

ASX Announcement:

5G NETWORKS LIMITED

RECORD EBITDA¹ RESULT \$3.5M TO \$3.8M



NEWS RELEASE 5th February 2021

5G Networks Ltd (ASX:5GN) is pleased to announce record EBITDA¹ of \$3.5 to \$3.8m from revenue of \$27.5m to \$28.5m for the half year ended 31 December 2020, representing a strong EBITDA margin of 13%.

The takeover of Webcentral Group Ltd is now complete and our executive team and board are extremely satisfied with the outcome and inline with expectations.

5GN currently provide numerous Cloud, Telecommunications and Managed IT services to WCG; these services represent our core strengths. The strategic business relationship will continue to expand, with 5GN now seeking to leverage WCG capacity for software code development for operational improvement and automation across our service delivery platforms.

Importantly, the acquisition of WCG has enabled 5GN to fast track its exposure to the SMB market and WCG's 330,000 existing customers via its online sales portal. Additionally, 5GN will also develop a comparable e-commerce system as used in the WCG portal to deliver low touch, automated services to its wholesale clients.

5GN continues to add to its strong track record for prudently completing acquisitions that bring accretive value through increased earnings and growth. This most recent acquisition in particular sets the stage for the next phase of 5GN's strategy for continuing its vertical integration across the industry. Future acquisitions will be funded from existing cash reserves, and we expect a large proportion of the WCG debt (\$41m) to be repaid over the next 12 months.

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.

1. Unaudited results, excludes results of Webcentral Group Ltd, acquisition costs, non-recurring costs and share option costs



About 5G Networks

5G Networks (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 800 racks through its owned and operated Data Centres across Melbourne, Sydney and Adelaide.

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.

For further information contact:

Joe Demase
Managing Director
jd@5gn.com.au
1300 546 389

Glen Dymond
Chief Financial Officer
gdy@5gn.com.au
0408 199 712