

ASX: CCG

ASX Release 29 January 2021

**Comms Group Announces Completion of Acquisition of Next Telecom &
Tranche Two of Placement**

Comms Group Limited (ASX: CCG) (“Comms Group” or the “Company”) is pleased to announce the completion of the acquisition of Next Telecom Pty Ltd.

- Shareholder approval was received at Comms Group’s General Meeting held on 25 January 2021 and the requisite conditions precedent for the acquisition have been met;
- Comms Group is pleased to advise that Next Telecom’s pro-forma annualised EBITDA of \$1.5m+ is on track;
- Ryan O’Hare will join Comms Group’s Board of Directors as a Non-Executive Director, effective from 1 February 2021; and
- New reporting arrangements have been put in place and Comms Group and Next Telecom have commenced work on integration and transition.

Comms Group has also:

- Issued 70.8m new Comms Group shares to the vendors of Next Telecom Pty Ltd (“Next Telecom”), which values the upfront scrip consideration at \$6.67m, assuming a price of A\$0.0942 per share; and
- Issued 31.4m new Comms Group shares under tranche 2 of the placement at an issue price of \$0.08 per share to sophisticated and professional investors to raise a total of approximately \$2.5m (before costs) (“Placement Tranche 2”). Allotment and quotation of these shares will occur on 1 February 2021.

Post completion of the Acquisition and Placement, the Comms Group business is in a strong cash position to continue the Company’s organic and acquisition growth path with approximately \$6m cash in bank expected as at the end of January 2021.

Commenting on the transaction, Comms Group CEO and Managing Director, Peter McGrath, said: “We are delighted to welcome the Next Telecom business, management and staff and look forward to working closely with them to create increasing shareholder value. We are also very pleased with the trading progress of the Next Telecom business so far this year. We look forward to working with Next Telecom management to create compelling offers for business customers in the Australian marketplace.”

1. Issued at 30-day VWAP calculated at \$0.094 per share from the 30 trading days from 3 November 2020 to 14 December 2020.

Authorised for release by the Board of Comms Group Limited.

ENDS

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About Comms Group:

Comms Group provides global cloud communications for business. The company services SME and corporate customers in Australia, Asia and internationally using its cloud based global business phone platform and its global Microsoft Teams calling/Direct routing telephony calling offering combined with innovative SD-WAN technology and fibre and NBN access products.

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