ASX Announcement:

# 5GN Acquires Sydney CBD Data Centre extending infrastructure capacity to over 600 racks.

NEWS RELEASE 12th September 2019

## Highlights

- 5GN has entered into an agreement to acquire Australian Pacific Data Centres Pty Ltd (APDC) for $3.5m cash at a 7x EBITDA multiple; includes annualised contracted revenue of $1.7M per annum

- The acquisition also unlocks several cost synergies with expected benefits to be approximately $500k of annualised savings starting H2 FY20

- The Pyrmont Data Centre has capacity of over 150 racks with current utilisation at 30%; future expansion is also available

- The Tier 3 designed data centre has been built to leverage the highest standards of security and access control

- 5GN's combined capacity now exceeds 600 racks across its owned and operated Data Centres in Adelaide, Melbourne and Sydney

- With several DC locations now connected to a national high-speed network, 5GN will fast track the launch of its '5GN Cloud Port' product and new indirect channel services

- The acquisition lays out the basis for CBD and inner Sydney fibre network expansion to key clients who require data centre access

5G Networks (ASX:5GN) is pleased to announce the acquisition of Australian Pacific Data Centres, located in the Sydney CBD.

This infrastructure investment will unlock significant opportunities for continued revenue growth, cost savings, and operational synergies and is in line with the Company's stated acquisition and growth strategy.

APDC houses over 150 data centre racks, lifting the 5GN Data Centre capacity to over 600 racks, all connected to a secure, national high-speed network.

The acquisition will allow 5GN to execute its wholesale channel strategy for data centre services and introduce its fibre network and cloud services to other carriers, hardware vendors and managed service providers.

The importance of the easy to access APDC location cannot be underestimated, particularly for organisations situated in the Sydney CBD. This enables 5GN to provide both wholesale and direct customers with fast and convenient access to the ISO accredited, Tier 3 designed facility to access mission critical digital infrastructure within minutes.

The APDC facility has been purpose built to Tier 3 standards with power, cooling, redundancy and carrier grade diverse network access. The Data Centre has been operating for 15 years and has N+1 redundancy and automated management systems. The transfer to 5GN of the operating lease and purchase of the asset infrastructure allows for continuity for existing customers, carriers and the rapid expansion of the 5GN data centre services, falling in line with the Company's cross and upsell strategy.

This Sydney expansion will support the accelerated rollout of the '5GN Cloud Port', an offering which packages the features of seamless access to the cloud in addition to connectivity into all relevant data centres in Australia. This innovative networking capability will simplify and speed the design, delivery and management of mission critical high-speed data services for customers.

5GN will also expand its fibre network to connect clients and other data centres in the CBD and inner metro areas of Sydney, replicating the Company's existing infrastructure throughout Melbourne, driving cost reductions from 3rd party network services. In addition, 5GN will explore the opportunity to offer dark fibre to its larger corporate customers and wholesale partners when available.

**5G Networks Managing Director Joe Demase stated;**

*"This is a valuable acquisition as typically facilities like APDC are not available; this purchase successfully executes on our infrastructure plans and we now have a clear understanding of what the next chapter looks like. Importantly, our focus remains committed to profitable growth and fully optimising our infrastructure assets, as we continue to explore strategic acquisitions. This is also welcome news for our customers, where 5GN can now offer dedicated and secure access from our connected data centres all the way through to Cloud and Managed Network services in Sydney, Melbourne and Adelaide. The new DC provides a great opportunity for 5GN to grow its share in Australia's largest ICT market and represents a significant driver to kick start our new indirect channel strategy".*

**For further information contact:**

Joe Demase
Managing Director
jd@5gn.com.au
1300 10 11 12

Stefan Mason
Investor Relations
stefanm@5gn.com.au
0422 756 177

## 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.

5G Networks 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 600 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.

8/99 William Street, Melbourne VIC 3000
www.5gnetworks.com.au
investor@5gnetworks.com.au
1300 10 11 12