



ASX Announcement  
30 September 2020

## **5G NETWORKS LIMITED (ASX: 5GN) SHAREHOLDER LETTER**

The attached shareholder update letter will be sent to shareholders today.

### **For further information contact:**

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### **About 5GN**

5GN (5GN) is a licenced telecommunications carrier operating across Australia. Our mission is to be Australia's partner of choice for unifying a seamless digital experience for our customers across data connectivity, cloud and data centre services, underpinned by expert managed services in the business to business market.

5GN currently owns and operates its own Nationwide highspeed Data Network with points of presence in all major Australian capital cities. In addition, the Company offers managed cloud solutions through its Cloud and Data Centre capabilities as well as managed services to optimise customers' IT and network environments. Supporting this is the Company's combined rack capacity of 720 racks through its owned and operated Data Centres across Melbourne, Sydney and Adelaide.



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As an organisation, we are dedicated and passionate about delivering unique value to our 2500+ customers which include several top 50 ASX listed and Government organisations. This commitment is strengthened by a core focus on digital leadership, innovation and an exceptional customer experience.



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# ONLY 5G NETWORKS SHAREHOLDER UPDATE



30<sup>th</sup> September 2020

Dear fellow shareholder,

As Managing Director, I am very pleased to provide an update on the key FY21 initiatives at 5G Networks (ASX:5GN) and reaffirm the strategic value resulting from the proposed Webcentral offer.

2020 continues to present an exciting period for 5GN. This pandemic has changed our business operations and like many other organisations, we have remained focussed on ensuring the continued health of our people, our customers and the broader 5GN stakeholder community. Despite the challenges, I am proud to highlight our continued commitment to delivering shareholder value in addition to maintaining a cross-company focus on delivering compelling and unique service experiences for customers.

On release of our FY20 results in August 2020 we provided guidance for FY21 of Revenue between \$60 million to \$65 million and EBITDA of \$8.0 to \$8.5 million, before material acquisitions.

Our strategy since our Initial Public Offer (IPO) in Nov 2017 was to acquire companies that deliver contracted revenue streams in our core product portfolio's in addition to acquiring strategic assets or indeed build them. We have successfully driven our EBITDA performance and as a result have delivered growth year on year. The FY20 annual result yielded an EBITDA growth rate of approximately 100%, which underlines our teams' ability to drive synergies and manage costs.

This month our growth strategy was further strengthened with the 5GN announcement to acquire a part or all of Webcentral (ASX: WCG) shares. Critically, the plan is now publicly supported by the WCG Board of Directors and whatever the final percentage of ownership achieved, we know this acquisition we will drive significant value for 5GN shareholders.

The WCG acquisition plan is acutely aligned to our growth strategy by offering WCG the opportunity to leverage 5GN services such as 5GN Data centre capacity for hosting, our network infrastructure both domestically and internationally and 5GN Cloud solutions. WCG have an ongoing need for web hosting and cloud capacity and the accretive value will be realised through immediate cost savings in addition to the strategic synergies in utilising these assets.

The capability to target the entire customer base of WCG is also important for delivering 5GN growth. Enjoying significant market share within Australia's mid-size business segment, WCG manage more than 330,000 customer relationships, presenting a significant upsell opportunity for our range of digital solutions.

The focus on delivering growth is certainly highlighted by the recent acquisitions and the continued investment in our product and infrastructure portfolio's. In July, 5GN announced the acquisition of ColoAU, an Australian data network company which employs automated service provisioning for its' significant national and international data capacity, combined with strong customer base in data centre services. The technology innovation deployed at ColoAU has been an important milestone in building scale to support our future fibre expansion.

The 5GN Cloud solution launched in April is already demonstrating success with strong demand in the mid-corporate sector. Additionally, it was announced in September this year that the 5GN Fibre expansion was progressing well. Our 5GN fibre will be deployed into Melbourne, Sydney, Adelaide and Brisbane connecting retail and wholesale customers to 80 of Australia' market leading data centres.



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In concluding, the 5GN Board and executive team would like to thank our employees for their commitment to our business during this exciting period. It is their hard work, alignment to our business strategy and dedication that enables us to deliver to our strategic goals. We also want to thank you, our shareholders, for your continuing support, your confidence and above all for your trust. Rest assured that our passion for successfully executing to our strategic plan, and for delivering shareholder value will continue as we achieve and sustain the aggressive growth targets you expect from us.

Kind Regards

Joe Demase  
Managing Director

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