

ASX Announcement : 5GN acquires data centre in North Sydney extending infrastructure capacity to over 720 racks



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Highlights:

- 5GN has entered into an agreement to acquire a privately owned data centre in North Sydney; the purchase price is \$2m, which is 3 times EBITDA.
- The all cash acquisition will be funded from existing operating cashflow and cash reserves.
- Annualised revenue is reported at \$1.3m and EBITDA \$750k. Capital expenditure required to achieve 100% capacity is expected to be \$500k.
- Acquisition provides access to the rapidly growing North Sydney technology corridor.
- Combined capacity now exceeds 720 racks across owned and operated data centres in Adelaide, Melbourne and Sydney.

5G Networks (ASX:5GN), a licenced telecommunications carrier offering seamless data connectivity, cloud and data centre services, is pleased to announce the acquisition of North Sydney data centre (NSDC), located in St Leonards, from Servers Australia Pty Ltd.

This strategic investment will enable 5GN customers to gain access to a high-speed data network by connecting directly to the data centre via dark fibre once the new rollout is complete. Cross-selling of infrastructure aligns with the company's focused acquisition and growth strategy of identifying value-accretive opportunities for expanding its fibre network and cloud services, establishing further opportunities for revenue growth as well as extending its infrastructure capacity.

The NSDC houses over 120 data centre racks with current utilisation at 32%. This acquisition expands

the 5GN Data Centre capacity to over 720 racks, all connected to a secure, national high-speed network. The acquisition will accelerate the continued execution of the 5GN wholesale channel strategy for infrastructure and data centre services. It will also open new opportunities by offering its national data network and cloud services to existing NSDC customers who include carriers, hardware vendors and managed IT providers.

North Sydney accommodates many of the top tier digital providers in Australia and the location brings local and easy access for IT staff to save valuable travel time in managing their critical infrastructure. The NSDC facility has been purpose-built with 1MW of site power availability, cooling and power generators installed in addition to geo-diversity in network access to Australia's leading service providers.

5G Networks Managing Director, Joe Demase, stated:

"Continued focus on growth through profitable enterprise services underpins this strategic acquisition. The Sydney market is well supported by several larger tenants, who have a significant appetite for data centre space, as a result of the growing requirement for digital infrastructure to support the explosive adoption of cloud services. Through continued investment in 5GN's fibre rollout, our Sydney data centres will be connected to a nationwide 10GB data footprint, which offers dedicated and secure access coupled with enterprise grade performance. This is critical in supporting our existing customers through their digital journey, in addition to our new and emerging Indirect channel."



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 high-speed 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 720 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.

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