Annual Report

2025

Comms Group Limited
Consolidated Financial Report
For the year ended 30 June 2025
ACN 619 196 539

commsgroup
Global Cloud Communications

Contents

Comms Group Limited
ACN 619 196 539

Consolidated Financial Report – for the year ended 30 June 2025

About Us

We enhance business agility through innovative cloud-based communications and secure managed IT solutions

Communications and Collaboration

Full-service Telecommunications service provider to Australian Small and Medium Enterprise (SME), Enterprise and Government.

Annual Revenue
Next Telecom: $23.8m
TasmaNet: $19.0m[3]

Customers
Next Telecom: 4,894
TasmaNet: 538

ARPC[2]
Next Telecom: $4,873
TasmaNet: $35,315

Secure Managed IT Solutions

Award-winning Managed IT & Cloud Service Provider supporting the needs of corporate customers.

Annual Revenue: $19.3m
Customers 379
ARPC[2] $51,000

Global and Wholesale Unified Communications

Servicing enterprise and wholesale customers globally, we are specialists in Unified Communications Service (UCaaS)[1] wholesale voice services.

Annual Revenue: $13.8m
Customers 146
ARPC[2] $94,654

Staff located across Sydney, Melbourne, Gold Coast, Tasmania, Singapore, Philippines and UK

[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.

[2] Annual Revenue Per Customer.

[3] Estimated for year ending 30 June 2026.

Our products and services

Comms Group empowers businesses worldwide with a comprehensive, cutting-edge suite of communications and technology solutions across key market segments

Communications and Collaboration

- Industry leader in Microsoft Teams Calling
- Full suite of Teams VAS inc. call recording, contact centre & analytics
- Modern cloud business phone/ hosted Private Branch Exchange (PBX)
- Inbound 13/1300/1800 services
- 5G Mobile & Broadband
- Full range of broadband solutions including NBN (TC4 & EE), Fibre Ethernet, MPLS and Point-to-Point.
- Multi-Carrier diversity via our own national network plus Layer 3 offerings.
- SD-WAN and Secure Firewall Solutions
- Fixed Wireless Data/Internet[1]
- Dark Fibre[1]
- Data Centre Co-Location & IP Transit[1]
- Fortinet SD-WAN and security centre of excellence[1]

Secure Managed IT Solutions

- 24x7 IT Managed services (structured and productised offering)
- Modern Workplace solutions
- Provision of ICT hardware
- Security services inc. Fortinet
- Cloud based services (Azure, private cloud)
- Own our own Cloud Infrastructure as a Service (IaaS) Virtual Server cluster
- Desktop as a service
- Backup as a service
- Managed telephony & data services
- Govt-ready private cloud (IaaS) & backup and recovery solutions[1]
- Data centre as a service offerings[1]

Global & Wholesale Unified Comms

- Global Microsoft Teams & Cisco Webex calling solutions to enterprise
- Focus on Global MNC's to enable VAS solutions including Contact Centre, Call Recording, Call Analytics, SMS Messaging
- White-label UCaaS and CPaaS solutions to global carriers and contact centres with fast-enablement and managed services
- SIP Trunking and Call Termination Services (CTS) across APAC and Europe
- Global DIDs in more than 65+ countries with geographic and toll-free options.
- 24x7 Global NOC and support
- Extensive Global Network with APAC focus

TasmaNet a commsgroup business

[1] New products added from the TasmaNet acquisition

Key business highlights

Corporate & Strategic

- The Group continues to trade and expand through our domestic business of Cloud Communications and Collaboration and Secure Managed IT Solutions and our Global business being the Global and Wholesale Unified Communications business. Each with their own management teams and resources and some shared resources within the corporate centre.
- Our Global and Wholesale business continued its growth objectives by strengthening its global footprint through expanding and consolidating its licence portfolio, onboarding new local "in-country" carrier partners in various foreign markets, registering additional local entities to support regional operations where required and expanding the range of services and products offered. Global also saw a significant increase in new sales contracts signed in the year. The relationship and scale of business with a number of key wholesale partner customers also grew significantly during the year.
- Our domestic businesses performed solidly in a competitive market whilst maintaining revenue, improving margins and delivering strong cash profits for the business.
- Across the Board we delivered a strong financial result with revenue and underlying EBITDA improving and gross margins improving across the Group whilst investing in additional key resources predominantly for the Global business.
- We also finalised the acquisition of leading Tasmanian telco TasmaNet, funded by an increased debt facility and an equity capital raising. Further details on the TasmaNet acquisition are provided below.

Customers & Sales

- Total of $10.4m Annual Recurring Revenue of new sales contracts closed in FY25 – a 35% increase on FY24 .
- All business units continue to have a pipeline of quality sales deals.
- Continue to focus on increasing cross-sell of Secure Managed IT Solutions to our wider customer base.

TasmaNet Acquisition

- On 16 June 2025 the Group successfuly acquired the business and assets of TasmaNet for $9.4m.
- Consideration (all cash) includes $8.5m paid up to completion, deferred consideration of $0.6m paid in August 2025 and contingent consideration $0.3m to be paid in August 2026 contingent upon the Group achieving mininum Underlying EBITDA of $9.5m.
- TasmaNet is a leading provider of premium communication and managed IT services to the Tasmanian Government and businesses in Tasmania. The acquisition included key network assets and a portfolio of corporate data services.
- The acquisition includes 29 cornerstone Tasmanian Government customers accounting for approximately 40% of TasmaNet revenues and over 500 corporate customers with the ten largest having five plus years average tenure.

Financial

- Group operating revenues continue to expand, increasing to $56.6m with only two weeks contribution from the TasmaNet business.
- Whilst Group EBITDA has declined to $5.7m, this is due to a decrease in one-off and upfront charges of $0.6m and investment in a number of overseas sales positions adding approximately $0.4m to the Global divisions operating costs.
- Net Group assets have increased from $31.8m to $36.7m that includes the acquisition of $9.4m net assets for TasmaNet, funded by an increase in the Group's term loan of $4.0m and net proceeds from the issue of new shares of $6.6m.
- As part of the acquisition of TasmaNet, the Group established a new term loan facility with Regal Tactical Credit Fund of $10.7m to refinance its previous term loan facility with the CBA ($6.7m) and as noted above borrowed an additional $4.0m to fund the acquisition.
- In June 2025 the Group successfully completed the raising of an additional $6.6m from a placement ($4.6m) that has introduced a number new of institutional investors to the Group's shareholder register and a fully underwitten rights issue ($2.0m).

Directors' Report

Your directors present their report on the consolidated entity consisting of Comms Group Limited (the "Company") and the entities it controlled (collectively "Comms Group" or the "Group") for the financial year ended 30 June 2025.

Directors and company secretary

The following persons were directors of the Company during the financial year up to the date of this report:

RM O'Hare	Appointed 1 February 2021 (appointed Chair 18 July 2024)
PJ McGrath	Appointed 11 October 2017
BJ Jennings	Appointed 11 October 2017
CE Bibby	Appointed 2 October 2019
RM O'Hare	Appointed 1 February 2021
S Picton	Appointed 31 July 2025
JA Mackay	Retired as Chair 18 July 2024, resigned 25 February 2025

The company secretary is Andrew Metcalfe, (FGIA, GAICD, CPA). Andrew was appointed to the position of company secretary on 27 October 2017. Andrew is a Fellow of the Governance Institute of Australia (formerly Chartered Secretaries Australia) and a Graduate Member of the Australian Institute of Company Directors. Andrew operates through his specialist governance company, Accosec & Associates, providing company secretarial services and advises on corporate governance matters for a number of ASX listed, public and private companies and not for profit organisations. He manages the ASIC and ASX regulatory functions and governance platform of Comms Group in Australia.

Principal activities

Comms Group is a telecommunications and managed IT services business, providing a comprehensive range of information and communications technology solutions for enterprise and government. Comms Group services clients across Australia and internationally, focusing primarily on APAC.

The principal continuing activities of Comms Group are the provision of a full range of Information Technology (IT) managed services including IT managed services, cloud hosting, cloud computing or IaaS (Infrastructure as a Service) as well as telecommunications solutions incorporating connectivity, internet access, wide area network (WAN) and cloud UCaaS (unified communications).

For the financial year ended 30 June 2025, Comms Group derived revenue from the sale of the above-mentioned services. These revenues consist of recurring access charges as well as variable consumption charges for usage of those facilities and services. Revenue was also derived from the installation and sale of hardware, equipment, consulting and installation services to support the primary products and services of the business.

The Company acquired the business of TasmaNet in June 2025 whose services are in line with the above. Other than this acquisition which has geographically broadened and diversified the Group's customer base to include a number of state based customers, there were no other significant changes in the nature of the activities of Comms Group during the reporting period.

Dividends

An interim Dividend of 0.125 cents per share ($0.00125) was declared and paid for the period ended 31 December 2024.

A final dividend of 0.125 cents per share ($0.00125) has been declared for the year ended 30 June 2025.

This brings total dividends declared for the year ended 30 June 2025 to 0.25 cents per share ($0.00250).

Review of operations

The year ended 30 June 2025 has been a solid year for the Group with strong financial performance and a further key acquisition (TasmaNet) completed in the year. Total revenue increased to $56.6m and underlying EBITDA came in at $5.7m which was at the upper end of market guidance.

The Group's financial position has also improved significantly throughout the year with cash on hand increasing from $3.6m at the end of the prior year to $5.5m at 30 June 2025.

Cash flows from operating activities of $2.9m is after property rent payments of $0.7m and legal and related costs to gain overseas telecommunication licenses of $0.1m. Additional payments include $0.7m interest on the Term Loan with the Commonwealth Bank of Australia (refinanced with Regal Tactical Credit Fund) and corporate tax $0.4m. Excluding legal and related costs and interest and corporate tax payments gives Underlying cashflow from operations of $4.1m.

Prior to refinancing the CBA Term Loan with Regal on 16 June 2025, principal repayments of $0.9m were made.

The business continued its strong focus on cost management throughout the year with total gross margin for the group increasing from 47.3% of the prior year to 47.9%. Underlying operating costs (excluding employee benefits and corporate costs) were $4.1m and was only $0.3m higher than the prior year.

The year ended 30 June 2025 was the strongest year on record in terms of new sales contracts signed with customers. New sales contracts signed across the Group for the year was a total of $10.4m of Annual Recurring Revenue (ARR).

Directors' Report

Domestic Business

Communications and Collaboration

A communications and connectivity (data, internet) service provider to Australian SME and corporates.

For our data and internet services, we service customers nationally via our own data and ISP network with key Points of Presence (PoP) in Brisbane, Sydney and Melbourne. This enables us to procure Business Grade Fibre and NBN services from key wholesale providers and develop our own product offerings. Operating our own network provides us with operational efficiencies and performance benefits as well as cost benefits resulting in higher margins for the business.

The TasmaNet business also provides a range of communications and connectivity solutions with a strong expertise in delivering a leading range of managed data services (inc Layer 2 and MPLS) to the likes of Corporates and Government. TasmaNet also has its own wireless and fibre access networks in Tasmania.

We were delighted to secure a new contract to deploy a key high speed wireless connectivity solution for a leading Tasmanian based corporate early in August 2025.

With the acquisition of TasmaNet, we also acquired a significant data and ISP network across mainland Australia as well as in Tasmania. We plan to combine this mainland data and ISP network acquired as part of the TasmaNet acquisition with our existing network which is expected to result in significant cost savings (synergies) for the overall business. We will also seek to leverage some common processes, platforms and systems to leverage the overall capabilities of the group.

Key operations are in New South Wales, Victoria and Tasmania and the business services customers nationally. We will investigate further expansion in other states where opportunities present themselves. We sell our services via a strong direct sales force and an extensive partner network of approximately 140 partners and resellers. Key in demand products and services include Business Grade Fibre and NBN Broadband services and unified communications and collaboration solutions including Microsoft Teams calling and Teams value added services. We continue to see strong interest in contact centre and related offerings.

Secure Managed IT Solutions

A leading IT Managed Service and Cloud Services provider, supporting corporate customers' ICT needs, with a presence in Queensland, New South Wales, Victoria and Tasmania.

The business strategy focuses on securing typically recurring revenue through managed services contracts, spanning three-year plus contract periods. Whilst we prioritise managed services over IT consulting or project-based work, we remain committed to delivering essential projects and IT communications upgrades for our existing managed services clients. Our estimated recurring revenue currently stands at over 80%. In our managed services business, our total recurring and services revenue was $19.3m in FY25 with upfront (hardware and installation work) coming in at $3.4m.

Off the back of the TasmaNet acquisition as described below, we also secured a number of corporate and Government customers on the mainland, predominantly in NSW and Qld.

We also recently secured a contract to provide and install a critical WiFi and CCTV solution for a major state Government client. The Company rolled out this solution in record time with the solution delivered in August 2025.

We continue to see promising opportunities in the mid-market corporate and Government sectors. These companies are increasingly adopting best-of-breed modern workplace solutions and enhanced security measures. The impetus for this shift comes from the demands of remote work, unified communications and the need to fortify IT environments against security threats.

TasmaNet Acquisition

On 15 May 2025 Comms Group signed a binding agreement to acquire the business and assets of TasmaNet, a leading provider of premium communication and managed IT services to the Tasmanian Government and businesses in Tasmania. The acquisition delivers a strong strategic position for the Group's domestic operations in the government and corporate sectors and with key network assets delivers a portfolio of corporate data services, cross-sell opportunities and the potential of expanding the provision of government and corporate IT and telecommunications (IT&T) services to other Australian states. The acquisition includes 29 cornerstone Tasmanian Government customers equating to approximately 40% of TasmaNet revenues and over 500 corporate customers with five plus years average tenure of the top ten. The acquisition completed on 16 June 2025.

Key assets acquired as part of the acquisition include a fixed wireless (non-NBN) broadband network that spans Tasmania, a high-capacity fibre optic network across Hobart with corresponding network facilities in Hobart and Launceston and a distributed private cloud (Infrastructure as a Service) stack in both Tasmania and Sydney, Melbourne and Brisbane. Comms Group also acquired parts of a national telecommunications network spanning Eastern Australia and Tasmania which will extend and enhance our existing network capabilities.

We also novated the existing TasmaNet NBNCo Wholesale Broadband Agreement (WBA), which has the potential to elevate the group to become an NBN direct Retail Service Provider (RSP) paving the way for future national growth, synergy opportunities and lowering the cost for NBN services.

We have also acquired and subsequently novated government and corporate customers across mainland Australia and Tasmania. All government customers have been novated and the majority of corporate customers have transferred as of mid-August. We have secured some new customers on the mainland and have executed some new key contracts with a leading Tasmanian corporate customer.

We expect to finalise the transition and novation process by the end of August 2025. In the first half of the current financial year FY26 we seek to commence consolidating the acquired network assets and rationalise and streamline the duplicated networks and systems as well as standardise some processes across the group. We are expected to complete this integration project within twelve months and plan to release significant synergies from these projects.

Directors' Report

The total consideration for the purchase is $9.43m. TasmaNet contributed $0.7m to Group revenue and $0.1m to Group net profit before tax from the date of completion on the 16 June 2025 to 30 June 2025. The acquisition was funded from an equity capital raise as well as extension of debt facilities provided by a new lender.

Global Business

Global and Wholesale Unified Communications

A leading international and wholesale unified communications business, providing international voice and unified communications solutions to enterprise, wholesale, and carrier customers.

A key strategic advantage of the business lies in its extensive portfolio of telecommunications licences across the Asia–Pacific region and selected international markets. These licences, supported in many cases by locally registered operating entities, enable the business to deliver compliant, scalable VoIP and unified communications services in markets where regulatory approval and local billing are essential.

During the year the business strengthened its global footprint by expanding and consolidating its licence portfolio, onboarding new local "in-country" carrier partners in various foreign markets, registering additional local entities to support regional operations. Registered companies are now located in Singapore, Vietnam (being finalised in September 2025), Malaysia, Hong Kong, Philippines, United Kingdom and the European Union (Ireland) with registered branch operations in a number of other foreign markets.

The Company holds an established set of telecommunications licences across multiple jurisdictions. These licences authorise the provision of VoIP and related communications services in both wholesale and enterprise markets and represent a critical foundation for delivering compliant services to multinational customers.

During the year Global achieved a significant milestone through its partnership with Cisco Systems to enable Cisco Webex Calling solutions. The Group was formally accepted into the Cisco Cloud Connected Provider (CCP) ecosystem. This included achieving multiple internationally recognised security certifications, and advancing the rollout of a new technology platform designed to improve operational efficiency and accelerate time to market for number provisioning and related services.

The business also holds an important role in the provision of procurement, operation and delivery of domestic services to other Group businesses through inter-segment arrangements, using its network and scale to ensure that each of these businesses can remain competitive in the Australian marketplace.

Comms Group Global recognises that information security and trust are paramount in today's telecommunications and cloud markets. The Group has built a robust compliance framework underpinned by internationally recognised certifications.

ISO 27001:2022 is the world's leading standard for Information Security Management Systems (ISMS). It provides a structured framework for managing information security risks, ensuring the confidentiality, integrity, and availability of information assets. This certification enhances Global's credibility in competitive tendering processes, particularly in industries such as finance, government, and healthcare where compliance is mandatory.

Cyber Essentials Plus is a UK Government-backed certification that validates the implementation of effective cybersecurity practices. Unlike the basic certification, the "Plus" level requires an independent technical assessment of systems and defences. This certification provides assurance to UK and international customers, particularly in regulated sectors, that Comms Group Global's infrastructure and services meet strict security standards. It is also a prerequisite for certain UK public sector contracts.

SOC 2 Type 2 is an attestation report developed by the American Institute of Certified Public Accountants (AICPA) and is widely adopted in the technology and cloud industries. It evaluates the design and operating effectiveness of controls related to security, availability, processing integrity, confidentiality, and privacy. This accreditation positions Comms Group Global alongside the world's leading technology providers, demonstrating mature, reliable, and continuously operating security controls. It provides significant reassurance to multinational customers evaluating long-term strategic partnerships.

Together our security posture creates a comprehensive security and compliance framework that:

- Demonstrates adherence to international best practices.
- Meets the regulatory requirements of multiple jurisdictions.
- Provides confidence to enterprise and government clients that Comms Group Global is a trusted custodian of data.
- Directly supports revenue growth by qualifying the Group for tenders, procurement frameworks, and long-term enterprise agreements that mandate certified providers.

During the year we continued the positive working relationship with a number of key customers, with growth in the number and range of services provided.

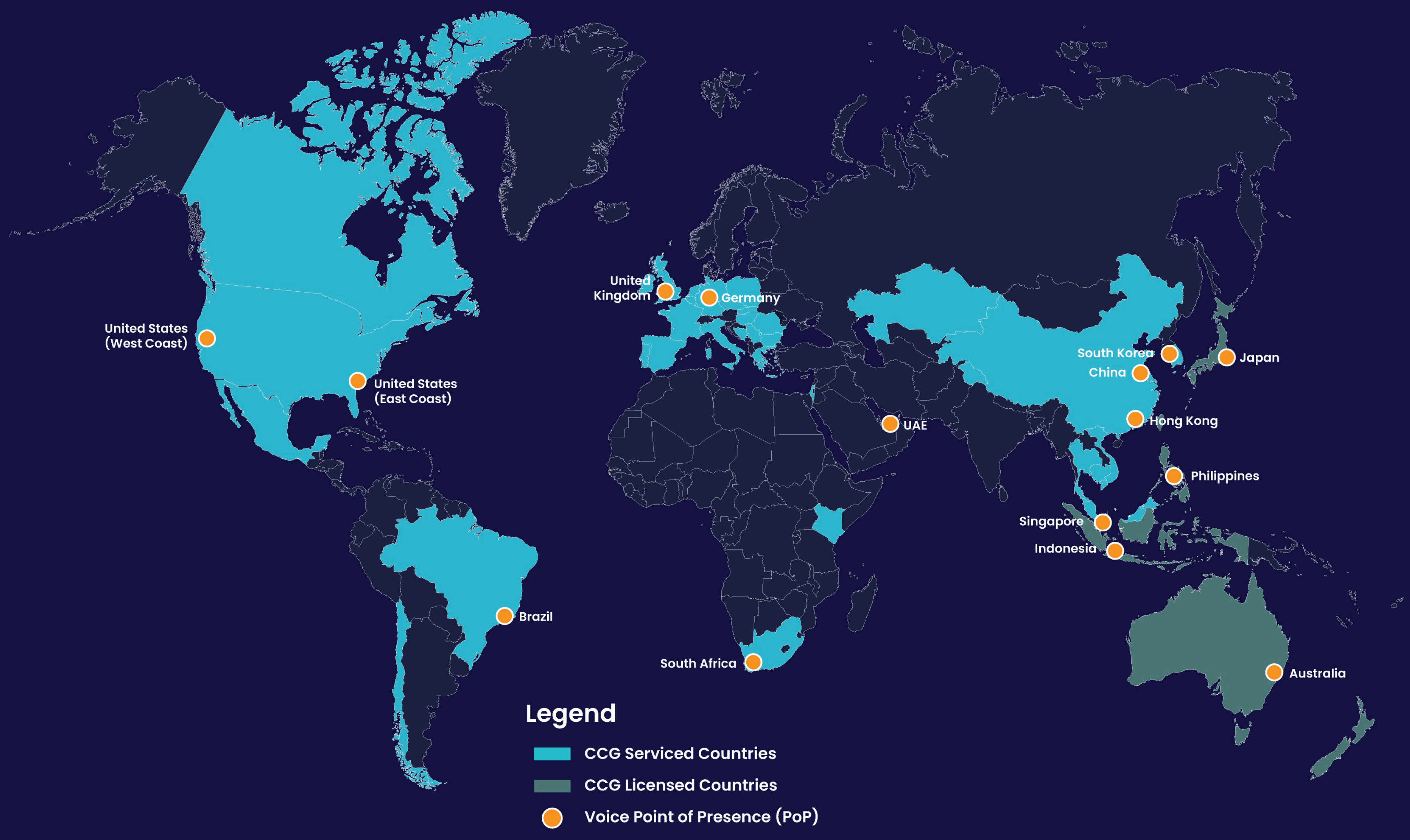
Additional capability was added to the business in terms of new systems and platforms and the reach and capabilities of the sales team was increased with the addition of a number of new sales employees.

The Global business had a significant year in terms of new wins with key customers. Total sales contracts signed in terms of new ARR (annual recurring revenue) was nearly six times the level of the prior year. We also reported two key contract wins to the ASX on 9 September 2024 and 25 November 2024.

The Global business continues to add key capability and new carrier partners across the Asia Pacific region and beyond allowing it to service more Tier 1 carriers, Multi-National Companies, large OTT (over the top) providers and wholesale customers with the great products and excellent service levels, for which we are known for in the marketplace.

Finally we would like to thank our dedicated staff across Australia, the Philippines, Singapore and the UK who have worked tirelessly over the last 12 months continuing to deliver excellent service to our valued customers.

We also thank our customers for their business and continued loyalty through the year and we look forward to supporting new customers in the year ahead.


United States
(West Coast)
United States
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Brazil
United
Kingdom
Germany
South Africa
UAE
South Korea
China
Japan
Hong Kong
Philippines
Singapore
Indonesia
Australia
Legend
CCG Serviced Countries
CCG Licensed Countries
Voice Point of Presence (PoP)

Directors' Report

Group result

The Group result for the period of trading is comprised as follows:

Reporting period	Statutory FY25	Statutory FY24
Trading entities	Full year results	Full year results
Parent company	Full year results	Full year results

Total revenue from ordinary activities for the year was $56.6m, representing an increase of $1.1m over the prior reporting period.

A reconciliation of Underlying EBITDA from operations to the reported profit before tax from operations in the consolidated statement of profit or loss is tabled below:

	30 June 2025 $M	30 June 2024 $M
Revenue	56.6	55.5
Reported (loss) profit before tax	(0.6)	0.1
Add: net finance costs[1]	0.8	0.9
Add: depreciation and amortisation[1]	2.8	3.4
Less: Non-operating income	(0.1)	(0.2)
EBITDA	**2.9**	**4.2**
Add: share based payments	0.4	0.6
Add: acquisition, restructuring, one-off and integration costs [2]	2.4	1.8
Underlying EBITDA	**5.7**	**6.6**

[1] Includes lease interest and depreciation as per AASB 16

[2] Includes TasmaNet transition costs $0.1m incurred post completion, $1.0m total acquisition costs including $0.7m directly incurred in fees and costs relating to the TasmaNet acquisition and $0.3m incurred in adviser retainer fees and costs incurred in considering other acquisitions, $0.2m costs relating to prior years, legal and other related costs $0.1m to establish overseas entities and obtain overseas licenses and restructuring costs $0.4m.

The EBITDA from operations is a non-IFRS measure that is presented to provide an understanding of the underlying performance of the Group's operations. In the opinion of the Directors, the Group's underlying EBITDA reflects the results generated from ongoing operating activities, which exclude non-operating adjustments that are considered to be non-cash or non-recurring in nature. These items are included in the Group's consolidated statutory result but excluded from the underlying result. The non-IFRS financial information is unaudited. However, the numbers have been extracted from the financial statements which have been subject to review by the Company's auditor.

Earnings per share

Earnings per share for the period is as follows:

	30 June 2025	30 June 2024
Net (loss) after tax ($m)	(0.65)	(0.10)
Earnings per share (cents)	(0.16)	(0.03)
Diluted earnings per share (cents)	(0.16)	(0.03)

Directors' Report

Operating segments

The Group has four operating segments under AASB 8 Operating Segments including Global (International, Wholesale and Enterprise), SME, ICT and TasmaNet. Customers with similar and primarily telecommunication needs are allocated to either Global or SME based on their size and customers with primarily IT managed service needs are allocated to ICT (including those customers acquired as part of the onPlatinum acquisition). Whilst the customers of TasmaNet have needs similar to those of Global, SME and ICT, as a recent acquisition this business is currently treated as an additional division of Comms Group. These customer bases are then managed by dedicated resources and each division has its own CEO, responsible for the delivery of service to all customers categorised in that division and the financial performance of the division.

For internal purposes, each division has its own monthly and annual budget, against which actual results are measured and reported through to the Board of Directors.

The Group's revenues from external customers are predominantly domiciled in Australia.

Significant changes in the state of affairs

During the year the Group completed the acquisition of the business and assets of TasmaNet. As part of the acquisition and its funding, the Group refinanced its existing term loan with the CBA with Regal Tactical Credit Fund and raised (net of success fees) $6.6m by way of a placement and rights issue of the Group's ordinary shares.

There were no other significant changes in the nature of the activities of Comms Group during the reporting period.

Events since the end of the financial year

On 16 June 2025 the Group completed the acquisition of the Business and Assets of TasmaNet that included deferred consideration payable on 16 July 2025 of $0.98m. On 18 August 2025 the Group signed a Settlement Deed to restructure this deferred consideration to deferred consideration of $0.65m (paid on 18 August 2025) and contingent deferred consideration of $0.33m payable within 3 business days of the release of the Annual Report for the year ending 30 June 2026. The payment is contingent upon the Group achieving a minimum Underlying EBITDA of $9.5m for the year ending 30 June 2026.

On 29 July 2025 the Group granted a total of 3.82m performance rights to a number of employees including 1.00m to new management employed as part of the acquisition of TasmaNet and 2.82m to existing employees of the Group.

There have been no other significant matters or circumstances not otherwise dealt with in this report between the reporting date and the date the financial statements were approved for issue that will significantly affect the operation of the Group, the results of those operations or the state of affairs of the Group or subsequent financial years.

Likely developments and expected results of operations

Likely developments in the operations of the Group have been included in the Review of Operations section of this report. The Group continues to be focused on additional restructuring that will enhance and consolidate existing management systems, leading to further cost efficiencies and gains beyond those generated in the year ended 30 June 2025.

The following material business risks could have an adverse impact on the achievement of the financial performance or outcomes disclosed in the Review of Operations:

1. **Technology Disruption** - Rapid changes in communication technologies may impact the relevance of existing services. The Group mitigates this through continuous innovation and product development.
2. **Cybersecurity and Data Privacy** - As a provider of cloud communications, data breaches or system outages could materially impact customer trust and financial performance. Ongoing investment in cybersecurity frameworks and compliance with global standards (e.g., ISO 27001) are key mitigants.
3. **Regulatory Compliance** - Changes in telecommunications regulations across jurisdictions could affect operations. The Group maintains active engagement with regulators and legal advisors to ensure compliance.
4. **Competition** - The risk from increased competition may negatively impact on sales and profitability. The actions of an existing competitor or of new competitors may make it difficult for Comms Group to grow or maintain its business, which in turn may have a material adverse effect on its profitability.
5. **Customer Concentration** – Whilst no customer accounts for more than 10% of Group revenues, a number of larger customers do exist the loss of whom could materially affect financial outcomes. Diversification strategies and long-term contracts help manage this risk.
6. **Liquidity risk** - There is a risk that the Group's ability to collect receivables may be slower than assumed and bad debts may also be higher than assumed given the Group's exposure to the risk of wholesale customers and others being able to pay the Group. As a result, it may have insufficient liquidity to cover payments or meet its own capital requirements if unable to arrange alternative sources of funding.

Directors' Report

7. **Sovereign risk** - Governments in any foreign jurisdiction in which the Group operates may adopt substantially different laws, policies or conditions which impact on the Group's business. The Group may also be hindered or prevented from enforcing its rights with respect to a governmental instrumentality because of the doctrine of sovereign immunity. Any future materially adverse changes in government policies or legislation in any foreign jurisdiction in which the Group operates may affect the viability and profitability of the Group.
8. **Integration Risk** - Ongoing integration of acquired entities poses operational and cultural challenges. Dedicated teams and structured programs are in place to ensure smooth transitions.
9. **Talent Retention** – The Group relies heavily on the experience and knowledge of its management team and is also dependent on its ability to recruit and retain suitably qualified personnel. In the event that such key personnel leave the Group and it is unable to recruit suitable replacements, or there is a delay in their replacement, such loss could have an adverse effect.

Environmental regulation

The Group's operations are not regulated by any significant environmental regulations under Australian law.

Directors’ Report

Information on directors

The following information is current as at the date of this report.

Ryan O’Hare

Independent Non-Executive Chair

Experience and Expertise:
Ryan has founded several highly successful telecommunications and energy companies starting with CorpTEL Communications, which in 1998 became one of the largest privately owned telecommunication companies in Australia before its sale to AAPT, People Telecom in 2000 that is now part of the Vocus Group and Next Telecom that is now part of Comms Group. Ryan also founded & chairs one of Australia’s largest diversified renewables and energy retailer Next Green Group.

Other current directorships:
None

Former directorships (last 3 years):
None

Special responsibilities:
Chair of the Board of Directors, Member of the Audit, Risk and Compliance Committee

Interest in shares:
50,263,947

Interest in performance rights:
800,000

Peter McGrath

Executive Director and Chief Executive Officer

Qualifications:
B.Eng, MBA

Experience and Expertise:
Peter’s business career spans 30 years in telecommunications, ICT and corporate advisory, with over 20 years in senior leadership positions. Peter has been involved in leadership as CEO of a number of major Australian telecommunications firms and he also has extensive experience in equity capital markets and corporate finance.

Other current directorships:
None

Former directorships (last 3 years):
DXN Limited (ASX: DXN)

Special responsibilities:
Member of the Audit, Risk and Compliance Committee

Interest in shares:
27,649,713

Interest in performance rights:
13,100,000

Benjamen Jennings

Non-Executive Director

Qualifications:
B.Bus, CA

Experience and Expertise:
Benjamen has spent 26 years as an accountant working in both commercial and public practice roles in both Australia and the United Kingdom.

Benjamen established middle market advisory firm Jennings Partners Chartered Accountants in early 2009 to provide services to SME businesses, venture capital and private equity groups. He was previously chairman of private telecommunications companies Telegate Pty Limited and Syntel Pty Limited which now form part of Comms Group.

Other current directorships:
None

Former directorships (last 3 years):
None

Special responsibilities:
Chair of the Audit, Risk and Compliance Committee

Interest in shares:
17,344,099

Interest in performance rights:
1,600,000

Claire Bibby

Non-Executive Director

Qualifications:
B.Comm, L.L.B. (Hons)

Experience and Expertise:
Claire is a highly experienced lawyer with over 30 years’ experience as a lawyer, Executive and Non-Executive Director with ASX, multinational, private and NFP organisations and executive coach.

Other current directorships:
Non-Executive Director of Chancellor Institute, HNIC Pty Ltd and Mainbrace Constructions Pty Ltd.

Former directorships (last 3 years):
AWN Holdings Limited, Magnis Energy Technologies Limited (ASX: MNS; OTCQX: MNSEF), Clime Investment Management Limited (ASX:CIW) and iM3NY LLC.

Special responsibilities:
Chair of the People and Culture Committee Member of the Audit, Risk and Compliance Committee

Interest in shares:
705,380

Interest in performance rights:
1,100,000

Stephen Picton

Non-Executive Director

Qualifications:
BS (Technology), MBA

Experience and Expertise:
Stephen has over 30 years international experience in the technology industry. He held senior positions in British Telecom including as a Senior Executive within their international operations and in AAPT as Director of Marketing and Strategic Development. In 2000 he founded GoTalk which over 10 years grew to become the largest prepaid communications company in Australia/NZ. In June 2011 he founded LBNCo & FuzeNet and grew them until their sale for over $110M.

Other current directorships:
Echo IQ Ltd (ASX:EIQ)

Former directorships (last 3 years):
FlexiRoam Ltd (ASX:FRX) & Cognian Technologies

Special responsibilities:
Member of the People and Culture Committee Member of Audit, Risk and Compliance Committee

Interest in shares :
Nil

Interest in performance rights:
Nil

Directors' Report

Board and Committee Meetings

During the financial year, the Directors held seven Board meetings, two Audit, Compliance and Risk Management Committee meetings and one People and Culture Committee meetings. Each Director's attendance at those meetings during the year were as follows:

	Board		Audit, Risk & Compliance Committee		People & Culture Committee	
Directors	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended
Ryan O'Hare	7	7	2	2	n/a	n/a
Peter McGrath	7	7	2	2	n/a	n/a
Benjamen Jennings	7	6	2	2	n/a	n/a
Claire Bibby	7	5	2	2	1	1
John Mackay	7	4	1	1	1	1

Insurance of officers and indemnities

During the year, the Company paid a premium of $118,185 to insure the directors, officers and company secretary of the Group.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the Group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a willful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Group. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

The Company has not, during the year or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

Directors' Report

Remuneration Report (audited)

This Remuneration Report details remuneration information as it applies to Comms Group and its controlled entities for the year ended 30 June 2025 in accordance with the requirements of the Corporations Act 2001 (the Act) and has been audited as required by section 308 (3C) of the Act. The report details the remuneration arrangements for the Comms Group's key management personnel (KMP).

The report is structured as follows:

(a) Key management personnel (KMP) covered in this report

(b) Principles used to determine nature and amount of remuneration

(c) Details of remuneration

(d) Share based compensation

(e) Service agreements

(f) Additional disclosures relating to KMP

(a) Key management personnel covered in this report

Non-executive and executive directors (see page 10 for details about each director)

Ryan O'Hare	Non-Executive Chairman (appointed as Chair 18 July 2024)
Peter McGrath	Executive Director, Chief Executive Officer
Benjamen Jennings	Non-Executive Director
Claire Bibby	Non-Executive Director
John Mackay	Non-Executive Director (retired as Chair 18 July 2024, resigned as director 25 February 2025)

Other key management personnel

Matthew Beale	Chief Financial Officer

(b) Principles used to determine nature and amount of remuneration

Remuneration policy

The Board's objective is to ensure that Comms Group's remuneration supports achievement of the Company's strategy and drives performance and behaviours which are in the Company's best interests. Remuneration matters will be handled by People and Culture Committee, which is a sub-committee of the Board.

People and Culture Committee

The objective of the People and Culture Committee is to help the Board achieve its objective to ensure the Company:

- has a board of an effective composition, size and commitment to adequately discharge its responsibilities and duties;
- has coherent remuneration policies and practices to attract and retain executives and directors who will create value for shareholders;
- observes those remuneration policies and practices; and
- fairly and responsibly rewards executives having regard to the performance of the Company, the performance of the executives and the general external pay environment.

In carrying out its duties the People and Culture Committee will assess the appropriateness of the nature and amount of remuneration on an annual basis, by reference to relevant employment market conditions. The overall objective is to ensure maximum stakeholder benefits from the attraction and retention of a high-quality executive team. The People and Culture Committee forms its own independent decisions on KMP remuneration and if appropriate will seek independent advice from Remuneration Consultants. During the year no independent advice from Remuneration Consultants was sought.

The key principles which govern the Company's remuneration framework are to:

- Link executive rewards to the creation of shareholder value;
- Provide market competitive remuneration package, with appropriate balance of fixed and variable remuneration;
- Ensure variable portion of executive remuneration is dependent upon meeting pre-determined performance objectives;
- Allow for Board discretion to be applied, in order to ensure that remuneration outcomes are appropriate for the Company's circumstances; and
- Ensure that performance objectives for variable remuneration are aligned to the drivers of the Group's success and the achievement of overall business objectives.

Remuneration for key management personnel is linked to the performance of the Group. Directors and key management personnel are issued with share performance rights, all of which are subject to service conditions relating to continuity of employment and tenure. A portion of these rights are additionally subject to performance conditions based on share price targets. The remaining short-term incentives, in the form of cash bonuses, are paid at the discretion of the People and Culture Committee. The People and Culture Committee is of the view that the above arrangements will continue to improve shareholder wealth over the coming years.

(c) Details of remuneration

Remuneration of Key Management Personnel

Each of the Non-Executive Directors has entered into an appointment letter with the Company, confirming the terms of their appointment, their roles and responsibilities and the Company's expectations of them as Directors.

Directors' Report

Under the Company's Constitution, the Directors decide the total amount paid to all Directors as remuneration for their services as a director. However, subject to the ASX Listing Rules, the total amount paid to all Non-Executive Directors for their services must not exceed an aggregate maximum amount of $400,000 per annum or any other maximum amount determined by the Company in a general meeting. No other maximum amount has been determined by the Group in a general meeting.

Independent non-executive director remuneration currently consists of:

- For the financial year ended 30 June 2025, to Ryan O'Hare (independent) for serving as chair a base fee of $94,368 per annum, to Benjamen Jennings for serving as a director a base fee of $47,002 per annum, to Claire Bibby (independent) for serving as a director a base fee of $47,002 per annum and to John Mackay for serving as a director a base fee of $47,002 per annum; and
- Statutory superannuation, other than for Ryan O'Hare who is employed through a private company and for whom the above fee is inclusive of any superannuation, equivalent to the Government Superannuation Guarantee amount.

Executive remuneration currently consists of:

- For the financial year ended 30 June 2025, to Peter McGrath for serving as Managing Director a base wage of $341,136 per annum and cash bonus of $124,985 and Matthew Beale for serving as Chief Financial officer a base wage of $245,094 per annum and cash bonus of $39,653; and
- Statutory superannuation, equivalent to the Government Superannuation Guarantee amount.

Details of remuneration of the KMPs of the Comms Group are set out in the following table. Cash salary and fees include annual leave entitlements.

	Year	Short-term benefits		Post-employment benefits		Share-based payments	Total
		Cash salary & fees	Cash bonus	Super-annuation	Termination payments	Equity-settled performance rights	
		$	$	$	$	$	$
Non-executive Directors							
John Mackay	2024	81,777	-	8,995	-	21,587	112,360
	2025	34,062	-	3,917	-	23,214	61,193
Benjamen Jennings	2024	45,413	-	4,995	-	21,369	71,777
	2025	47,002	-	5,405	-	18,740	71,147
Claire Bibby	2024	45,413	-	4,995	-	23,392	73,801
	2025	47,002	-	5,405	-	10,327	62,734
Ryan O'Hare	2024	45,413	-	4,995	-	20,931	71,339
	2025	82,361	-	9,472	-	9,792	101,625
Executive Director							
Peter McGrath	2024	329,600	103,381	27,399	-	174,782	635,161
	2025	341,136	124,985	29,932	-	176,279	672,332
Other KMP							
Matthew Beale	2024	236,490	25,162	24,428	-	44,070	330,150
	2025	245,094	39,563	28,622	-	20,802	334,081
Total 2024		**784,107**	**128,543**	**75,808**	**-**	**306,130**	**1,294,588**
Total 2025		**796,657**	**164,548**	**82,753**	**-**	**259,154**	**1,303,112**

Directors' Report

The proportion of remuneration linked to performance and the fixed proportion are as follows:

	Fixed remuneration		Long-term benefits at risk		Short-term benefits at risk	
	2025	2024	2025	2024	2025	2024
Non-executive Directors						
John Mackay	62%	81%	38%	19%	-	-
Benjamen Jennings	74%	70%	26%	30%	-	-
Claire Bibby	84%	68%	16%	32%	-	-
Ryan O'Hare	90%	71%	10%	29%	-	-
Executive Director						
Peter McGrath	55%	56%	26%	28%	19%	16%
Other KMP						
Matthew Beale	82%	79%	6%	13%	12%	8%

Cash bonuses are discretionary and subject to the employee's contract. The bonus paid is dependent upon the employee's service and company performance, with the level of bonus approximately in line with that paid for the prior year, adjusted for relative changes in the level of financial performance and performance against budget. The amounts payable is approved by the Board of Directors prior to payment.

Statutory performance indicators

The Board aims to align executive remuneration to the Group's strategic and business objectives and the creation of shareholder wealth. The table below shows measures of the Group's financial performance over the last five years as required by the Corporations Act 2001. However, these are not necessarily consistent with the measures used in determining the variable amounts of remuneration to be awarded to KMPs, that may also include reference to non-financial key performance indicators and events. As a consequence, there may not always be a direct correlation between the statutory key performance measures and the variable remuneration awarded.

	2021	2022	2023	2024	2025
Operating revenue ($m)	25.1	41.0	51.9	55.5	56.6
Profit / (loss) before income tax ($m)	0.7	(0.8)	0.5	0.1	(0.6)
Underlying EBITDA ($m)	3.2	4.1	4.8	6.6	5.7
Basic earnings per share (cents)	0.22	(0.19)	(0.15)	(0.03)	(0.16)
Dividend declared (cents per share)	-	-	-	0.25	0.25
Share price (cents per share)	6.9	7.5	7.7	6.2	5.4
Total KMP remuneration as a % of operating revenue	3.7	2.6	2.7	2.3	2.3
Total KMP cash bonus as a % of Underlying EBITDA	4.1	3.4	2.7	2.0	2.9

It should be noted that during a period of significant growth particularly over the last 5 years, Profit /(Loss) before income tax includes incurring significant one-off acquisition, global expansion (including overseas license application and subsidiary establishment fees) and other costs that skew the underlying growth in the business. Therefore Underlying EBITDA has been included as a performance measure.

(d) Share based compensation.

Long Term Incentive Scheme

During the year a total of 6,900,000 performance rights were issued to Directors and Management under the Performance Rights Plan with 6,900,000 performance rights expiring before the end of the year.

The number of performance rights issued and expired during the year by each director or KMP is set out below:

Name	Expired	Granted as compen-sation during the year	Grant Date	Expiry Date	60% of total grants Vesting price: 50% 18mths / 50% 30 mths	40 % of total grants Vesting based on tenure	Fair value at grant date: 18 mths / 30 mths	Fair value at grant date: vesting based on Tenure
John Mackay	900,000	900,000	19/07/2024	19/07/2029	$0.125 / $0.20	20% 24mths / 10% 36 mths / 10% 48 Months	$0.0376 / $0.0296	$0.056
Peter McGrath	5,400,000	5,400,000	19/07/2024	19/07/2029	$0.125 / $0.20	20% 24mths / 10% 36 mths / 10% 48 Months	$0.0376 / $0.0296	$0.056
Benjamen Jennings	600,000	600,000	19/07/2024	19/07/2029	$0.125 / $0.20	20% 24mths / 10% 36 mths / 10% 48 Months	$0.0376 / $0.0296	$0.056
Total	**6,900,000**	**6,900,000**						

These Performance Rights do not have either voting rights or rights to dividends.

The above incremental fair values will be realised as an expense over the period from the modification date to the end of the vesting period. The expense of the original share performance rights will continue to be realised as if the terms had not been modified.

For share performance rights granted during the current financial year, the valuation input models used to determine the fair value at the grant date are as follows:

Grant date	Expiry date	Share price at grant date	60 % of total grants Vesting price: 50% 18mths / 50% 30 mths	40 % of total grants Vesting based on tenure	100 % of total grants Vesting based on tenure	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date: 18 mths / 30 mths	Fair value at grant date: vesting based on Tenure
19/07/2024	19/07/2029	$0.056	$0.125 / $0.20	20% 24mths / 10% 36 mths / 10% 48 Months	-	55.5%	-	4.35%	$0.0376/ $0.0296	$0.056

The performance rights granted on the 19 July 2024 will vest provided the following conditions are met:

- The employee is continuously employed or continues to provide services to the Company up to the vesting period;
- The following applies to 30% of the total number of performance rights that may vest:
  - Comms Group Share price hurdle of 12.5 cents achieved during the term. The share price hurdle must be reached on at least 20 consecutive trading days at any time during the term of the performance rights in order to satisfy this hurdle. The minimum vesting period is 18 months from grant date.
- The following applies to 30% of the total number of performance rights that may vest:
  - Comms Group Share price hurdle of 20 cents achieved during the term. The share price hurdle must be reached on at least 20 consecutive trading days at any time during the term of the performance rights in order to satisfy this hurdle. The minimum vesting period is 30 months from grant date.
- The following applies to 20% of the total number of performance rights that may vest:
  - 24 months from grant date based on continuous employment.

- The following applies to 10% of the total number of performance rights that may vest:
  - 36 months from grant date based on continuous employment.
- The following applies to 10% of the total number of performance rights that may vest:
  - 48 months from grant date based on continuous employment.

The exercise price is $nil and the expiry date is 5 years after the grant date of the performance rights.

Issue of shares

There was no issue of shares to directors or other KMP as part of compensation during the year.

Issue of options

There was no issue of options to directors or other KMP as part of compensation during the year.

(e) Service agreements

Director related entity remuneration

Benjamen Jennings is a director of Outforce Pty Ltd, which provide business process outsourcing services including assisting with provisioning, billing and customer service. Total amounts paid by the Group for the year ended 30 June 2025 were $601,730 (2024: $519,783). There was $nil outstanding as a trade payable as at 30 June 2025.

Ryan O'Hare is a Director of Next Green Group Pty Ltd that owns Next Business Energy Pty Ltd who provides electricity to Next Telecom. Total amounts paid by the Group for the year ended 30 June 2025 were $10,582 (2024: $7,847). There was $844 outstanding as a trade payable as at 30 June 2025.

All transactions with these entities have been made on an arms-length basis.

Chief Executive Officer (CEO) and Managing Director employment contract

Comms Group has entered into an executive contract with Peter McGrath to govern his employment with the Group as CEO which includes:

- No fixed term;
- Total compensation of $391,136 per annum (including superannuation entitlements);
- Maximum short-term incentive of 45% of base salary plus superannuation entitlements primarily based on achievement of agreed KPIs as set by the People and Culture Committee and the Board, otherwise primarily based on the employee's own performance and the financial performance of the Group (primarily Underlying EBITDA) relative to budget and the prior year;
- 5,400,000 performance rights under the performance Rights Plan granted 19 July 2024, 30% are subject to vesting at 12.5 cents per share, earliest of 18 months from grant date, 30% are subject to vesting at 20 cents per share, earliest 30 months from grant date and 20% are subject to vesting 24 months from grant date, 10% are subject to vesting 36 months from the grant date and 10% are subject to vesting 48 months from the grant date;
- 4,000,000 performance rights under the performance Rights Plan granted 21 January 2022, 30% are subject to vesting at 15 cents per share, earliest of 18 months from grant date, 30% are subject to vesting at 20 cents per share, earliest 30 months from grant date and 20% are subject to vesting 24 months from grant date, 10% are subject to vesting 36 months from the grant date and 10% are subject to vesting 48 months from the grant date;
- 4,500,000 performance rights under the performance Rights Plan granted 21 November 2023, one-third are subject to vesting 12 months from grant date, one-third are subject to vesting 24 months from the grant date and one-third are subject to vesting 36 months from the grant date;
- The right to terminate the CEO's employment is nine months' notice by the Group and six months' notice by the CEO. Either party may elect to terminate employment in case of change of control and termination payment in the event of a change of control is nine months payment; and
- Non-compete restrictions on the employee for a period of up to six months post-employment.

Note that the 5,400,000 performance rights granted on 19 July 2024 are to replace unvested performance rights granted on 22 August 2019 that expired on 22 July 2024. The unvested rights that expired were those subject to vesting at 12.5 cents per share and those subject to vesting at 20 cents per share. The balance of rights (3,600,000) granted on 22 August 2019 (subject to vesting 24, 36 and 48 months from grant date) all vested and exercised converting the right into an equal number of ordinary shares.

Chief Financial Officer (CFO) employment contract

Comms Group has entered into an executive contract with Matthew Beale to govern his employment with the Group as Chief Financial Officer (CFO) which includes:

- Total compensation of $273,716 per annum (including superannuation entitlements);
- 1,000,000 performance rights under the performance Rights Plan granted 24 November 2020, 30% are subject to vesting at 15 cents per share, earliest of 18 months from grant date, 30% are subject to vesting at 20 cents per share, earliest 30 months from grant date and 20% are subject to vesting 24 months from grant date, 10% are subject to vesting 36 months from the grant date and 10% are subject to vesting 48 months from the grant date;
- 250,000 performance rights under the performance Rights Plan granted 21 January 2022, 30% are subject to vesting at 15 cents per share, earliest of 18 months from grant date, 30% are subject to vesting at 20 cents per share, earliest 30 months from grant date and 20% are subject to vesting 24 months from grant date, 10% are subject to vesting 36 months from the grant date and 10% are subject to vesting 48 months from the grant date;
- 1,000,000 performance rights under the performance Rights Plan granted 22 July 2022, 30% are subject to vesting at 15 cents per share, earliest of 18 months from grant date, 30% are subject to vesting at 20 cents per share, earliest 30 months from grant date and 20% are subject to vesting 24 months from grant date, 10% are subject to vesting 36 months from the grant date and 10% are subject to vesting 48 months from the grant date;
- 500,000 performance rights under the performance Rights Plan granted 21 November 2023, one-third are subject to vesting 12 months from grant date, one-third are subject to vesting 24 months from the grant date and one-third are subject to vesting 36 months from the grant date;
- 300,000 performance rights under the performance Rights Plan granted 29 July 2025, 50% are subject to vesting at 7.5 cents per share, earliest of 18 months from grant date and 50% are subject to vesting at 10 cents per share, earliest of 30 months from grant date;
- Maximum short term discretionary incentive of $40,000 per annum primarily based on the employee’s own performance and the financial performance of the Group (primarily Underlying EBITDA) to budget and the prior year;
- The right to terminate the CFO’s employment is four months’ notice by the Group and three months’ notice by the CFO. In the event termination occurs within twelve months of a change of control, then the Group gives six months’ notice; and
- No non-compete restrictions post-employment.

Note that the 300,000 performance rights granted on 29 July 2025 are to replace unvested performance rights granted on 28 April 2020 that expired on 27 April 2025. The unvested rights that expired were those subject to vesting at 12.5 cents per share and those subject to vesting at 20 cents per share. The balance of rights granted on 28 April 2020 (subject to vesting 24, 36 and 48 months from grant date) all vested and exercised converting the right into an equal number of ordinary shares.

(f) Additional disclosures relating to directors and KMP

Shareholding

Key Management Personnel equity disclosures relate only to equity instruments of the Company.

The number of shares held in the Company during the year by each director or KMP of the Group including their relevant interests, is set out below:

Ordinary shares	Total shares held 1 July 2024	Granted as compensation during the year	Exercise of right	Other movements – purchases	Total shares held 30 June 2025
John Mackay	2,256,250	-	200,000	118,366	2,574,616
Peter McGrath	23,656,067	-	800,000	3,193,646	27,649,713
Benjamen Jennings	16,325,071	-	-	1,019,028	17,344,099
Claire Bibby	420,334	-	250,000	35,046	704,047
Ryan O’Hare	46,138,573	-	200,000	3,925,374	50,263,947
Matthew Beale	3,601,590	-	541,666	745,870	4,889,126
Total	**92,397,885**	**-**	**1,991,666**	**9,037,330**	**103,425,548**

Directors’ Report

The number of performance rights held in the Company during the year by each director or KMP of the Group including their relevant interests, is set out below:

Performance rights	Total rights held 1 July 2024	Granted as compensation during the year	Exercise of vested right	Expired	Total rights held 30 June 2025
John Mackay	1,900,000	900,000	200,000	900,000	1,700,000
Peter McGrath	13,900,000	5,400,000	800,000	5,400,000	13,100,000
Benjamen Jennings	1,600,000	600,000	-	600,000	1,600,000
Claire Bibby	1,350,000	-	250,000	-	1,100,000
Ryan O’Hare	1,000,000	-	200,000	-	800,000
Matthew Beale	2,750,000	-	541,666	300,000	1,908,334
Total	**22,500,000**	**6,900,000**	**1,991,666**	**7,200,000**	**20,208,334**

Shares issued on completion of business combinations

There were no shares issued on completion of business acquisitions to directors or KMP during the year.

End of Remuneration Report

Directors’ Report

Shares under option

There were 500,000 unissued ordinary shares of Comms Group Limited under option at the date of this report.

The options were issued to an investor relations firm as part of its overall remuneration on 2 September 2024, with a term of 3 years and an exercise price of $0.065.

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the company or of any other body corporate. These options do not have either voting rights or rights to dividends.

Shares under performance rights

Unissued ordinary shares of Comms Group Limited under performance rights at the date of this report are as follows:

Grant date	60 % of total grants Vesting price: 50% 18mths / 50% 30 mths	40 % of total grants Vesting based on tenure
24/11/2020	$0.15 / $0.20	20% 24 months / 10% 36 months / 10% 48 Months
5/02/2021	$0.15 / $0.20	20% 24 months / 10% 36 months / 10% 48 months
20/04/2021	$0.15 / $0.20	20% 24 months / 10% 36 months / 10% 48 months
21/01/2022	$0.15 / $0.20	20% 24 months / 10% 36 months / 10% 48 months
24/02/2022	$0.15 / $0.20	20% 24 months / 10% 36 months / 10% 48 months
18/05/2022	$0.15 / $0.20	20% 24 months / 10% 36 months / 10% 48 months
22/07/2022	$0.15 / $0.20	20% 24 months / 10% 36 months / 10% 48 months
1/12/2022	$0.15 / $0.20	20% 24 months / 10% 36 months / 10% 48 months
4/08/2023	$0.15 / $0.20	20% 24 months / 10% 36 months / 10% 48 months
19/07/2024	$0.125 / $0.20	20% 24 months / 10% 36 months / 10% 48 months
29/07/2025	$0.075 / $0.10	20% 24 months / 10% 36 months / 10% 48 months
Grant date	**% of total grants Vesting price**	**100 % of total grants Vesting based on tenure**
21/11/2023	n/a	One-third 12 months / one-third 24 months / one-third 36 months
27/8/2024	n/a	One-third 12 months / one-third 24 months / one-third 36 months
Grant date	**100 % of total grants Vesting price: 50% 12 mths / 50% 24 months**	**% of total grants Vesting based on tenure**
29/07/2025	$0.075 / $0.10	n/a

Unissued ordinary shares of Comms Group Limited under performance rights at the date of this report are 36,067,668.

4,207,332 were issued during the year ended 30 June 2025 and up to the date of this report on the exercise of vested performance rights granted.

Proceedings on behalf of the Company

No person has applied for leave of a Court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings. The Group was not a party to any such proceedings during the year.

Directors' Report

Non-audit services

BDO Audit Pty Ltd is the Group's auditor in accordance with section 327 of the Corporations Act 2001.

The Board of Directors, in accordance with advice from the Audit, Compliance and Risk Management Committee are satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Directors are satisfied that the services disclosed in note 29 do not compromise the external auditor's independence for the following reasons:

- All non-audit services are reviewed by the Audit, Compliance and Risk Management Committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- The nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 23.

Rounding of amounts

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. The amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest dollar unless otherwise stated.

Corporate governance statement

Comms Group Limited and the Board are committed to achieving and demonstrating the highest standards of corporate governance. Comms Group Limited has reviewed its corporate governance practices against the Corporate Governance Principles & Recommendations (3rd edition) published by the ASX Corporate Governance Council.

The 2025 corporate governance statement reflects the corporate governance practices in place throughout the 2025 financial year. The 2025 corporate governance statement which is approved at the same time as the Annual Report can be viewed at **www.commsgroup.limited/corporate-governance**

This report is made in accordance with a resolution of directors.

Ryan O'Hare
Director

Sydney
28 August 2025

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Australia

DECLARATION OF INDEPENDENCE BY DRIES MARTENS TO THE DIRECTORS OF COMMS GROUP LIMITED

As lead auditor of Comms Group Limited for the year ended 30 June 2025, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Comms Group Limited and the entities it controlled during the period.

Dries Martens

Dries Martens

Director

BDO Audit Pty Ltd

Sydney
28 August 2025

BDO Audit Pty Ltd ABN 33 134 022 870 is a member of a national association of independent entities which are all members of A.C.N. 050 110 275 Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit Pty Ltd and A.C.N. 050 110 275 Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation.

Comms Group Limited
Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Notes	30 June 2025	30 June 2024
		$	$
Revenue	4	56,604,136	55,460,727
Other income	5	70,336	273,987
		56,674,472	**55,734,714**
Cost of sales		(29,492,937)	(29,252,604)
Employee benefits expense		(17,133,240)	(16,017,164)
Administration expenses		(2,887,085)	(2,211,371)
Sales & marketing expenses		(1,062,016)	(1,062,393)
Information technology expenses		(1,746,661)	(1,418,947)
Professional fees		(806,519)	(950,684)
Property expenses		(576,673)	(487,637)
Finance expenses	5	(807,483)	(896,827)
Depreciation & amortisation	5	(2,769,965)	(3,374,625)
(Loss)/Profit before income tax		(608,107)	62,462
Income tax (expense)	6	(40,043)	(165,558)
(Loss) for the period		**(648,150)**	**(103,096)**
Items that will be subsequently reclassed to profit or loss:			
Foreign currency translation (loss)/income		(31,469)	8,225
Total comprehensive (loss) attributable to shareholders		**(679,619)**	**(94,871)**
Earnings per share for profit / (loss) from continuing operations attributable to the ordinary equity holders of the company:			
		Cents	Cents
Basic earnings per share	22	(0.16)	(0.03)
Diluted earnings per share	22	(0.16)	(0.03)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Comms Group Limited
Consolidated Statement of Financial Position

	Notes	30 June 2025	30 June 2024
Current assets		**$**	**$**
Cash and cash equivalents		5,500,731	3,576,040
Trade and other receivables	8	6,601,416	6,122,306
Other current assets	9	3,099,791	1,925,089
Total current assets		**15,201,938**	**11,623,435**
Non-current Assets			
Property, plant & equipment	10	2,162,097	248,375
Right of use assets	11	2,905,428	1,491,845
Goodwill	12	29,290,455	21,723,405
Intangible assets	12	18,428,196	19,953,345
Deferred tax assets	13	98,878	85,302
Total non-current assets		**52,885,054**	**43,502,272**
Total assets		**68,086,992**	**55,125,707**
Current liabilities			
Trade and other payables	14	8,451,600	6,775,492
Contract Liabilities	16	1,350,358	660,075
Provisions	17	1,855,506	1,359,753
Borrowings	18	10,700,000	7,627,911
Lease liabilities	15	1,044,181	490,302
Deferred Consideration	25	944,553	-
Income tax payable		148,952	166,711
Total current liabilities		**24,495,150**	**17,080,244**
Non-current liabilities			
Provisions	17	273,487	178,055
Deferred tax liability	19	4,490,061	4,840,182
Lease liabilities	15	2,094,108	1,252,852
Total non-current liabilities		6,857,656	6,271,089
Total liabilities		**31,352,806**	**23,351,333**
Net assets		**36,734,186**	**31,774,374**
Equity			
Share capital	20	55,589,398	48,930,371
Share based payment reserves	21	2,637,840	2,200,514
Foreign currency translation reserve		(166,646)	(135,177)
Accumulated losses		(21,326,406)	(19,221,334)
Total Equity		**36,734,186**	**31,774,374**

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Comms Group Limited
Consolidated Statement of Changes in Equity

	Notes	Share capital	Share-based payments reserve	Foreign currency translation reserve	Accumulated losses	Total
		$	$	$	$	$
Balance at 1 July 2023		**48,930,371**	**1,569,927**	**(143,402)**	**(19,118,238)**	**31,238,658**
Loss for the period to 30 June 2024		-	-	-	(103,096)	(103,096)
Foreign currency translation		-	-	8,225	-	8,225
Total comprehensive loss for the period		**-**	**-**	**8,225**	**(103,096)**	**(94,871)**
Transactions with owners in their capacity as owners:						
Share based payments	21	-	630,587	-	-	630,587
Balance at 30 June 2024		**48,930,371**	**2,200,514**	**(135,177)**	**(19,221,334)**	**31,774,374**
Balance at 1 July 2024		**48,930,371**	**2,200,514**	**(135,177)**	**(19,221,334)**	**31,774,374**
Loss for the period to 30 June 2025		-	-	-	(648,150)	(648,150)
Foreign currency translation		-	-	(31,469)	-	(31,469)
Total comprehensive loss for the period		**-**	**-**	**(31,469)**	**(648,150)**	**(679,619)**
Contributions to equity net of transaction costs	20	6,608,225	-	-	-	6,608,225
Dividend declared		-	-	-	(1,406,120)	(1,406,120)
Shares issued under a dividend reinvestment plan		50,802	-	-	(50,802)	-
Share based payments	21	-	437,326	-	-	437,326
Balance at 30 June 2025		**55,589,398**	**2,637,840**	**(166,646)**	**(21,326,406)**	**36,734,186**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Comms Group Limited
Consolidated Statement of Cash Flows

	Notes	30 June 2025	30 June 2024
Cash flows from operating activities		**$**	**$**
Receipts from customers (inclusive of GST)		61,295,889	60,479,102
Payments to suppliers and employees (inclusive of GST)		(56,507,404)	(55,326,301)
Interest received		16,927	13,087
Interest paid		(724,416)	(788,607)
Income tax paid		(433,761)	(321,320)
Net cash inflow from operating activities	**7**	**3,647,235**	**4,055,961**
Cash flows from investing activities			
Payments for intangible assets		(173,288)	(131,885)
Payments for property, plant & equipment		(136,503)	(205,264)
Payments for purchase of businesses, net of cash acquired	25	(8,500,000)	-
Net cash outflow from investing activities		**(8,809,791)**	**(337,149)**
Cash flows from financing activities			
Lease payments		(865,947)	(1,071,354)
Proceeds from the issue of shares, net of transaction costs		6,608,225	-
Dividend paid		(1,406,120)	-
Proceeds from borrowings, net of transaction costs	18	10,379,000	-
Repayment of borrowings	18	(7,627,911)	(1,000,000)
Net cash inflow from financing activities		**7,087,247**	**(2,071,354)**
Net increase in cash and cash equivalents		**1,924,691**	**1,647,458**
Cash and cash equivalents at the beginning of the period		3,576,040	1,928,582
Cash and cash equivalents at end of period		**5,500,731**	**3,576,040**

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Comms Group Limited
Consolidated Entity Disclosure Statement

Name of the entity	Entity type	% of share capital held	Country of incorporation	Australian resident or foreign resident (for tax purposes)	Foreign tax jurisdiction(s) of foreign residents
Comms Group Limited (parent)	Body corporate	100%	Australia	Australian*	N/A
CommsChoice Pty Ltd	Body corporate	100%	Australia	Australian*	N/A
Telegate Pty Ltd	Body corporate	100%	Australia	Australian*	N/A
Commschoice Operations Pty Ltd	Body corporate	100%	Australia	Australian*	N/A
Comms Group Services Pty Ltd	Body corporate	100%	Australia	Australian*	N/A
TelAustralia Pty Ltd	Body corporate	100%	Australia	Australian*	N/A
Comms Group Operations Pty Ltd	Body corporate	100%	Australia	Australian*	N/A
TasmaNet Pty Ltd (formerly Syntel Pty Ltd)	Body corporate	100%	Australia	Australian*	N/A
Comms Group (International) Pte Ltd	Body corporate	100%	Singapore	Foreign	Singapore
SingVoip Pte Ltd	Body corporate	100%	Singapore	Foreign	Singapore
Next Telecom Pty Ltd	Body corporate	100%	Australia	Australian*	N/A
Binary Networks Pty Ltd	Body corporate	100%	Australia	Australian*	N/A
Binary Wholesale Pty Ltd	Body corporate	100%	Australia	Australian*	N/A
on Group Holdings Pty Ltd	Body corporate	100%	Australia	Australian*	N/A
onPlatinum ICT Pty Ltd	Body corporate	100%	Australia	Australian*	N/A
onPlatinum ICT Pty Pte Ltd	Body corporate	100%	Singapore	Foreign	Singapore
Tango Technology Pty Ltd	Body corporate	100%	Australia	Australian*	N/A
Comms Group International (UK) Ltd	Body corporate	100%	United Kingdom	Foreign	United Kingdom
Comms Group Philippines Inc.	Body corporate	100%	Philippines	Foreign	Philippines
Comms Group international Hong Kong Limited (Hong Kong)	Body corporate	100%	Hong Kong	Foreign	Hong Kong
Comms Group Operations Malaysia SDN. BHD.	Body corporate	100%	Malaysia	Foreign	Malaysia
Indonesia Branch office of Comms Group (International) Pte Ltd	Branch	100%	Indonesia	Foreign	Indonesia
Taiwan Branch office of Comms Group (International) Pte Ltd	Branch	100%	Taiwan	Foreign	Taiwan
Japan Branch office of Comms Group (International) Pte Ltd	Branch	100%	Japan	Foreign	Japan
Comms Group Europe Pte Ltd	Body corporate	100%	Ireland	Foreign	Ireland

**Comms Group Limited (parent) and its wholly owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidated regime.*

Comms Group Limited
Notes to the Consolidated Financial Statements
For the year ended 30 June 2025

Comms Group Limited
Notes to the Consolidated Financial Statements
For the year ended 30 June 2025

1 Corporate Information

The consolidated financial statements and notes represent those of Comms Group Limited (the "Company") and its controlled entities (collectively, the "Group") for the year ended 30 June 2025. The financial statements are presented in Australian dollars, which is the Group's functional and presentation currency.

Comms Group Limited, the ultimate parent entity in the Group, is a company limited by shares, incorporated and domiciled in Australia. The Company was listed on the Australian Securities Exchange (ASX) on 21 December 2017.

A description of the nature of the Group's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial report was authorised for issue by the Board of Directors on 28 August 2025.

2 Material Accounting Policies

The accounting policies that are material to the consolidated entity are set out below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

(a) Basis of preparation

These general-purpose financial statements have been prepared in accordance with Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. Comms Group is a for-profit entity for the purpose of preparing financial statements.

(i) Compliance with IFRS

The Financial statements of Comms Group also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

(ii) Historical cost convention

The financial statements have been prepared under the historical cost convention unless otherwise indicated.

(iii) New standards and interpretations adopted

The Group has adopted all new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are mandatory for the current period.

(b) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Group as at 30 June 2025 and the results of all subsidiaries for the year then ended. The Company and its subsidiaries together are referred to in these financial statements as the "consolidated entity".

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is gained by the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and recognised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

A list of controlled entities is contained in note 26 in the financial statements.

(c) Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, liabilities incurred to the former owners of the acquired business, equity interests issued by the group, fair value of any asset or liability resulting from a contingent consideration arrangement, and fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred. The excess of the consideration transferred, amount of any non-controlling interest in the acquired entity, and acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange.

The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such re-measurement are recognised in profit or loss.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognised additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

(d) Critical accounting estimates and judgements

Accounting estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will,

by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience, historical collection rates and forward-looking information.

(ii) Estimation of useful lives of assets

The Group reviews the estimated useful lives of property plant and equipment and intangible assets at the end of each financial year. The Group adjusts the remaining effective useful life of its assets to better reflect their actual usage and future economic benefit.

(iii) Goodwill and other indefinite life intangible assets

The Group tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and certain brands with indefinite life intangible assets that may have suffered any impairment, in accordance with the accounting policy stated in note 2 (m). The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

(iv) Recognition of deferred tax assets

The Group formed a tax consolidated group under Australian taxation law in the year ended 30 June 2022 and income tax has been accounted for on that basis. Historical losses accumulated by the operating subsidiaries in the group prior to and since acquisition by the Group have now been recognised in full as a deferred tax asset, in accordance with tax loss recoupment rules.

The Board has made a judgement to recognise a deferred tax asset in respect of current year tax losses and black hole expenditure. Any deferred tax assets recognised from the Australian operations have been net-off against the deferred tax liabilities for the Australian tax consolidated group as per the Australian taxation law. The deferred tax has been restated as net deferred tax liability for the year ended 30 June 2025.

(v) Business combinations

As discussed in (c) above, business combinations are initially accounted for at fair value on acquisition. The assessment of fair value can be provisional depending upon the date of the acquisition and the reporting end date. Fair value adjustments on the finalisation of the business combination accounting are retrospective, where applicable, to the period the combination occurred and may have an impact on the assets and liabilities, depreciation and amortisation reported.

(vi) Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The fair value of share performance rights is determined by using the 30-day volume weighted average price (VWAP) as at grant date. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

(vii) Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the Group estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

(e) Revenue recognition

The Group recognises revenue as follows:

(i) Revenue from customers

Revenue recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Group: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Contracts with customers can be summarised into the following distinct and separate transactions (there is no bundling of hardware, installation, and monthly ongoing fees). The key driver for keeping this separate is efficiency of working capital; meaning it is advantageous to invoice separately upfront hardware and installation costs rather than finance them internally for later recovery from the monthly usage charges. By keeping the performance obligations separate it reduces the working capital drain on the business whilst making separation of transactions easier to identify for revenue recognition):

- Voice network income;
- Data network income; and
- Managed services income.

The total price that is contracted to be paid for the above transactions are allocated to the contract stages and recognised as follows:

- Services which include – hosted voice, data and enterprise networks, managed IT services and cloud-based communication enablement services are recognised over time on a straight-line basis, as the services are rendered and the customer consumes the benefit; and
- Hardware sales are recognised at the point in time where delivery has been made and control has been transferred to the customer.

Voice, data and managed services can either be billed in arrears for the preceding month's services or billed in advance of the following month's usage. Amounts billed in advance are recognised as deferred revenue on the statement of financial position.

(ii) Interest

Bank interest is recognised when received.

(iii) Other income

Other income is recognised when it is received or when the right to receive payment is established.

(f) Income tax

The Group formed a tax consolidated group under Australian taxation law in the year ended 30 June 2022 and income tax has been accounted for on that basis. The income tax expense or credit for the year is the tax payable on the current year's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Group's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting year and are expected to apply when the related deferred income tax asset is recognised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(i) Investment allowances and similar tax incentives

Companies within the Group may be entitled to claim special tax deductions for investments in qualifying assets or in relation to qualifying expenditure (e.g. Research and Development Tax Incentive regime in Australia or other investment allowances). The Group accounts for such allowances as tax credits, which means that the allowance reduces income tax payable and current tax expense.

(g) Cash and cash equivalents

For the purposes of presentation in the Statement of Cash Flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the Statement of Financial Position.

(h) Trade receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 15-30 days. They are presented as current assets.

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

See note 8 for further information about the Group's accounting for trade receivables.

(i) Contract Liabilities

Contract Liabilities represents the Group's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the Group recognised a receivable to reflect its unconditional right to consideration (whichever is earlier) before the Group has transferred the goods or services to the customer.

(j) Property, plant and equipment

Property, plant, and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is recognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting year in which they are incurred.

Depreciation is calculated using the straight-line or diminishing value method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements and certain leased plant and equipment, the shorter lease term. The depreciation rates used for each class of depreciable assets are follows:

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 2 (l).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

(k) Right of use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

	Method	Rate
Network & IT equipment and Infrastructure	Straight-line	12.5%-33%
Leasehold improvements	Diminishing value	13%
Furniture and fittings	Diminishing value	15-40%
Motor vehicles	Straight-line	8%

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

(l) Intangible assets

(i) Goodwill

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised, but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units (CGU) that are expected to benefit from the business combination in which the goodwill arose.

Goodwill is measured as described in note 2 (c).

(ii) Customer contracts and brand

Customer contracts and brands acquired in a business combination are recognised at fair value at the acquisition date. If they have a finite useful life they are subsequently carried at cost less accumulated amorisation and impairment losses.

(iii) Internally generated software

All assets reported as internally generated software are held at cost less accumulated recognised and impairment losses. Intangibles include costs in relation to the development of software systems and products where future benefits are expected to exceed these costs. Costs recognised include external direct costs of materials and services and direct payroll and payroll-related costs of employees' time spent on the project during the development phase.

Software and product development costs are only recognised following completion of technical feasibility and where the Group has an intention and ability to use the asset.

Amortisation is calculated on a straight-line basis on all internally generated software products commencing from the time the asset is ready for use over the useful life of the asset not exceeding 5 years in any case.

The useful lives of these intangible assets are assessed to be either finite or indefinite.

Where recognised is charged on assets with finite lives, this expense is taken to the consolidated statement of comprehensive income in the expense category 'depreciation and amortisation'.

Intangible assets with a finite life are tested for impairment where an indicator of impairment exists; and in the case of indefinite life intangibles, they are tested annually—either individually at the CGU level or groups of CGUs. This requires an estimation of the recoverable amount of the CGUs to which the intangible with finite life is allocated. Useful lives are also examined on an annual basis and adjustments, where applicable, are made on a prospective basis.

Gains or losses arising from the derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the profit and loss.

(iv) Amortisation

Amortisation is calculated on a straight-line basis on all intangibles commencing from the time the asset is ready for use. The estimated useful life of intangibles is as follows:

- Customer contracts and brands 7-20 years
- Internally generated software 5 years

(m) Impairment of assets

Goodwill and certain intangible assets that have an indefinite useful life are not amortised and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets including intangible and tangible assets with a finite useful life are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(n) Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of the reporting period which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(o) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities when they are expected to be settled in the Group's normal operating cycle, it is due to be settled within 12 months after the reporting period or there is no right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period.

(p) Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate.

Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. Variable lease payments are only included in measuring the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index, or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

The Group recognised expenses for short term leases and low value leases on a straight-line basis, in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

(q) Provisions

Provisions for legal claims and other obligations are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting year. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as an interest expense.

(r) Employee benefits

(i) Short term employee benefits

Liabilities for employee benefits expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled. These liabilities are presented as current employee benefit obligations in the balance sheet.

The Group has a short-term benefit plan in place where the employee will be eligible to receive a short-term incentive benefit of up to the Maximum Short Term Incentive amount in respect to the forecast period, and each year following the end of the Forecast Period, subject to the employee's achievement of the KPI's as assessed by the Audit and Remuneration Committee of the Board.

(ii) Other long-term employee benefits

Employee benefits not expected to be settled wholly within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(iii) Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

(iv) Share-based payments

Equity-settled share-based compensation benefits are provided to employees. Equity-settled transactions are awards of shares, or options over shares that are provided to employees in exchange for the rendering of services.

(v) Employee performance rights

The fair value of rights granted is recognised as an employee benefit expense with the corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the rights granted including any market performance conditions (e.g. the entity's share price), including the impact of any service and non-market performance vesting performance conditions (e.g. sales growth targets), and including the impact of any non-vesting conditions.

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(s) Contributed equity

Ordinary shares are classified as equity. Mandatorily redeemable preference shares are classified as liabilities.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(t) Dividends

Dividends will be recognised when declared during the financial year and no longer at the discretion of the Company.

(u) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flow.

(v) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to members of the Group, excluding any costs of servicing equity other than ordinary shares, divided by the weighted average number of ordinary shares outstanding during the financial year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in determination of basic earnings per share to take into account the after-tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(w) Going Concern

The consolidated financial report has been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. The directors believe that it is reasonably foreseeable that the consolidated group will continue as a going concern, and that it is appropriate to adopt the going concern basis in the preparation of the financial report, after consideration of the factors noted within this report.

During the year the Group borrowed $10.7m from Regal Tactical Credit Fund with the funds used to refinance it's existing CBA Term Loan of $6.7m with the remaining $4.0m to fund the acquisition of the business and assets of TasmaNet.

The term of this new loan is for 12 months expiring 15 June 2026 prior to which it will need to be either refinanced with a new lender or extended by Regal. As the term loan has less than 12 months to expiry from 30 June 2025 it has been classified as a current liability. This has resulted in total current liabilities of the Group exceeding total current assets and a net liability position of $9.3m as at 30 June 2025 (2024: $5.4m). There is the possibility that the loan may not be extended or refinanced within this time frame.

This indicates the existence of material uncertainty that may cast significant doubt on whether the Group will continue as a going concern and, therefore, the Group may be unable to realise its assets and discharge its liabilities and commitments in the normal course of business and at the amount stated in the financial report.

The Directors are confident that the Group will be able to either extend or refinance the loan before maturity date of the loan given the following:

- Together with cash on hand as at 30 June 2025 and operating cashflows expected to be generated before 15 June 2026, the Group will have the means to repay a significant portion of the current loan balance.
- A demonstrated ability to negotiate new and refinance existing Term Loan facilities since originally establishing the CBA Term Loan facility in February 2022.
- Regal support that consideration would be given at a time closer to maturity, to extending the Term Loan beyond its current maturity date.
- The ability to raise additional capital through new share issues as shown by the capital raising in June 2025 that partly funded the acquisition of TasmaNet.
- Based on projected earnings including the TasmaNet business, the level of gearing is conservative at less than 1.5 times projected EBITDA.

At the date of this report, based on the current data and projections available, the Directors are of the opinion that there are reasonable grounds to expect that the Group will be able to continue as a going concern. As such, the financial report has been prepared on a going concern basis. Accordingly, no adjustments have been made to the financial report relating to the recoverability and classification of any asset carrying amounts or the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

Comms Group Limited
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For the year ended 30 June 2025

(x) Reclassification of Prior Period Deferred Tax Presentation

The Group has presented deferred tax assets and deferred tax liabilities for the Australian tax-consolidated group on a net basis. Comparative figures have been reclassified to conform with the current year's presentation. This reclassification has no impact on net assets or profit for the comparative period.

3 Segment reporting

Identification of reportable operating segments

The Group has four operating segments under AASB 8 Operating Segments including Global, SME, ICT and TasmaNet. These operating segments are based on the internal reports that are reviewed and used by the CEO and Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources.

Other (non-operating) segments include the Head Office that accounts for the activities of the Board and other Group employees who provide services across the Group and other costs of being an ASX listed business.

On a monthly basis the CODM reviews each segments EBITDA that is prepared using the same accounting policies as those adopted in the financial statements.

Segment results for the year ended 30 June 2025 are as follows:

Year ended 30 June 2025	Global	SME	ICT	TasmaNet	Total
Revenue					
Sales to external customers	13,082,898	23,648,168	19,180,470	692,600	56,604,136
Intersegment sales	736,731	200,825	148,507	-	1,086,063
Total segment sales revenue	13,819,629	23,848,993	19,328,977	692,600	57,690,199
Less: cost of sales	(6,817,146)	(13,727,235)	(9,618,787)	(415,832)	(30,579,000)
Gross Profit	7,002,483	10,121,758	9,710,190	276,768	27,111,199
Less : employee benefits	(4,345,371)	(4,109,840)	(5,786,496)	(209,498)	(14,451,205)
Less : other operating costs	(1,123,614)	(1,841,169)	(1,151,846)	(17,122)	(4,133,751)
Underlying EBITDA – Segment	**1,533,498**	**4,170,749**	**2,771,848**	**50,148**	**8,526,243**
Less corporate costs					(2,807,328)
Underlying EBITDA – Group					**5,718,915**
Plus: other income – non-operating					70,336
Less: share based payments					(437,326)
Less: rent recorded as an operating cost					(89,750)
Less: acquisition, restructuring, and one-off costs					(2,292,834)
EBITDA – Group					**2,969,341**
Less: finance expenses					(807,483)
Less: depreciation and amortisation					(2,769,965)
Profit before tax – Group					**(608,107)**

The Group does not maintain Statements of Financial Position by segment as a number of assets and liabilities exist that can not be easily attributable to any one particular segment. However balances that make up a significant portion of working capital (in particular Accounts Receivable and Payable) are tracked and managed by Segment.

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Intersegment transactions

Intersegment transactions were made at market rates. Taking advantage of existing accounts and economies of scale, Global and SME purchase telecommunication services on behalf of each other. Intersegment transactions are eliminated on consolidation.

Intersegment receivables and payables

Intersegment receivables and payables are eliminated on consolidation.

Major customers

During the year ended 30 June 2025 no individual customer accounted for more than 10% of Group revenues.

The Group's revenues from external customers and non-current assets are predominantly domiciled in Australia.

Segment results for the year ended 30 June 2024 are as follows:

Year ended 30 June 2024	Global	SME	ICT	Total 30 June 2024
Revenue				
Sales to external customers	12,372,564	23,828,879	19,259,284	55,460,727
Intersegment sales	1,531,007	78,959	64,484	1,674,450
Total segment sales revenue	13,903,571	23,907,838	19,323,768	57,135,177
Less: cost of sales	(7,311,931)	(13,563,429)	(10,051,694)	(30,927,054)
Gross Profit	6,591,640	10,344,409	9,272,074	26,208,123
Less : employee benefits	(3,717,334)	(4,122,202)	(5,492,812)	(13,332,348)
Less : other operating costs	(1,046,041)	(1,807,867)	(1,004,376)	(3,858,284)
Underlying EBITDA – Segment	**1,828,265**	**4,414,340**	**2,774,886**	**9,017,491**
Less: corporate costs				(2,466,162)
Underlying EBITDA – Group				**6,551,329**
Plus: other income – non-operating				273,987
Less: share based payments				(630,587)
Less: rent recorded as an operating cost				(15,000)
Less: acquisition, restructuring, and one-off costs				(1,845,815)
EBITDA – Group				**4,333,914**
Less: finance expenses				(896,827)
Less: depreciation and amortisation				(3,374,625)
Profit before tax – Group				**62,462**

4 Revenue

Sales revenue	Consolidated 30 June 2025 $	Consolidated 30 June 2024 $
Voice revenue	23,812,434	23,107,080
Data revenue	11,805,678	11,817,060
Managed service revenue	20,986,024	20,536,587
	56,604,136	**55,460,727**

Sales revenue	$	$
Global division	13,082,898	12,372,564
SME division	23,648,168	23,828,879
ICT division	19,180,470	19,259,284
TasmaNet*	692,600	-
	56,604,136	**55,460,727**

**The revenues from the TasmaNet segment are included from completion date of 16 June 2025 to 30 June 2025*

Disaggregation of revenue

The Group derives its revenue from the delivery of hosted voice, data and enterprise networks and cloud-based communication enablement services that is recognised over the term of the contract. Revenues are also derived from hardware sales and installation services that are recognised at a point in time. The table above provides a breakdown of revenue by major business line. As disclosed, in note 3, the Group has four operating segments.

The disaggregation of revenue from contracts with customers is as follows:

Timing of revenue recognition	Consolidated 30 June 2025 $	Consolidated 30 June 2024 $
Revenue recognised over time	53,196,382	51,449,063
Revenue recognised at a point in time	3,407,754	4,011,664
	56,604,136	**55,460,727**
Revenue from direct customers	45,914,597	44,984,515
Revenue from wholesale telecom providers	10,689,539	10,476,212
	56,604,136	**55,460,727**

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5 Individually significant profit or loss items

The Group has identified a number of items which are material due to the significance of their nature and/or amount. These are listed separately here to provide a better understanding of the financial performance of the Group.

	Consolidated 30 June 2025	Consolidated 30 June 2024
	$	$
Other income		
Other	70,336	273,987
Total other income	**70,336**	**273,987**
Depreciation & amortisation		
Depreciation expense	165,524	133,038
Depreciation – right of use assets	610,720	802,148
Amortisation – customer contracts	1,226,768	1,393,210
Amortisation – brand	155,138	155,138
Amortisation – software	316,530	675,623
Amortisation – bundled equipment	295,285	215,468
Total depreciation & amortisation	**2,769,965**	**3,374,625**
Interest Expense		
Interest expense on borrowings	724,416	788,607
Interest on lease liability	83,067	108,220
Total interest expense	**807,483**	**896,827**
Other costs		
Share based payments	437,326	630,587
Superannuation expense	1,343,609	1,218,228
Acquisition costs	795,061	111,501
Restructuring costs	301,854	230,238

6 Income tax expense

	Consolidated 30 June 2025	Consolidated 30 June 2024
	$	$
Income tax expense		
Current tax (benefit)	(148,927)	(494,938)
Deferred tax – origination and reversal of temporary differences	188,970	660,496
Total income tax expense	**40,043**	**165,558**

	Consolidated 30 June 2025	Consolidated 30 June 2024
	$	$
Reconciliation of income tax expense / (benefit) and tax at the statutory rate		
(Loss)/Profit before income tax	**(608,107)**	**62,462**
At the Group's statutory income tax rate of 30% (June 2024: 30%)	(182,432)	18,738
Tax effect amounts which are not deductible / (taxable) in calculating taxable income		
Non-deductible expenses	157,705	213,117
Deferred tax – origination and reversal of temporary differences	64,770	(66,297)
Income tax expense / (benefit)	**40,043**	**165,558**

7 Reconciliation of profit / (loss) after income tax to net cash from operating activities

	Consolidated 30 June 2025	Consolidated 30 June 2024
	$	$
(Loss) for the period	(648,150)	(103,096)
Adjustments for:		
Share based payments	437,326	630,587
Depreciation and amortisation	2,769,965	3,374,625
	2,559,141	**3,902,116**
Change in assets and liabilities:		
(Increase) in receivables	(479,110)	(548,286)
(Increase) in accrued revenue	(527,701)	(36,648)
(Increase) in deferred tax	(368,258)	(301,630)
(Increase) / decrease in tax payables	(334,977)	199,461
(Increase) / decrease in prepayments	(380,625)	125,374
Increase in payables	1,676,108	363,254
Increase in provisions	591,185	251,831
Increase / (decrease) in contract liabilities	690,283	(28,018)
Decrease in other working Capital	221,189	128,507
Net cash inflow from operating activities	**3,647,235**	**4,055,961**

8 Trade and other receivables

	Consolidated 30 June 2025	Consolidated 30 June 2024
	$	$
Trade receivables	6,452,020	6,136,405
Less: provision for impairment of receivables	(70,816)	(88,002)
	6,381,204	**6,048,403**
Other receivables	220,212	73,903
Total trade and other receivables	**6,601,416**	**6,122,306**

(i) Classification of trade and other receivables

Trade receivables are amounts due from customers for goods or services performed in the ordinary course of business. Other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in the active market. If collection of the amounts is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are generally settled within 15 to 30 days and therefore are all classified as current.

(ii) Allowance for expected credit lossess

Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as the fair value.

The expected credit losses (ECL) model directs the approach to determine the allowance for ECL on trade receivables to the lifetime ECL as there is no financing component in the receivable, nor is it a lease receivable.

This requires an allowance matrix to be established that takes into account historical observed default rates which is adjusted for forward looking estimates.

Default rates do not exist in a structured or repetitive form. The nature of the service provided reduces the risk of default as opposed to a dispute. This is because,

- Credit ratings being applied on all contract wins;
- The ability to stop or disrupt telecom services for non-payment. For small businesses their phone (and phone number) is a vital tool for business survival. For larger businesses the phone or cloud-based network is key to how they provide services and operate; and
- Disrupting payment is preceded by unpaid bill notices, the last ones which set out that non-payment activity is registered with a credit rating agency.

Based on what has been observed and business acquisitions made during the year, the following allowance matrix has been determined:

Not overdue: 1%, 1 to 30 days overdue: 1%, 31 days to 90 days overdue: 2% and more than 90 days overdue: 8%.

The ageing of the receivables and allowance for expected credit losses are as follows:

	Expected credit loss rate		Carrying amounts		Allowance for expected credit losses	
	2025 %	2024 %	2025 $	2024 $	2025 $	2024 $
Not overdue	**1%**	**1%**	5,235,151	3,378,266	41,491	16,891
0 to 1 months overdue	**1%**	**1%**	627,156	1,186,328	8,780	5,932
1 to 3 months overdue	**2%**	**2%**	483,183	814,489	11,596	12,217
Over 3 months overdue	**8%**	**8%**	106,530	757,322	8,949	52,962
			6,452,020	**6,136,405**	**70,816**	**88,002**

Through a greater focus on collections, agreed credit terms and an extension to terms for some customers the Group has been able to minimise any credit losses to date.

Movements in expected credit losses of receivables are as follows:

	Consolidated 30 June 2025	Consolidated 30 June 2024
	$	$
Opening balance	88,002	148,674
Provision for expected credit losses recognised during the year	81,742	64,935
Receivables written off during the year as uncollectible	(98,928)	(125,607)
Closing balance	**70,816**	**88,002**

9 Other current assets

	Consolidated 30 June 2025	Consolidated 30 June 2024
	$	$
Prepayments	1,243,528	616,569
Accrued revenue	704,543	176,842
Security deposits	645,227	568,297
Inventory	179,632	157,338
Bundled equipment	326,861	406,043
	3,099,791	**1,925,089**

The increase in prepayments is primarily the establishment fees for the loan from Regal Tactical Credit Fund and the increase in accrued revenue is from the TasmaNet business billed in July 2025 related to June 2025.

Bundled equipment is provided as part of an ongoing service plan, such as a router for the provision of internet or a mobile phone that is provided as part of a mobile service plan. The cost of the equipment is amortised over the life of the applicable contract.

10 Property, plant and equipment

	Consolidated 30 June 2025	Consolidated 30 June 2024
	$	$
Network & IT equipment and Infrastructure	2,495,276	459,211
Less: Accumulated Depreciation	(413,042)	(277,077)
	2,082,234	182,134
Leasehold Improvements	42,324	102,247
Less: Accumulated Depreciation	(12,490)	(63,663)
	29,834	38,584
Office Furniture and Equipment	159,593	156,546
Less: Accumulated Depreciation	(136,801)	(128,889)
	22,792	27,657
Motor Vehicles	28,867	-
Less: Accumulated Depreciation	(1,630)	-
	27,237	-
Total property, plant and equipment	**2,162,097**	**248,375**

	Network & IT equipment and Infrastructure	Leasehold improvements	Office furniture & equipment	Motor vehicles	Total
Consolidated	$	$	$	$	$
Balance at 1 July 2023	64,390	95,106	14,417	4,831	178,744
Additions – business combinations	-	-	-	-	-
Additions	170,805	8,965	25,494	-	205,264
Disposals	-	-	-	(2,594)	(2,594)
Depreciation expense	(53,061)	(65,487)	(12,254)	(2,237)	(133,039)
Balance at 30 June 2024	**182,134**	**38,584**	**27,657**	**-**	**248,375**

	Network & IT equipment and Infrastructure	Leasehold improvements	Office furniture & equipment	Motor vehicles	Total
Consolidated	**$**	**$**	**$**	**$**	**$**
Balance at 1 July 2024	182,134	38,584	27,657	-	248,375
Additions – business combination*	1,930,749	-	11,910	1,641	1,944,300
Additions	105,133	3,273	8,310	27,226	143,942
Disposals	-	(1,840)	(7,156)	-	(8,996)
Depreciation expense	(135,782)	(10,183)	(17,929)	(1,630)	(165,524)
Balance at 30 June 2025	**2,082,234**	**29,834**	**22,792**	**27,237**	**2,162,097**

**Additions – business combinations relates to data centers and network assets acquired with the business acquisition of TasmaNet, refer note 25*

11 Right of use assets

	Consolidated 30 June 2025	Consolidated 30 June 2024
	$	$
Land and buildings – Right of use	3,348,451	2,971,948
Less: Accumulated depreciation	(1,116,354)	(1,480,103)
	2,232,097	**1,491,845**
Plant and equipment – Right of use	-	-
Additions – Business Combination	697,203	
Less: Accumulated depreciation	(23,872)	-
	673,331	-
Total right of use assets	**2,905,428**	**1,491,845**

The group leases buildings for its offices under agreements of one, three and five years. The leases have various escalation clauses. If renewed, the terms of the leases are renegotiated. During the year the lease of the previous principal place of business was terminated early in place of a new lease of a larger office owned by the same landlord. The office of the ICT business in Queensland was renewed during the year.

The consolidated entity also leases equipment used for data centers and network assets with agreements of up to three years. These leases are part of the acquisition of TasmaNet, refer note 25.

12 Intangibles

	Customer contracts	Brand	Goodwill	Software	Internally generated software	Capital work in progress	Other	Total
Consolidated	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Cost								
Balance at 1 July 2023	25,636,293	6,189,566	30,554,849	3,435,928	1,125,059	537,896	21,045	67,500,636
Additions during the period	-	-	-	13,371	-	118,514	-	131,885
Write-off	-	-	-	(82,896)	-	(336,012)	-	(418,908)
Balance at 30 June 2024	25,636,293	6,189,566	30,554,849	3,366,403	1,125,059	320,398	21,045	67,213,613
Accumulated amortisation and Impairment								
Balance at 1 July 2023	(8,143,424)	(3,080,556)	(8,831,444)	(3,169,435)	(491,784)	-	(13,154)	(23,729,797)
Write-off	-	-	-	80,893	-	-	-	80,893
Amortisation expense	(1,393,207)	(155,138)	-	(114,603)	(225,011)	-	-	(1,887,959)
Balance at 30 June 2024	(9,536,631)	(3,235,694)	(8,831,444)	(3,203,145)	(716,795)	-	(13,154)	(25,536,863)
Net Balance at 30 June 2024	**16,099,662**	**2,953,872**	**21,723,405**	**163,258**	**408,264**	**320,398**	**7,891**	**41,676,750**

	Customer contracts	Brand	Goodwill	Software	Internally generated software	Capital work in progress	Other	Total
Consolidated	$	$	$	$	$	$	$	$
Cost								
Balance at 1 July 2024	25,636,293	6,189,566	30,554,849	3,366,403	1,125,059	320,398	21,045	67,213,613
Additions - Business Combinations			7,567,050	-	-	-	-	7,567,050
Additions during the period	-	-	-	42,489	73,377	57,421	-	173,287
Balance at 30 June 2025	25,636,293	6,189,566	38,121,899	3,408,892	1,198,436	377,819	21,045	74,953,950
Accumulated amortisation and Impairment								
Balance at 1 July 2024	(9,536,631)	(3,235,694)	(8,831,444)	(3,203,145)	(716,795)	-	(13,154)	(25,536,863)
Amortisation expense	(1,226,770)	(155,137)	-	(90,737)	(225,792)	-	-	(1,698,436)
Balance at 30 June 2025	(10,763,401)	(3,390,831)	(8,831,444)	(3,293,882)	(942,587)	-	(13,154)	(27,235,299)
Net Balance at 30 June 2025	**14,872,892**	**2,798,735**	**29,290,455**	**115,010**	**255,849**	**377,819**	**7,891**	**47,718,651**

Determination of CGU's

For the purpose of assessing the Group's intangible assets, management has identified four cash-generating units (CGUs) that make up the Group. These include Global (International, Wholesale and Enterprise customers), SME (SME telecommunication customers), ICT (comprising the businesses of onPlatinum ICT Pty Ltd and Tango Technologies Pty Ltd) and TasmaNet. These four divisions generate cash flows that are largely independent of each other.

This assessment reflects the inclusion of the newly acquired TasmaNet business as a separate CGU, expanding the Group's structure from the previously identified three CGUs.

Goodwill is allocated to the following CGU's:

	Consolidated 30 June 2025	Consolidated 30 June 2024
	$	$
Global	4,785,047	4,785,047
SME	11,264,646	11,264,646
ICT	5,673,712	5,673,712
TasmaNet (provisional as per Note 25)	7,567,050	-
	29,290,455	**21,723,405**

The determination of the four CGU's (Global, SME, ICT and TasmaNet) reflects how the Group manages its individual customers, by grouping them according to how they are categorized as either a SME, Global, ICT or TasmaNet customer. A CGU (cash-generating unit) is the smallest identifiable group of assets that generate cash inflows that are largely independent of the cash inflows from other assets or group of assets. Typically, the same categorised customer will have similar product and service requirements, generating efficiencies for the Group and a better level of service for the customer if delivered and managed within the same division.

The recoverable amounts of the CGU were determined based on a value-in-use calculation, reflecting management forecasts for the first year and longer-range projections for years two to five. Cash flows beyond the five-year period are extrapolated using a suitable growth rate determined by management, not exceeding the anticipated long-term average growth rate for the business in which the CGU operates.

The budget and projections used represent management's current projected growth expectations. In determining such assumptions, factors such as competitive dynamics, market opportunities, synergies from acquired businesses (both realised and unrealised) and cost control were all contemplated.

The key assumptions management have used in forecasting cash flow projections over the five-year period are as set out below. During the period management have made short-term growth projections and assumptions for value in use calculations, that reflect current economic conditions. Under these conditions, the recoverable amounts of the CGUs exceed their carrying amounts and no impairment has been recognized.

Key assumptions used for value-in-use calculations

When testing for impairment, the discounted future cash flows are assessed to determine the value-in-use of the CGU. The recoverable amount under the value-in-use method is then compared to the carrying value of the CGU to evaluate whether there is any impairment.

Management used the following key assumptions in determining the recoverable amounts of its intangible assets:

	Global	SME	ICT	TasmaNet
Revenue growth – year 1	17.4%	1.8%	0.2%	5.0%
Revenue growth – years 2 to 5	10.0%	2.5%	5.0%	5.0%
Gross Margin	49.4%	42.8%	52.3%	46.6%
Wage growth	10%	2.50%	5.0%	5.0%
Other Operating expenses growth	10%	1.0%	3.0%	3.0%
Weighted average cost of capital (WACC) post tax	11.7%	14.17%	9.38%	13.39%
Terminal growth rate	3.0%	3.0%	3.0%	3.0%
Risk factor to free cashflows	20.0%	5.0%	20.0%	30.0%
Long term annual capital expenditure	$0.15m	$0.10m	$0.10m	$0.30m

Sensitivity analysis

As disclosed in Notes 2(m) and 2 (d), management have made judgements and estimates in respect of impairment testing of goodwill and other indefinite life intangibles. Should these judgements and estimates not occur the carrying amounts may decrease.

The key sensitivities are as follows (all other assumptions remaining constant), movements of which may then require an impairment charge in the CGU.

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	Key sensitivity		
Cash Generating Unit	**Revenue growth post year one to decrease to below**	**Discount rate increase to more than**	**Risk factor on free cashflows to increase to more than**
Global	7.60%	16.60%	38.40%
SME	0.60%	16.38%	14.60%
ICT	2.40%	13.93%	40.60%
TasmaNet	3.00%	16.00%	38.20%

Management believes that other reasonable changes in the key assumptions on which the recoverable amount is based would not cause the CGU's carrying amount to exceed its recoverable amount.

13 Deferred tax assets

	Consolidated 30 June 2025	Consolidated 30 June 2024
	$	$
Deferred tax asset comprises temporary differences attributable to:		
Temporary differences	2,091	840
Carried forward losses	96,787	84,462
Deferred tax asset	**98,878**	**85,302**
Movements in deferred assets:		
Opening balance	85,302	106,079
Debited/(credited) to:		
- relating to prior year losses brought on	12,325	-
- relating to temporary differences	1,251	(20,777)
Closing balance	**98,878**	**85,302**

The above balances relate to deferred tax assets of overseas subsidiaries subject to the regulations of foreign tax jurisdictions. In accordance with the Group's accounting policies set out in Note 2, Deferred tax assets of the Australian tax Group have been netted against Deferred tax liabilities of the Australian tax Group (refer Note 19).

14 Trade and other payables

	Consolidated 30 June 2025	Consolidated 30 June 2024
	$	$
Trade payables	4,529,266	4,077,037
Accrued expenses	2,142,702	1,520,642
Payroll liabilities	435,108	313,924
GST liabilities	55,988	179,889
Other payables	1,288,536	684,000
	8,451,600	**6,775,492**

Trade payables are unsecured and are usually paid within 30 days of recognition.

The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

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15 Lease liabilities

	Consolidated 30 June 2025	Consolidated 30 June 2024
	$	$
Current	1,044,181	490,302
Non-current	2,094,108	1,252,852

Refer to Note 24 for further information on financial instruments.

16 Deferred revenues

	Consolidated 30 June 2025	Consolidated 30 June 2024
	$	$
Deferred revenue	1,350,358	660,075
Reconciliation		
Reconciliation of the written down values at the beginning and end of the current and previous financial year are set out below:		
Opening balance	660,075	688,094
Payments received in advance	1,350,358	669,552
Transfer to revenue – included in opening balance	(660,075)	(697,571)
Closing balance	**1,350,358**	**660,075**

17 Provisions

	Consolidated 30 June 2025	Consolidated 30 June 2024
	$	$
Current liabilities		
Annual leave	1,150,521	826,298
Long service leave	704,985	533,455
	1,855,506	**1,359,753**
Non-current liabilities		
Long service leave	**273,487**	**178,055**

Increases to the above provisions include $527,745 recognised upon the acquisition of TasmaNet and amounts owed to employees taken on as part of the acquisition.

18 Borrowings

	Consolidated 30 June 2025	Consolidated 30 June 2024
	$	$
Current liabilities		
Term loan	**10,700,000**	**7,627,911**
Non-current liabilities		
Term loan	-	-

On 16 June 2025, as part of the acquisition of the business and assets of TasmaNet, the Directors signed a new facility agreement with the Regal Tactical Credit Fund to provide a Term Loan of $4.0m to in part fund the acquisition price and $6.7m to refinance the term loan previously provided by CBA.

The Term Loan has a term of 12 months and repayments of $0.3m for each of the September 2025, December 2025 and March 2026 quarters. If the term is not extended or the loan refinanced prior to the end of the term, the outstanding balance is then payable at that time.

Interest is charged at 10.0% for the first three months, 11.0% for the second three months and 12.0% thereafter. For the first six months 50% of the interest charged will be capitalised and form part of the outstanding loan principal amount.

An establishment fee of 3% of the loan amount has been paid at settlement and has been recorded as a prepayment to be expensed over the period of the loan.

The loan facility is secured by a General Security Deed over all assets and undertakings of the borrower and its Australian registered subsidiaries. Guarantees have been provided on a joint and several basis by all Australian registered subsidiaries.

Covenants include Group EBITDA (measured in line with that stated in the statutory accounts for the six months ended 31 December 2024) for the prior 12 months being more than:

1. $3.5m (excluding TasmaNet) as at 30 June 2025;
2. $7.0m (including TasmaNet annualised) as at 30 September 2025; and
3. $7.5m (including Tasmanet annualised) as at 31 December 2025 and 31 March 2026.

Net Assets must be greater than $27.5m at each calculation date being the same dates at which Group EBITDA is measured.

The above Covenants applying at 30 June 2025 have been met.

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	Consolidated 30 June 2025	Consolidated 30 June 2024
	$	$
Total facilities		
Bank overdraft	-	700,000
Bank term loans	10,700,000	8,250,000
	10,700,000	**8,950,000**

	Consolidated 30 June 2025	Consolidated 30 June 2024
Used at the reporting date		
Bank overdraft	-	-
Bank term loans	10,700,000	7,627,911
	10,700,000	**7,627,911**
Unused at the reporting date		
Bank overdraft	-	700,000
Bank loans	-	622,089
	-	**1,322,089**

19 Deferred tax liability

	Consolidated 30 June 2025	Consolidated 30 June 2024
	$	$
Net Deferred tax liabilities comprise temporary differences attributable to:		
Amounts recognised in profit and loss		
- Intangible assets	5,301,488	5,716,060
- Right of use asset	669,629	447,553
- Lease liabilities	(732,326)	(522,946)
- Employee benefits	(408,122)	(552,228)
- Carried forward tax losses	(246,598)	(152,588)
- Other	(22,802)	(73,175)
Amounts recognised in equity	4,561,269	4,862,676
- Transaction costs on share issues	(71,208)	(22,494)
	4,490,061	**4,840,182**
Movements in deferred liabilities:		
Opening balance	4,840,182	5,162,861
Debited / (credited) to:		
- Relating to temporary differences	(49,346)	(351,341)
- Employee provisions acquired on acquisition	(158,324)	-
- Relating to prior year losses brought on	(93,737)	-
- Amounts recognised in equity for capital raising	(48,714)	28,662
	4,490,061	**4,840,182**

In accordance with the Group's accounting policies set out in Note 2, the above balances relate to Deferred tax liabilities of the Australian tax Group, netted against Deferred tax assets of the Australian tax Group.

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20 Share capital

	Consolidated 30 June 2025	Consolidated 30 June 2024	Consolidated 30 June 2025	Consolidated 30 June 2024
	Shares	Shares	$	$
Ordinary Shares - fully paid	**530,270,691**	384,863,877	**55,589,398**	48,930,371

Movements in ordinary share capital

	Date	Shares	$
Opening balance		381,478,877	48,930,371
Performance rights vesting	24 July 2023	340,000	-
Performance rights vesting	20 September 2023	1,705,000	-
Performance rights vesting	2 November 2023	50,000	-
Performance rights vesting	27 November 2023	150,000	-
Performance rights vesting	20 February 2024	340,000	-
Performance rights vesting	5 April 2024	400,000	-
Performance rights vesting	18 June 2024	400,000	-
Balance 30 June 2024		**384,863,877**	**48,930,371**
Opening balance		384,863,877	48,930,371
Performance rights vesting	5 August 2024	916,000	-
Issue of shares	6 August 2024	660,000	-
Performance rights vesting	6 September 2024	470,000	-
Performance rights vesting	13 September 2024	840,000	-
Issue of shares under Dividend reinvestment plan	16 October 2024	425,330	33,134
Performance rights vesting	27 November 2024	483,332	-
Performance rights vesting	13 January 2025	660,000	-
Performance rights vesting	18 February 2025	50,000	-
Performance rights vesting	27 February 2025	500,000	-
Performance rights vesting	28 March 2025	168,000	-
Issue of shares under Dividend reinvestment plan	24 April 2025	367,323	17,668
Issues of Shares	22 May 2025	96,400,000	4,612,310
Issues of Shares	10 June 2025	43,386,829	1,995,915
Performance rights vesting	12 June 2025	80,000	-
Balance 30 June 2025		**530,270,691**	**55,589,398**

(i) Ordinary shares

Ordinary shares entitle the holder to participate in dividends, and to share in the proceeds of winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy is entitled to one vote, and upon a poll each share is entitled to one vote.

Capital risk management

The consolidated entity's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the consolidated entity may adjust the amounts of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The capital risk management policy remains unchanged from the prior year.

21 Share based payments reserve

	Consolidated 30 June 2025	Consolidated 30 June 2024
	$	$
Opening balance	2,200,514	1,569,927
Share based payment expense	437,326	630,587
Share based payments reserve	**2,637,840**	**2,200,514**

Share-based payment reserve is used to recognise deferred consideration for the acquisition of subsidiaries, and the value of equity benefits provided to employees, directors and other external parties as part of their remuneration. On exercise of performance rights, the balance in the share based payment reserves is retained in the share based payment reserve which forms part of the overall equity share capital.

22 Earnings per share

Reconciliation of earnings used in calculating profit per share

	Consolidated 30 June 2025	Consolidated 30 June 2024
	$	$
(Loss) attributable to the ordinary equity holders of the company	**(648,150)**	**(103,096)**

Weighted average number of ordinary shares used as the denominator in calculating earnings per share	401,597,647	383,479,082
Performance rights on issue	34,462,668	40,130,000
Adjustment for performance rights that are not dilutive	(31,616,002)	(38,704,000)
Options on issue	500,000	-
Adjustment for options that are not dilutive	(500,000)	-
Weighted average number of ordinary shares used as the denominator in calculating earnings per share	**404,444,313**	**384,905,082**

	Cents	Cents
Basic earnings per share	(0.16)	(0.03)
Diluted earnings per share	(0.16)	(0.03)

The performance rights on issue include all rights issued as at 30 June 2025, including the rights which have vested but not exercised at 30 June 2025. The adjustment for rights which are unvested have been considered as not dilutive as at 30 June 2025.

23 Share based payments

Long Term Incentive Scheme

During the year a total of 8,750,000 performance rights were issued to Directors and Management under the Performance Rights Plan with 10,250,000 rights forfeited or cancelled before the end of the year.

Performance Rights issued during the year and issued in all prior years are subject to new plan rules approved at the 2022 Annual General Meeting held on 22 November 2022, as follows:

- Based on share price hurdles, 30% are subject to vesting at either 12.5 or 15 cents per share, earliest of 18 months from grant date and 30% are subject to vesting at 20 cents per share, earliest 30 months from grant date and based on continuous employment, 20% are subject to vesting 24 months from the grant date, 10% are subject to vesting 36 months from the grant date and 10% are subject to vesting 48 months from the grant date.
- Based on continuous employment, one-third are subject to vesting 24 months from the grant date, one-third are subject to vesting 36 months from the grant date and one-third are subject to vesting 48 months from the grant date.

For the avoidance of doubt, this includes performance rights issued prior to 2022 that were modified.

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Set out below are summaries of performance rights issued under the scheme to the end of the year, subject to new and prior scheme plan rules:

Grant date	Expiry date	Balance at the start of the year	60% of total grants Vesting price: 50% 18mths / 50% 30 mths	40 % of total grants Vesting based on tenure	Granted	Vested during the year	Exercised	Forfeited	Balance at the end of the year
2025									
23/07/2019	22/07/2024	8,910,000	$0.125 / $0.20	20% 24mths / 10% 36 mths / 10% 48 Months	-	-	-	8,910,000	-
28/04/2020	27/04/2025	840,000	$0.125 / $0.20	20% 24mths / 10% 36 mths / 10% 48 Months	-	-	-	840,000	-
24/11/2020	23/11/2025	1,050,000	$0.15 / $0.20	20% 24mths / 10% 36 mths / 10% 48 Months	-	150,000	150,000	-	900,000
5/02/2021	4/02/2026	2,400,000	$0.15 / $0.20	20% 24mths / 10% 36 mths / 10% 48 Months	-	300,000	600,000	-	1,800,000
20/04/2021	19/04/2026	1,010,000	$0.15 / $0.20	20% 24mths / 10% 36 mths / 10% 48 Months	-	120,000	180,000	70,000	760,000
21/01/2022	20/01/2027	4,930,000	$0.15 / $0.20	20% 24mths / 10% 36 mths / 10% 48 Months	-	478,000	1,034,000	-	3,896,000
24/02/2022	23/02/2027	1,600,000	$0.15 / $0.20	20% 24mths / 10% 36 mths / 10% 48 Months	-	200,000	200,000	-	1,400,000
18/05/2022	17/05/2027	2,090,000	$0.15 / $0.20	20% 24mths / 10% 36 mths / 10% 48 Months	-	180,000	-	280,000	1,810,000
22/07/2022	21/07/2027	5,000,000	$0.15 / $0.20	20% 24mths / 10% 36 mths / 10% 48 Months	-	1,000,000	870,000	-	4,130,000
1/12/2022	30/11/2027	5,800,000	$0.15 / $0.20	20% 24mths / 10% 36 mths / 10% 48 Months	-	1,160,000	800,000	-	5,000,000
4/08/2023	4/08/2028	500,000	$0.15 / $0.20	20% 24mths / 10% 36 mths / 10% 48 Months	-	-	-	-	500,000
21/11/2023	21/11/2028	6,000,000	n/a	33%12 mths / 33% 24 mths / 33% 36 Months	-	1,999,998	333,332	-	5,666,668
19/07/2024	19/07/2029	-	$0.125 / $0.20	20% 24mths / 10% 36 mths / 10% 48 Months	8,250,000	-	-	150,000	8,100,000
27/08/2024	27/08/2029	-	n/a	33% 12mths / 33% 24 mths / 33% 36 Months	500,000	-	-	-	500,000
TOTAL		**40,130,000**			**8,750,000**	**5,587,998**	**4,167,332**	**10,250,000**	**34,462,668**

Set out below are summaries of performance rights issued under the new and prior scheme rules to the end of the prior year:

Grant date	Expiry date	Balance at the start of the year	60% of total grants Vesting price: 50% 18mths / 50% 30 mths	40 % of total grants Vesting based on tenure	Granted	Vested during the year	Exercised	Forfeited	Balance at the end of the year
2024									
23/07/2019	22/07/2024	10,695,000	$0.125 / $0.20	20% 24mths / 10% 36 mths / 10% 48 Months	-	1,485,000	1,785,000	-	8,910,000
28/04/2020	27/04/2025	890,000	$0.125 / $0.20	20% 24mths / 10% 36 mths / 10% 48 Months	-	50,000	50,000	-	840,000
24/11/2020	23/11/2025	1,250,000	$0.15 / $0.20	20% 24mths / 10% 36 mths / 10% 48 Months	-	150,000	200,000	-	1,050,000
5/02/2021	4/02/2026	3,000,000	$0.15 / $0.20	20% 24mths / 10% 36 mths / 10% 48 Months	-	300,000	600,000	-	2,400,000
20/04/2021	19/04/2026	1,300,000	$0.15 / $0.20	20% 24mths / 10% 36 mths / 10% 48 Months	-	130,000	290,000	-	1,010,000
21/01/2022	20/01/2027	5,230,000	$0.15 / $0.20	20% 24mths / 10% 36 mths / 10% 48 Months	-	956,000	-	300,000	4,930,000
24/02/2022	23/02/2027	2,000,000	$0.15 / $0.20	20% 24mths / 10% 36 mths / 10% 48 Months	-	400,000	400,000	-	1,600,000
18/05/2022	17/05/2027	2,150,000	$0.15 / $0.20	20% 24mths / 10% 36 mths / 10% 48 Months	-	430,000	60,000	-	2,090,000
22/07/2022	21/07/2027	5,000,000	$0.15 / $0.20	20% 24mths / 10% 36 mths / 10% 48 Months	-	-	-	-	5,000,000
1/12/2022	30/11/2027	5,800,000	$0.15 / $0.20	20% 24mths / 10% 36 mths / 10% 48 Months	-	-	-	-	5,800,000
4/08/2023	4/08/2028	-	$0.15 / $0.20	20% 24mths / 10% 36 mths / 10% 48 Months	500,000	-	-	-	500,000
21/11/2023	21/11/2028	-	n/a	33% 24mths / 33% 36 mths / 33% 48 Months	6,000,000	-	-	-	6,000,000
TOTAL		**37,315,000**			**6,500,000**	**3,901,000**	**3,385,000**	**300,000**	**40,130,000**

The incremental fair values as a result of approval of the new plan at The Annual General Meeting held on 22nd November 2022 are as follows:

	Old plan rules		New Plan Rules				
	100 % of total grants vesting on share price hurdle price: 60% 18months / 40% 30 months		60 % of total grants Vesting price: 50% 18months / 50% 30 months		40 % of total grants Vesting based on tenure: 50% 24 months/ 25% 36 months/ 25% 48 Months		
Grant date	Grant date fair value of grants vesting in 18 months	Grant date fair value of grants vesting in 30 months	Incremental fair value of grants vesting in 18 months	Incremental fair value of grants vesting in 30 months	Incremental fair value of grants vesting in 24 months	Incremental fair value of grants vesting in 36 months	Incremental fair value of grants vesting in 48 months
16/11/2020	$0.07	$0.05	$0.00	$0.00	$0.00	$0.00	$0.00
24/11/2020	$0.08	$0.07	$0.00	$0.00	$0.02	$0.03	$0.03
24/11/2020	$0.08	$0.07	$0.00	$0.00	$0.02	$0.03	$0.03
5/02/2021	$0.06	$0.06	$0.01	$0.01	$0.03	$0.05	$0.05
20/04/2021`	$0.05	$0.04	$0.01	$0.01	$0.03	$0.05	$0.05
21/01/2022	$0.09	$0.07	$0.01	$0.01	$0.03	$0.05	$0.05
24/02/2022	$0.07	$0.06	$0.01	$0.01	$0.03	$0.05	$0.05
18/05/2022	$0.07	$0.05	$0.01	$0.01	$0.03	$0.05	$0.05
22/07/2022	$0.07	$0.06	$0.00	$0.00	$0.02	$0.03	$0.03

The above incremental fair values will be recognised as an expense over the period from the modification date to the end of the vesting period. The expense of the original share performance rights will continue to be recognised as if the terms had not been modified.

The weighted average share price during the financial year was $0.064 (2024: $0.064).

The weighted average remaining contractual life through to the expiry date of share performance rights outstanding at the end of the financial year was 2.58 years (2024: 2.37 years).

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For share performance rights granted during the current financial year, the valuation input models used in Monte Carlo simulation to determine the fair value at the grant date are as follows:

Grant date	Expiry date	Share price at grant date	60% of total grants Vesting price: 50% 18mths / 50% 30 mths	40 % of total grants Vesting based on tenure	100 % of total grants Vesting based on tenure	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date: 18 mths / 30 mths	Fair value at grant date: vesting based on Tenure
19/07/2024	19/07/2029	$0.056	$0.125 / $0.20	20% 24mths / 10% 36 mths / 10% 48 Months	n/a	55.5%	-	4.35%	$0.0376 / $0.0296	$0.056
27/08/2024	27/08/2029	$0.066	n/a	n/a	33% 12mths / 33% 24 mths / 33% 36 Months	n/a	-	n/a	n/a	$0.066

The performance rights granted on the **19 July 2024** will vest provided the following conditions are met:

- The employee is continuously employed or continues to provide services to the Company up to the vesting period;
- The following applies to 30% of the total number of performance rights that may vest:
  - Comms Group Share price hurdle of 12.5 cents achieved during the term. The share price hurdle must be reached on at least 20 consecutive trading days at any time during the term of the performance rights in order to satisfy this hurdle. The minimum vesting period is 18 months from grant date.
- The following applies to 30% of the total number of performance rights that may vest:
  - Comms Group Share price hurdle of 20 cents achieved during the term. The share price hurdle must be reached on at least 20 consecutive trading days at any time during the term of the performance rights in order to satisfy this hurdle. The minimum vesting period is 30 months from grant date.
- The following applies to 20% of the total number of performance rights that may vest:
  - 24 months from grant date based on continuous employment.
- The following applies to 10% of the total number of performance rights that may vest:
  - 36 months from grant date based on continuous employment.
- The following applies to 10% of the total number of performance rights that may vest:
  - 48 months from grant date based on continuous employment.

The performance rights granted on the **27 August 2024** will vest provided the following conditions are met:

- The employee is continuously employed or continues to provide services to the Company up to the vesting period;
- The following applies to one-third of the total number of performance rights that may vest:
  - 12 months from grant date based on continuous employment.
- The following applies to one-third of the total number of performance rights that may vest:
  - 24 months from grant date based on continuous employment.
- The following applies to one-third of the total number of performance rights that may vest:
  - 36 months from grant date based on continuous employment.

The exercise price is $nil and the expiry date is 5 years after the grant date of the performance rights.

Options

There were 500,000 unissued ordinary shares of Comms Group Limited under option at the date of this report.

The options were issued to an investor relations firm as part of its overall remuneration on 2 September 2024, with a term of 3 years and an exercise price of $0.065. The options were valued using the Black-Scholes model. Volatility of 58% and risk free rate 4.35% were used as valuation inputs.

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the company or of any other body corporate. These options do not have either voting rights or rights to dividends.

24 Financial risk management

The Group's financial instruments consist of cash at bank, trade and other receivables, and trade and other payables and a loan facility.

The main risks arising from the Groups financial instruments are interest rate risk, liquidity risk and credit risk. The Board has delegated the responsibility for assessing and monitoring financial risk to management. Management monitors these risks daily.

(i) Interest rate risk

The Groups fixed interest bearing borrowings expose it to fair value risks. The interest rate on its borrowings is 10% per annum for the period of 1 July 2025 to 30 September 2025, 11% per annum for the period of 1 Oct 2025 to 31 Dec 2025 and 12% per annum thereafter. The group also has interest bearing financial assets which expose it to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows.

(ii) Liquidity risk

Liquidity risk represents the Group's ability to meet its contractual obligations as they fall due. The Group regularly monitors current and expected cash requirements to ensure that it maintains sufficient reserves of cash and adequate funding from banks and other financiers to meet its liquidity requirements in the short and longer term.

The Directors of the Company regularly review the Group's cash flow projections prepared by management.

Comms Group Limited
Notes to the Consolidated Financial Statements
For the year ended 30 June 2025

	Weighted average interest rate	1 year or less	1-5 years	Over 5 years	Total contractual flows	Carrying amount
	%	$	$	$	$	$
Financial assets						
As at 30 June 2024						
Trade and other receivables	-	6,122,306	-	-	6,122,306	6,122,306
Cash at bank	-	3,576,039	-	-	3,576,039	3,576,039
Total financial assets		**9,698,345**	**-**	**-**	**9,698,345**	**9,698,345**
As at 30 June 2025						
Trade and other receivables	-	6,601,416	-	-	6,601,416	6,601,416
Cash at bank	-	5,500,731	-	-	5,500,731	5,500,731
Total financial assets	**-**	**12,102,147**	**-**	**-**	**12,102,147**	**12,102,147**
Financial liabilities						
As at 30 June 2024						
Non interest bearing liabilities						
Trade and other payables	-	6,775,492	-	-	6,775,492	6,775,492
Interest bearing liabilities						
Borrowings	11%	8,171,249	-	-	8,171,249	7,627,911
Lease liabilities	5%	491,125	1,316,314	179,194	1,986,633	1,743,154
Total financial liabilities	**-**	**15,437,866**	**1,316,314**	**179,194**	**16,933,374**	**16,146,557**
As at 30 June 2025						
Non interest bearing liabilities						
Trade and other payables	-	8,451,600	-	-	8,451,600	8,451,600
Interest bearing liabilities						
Borrowings	11%	11,826,000	-	-	11,826,000	10,700,000
Lease liabilities	5%	1,163,395	2,244,346	-	3,407,741	3,138,289
Total financial liabilities	**-**	**21,440,995**	**2,244,346**	**-**	**23,685,341**	**22,289,889**

The interest rate applying to the term loan with Regal Tactical Credit Fund is 10% for the first three months, 11% for the second three months and 12% thereafter.

(iii) Credit risk

The Group has no significant exposure to credit risk. For credit sales the Group only trades with recognised creditworthy third parties. It is the Group's policy that all customers who wish trade on credit terms are subject to credit verification procedures. Ageing analysis and ongoing credit evaluation are performed on the financial condition of the Group's customers and where appropriate, an allowance for expected credit losses is raised. In addition, receivable balances are monitored on an ongoing basis so that the Group's exposure to bad debts is not significant.

Credit terms for most customers are typically 15 to 30 days from month end. Customers are considered to be in default after 30 days with collection processes then taking place (subject to telecommunication industry regulations).

(iv) Foreign exchange risk

The consolidated entity undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations. Foreign exchange risk arises from recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. This risk is managed by maintaining foreign currency receipts in the currency of receipt to be subsequently used for the payment of foreign currency costs. The risk is currently considered immaterial as the Group mainly operates in Australia.

25 Business Combination

TasmaNet acquisition

On 15 May 2025 Comms Group entered into a binding agreement to acquire the business and assets of TasmaNet including select assets of the broader Field Solutions Holdings Group Ltd group of entities (TasmaNet). The acquisition was completed on 16 June 2025 at which time Comms Group took control of the acquired business per the terms of the Business Sale Agreement (BSA). The acquisition was made through an existing dormant entity of the Group (Syntel Pty Ltd) that changed its name to TasmaNet Pty Ltd soon after completion.

Tasmanet is a leading provider of premium communication and managed IT services to the Tasmanian Government and businesses in Tasmania. It will deliver a strong strategic position for the group's domestic operations in the government and corporate sectors and with key network assets, deliver a portfolio of corporate data services, cross-sell opportunities and the potential of expanding the provision of government and corporate IT and telecommunications services to other Australian states.

The total consideration for the purchase is $9.43m and consists of the following:

- Upfront payment of $8.5m including cash consideration of $0.5m paid 15 May 2025 and $8.0m paid 16 June 2025.
- Deferred consideration comprising a further cash payment of $0.65m paid on 18 August 2025.
- Contingent deferred consideration comprising a final cash payment of $0.33m to be paid within 3 days of the signing of the Annual Report for the year ending 30 June 2026 (discounted to fair value as at 16 June 2025).

Note that the deferred and contingent consideration was originally structured under the original BSA to be deferred consideration payable on 16 July 2025 of $0.98m. On 18 August 2025 the Group signed a Settlement Deed to restructure this deferred consideration to deferred consideration of $0.65m (paid on 18 August 2025) and contingent deferred consideration of $0.33m payable within 5 business days of the release of the Annual Report for the year ending 30 June 2026.

The contingent deferred consideration is dependent upon the Group achieving a minimum Underlying EBITDA of $9.5m for the year ending 30 June 2026. Underlying EBITDA is to be consistent with the measurement used for calculation of Underlying EBITDA included in the statutory accounts for the six months to 31 December 2024.

The acquisition expands scale and existing service capability of Comms Group as follows:

- Expands scale in Comms Group's existing domestic managed IT and Private Cloud services creating greater opportunity to attract larger corporates;
- Adds significant last-mile data services offerings in Tasmania, opening opportunities to expand in remote based industries already served by the business including mining and aquaculture;
- Provides further expansion across the eastern seaboard (metropolitan & larger regional areas) beyond existing operations in Victorian, New South Wales and Queensland; and
- Ability to leverage improved pricing and market capability from key suppliers due to economies of scale of which the benefits are not yet forecasted.

TasmaNet has a leading market position in Tasmania with blue-chip customers as follows;

- A favoured local provider with deep local knowledge, relationships and high barriers to entry for new players given niche market;
- Immediate access to new market segments and regions in Tasmania where Comms Group has little current offerings;.
- 29 cornerstone Tasmanian Government customers equating to approximately 40% of TasmaNet revenues; and
- Over 500 corporate customers with five plus years average tenure of the top ten customers.

TasmaNet contributed $0.7m to Group revenue and $0.1m to Group Net Profit before Tax from the date of acquisition to 30 June 2025. As the acquisition was one of assets and liabilities, its not known what the Net Profit before Tax was for the business as a standalone entity for the full year ended 30 June 2025. However based upon independent due diligence performed prior to completion of the acquisition, monthly revenues from July 2024 to March 2025 indicate annual revenues of $16m to $17m. This excludes additional revenues to be gained from the acquisition to be accounted for by Next Telecom and onPlatinum.

Comms Group has incurred direct acquisition costs relating to the acquisition of TasmaNet of $0.70m to 30 June 2025.

The purchase price of $9.43m has been allocated on a provisional basis as set out below, to the assets acquired and liabilities assumed in the business combination.

	Total
	$
Inventory	50,481
Other current assets	239,814
Property, plant & equipment	1,944,300
Right of use asset	697,203
Deferred tax assets	158,324
Employee provisions	(527,745)
Lease liabilities	(697,203)
Net asset acquired	1,865,174
Goodwill	7,567,050
Acquisition-date fair value of the total consideration	**9,432,224**

The Group expects to finalise the purchase price allocation by 31 December 2025 with expected recognition of brands and customer contracts for which the valuations as of the day of this report are in progress and have not been finalised given the proximity of the acquisition to year-end. It is expected that the majority of the value provisionally allocated to Goodwill above will be allocated to brands and customer contracts upon finalising the purchase price allocation.

26 Commitments and contingencies

The Group has no contingent liabilities or capital commitments at 30 June 2025 (30 June 2024: nil).

Comms Group Limited
Notes to the Consolidated Financial Statements
For the year ended 30 June 2025

27 Entities within the consolidated group

The following entities are included within the Consolidated Group:

Entity Name	Country of incorporation 2025	% Consolidated 2025	% Consolidated 2024
Comms Group Limited (parent)	Australia	100%	100%
CommsChoice Pty Ltd	Australia	100%	100%
Telegate Pty Ltd	Australia	100%	100%
Commschoice Operations Pty Ltd	Australia	100%	100%
Comms Group Services Pty Ltd	Australia	100%	100%
TelAustralia Pty Ltd	Australia	100%	100%
Comms Group Operations Pty Ltd	Australia	100%	100%
TasmaNet Pty Ltd (formerly Syntel Pty Ltd)	Australia	100%	100%
Comms Group (International) Pte Ltd	Singapore	100%	100%
SingVoip Pte Ltd	Singapore	100%	100%
Next Telecom Pty Ltd	Australia	100%	100%
Binary Networks Pty Ltd	Australia	100%	100%
Binary Wholesale Pty Ltd	Australia	100%	100%
on Group Holdings Pty Ltd	Australia	100%	100%
onPlatinum ICT Pty Ltd	Australia	100%	100%
onPlatinum ICT Pty Pte Ltd	Singapore	100%	100%
Tango Technology Pty Ltd	Australia	100%	100%
Comms Group International (UK) Ltd	United Kingdom	100%	100%
Comms Group Philippines Inc.	Philippines	100%	100%
Comms Group international Hong Kong Limited (Hong Kong)	Hong Kong	100%	100%
Comms Group Operations Malaysia SDN. BHD.	Malaysia	100%	100%
Indonesia Branch office of Comms Group (International) Pte Ltd	Indonesia	100%	100%
Taiwan Branch office of Comms Group (International) Pte Ltd	Taiwan	100%	100%
Japan Branch office of Comms Group (International) Pte Ltd	Japan	100%	100%
Comms Group Europe Pte Ltd	Ireland	100%	n/a

The annual accounts of the entities in Singapore, Malaysia and Philippines are subject to statutory audit in accordance with local regulations. Local auditors have been appointed to these entities.

28 Events after reporting date

On 16 June 2025 the Group completed the acquisition of the Business and Assets of TasmaNet that included deferred consideration payable on 16 July 2025 of $0.98m. On 18 August 2025 the Group signed a Settlement Deed to restructure this deferred consideration to deferred consideration of $0.65m (paid on 18 August 2025) and contingent deferred consideration of $0.33m payable within 3 business days of the release of the Annual Report for the year ending 30 June 2026. The payment is contingent upon the Group achieving a minimum Underlying EBITDA of $9.5m for the year ending 30 June 2026.

On 29 July 2025 the Group granted a total of 3.82m performance rights to a number of employees including 1.00m to new management employed as part of the acquisition of TasmaNet and 2.82m to existing employees of the Group.

There have been no other significant matters or circumstances not otherwise dealt with in this report between the reporting date and the date the financial statements were approved for issue that will significantly affect the operation of the Group, the results of those operations or the state of affairs of the Group or subsequent financial years.

29 Auditor's remuneration

The auditor of Comms Group is BDO Audit Pty Ltd.

	Consolidated 30 June 2025	Consolidated 30 June 2024
	$	$
Remuneration of auditor BDO and related entities		
Audit and review of financial statements	223,352	211,558
Non-audit fees: Taxation services	17,900	42,927
Non-audit fees: Whistle blowing services	5,000	5,000
	246,252	**259,485**

30 Related party transactions

Parent entity

Comms Group Limited is the ultimate parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 27.

Key management personnel

Disclosures relating to key management personnel are set out in the remuneration report included in the directors' report.

Compensation

The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	Consolidated 30 June 2025	Consolidated 30 June 2024
	$	$
Short-term employee benefits	961,205	912,650
Post-employment benefits	82,754	75,808
Share-based payments	259,154	306,130
Total key management personnel remuneration	**1,303,113**	**1,294,588**

Transactions with related parties

Benjamen Jennings is a director of Outforce Pty Ltd, which provide business process outsourcing services including assisting with provisioning, billing and customer service. Total amounts paid by the Group for the year ended 30 June 2025 were $601,730 (2024: $519,783).

Benjamen Jennings is a partner at Jenning Partners. For the period to 30 June 2025 Jenning Partners acquired telecommunication services from the Group of $14,969.

Ryan O'Hare is a Director of Next Green Group Pty Ltd that owns Next Business Energy Pty Ltd who provides electricity to Next Telecom. Total amounts paid by the Group for the year ended 30 June 2025 were $10,582 (2024: $7,847).

For the period to 30 June 2025 Next Green Group Pty Ltd acquired telecommunication services from the Group of $56,083.

Receivable from and payable to related parties

As at 30 June 2025 Jennings Partners Chartered Accountants owes $1,550 for communication services provided to that date.

As at 30 June 2025 Next Green Group Pty Ltd owes $5,009 for telecommunication services provided to that date and the group owes Next Business Energy $844 for electricity.

Loans to/from related parties

None.

Deferred consideration available with related parties

None.

31 Parent entity information

Set out below is the supplementary information about the parent entity.

	Parent 30 June 2025	Parent 30 June 2024
	$	$
Statement of profit or loss and other comprehensive income		
Total comprehensive loss for the year	(6,884,569)	(4,654,336)
Statement of financial position		
Current assets	20,335,114	7,508,375
Total assets	**54,042,281**	**40,198,799**
Current liabilities	35,267,847	22,245,356
Total liabilities	**35,918,666**	**22,245,356**
Net assets	18,123,615	17,953,443
Equity		
Issued capital	55,589,398	48,930,371
Share based payment reserve	2,637,840	2,200,514
Accumulated losses	(40,103,623)	(33,177,442)
Total equity	**18,123,615**	**17,953,443**

Guarantees entered into by the parent entity
An interlocking guarantee has been provided by the parent for the subsidiaries, as part of the security provided to the Regal Tactical Credit Fund for the Term Loan and other facilities it has provided the Group.

Contingent liabilities entered into by the parent entity
The parent entity had no contingent liabilities as at 30 June 2025 (2024:nil).

Capital commitments – property plant and equipment
The parent entity had no capital commitments for plant and equipment as at 30 June 2025 (2024:nil).

Directors' Declaration

In the Directors' opinion:

1. 1. the financial statements and notes, as set out on pages 24 to 68, are in accordance with the Corporations Act 2001 and:
    (a) comply with the Australian Accounting Standards, the Corporations Regulations 2001, and other mandatory professional reporting requirements;
    (b) comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
    (c) give a true and fair view of the consolidated entity's financial position as at 30 June 2025 and of its performance for the financial year ended on that date; and
    (d) the information disclosed in the consolidated entity disclosure statement is true and correct; and
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
3. the directors have been given the declarations required by s295A of the Corporations Act 2001 from the Chief Executive Officer and Chief Financial Officer.

This declaration is made in accordance with a resolution of the Directors.

On behalf of the Board

Ryan O'Hare
Director

Sydney
28 August 2025

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Level 25, 252 Pitt Street
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Australia

INDEPENDENT AUDITOR'S REPORT

To the members of Comms Group Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Comms Group Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

(i) Giving a true and fair view of the Group's financial position as at 30 June 2025 and of its financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 2(w) in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern and therefore the group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

BDO Audit Pty Ltd ABN 33 134 022 870 is a member of a national association of independent entities which are all members of A.C.N. 050 110 275 Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit Pty Ltd and A.C.N. 050 110 275 Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Acquisition of TasmaNet

Key audit matter	How the matter was addressed in our audit
As disclosed in Note 25 of the financial report, during the period Comms Group Limited acquired the business and assets of TasmaNet, along with selected assets from entities within the Field Solutions Holdings Group Limited. Accounting for acquisitions is complex and requires management to exercise judgement in several areas, including determining the appropriate accounting treatment, assessing the acquisition date of control, evaluating whether the transaction constitutes an asset or business acquisition, and estimating the provisional fair value of the identifiable assets and liabilities to the extent required and necessary information was available. Given the significance of the transaction and the complexities associated with acquisition accounting in accordance with AASB 3 *Business Combinations*, this was deemed to be a key audit matter.	Our audit procedures for addressing this key audit matter included, but were not limited to, the following: • Reviewed the Business Sales Agreement (BSA) and post year-end Settlement Deed to verify the key terms and assess the appropriate accounting treatment on initial recognition and post-acquisition. • Evaluated whether the transaction qualified as a business combination under AASB 3 *Business Combinations* or whether it should be accounted for as an Asset Acquisition. • Evaluated management's determination of the control transfer date through analysis of the BSA, consultations with management, and review of relevant supporting documentation. • Together with BDO IFRS specialists, evaluated and assessed the accounting treatment adopted by management against the requirements of Australian Accounting Standards. • Evaluated the identification and recognition of assets and liabilities acquired, which were provisionally accounted for, and assessed the judgements and estimates applied by management in valuing the acquired property, plant and equipment. • Reviewed the related disclosures in the financial statements to ensure they are complete, accurate, and compliant with AASB 3 *Business Combinations*.

BDO

Impairment of Intangible Assets

Key audit matter	How the matter was addressed in our audit
The Group recognises a material balance of goodwill and other intangible assets arising from historical business combinations and the acquisition of TasmaNet during the period, as detailed in Note 12 to the financial statements. This matter is considered significant to our audit given the material nature of these intangible assets to the Group. The assessment of impairment for intangible assets within each identified Cash-Generating Unit (CGU) involves critical accounting estimates and judgements, specifically in relation to forecast revenue and cash flows, which is affected by future market and economic conditions.	Our audit procedures to address this key audit matter included, but were not limited to, the following: • Evaluated the discounted cash flow (DCF) models prepared by management to determine the recoverable value of the CGUs, including challenging and substantiating the key assumptions made by management, such as forecasted revenue growth, operating costs and discount rates. • Consulted with BDO valuation experts in order to assess the reasonableness of the discount rates applied by management. • Performed sensitivity analysis on the DCF model to evaluate the impact of changes in key assumptions on the headroom between the CGU's recoverable amount and their carrying value. • Assessed the remaining useful life of the finite intangible assets and reviewed whether historical assumptions regarding customer life and churn remain appropriate. • Reviewed the related disclosures in the financial statements to ensure they are complete, accurate and compliant with the requirements of Australian Accounting Standards.

Revenue Recognition

Key audit matter	How the matter was addressed in our audit
Revenue recognition has been a key focus of our audit, primarily due to the material nature of the balance as disclosed in Note 4 to the financial statements and the importance of the revenue balance to the users of the financial statements. Further, the complexity of the Group's billing systems, and the presence of manual revenue related journal entries results in an increased amount of auditor focus in gaining assurance on revenue recognition for the year-ended 30 June 2025.	Our audit procedures to address this key audit matter included, but were not limited to, the following: • Performed a reconciliation of the billing system and bank statements to the general ledger, investigating significant reconciling items or manual adjustments. • Substantively tested a sample of individual revenue items across revenue streams recognised during the period, including transactions from the acquired TasmaNet business, by tracing to supporting documentation. • Selected a sample of deferred revenue and revenue transactions around year end to assess whether revenue was recognised in the correct reporting period. • Reviewed a sample of price changes for consistency with the Group's approval thresholds and our expectations. • Tested manual journal entries posted to revenue that appeared unusual or outside expected parameters. • Assessed whether the Group's revenue recognition policies were adequate and compliant with AASB 15 *Revenue from Contracts with Customers*.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2025, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of:

a) the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and

b) the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001, and

for such internal control as the directors determine is necessary to enable the preparation of:

i) the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at:

https://www.auasb.gov.au/media/bwvjcgre/ar1_2024.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2025.

In our opinion, the Remuneration Report of Comms Group Limited, for the year ended 30 June 2025, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit Pty Ltd

BDO

Dries Martens

Dries Martens
Director

Sydney, 28 August 2025

Comms Group Limited
ASX Additional Information
30 June 2025

ASX Additional Information

Additional information required by the Australian Securities Exchange Limited Listing Rules and not disclosed elsewhere in this report is listed below.

The information is current as at 8 August 2025.

Distribution of shareholders

Securities

Fully paid ordinary shares

Analysis of numbers of equity holders by size holding:

	Total holders	Number of shares	Percentage
1 to 1,000	23	1,474	0.000
1,001 to 5,000	28	105,081	0.020
5,001 to 10,000	55	451,556	0.090
10,001 to 100,000	268	10,611,054	2.000
100,001 and over	246	519,141,526	97.890
	620	**530,310,691**	**100.000**

Comms Group Limited
ASX Additional Information
30 June 2025

Equity Security Holders

Twenty largest quoted equity security holders

	Number held	Percentage of total shares issued
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	54,166,314	10.214%
NASHAR PTY LIMITED (Ryan O'Hare)	42,863,072	8.083%
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	30,771,369	5.803%
BNP PARIBAS NOMINEES PTY LTD	22,362,252	4.217%
ROBBIE BENNETTS ENTERPRISES PTY LTD	19,819,453	3.737%
MR PETER MCGRATH & MRS JANICE MCGRATH	18,198,741	3.432%
BIRBAL INVESTMENTS PTY LTD	16,633,295	3.137%
TORRI PTY LTD	16,477,222	3.107%
MR MARK LAWRENCE MANION	16,268,161	3.068%
DMX CAPITAL PARTNERS LIMITED	11,964,435	2.256%
VIE DE L'EAU PTY LTD	10,931,742	2.061%
GJFE INVESTMENTS PTY LTD	10,483,286	1.977%
JENNINGS GROUP INVESTMENTS PTY LTD	10,413,232	1.964%
GMNM CONSULTING PTY LTD	9,377,864	1.768%
HORRIE PTY LTD	8,430,000	1.590%
OVERSCO PTY LTD	8,085,370	1.525%
SANDHURST TRUSTEES LTD	7,807,545	1.472%
JAPEM PTY LTD	7,750,972	1.462%
BOVIDAE CAPITAL PTY LTD	7,682,264	1.449%
MR ANTHONY ALLAN DUNPHY & MRS ANDREA DUNPHY	7,239,351	1.365%
Total Securities of Top 20 Holdings	**337,725,940**	**63.685%**

Substantial shareholders

	Number held	Percentage of total shares issued
NASHAR PTY LTD (Ryan O'Hare)	50,263,947	9.48%
MR PETER MCGRATH	27,649,716	5.21%

Marketable parcel of ordinary shares

There were 80 shareholders holding less than a marketable parcel of 307,464 ordinary shares.

Comms Group Limited
ASX Additional Information
30 June 2025

Unquoted equity securities

	Number on issue	Number of holders
Performance rights	36,067,668	28
Options	500,000	1

Voting rights

The voting rights attached to ordinary shares are set out below:

Ordinary shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Performance rights and options

No voting rights.

Corporate Directory

Directors	Ryan O'Hare– Non-Executive Chair Peter McGrath – Executive Director and Chief Executive Officer Benjamen Jennings – Non-Executive Director Claire Bibby – Independent Non-Executive Director Stephen Picton – Independent Non-executive Director
Secretary	Andrew Metcalfe
Notice of Annual General Meeting	The Annual General Meeting of Comms Group Limited **will be held at** Comms Group Boardroom Level 1, 45 Clarence Street Sydney NSW 2000 **time** 11.00 am **date** 25 November 2025
Registered Office	Level 1, 45 Clarence Street Sydney NSW 2000
Principal place of business	Level 1, 45 Clarence Street Sydney NSW 2000
Share register	Boardroom Pty Limited Level 12, 225 George Street Sydney NSW 2000
Auditor	BDO Audit Pty Ltd Level 25, 252 Pitt Street Sydney NSW 2000
Solicitors	Thomson Geer Level 23, Rialto South Tower, 525 Collins Street Melbourne VIC 3000
Bankers	Commonwealth Bank of Australia
Stock exchange listing	Comms Group Limited shares are listed on the Australian Securities Exchange (ASX code: CCG)
Website	www.commsgroup.limited

investors@commsgroup.limited
www.commsgroup.limited