

17<sup>th</sup> October 2024

## Hubify (ASX:HFY) Chairman's Address to AGM & Q1 FY25 Results Update

Dear Shareholders,

The financial year to 30 June 2024 was a difficult year and the results reflect this. Clearly the financial performance over the past year has not met all our expectations, and I want to assure shareholders that changes have been made to put the company on a path to operational profitability and long-term growth.

Our focus is on becoming a trusted partner for Australian SMEs in IT, cybersecurity, and communications and this guiding principle has shaped our business transformation, highlighted by 15% revenue growth in Managed services and recurring revenue growing to 87% of total revenue in the year ending 30th June 2024.

This goal and changes introduced by the telecommunications companies in the way they do business with our market segment, necessitated the divestment of the Mobility Small Business reseller program with Optus, which had an impact on our FY24 results and reflected a \$6.36M mobility revenue decline on the prior year.

As a result of the changes made, we have begun to see improvements in our financial performance, with positive trends starting in Q4 FY24 and continuing through the last trading period.

In the three months to September 2024, ICT (Managed Services, Voice, and Data) revenue showed growth, underlying cash flow was stronger, and we achieved positive Q1 EBITDA. These results are a direct reflection of the significant changes we have made to our revenue profile over the past 18 months.

To give you a sense of this transformation: ICT revenue comprised 59% of total revenue in the 12 months to June 2023. In the most recent trading period, Q1 FY25, ICT revenue accounted for 89% of total revenue, and it is more sustainable in nature.

With this shift, we are now experiencing revenue growth, with over 85% of total revenue being recurring. In addition, we remain debt-free and continue to hold a positive cash position.

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Over the past year, we have been successful in securing several major clients across key industries, including the University of Adelaide in education, JB Hi-Fi and Chemist Warehouse in retail, and FDC Building in building services.

Our management team has worked diligently to strengthen our core competencies across sales and operations.

Three key improvements have been crucial to driving growth: First, we have implemented a new sales framework that has built a strong pipeline and improved conversion rates, leading to higher growth in Managed Services.

Second, we made structural changes within our ICT division, improving gross margins and focusing on the right opportunities.

Third, we significantly enhanced our cybersecurity capabilities to support our clients and worked toward ISO 27001 accreditation, which is on track to be completed in 2024.

In the past 12 months, we have successfully protected our clients from major cyber incidents, despite ongoing attacks from cyber criminals. The feedback we've received from our customers has been overwhelmingly positive, and we are proud to be a trusted partner in their security.

With the transformation costs now behind us, the company is well-positioned to maximize profitability from future revenue growth and potential new acquisitions. The Board remains confident in our management team's ability to continue driving organic growth, realizing operational leverage, and maintaining a strong balance sheet free from debt.

Thank you for your continued support. I look forward to continuing to share more positive developments as we move forward into what we expect to be a year of sustained growth and profitability.

Anthony Ghattas  
Chairman

**This announcement is authorised for release to the market by Hubify  
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## About Hubify

Hubify Limited (ASX:HFY) ("Hubify", or the "Company"), is a leading provider of IT, Cybersecurity and Communication needs to Australian businesses. Our customers are organisations who value personalised service, reliability and forward-thinking solutions that allow them to focus on their core business. Hubify offers to a wide range of industries a targeted suite of products and service solutions;

- Business IT
- Backup & Disaster Recovery
- Cybersecurity Audits
- Cyber Governance
- Professional services
- NBN Enterprise
- Hosted Voice
- Machine to Machine (IoT)
- SIP & On-Premises
- IT Infrastructure
- Proactive Cybersecurity defence
- Security Event Management
- Internet & Networks
- Unified Communications
- Fibre & Managed Wifi
- Workspace & End User computing
- Global SIM
- Mobility Device Management

Solutions for our target market include products such as Hubify One, a single IT services solution for SME from end point management to strategic direction at one fixed cost. Hubify provides Australian businesses one trusted partner for their IT, Cybersecurity and Communications needs.

Follow our developments through our website and social media channels



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