

Dear Shareholders,

On behalf of the Board of Directors and the Senior Leadership Team, we thank you for your continued commitment, investment and support as we report on what has been a challenging FY24 financial year.

We are both pleased and proud to share with you the progress and achievements we continue to make as we transition the Business from a traditional Telco to become the preferred technology partner for our Customers across our local markets.

Your Business was formed over 20 years ago to address both access to competitive local pricing and shortcomings in supply in the market for network connectivity, in particular for Customers operating across all our local economies. The original premise of understanding and addressing underserved demand as our strategic purpose remains today. However, the demand for technology-based services has extended beyond 'connections' into fully managed technology services for our Customers.

Your board does not underestimate the challenges, but clearly see opportunities in our chosen markets. The transition to be a full technology partner for our Customers has required significant work to modernise our existing 'connections' products and also introduce a new suite of products, support and services.

With the introduction and modernisation of the new suite of products it has prompted a timely review and decommission of the original infrastructure that supported several of our legacy products. These legacy products, which served our Customers well over the years, were invested in during a period where there was a lack of effective products and alternatives that were essential for a number of our local customers. These legacy products required our Business to invest significantly in building infrastructure locally and across the Nation.

Over the years the broader industry there has been significant infrastructure deployed locally and globally by very large technology providers, including the National Broadband Network rollout. Most new services introduced across the industry are provided 'as a service', which has resulted in businesses like Bendigo Telco needing to adjust their investment strategy, priorities and services provided. This requires less hardware and infrastructure but more people who support our Customers with the consumption of such services.

As we develop our priorities towards being our Customers preferred technology partner our Business will continue to adopt technology available in the market and only utilise our capital where it is essential to meet our Customers needs.

Strategic Initiatives

We have focussed our efforts on making substantial strides in advancing our strategic initiatives, in particular product modernisation and investing in our skills and core competencies. The transition to a full technology service provider to complement our network connections business has been undertaken with strategic and careful consideration and planning. As we retire several legacy products, the focus over the next year will be to address infrastructure and operational costs associated with these aged products while continuing to pursue products and services that equip our Customers in this new digital age.

Our Performance

This year our financial results have been affected from the loss of revenue from our Data Centre hosting and Metropolitan Area Network services. These two service offerings were previously built to meet the demand of our Customers where such services were not offered or available in our regional market place.

Following the loss of this revenue, and through progressive Customer attrition, increased attention is being placed on reducing the underlying infrastructure and costs to deliver these services. These operational costs will be progressively unwound as Customers finalise their use of such services.

Over the year we continued to refresh our network products, including Software Defined Wide Area Network (SDWAN) and Benigo Telco Satellite as well as updated Hosted Voice products, including Contract Centre as a Service. We also continue to see demand for our new Infrastructure as a Service hosted server product and manage desktop services.

The reported EBITDA for the financial year ended 30 June 2024 was \$367K with a reported Group revenue of \$25.82M.

The NPAT result for the year, on a statutory reported basis, was a loss of \$5.86M. The loss was due to significant one-off balance sheet adjustments including non-cash impairment charges of \$4.75M against goodwill and other non-current assets and restructuring costs of \$105K. The Group reported a working capital deficiency of \$764K due to the requirement to reclassify \$904K of borrowing facilities from non-current to current liabilities due to the technical breaching of financial loan covenants as at 30 June 2024.

Given the focus on continuing the invest in operational efficiencies and realising the benefits of our modernised product set, the Board have made the prudent decision not to pay a dividend this year.

Looking Ahead

Looking ahead, we remain dedicated to our core vision of becoming our Customers' preferred technology partner. We are optimistic about the opportunities before us and committed to fostering sustainable growth and returning the business to a position of once again generating shareholder value from our operations.

The coming year will be focused on developing new product where Customer demand exists whilst significant effort will be placed on improving operational efficiencies and developing a sustainable Customer engagement model.

Acknowledgements

We want to express our sincere gratitude to our Customers for their ongoing commitment, support and for choosing us to help them deliver their required technology outcomes. Our commitment to support them is a not only a differentiator but a driving force behind our strategy for future success.

As Chair and Managing Director we would like to extend our appreciation to our fellow Board Members for their prudent guidance, unwavering support and ongoing commitment to our Strategy.

Thank you to our Staff for the valuable contribution and excellence in their commitment and service to the business as this provides our point of difference in the market. In addition,

thank you to all our staff members families and support networks in providing our staff with the time to dedicate and commit to deliver on our vision to be our Customers preferred technology partner.

In closing, we are confident that the Business is well-positioned for continued success and growth. We remain committed to creating long-term value for our shareholders and are focussed on repositioning the business to become a more comprehensive technology partner for our Customers.

A handwritten signature in black ink, appearing to read 'Rob Hunt', with a stylized, cursive script.

Rob Hunt
Chairman

A handwritten signature in black ink, appearing to read 'Kevin Dole', with a stylized, cursive script.

Kevin Dole
Managing Director