

25 October 2018

Welcome to the 2018 Annual Meeting for TeamTalk.

Joining me at the meeting today are fellow directors Tone Borren, Reg Barrett, Nathan York and James Sclater. I have an apology today from director Susan Freeman-Green who is overseas on business.

We are also joined today by CEO Andrew Miller and the Senior Executive team, who Andrew will introduce shortly.

We have present our auditors, KPMG, Julie Crengle from our legal firm, Crengle Shreeves & Ratner and we are joined this year for the first time by Scott Menzies from BNZ, our new banking partners

The past year, as reported on in our Annual Report was both about ensuring we got the preparation done to ensure we could start the transformation and re-investment into our main infrastructure whilst also ensuring we were successful.

The Board and Management have worked hard to continue to deliver against the strategic plan signed off at the beginning of 2017. The plan to get the company back on track initially focused on reduction of debt and I am pleased to say we continued to meet our target successfully including exercising our option to sell the remainder of Farmside to Vodafone. We also commenced the rollout of our Digital radio network, a major investment which will offer the ability to offer new services and products such as “man down” monitoring, a service vital to many companies looking to meet their obligations under the Health and Safety legislation.

The investment was approved following a rigorous process of assessing different suppliers and the market demand. We firmly believe that this investment will enable TeamTalk to grow and increase our profit.

We have also been working hard developing our plans to commence the undergrounding and transformation of the CityLink network within Wellington CBD. The high-level design has been completed and makes maximum use of Powerco’s old gas ducts that we secured on a 10 + 10-year license earlier this year. The undergrounding is expected to be completed by June 2020 and will position CityLink well for the approaching demands of a 5G network for Wellington central city.

Our Chief Executive will update you shortly on both these investments.

Our profit after tax of \$4.4 million was within our market guidance, though it was down on last years \$5.2 million after tax profit. The difference was we had extinguished our previous tax losses; hence our tax expense was an extra \$1.3m.

Significantly for the company’s future, our net debt was down 19.1% from \$21.9 million to \$17.7 million. This significant reduction in debt exceeds the target announced by the company at the half year result in February 2017 and is hard evidence of the change that has occurred in TeamTalk, where we successfully deliver to our plan.

An important component of the plan is to ensure the ongoing sustainability of the company whilst also transforming it for future growth and it is in this light that at the end of the financial year the Board took the decision that for this year, profits should be reinvested into the capital projects rather than commence a dividend payment.

The good news is that as a result of the successful capital raise we announced on Tuesday, is that we will be returning to dividend at the end of this financial year.

The success of the capital raise is an endorsement by the markets that we are going in the right direction and that our transformation plan demonstrates the ability for growth and increased profitability.

We have successfully completed a \$2.0 million underwritten placement along with a fully underwritten rights offer.

For you as shareholders the rights offer will be a pro-rata 1 for 3 rights offer at \$0.65 per share. Under the rights offer, eligible shareholders are entitled to subscribe for 1 new share for every 3 shares held as the record date (anticipated to be 5.00pm on 31 October 2018).

Finally, I want to pay a special tribute to retiring Director Tone Borren. Tone has served on the TeamTalk Board for 14 years and is the last remaining member of the Board who floated the company back in 2004. I would like to thank Tone for his sound and wise council which has been greatly valued by myself, and the other Board members. I would also like to thank him for his leadership of the remuneration committee for the past few years.

Tone you have observed many changes across TeamTalk over the last 14 years and your support, passion and commitment will be missed. I hope we continue to see your presence at future AGMs.

We have decided to leave the Board with 5 Directors pending the Capital Raise and a re-evaluation of the skill set we require as TeamTalk rolls out it's current projects.

I wish to acknowledge the significant workload carried out by Management and staff at TeamTalk over the past year as we embark on our next important phase of growth. In particular, CEO Andrew Miller and his executive team have been crucial to the progress our company has made over the past 12 months.

I also want to thank the Directors for their ongoing work and commitment to the company.

Finally, I want to thank you the shareholders for their support over the last 12 months. I appreciate the feedback I receive from you.