ Consolidated Revenue increase of 6% PcP
- ✓ Consolidated gross profit increased 6% on PcP
- ✓ Gaming revenue up 31% on PcP

① EBITDA is a financial measure which is not prescribed by Australian Accounting Standard ('AAS') and represents the profit under AAS adjusted for depreciation, amortisation, interest and tax.

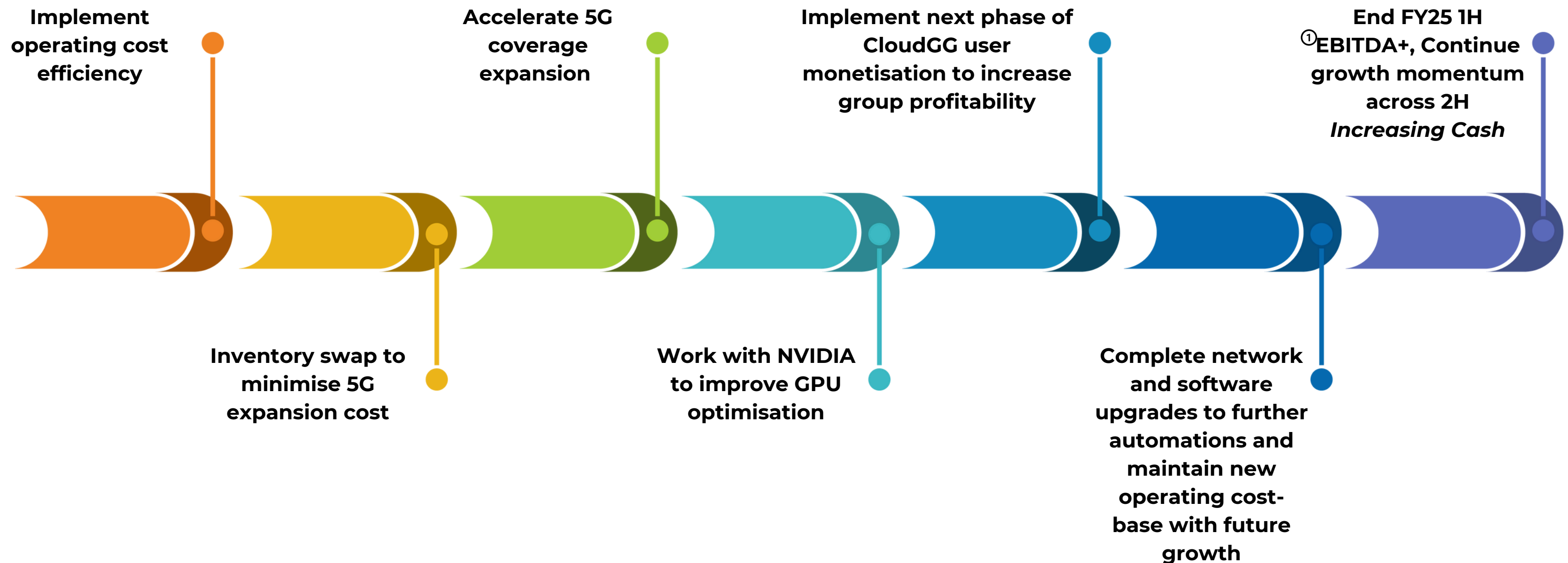
# Key Operational Updates

- ✓ Aim of doubling 5G coverage across FY25 is on track
- ✓ Improved Telco Operating Efficiencies
- ✓ 709 5G subscribers added to date
- ✓ Increased NVIDIA Cloud GPU Optimisation
- ✓ Furthered CloudGG Monetisation Strategy



# FY25 1H Strategy Recap

Amidst other operational initiatives, these were the **key** objectives completed which underpinned our forward strategy



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# On track with aim to double our 5G coverage across FY25

Telco is focused on building 5G coverage before launching a new competitive offering at scale

Fourteen towers upgraded to 5G, and on-track to complete an additional five in 2HFY25

Upon completion of FY25 upgrade program, roughly half of our tower footprint will have 5G coverage

25 5G Base Stations and 423 CPEs secured via stock swap, minimising upgrade CAPEX cash cost

5G Coverage live

Traditional Fixed-wireless



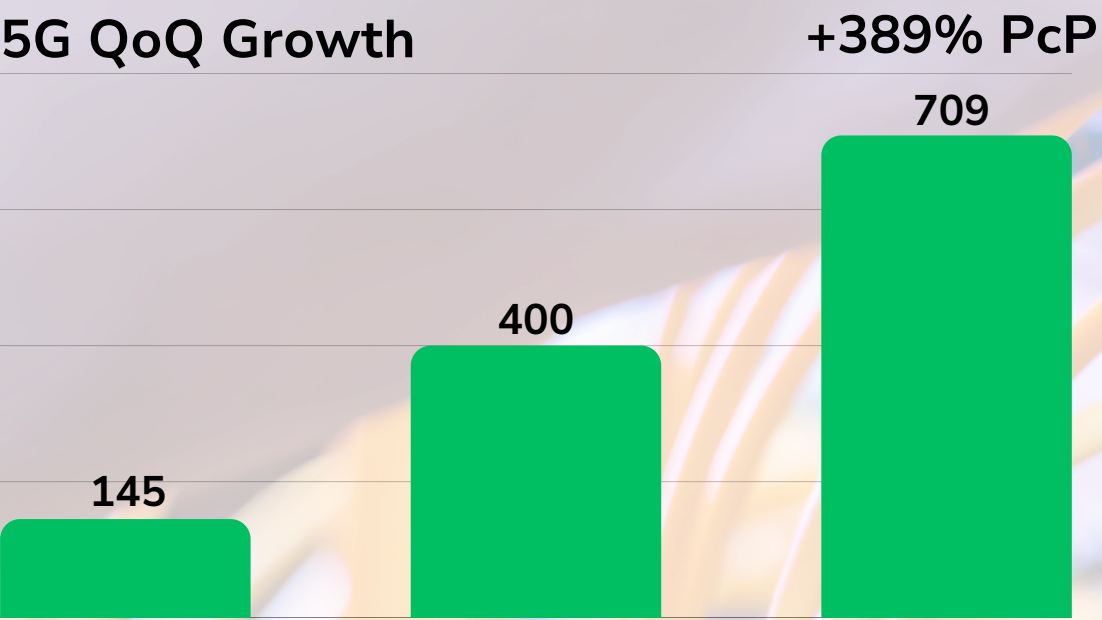
"You're gonna need a bigger boat" - Martin Brody



# Still adding new users incrementally as we build 5G coverage

- Resources are focused on coverage and capacity expansion to facilitate returning to high growth
- To drive a competitive on-net offering in market, we need the Ultrafast capability of 5G
- The strategy is to cast a wider coverage net, to allow for broader marketing whilst further reducing CAC
- 5G subscribers are still being added as we go, with targeted marketing initiatives

	On-net		Off-net		Total	
	H1FY24	H1FY25	H1FY24	H1FY25	H1FY24	H1FY25
Opening Balance	6,692	6,794	10,362	10,589	17,054	17,383
Gross New Subscribers	677	614	854	1,229	1,531	1,843
Churn	(487)	(483)	(998)	(887)	(1,485)	(1,370)
Closing Balance	6,882	6,925	10,218	10,931	17,100	17,856
Average Monthly Churn	1.2%	1.2%	1.6%	1.4%	1.5%	1.3%



Churn has reduced from 1.5% to 1.3% on PcP.  
Net subscriber growth is still present, but we must expand our catchment/coverage, and launch 5G at scale in market to return Telco to high growth.

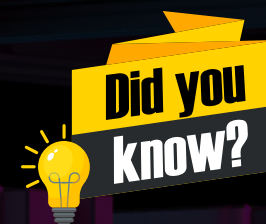


# NVIDIA Cloud Strategy



GEFORCE  
NOW

POWERED BY  
CLOUDGG



Every month, our free users play for over 20 million minutes on our infrastructure. That would equate to one person gaming 24 hours a day for **FOURTY YEARS**.

2024

Own & Operate the Largest Commercial Deployment of NVIDIA GPU's in the Country, Profitably

Profitable Gaming Platform

Evolve Freemium to Paid conversion, as Captured Userbase Matures

Demonstrate Margin Uplift at Each Optimisation inflection

Oversubscription Efficiency & Margin Continually improves with Scale

Scale Existing Infrastructure and expand Offering to enable 4K high FPS

Freemium adoption to grow market awareness - Currently 670,000 Users

Deploy and Launch service in Australia, Retaining exclusivity



I WONDER IF THERE WILL BE OTHER USE CASES FOR RUNNING HIGH-END NVIDIA GPU'S AT SCALE IN THE NEAR FUTURE?



Increase Market Awareness



Adopt & Convert Users



Increase value offering to gamers. Layer commercial GPU revenue on idle capacity.



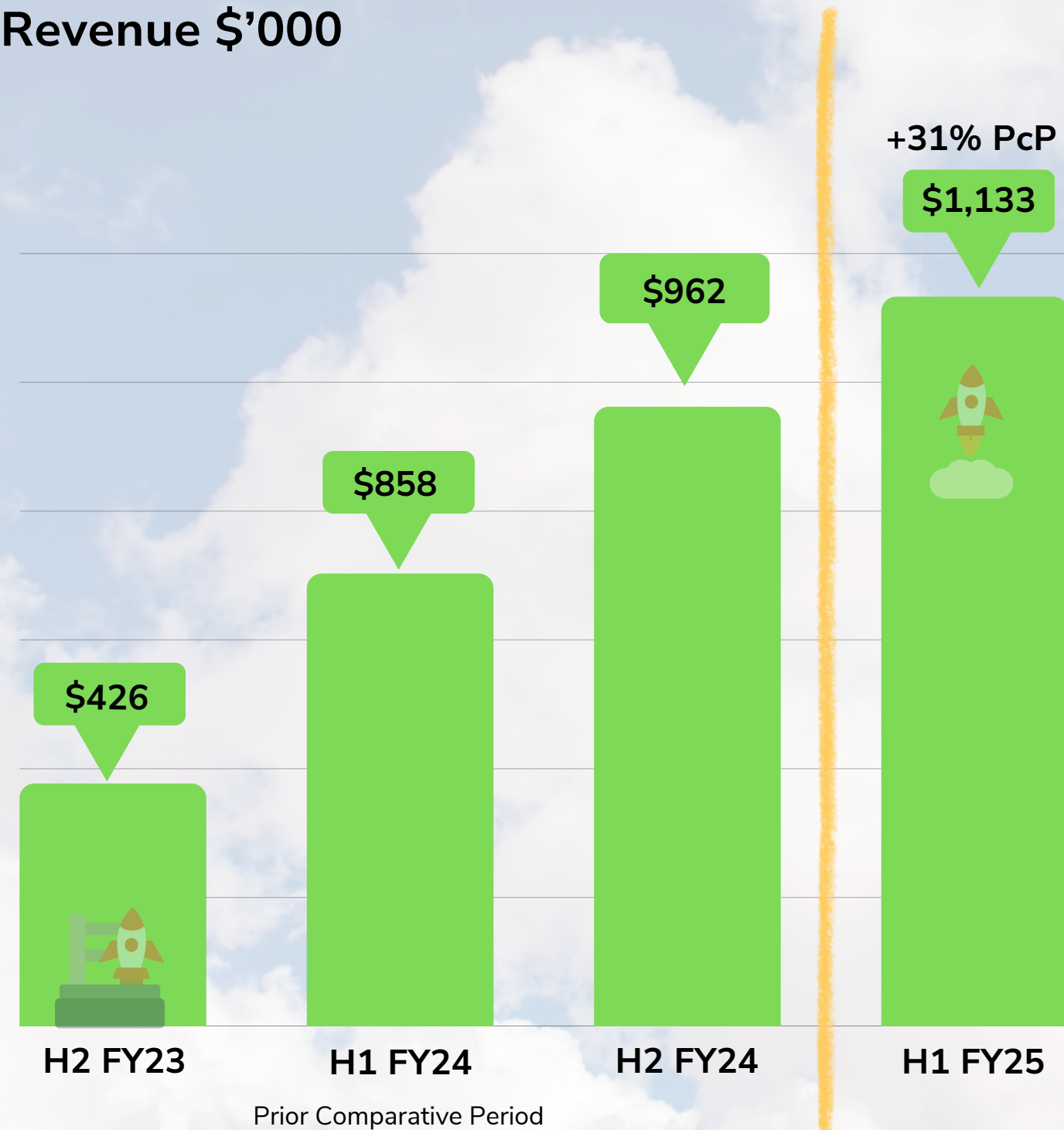
Scale. Expand. Optimise.

"If you build it, they will come!" - Ray Kinsella

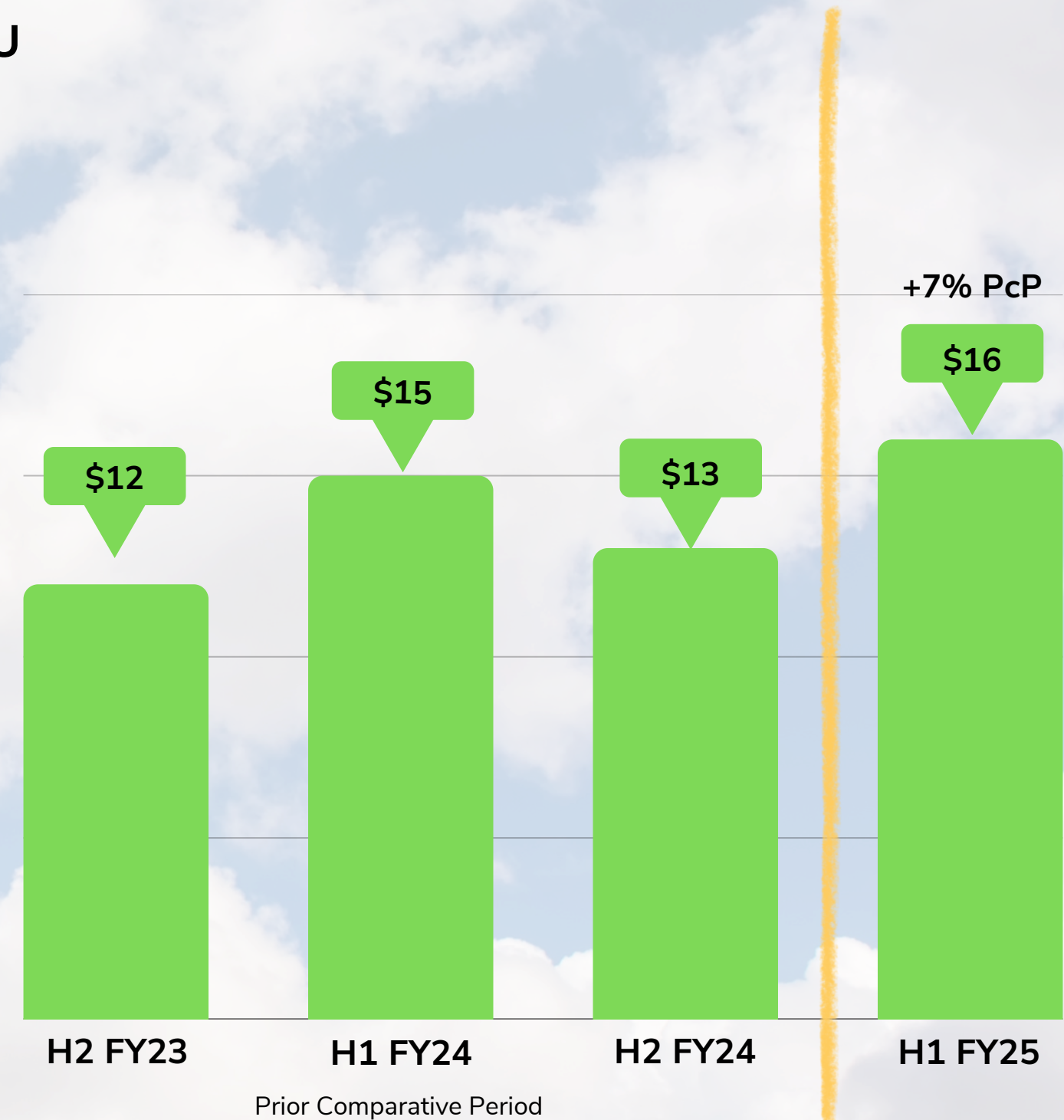


# Cloud accretion, driving growth across all metrics

Revenue \$'000

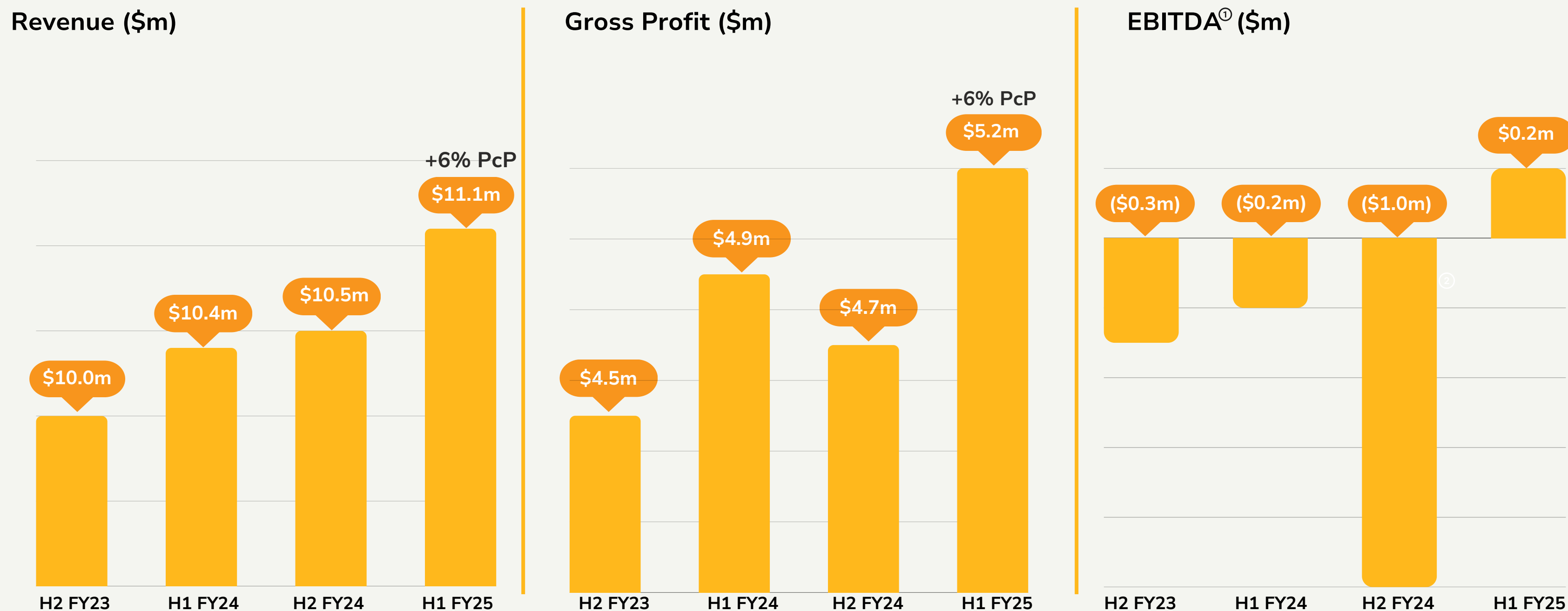


ARPU



Moving our cloud gaming market monetisation strategy into its next phase.

# Our strategy drove revenue and GP growth, EBITDA up \$0.4m on PcP



**Organic growth underpinned by optimised cost-efficiency and pricing strategies**

① **EBITDA** is a financial measure which is not prescribed by Australian Accounting Standard ('AAS') and represents the profit under AAS adjusted for depreciation, amortisation, interest and tax.

② Minor percentage variances may arise due to rounding and are not indicative of substantive discrepancies in the reported data.



# FINANCIAL RESULTS



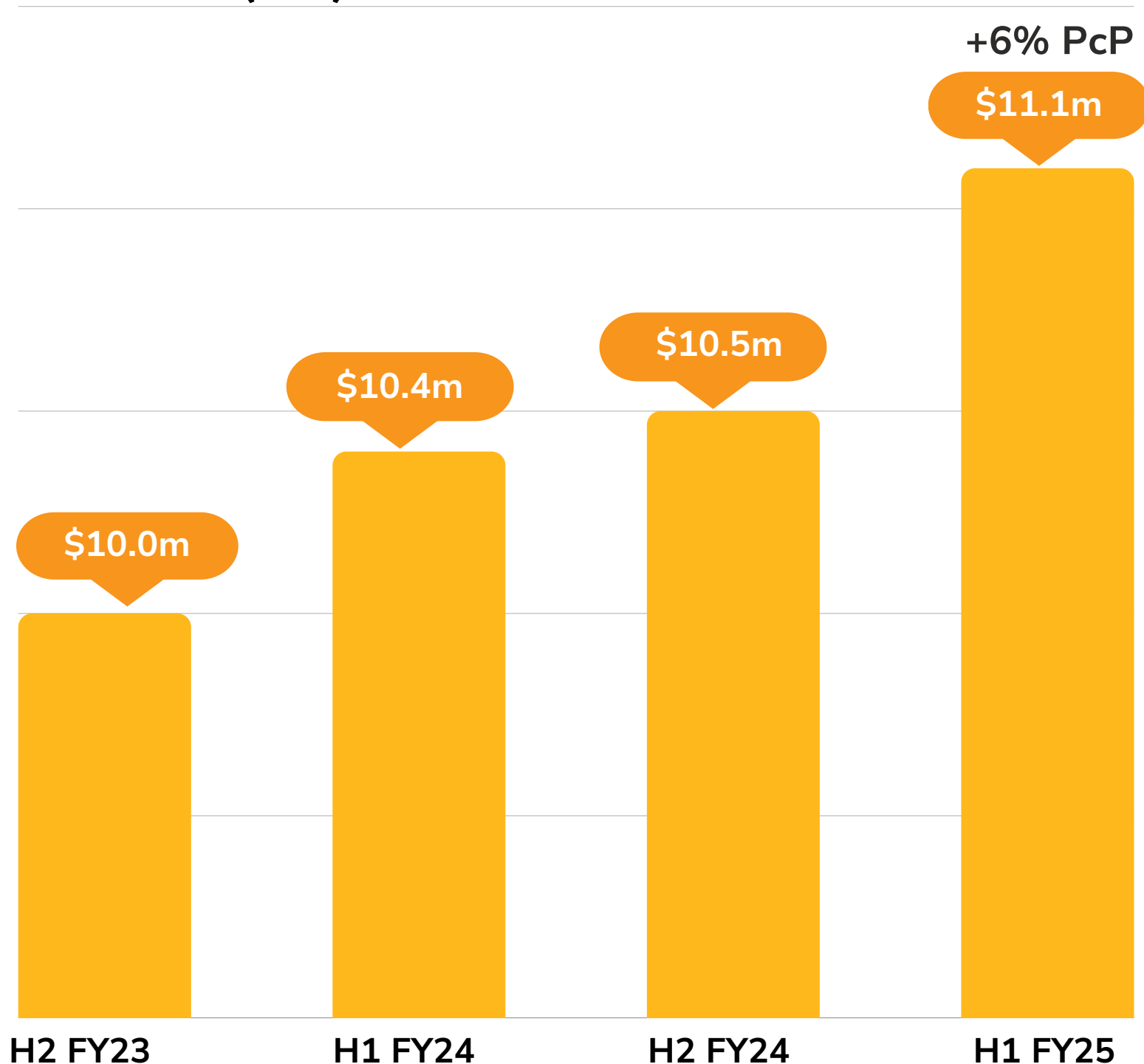
Implementing a robust first-half year strategy has proven instrumental in bolstering our business's financial position. By focusing on strategic direction, we identified and capitalized on key opportunities that enhanced our financial stability and growth. Through disciplined execution and adaptive management, we optimized our resources and streamlined operations, which resulted in increased revenue and profitability. As we look towards the remainder of the financial year, we are confident that our strengthened financial position will continue to grow.



**MART DERMAN**  
**CHIEF FINANCIAL OFFICER**

# Consolidated revenue update across segments

## Revenue (\$m)

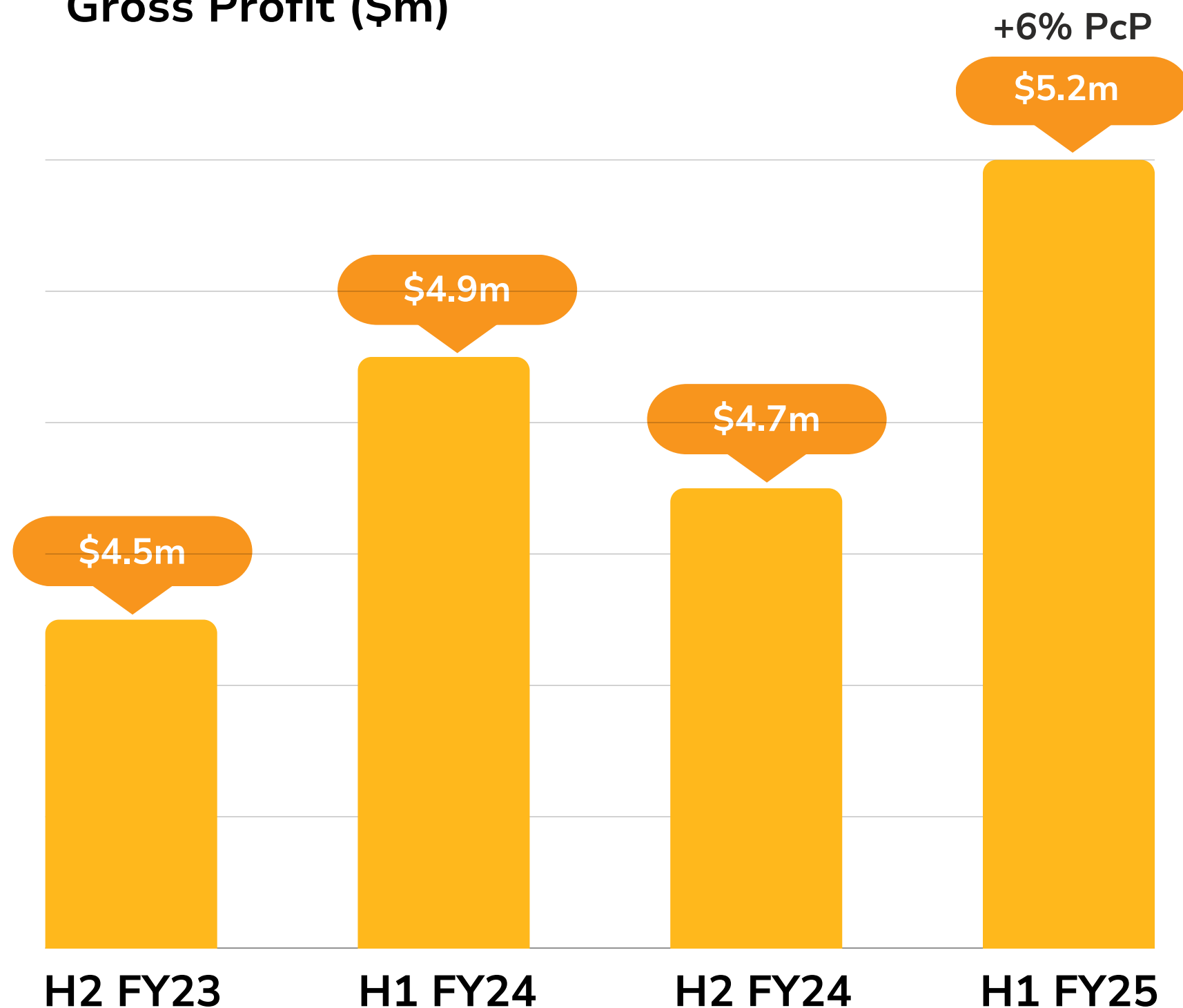


- **Group revenue** grew by 6% QoQ and 10% on PcP to \$11.1 million
- **GeForce NOW** revenue saw a significant increase, up 31% on PcP, driven by a combination of membership growth and the implementation of price increases across key monthly plans
- **Telecommunications recurring revenue** showed consistent performance, growing by 4% on PcP, in line with ongoing subscriber growth across the network
- **Non-recurring telecommunications revenue** increased by 15% PcP, supported by increased hardware sales and setup fees during the period



# Consolidated gross profit update across segments

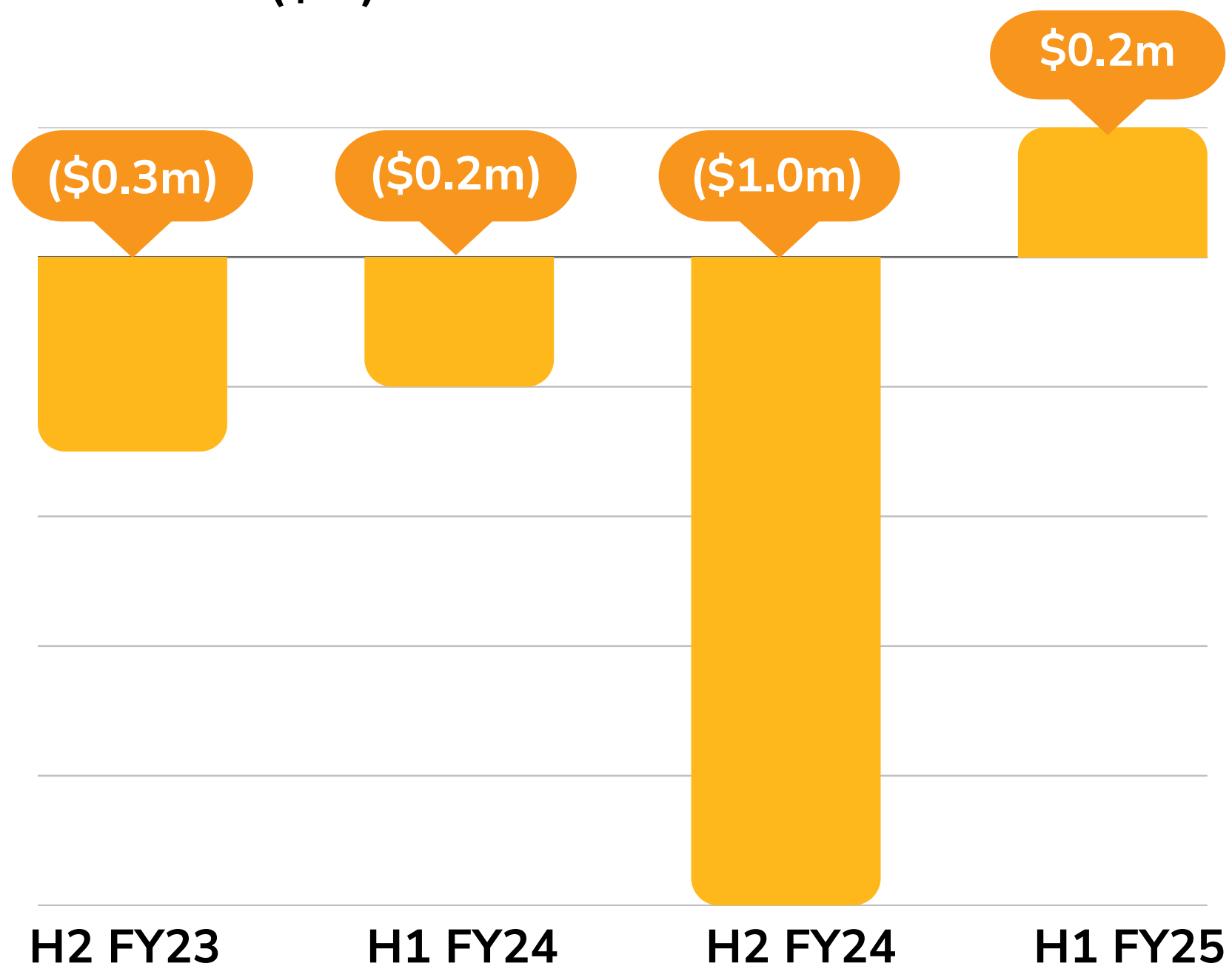
## Gross Profit (\$m)



- **Gross profit improved** in line with revenue growth, reflecting strong operational performance and effective cost management initiatives across the business.
- **Consolidated gross profit** is up 6% on PcP to \$5.2 million for the quarter, driven by margin expansion in the telecommunications and gaming segments.
- **GeForce NOW gross profit** recorded notable improvements, benefiting from higher ARPU and cost optimisation strategies that increased profitability. Gross margin is up 14pp to 44% on PcP
- **Telecommunications gross profit** remained stable at 47%

# EBITDA improvement driven by strategic priorities: revenue gains and cost optimisation

EBITDA<sup>①</sup> (\$m)



- **EBITDA** improved by \$0.4m QoQ, reaching \$0.2 million, marking a positive result YTD
- **Revenue growth** across telecommunications and GeForce NOW contributed to the EBITDA uplift, reflecting good performance across both segments
- **Cost efficiencies**, achieved through platform subscription optimisations and supplier renegotiations, played a critical role in EBITDA improvement
- The company's restructuring efforts further improved operational efficiency, aligning resources with **strategic priorities in 5G expansion** and subscriber growth

\*Adjusted for a one-off restructure cost of \$0.25 million, EBITDA shows a \$1.25m QoQ increase.



# Wrapping up, key takeaways



Delivering First EBITDA<sup>①</sup> H1 FY25



Aim to doubling of 5G coverage across FY25 is on track



Increased NVIDIA Cloud GPU Optimisation



We expect financial growth to continue across H2 FY25

<sup>①</sup> EBITDA is a financial measure which is not prescribed by Australian Accounting Standard ('AAS') and represents the profit under AAS adjusted for depreciation, amortisation, interest and tax.

# Q & A





# Glossary

## **ARPU (Average Revenue Per User)**

A key performance indicator that calculates the average revenue generated per user or subscription over a specific period, often used to measure the revenue of individual customers. ARPU is calculated.

## **CAC (Customer Acquisition Cost)**

The total marketing cost associated with acquiring a new customer, including expenses for marketing and other related efforts, is divided by the number of new customers gained.

## **CPE (Customer Premises Equipment)**

Devices located at a customer's premises and used to access telecommunications or internet services, such as routers, modems, or set-top boxes.

## **Churn**

Churn is the rate at which customers discontinue their subscriptions or services with the company over a specific period, often expressed as a percentage. It is calculated by dividing the number of customers lost during a period by the total number of customers for that period.

## **FPS (Frames Per Second)**

A measurement of how many individual frames are displayed per second in a video or game. Higher FPS typically results in smoother motion and better visual performance.

## **EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortisation)**

A financial metric measures a company's operational profitability by excluding the effects of financing and non-cash expenses. EBITDA is a financial measure which is not prescribed by Australian Accounting Standard ('AAS') and represents the profit under AAS adjusted for depreciation, amortisation, interest and tax.

## **GPU (Graphics Processing Unit)**

A specialised electronic circuit designed to accelerate the rendering of images, video, and 3D graphics, widely used in gaming, AI, and cloud computing applications.

## **PcP (Prior Corresponding Period)**

A comparison of a company's performance or metric in a given period to the same period in the previous year, providing insights into year-over-year trends.

## **pp (Percentage Points):**

A unit used to describe the absolute difference between two percentages.

## **QoQ (Quarter-on-Quarter)**

A comparison of a company's performance or metric between one fiscal quarter and the immediately preceding quarter, used to assess short-term trends.

## **Subscribers:**

The number of individuals actively enrolled in and paying for a company's services on a recurring basis.

## **YTD (Year-to-Date):**

A time-based metric that refers to the period starting from the beginning of the current calendar or fiscal year up to the present date. It is often used to measure performance or progress over the year.