Global Cloud Communications

2021 AGM

23 NOVEMBER 2021

COMMS GROUP LIMITED (ASX: CCG)

This document has been approved by the Board of Directors

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Agenda

Chairman

Mr John Mackay

CEO & Managing Director's Address

Mr Peter McGrath

Our Business Today

- Leading provider of cloud communications and unified communications as a service (UCaaS) solutions to businesses.
- Our Goal is to enhance business agility through innovative cloud communications solutions.
- Leader in Microsoft Teams calling for global business with an extensive international network including the most extensive. APAC coverage

We service our customers via two key divisions

next telecom – a commsgroup business

Domestically to the SME/Corporate sector (Up to 1,000 employees)

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Specialist UCaaS provider to Wholesale, Enterprise and Global MNCs (+1,000 employees)

Our 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 interstate to become a national domestic provider

FY21 Highlights

Becoming Comms Group

Comms Group became the new name for the Group from Nov 2020

Three key acquisitions

Next Telecom, Binary Networks and Switched On Australia, reinforcing our SME business and increasing scale of the overall business

Singapore Expansion

With carrier license obtained we opened our Singapore office, targeting wholesale and MNCs in the Asia Pacific region

Successful Integrations

Good progress with synergies and integration of acquired businesses

Expanded network

Expanded out international network to cover additional countries allowing the business to offer UCaaS services to over 100 countries

Increasing scale

Significant increase in overall scale with business turnover increasing by over 100%

FY21 Key Results Summary

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FY21 Revenue	FY21 EBITDA[1]	FY 21 Gross Profit
Up 30%	**Up 20%**	**Up 23%**
to $25.2m	to $3.2m	to $11.4m

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

Business Update

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Comms Group started the year strongly and is well-positioned to deliver further growth in FY22

FINANCIALS TRACKING WELL

- ✓ Revenue of $11.4m & underlying EBITDA[1] of $1.2m for 4 months to end of October 2021 (unaudited financials)
- ✓ FY22 revenue expected in the range of $36m to $38m and underlying EBITDA[1,2] expected to be in the range of $4.5m to $5m

HIGH LEVEL OF SYNERGIES

- ✓ All three recent acquisitions are performing either in line with, or ahead of expectations
- ✓ Strong level of synergy extraction year to date

STRONG NEW SALES

- ✓ Strong new sales performance in Q1 with new sales of $134k MRR (monthly recurring revenue)
- ✓ One of the highest quarterly new sales levels to date for the business

INVESTING FOR FURTHER GROWTH

- ✓ Additional staff hires resulting in some opex increases in order to support growth initiatives
- ✓ Key hires in sales & customer support
- ✓ Further systems development work undertaken

KEY CUSTOMER WINS

- ✓ Continued customer wins with additional mid market and Enterprise accounts
- ✓ Key international wholesale accounts added including Vodafone Fiji

1 Underlying EBITDA excludes net interest, tax, non-cash share LTIP costs, depreciation, amortisation and business, integration & restructuring costs.
2 Which includes 10 months from Switched On acquisition

Longer-term 4 Pillar Growth Strategy

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Domestic SME & Corporate	Wholesale Domestic & Global	Enterprise MNCs Domestic & Global	STRATEGIC ACQUISITIONS
next. telecom — a commsgroup business	commsgroup Global Cloud Communications	commsgroup Global Cloud Communications	Corporate mid market providers Expand coverage domestically and internationally
• UCaaS services including MS Teams calling • Contact centre, call recording, call analytics for MS Teams • Extensive voice, data, SD-WAN and security offerings • Fibre & NBN access services	• SIP services • CTS • UCaaS services including MS Teams calling both domestically and internationally	• UCaaS services including MS Teams calling • Value add UCaaS applications (e.g. call recording and analytics) • SD-WAN offerings to multi-site global customers	• SME and Corporate service providers • UCaaS providers • Data and Managed IT providers • Expanding national & potentially global coverage

Comms Group Outlook

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Significant prospect list of key new sales deals.

Working on closing further business with major enterprise and wholesale international customers.

Strong pipeline of near term accretive acquisition opportunities being pursued.

In advanced discussions with a commercial lender for a debt facility to support strategic growth initiatives including M&A.

Cash position of ~$2m at 19 Nov 2021 with zero debt.

FY22 revenue expected in the range of $36m to $38m.

FY22 underlying EBITDA[1] expected to be in the range $4.5m to $5m which includes 10 months from Switched On acquisition.

"We are singularly focussed on continuing our growth journey and enhancing business agility through innovative cloud communications solutions."

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

Appendix - Some Definitions

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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.
UCaaS, Unified Communications	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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Formal Resolutions & Shareholder Voting