

Investor Update

H1 FY2023

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ASX : CLT



The Cellnet Group



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Established in 1992, Cellnet listed on the Australian Stock Exchange (ASX) in 1999 and now employs over 80 people across Australia and New Zealand. Cellnet is one of the largest accessory specialist distributors in the region. Cellnet's success is derived from its unique managed services model, combining world leading brands, its own 3sixT brand and an innovative category management approach. Cellnet provides extensive reach and coverage across all markets in both the Australian and New Zealand retail and telecommunications channels.

 **Turn Left**
DISTRIBUTION

Turn Left is a leading Interactive Entertainment specialist across Australia and New Zealand. Partnering with some of the world's market leading brands, Turn Left provides a full-service distribution model, working with vendors and partners to manage fully integrated, localised end-to-end, go-to-market solutions with overarching marketing, PR and event activations.

 **Performance**
Distribution

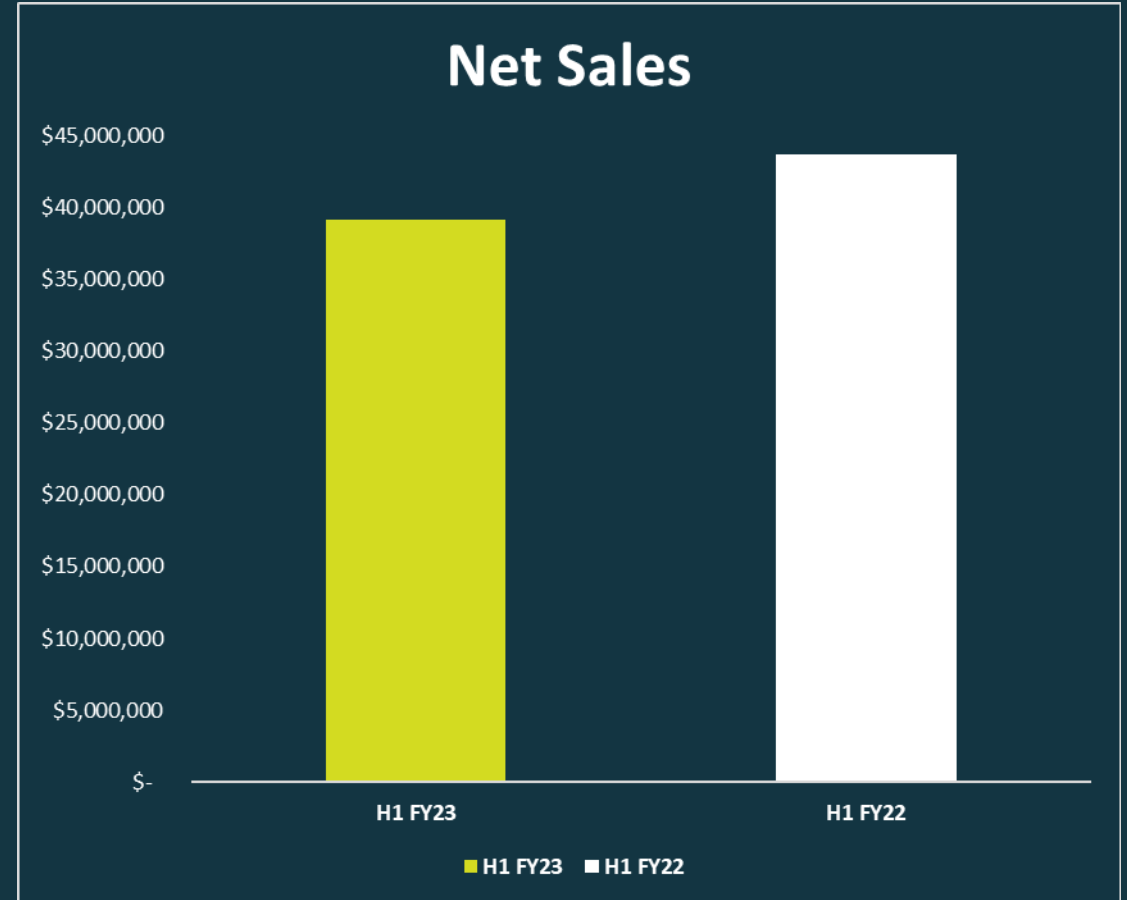
Performance Distribution is a leading specialist in online channels and direct to consumer distribution across Australia and New Zealand. Providing brands with website, database management and digital campaigns as well as traditional distribution services. Performance Distribution provides an Omni-Channel technology platform to brands and retailers that wish to sell online and strengthens the established Cellnet and Turn Left retail network with support for endless aisle and click and collect strategies.

30 LISTED ON THE
NUMBER OF YEARS IN OPERATION  **ASX**
SINCE 1999 **ASX:CLT**

H1 FY23 Sales

- **First-half net sales of \$39.1m**
- **10.5% YoY reduction of top line sales**
- **A challenging retail environment and inflationary pressures were contributing factors when compared to the prior period**
- **A recruitment drive was completed during the first-half for additional sales resources**

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H1 FY23 Results

- **First-half EBITDA loss of \$429,000**
- **Cash at bank of \$1.1m as of 31 December 2022**
- **Net Tangible Assets of 7.0 cents per share**
- **New sales leadership appointed Nov-22 coupled with bolstered sales resources**
- **Second-half focus on sales growth and optimised inventory management**

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H1 FY23 Profit

- An impairment expense of \$3m was realised in relation to the derecognition of the Company's deferred tax asset
- This is a noncash effecting transaction, and the Company has the ability to re-recognise these deferred tax assets at a later date

	H1 FY23 (\$000)
Statutory EBITDA	(429)
Depreciation and amortisation	(691)
Interest expense	(415)
Profit / (loss) before income tax	(1,535)
Income tax (expense) / benefit	(3,017)
Profit / (loss) for the period	(4,552)

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H1 Milestones

- **Cellnet brings logistics in-house, opens new Distribution Centre in Melbourne**
- **Investment in senior sales leadership with appointment of Greg Morrison to GM of Sales**
- **High-calibre industry experienced national retail account managers recruited**
- **Field sales team bolstered to deliver feet on the ground in each state**
- **Multiple new exclusive brands appointed in core and emerging categories**

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H2 FY23 Outlook

- **New sales team firmly established with experienced sales leadership to execute growth**
- **Strong slate of gaming titles to launch including Resident Evil and Street Fighter**
- **Completion of warehousing consolidation to achieve full efficiency and centralisation**
- **Expansion of digital services for customer and brand partners**
- **New forecasting tool developed to optimise demand planning and inventory holding**
- **New freight platform to improve CX, provide efficiency and reduce carrier costs**

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Strong slate of gaming in H2

- **Wo Long: Fallen Dynasty**
March 3, 2023
- **Resident Evil 4**
March 24, 2023
- **Street Fighter 6**
June 2, 2023

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Our Strategy

- **Build** a High-performance Team
- **Deliver** Great CX
- **Grow** Own Brands
- **Accelerate** Online
- **Enhance** Services
- **Partner** Excellence
- **Focus** on Sustainability
- **Discover** the Next

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Strategic Priorities

- **Grow Sales**

Win business and take share.
Leverage investments in high-calibre sales personnel and the new distribution centre

- **Diversify Products**

Open new channels and enter adjacent categories underpinned by new exclusive brand partnerships

- **Build Resilience**

Optimise inventory and achieve further operating efficiencies to preserve cash

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A woman with dark hair pulled back, wearing black boxing gloves, stands in a boxing stance with her arms extended forward. The background is a gradient of purple and blue light.

relentless,
introducing our
new sales team

Unrelenting in our pursuit to deliver results
Driven and motivated to win business
A company focused on exceptional CX
we are cellnet

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Executive appointment – GM of Sales

Cellnet is pleased to announce the executive appointment of Greg Morrison as General Manager of Sales with over 20 years' experience across consumer, commercial and government sectors.

Cellnet has recently bolstered its sales team with additional resource, extending coverage with representation now on the ground in each state. Greg provides sales leadership to the newly strengthened field and national account management team.

Greg brings to Cellnet a wealth of experience having held senior management roles with Belkin, Microsoft, Intel-McAfee, and Scholastic. Within his time at Belkin, Greg was responsible for transforming his team and business to deliver a high level of success. Prior to Belkin he enjoyed many years of success at Microsoft being a part of high-performance teams within the consumer space.

A proven industry performer delivering market leading positions through sound strategy, effective relationships, and a drive to succeed. He has had a career full of accolades including being recognised as a CRN Australia Channel Chief.

Cellnet welcomes Greg as a senior executive and member of the Executive Leadership Team



Reshaped national account team

Our team of talented sales professionals bring years of experience and strategic relationships to form an industry-leading, high-performance national account team capable of delivering long-term sales growth in key accounts.

Amanda Kiely and Kirsty Duncan are the most recent strategic appointments, joining Cellnet during the first-half of FY2023.



Greg Ridler
Head of Category &
Field Services (Brisbane)



Josh Vanderwert
NAM (Brisbane)



Amanda Kiely
NAM (Sydney)



Jacqui Tyson
NAM (Sydney)



Kirsty Duncan
NAM (Brisbane)

Field sales now at full strength

Our newly appointed field sales team are focused on providing exceptional service to our partners while tasked with developing and onboarding new business.

Cellnet now has feet on the ground in each state providing complete national coverage at store level.



Craig Buckley
Account Manager
(WA/NT)



Stephen Cockle
Account Manager
(QLD)



Gilbert Abi-Rached
Account Manager
(NSW/ACT)



Steve Daglas
Account Manager
(VIC/TAS)



Anthony Fragomeni
Account Manager
(SA)

Multiple new exclusive agreements in emerging categories

- EV charging
- Kids tech
- Crypto wallets
- Bone conduction audio
- Climate neutral accessories

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New Brand: LAPP Mobility

Cellnet is pleased to add **LAPP Mobility** to our portfolio on an exclusive basis for ANZ, entering a new emerging category.

LAPP Mobility produce high quality EV charging solutions for electric vehicles that offer many unique design features not found in conventional products. LAPP is a well-established manufacturer based in Germany, producing innovative connection solutions for over 50 years.

EVs and associated vehicle charging solutions are experiencing strong accelerated growth, with the EV vehicle market across Australia and New Zealand set to grow over 20% each year (2022-2027).

lappmobility.lappgroup.com/en/



 **LAPP** MOBILITY



New Brand: myFirst



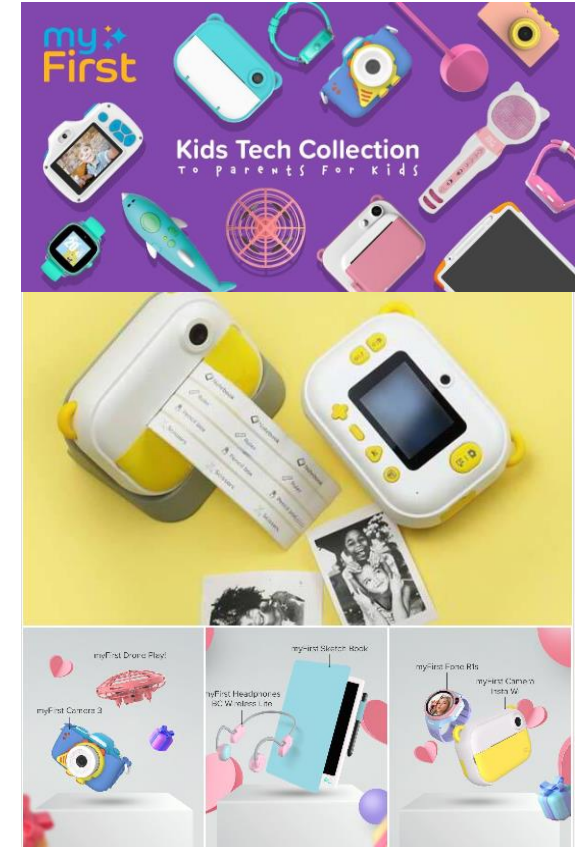
Cellnet is pleased add **myFirst** to our portfolio.

myFirst aims to enrich a child's learning process by moulding experiences through fun and innovative gadgets.

Cellnet has signed an exclusive ANZ distribution agreement with myFirst, a leading Kids Tech company with headquarters in Singapore.

myFirst is ranked #1 in Singapore (GFK) and envisions to redesign the way kids learn and play, in hopes of creating a community where children can grow up with technology safely.

myfirst.tech



New Brand: iCoin



Cellnet is pleased add **iCoin** to our portfolio.

The new iCoin wallet keeps crypto currency assets safe offline and supports key players Bitcoin, Ethereum and ERC tokens.

Over 4.6 million Australians now own cryptocurrency. Cellnet has signed an exclusive distribution agreement with iCoin.

Headquartered in Silicon Valley, iCoin Technology is a pioneer of a new class of hardware wallets for the digital economy, blending consumer-grade ease-of-use with industrial-strength air-gap security.

iCoin has recently launched in the US with an exclusive agreement with Verizon.

icointechnology.com



New Brand: Shokz



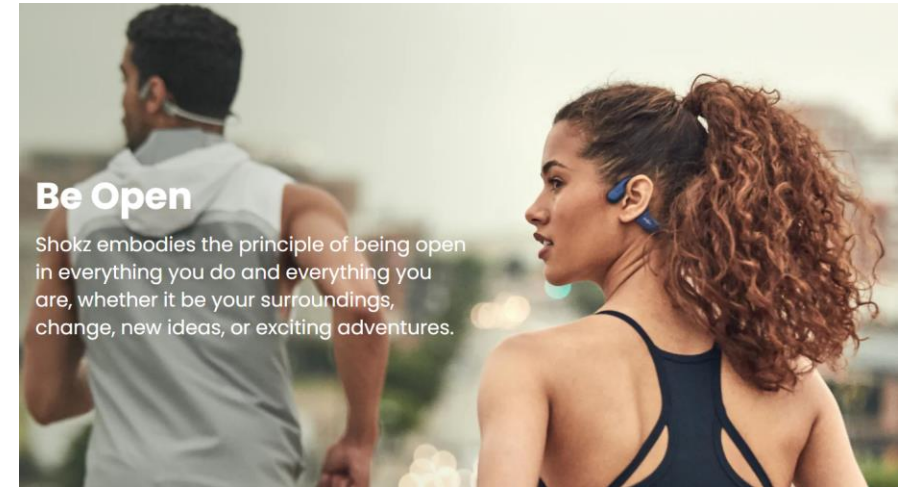
Cellnet is pleased add **Shokz** to our portfolio.

Shokz embodies the principle of being open in everything you do and everything you are, whether it be your surroundings, new ideas, or exciting adventures.

Shokz, based in Austin TX, is pushing the limits of traditional audio by making bone conduction technology accessible to everyone, allowing for both high-quality sound and situational awareness.

Cellnet has signed an agreement to distribute Shokz into New Zealand retail and commercial channels.

shokz.com



Be Open

Shokz embodies the principle of being open in everything you do and everything you are, whether it be your surroundings, change, new ideas, or exciting adventures.



New Brand: Nomad

NOMAD

Cellnet is pleased add Californian based **Nomad** to our portfolio.

Proudly climate neutral since 2020, Nomad's portfolio of stylish and sophisticated products are underpinned by world-class materials, durability, and attention to detail.

Cellnet has signed an exclusive ANZ distribution agreement with Nomad, a consumer electronics and lifestyle products company based out of Santa Barbara, California.

Learn more about Nomad's sustainability environmental commitment [here](#).

nomadgoods.com



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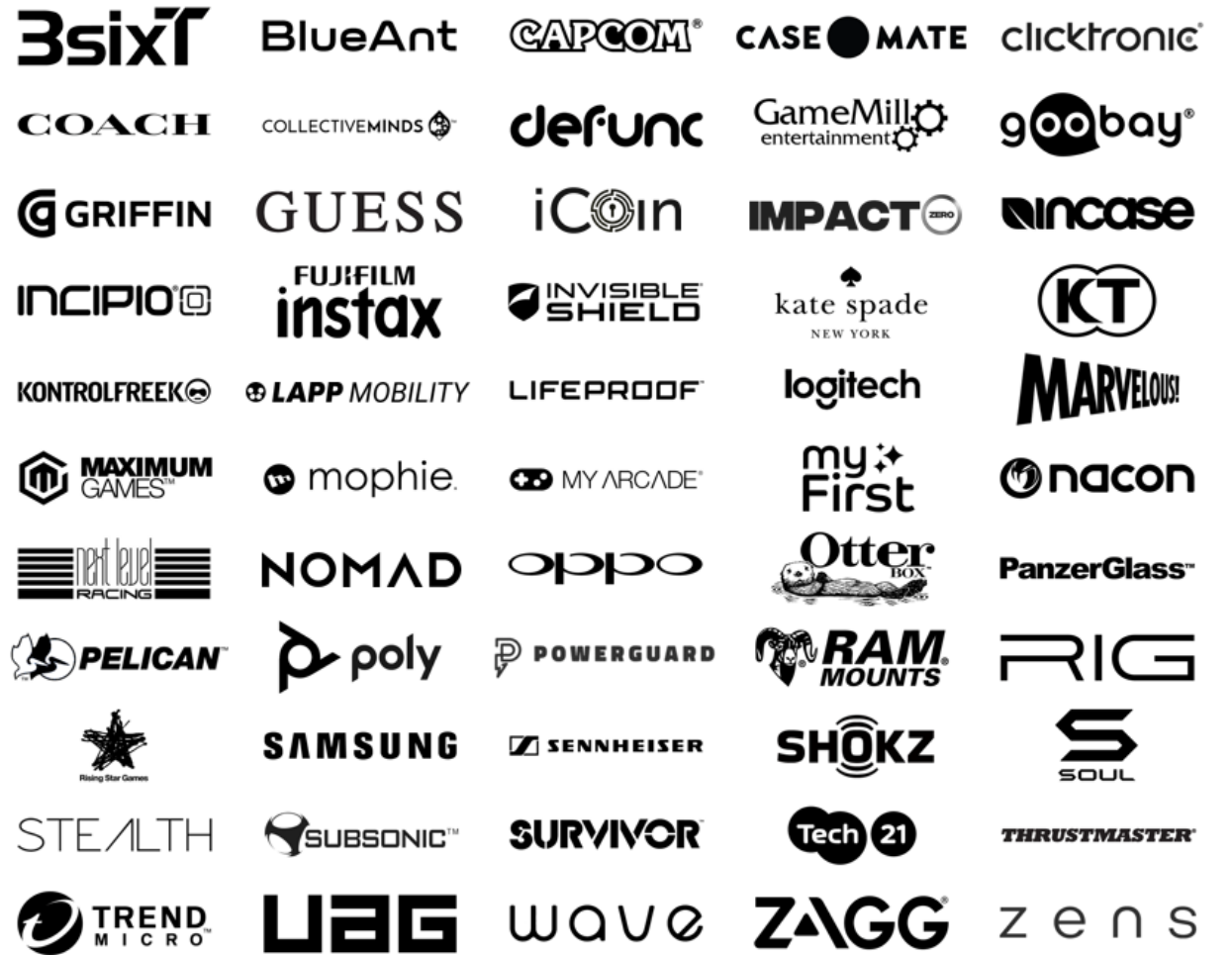
discover
the next

Partner Excellence

Cellnet is an **industry leader**, providing **full-service** representation of **global market leading** brand partners across the region.

Complimented by a strong portfolio of **own brands**, built as **fast followers** that provide Cellnet and our customers a **commercial advantage**, delivering **high margins** and **exceptional value** in core categories.

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discover the **next**

We **source** and represent market **leading brands** of **interactive** and **lifestyle technology** products into **retail, business** and **digital channels**.

Our **innovative** and **passionate** approach makes us the **most exciting** and **engaging** company to **partner** with and be part of.

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24 February 2023

Investor Update

Please find attached a copy of the H1 FY2023 presentation.

For purposes of ASX Listing Rule 15.5 Cellnet Group Limited confirms that this document has been authorised for release to the market by the Board.

Dave Clark

Chief Executive
Cellnet Group Limited

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Cellnet Group Limited Investor Relations Disclaimer

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