

2022 AGM

22 November 2022

COMMS GROUP LIMITED (ASX: CCG)

This document has been approved by the Board of Comms Group Ltd

www.commsgroup.limited

CEO & Managing Director's Address

Mr Peter McGrath

Comms Group Business Today

A leading B2B provider of cloud-based communications and managed IT services to businesses

**We service our customers via
three key business units**

**We enhance
business agility
through innovative
cloud-based
communications
and IT solutions**

next.[®]
telecom
a commsgroup business

Telco service provider to Australian SME & corporate mid-market sectors (<1,000 employees) with the latest products and award winning customer service.

www.nexttelecom.com.au

commsgroup
Global Cloud Communications
Global

Specialist UCaaS and CPaaS provider to Wholesale, Enterprise and Global MNCs (>1,000 employees) with global network reach.

<https://commsgroup.global>

onPlatinum
a commsgroup business

Award-winning IT Managed Service Provider supporting corporate customers' ICT needs, focusing on innovation and developing long-term relationships.

<https://onplatinum.com.au>

Located across Sydney, Melbourne, Gold Coast, Singapore, Philippines, UK

Refer <https://commsgroup.limited/managementteam> for management team

Note: Refer glossary for definitions.

FY22 Key Results Summary

Broader, more diversified business with continued Revenue & EBITDA growth in FY22



FY22 Revenue
Up 64%
to \$41.3m



FY22 Underlying EBITDA^{1, 2}
Up 28%
to \$4.1m



FY22 Gross Profit
Up 68%
to \$19.1m

¹ Underlying EBITDA excludes net interest, tax, non-cash share LTIP costs, depreciation, amortisation and business, integration & restructuring costs.

² Excluding start up costs associated with Vodafone contract win, FY22 underlying EBITDA was approx. \$4.8m (up 50% on pcip).

FY22 Highlights

Key acquisitions & greater scale

- Two key acquisitions completed in FY22 – **Switched On** and key ICT provider **onPlatinum**.
- Business is now over \$50m annualised revenue with significant scale and diversification and extensive product and service offering.

3 key business units established

- We structured the business into three key divisions each with their own CEO with P&L responsibility:
 - **Next Telecom** – Domestic SME/Corporate mid-market Telco.
 - **OnPlatinum** – Domestic Corporate Managed ICT service provider.
 - **Comms Group Global** – UCaaS / CPaaS to Wholesale/Enterprise in the global telco marketplace.

Strong synergies from acquisitions

- Completed key synergy projects in Q4 FY22, delivering \$0.8m in annualised synergies from recent acquisitions including Next Telecom and Binary.
- Further potential synergies have been identified across the Group which could provide up to \$1m in annual cost savings, realisable over the next 12 months.

Key agreement with Vodafone

- A key global agreement to provide key unified communications & related services to **Vodafone Group PLC**.
- Significant work undertaken since contract award and launch occurred in Sept-22 qtr.
- Providing advanced orchestration & automation capabilities to automate many processes.
- Positive partnership with great progress to date and potential for an expanded relationship.

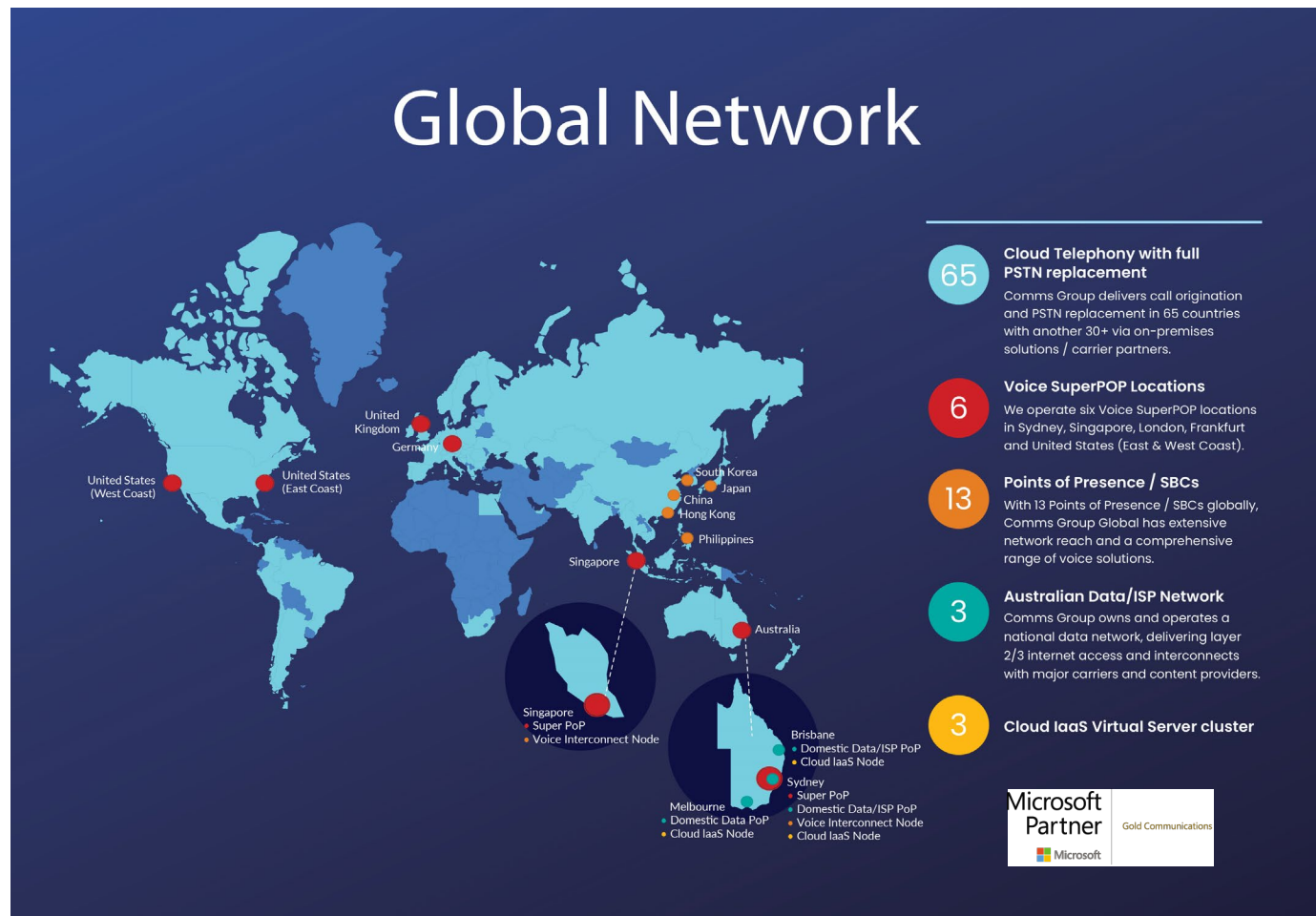
Strong new sales results

- Strong sales result in FY22 with new sales contracts signed:
 - Total of \$2.8m ARR¹ of new sales contracts closed in 1H22.
 - Total of \$4.3m ARR of new sales contracts closed in 2H22.

¹ARR = Annual Recurring Revenue

Comms Group global network enhanced in FY22

- ✓ Comms Group is a leader in Microsoft Teams calling for global businesses.
- ✓ Extensive international network with in-depth Asia Pacific coverage and carrier relationships.
- ✓ Upgraded & expanded capacity of core Global voice network with 6 SuperPOP locations now in place – Sydney, Singapore, London, Frankfurt, US West & US East.
- ✓ Expanded network capability and capacity in key markets of Philippines, Hong Kong, Vietnam & Thailand.
- ✓ Enhanced capacity of our domestic data (Layer 2), internet (Layer 3, ISP) & cloud hosting platforms.



Business Update

Comms Group started the year well. We expect to deliver further growth in FY23.



OVERALL PERFORMANCE

- ✓ Businesses all seeing solid customer demand.
- ✓ Continued focus on debtors seeing minimal collection issues.
- ✓ Some additional one-off legal and bus dev't costs in Global division related to key new sales prospects (\$0.2m)



STRONG NEW SALES

- ✓ Continuing strong new sales levels – tracking to FY22 levels or better.
- ✓ New sales contacts signed for 3 mths to end Sept-22 of \$2.6m ARR.
- ✓ Strong Oct-22 new sales of \$1m ARR.



INVESTING FOR FURTHER GROWTH

- ✓ Additional staff hires resulting in some opex increases in order to support growth initiatives.
- ✓ Key sales hires undertaken or underway all 3 business units.
- ✓ Plan to commence synergy plan with ONP from 1 Jan onwards post ONP earn out period.



KEY CUSTOMER WINS GLOBALLY

- ✓ Some good wins with global carriers and global contact centre providers YTD.
- ✓ Three new large Asia Pacific carrier partnerships established.
- ✓ Expectations of further strong wins in the Global division.

¹ Underlying EBITDA excludes net interest, tax, non-cash share LTIP costs, depreciation, amortisation and one-off business, integration, establishment & restructuring costs.

Comms Group Global Expansion

2 Key Growth Strategies

- Provision of **UCaaS** services primarily for key wholesale partners & carriers and Enterprise MNCs.
- Provision of **CPaaS** services (DIDs, SIP trunks) in various countries for call termination (CTS) & local voice services for key wholesale customers inc. contact centre providers, content providers & global carriers.

Key Differentiators

- Extensive experience and technical know how (+10yrs).
- Global first strategy from an early stage – borderless solution delivery for global customers.
- One of the first providers globally to offer multi-tenanted global Teams calling – launched Aug 2018.
- Large global footprint, extensive carrier relationships & Asia-Pacific specialty and focus.

Key Initiatives Underway

- Major network upgrade with establishment of 6 SuperPops recently completed.
- Addition of core UCaaS service ordering & management platform “OnePortal” for key wholesale customers.
- Addition of MS Teams Operator Connect and other UCaaS products such as Zoom and Webex.
- Adding new carrier partners & licences in key target markets – expect some announcements soon.

Recent Wins FY23 YTD

- UCaaS Partnership announced with Telin/PT Telkom (Oct 22).
- Partnership established with 2 other major Asia-Pac carriers, with expected strong growth moving forward.
- New relationship commenced with a Top 5 Global contact centre provider.
- Commenced providing Asia Pacific CPaaS services for a key US UCaaS provider.

Expected Growth Profile

- We expect to see significant growth over next 2 to 3 years from our Global business.
- Forging new business with some large carriers where CCG will be key provider in major Asia Pac countries via global network reach and UCaaS OTT capability.
- Expect to grow and increase the size of business with some established customers in APAC while providing further growth prospects into EMEA.

Comms Group strategic imperatives



Extend our services in the corporate mid-market sector with a full ICT service offering



Become a key UCaaS and CPaaS provider throughout APAC region and globally to wholesale & enterprise sectors



Grow to scale organically and via acquisitions to over \$100m revenue with commensurate increase in profitability



Expand domestically to become a national provider

Outlook

- Revenue - expected to exceed \$50m for the year.
- Underlying EBITDA^{1, 2} - expected to be \$6m+



FY23 Revenue is
expected to be
\$50m+



Expect growth
across all 3
business units in
the Group in
FY23



FY23 Underlying
EBITDA is expected
to be
\$6m+



We expect to also
continue to grow
via strategic
acquisitions as
appropriate M&A
opportunities
arise.

¹ Underlying EBITDA excludes net interest, tax, non-cash share LTIP costs, depreciation, amortisation and one-off business, integration, establishment & restructuring costs.

² Excludes one off legal & BD related costs as well as new subsidiary and licence related costs in Global division. The Board considers this investment vital to the Company's accelerated growth plans.

Glossary

Term	Definition
Cloud Communications	The provision of key communications services from cloud servers based in data centres with services delivered over high-speed internet connections.
Cloud PBX, Cloud Phone, Hosted PABX	A cloud PBX functions the same as an in office PABX but is hosted in a cloud server accessed via the internet. This is becoming the preferred option for providers and customers today. We operate a global Cloud Phone network.
Corporate mid-market	For Comms Group, this is larger organisations with typically 500+ employees and monthly spend (MRR) of typically > \$5,000.
CPaaS	Communications Platform as a Service is a cloud-based platform that enables developers to add real-time communications features to their own applications without needing to build backend infrastructure and interfaces. Comms Group provides call termination (SIP Trunks), telephone numbers and management across multiple geographies.
CTS	Call Termination Services – provision of a service by wholesale service providers to terminate voice calls in different countries and on to different networks such as mobile and fixed voice networks.
Data Service	A broadband service that delivers voice, video and data over a private network or the Internet. NBN and fibre optic services are most in the SME and corporate mid-market. We operate a domestic Layer 2 (data) and Layer 3 (internet) network with Points of Presence (PoPs) in Syd, Melb & Brisb and aggregate a range of layer 2 wholesale access services.
Enterprise	For Comms Group, this is organisations with typically > 1,000 employees and operating multi-nationally as an MNC.
Fibre (optic)	Use of fibre optic networks to carry digital signals (data) via light transmission at very high speeds, transforming the telco and cloud services market globally.
ICT	Information Communication Technology is an umbrella term that covers the wide range of IT services and Communications services provided to businesses.
MNC	Multi-national corporate whereby the corporation has offices, facilities and assets in multiple countries.
MRR	Monthly recurring revenue is the monthly recurring annuity style revenue received from customers.
NBN	Australia's national broadband network, which is a wholesale open access data network, replacing older copper and cable broadband with optic fibre networks, high speed switches and other technologies.
PABX	A typically in-house telephone switching system that interconnects telephone extensions to each other as well as the outside telephone network known as the public switched telephone network (PSTN).
SD-WAN	A software-defined wide-area network (SD-WAN) uses software-defined network technology, such as communicating over the Internet with encryption between an organisation's locations. Allow companies to build higher-performance networks using lower-cost & commercially available Internet access & replace older networks such as MPLS.
SIP	Session Initiation Protocol – being the standard IP telephony signalling protocol used to manage voice calls over the internet.
SME	For Comms Group, this is small to medium enterprise typically up to 500 employees.
UCaaS	Unified communications as a service is a delivery model based on the cloud, providing key communications services including telephony (voice), video, messaging, chat, collaboration, document storage supporting teamwork, agility, mobility and work from anywhere. We are a leading provider of MS Teams calling with a global network and service offering.

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