



ACN: 010721749
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15 September 2021

Optus Contract – Further Update

On 3 September 2021 Cellnet Group Limited (“Cellnet” or the “Company”) advised that it had received verbal notification from Optus that it will not be renewing its Master Supply Agreement (“MSA”) and Statement of Work (“SOW”) Agreement (together the “Agreement”).

The Company has now received written confirmation from Optus confirming that the Agreement is to be terminated and is scheduled to end on 8 December 2021. This is subject to any request from Optus for a transitional period beyond the scheduled effective date, for which Optus may require a month-on-month extension until completion of the transition from the Company to the relevant third-party supplier.

As previously advised in the ASX market announcement dated 3 September 2021, FY2021 sales from ongoing business under the Agreement represented approximately 8% of Cellnet’s revenue. The Company has since identified a range of measures to streamline its operations following the notification from Optus to mitigate the non-renewal of the Agreement. After implementing these measures, the revised impact on the FY2021 net profit before tax from ongoing business under the Agreement is estimated to have been approximately \$720,000.

Additionally, the Company anticipates a release of cash, improved working capital utilisation, and a reduction of inventory costs from the release of approximately \$2.5m in consignment inventory following the Agreement expiring.

Ends

Authorised for release by the Chairman and Chief Executive
For further information, please contact Chris Barnes (Company Secretary) on 1300 235 563.