

ASX Announcement

5G Networks acquires the direct business of Inabox Group



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Highlights

- 5GN adds \$43m of Revenue via the acquisition of Inabox's (ASX:IAB) direct businesses
- Purchase price of \$5.7m represents a 2x EBITDA multiple once immediate synergies are recognised
- A number of synergies and cross sell opportunities have been identified across the group
- 5GN network rollout across Australia expected to be fast tracked
- The acquisition will be fully funded from existing cash flows and will be cash flow positive

5G Networks (ASX:5GN) is pleased to announce that it has completed the acquisition of Inabox's (ASX: IAB) direct businesses.

The \$5.7m transaction is the purchase of IAB's Hostworks and Anittel subsidiaries. This will provide 5GN with one of Australia's largest and most experienced Cloud providers, reflected through its technical resources and national reach and coverage. Total annualised revenue for the 5GN group post acquisition is expected to exceed \$55m per annum.

The acquisition is a significant step in expanding the geographical footprint of 5GN, which will now have offices in Melbourne, Sydney, Brisbane, Adelaide, Perth, Hobart, regional NSW and Townsville. Customer numbers will grow significantly with a number of ASX top 100 companies. Servicing these customers will be over 200 staff nationally, made up of 5GN current employees and the IAB direct business employees.

With increased geographical presence, 5GN will be enhancing its existing network infrastructure by implementing a cost-effective network rollout across Australia.

The direct business of IAB demonstrates positive synergies and growth for 5GN. Substantial cross selling opportunities have been identified; 5GN is able to offer its current network and cloud services to existing customers of the IAB direct business, a key opportunity in delivering organic growth. The acquisition of an established hosting and IT services business supported by necessary infrastructure will support growth and customer demand in 5GN's core business streams. In addition, 5GN will be able to drive growth by leveraging the accelerated adoption rates of cloud services in the mid market corporate sector.

Managing Director of 5G Networks, Joe Demase reports,

"We pursued this acquisition because it was exactly what we needed to rapidly expand our core business streams and represents great synergy with our existing business. We have expanded our geographical coverage in our key competencies – Cloud, Data and Managed Services. The acquisition of IAB's direct business is accurately aligned with our acquisition strategy and 5GN is extremely excited by the positive future that lies ahead".



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About 5G Networks

5G Networks is an innovative take on network access. 5G Networks offers a super high speed network and the cloud infrastructure services required by modern businesses today. The Inabox Direct business is an ideal addition to 5GN's core cloud and network offering.

5G Networks offers a level of broadband services that businesses can rely upon to succeed. With fibre access technology from third party carriers and our very own wireless network offerings, we can offer state of the art services ranging from Integrated Fibre and Wireless, High Speed Internet Access and Cloud Computing Services. 5G Networks provides the end-to-end control, responsiveness and upload and download speeds necessary to fully capture the value of cloud-based computing systems.

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