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ASX Announcement
MNF Group Limited (ASX: MNF)
1 November 2019

MNF Group Capital Raising and Business Update Q1 strong performance, re-affirms FY20 EBITDA Guidance

The board of Australian communications software specialist MNF Group Limited (ASX:MNF) ("MNF" or the "Company") is pleased to provide a business update for the quarter ending 30 September 2019 and advise that the Company is conducting an equity raising at \$5.00 per share to raise approximately \$50m after costs ("Capital Raising").

The Company has re-affirmed its FY20 EBITDA guidance of \$33m to \$36m – a forecast growth of 27% at the guidance mid-point relative to FY19 EBITDA performance of \$27.2m.

"The business is performing well across all segments, with continued strong growth from domestic and global wholesale customers, driven by the take up of key products such as UCaaS and CPaaS," said Mr Rene Sugo, CEO of MNF Group. "The first quarter has delivered to forecast expectations, and management are confident of meeting full year guidance," he added.

The Capital Raising will be conducted via an institutional placement at a price of \$5.00 per share, which represents a 5.7% discount to the closing price of MNF shares on 31 October 2019. Shares in the Capital Raising will be issued under MNF's existing ASX Listing Rule 7.1 placement capacity, and will rank equally with existing shares in MNF.

The proceeds of the Capital Raising will allow the company to pay down bank debt, become net cash positive and strengthen the balance sheet, enabling the company to accelerate its regional expansion strategy in the near to medium term.

Canaccord Genuity (Australia) Limited is acting as Lead Manager to the Capital Raising.

Singapore network rollout – the deployment of the Company's specialised voice network and software eco-system is well underway. The project's initial phase of network construction, integration, and testing is due to complete in December 2019. The Company is expecting to have trial customers on board by the end of March 2020. The Company continues to see strong demand in the Singapore domestic market from existing and new customers in the region. The development of the Singapore business underpins the Company's Asia-Pacific regional growth strategy.

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About MNF Group Limited

MNF Group Limited (ASX: MNF) is one of Asia-Pacific's fastest growing technology companies. Listed on the ASX since 2006, it is now capitalised at around \$390M, and twice winner of the Forbes Asia-Pacific "Best under a Billion" award. Headquartered in Sydney, Australia, the company has over 500 people located across Asia-Pacific, Europe and North America. MNF develops and operates a global communications network and software suite enabling some of the world's leading innovators to deliver new-generation communications solutions.

As the world moves to IP, MNF Group is building the brands, services, network and technology to lead the way.

For further information about MNF Group Limited please visit: <http://mnfgroup.limited/>

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Forward looking

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