

onPlatinum Acquisition

7 FEBRUARY 2022

Key Highlights



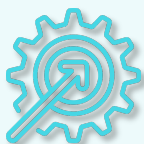
Acquires a leading provider of ICT¹ services with a high-quality customer base



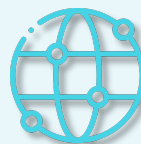
Extends Comms Group's product offering, broadening product set into the IT services market



Adds ~\$16m in total group revenue, a ~45% increase on current business revenue



Strengthens Comms Group's position in the corporate mid-market²



Expands the Company's domestic footprint into QLD



Expect base EBITDA contribution of \$2m³ (incl. synergies) and expected to grow overtime

¹ ICT refers to Information Technology (IT) services as well as Communications Services.

² For Comms Group, Corporate Mid-Market refers to larger organisations with typically 500+ employees and monthly spend (MRR) of typically > \$5,000.

³ Annualised EBITDA contribution.

Strategic Rationale

Consistent with the Company's strategy of pursuing near term accretive acquisition opportunities



Expansion of domestic footprint

- Provides access to customers in QLD and NSW via onPlatinum's services to SME and corporate mid-market
- New base in QLD with significant resources and capabilities



Transformational acquisition

- Adds ~\$16m in total group revenue, representing a ~45% increase on current group revenue
 - Full year FY22, underlying EBITDA guidance upgraded to \$5m to \$5.5m which includes 5 months trading from onPlatinum



Extension of service offerings

- Delivers a high-quality corporate customer base
- Broadens Comms Group's product set into the IT services market
- Extension of offerings to existing client base via onPlatinum's managed IT services and cloud offerings



Consistent with M&A strategy

- Targets expanding offerings & client base
 - Post-acquisition, annualised revenue is expected to be over \$50m and annualised underlying EBITDA of \$7m+ including expected synergies from onPlatinum¹

¹ Based on full year contributions from all businesses acquired over the past 12 months

onPlatinum business overview

Trading via the onPlatinum and Tango Technology businesses



Managed services

Managed services, provision of hardware, professional and security services

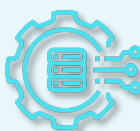
~ 54% of revenue



Cloud services

Desktop as a service, Office 365 services, Windows cloud services, and Backup as a service

~ 25% of revenue



Data services

Wide Area Network (WAN) maintenance and services, WAN provisioning and SD-WAN offerings

~ 11% of revenue



Voice services

A fully supported PBX hosted system combining traditional phone systems, VOIP and cloud computing

~ 10% of revenue

- A strong reputation for quality, expertise and innovation
- An award-winning business with a demonstrated history of sustainable growth
- Infrastructure services that support over 55,000 requests per month – with only 4,500 that require human involvement
- ~500 customers with average revenue per customer (ARPU) of circa \$3,000 per month
- Aims to have customers on longer term contracts of 3+ years
- Servicing all capital cities and headquartered on the Gold Coast with over 60 employees

A single point of contact for all clients

Specialising in information communications and technology needs for clients across a broad range of industries



IT & Cloud

Managed IT, Cloud,
Infrastructure,
Network, Backups &
data recovery



Security

EndPoint EDR, Firewall,
Domain Controllers,
Dark Web
Assessment for
domains, Risk Watch
for O365



Consultancy

Project delivery,
Virtual CIO, Risk
assessment, Advisory
board, Policy &
Procedure
documentation



Print

Integrated solutions,
National service
coverage, Workflow
automation

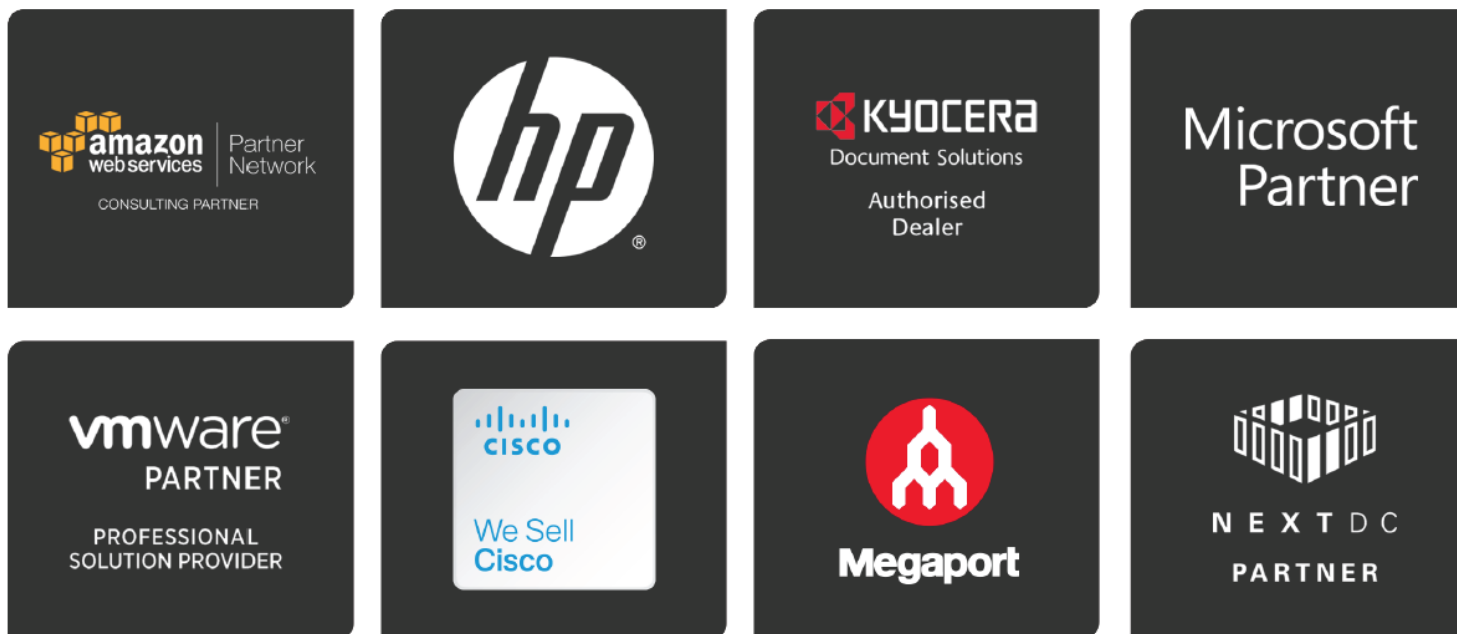


Communications

Phone, Internet,
Digital presence

onPlatinum partners with industry leaders

A client base that has grown to ~500 clients with 7500 end-points globally, since 2012



One of just 14 Australian businesses authorised and approved by Microsoft to build third party hosted solutions privately

Acquisition consideration

An initial consideration of \$12m and an additional out-performance earn out component up to \$6m, taking the potential maximum consideration up to \$18m

Upfront Payment of \$10m	<ul style="list-style-type: none">• Cash consideration of \$8m subject to adjustment for working capital and net debt; and• \$2m in CCG ordinary shares issued at the 30-day VWAP of approximately 10.5c per share, with 100% escrowed for a period of 12 months and 50% escrowed for a period of 18 months from the date of completion
Deferred Payment to be paid on 1 July 2022	<ul style="list-style-type: none">• A further cash payment of \$1m; and• \$1m in CCG ordinary shares issued at the lower of the 30-day VWAP or the closing share price at the issue date
Out-Performance Payment (earn-out)¹	<ul style="list-style-type: none">• Up to \$6m based on a calculation of 24 times 2Q FY23 (December Qtr. 2022) audited EBITDA, subtracting the Upfront and Deferred payments. By way of example, if 2Q FY23 audited EBITDA was \$600k, then a \$2.4m Performance Payment would be payable to the vendors (\$600k x 24 = \$14.4m, less Upfront of \$10.0m, less Deferred of \$2.0m, equals \$2.4m) <p>In the event of the Performance Payment being due, consideration will be paid as follows:</p> <ul style="list-style-type: none">• 80% cash; and• 20% in CCG ordinary shares issued at the lower of the 30-day VWAP or the closing share price at the issue date with a floor price of 5c per share

¹ In the event onPlatinum outperforms, the vendors will be entitled to an Out-Performance Payment

Acquisition funding

Funded by a new debt facility of \$10m established with the CBA and CCG shares issued to the vendors

CBA Term Loan facility

- Approval by the Group's existing bank, CBA, of a Term Loan facility of \$10m
- Includes an increase to existing working capital facilities (overdraft & credit and procurement card facilities)
- The facility will cover in full the cash consideration components related to the Upfront and Deferred payments as well as associated transaction costs
- Negotiated terms and conditions are favourable and typical for facilities of this nature

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