

Company Presentation to Bell Potter

15 February 2022

COMMS GROUP LIMITED (ASX: CCG)

<https://commsgroup.limited>

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

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Company Overview

Presenting today – CEO & CFO Bios



Mr Peter McGrath

CEO and Managing Director

Peter's business career spans 30 years in telecommunications, ICT and corporate advisory, with over 15 years in senior leadership positions.

Peter was CEO of the Nextgen Group (Nextgen Networks, Metronode & Infoplex) as well as Managing Director of Leighton Contractors Telecommunications Division and Managing Director of Visionstream for 8 years. Under Peter's leadership, the businesses all grew to become leading players in the Australian marketplace. Prior to this, Peter was Chief Executive Officer of publicly listed Uecomm and earlier Chief Operating Officer of leading commercial ISP: Connect.com. Peter also has extensive experience in equity capital markets and corporate finance with ANZ Securities and UBS Warburg and has served on a number of boards over his career.

Peter holds a Bachelor of Engineering Degree (RMIT) as well as an MBA from Melbourne Business School.



Mr Matthew Beale

Chief Financial Officer

Matthew is a qualified Chartered Accountant with broad corporate accounting and finance experience.

Matthew acted as a permanent and interim CFO of SMEs both publicly listed and privately owned, across agricultural food production and processing, import/wholesaling, port operations, sand mining and processing, IT and online retail clothing. Matthew has worked closely with and reported through to business owners including investment managers, family offices, managing directors and boards of directors. Prior to Matthew's first CFO role ~15 years ago, he worked in Corporate Finance roles including advisory and corporate banking. Through these roles and acting as CFO, he has gained experience in due diligence and business valuation for acquisition and sales purposes, capital raisings including pre-IPO and private raisings and debt funding for a variety of uses.

Matthew also has an MBA from The Australian Graduate School of Management.

Comms Group at a glance

A leading B2B provider of cloud communications (UCaaS) and IT services to businesses

**We service our customers via
three key divisions**

**Our goal is to
enhance business
agility through
innovative
cloud-based
communications
and IT solutions**

Voice Services

Data Services

**Unified
Communications
Solutions (UCaaS)**

IT Managed Services

next.[®]
telecom
a commsgroup business

Telco services
domestically to
the
SME/corporate
mid-market
sectors
(<1,000
employees)

www.nexttelecom.com.au

commsgroup
Global Cloud Communications

Specialist UCaaS¹
provider to
wholesale,
enterprise and
Global MNCs
(>1,000
employees)

<https://commsgroup.global>

onPlatinum

Leading ICT
managed
services provider
with strong
reputation for
quality, expertise
and innovation

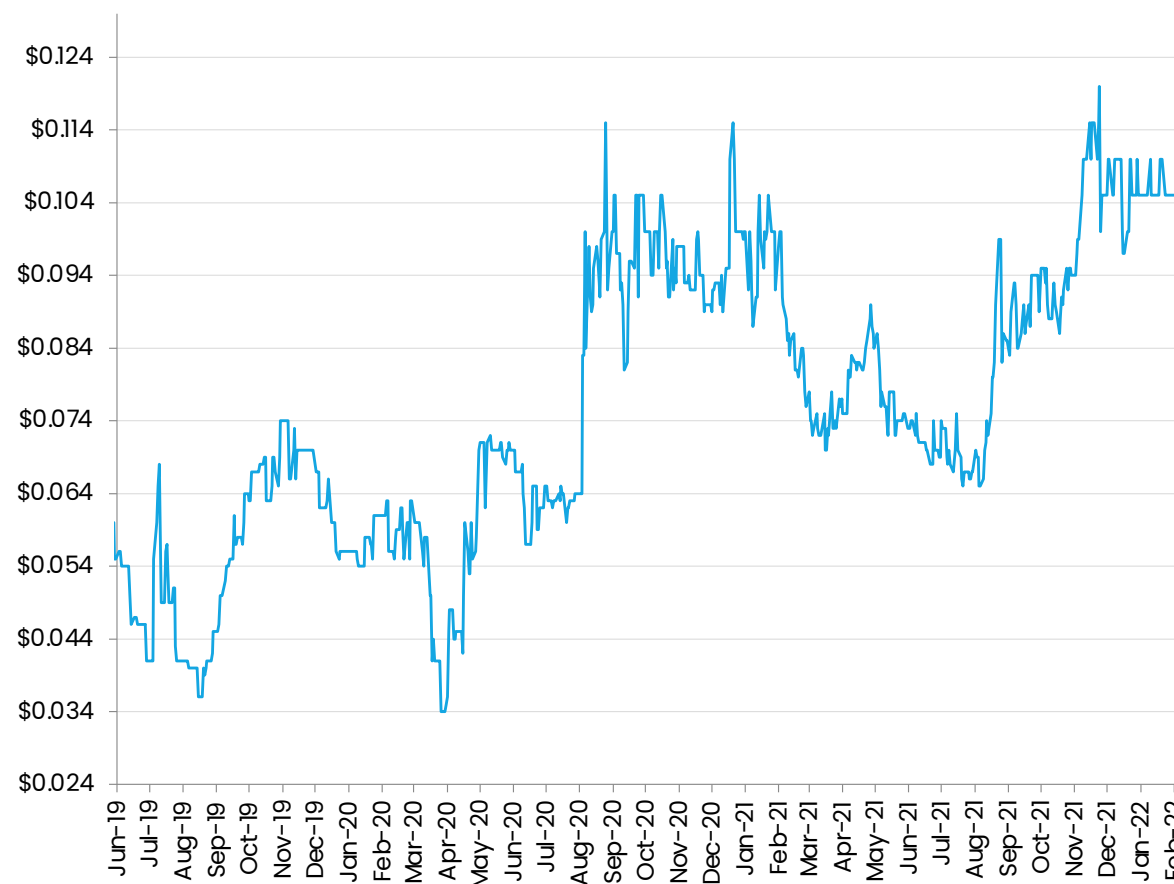
<https://onplatinum.com.au>

¹ Unified Communications as a Service (UCaaS): a communications delivery model based on the cloud, that allows companies to access key comms services including telephony (voice), video, messaging, chat, collaboration, document storage supporting teamwork, agility, mobility and work from anywhere.

Market Data

Share price¹	\$0.107
Market Capitalisation¹	\$39.5m
Net debt²	\$5.9m
Enterprise Value	\$45.4m

CCG.ASX Share Price (AUD)



¹ As at 14 February 2022

² Calculated using cash balance as at 31 December 2021

Key timeline of events



Products & Services Overview

A highly focused B2B telco with a full ICT product suite and leading position as a global unified communications provider



Voice services

- Replace legacy ISDN & PABX lines
- Move traditional "in-office" PABX to the cloud
- Advanced cloud business phone/hosted PBX (domestic)
- Global PBX for International offices
- Inbound 13/1300/1800 services
- Mobile voice/data plans

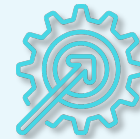
Wholesale/Global

- SIP Trunks
- SIP & MS Teams calling services wholesale
- Call Termination Services
- DIDs/Telephone numbers



Data services

- High speed fibre-optic based data & internet services
- NBN services inc. NBN Enterprise Ethernet
- Own our own Layer 2 and Layer 3 (ISP) networks
- SD WAN
- Multi-carrier diversity services
- Access to Cloud Services
- Firewall services



Unified Comms Solutions (UCaaS)

- Industry leading Global Microsoft Teams calling (Direct Routing)
- Range of value-added applications
 - Contact Centre
 - Call Recording
 - Call analytics
 - SMS messaging with integration to MS Teams



Managed IT services

- 24x7 IT Managed services
- Provision of ICT hardware
- Security services
- Cloud based services (Azure, VMWare)
- Own our own Cloud IaaS Virtual Server cluster (VMWare)
- Desktop as a service
- Backup as a service

Leading global Microsoft Teams calling provider

Comms Group provides a world leading international calling experience



Comms Group has added a number of key products to its key Unified Communications offering, including:

- 1 Contact Centre for Microsoft Teams**
Native contact centre for Microsoft Teams. Intuitive and powerful web administration.
- 2 Call Recording for Microsoft Teams**
Native cloud-based Call Recording for Microsoft Teams – PCI Compliant. Seeing good interest from financial services firms.
- 3 Call Analytics for Microsoft Teams**
Measure Call Sentiment through CommsChoice Insights, AI-driven Speech Analytics license, which measures conversation pace, volume, pitch, and tonality.

Comms Group Global Network



CommsChoice is a leader in Microsoft Teams calling for global businesses.



Extensive international network with the most extensive Asia Pacific coverage.



Recently completed expansions into **China, Japan, Philippines, HK and Indonesia.**



The first and only provider of Microsoft Teams calling in **China.**



Continuing to expand into under served markets - currently expanding into **India, South Africa and Vietnam.** And other Asian countries shortly.



Singapore sales office established in 2021

COMMS CHOICE WORLDWIDE NETWORK



OnPlatinum acquisition – entering IT services market



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



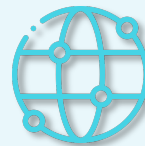
Extends Comms Group's product offering, broadening product set into the IT services market. Provides strong cross sell opportunity.



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



Base EBITDA contributions 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

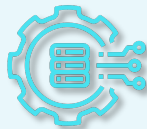
~ 54% of revenue



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

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



Financial metrics

Key financial highlights

Increased scale and continued profit growth

FY21 Revenue

Up 30%

YoY growth to \$25.2m

FY21 EBITDA¹

Up 20%

YoY growth to \$3.2m

FY 21 Gross Profit

Up 23%

YoY growth to \$11.4m

FY21 Gross Margin

49%

Up from 47% YoY²

Annualised revenue³
expected to be

>\$50m

Annualised EBITDA^{1,3}
expected to be

>\$7m

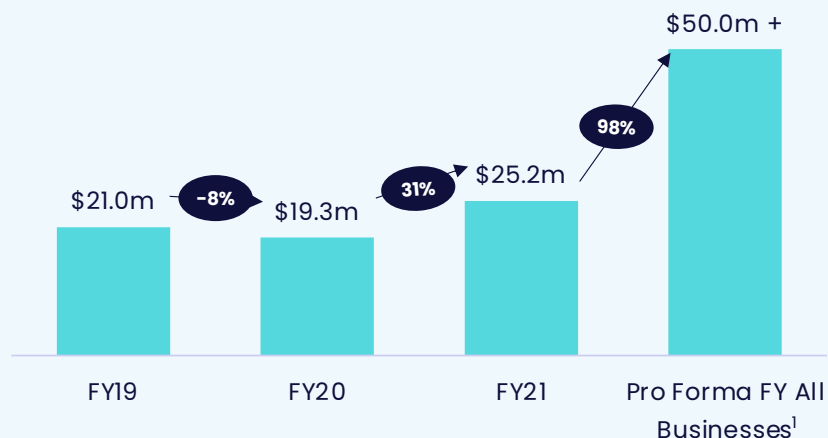
¹ Underlying EBITDA excludes net interest, tax, non-cash share LTIP costs, rent, depreciation, amortisation and business, integration & restructuring costs.

² Gross Margins excluding acquired businesses

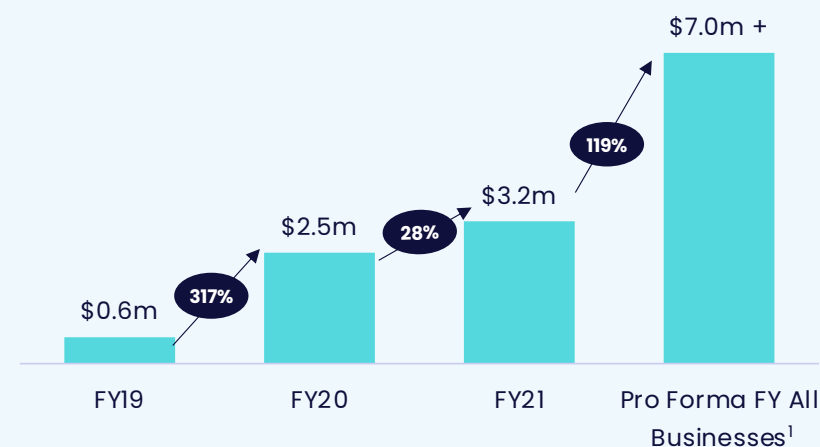
³ Annualised underlying revenue & EBITDA including all acquisitions finalised during the year and the recent acquisition of OnPlatinum Australia

A demonstrated history of performance

Revenue



Underlying EBITDA²

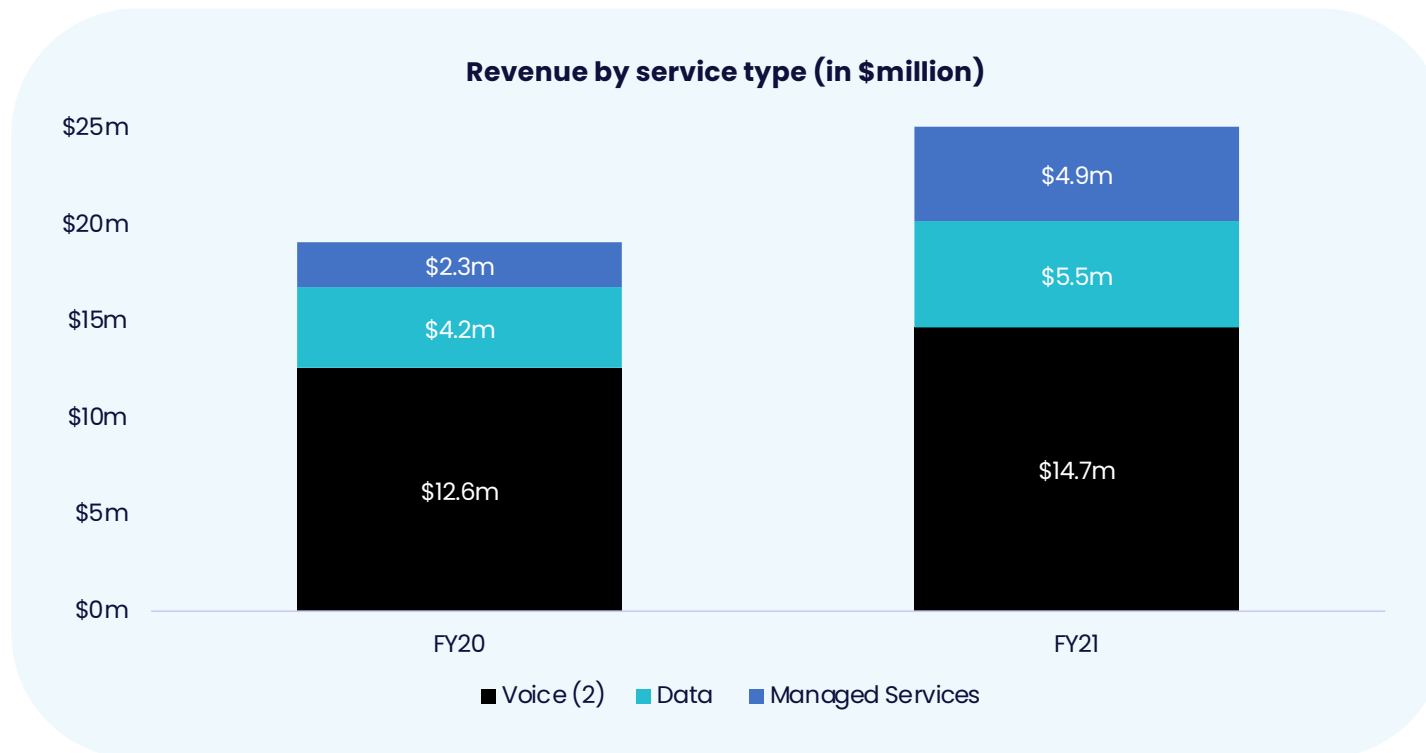


Strong revenue growth with high gross margins of nearly 50% and continued increase in EBITDA

¹ Annualised revenue & EBITDA of all businesses including onPlatinum based on current run-rate of all businesses

² Underlying EBITDA excludes net interest, tax, non-cash share LTIP costs, rent, depreciation, amortisation and business, integration & restructuring costs.

A diversified revenue stream



² Including UCaaS and Cloud PBX – Teams Calling UCaaS MRR has increased >100% Year on Year



Strategy and Outlook

Comms Group strategic imperatives



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



Become a key UCaaS provider throughout the APAC region and globally, servicing the wholesale and enterprise (MNC) sectors



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



Expand domestically to become a national provider

“We are singularly focussed on continuing our growth journey and enhancing business agility through innovative cloud communications & IT solutions”

Board



John Mackay
Independent Non-Executive Chairman

Over 15 years' experience as chairman and director of major listed and unlisted companies across the communications, utilities, health, construction and education sectors.



Peter McGrath
CEO and Managing Director

Peter's business career spans 30 years in telecommunications, ICT and corporate advisory, with over 15 years in senior leadership positions.



Ben Jennings
Non-Executive Director

Ben has spent almost 18 years as an accountant working in both commercial and public practice roles in both Australia and the United Kingdom.



Claire Bibby
Independent Non-Executive Director

A highly experienced lawyer with over 25 years' experience as general counsel, Executive and Non-Executive Director with ASX, multinational, private and NFP organisations.



Ryan O'Hare
Non-Executive Director

Ryan's telecoms career began in 1993 when co-founding telecommunications service provider corpTEL Communications. corpTEL rapidly became one of the largest privately owned B2B telecom groups in Australia until its sale to AAPT (TPG) in 1998.

Glossary

Term	Definition
Cloud Communications	The provision of key communications services from cloud servers based in data centres and 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. Comms Group operates 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.
CTS	Call Termination Services – provision of a service by wholesale service providers to terminate voice calls in different markets or 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 the most common forms of data services in the SME and corporate mid-market. Comms Group operates a domestic Layer 2 (data) and Layer 3 (internet) network with key Points of Presence (PoPs) in Sydney, Melbourne & Brisbane and aggregates 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 WANs using lower-cost and commercially available Internet access. SD-WAN is replacing traditional data 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.
Unified Communications (UCAas)	A communications 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. Comms Group is a leading provider of MS Teams calling with a global network and offering.

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