2025 Annual Report

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

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CORPORATE DIRECTORY

DIRECTORS
Hugh Robertson Jnr (Chairperson)
Joseph Demase (Managing Director)
Natalie Mactier (Non-Executive Director)
Chris Scott (Non-Executive Director)

COMPANY SECRETARY
Adam Gallagher

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

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
Automic Group
Suite 5 Level 12
530 Collins Street
Melbourne VIC 3000

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

INTERNET ADDRESS
5gnetworks.au

150km

of fibre (Sydney, Melbourne, Brisbane, Adelaide)

5

Data Centres, total rack capacity 1,500

12

Offices around Australia, 90 Field Techs

75+

On-net buildings and 51 DCs

4

Private Cloud Zones
Memory 23.83TB
Storage 1.63PB

550

Bare Metal Servers

6

Peering Points,
547 IPV4 Peers
IP Transit
850 Gbps Capacity

600Gb

DDOS Mitigation
AUD, SGP, LA, NZ

"Our strength lies not in choosing between services and infrastructure, but in uniting them. Secure networks, sovereign cloud, and cyber expertise together create the foundation for Australia's digital future."

5G networks

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 progress for the financial year ended 30 June 2025. FY25 was a pivotal year for 5G Networks — a year of transformation, disciplined execution, and strategic expansion into cyber security. We delivered positive EBITDA, strengthened our balance sheet, and broadened our core infrastructure and services portfolio, positioning the Group for sustainable long-term growth.

STRENGTHENING CORE OPERATIONS

Our strategy remains centred on high-value, resilient business units where 5GN holds competitive advantage:

- **Advanced Telecommunications Services:** We continue to operate and expand our nationwide and international fibre and data networks, serving both enterprise and wholesale markets. These assets provide the backbone for cloud, data centre, and managed services delivery.
- **Cloud and Data Centres:** Our owned and operated facilities across Melbourne, Sydney, Brisbane, and Adelaide — with more than 1,200 racks — remain integral to our offering. Re-pricing initiatives and expanded capacity contributed to growth in FY25.
- **Managed IT and Cyber Security Services:** The acquisition of AUCyber has deepened our expertise in sovereign cloud and cyber security. Together with our existing managed IT services, we now serve more than 2,500 corporate clients and 100 wholesale partners, with growing demand from government and critical industries.

STRATEGIC TRANSACTIONS: EXPANSION AND PORTFOLIO FOCUS

This year we executed disciplined capital allocation and portfolio moves.

AUCyber Acquisition

In February 2025, we acquired a controlling stake in AUCyber (ASX: CYB), with total purchases of $19.3 million during the year taking our ownership to 89.6% at 30 June 2025. This investment has been immediately revenue accretive, contributing $9.7 million revenue in just five months. It positions 5GN as a key provider of sovereign cloud and security services..

Capital Return

We returned $4.6 million to shareholders through our on-market buyback while maintaining balance sheet strength.

The Board has also initiated a strategic review of AUCyber, assessing how closer integration can unlock operational synergies and long-term value. We view cyber security as a significant growth vector, highly complementary to our infrastructure and managed services.

FINANCIAL PERFORMANCE REVIEW

The Group's financial performance highlights the effectiveness of our refined focus:

- **Revenue Growth:** Continuing operations grew 8% to $53.0 million. Including AUCyber, consolidated revenue rose 27% to $62.6 million.
- **Gross Profit:** Increased 5.1% to $29.9 million, representing a robust 47.8% margin, the calculation of which is defined in Note 4.
- **Underlying EBITDA Turnaround:** Delivered underlying EBITDA of $3.2 million, a $5.7 million improvement year-on-year.
- **Cash and Capital Position:** Closed the year with $29.3 million cash, after funding the AUCyber acquisition and buyback.

This performance reflects both organic growth across Enterprise and Wholesale segments, and the contribution of AUCyber.

OUTLOOK

Looking ahead to FY26, the Board and management remain focused on:

- Completing the integration and considering full ownership of AUCyber.
- Scaling enterprise and wholesale revenue through expanded data centre and cloud capacity.
- Leveraging cyber expertise to secure government and critical industry contracts.
- Maintaining capital discipline while investing in infrastructure and customer reach.

Yours sincerely,

Hugh Robertson Jnr
Chair

“We don’t just operate infrastructure — we safeguard trust. By combining cyber resilience with national networks and data centres, we are building a platform for growth that our customers, shareholders and communities can rely on.”

5G® networks

MANAGING DIRECTOR'S REVIEW

5G NETWORKS AND STRATEGIC DEVELOPMENTS

As we reflect on the financial year ended 30 June 2025, it is clear that 5G Networks has taken another decisive step forward. FY25 was a year of disciplined execution, strong financial performance, and a strategic expansion into cyber security, reinforcing our position as a trusted provider of critical telecommunications infrastructure, cloud services, and managed IT.

PRINCIPAL ACTIVITIES

Our Group's activities continue to be centred around the delivery of essential infrastructure and services:

- **Telecommunications Services:** Through 5GN, we provide carrier-grade services to enterprise and wholesale customers across Australia and internationally. Our operations include fibre networks, private cloud solutions, and managed IT services, supporting more than 2,500 enterprise clients and 100 wholesale partners.
- **Cloud and Data Centres:** Our owned and operated facilities in Melbourne, Sydney, Brisbane, and Adelaide, with a combined capacity of more than 1,200 racks, remain critical to client success. Re-pricing and capacity expansion during FY25 supported sustained growth.
- **Managed IT and Cyber Security:** With the acquisition of a controlling stake in AUCyber, we have significantly strengthened our sovereign cloud and cyber capabilities. These services are increasingly critical for government and industry clients, aligning closely with our managed IT offerings.

STRATEGIC DEVELOPMENTS

Acquisitions:

AUCyber Acquisition: In February 2025, we acquired a controlling stake in AUCyber (ASX: CYB), with total purchases of $19.3 million during the year taking our ownership to 89.6% at 30 June 2025. This investment has been immediately revenue accretive, contributing $9.7 million revenue in just five months. It positions 5GN as a key provider of sovereign cloud and security services. A Board-led strategic review is now assessing pathways to full ownership and deeper integration.

Capital Management:

- **Share Buyback:** We returned $4.6 million to shareholders via our on-market share buyback, underlining our commitment to shareholder value.
- **Strong Balance Sheet:** Despite this capital return and the AUCyber investment, we closed FY25 with $29.3 million in cash, providing flexibility for future growth.

FINANCIAL PERFORMANCE

Our FY25 results reflect the success of our refined focus and disciplined execution:

- **Revenue:** Revenue from continuing operations grew 8% to $53.0 million. Including AUCyber, consolidated revenue rose 27% to $62.6 million.
- **Gross Profit:** Increased 5.1% to $29.9million, delivering a solid 47.8% margin, the calculation of which is defined in Note 4.
- **Underlying EBITDA:** Delivered positive EBITDA of $3.2 million, a $5.7 million turnaround year-on-year.
- **Enterprise and Wholesale Growth:** Enterprise revenue rose 30.3% to $42.3 million, while wholesale grew 20.5% to $20.3 million, driven by large-scale Asia-Pacific contracts.

CONCLUSION

FY25 marks a turning point for 5G Networks. We delivered a return to positive EBITDA, successfully expanded into sovereign cloud and cyber security, and maintained a strong capital position. These achievements would not have been possible without the dedication of our Board, Executive Team, and employees across Australia and abroad.

I would also like to thank our customers for their continued trust in 5G Networks to deliver and safeguard the critical infrastructure that underpins their success.

Together, we are building a stronger, more resilient company, positioned to create sustainable value for shareholders while enabling our clients to thrive in a digital-first economy.

Yours sincerely,

Joseph Demase
Managing Director


NEXTDC
Macquarie Park
FUJITSU
North Ryde
Chatswood
Telstra
IDC
AIRTRUNK
5G networks
St Leonards
Capacity Volume
Lane Cove
OPTUS
North Sydney
Balmain
BRENNAN IT
5G networks
Pyrmont
Capacity Volume
GLOBAL SWITCH
Darlinghurst
macquarie DATA CENTRES
AAPT
SYDNEY
Alexandria
EQUINIX
VOCUS
Mascot

KEY MILESTONES & ACHIVEMENTS

- Revenue excluding AUCyber contribution increased 8% to $53.0 million.
- Total consolidated revenue including AUCyber contribution rose 27% to $62.6 million.
- Gross profit increased 5.1% to $29.9 million (47.8% gross margin).
- Underlying EBITDA of $3.2 million, a turnaround of $5.7 million year-on-year (AUCyber contributed a net loss of $500k for the period).
- Cash position of $29.3 million as at 30 June 2025, after $19.3 million acquisition of AUCyber and $4.6 million share buyback.
- Acquired controlling stake (89.6%) in AUCyber (ASX:CYB), expanding into sovereign cloud and cyber security.
- Enterprise revenue up 30.3% to $42.3 million, supported by $9.6 million contribution from AUCyber.
- Wholesale revenue up 20.5% to $20.3 million, driven by large Asia-Pacific contracts.

DIRECTOR'S REPORT

Your Directors submit their report for the year ended 30 June 2025.

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

DIRECTORS

Mr. J. Demase
Ms. N. Mactier
Mr. J. Ashton (resigned 2 May 2025)
Mr. H. Robertson Jr (appointed 28 November 2024)
Mr C. Scott (appointed 9 May 2025)
Mr J. Gangi (resigned 13 August 2024)

MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER

Mr. J. Demase

CHIEF FINANCIAL OFFICER

Mr. K. Donovan (appointed 25 August 2025)
Mr. G. Dymond (resigned 13 September 2024)

COMPANY SECRETARIES

Mr A. Gallagher (appointed 2 September 2025)
Mr. M. Wilton (resigned 2 September 2025)
Mr. G. Dymond (resigned 13 September 2024)

DETAILS OF DIRECTORS' EXPERIENCE, EXPERTISE AND DIRECTORSHIPS

Directors in office during the period are presented below:

HUGH ROBERTSON JNR

Non-Executive Director and Chair (appointed 28 November 2024)

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

Experience and Expertise

Hugh Robertson Jnr is a Director, Corporate Advisory at Morgans Financial Limited, where he works with clients across various industries, including financial services, technology, and FMCG. With expertise in equity capital markets, business development, strategic planning, and corporate finance, he has a robust track record in capital raising and advising on financial management. Prior to Morgans, Hugh was a Director, Corporate Finance at Bell Potter Securities, he was involved in initial public offerings (IPOs), capital raisings, mergers, acquisitions, and divestments for public entities. His leadership in managing multiple high-profile capital raises for both public and private companies at Morgans Financial further highlights his proficiency in managing complex financial transactions for publicly listed organisations.

Other Current Listed Company Directorships

Health and Plant Protein Group Limited (ASX: HPP)
AUCyber Limited (ASX: CYB)

Former Listed Company Directorships in Last Three Years

Nil

JOSEPH DEMASE

Managing Director & CEO since 2020

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 skillfully 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

AUCyber Limited (ASX: CYB)

Former Listed Company Directorships in Last Three Years

Nil

DIRECTOR'S REPORT

NATALIE MACTIER

Non-Executive Director since 2020 and
Chair from 14 August 2024 to 28 November 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

CHRIS SCOTT

Non-Executive Director (appointed 9 May 2025)

Experience and Expertise
Chris Scott is a seasoned leader with over 25 years' experience in elite performance, strategic leadership, and cultural transformation. As the current Head Coach of the Geelong Football Club since 2011, Chris has driven one of the most successful eras in modern AFL history, underpinned by a disciplined, values-driven approach to leadership and team development. His earlier career included a successful playing tenure with the Brisbane Lions during their premiership era (1994–2007), followed by an assistant coaching role at the Fremantle Football Club. Chris is widely regarded for his expertise in people management, leadership development, and building high performing teams in complex, competitive environments. His corporate and academic credentials include executive education programs at Harvard University (3), Stanford University, New York University (2), Columbia University, and The Wharton School at the University of Pennsylvania, where he completed the Maximising Your Effectiveness in the Boardroom governance program.

Other Current Listed Company Directorships
Nil

Former Listed Company Directorships in Last Three Years
Nil

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
Nil

DIRECTOR'S REPORT

JASON ASHTON
Non-Executive Director (resigned 2 May 2025)
Chair of the Nomination & Remuneration Committee and Former 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
Nil

COMPANY SECRETARIES

MR ADAM GALLAGHER
Company Secretary since 2 September 2025

Adam is a highly experienced company secretary, director and executive with a broad corporate skill-set and provides governance services to listed companies through his firm Applied Corporate Governance Partners. Adam holds a Bachelor of Economics, Master in Commerce, Graduate Diploma in Information Systems and Graduate Diploma in Applied Corporate Governance and is a Fellow of the Governance Institute of Australia.

MR MICHAEL WILTON
Company Secretary since 2020
(resigned 2 September 2025)

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.

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.

PRINCIPAL ACTIVITIES

The Group's principal activities during the period were:

- the supply of cloud-based solutions, managed services; cyber services and network services
- the operation of fibre and wireless infrastructure and management of cloud computing environment
- the operation of data centre facilities.

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

Deer Park
DIGITAL REALTY
Derrimut
EQUINIX
AIRTRUNK
Capacity
Volume
5G networks
MDC
NEXTDC
Melbourne CBD
VOCUS
DXN
EQUINIX
NEXTDC
Interactive
HANSEN TECHNOLOGIES
Port Melbourne
MELBOURNE

DIRECTOR’S REPORT

REVIEW OF OPERATIONS AND RESULTS – CONTINUING OPERATIONS

	Year ended	
	30-Jun-25 $'000	30-Jun-24 $'000
CONTINUING OPERATIONS		
Total revenue from contracts with customers	62,634	49,336
Underlying EBITDA[1] from Continuing Operations	3,242	(2,532)
Loss after tax from continuing operations	(10,136)	(28,008)
Profit after tax from discontinued operations	-	77,424
Profit/(Loss) after tax attributable to members of the parent	(9,744)	49,416

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 revenue from continuing operations was $53.0 million, representing 8% growth on the prior period. Including AUCyber’s contribution, total consolidated revenue was $62.6 million. Growth was driven by Cloud, Networks & Data Centres, and Managed Services, supported by contract re-pricing, organic sales execution, and the initial contribution from AUCyber. Enterprise revenue rose 30.3% to $42.3 million, and Wholesale revenue increased 20.5% to $20.3 million, underpinned by Asia-Pacific wins. Gross profit increased 5.1% to $29.9 million (47.8% margin) the calculation of which is defined in Note 4.

The Group delivered an Underlying EBITDA of $3.2 million, a $5.7 million turnaround year-on-year, reflecting improved operating leverage, mix, and cost discipline. The Group closed the year with cash of $29.3 million after funding the AUCyber acquisition and executing the on-market buyback.

The Board has commenced a strategic review of the Group’s investment in AUCyber to assess deeper integration and potential full ownership, given the structural growth in sovereign cloud and cyber security and the strong adjacency to Managed IT services.

KEY STRATEGIC AND FINANCIAL HIGHLIGHTS – YEAR ENDED 30 JUNE 2025

- Return to positive Underlying EBITDA of $3.2 million (YoY turnaround of $5.7 million).
- Revenue growth: $53.0 million from continuing operations (+8%); $62.6 million consolidated including AUCyber.
- Gross profit: $29.9 million (47.8% margin).
- AUCyber acquisition: 89.6% controlling stake acquired for $19.3 million; $9.7 million revenue contribution in five months; expansion into sovereign cloud and cyber.
- Segment momentum: Enterprise +30.3% to $42.3m; Wholesale +20.5% to $20.3m, supported by Asia-Pac contracts and DC re-pricing.
- Capital management: $4.6 million returned via on-market buyback; year-end cash $29.3 million.
- Strategic review: Board-led process on AUCyber integration and potential full acquisition underway.

Note: FY24 divestments (Domains Business; WME) and associated MSA/TSA arrangements were completed in the prior period and are not repeated here, other than where relevant to ongoing service delivery.

MANAGEMENT PERFORMANCE MEASURES – UNDERLYING EBITDA

The Group makes use of a management performance measure, “Underlying EBITDA” (Earnings before Interest, Tax, Depreciation and Amortisation). Underlying EBITDA aids users in assessing the Group’s underlying business performance after adjusting for non-recurring and unusual items affecting period-to-period comparability. It is the primary internal financial performance indicator used for business decisions and remuneration outcomes.

Underlying EBITDA is a non-IFRS, unaudited measure and may not be comparable to similarly titled measures used by other entities. For FY25, the Group recorded Underlying EBITDA of $3.2 million (FY24: loss, improved by $5.7 million). A detailed reconciliation to statutory IFRS measures (profit before tax) will be provided in the financial statements notes.

	Year ended	
	30-Jun-25 $'000	30-Jun-24 $'000
CONTINUING OPERATIONS		
(Loss) / profit before tax	(19,893)	(30,093)
Depreciation and amortisation expense	7,125	7,650
Share based expenses	1,829	1,885
Finance costs (excl. bank charges and merchant fees)	1,169	2,643
Non-recurring costs	2,479	8,315
Impairments of financial assets, goodwill, fixed assets and intangible assets	7,125	6,911
Loss on sale of businesses and investments	-	157
Net (Gain) / Loss on FV of Financial Instruments	**(435)**	
Loss on remeasurement of Assets held for sale	**3,339**	
Underlying EBITDA	**3,242**	**(2,532)**

DIRECTORS' REPORT

ACQUISITIONS AND INVESTING ACTIVITIES

AUCyber (ASX: CYB): In January 2025, the Group acquired 89.6% of AUCyber for $19.3 million, extending capabilities into sovereign cloud and cyber security. The acquisition was immediately revenue accretive, adding $9.7 million revenue in five months and enhancing the Group's positioning with Government and critical national industries. Integration is underway in parallel with the Board's strategic review.

Infrastructure investment: The Group continued to invest in data centre and cloud capacity to support Enterprise and Wholesale growth and to underpin cyber-adjacent managed services.

CAPITAL STRUCTURE

On-market share buyback: The Group returned $4.6 million to shareholders during FY25. Year-end cash was $29.3 million, providing balance sheet strength to pursue disciplined growth and integration initiatives.

Debt: The Group maintained a conservative funding position through FY25, consistent with the objective of preserving flexibility for infrastructure scaling and strategic options. (See notes to the accounts for facility details)

MATERIAL BUSINESS RISKS

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

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 development, 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 it 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.

DIRECTORS' REPORT

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 Company's balance sheet remains well capitalised with $29.3m of cash. In the event that the Company required debt to fund ongoing operations, 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

DIRECTORS' REPORT

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

No Dividends were paid during the period.

SIGNIFICANT EVENTS AFTER REPORTING DATE

Following the release of AuCyber Limited's (ASX:CYB) Annual Report on 26 August 2025, 5GN has made additional on-market purchases utilising section 611 of the Corporations Act 2001 (Cth) ("Corporations Act") ("3% creep rule"). Under the 3% creep rule, in the six months commencing 29 August 2025, 5GN may purchase up to 92.86% of CYB's issued shares.

5GN has six months from 3 September 2025 in which it may exercise its general compulsory acquisition power pursuant to section 664A of the Corporations Act to acquire the remainder of CYB's issued ordinary shares. The Board of 5GN has not yet determined if it will exercise this power.

Other than the above, there has not been any 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.

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 6 and 8 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.

DIRECTORS' REPORT

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 2025, and the numbers attended by each Director were:

	Full meetings of Directors		Meetings of Committees			
			Audit & Risk		Nomination & Remuneration	
Number of meetings held	**19**		**3**		**3**	
Name of Director	**Eligible**	**Attended**	**Eligible**	**Attended**	**Eligible**	**Attended**
Hugh Robertson Jnr	10	10	2	2	1	1
Joseph Demase	19	19	3	3	3	3
Natalie Mactier	19	17	3	3	3	3
Chris Scott	3	3	1	1	0	0
Jason Ashton	15	14	2	2	3	3
Joseph Gangi	2	2	0	0	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	
	2025 $	2024 $
Other Assurance Services		
Due Diligence Services	35,504	48,107
Total Remuneration for Other Assurance Services	**35,504**	**48,107**
Taxation Services		
Tax Compliance Services	-	181,958
Total Remuneration for Taxation Services	**-**	**181,958**
Total Remuneration for Non-Audit Services	**35,504**	**230,065**

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 37.

DIRECTORS' REPORT

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:

Hugh Robertson Jnr
Chair
25 September 2025


5G
F
E
Capacity
Volume
5G networks
DCI
BRENNAN IT
NEXTDC
EQUINIX
Fortitude Valley
OvertheWire
Spring Hill
NEXTDC
CITEC
AAPT
Brisbane CBD
iseek
Data Centres · Cloud · Connectivity
BRISBANE

REMUNERATION REPORT

The Directors present the 5G Networks Limited 2025 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:

- Hugh Robertson Jnr – Non-Executive Chair (appointed 28 November 2024)
- Joseph Demase – Managing Director
- Natalie Mactier – Non-Executive Director (Chair from 14 August 2024 to 28 November 2024)
- Chris Scott – Non-Executive Director (appointed 9 May 2025)
- Jason Ashton – Non-Executive Director (resigned 2 May 2025)
- Joseph Gangi – Non-Executive Director (Chair until resignation on 13 August 2024)

Other Key Management Personnel:

- Chris Wright – Chief Operating Officer (appointed 1 March 2025)
- Glen Dymond – Chief Financial Officer and Company Secretary (resigned 13 September 2024)

Mr Kieran Donovan was appointed Chief Financial Officer on 25 August 2025.

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.

REMUNERATION REPORT

Measure	2025 $'000	2024 $'000	2023 $'000	2022 $'000	2021[1] $'000
Underlying EBITDA from continuing operations[2]	3,237	(2,532)	(9,630)	17,561	11,928
Net profit/(loss) after tax	(10,136)	49,416	(19,109)	(24,738)	(61,922)
	2025 Cents	**2024 Cents**	**2023 Cents**	**2022 Cents**	**2021[1] Cents**
Dividend per share	-	2.0	-	0.5	-
Change in share price	(1.0)	2.5	(8.5)	(26.5)	9.50
Share price close	14.0	15.0	12.5	21.0	47.5

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 FY25 were as follows:

KMP	STI targets for the year	STI achieved and forfeited for the year
Chris Wright	• Bi-annual performance-based bonus of up to $175,000 every 6 months. • Revenue retention bonus (50%) • Revenue growth bonus (50%)	• Achieved: 100% / $175,000 • Forfeited: 0% / $0 • Assessed by reference to the actual revenue performance for the half year ended 31 December 2024.
Glen Dymond	• Bonus in relation to the proposed sale of the 5GN business. • This target reflects the importance of this work to the Group.	• Achieved: 100% / $50,000 • Forfeited: 0% / $0 • Assessed by reference to the actual work undertaken.

Bonuses were paid in respect of FY25 on 14 October 2024 and 14 April 2025.

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 2025 the Group issued 4,000,000 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.

REMUNERATION REPORT

(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.

		Short Term Benefits				Post Employment Benefits	Share Based Payments	Other		
Name	Year	Cash Salary & Fees	Cash STI[1]	Annual Leave & Long Service Leave	Other[2]	Superannuation	Options & Performance Rights[3]	Termination Pay	Total	Performance Related[4]
		$	$	$	$	$	$	$	$	%
Managing Director										
Joseph Demase	**2025**	**324,423**	**-**	**25,577**	**2,043**	**29,932**	**1,562,193**	**-**	**1,944,168**	**80%**
	2024	210,449	-	22,885	6,200	22,891	1,014,469	-	1,276,894	79%
Other Management Personnel										
Chris Wright	**2025**	**116,667**	**175,000**	**-**	**1,353**	**6,453**	**78,479**	**-**	**377,952**	**67%**
	2024	-	-	-	-	-	-	-	-	N/A
Glen Dymond[5]	**2025**	**65,428**	**50,000**	**2,647**	**4,354**	**6,577**	**17,937**	**-**	**154,270**	**44%**
	2024	209,484	140,000	21,085	7,314	27,335	28,951	-	434,169	39%
Jonathan Horne[6]	**2025**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	2024	156,731	-	16,346	3,100	19,013	245,505	-	440,695	56%
Garry White[7]	**2025**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	2024	103,463	-	11,461	3,183	12,642	50,956	33,258	214,963	24%
John Stevens[8]	**2025**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	2024	175,000	-	1,154	3,900	17,977	4,024	17,394	219,449	2%
Total KMP excluding Non-Executive Directors	**2025**	**506,518**	**225,000**	**28,224**	**7,750**	**42,962**	**1,658,609**	**7,327**	**2,476,390**	**76%**
	2024	855,127	140,000	72,931	23,697	99,858	1,343,905	50,652	2,586,170	57%
Total Non-Executive Directors (Section E)	**2025**	**210,666**	**-**	**-**	**-**	**7,841**	**(32,430)**	**-**	**186,077**	**0%**
	2024	431,818	-	-	-	9,000	602,328	-	1,043,146	58%
Total KMP	**2025**	**717,184**	**225,000**	**28,224**	**7,750**	**50,803**	**1,626,179**	**7,327**	**2,662,427**	**70%**
	2024	1,286,945	140,000	72,931	23,697	108,858	1,946,233	50,652	3,629,316	57%

1. Represents STIs paid in relation to the 2025 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 Glen Dymond resigned on 13 September 2024.
6. Mr Jonathan Horne resigned on 20 December 2023.
7. Mr Garry White resigned on 30 November 2023.
8. Mr John Stevens resigned on 29 February 2024.

REMUNERATION REPORT

OPTIONS AND RIGHTS HELD

Name	Balance at 1 July 2024 or date of appointment	Grant Details			Vested	Vested and Exercisable	Exercised	Exercised	Lapsed	Balance at 30 June 2025
Key Management Personnel	No.	Grant Date	No.	Fair Value $'000	No.	No.	No.	Value $'000	No.	No.
Hugh Robertson Jnr	-	-	-	-	-		-	-	-	**-**
Joseph Demase	35,000,000	-	-	-	5,000,000	5,000,000	-	-	-	**35,000,000**
Natalie Mactier	4,500,000	-	-	-	1,500,000	1,500,000	-	-	-	**4,500,000**
Chris Scott[1]	250,000	-	-	-	-	-	-	-	-	**250,000**
Chris Wright	-	6/12/2024	4,000,000	337	-	-	-	-	-	**4,000,000**
Jason Ashton[2]	4,500,000	-	-	-	-	-	-	-	4,500,000	**-**
Joe Gangi[2]	4,500,000	-	-	-	-	-	-	-	4,500,000	**-**
Glen Dymond	1,100,000	-	-	-	1,100,000	1,100,000	-	-	-	**1,100,000**
KMP Total	**49,850,000**		**4,000,000**	**337**	**7,600,000**	**7,600,000**	**-**	**-**	**9,000,000**	**44,850,000**

1. These were existing options that Chris Scott held from 2022 - they were not issued in relation to remuneration for his role as director.
2. Jason Ashton & Joe Gangi resigned as Directors during the period and these options were forfeited

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

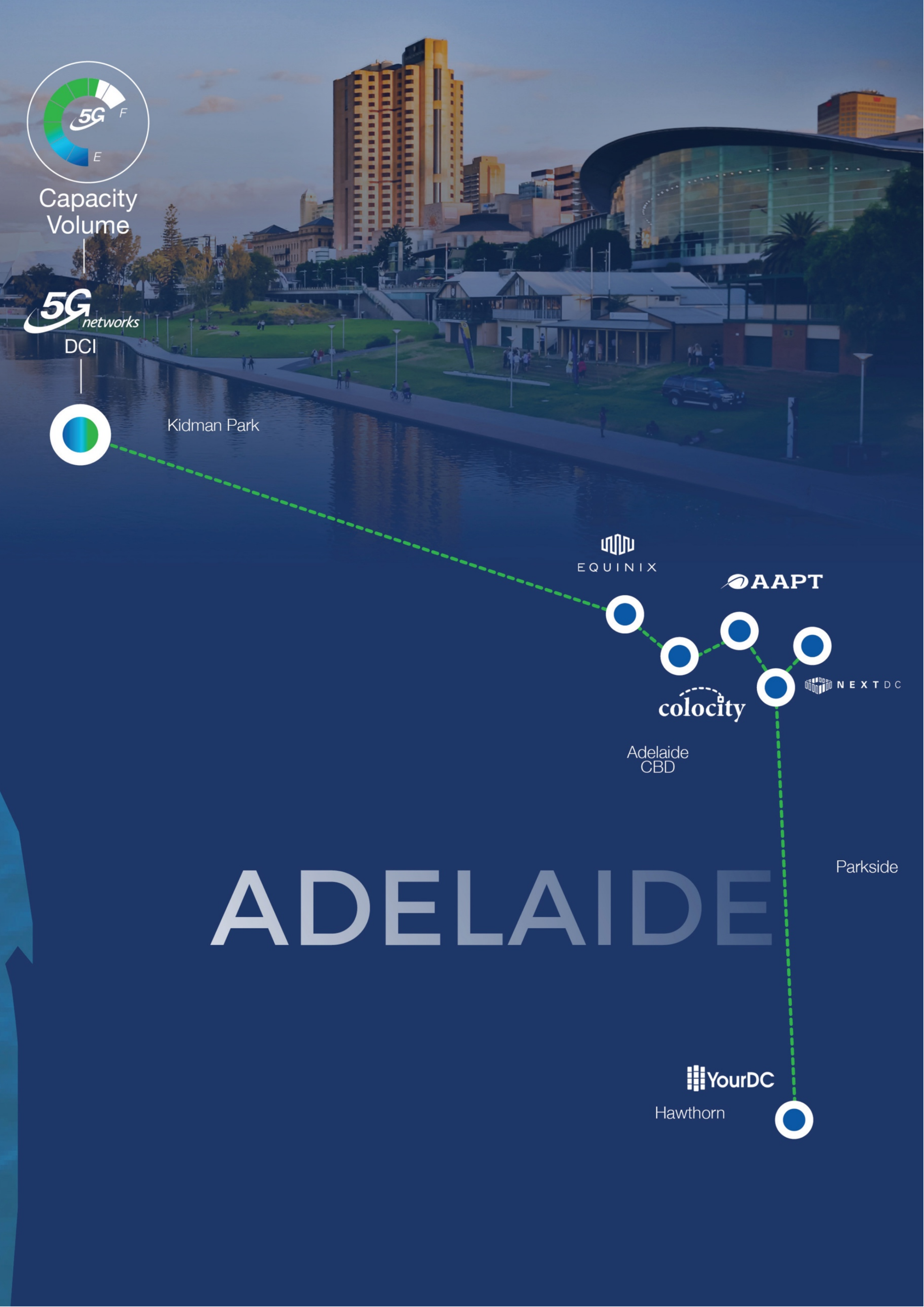
- Options – the completion of tenure periods of two and three years. There is no performance condition in relation to these options as the Board considers the service condition is sufficient.

The weighted average fair value per option is $0.15 for the 4,000,000 options granted during the period. The following table summarises information about performance rights and options held by KMP as at 30 June 2025.

5,000,000 performance rights and 2,850,000 options were exercisable at period end (2024: 5,000,000 performance rights and 4,800,000 options):

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	1,500,000	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**
2022 Options	250,000	03/10/2022	03/10/2023	03/10/2025	**$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	3,000,000	07/12/2023	07/12/2025	07/12/2028	**$0.11**
2024 Options - Executive	2,000,000	06/12/2024	06/12/2026	06/12/2029	**$0.15**
2024 Options - Executive	2,000,000	06/12/2024	06/12/2027	06/12/2029	**$0.15**
	44,850,000				**$0.21**

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


5G
F
E
Capacity
Volume
5G networks
DCI
Kidman Park
EQUINIX
AAPT
colocity
NEXTDC
Adelaide
CBD
ADELAIDE
Parkside
YourDC
Hawthorn

REMUNERATION REPORT

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
2024 Options	$0.170	4.9%	94.0%	3.76%	$0.08
2024 Options	$0.170	4.9%	94.0%	3.75%	$0.09

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 fees for Hugh Robertson Jnr are paid 50% In cash and 50% in fully paid ordinary shares in the Company. For the period 28 November 2024 to 30 November 2025 the share price will be the lower of 15 cents per share and the 5-day VWAP on the day immediately prior to issue. For periods on and after 1 December 2025 the share component will be at risk and subject to quarterly vesting hurdles and the share price will be the 5-day VWAP on the day immediately prior to issue. The issue of shares is subject to shareholder approval and if shareholder approval is not obtained by the time of Company's AGM each year the share component will be paid in cash. No shares have been issued as at the date of this report.

The fees for Chris Scott are paid 50% in cash and 50% in fully paid ordinary shares in the Company. The share component will be at risk and subject to quarterly vesting hurdles and the share price will be the 5-day VWAP on the day immediately prior to issue. The issue of shares is subject to shareholder approval and if shareholder approval is not obtained by the time of Company's AGM each year the share component will be paid in cash. No shares have been issued as at the date of this report.

REMUNERATION REPORT

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 & Performance Rights	Total	Performance related
		$	$	$	$	$	$	$	%
Non-Executive Directors									
Mr Hugh Robertson Jnr[1,5]	**2025**	**32,083**	**-**	**-**	**-**	**-**	**32,083**	**64,166**	**50%**
	2024	-	-	-	-	-	-	-	-
Ms Natalie Mactier	**2025**	**96,651**	**-**	**-**	**-**	**-**	**251,852**	**348,503**	**72%**
	2024	140,000	-	-	-	-	200,776	340,776	59%
Mr Chris Scott[2]	**2025**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	2024	-	-	-	-	-	-	-	-
Mr Joe Gangi[3]	**2025**	**13,750**	**-**	**-**	**-**	**-**	**(142,141)**	**(128,391)**	**0%**
	2024	160,000	-	-	-	-	200,776	360,776	56%
Mr Jason Ashton[4]	**2025**	**68,182**	**-**	**-**	**7,841**	**-**	**(142,141)**	**(66,118)**	**0%**
	2024	131,818	-	-	9,000	-	200,776	341,594	59%
Total	**2025**	**210,666**	**-**	**-**	**7,841**	**-**	**(347)**	**218,160**	**0%**
	2024	431,818	-	-	9,000	-	602,328	1,043,146	58%

1. Mr Hugh Robertson Jnr was appointed as Chair on 28 November 2024.
2. Mr Chris Scott was appointed on 9 May 2025.
3. Mr Joe Gangi resigned on 13 August 2024.
4. Mr Jason Ashton resigned on 2 May 2025.
5. The issue of shares is subject to shareholder approval and if shareholder approval is not obtained by the time of Company's AGM each year the share component will be paid in cash. No shares have been issued as at the date of this report.

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.

REMUNERATION REPORT

(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 2024 or Date of Appointment	Received on the Exercise of Option or Right	Net Other Changes	Balance at 30 June 2025
Directors				
Hugh Robertson Jnr[1]	-	-	280,000	280,000
Joseph Demase	58,668,719	-	-	58,668,719
Natalie Mactier	1,000,000	-	-	1,000,000
Chris Scott[2]	-	-	-	-
Joe Gangi[3]	7,745,040	-	(7,745,040)	-
Jason Ashton[4]	4,967,147	-	(4,967,147)	-
Total Directors	**72,380,906**	**-**	**(12,432,187)**	**59,948,719**
Other Management Personnel (OMP)				
Chris Wright	7,294,118	-	-	7,294,118
Glen Dymond[5]	1,239,813	-	(1,239,813)	-
Total OMP	**8,533,931**	-	**(1,239,813)**	**7,294,118**
Group Total	**80,914,837**	**-**	**(13,672,000)**	**67,242,837**

1. Mr Hugh Robertson Jnr was appointed on 27 November 2024.
2. Mr Chris Scott was appointed on 9 May 2025.
3. Mr Joe Gangi resigned on 13 August 2024.
4. Mr Jason Ashton resigned on 2 May 2025.
5. Mr Glen Dymond resigned on 13 September 2024.

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

The Company received 36.01% of 'yes' votes on its Remuneration Report for the financial year ending 30 June 2024, which constituted a 'first strike' for the purposes of the *Corporations Act 2001*. The Company received more than 75% favourable votes in relation to its 2023 Remuneration Report. The Company received no specific feedback on its 2024 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
Chris Wright	$350,000	Unspecified	6 months

REMUNERATION REPORT

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 no loans were provided under the Executive and Director Share Plan (2024: 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 2025.The loans are non-recourse.

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

	2025 $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 $41,791 (2024: $871,622) was paid to Studio Inc., an entity related to Joseph Demase, for the design of marketing materials for the Group. All transactions are carried at commercial third-party rates.

There were no other transactions with KMP during the year ended 30 June 2025.

End of Remuneration Report

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

Hugh Robertson Jnr
Chair
25 September 2025

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 & 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. The Company has not, during the reporting period, established measurable objectives for achieving gender diversity, nor does it disclose gender-based statistics. As such, the Company is not in full compliance with Recommendation 1.5 of the Governance Principles and Recommendations.	**Not Compliant**

CORPORATE GOVERNANCE STATEMENT

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: • Hugh Robertson Jnr (Committee Chair, Independent, Non-Executive Director); • Natalie Mactier (Independent, Non-Executive Director); • Chris Scott (Independent, Non-Executive Director); and • Joseph 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: • Hugh Robertson Jnr (Committee Chair, Independent Non-Executive Director); • Natalie Mactier (Independent, Non-Executive Director); • Chris Scott (Independent, Non-Executive Director); and • Joseph 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**

CORPORATE GOVERNANCE STATEMENT

Principles and Recommendations	Compliance	Comply
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 Hugh Robertson Jnr (Non-Executive Director, appointed 27 November 2024), Natalie Mactier (Non-Executive Director, appointed 22 October 2020) and Chris Scott (Non-Executive Director, appointed 9 May 2025) 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**
2.4 A majority of the Board should be independent directors.	The Board is presently comprised of four directors, of which three 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, Hugh Robertson Jnr, 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**

CORPORATE GOVERNANCE STATEMENT

Principles and Recommendations	Compliance	Comply
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**
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: • Hugh Robertson Jnr (Committee Chair, Independent, Non-Executive Director); • Natalie Mactier (Independent, Non-Executive Director); • Chris Scott (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**
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**

CORPORATE GOVERNANCE STATEMENT

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: • Hugh Robertson Jnr (Committee Chair, Independent, Non-Executive Director); • Natalie Mactier (Independent, Non-Executive Director); • Chris Scott (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**

CORPORATE GOVERNANCE STATEMENT

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 three times per 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: • Hugh Robertson Jnr (Committee Chair, Independent, Non-Executive Director); • Natalie Mactier (Independent, Non-Executive Director); • Chris Scott (Independent, Non-Executive Director); and • Joseph 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 2025, 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, 25 September 2025

Financial Statements For The Year Ended 30 June 2025

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2025

	Notes	Year ended	
		30 June 2025 $000	30 June 2024 $000
CONTINUING OPERATIONS			
Revenue	5	62,634	49,336
Other income	6	3,688	3,536
Revenue and other income		**66,322**	**52,872**
Network and data centre costs		(32,672)	(28,229)
Rent and office expenses		(1,304)	(481)
Marketing and travel expenses		(614)	(721)
Employee benefits expenses		(24,034)	(21,433)
Other expenses		(4,456)	(4,540)
Loss on remeasurement of assets held for sale	16	(3,339)	-
Loss on sale of investments		-	(157)
Impairment of assets	14	(7,629)	(6,911)
Share-based payment expenses		(1,829)	(1,885)
Depreciation expenses		(6,571)	(6,849)
Amortisation expenses		(554)	(801)
Finance costs		(1,169)	(2,643)
Net gain/(loss) on fair value of financial instruments at FVTPL		435	-
Non-recurring costs		(2,479)	(8,315)
Total expenses		**(86,215)**	**(82,965)**
Loss before income tax		**(19,893)**	**(30,093)**
Income tax (expense) / benefit		9,757	2,085
Loss after tax		**(10,136)**	**(28,008)**
DISCONTNUED OPERATION Profit from discontinued operation, net of tax		-	77,424
Profit/ (Loss) after tax for the year		**(10,136)**	**49,416**
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		(66)	(141)
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		-	-
Other comprehensive income for the year, net of income tax		**(66)**	**(141)**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**(10,202)**	**49,275**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2025

	Notes	Year ended	
		30 June 2025 $000	30 June 2024 $000
Profit/(Loss) for the year attributable to:			
Members of the parent		(9,744)	49,416
Non-controlling interests		(392)	-
		(10,136)	**49,416**
Total comprehensive income attributable to:			
Members of the parent		(9,810)	49,275
Non-controlling interests		(392)	-
		(10,202)	**49,275**
Total comprehensive income attributable to members of the parent arises from:			
Continuing operations		(9,811)	(28,149)
Discontinued operations		-	77,424
		(9,811)	**49,275**
		30-Jun-25 cents per share	**30-Jun-24 cents per share**
Loss per share from continuing operations			
Basic (oss per share	7	(3.21)	(8.36)
Diluted loss per share	7	(3.21)	(8.36)
Profit/(Loss) per share attributable to members of the parent			
Basic (loss) / profit per share	7	(3.23)	14.71
Diluted (loss) / profit per share	7	(3.23)	14.71

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 2025

	Notes	Year ended	
		30 June 2025 $000	30 June 2024 $000
ASSETS			
Current Assets			
Cash and cash equivalents	9	25,914	64,986
Restricted cash	9	3,315	2,925
Trade and other receivables	10	8,865	522
Contract assets	11	975	-
Other assets	17	4,358	871
		43,427	**69,304**
Assets classified as held for sale	16	-	31,277
Total Current Assets		**43,427**	**100,581**
Non-Current Assets			
Property, plant and equipment	12	15,151	-
Right-of-use assets	13	7,589	-
Goodwill	14	4,429	-
Other intangible assets	15	4,075	-
Other investments		725	725
Other assets	17	125	426
Total Non-Current Assets		**32,094**	**1,151**
TOTAL ASSETS		**75,521**	**101,732**
LIABILITIES			
Current Liabilities			
Trade and other payables	18	7,601	5,024
Lease liability	13	5,323	-
Employee benefits	20	2,895	-
Provision for income tax		-	14,352
Contract liabilities	11	304	-
Other financial liabilities		(109)	-
Other liabilities	19	3,641	-
		19,655	**19,376**
Liabilities directly associated with assets classified as held for sale	16	-	29,751
Total Current Liabilities		**19,655**	**49,127**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 30 JUNE 2025

	Notes	Year ended	
		30 June 2025 $000	30 June 2024 $000
Non-Current Liabilities			
Lease liability	13	10,779	-
Employee benefits	20	280	-
Deferred tax liabilities		473	-
Total Non-Current Liabilities		**11,532**	**-**
TOTAL LIABILITIES		**31,187**	**49,127**
NET ASSETS		**44,334**	**52,605**
EQUITY			
Share capital	22	195,464	198,292
Reserves	23	(127,579)	(130,054)
Accumulated losses		(25,377)	(15,633)
Equity attributable to members of the parent		**42,508**	**52,605**
Non-controlling interests	21	1,826	-
TOTAL EQUITY		**44,334**	**52,605**

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 2025

	Notes	Share Capital	Reserves	Accumulated Losses	Non-controlling Interest	Total Equity
		$000	$000	$000	$000	$000
BALANCE AT 1 JULY 2024		**198,292**	**(130,054)**	**(15,633)**	**-**	**52,605**
Profit for the period		-	-	(9,744)	(392)	(10,136)
Other comprehensive income		-	(66)	-	-	(66)
Total comprehensive income for the period		**-**	**(66)**	**(9,744)**	**(392)**	**(10,202)**
Share based payments expensed	23		1,829			1,829
Transactions with owners in their capacity as owners:						
Cancellation of shares pursuant to on-market buy back	22	(2,828)				(2,828)
NCI arising on acquisition of subsidiary	21				2,218	2,218
Other Transactions	23		712			712
BALANCE AT 30 JUNE 2025		**195,464**	**(127,579)**	**(25,377)**	**1,826**	**44,334**

	Notes	Share Capital	Reserves	Accumulated Losses	Non-controlling Interest	Total Equity
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**
Share based payments expensed		-	2,136	-	-	2,136
Transactions with owners in their capacity as owners:						
Dividend paid		-	-	(6,847)	-	(6,847)
Shares issued as acquisition consideration	22	1,240	-	-	-	1,240
Shares issued on exercise of Options	22	280	-	-	-	280
Cancellation of shares pursuant to on-market buy back	22	(3,145)	-	-	-	(3,145)
Cancellation of shares pursuant to unmarketable parcel share buy back	22	(580)	-	-	-	(580)
Share issue costs		(24)	-	-	-	(24)
BALANCE AT 30 JUNE 2024		**198,292**	**(130,054)**	**(15,633)**	-	**52,605**

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 2025

	Notes	Year ended	
		30 June 2025 $000	30 June 2024 $000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		68,768	78,576
Payments to suppliers and employees		(80,037)	(80,674)
Interest received		5,445	1,330
Interest paid		(770)	(2,642)
Income tax paid		(4,289)	(334)
Payments for acquisition and restructuring costs		(2,479)	(10,726)
NET CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES		**(13,362)**	**(14,470)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Net cash on purchase of Security Shift		(1,100)	(1,615)
Proceeds from sale of Domains business		-	107,420
Proceeds from sale of investments		-	20,154
Proceeds from sale of Digital business		-	163
Net cash on purchase of New Domain		-	(1,500)
Net cash on purchase of AUCyber		(15,009)	-
Purchase of plant and equipment		(3,988)	(2,782)
Proceeds from sale of intangible assets		-	1,637
Proceeds from sale of plant and equipment		1,211	60
Purchase of intangible assets		-	-
Increase in pledged bank deposits		(390)	(2,925)
Return of capital and dividends received from investments		-	27
NET CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		**(19,276)**	**120,639**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issues of shares on exercise of options		-	280
Proceeds from borrowings		-	500
Payment of security deposit		(1,350)	(828)
Payments of share buyback		(4,556)	(1,013)
Repayment of borrowings		-	(29,730)
Payment of equity transaction costs		-	(24)
Payment of dividend on ordinary shares		-	(6,847)
Payment of lease liabilities		(3,798)	(4,725)
NET CASH FLOWS USED IN FINANCING ACTIVITIES		**(9,704)**	**(42,387)**
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		**(42,342)**	**63,782**
NET INCREASE / (DECREASE) IN CASH CLASSIFIED WITHIN CURRENT ASSETS HELD FOR SALE		**3,336**	**(3,336)**
Net foreign exchange differences		(66)	42
Cash and cash equivalents at beginning of period		64,986	4,498
CASH AND CASH EQUIVALENTS AT END OF PERIOD	9	**25,914**	**64,986**

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 2025 were authorised for issue in accordance with a resolution of the directors on 25 September 2025.

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

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.

GOING CONCERN

The financial report for the full year ended 30 June 2025 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.

NOTES TO THE FINANCIAL STATEMENTS

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 2025 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 in equity 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.

NOTES TO THE FINANCIAL STATEMENTS

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.

NOTES TO THE FINANCIAL STATEMENTS

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.

AU Cyber Limited and its controlled entities are not part of the 5G Networks Limited tax consolidated group.

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, cyber 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 the 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 –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.

NOTES TO THE FINANCIAL STATEMENTS

(iii) Sale of other assets
The sale of other assets is recognised at the time the sale is completed, consideration is transferred and control has passed.

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 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.

NOTES TO THE FINANCIAL STATEMENTS

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 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.

NOTES TO THE FINANCIAL STATEMENTS

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.

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.

(i) 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.

(ii) 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 that are measured at amortised cost are measured 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.

NOTES TO THE FINANCIAL STATEMENTS

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 the share-based payment reserve. 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

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 exception of income tax, was the same as those applied in the Group's last annual financial statements for the year ended 30 June 2024. 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.

NOTES TO THE FINANCIAL STATEMENTS

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

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.

4. SEGMENT INFORMATION

From 1 July 2024, Management has identified the operating segments monitored by the Group's Chief Operating Decision Maker ("CODM") as being Enterprise and Wholesale:

- **Enterprise:** cloud hosting, data centre, networks and voice, IT managed services, hardware and software and services provided to Enterprise and Government customers.
- **Wholesale:** cloud hosting, data centre, networks and voice products and services provided to wholesale telecommunications.

Segment information is provided below in relation to these segments.

NOTES TO THE FINANCIAL STATEMENTS

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

2025	Enterprise $'000	Wholesale $'000	Total $'000
Segment revenue	**42,310**	**20,324**	**62,634**
Network and data centre costs	**(15,799)**	**(16,873)**	**(32,672)**
Gross margin	**26,511**	**3,451**	**29,962**
Other income	3,688	-	**3,688**
Rent and office expenses	(1,304)	-	**(1,304)**
Marketing and travel expenses	(562)	(52)	**(614)**
Employee benefits expenses	(24,034)	-	**(24,034)**
Other expenses	(4,456)	-	**(4,456)**
Total Adjusted EBITDA	**(157)**	**3,399**	**3,242**
Depreciation and amortisation expenses	(5,426)	(1,699)	**(7,125)**
Finance costs	(1,169)	-	**(1,169)**
Impairment of goodwill	(7,629)	-	**(7,629)**
Share-based payment expenses	(1,829)	-	**(1,829)**
Non-recurring costs	(2,479)	-	**(2,479)**
Net gain/(loss) on FV of financial instruments	435	-	**435**
Loss on remeasurement of assets held for sale	(2,410)	(929)	**(3,339)**
Loss before income tax expense	**(20,664)**	**771**	**(19,893)**
Total Segment assets	**51,016**	**24,505**	**75,521**
Total Segment liabilities	**21,067**	**10,120**	**31,187**

2024[1]	Enterprise $'000	Wholesale $'000	Total $'000
Segment revenue	**32,468**	**16,868**	**49,336**
Network and data centre costs	**(14,055)**	**(14,174)**	**(28,229)**
Gross margin	**19,289**	**1,818**	**21,107**
Other income	3,536	-	**3,536**
Rent and office expenses	(317)	(164)	**(481)**
Marketing and travel expenses	(474)	(247)	**(721)**
Employee benefits expenses	(20,846)	(587)	**(21,433)**
Other expenses	(2,988)	(1,552)	**(4,540)**
Total Adjusted EBITDA	**(2,676)**	**144**	**(2,532)**
Impairment of goodwill	(6,911)	-	**(6,911)**
Loss on sale of investments	(157)	-	**(157)**
Share-based payment expenses	(1,885)		**(1,885)**
Non-recurring costs	(8,315)	-	**(8,315)**
Depreciation and amortisation expenses	(5,034)	(2,616)	**(7,650)**
Finance costs	(2,643)	-	**(2,643)**
Loss before income tax expense	**(27,621)**	**(2,472)**	**(30,093)**
Total Segment assets	**66,950**	**34,782**	**101,732**
Total Segment liabilities	**32,331**	**16,796**	**49,127**

1. Comparative figures for 2024 have been reclassified to conform with the current year's presentation of segment information

The segment information is presented on the same basis as the internal reports provided to the Group's Chief Operating Decision Maker ("CODM"). The CODM evaluates performance primarily on EBITDA. Other subtotals (including 'gross margin') are presented consistent with internal reporting and are not measures defined by IFRS; accordingly, they may differ from subtotals presented in the consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS

(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.

(b) Gross Margin

Gross margin is calculated as segment revenue less network and data centre costs. It represents the contribution after direct third-party network and infrastructure costs, consistent with the internal reporting reviewed by the CODM. Gross margin does not reflect fully absorbed cost of sales, and excludes directly attributable employee benefits, depreciation or amortisation of network and data centre assets, and other indirect costs, which are reported separately below gross margin. Accordingly, the measure differs from gross profit as it would be presented in the consolidated financial statements under IFRS.

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 2025 is shown below:

	2025 $'000	2024 $'000
CONTINUING OPERATIONS		
Types of goods or service		
Cloud	10,392	7,827
Network & Voice	7,285	7,624
Data Centres	13,039	9,239
Managed Services	18,825	14,808
Digital Marketing	-	2,570
Cyber	3,552	-
Hardware & Software	9,541	7,268
Total Revenue from Contracts with Customers	**62,634**	**49,336**
Timing of revenue recognition		
Goods and services transferred at a point in time	9,541	7,268
Services transferred over time	53,093	42,068
Total Revenue from Contracts with Customers	**62,634**	**49,336**

NOTES TO THE FINANCIAL STATEMENTS

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

	For the year ended 30 June 2025							
	Cloud	Network & Voice	Data Centres	Managed Services	Digital Marketing	Hardware & Software	Cyber	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Goods transferred at a point in time	-	-	-	-	-	9,541	-	9,541
Service transferred over time	10,392	7,285	13,039	18,825	-	-	3,552	53,093

	For the year ended 30 June 2024							
	Cloud	Network & Voice	Data Centres	Managed Services	Digital Marketing	Hardware & Software	Cyber	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'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

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	
	2025 $000	2024 $000
Sale of network assets	-	1,637
Profit on sale of business	3	329
Dividend income	442	27
Interest income	1,997	1,399
Sundry income	959	144
R&D Refundable tax offset	287	-
Total Other Income	**3,688**	**3,536**

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 (2024: 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 2025 Number	Consolidated 2024 Number
Weighted average number of shares used in calculating earnings per share and diluted earnings per share	297,841,762	317,757,331

NOTES TO THE FINANCIAL STATEMENTS

8. INCOME TAX

	Consolidated	
	2025 $000	2024 $000
(A) INCOME TAX BENEFIT / (EXPENSE)		
Loss from continuing operations before income tax expense	(19,959)	(30,093)
Profit from discontinued operation before income tax expense	-	98,324
Profit/(Loss) before income tax expense	**(19,959)**	**68,231**
Tax at the Group's statutory income tax rate of 30% (2023: 30%)	5,987	(20,469)
Accounting and tax difference on sale of businesses	-	6,066
Other tax-exempt income	73	-
Non-deductible goodwill impairment charge	(2,289)	(2,073)
Expense on performance rights and options	(549)	(641)
Other non-deductible expenses	(100)	(113)
Net under/over	(157)	(1,176)
Movement in temporary differences relating to sale entities	-	160
Derecognition of DTA	10,063	(3,815)
Unrecognised tax loss for the year	(3,271)	-
Utilisation of tax losses	-	3,246
Actual tax benefit / (expense)	**9,757**	**(18,815)**
Tax expense comprises:		
- Current tax	(306)	(14,352)
- Resolution of uncertain tax position	10,063	-
- Deferred tax – origination and reversal of temporary differences	-	(4,463)
Aggregate Income tax (expense) / benefit	**9,757**	**(18,815)**
Tax (Expense) / Benefit reported in the Statement of Comprehensive Income:		
- From continuing operations	9,757	2,085
- From discontinued operation	-	(20,900)
Aggregate Income tax (expense) / benefit	**9,757**	**(18,815)**
(B) DEFERRED TAX ASSETS AND LIABILITIES		
Deferred tax assets and liabilities are comprised of the following temporary differences:		
Allowable section 40-880 deductions	552	541
Accrued expenses and provisions	1,782	1,860
Plant & equipment and leased assets	684	994
Lease liability	2,663	3,391
Tangible and intangible assets	(1,089)	(1,777)
ACA impact on depreciating assets	(40)	(71)
Brand and Customer contract	(746)	(973)
Accrued income	(189)	(150)
Brand and Customer contract - AUCyber	(473)	-
NET DEFERRED TAX ASSET / (DEFERRED TAX LIABILITY)	**3,144**	**3,815**
Derecognition of Deferred Tax Asset	**(3,617)**	**(3,815)**
DEFERRED TAX ASSET (DEFERRED TAX LIABILITY)	**(473)**	**-**

As at 30 June 2025, the Group has unrecognised income tax losses of $43,409,613 tax-effected at 30% (2024: $36,693,265), and capital losses of $90,346,341 arising from the sale of businesses in previous financial years (2024: $90,346,341). The Group also has $4,187,390 of unrecognised income tax losses tax effected at 30% (2024: $0) relating to the AUCyber tax group. AUCyber is not part of the 5G Networks tax consolidated group .

NOTES TO THE FINANCIAL STATEMENTS

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 on 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	
	2025 $000	2024 $000
Cash at bank and on hand	25,914	64,986
Restricted cash	3,315	2,925
Total Cash & Cash Equivalents	**29,229**	**67,911**

	Consolidated	
	2025 $000	2023 $000
Cash at bank and on hand including cash classified within current assets as held for sale	25,914	68,322
Less: Transfer to assets reclassified from held for sale	-	(3,336)
Cash and cash equivalents	**25,914**	**64,986**
Restricted cash	3,315	2,925
TOTAL CASH AND CASH EQUIVALENTS AND RESTRICTED CASH	**29,229**	**67,911**

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

	Consolidated	
	2025 $000	2024 $000
Loss after income tax	(10,136)	49,416
Non-operating cash flows in profit:		
Profit on sale of businesses and investments	-	(77,267)
Depreciation and amortisation	7,125	7,650
Share-based payment expenses	1,829	1,885
Impairment expenses	7,629	6,911
Income tax benefit	(9,757)	(2,085)
Deferred tax movement	-	(4,463)
Other non-cash expenses / (income)	5,989	1,435
Changes in assets and liabilities net of effects of purchases and disposals of controlled entities:		
Movement in trade and other receivables	(8,343)	796
Movement in other assets	(1,831)	(3,671)
Movement in deferred tax asset	-	5,436
Movement in trade and other payables	(5,493)	(1,155)
Movement in employee benefits provisions	280	(630)
Movement in Income tax payable	(4,289)	(124)
Movement in other liabilities	3,641	1,396
NET CASH FROM OPERATING ACTIVITIES	**(13,362)**	**(14,470)**

Restricted cash

The restricted cash amounts of $3.315 million (2024: $2.925 million) are held as security for property lease bank guarantees issued by Commonwealth Bank of Australia on behalf of the Group.

NOTES TO THE FINANCIAL STATEMENTS

10. TRADE AND OTHER RECEIVABLES

	Consolidated	
	2025 $000	2024 $000
Trade receivables	7,729	-
Allowance for impairment of receivables	(184)	-
	7,545	**-**
Unsecured loans – at call[1]	378	378
Other receivables	942	144
Total Trade and Other Receivables	**8,865**	**522**

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 2025 and 1 July 2024 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 2025 and 30 June 2024 was determined as follows:

	2025			2024		
	ECL Rate	Gross $'000	ECL $'000	ECL Rate	Gross $'000	ECL $'000
Current	0.0%	5,335	-	-	-	-
1-30 days past due	0.28%	1,365	(4)	-	-	-
31-60 days past due	8.29%	723	(60)	-	-	-
61-90 days past due	19.53%	80	(16)	-	-	-
91 days + past due	46.40%	226	(104)	-	-	-
CLOSING BALANCE		**7,729**	**(184)**	-	**-**	**-**

NOTES TO THE FINANCIAL STATEMENTS

The closing balance of the trade receivables loss allowance as at 30 June 2025 reconciles with the trade receivables loss allowance opening balance as follows:

	$000
Opening loss allowance as at 1 July 2023	238
Reduction in loss allowance	(89)
Transfer to assets reclassified as held for sale	(149)
Loss allowance as at 30 June 2024	**-**
Increase in loss allowance	184
Loss allowance as at 30 June 2025	**184**

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	
	2025 $000	2024 $000
Contract assets[1]		
Work in progress	975	-
	975	**-**

Movement of contract assets during the period:

	Consolidated	
	2025 $000	2024 $000
As at 1 July 2024	-	1,089
Additions	2,899	1,946
Cash received	(1,924)	(2,275)
Assets reclassified from held for sale	-	(760)
As at 30 June 2025	**975**	**-**

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	
	2025 $000	2024 $000
Deferred revenue	304	-
Contract liabilities - current	**304**	**-**
Deferred revenue	-	-
Contract liabilities - non-current	**-**	**-**

Movement of contract liabilities during the period:

	Consolidated	
	2025 $000	2024 $000
Balance as at 1 July 2024	**-**	**25,440**
Add: customer payments received	304	32,527
Less: revenue released to P&L	-	(31,131)
Less: Sale of business	-	(26,397)
Reclassification from non-current liabilities	-	-
Assets reclassified from held for sale	-	(439)
Contract liabilities (current)	**304**	**-**
Balance as at 1 July 2023	**-**	**9,698**
Reclassification to current liabilities	-	-
Net customer payments received	-	-
Less: Sale of business	-	(9,698)
Contract liabilities (non-current)	**-**	**-**

NOTES TO THE FINANCIAL STATEMENTS

12. PROPERTY, PLANT AND EQUIPMENT

	Leasehold Improvements	Plant and Equipment	Total
	$000	$000	$000
Gross carrying amount			
At 1 July 2024	-	-	-
Assets acquired in the business acquisition	219	5,349	5,568
Additions	7	3,981	3,988
Disposals	-	(3)	(3)
Assets reclassified from held for sale	255	10,242	10,497
Closing value at 30 June 2025	**481**	**19,569**	**20,050**
Depreciation and impairment			
At 1 July 2024	-	-	-
Depreciation	(114)	(1,691)	(1,805)
Net loss on transfer of assets held for sale	-	(3,094)	(3,094)
Disposals	-	-	-
Closing value at 30 June 2025	**(114)**	**(4,785)**	**(4,899)**
CARRYING AMOUNT AT 30 JUNE 2025	**367**	**14,784**	**15,151**
Gross carrying amount			
At 1 July 2023	4,410	30,994	35,404
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
Closing value at 30 June 2024	**(4,109)**	**(25,010)**	**(29,119)**
CARRYING AMOUNT AT 30 JUNE 2024	**-**	**-**	**-**

NOTES TO THE FINANCIAL STATEMENTS

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:

	Consolidated	
	2025 $000	2024 $000
Depreciation expense of right-of-use assets	3,818	2,622
Net Loss on transfer of assets held for sale	942	-
Interest expense on lease liabilities	825	1,062
Rent expense - short-term leases	336	119

Right-of-use asset

	Building $000	IT Equipment $000	Total $000
As at 1 July 2024	-	-	-
Additions during the year	853	-	853
Assets acquired in the business acquisition	4,239	-	4,239
Disposals during the year	-	-	-
Depreciation expense	(3,798)	(20)	(3,818)
Assets reclassified from held for sale	7,224	33	7,257
Net loss on transfer of assets held for sale	(929)	(13)	(942)
As at 30 June 2025	**7,589**	**-**	**7,589**
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	**-**	**-**	**-**

NOTES TO THE FINANCIAL STATEMENTS

Lease liabilities

	Consolidated	
	2025 $000	2024 $000
Current		
Obligations under property leases	5,323	-
Obligations under equipment leases	-	-
	-	**-**
Non Current		
Obligations under property leases	10,779	-
Obligations under equipment leases	-	-
	10,779	**-**

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

NOTES TO THE FINANCIAL STATEMENTS

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 2025 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 2025							
Lease payments	3,958	2,028	1,337	540	540	225	8,628
Finance charges	(538)	(217)	(130)	(78)	(40)	(4)	(1,007)
Net present values	**3,420**	**1,811**	**1,207**	**462**	**500**	**221**	**7,621**
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**

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	
	2025 $000	2024 $000
Short-term leases	336	119
Total	**336**	**119**

NOTES TO THE FINANCIAL STATEMENTS

14. GOODWILL

The following table shows the movements in goodwill:

	Consolidated	
	2025 $000	2024 $000
Gross carrying amount		
Balance at beginning of period	23,884	67,253
Acquired through business combination (refer note 19)	12,058	1,375
Disposed through sale of business	-	(44,744)
Balance at end of the period	**35,942**	**23,884**
Accumulated impairment		
Balance at beginning of period	(23,884)	(16,973)
Impairment loss recognised	(7,629)	(6,911)
Balance at end of the period	**(31,513)**	**(23,.884)**
Carrying amount at end of the period	**4,429**	**-**

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	
	2025 $000	2024 $000
AUCyber	4,429	-
Goodwill allocation at 30 June 2025	**4,429**	**-**

The recoverable amount of the CGU is determined based on value-in-use calculations. To determine the value-in-use, management estimates expected future cash flows from each CGU and determines a suitable discount rate in order to calculate the present value of those cash flows.

A value in use model was developed to provide a forecast of free cash flows for the five financial years ending on 30 June 2030 and a terminal value, based on a one-year budget approved by the Board followed by an extrapolation of expected cash flows using growth rates of 3% per annum for year 2 onward being the long-term target CPI rate. The present value of the expected cash flows of each CGU is determined by applying a suitable discount rate.

The data used for impairment testing procedures are directly linked to the Group's latest approved budget, adjusted as necessary to exclude the effects of future reorganisations and asset enhancements. Discount rates are determined for each CGU and reflect current market assessments of the time value of money and asset-specific risk factors.

CGU	Discount Rate (Post Tax)
Cloud	12%
Managed IT	12%
AUCyber	12%

NOTES TO THE FINANCIAL STATEMENTS

Impairment Charge for Goodwill
An impairment charge of $7.63 million was recorded for the AUCyber CGU based on impairment testing indicating that the carrying value exceeded the recoverable amount of the CGU as at 30 June 2025. The underlying reasons for the impairment charge were the loss of a significant government contract subsequent to the acquisition and the termination of several unprofitable contracts which resulted in an associated reduction in revenue.

The impairment loss recognised has been allocated to goodwill only, with no impairment required to other assets of the CGU. Following this allocation, the carrying amount of goodwill is $4.429 million.

No impairment charge was recorded for the Cloud and Managed IT CGUs as their respective recoverable amounts exceeds their carrying values by $9.4 million and $9.1 million respectively.

Sensitivity analysis undertaken on the key impairment model assumptions indicates that in order for the recoverable amounts to be equal to their carrying values for the Cloud and Managed IT CGUs, the discount rate would need to increase to 21.7% and 22.8% respectively or the revenue growth rate would need to decrease to 2.8% and 2.7% respectively. Management are not aware of any events that are expected to have an adverse effect on revenue growth.

15. OTHER INTANGIBLE ASSETS

The following table shows the movements in other intangible assets:

	Customer Contract	Brand Name	Other Intangibles	Capitalised Software	Marketing Related Intangibles	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Gross carrying amount						
At 1 July 2024	-	-	-	-	-	-
Assets acquired in the business acquisition	789	787	98	-	-	1,674
Assets reclassified from held of sale and other disposals	27	3,270	-	-	-	3,297
Net Loss on transfer of assets held for sale	(15)	(327)	-	-	-	(342)
Closing Value at 30 June 2025	**801**	**3,730**	**98**	**-**	**-**	**4,629**
Amortisation and impairment						
At 1 July 2024	-	-	-	-	-	-
Amortisation	(61)	(493)	-	-	-	(554)
Closing value at 30 June 2025	**(61)**	**(486)**	**-**	**-**	**-**	**(554)**
Carrying Amount at 30 June 2025	**740**	**3,237**	**98**	**-**	**-**	**4,075**
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						
Balance 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	**-**	**-**	**-**	**-**	**-**	**-**

NOTES TO THE FINANCIAL STATEMENTS

(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. ASSETS HELD FOR SALE

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

On 27 November 2024, the Company announced that the proposed sale would not proceed and that the Sale Agreements have been terminated by agreement between the Company and the entities associated with Mr Joe Demase. Accordingly, the assets and liabilities of the Group's primary operating subsidiary, 5G Networks Operations Pty Ltd and its cyber security consultancy business operated by Security Shift Pty Ltd were reclassified from assets held for sale as at 27 November 2024.

A loss on remeasurement of a non-current asset (or disposal group) classified as held for sale of $3,339,150 has been recorded in the profit or loss from continuing operation.

This amount represents the depreciation and amortisation of property, plant and equipment, right-of-use assets and intangible assets for the period when these assets were classified as held for sale

17. OTHER ASSETS

Other assets consist of the following:

	Consolidated	
	2025 $000	2024 $000
Other prepayments	1,244	-
Inventory	645	-
Security deposits	2,258	871
Bond payments	36	-
Other	175	-
Other Assets - Current	**4,358**	**871**
Other Receivables	125	426
Other Assets - Non-Current	**125**	**426**

18. TRADE AND OTHER PAYABLES

	Consolidated	
	2025 $000	2024 $000
Trade payables	5,774	3,874
Accrued liabilities	889	136
Other Creditors	938	1,014
Total trade and other payables	**7,601**	**5,024**

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

19. OTHER LIABILITIES

	Consolidated	
	2025 $000	2024 $000
GST and PAYG due to ATO	2,050	-
Payroll tax provision	117	-
Other	1,474	-
Other liabilities - current	**3,641**	**-**

20. EMPLOYEE BENEFITS PROVISIONS

	Consolidated	
	2025 $000	2024 $000
Current		
Annual leave	1,374	-
Long Service Leave	799	-
Superannuation & Wages payable	602	-
Accrued bonuses and sales commission	120	-
Employee Benefits Provisions - Current	**2,895**	**-**
Non-Current		
Long service leave	280	-
Employee Benefits Provisions – Non-current	**280**	**-**

NOTES TO THE FINANCIAL STATEMENTS

21. BUSINESS ACQUISITIONS

AUCyber Limited

On 3 February 2025, 5G Networks Limited (ASX:5GN) acquired control of AUCyber Limited (ASX:CYB), a specialist provider of cyber security solutions, including threat detection, penetration testing, and managed security services, operating within the Australian enterprise and government sectors.

AUCyber Limited's product offering and workforce complement that of 5GN, and we expect to realise synergies between the two companies.

Identifiable intangible asset – customer contracts
An intangible asset has been recognised in relation to the customer relationships held by AUCyber Limited at the time it was acquired by the Company. The asset has been valued under the Multi-Period Excess Earnings Method (MPEEM) whereby an estimate of future cash flows has been discounted to present-value. The key assumptions used in the valuation are the forecast revenue growth of 2.5% p.a., observed customer churn of 18% p.a. and weighted average cost of capital of 12.5%.

Identifiable intangible asset – Brand Names
An intangible asset has been recognised in relation to the Brand Names held by AUCyber Limited at the time it was acquired by the Company. The asset has been valued using the Relief from Royalty Method (RFRM), whereby estimated future royalty savings attributable to the asset have been projected and discounted to present value. The key assumptions used in the valuation are the forecast revenue growth of 2.5% p.a., an assumed royalty rate of 3%, and a weighted average cost of capital of 12.5%.

(a) Details of the purchase consideration, the net assets acquired and goodwill are as follows:

	$'000
Cash paid	10,762
Total purchase consideration	**10,762**

This was a stepped acquisition, with 5GN initially acquiring a 10.737% interest in AUCyber on 20 December 2024. Total ownership came to 50.709% on 3 February 2025, at which point new directors were appointed and control was obtained.

(b) Remeasurement of Previously Held Interest:

In accordance with AASB 3, previously held ownership interests acquired up to the point of acquisition were remeasured to fair value at the acquisition date, resulting in a gain of $434,806, recognised in profit or loss.

(c) Details of the net assets acquired and goodwill are as follows:

The provisional fair value of the net assets acquired were:

	$'000
Cash	4,091
Trade receivables	2,838
Prepayments and Other Receivables	884
Plant and equipment	10,146
Other Intangible Assets	84
Trade payables	(2,130)
Accruals and Other Payables	(6,044)
Employee benefit obligations	(948)
Customer Related Intangibles	789
Brand Names	787
Net identifiable assets acquired	**10,497**
DTL	**(473)**
Goodwill	**12,058**

The goodwill is attributable to the workforce and potential synergies to be realised in the acquired business. It will not be deductible for tax purposes.

(d) Revenue and profit contribution

The acquired business contributed revenues of $9.7m and net loss of $3.97m to the group for the period from 3 February 2025 to 30 June 2025.

Pro-forma revenue and loss for the year ended 30 June 2025 would have been $85m and $20.46m respectively. These amounts have been calculated using the acquired entities' results.

(e) Non-controlling Interest

In accordance with AASB 3, the non-controlling interest (NCI) in AUCyber Limited was measured at its fair value at the acquisition date, using the prevailing share price of AUCyber Limited (ASX:CYB) and market-based valuation benchmarks for comparable entities. This approach reflects the full goodwill method and results in the recognition of goodwill attributable to both the parent and the non-controlling interest.

As at 3 February 2025, following the acquisition of control of AUCyber Limited, 5G Networks Limited held a 50.709% ownership interest, with the remaining 49.291% held by non-controlling shareholders.

As at 30 June 2025, further share acquisitions were undertaken by 5GN, reaching a total 89.96% ownership in AUCyber.

NOTES TO THE FINANCIAL STATEMENTS

For the period from 3 February 2025 to 30 June 2025:

- The profit/(loss) attributable to the NCI was ($391,750)
- The equity interest attributable to the NCI as at 30 June 2025 was $1,825,941.

(f) Reconciliation of NCI in AUCyber Limited

	$'000
Opening NCI balance (as at acquisition date)	10,884
Transactions with NCI (purchase/sale of additional interest without loss of control)	(8,666)
Share of (loss)/profit for the period	(392)
Balance at end of year	**1,826**

Security Shift

The Group completed the acquisition of Security Shift Pty Ltd . There has been no change to the provisional accounting for the acquisition from financial year 2024.

22. ISSUED CAPITAL

During the period, the Company acquired 17,062,448 shares on-market pursuant to an on-market share buyback. No ordinary shares were issued to vendors or through the exercise of options. In addition, there were no cancellations of shares under an unmarketable parcel facility and no new shares were issued under ESOP.

	Consolidated	
	2025 $000	2024 $000
Issued and paid-up capital		
Ordinary shares each fully paid	195,464	198,292

Movement in ordinary shares on issue	30 June 2025		30 June 2024	
	Number of shares	$'000	Number of shares	$'000
Beginning of the financial period	**317,757,331**	**198,292**	**329,126,229**	**200,521**
- Issue of shares to vendor	-	-	7,294,118	1,240
- Acquisition of shares through on-market share buyback	(19,915,569)	(2,828)	(20,943,629)	(3,145)
- Cancellation of shares – unmarketable parcel facility	-	-	(4,144,387)	(580)
- Shares issued following exercise of options	-	-	1,625,000	280
- Transaction costs for share issue	-	-	-	(24)
Shares issued and fully paid	**297,841,762**	**195,464**	**312,957,331**	**198,292**
- Issue of shares under ESOP	-	-	4,800,000	-
End of the financial period	**297,841,762**	**195,464**	**317,757,331**	**198,292**

NOTES TO THE FINANCIAL STATEMENTS

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 (2024: nil).

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 4,000,000 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 29,220,000 unlisted options on issue at the end of the year.

TREASURY SHARES

The loans granted under Executive and Director Share Plan (Note 24) 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, there were no performance rights and no unlisted options on issue at the end of the year (2024: 4,800,000).

Movement in treasury shares:

	30 June 2025		30 June 2024	
	Number of shares	$'000	Number of shares	$'000
Beginning of the financial period	6,800,000	-	2,000,000	-
- Issue of shares under ESOP	-	-	4,800,000	-
End of the financial period	**6,800,000**	**-**	**6,800,000**	**-**

NOTES TO THE FINANCIAL STATEMENTS

23. RESERVES

	Consolidated	
	2025 $'000	2024 $'000
Share-based payments reserve	16,982	15,153
Other reserve	6,162	5,450
Foreign currency reserve	81	147
Reorganisation reserve	(150,804)	(150,804)
Total	**(127,579)**	**(130,054)**

Share-based payment reserve	Consolidated	
	2025 $'000	2024 $'000
Balance at the beginning of the period Arising on share-based payments	15,153 1,829	13,017 2,136
Balance at the end of the year	**16,982**	**15,153**

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.

Other reserves	2025 $'000	2024 $'000
Balance at the beginning of the period	5,450	5,450
Other reserves	712	-
Balance at the end of the year	**6,162**	**5,450**

Other reserves represent the fair value reserve (for equity investments at fair value through equity) and transactions with NCI reserve. 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 28 to the financial statements. The transactions with NCI reserve represents the difference between the consideration paid (or received) for changes in the Group's ownership interest in a subsidiary, without a change in control, and the carrying amount of the non-controlling interest at the date of the transaction. This reserve reflects transactions with non-controlling interests that are recognised directly in equity rather than through profit or loss.

Foreign currency reserve	2025 $'000	2024 $'000
Balance at the beginning of the period	147	288
Currency translation differences	(66)	(141)
Balance at the end of the year	**81**	**147**

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

Reorganisation reserve	2025 $'000	2024 $'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.

NOTES TO THE FINANCIAL STATEMENTS

24. 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 58,220,000 rights and options held as at 1 July 2024 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:

	2025 Number	2024 Number
Outstanding at the beginning of the year	58,220,000	44,070,000
Granted during the year[1]	9,250,000	24,000,000
Vested and exercised during the year	-	(5,300,000)
Lapsed during the year	-	-
Forfeited during the year[2]	(9,000,000)	(4,550,000)
Outstanding at year end	**58,470,000**	**58,220,000**

1. During the year, 9,250,000 Performance Rights and Options were granted under the EEP (2024: nil) and no Options were granted under the ESOP (2024: 24,000,000).
2. During the year, 9,000,000 Options were forfeited under the ESOP (2024: 2,600,000) and none were forfeited under the EEP (2024: 1,950,000).

(c) Rights and options vested during the reporting period

During the year, no Performance Rights were vested (2024: Nil) and 2,250,000 Options vested (2024: 5,300,000).

(d) Rights and options forfeited during the reporting period

During the year, 9,000,000 Options were forfeited by employees (2024: 2,600,000) with a weighted average exercise price of $0.22 (2024: zero) under the ESOP and no Options were forfeited by employees (2024: 1,950,000) with a weighted average exercise price of zero (2024: zero) under the EEP.

NOTES TO THE FINANCIAL STATEMENTS

(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 2025. 5,000,000 Performance Rights and 12,720,000 Options are exercisable at 30 June 2025 (2024: 5,000,000 Rights and 9,720,000 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	0.47
2021 Performance Rights - Director	15,000,000	22/12/2021	n/a	21/12/2026	$0.45	1.48
2021 Options - Director	1,500,000	22/12/2021	22/12/2023	21/12/2026	$0.45	1.48
2021 Options - Executive (1)	100,000	01/02/2021	01/02/2023	01/02/2026	$0.485	0.59
2021 Options - Executive (2)	100,000	29/03/2021	29/03/2023	29/03/2026	$0.485	0.74
2021 Options – Executive (3)	1,900,000	15/07/2021	15/07/2023	15/07/2026	$0.45	1.04
2022 Options – Executive (1)	260,000	13/04/2022	13/04/2023	13/04/2025	$0.26	0.00
2022 Options – Executive (2)	2,600,000	02/06/2022	02/06/2024	02/06/2027	$0.25	1.92
2022 Options – Executive (3)	2,000,000	1/09/2022	1/09/2024	1/09/2027	$0.20	2.17
2022 Options – Executive (4)	260,000	3/10/2022	n/a	3/10/2025	$0.20	0.26
2022 Options – Executive (7)	250,000	14/12/2022	14/12/2024	14/12/2025	$0.17	0.46
2023 Options – Executive (1)	2,250,000	29/06/2023	29/06/2025	29/06/2028	$0.11	3.00
2023 Performance Rights - Director	15,000,000	7/12/2023	7/12/2025	7/12/2028	$0.11	3.44
2023 Options - Director	3,000,000	7/12/2023	7/12/2025	7/12/2028	$0.11	3.44
2024 Options – Executive	7,250,000	6/12/2024	6/12/2026	6/12/2029	$0.15	4.44
2024 Options – Executive	2,000,000	6/12/2024	6/12/2027	6/12/2029	$0.15	4.44
	58,470,000				**$0.24**	**2.53**

NOTES TO THE FINANCIAL STATEMENTS

(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
2024 Options	$0.17	4.9%	94.0%	3.76%	$0.08
2024 Options	$0.17	4.9%	94.0%	3.75%	$0.09

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 $0.08 (2024: $0.17).

The total consolidated share-based payment expense for the year was $1.829 million (2024: $2,136 million).

25. DIVIDENDS

No dividends were declared or paid during the financial year 2025.

NOTES TO THE FINANCIAL STATEMENTS

26. 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 2025	2025 $'000	2024 $'000
Current assets	28,478	68,927
Non-current assets	19,642	3,224
Total assets	48,120	72,151
Current liabilities	20,055	35,410
Non-current liabilities	66	-
Total liabilities	20,121	35,410
Net assets	**27,999**	**36,741**
Contributed equity	212,000	213,589
Share-based payments reserve	44,035	7,966
Reorganisation reserve	(150,804)	(150,804)
Foreign currency reserve	(88)	(88)
Other reserves	(2,870)	12,589
Non-controlling interest	1,826	-
Retained earnings	(76,100)	(46,511)
Total Equity	**27,999**	**36,741**
Profit/(Loss) of the parent entity	(206)	91,942
Total comprehensive income of the parent entity	**(206)**	**92,083**

GUARANTEES

During the reporting period, each of the companies in the Group (excluding AUCyber Limited, Sovereign Cloud Australia Pty Ltd, AUCyber Solutions Pty Ltd, Venn IT Solutions Pty Ltd & AU123 Pty Ltd), including 5G Network Limited provided a cross guarantee to CBA for the facilities provided by CBA (refer note 28).

CONTINGENT LIABILITIES

The parent entity did not have any contingent liabilities as at 30 June 2025 (30 June 2024: Nil).

NOTES TO THE FINANCIAL STATEMENTS

27. 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	
		2025	2024
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%	100%
Security Shift Holdings Pty Ltd	Australia	100%	100%
Security Shift Group Pty Ltd	Australia	100%	100%
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%	100%
AUCyber Limited	Australia	89.96%	N/A
Sovereign Cloud Australia Pty Ltd	Australia	89.96%	N/A
AUCyber Solutions Pty Ltd	Australia	89.96%	N/A
Venn IT Solutions Pty Ltd	Australia	89.96%	N/A
AU123 Pty Ltd	Australia	89.96%	N/A

NOTES TO THE FINANCIAL STATEMENTS

28. 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 2025 or 30 June 2024.

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 2025	Amortised Cost	FVTPL	FVOCI	Total
	$000	$000	$000	$000
Cash and cash equivalents	25,914	-	-	25,914
Restricted cash	3,315	-	-	3,315
Trade and other receivables	7,545	-	-	7,545
Unsecured loans	-	378	-	378
Other financial assets	5,425	-	725	6,150
Total financial assets	**42,199**	**378**	**725**	**43,302**
Non-current lease liabilities	10,779	- -	-	10,779
Trade and other payables	7,601	-	-	7,601
Lease liabilities	5,323	-	-	5,323
Other financial liabilities	3,466	175	-	3,641
Total financial liabilities	**27,169**	**175**	**-**	**27,344**

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**

NOTES TO THE FINANCIAL STATEMENTS

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.

NOTES TO THE FINANCIAL STATEMENTS

The following table provides the fair value measurement hierarchy of the Group's financial assets and liabilities as at 30 June 2025:

	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-25	725	-	-	725
Unsecured loans		30-Jun-25	378	-	-	378
Financial liabilities						
Contingent consideration		30-Jun-25	175	-	-	175

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 2025:

	Total facility amount	Amount drawn	Unused financing facilities
	$000	$000	$000
CBA contingent loan facilities (bank guarantees)[1]	3,315	3,315	-
Total	**3,315**	**3,315**	**-**

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.

NOTES TO THE FINANCIAL STATEMENTS

The table below sets out the maturity periods of the financial liabilities of the consolidated Group as at 30 June 2025 and 30 June 2024. All carrying amounts of IT equipment finance are undiscounted contractual cash flows.

Contracted maturities at 30 June 2025	< 6 Months	6-12 Months	1-2 Years	2-5 Years	> 5 Years	Total
	$000	$000	$000	$000	$000	$000
Trade & Other Payables	7,601	-	-	-	-	7,601
Other Financial Liabilities	3,641	-	-	-	-	3,641

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

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 2025 or 30 June 2024.

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	
	2025 $'000	2024 $'000
Aa3 rated cash & cash equivalents	25,914	68,322
Aa3 rates restricted cash (term deposit)	3,315	2,925
TOTAL	**29,229**	**71,247**

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.

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 2025, 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.

NOTES TO THE FINANCIAL STATEMENTS

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'), Great British Pounds ("GBP") and Japanese Yen ('JPY') and is therefore exposed to movements in the AUD exchange rates with USD, NZD, SGD, GBP 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, GBP 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 2025, the Group had the following exposures to USD, NZD, SGD, GBP and JPY. denominated assets and liabilities, where the functional currency is not USD, NZD, SGD, GBP and JPY. The Group's exposure to foreign currency changes for all other currencies is not material.

	2025 $'000	2024 $'000
Financial assets		
Cash and cash equivalents	103	314
Trade and other receivables	511	116
Financial liabilities		
Trade and other payables	(558)	(1,043)
Net exposure	**56**	**(613)**

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

At 30 June 2025, 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)	
	2025 $'000	2024 $'000	2025 $'000	2024 $'000
Consolidated				
- AUD/USD +10%	5	39	5	39
- AUD/USD -10%	(4)	(48)	(4)	(48)

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 0.58 to 0.71 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.

NOTES TO THE FINANCIAL STATEMENTS

29. RELATED PARTY DISCLOSURES

Subsidiaries

Details relating to subsidiaries are included in Note 27.

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	
	2025 $'000	2024 $'000
Short-Term Employee Benefits	978	1,523
Post-Employment Benefits	51	109
Termination Payments	7	51
Share based Payments	1,626	1,946
TOTAL	**2,662**	**3,629**

Detailed remuneration disclosures are provided in the remuneration report on pages 22 to 30.

Transactions with related parties

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

- A total of $45,969 (2024: $871,622) was paid to Studio Inc., an entity related to Joseph Demase, for the design of marketing materials for the Group. All transactions are carried at commercial third-party rates.
- A total of $41,728 (2024: nil) made to Mr Hunter Demase during the year ended 30 June 2025 for sales consulting services. 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:

	2025 $'000
Balance at the start of the year	**128**
Repayment from KMP	-
Balance at the end of the year	**128**

30. AUDITORS' REMUNERATION

	2025 $	2024 $
During the year ended 30 June 2025, the following fees were paid or payable for services provided by:		
Grant Thornton Audit Pty Ltd in respect of:		
Audit and review	305,035	466,004
Taxation and other compliance services	-	181,958
Due diligence services	35,504	48,107
Bentleys Brisbane (Audit) Pty Ltd in respect of:		
Audit and review	87,200	-
	427,739	**696,069**

31. EVENTS SUBSEQUENT TO REPORTING DATE

Following the release of AuCyber Limited's (ASX:CYB) Annual Report on 26 August 2025, 5GN has made additional on-market purchases utilising section 611 of the Corporations Act 2001 (Cth) ("Corporations Act") ("3% creep rule"). Under the 3% creep rule, in the six months commencing 29 August 2025, 5GN may purchase up to 92.86% of CYB's issued shares.

5GN has six months from 3 September 2025 in which it may exercise its general compulsory acquisition power pursuant to section 664A of the Corporations Act to acquire the remainder of CYB's issued ordinary shares. The Board of 5GN has not yet determined if it will exercise this power.

Other than the above, there has not been any 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
AUCyber Limited	Body corporate	-	Australia	89.96%	Australia	N/A
Sovereign Cloud Australia Pty Ltd	Body corporate	-	Australia	89.96%	Australia	N/A
AUCyber Solutions Pty Ltd	Body corporate	-	Australia	89.96%	Australia	N/A
Venn IT Solutions Pty LTd	Body corporate	-	Australia	89.96%	Australia	N/A
AU123 Pty Ltd	Body corporate	-	Australia	89.96%	Australia	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 2025 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 2025 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 84 is true and correct.

2. 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 2025.

3. 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, 25 September 2025

Grant Thornton

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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 2025, 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 2025 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.

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.

Key audit matter	How our audit addressed the key audit matter
Revenue - note 2 and note 5	
In the financial year ended 30 June 2025, the Group recorded revenue of $62,634,000. 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 a diverse range of 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 to the consolidated statement of profit or loss and other comprehensive income, and the 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;* • Reviewing revenue recognition policies of individual customer agreements and contractual arrangements to ensure compliance with AASB 15; • Analytically reviewing revenue streams against forecasts and prior corresponding period to identify and assess potential anomalies; • Selecting a sample of revenue transactions to verify that revenue was being recognised in accordance with revenue recognition policies; • Testing the accuracy of deferred revenue recorded by the Group during the period; and • Evaluating the disclosures in the financial statements for appropriateness and consistency with accounting standards.
Goodwill – note 2 and note 14	
As disclosed in Note 14 of the financial report an impairment charge of $7,629,000 was recognised during the year which brought the balance of goodwill to $4,429,000 at year-end. In accordance with AASB 136 *Impairment of Assets*, goodwill 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 impairment assessment has been assessed as a key audit matter due to the judgement required by management in preparing a value in use model to satisfy the impairment test as prescribed in AASB 136, including the significant estimation involved in forecasting of future cash flows and applying an appropriate discount rate which inherently involves a high degree of estimation and judgement by management.	Our procedures included, amongst others: • Assessing management's determination of the Group having three CGUs based on the nature of the business and the economic environment in which they operate; • Assessing management's annual impairment assessment for compliance with AASB 136; • Assessing whether management has the requisite expertise to prepare the impairment model, including: – Assessing the reasonableness and appropriateness of inputs and assumptions to the model; – Evaluating management's future cash flow forecasts and obtain an understanding of the process by which they were developed; – Assessing management's key assumptions for reasonableness and obtaining available evidence to support key assumptions; – Considering the reasonableness of the revenue and cost forecasts against prior year forecasts and current year actuals; – Performing sensitivity analysis of the key assumptions; – Testing the underlying calculations for mathematical accuracy of the model; • Evaluating the fair value less cost to sell of the business acquired in the period; • Evaluating the disclosures in the financial statements for appropriateness and consistency with accounting standards.

Business acquisition – note 2 and note 21	
As disclosed in note 21, on 3 February 2025, 5G Networks Limited acquired control of AUCyber Limited, a specialist provider of cyber security solutions. This was a stepped acquisition, with 5G Networks Limited initially acquiring a 10.737% interest in AUCyber Limited on 20 December 2024. Total ownership came to 50.709% on 3 February 2025, at which point new directors were appointed and control was obtained. The non-controlling interest (NCI) in AUCyber Limited was measured at its fair value at the acquisition date, with further share acquisitions undertaken by the Group up until 30 June 2025, when they held 89.96% ownership in AUCyber Limited. As part of the transaction 5G Networks Limited recognised $12,058,000 goodwill on acquisition, $789,000 customer related intangibles and $787,000 brand names, as part of the purchase price allocation calculations. The acquisition of the business creates other areas of risk, including: • Assessing if the transaction is a business combination in line with AASB 3 *Business Combinations* and accounting for the transaction as a step acquisition; • Determining the fair value of the acquired assets and liabilities, as well as the goodwill arising on acquisition; • The valuation of any separable identifiable intangibles arising on acquisition; • The measurement of the fair value of the non-controlling interest in AUCyber Limited at the date of acquisition, and the subsequent measurement of the change in NCI throughout the period. Given the complexity and judgement involved in this transaction, we have determined this to be an area of audit focus and a key audit matter.	Our procedures included, amongst others: • Reading board meeting minutes, ASX announcements and any other relevant documentation; • Reviewing the technical paper prepared by management and assessing the acquisition accounting against the requirements of Australian Accounting Standards; • Testing the accuracy of the purchase consideration against publicly available information; • Assessing the fair values of the acquired assets and liabilities recognised, and performing testing on material balances recorded as part of the acquisition accounting workings; • Evaluating the competency, capabilities and objectivity of management's expert, and assessing the adequacy of their work; • Engaging auditor's valuation experts to assess purchase price allocation and the recognition and valuation of any identified intangibles arising from the transaction; • Testing the accuracy of the non-controlling interest recognised at the acquisition date and the value of any other transaction recorded in relation to changes in ownership in the period; • Assessing the appropriateness of accounting policy including compliance with the Australian Accounting Standards (AASBs); 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 2025 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: https://www.auasb.gov.au/media/bwvjcgre/ar1_2024.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 22 to 30 of the Directors' report for the year ended 30 June 2025.

In our opinion, the Remuneration Report of 5G Networks Limited, for the year ended 30 June 2025 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The Directors of the Company 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, 25 September 2025

SHAREHOLDER INFORMATION

The shareholder information set out below was applicable as at 1 September 2025.

5G Networks Limited

Issued capital ordinary shares: 297,841,762 as at 1 September 2025.

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	%
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	59,000,941	19.81%
5GN CLOUD PTE LTD	55,000,000	18.47%
TOTAL	**114,000,941**	**38.28%**

DISTRIBUTION OF EQUITY SHARES

	Ordinary Shares	
	Number Held	Number of Holders
1 – 1,000	81,654	164
1,001 – 5,000	5,547,047	1,563
5,001 – 10,000	9,486,375	1,269
10,001 – 100,000	46,432,054	1,711
100,001 – and over	236,294,632	228
TOTAL	**297,841,762**	**4,935**

There were 992 unmarketable parcels as at 1 September 2025.

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 no shares under voluntary escrow.

SHAREHOLDER INFORMATION

The 20 Largest Holders of Each Class of Quoted Equity Securities

	Ordinary Shares	
	Number	%
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	59,000,941	19.81%
5GN CLOUD PTE LTD	55,000,000	18.47%
CHRIS WRIGHT CYBER PTY LTD <CHRIS WRIGHT CYBER A/C>	7,294,118	2.45%
CITICORP NOMINEES PTY LIMITED	5,964,696	2.00%
MR XU WANG	5,034,801	1.69%
JMAS PTY LIMITED	4,000,000	1.34%
JONATHAN HORNE	4,000,000	1.34%
MR ALBERT SAYCHUAN CHEOK & MR ERIC VICTOR CHEOK	3,714,018	1.25%
J D MANAGEMENT GROUP PTY LTD <DUDLEY FAMILY A/C>	2,628,060	0.88%
ECKERT INVESTMENTS PTY LTD <ECKERT INVESTMENT A/C>	2,526,666	0.85%
MOLINI INVESTMENTS PTY LTD <MOLINI SUPERFUND A/C>	2,500,001	0.84%
OR GANGI SERVICES P/L ATF JGANGI BUSINESS TRUST NO2	2,400,000	0.81%
GARY WHITE	1,900,000	0.64%
NZAU INVESTMENTS PTY LTD	1,833,334	0.62%
ALBERT CHEOK	1,800,000	0.60%
MR FRANCIS ANDREW KING & MRS MARGARET SUSAN KING <FAMSKING S/F A/C>	1,639,170	0.55%
ALBERT CHEOK	1,504,284	0.51%
MS KYLIE LYNETTE NUSKE & MR MATTHEW JAMES COOK <VISION SPLENDID SUPER A/C>	1,500,000	0.50%
MRS MARIA O'CONNOR	1,500,000	0.50%
MR CLINTON BARRY MICHAEL	1,499,491	0.50%
PAC EQUITIES PTY LTD <THE PAC DISCRETIONARY A/C>	1,460,204	0.49%
THE DE VRIES FAMILY INVESTMENTS PTY LTD <DE VRIES FAM SF A/C>	1,396,315	0.47%
Total	**170,096,099**	**57.11%**

Unissued equity securities

Number of options issued: 58,470,000

Securities exchange

The Company is listed on the Australian Securities Exchange.

ABOUT 5G NETWORKS

5G Networks is a licenced telecommunications carrier operating across Australia. Our mission is to be the partner of choice for unifying a seamless digital experience for our customers across data connectivity, cloud and data centre services, underpinned by a dedication to expert managed services.

Digital leadership, people and exceptional customer experience are key foundations to enabling customers to thrive in a digital world. We are dedicated to providing our customers with a valued and unique experience, underlined by our vision.

Our culture is centred around people, collaboration and trust, enabling our team to continually unlock value for our customers through innovation and the expertise to transform digital challenges into successful business outcome.