

## **COMMSCHOICE AGM 2018**

### **CHAIRMAN'S SPEECH**

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Good morning Ladies and Gentleman.

Welcome to the inaugural Annual General meeting of CommsChoice Group. My name is John Mackay and I'm the Chairman of your company.

I would like to say a few words on behalf of my fellow Directors before asking CEO Ben Gilbert to review the recent operational performance of the company in more detail.

The 21<sup>st</sup> of December 2017 marked the beginning of a new era of competition in the Telecoms Managed Services market with the successful listing of the CommsChoice Group on the Australian Securities Exchange. The company issued 30 million new shares raising \$7.5 million. It was an important day for our shareholders, staff, clients and suppliers.

I would like to congratulate and thank our team who worked tirelessly through this period, responding with dedication and enthusiasm throughout the process.

The strategic combination of the five businesses that together comprise the CommsChoice Group has created a new innovative competitor in the telecommunications industry. CommsChoice is uniquely positioned to deliver high quality, low cost services using infrastructure independent virtualised capabilities in Australia and internationally, whilst leading our clients on their digital journey to the cloud.

Today's businesses are demanding and highly mobile. As a result, we continue to evolve our product offerings and service delivery, demonstrating our commitment to a future-proof technology strategy. We can see the changes sweeping across the

markets in which we operate and I believe CommsChoice is well positioned to capitalise on these trends over the longer term.

Our expanded 'connect, collaborate and manage' portfolio of services encompasses next generation products such as SD-WAN, software as a service and other leading-edge managed services to meet the ever-evolving needs of our clients.

Reflecting on our first year as an ASX listed company, it is easy to become preoccupied with short-term financial and share price performance. I acknowledge the disappointment many of our shareholders must be feeling as we did not meet our original earnings forecasts detailed in the IPO prospectus, and our share price is trading significantly below the IPO price. I share your disappointment as I too am also a shareholder in CommsChoice.

The company did not meet its prospectus forecasts due mainly to a longer than originally anticipated integration process of the five businesses which now make up the Group, and with some delays in new business realisation.

While I acknowledge these issues have impacted our share price, from an operational perspective these are timing issues, rather than a fundamental flaw in our business model.

After some initial setbacks, business integration remains a key focus for the group in FY19. We are now very comfortable with the progress made to integrate legacy systems and processes into a single operating structure. We are on track to have all the businesses fully integrated by early in the new calendar year. We will provide a further update on this when we release our interim FY19 results in February next year.

The Directors consider the company is well positioned to deliver substantial and sustainable growth in earnings from here, driven primarily by the strong growth profile of the global telecoms managed services market in which we operate and the future proofed nature of the products and services we offer.

Specifically, in FY19 our key areas of focus are:

- Complete the successful integration of the businesses in the CommsChoice Group;
- Take advantage of favourable market conditions in which our company operates;
- Leverage our existing client base to cross-sell complimentary products and services;
- Pursue a solid pipeline of value adding acquisition opportunities, and;
- Deliver on our guidance of double digit growth for FY19.

CommsChoice is a vibrant company with a strong balance sheet to pursue both organic and inorganic growth opportunities. In my view the current low share price does not reflect the opportunities available to the Group and our growth profile going forward from here. However, I do again acknowledge this is a function of initial investor disappointment post the company's IPO.

The Company announced the resignation of Cameron Petricevic as a director earlier today. Cameron has served his term as Director and has chosen not to stand for re-election to pursue other opportunities. At the close of voting on Saturday, the poll showed a majority FOR his re-election. We wish him well and would like to thank him for his service.

In conclusion, looking ahead I am very confident we can both restore and grow significant shareholder wealth as the company successfully executes on its business strategy going forward. I look forward to reporting back to you on your company's progress next year.

Thankyou

ENDS

