

19 November 2020

The Manager
Australian Securities Exchange
4th Floor, 20 Bridge Street
SYDNEY NSW 2000

ELECTRONIC LODGEMENT

Dear Sir or Madam

Annual General Meeting presentation

In accordance with the Listing Rules, I enclose the presentations of the Chairman, and the Managing Director & Chief Executive Officer, which will be delivered today at the Uniti Group Limited 2020 Annual General Meeting.

Authorised for lodgment by:



Ashe-lee Jegathesan
Company Secretary

Chairman's Speech

Ladies and Gentlemen: Good morning, my name is Graeme Barclay, and I am chairman of your company.

On behalf of the Uniti Group board of directors, I would like to welcome our shareholders, employees and guests present today, both in person, and on the webcast, to the Uniti Group Limited 2020 Annual General Meeting.

Before I formally open the meeting, there are a few housekeeping matters I would like to address. Unfortunately, due to uncertainty over the rules and numbers that could attend a meeting of this type, we made an early decision to host the meeting virtually, via webcast. For the same reasons, we have been limited in the number of you that we are able to host here in our offices for this meeting. In order to give shareholders the opportunity to participate in the annual general meeting, we invited questions to be submitted via email prior to the meeting. The webcast platform for this meeting also enables you to ask questions during the meeting if you are attending the meeting online, and if you would like to. To ask a question, please type it in the 'Ask a Question' box in the bottom right-hand corner on your screen.

I can advise at this point, no questions were submitted prior to the meeting, either generally or in relation to any specific resolutions. At the appropriate point during the proceedings, I will review, and respond to, or allocate to the appropriate person, any questions received via the platform during the meeting, in relation to each item of business. Please note that questions may be moderated or where there are a number of questions on a similar topic, they may be amalgamated.

Following any questions, I will display both the direct votes lodged by shareholders and the proxy votes for that resolution. As stated in our Notice of Meeting, all items will be determined by way of a poll, and I intend to vote all open proxy votes in favour of each resolution.

The results of today's Meeting will be announced to the ASX later today.

I confirm we have a quorum present, and so, I declare the Uniti Group Limited annual general meeting for 2020 open. I propose to take the notice of meeting dated 19 October 2020 as read.

I would like to start by introducing our officeholders who are in attendance with me here in Sydney:

- Michael Simmons – our Chief Executive Officer and Managing Director
- Steve Picton – Chief Executive, Wholesale & Infrastructure
- Kurt Magner – Chief Executive, Consumer Business & Enablement

In virtual attendance from Melbourne, Adelaide and Brisbane (due to border restrictions), we have:

- Vaughan Bowen – Executive Director
- Kathryn Gramp – Non-executive Director
- John Lindsay – Non-executive Director
- Ashe-lee Jegathesan – Chief Operating Officer & Company Secretary
- Darryl Inns – Chief Financial Officer
- Jordan Grives – Chief Executive, Specialty Services

Our auditor, Chris Biermann, from Deloitte, is also in virtual attendance.

Before I pass you on to our Managing Director & CEO, I would like to take this opportunity to make a few remarks.

In the FY20 year, we have successfully turned around what was a loss making company in FY19, by aggressively pursuing both organic growth and a focused M&A strategy, followed by fast and seamless integration of those acquisitions within their respective business units.

Between our last AGM, at which time we had completed the acquisition of LBNCo, and the end of the first half of the FY20 year, we completed the acquisition of OPENetworks which bolstered our private fibre infrastructure business operating wholesale network access services across a large, growing national footprint of connected premises; and we completed the acquisition of 1300Australia which added scale to and significantly enhanced earnings performance of our Specialty Services BU, further diversifying Uniti's revenue and cashflow sources.

In the second half of FY20, we were focussed on the integration of the businesses we acquired and on organic profitable growth. I am pleased to report that despite the challenges of the COVID-19 pandemic, Uniti continued to perform above expectations across each business unit in the second half, resulting in two upgrades to the original FY20 underlying proforma earnings guidance announced in December 2019.

We also took the opportunity in the second half of FY20 to develop our strategy to focus on attaining a significant position in private fibre infrastructure ownership and operation in greenfield developments. We consider this to be privileged infrastructure and an attractive opportunity to deploy our capital.

Accordingly, just before the end of the FY20 year, we announced the acquisition of OptiComm Limited by way of a scheme of arrangement. We see this acquisition as a critical step to accelerate the delivery of our strategy in private fibre infrastructure ownership and deliver the next phase of growth for Uniti's shareholders. Although we had hoped that this acquisition would have been completed sooner, and at lower cost, we had to compete with one of Australia's largest super funds over recent months to be in a position to close this acquisition. I am pleased to report that as we stand here today, the Federal Court approved the Scheme of Arrangement on the 12th of November, and that tomorrow, the Scheme will be fully implemented, with

OptiComm shareholders receiving both their cash consideration and their shares in Uniti, and Uniti will take ownership of the OptiComm business. This means that effective at midnight tonight the OptiComm board and company secretary resign their board responsibilities and Uniti's executives will take on these responsibilities.

Tomorrow, the work begins in earnest to integrate our W&I business with OptiComm, combined to become the largest private owner of fibre infrastructure in the greenfield residential Fibre-to-the-Premises (FTTP) market, second only to the government-owned National Broadband Network (NBN), with approximately 118,000 active premises and more than a further 215,000 premises either under construction or contracted to be built.

Last month we became the first telecommunications company to have a functional separation undertaking accepted by the ACCC following recent amendments to the Telecommunications Act. This undertaking allows us to establish a separately run and operated business which sells retail services over our own high-speed fibre networks, currently known as our CBE business unit – we see this as an opportunity to drive greater utilisation of our owned networks and greater profitability on our invested capital for our shareholders. The addition of the Harbour ISP business, announced earlier this week and completed late yesterday, doubles the number of customers in this business unit, and importantly enhances our ability to serve the retail consumer market utilising our own fibre assets.

Our Specialty Services business has continued to demonstrate the infrastructure-like qualities of annuity revenues and high cash conversion, with 99% of EBITDA in the last 9 months in this business unit being free cash flow.

This, combined with the strong credit metrics inherent in the fibre infrastructure businesses, including OptiComm, has allowed us to secure an acquisition debt facility from Westpac and CBA to partly fund the OptiComm acquisition. Our pro forma net debt to EBITDA leverage position of approximately 2.5x on completion of OptiComm will be quickly de-levered, given the strong cash generative nature of Uniti's business units. This will enable us to be able to continue to take advantage of strategic opportunities that come our way.

All of the above achievements resulted in Uniti Group's admission to the S&P/ASX300 Index in June this year. At the next re-balance date, we expect to be eligible to be considered for S&P/ASX 200 Index inclusion.

I will hand over to our MD and CEO Michael Simmons shortly to provide you with an update on recent trading performance and integration plans for the W&I and OptiComm businesses.

Before I do that, a few observations on governance related matters. Uniti is a company in transition from a fledgling loss-making entity in FY19 to potential inclusion in the S&P/ASX200 in FY21. Remuneration is a hot topic in Australia and overseas, whether shareholder or regulatory driven. I acknowledge that our remuneration structure and policy need some development to reflect the change in scale and circumstances that has been achieved over the past 18 months, and we will begin this work in FY21. We are committed to ensuring that our remuneration

philosophy and framework attract and retain competent and capable executives and board members, through competitive and attractive rewards for delivering exceptional outcomes. The program we have in place in FY20 and currently is appropriate and applicable to the current phase of Uniti's very rapid development over the past 18 months. We have a philosophy to pay fixed remuneration below market rate and skew compensation to reward out-performance with share-based incentives, with vesting periods that deliver alignment and retention benefits for shareholders. The use of options and share rights to recognise and reward the performance of both the Board and Executives during this initial development stage of Uniti's life as a listed company reflects the Company's core remuneration philosophy of reward for performance and alignment of interests between the board, management and shareholders. Whatever changes we make as we move forward, we intend to retain the principle that our executives, and others that contribute above and beyond outcomes, will share in the wealth created for shareholders.

A number of the resolutions at this year's AGM are remuneration related and I will make additional comments when we get to those items.

I would like to take this opportunity to thank you, our shareholders, for your outstanding support over the past year, particularly during our capital raisings and sticking with us through the past few months as we sought to lock in the OPC acquisition in the face of fierce competition. We know this is not a given and we do appreciate your support. Each of the equity raisings we undertook during the year were over-subscribed reflecting your confidence in our strategy and our ability to execute on it.

I also thank my fellow directors and our executive team for the hard work, dedication and commitment that each of our directors and executives have demonstrated throughout the year. In particular, I acknowledge the tremendous leadership, throughout all the M&A, COVID and day to day operations from our CEO and MD, who has been instrumental in all that Uniti has achieved in FY20 and the first few months of FY21. With that, I will hand over to our Managing Director & CEO, Michael Simmons.

Managing Director & CEO's Speech

Thanks Graeme.

I am thrilled to be addressing you, our Shareholders today. Together, we have built a significant company in a short time. Your support has been a significant contributor and I will touch on that later.

This is the second AGM of Uniti following our listing in February 2019. At that time, we were not profitable nor were we trading cash flow positive. We only just raised enough cash to recapitalise to position Uniti for growth. Many shareholders who enabled that are still with us today.

And we promised shareholders a turnaround.

Whilst we are a young company, I confirm we have delivered on the promise of transformation in less than 2 years.

Our Company today is:

- Highly Profitable with annual run rate EBITDA for the 4 months to October of \$42M before the acquisition of OptiComm & HarbourISP;
- Highly cash generative with more than 50% of EBITDA being free cash flow after funding growth capital expenditure; and
- Positioned for continued future growth through the businesses we have acquired the immediate integration executed and the organic growth realised.

We are now about to embark on the next phase of Uniti's evolution.

I would like to touch on some key elements of our strategy which has delivered the transformation and which will accelerate our growth into the future as our focus shifts to strong long-term profit and cash earnings growth as we further evolve our transition to a core infrastructure business.

Core to our strategy is deployment of capital in markets, businesses and products with features that:

- enable long term profit growth with attractive margins and without excessive competition;
- deliver strong long-term positive annuity cash flows;
- are infrastructure based or provide infrastructure like earnings and cash flows, with a competitive advantage; and
- have identifiable and considerable organic growth opportunities.

Core to our strategy is when we have acquired businesses within one of our business units, we integrate within the business unit or pillar and not across. This has been fundamental to our earnings growth since listing.

Uniti is not what is commonly termed a "Roll Up" or "House of Brands". It is not a "Bowl of Spaghetti".

Today, all the businesses we have acquired are fully integrated within the respective business unit resulting in synergy realisation quickly and organic growth just as quickly.

What this means is we can acquire in a new business segment and add a fourth pillar if we were to identify a business that meets the core strategy features.

Alternatively, if we sought to divest a business unit or pillar, we could do so quickly and seamlessly, without impacting the current or then profitability of the business unit.

The business units are supported and enabled by a Corporate Services group including our Board and Executives ensuring Uniti operates efficiently and to strategy with strong leadership and governance.

Recent Financial Performance of Uniti

FY20 was Uniti's first full year of trading but it seems a long time ago now, so I thought a quick review of key financial performance measures for the year and the first 4 months of FY21 would be worthwhile to repeat:

- In FY20 we achieved EBITDA of \$26.5M and NPAT of \$15.9M compared to losses in FY19 of \$(0.9)M and \$(13.5)M respectively.
- Exit June run rate EBITDA in FY20 was greater than \$40M and for the 4 months to October is annualised at \$42M, with no benefit from the Harbour or OptiComm acquisitions
- EBITDA margins on revenue exceed 50% providing significant operating leverage to organic revenue growth both in FY20, FY21 to date and beyond.
- Operating Cash Flow Less Capex (or Free Cash Flow) in FY20 was \$13.4M or 50% of EBITDA compared to a negative \$(1.7)M in FY19.
- Operating Cash Flow in Q4 FY20 was \$10.1M and Free Cash Flow was \$6.1M.
- Operating Cash Flow in Q1 FY21 was \$10.5M and Free Cash Flow was \$6.9M after recording record growth Capex in the quarter.
- The FY20 year we finished with \$41M cash on hand and no debt, excluding funds raised in June 2020 for the OPC acquisition.

This financial performance highlights Uniti has outstanding financial metrics and operating leverage across the business units which comprise Uniti notwithstanding nearly 55% of EBITDA earnings in FY20 and 60% in FY21 is earned within the Wholesale and Infrastructure business unit which has invested in fibre network construction.

We have substantial earnings and operating free cash flow, having funded growth capex, despite being infrastructure focused.

The financial metrics align with the stated core strategy and will enable Uniti to transition from a turnaround to a business that is/has: significant annuity revenues, high growth, organic accretive earnings and high cash conversion ratios - all without acquisitions.

Strategic acquisitions within the pillars, true to our stated strategy, will turbo charge this growth which we have executed on in the past. Likewise, if we identify a new pillar with financial metrics that fits with our strategy.

Business Unit Growth in UWL

All business units or pillars within Uniti have contributed to producing Group growth on prior corresponding periods on a like for like basis including during FY21 to date, as well as executing on a number of strategic initiatives.

The notable achievements for Consumer & Business or CBE as we know it have been:

- The achievement of functional separation in October 2020 which sets up CBE for growth in Uniti on net fibre services;
- The fibre customer base continues to grow with recent net customer adds in the range of 1%-1.5% per month;
- Fibre customer growth is skewed to owned fibre infrastructure networks in future;
- Wireless customer base continues to "run off" as NBN competes but fibre adds are offsetting;
- Customer management statistics are at best in market levels in FY21 and business is now positioned for growth;
- Focussing on owned infrastructure and reselling NBN by exception, with annualised EBITDA run rate for 4 months to October of \$3.5M; and
- Customer numbers of 30K

The highlights for Wholesale & Infrastructure or W&I include:

- Annualised EBITDA run rate for the 4 months to October 2020 approximately \$24M representing an approximate 5.2 times aggregate purchase consideration of all fibre business acquired less than 1 year ago;
- Recurring revenue continues to exceed 90% of total revenue supporting annuity earnings;
- ARPU continues to increase to \$49.46 at October compared to \$48.50 at June and \$48 at December 2019;
- Active Services in October are 42,043 (48,027 including hotel ports) compared to 40,243 at June (46,145 including hotel ports);
- Contracted services in October are nearly 44,000 compared to 40,000 at June 2020.
- Contracted wins in market are increasing supported by increased scale.

The Specialty Services pillar has also continued to grow into FY21, key call outs include:

- Continued to generate high gross margin and EBITDA margins of 81% and 68% respectively for the 4 months to October 2020;
- Single digit revenue growth on a like for like basis on prior periods;
- Annualised EBITDA run rate for the 4 months to October of \$20.3M compared to EBITDA of the acquired businesses in Specialty of approximately \$13M per annum at time of acquisition;
- Customer bases of all three acquired businesses greater than at acquisition;
- Operating and free cash flow is nearly equal to EBITDA contributing significant cash to enable future Group deleveraging; and
- Specialty earnings and cash flow resemble infrastructure style returns supported by the proprietary nature of phone words.

It should be noted the EBITDA run rates I just mentioned are for the Business Unit performance only and exclude corporate services costs; after deducting corporate costs the annualised Group EBITDA run rate is \$42M (prior to share based payments) for the period to October.

Despite the long-protracted battle for the OptiComm acquisition, the three Uniti business units have continued to deliver organic growth over this period. Furthermore, we are in a good position to immediately commence integration of the recently acquired businesses.

OptiComm Acquisition

I will now touch on the OptiComm acquisition.

Midnight tonight is the Implementation Date and the final completion of a long battle.

I would like to make it clear your Board and Executive did not lose its head when First State emerged as a potential purchaser and we elected to match the two bids made. In our deliberations we clearly saw and understood the long term returns to shareholders from the acquisition.

The first scheme consideration we announced at \$5.20 per share was supported by a 23% earnings accretion including \$10M cost only synergies adopting FY20 historical Uniti and OptiComm EBITDA. At no time did we forecast future earnings upside from a long list of benefits or additional synergies from the acquisition including:

- the contracted pipeline of future business held by OptiComm of 150,000 at June and now approximating 180,000 today;
- the benefit of becoming the second largest greenfield fibre operator after NBN;
- the benefits of achieving functional separation whilst the existing RSP business of Uniti enables immediate implementation without cost
- the low combined market share of OPC & UWL estimated at 15% for the merged entity, relative to NBN at approximately 85%, in FY20;
- the opportunity to take greater market share into the future and to expand into adjacent markets.

These benefits, amongst others, were well understood by your Board and Executive providing us confidence to match the competing bids of First State Super. Notwithstanding, we believe the acquisition will still be earnings accretive at approximately 10% with estimated net leverage of 2.5 times, once again using only pro forma historical FY20 earnings, post cost synergies of \$10m.

Notwithstanding the length of the Scheme process to acquire OptiComm our early assessment of the business is that it has performed ahead of expectations. The contracted pipeline has grown significantly, and we understand the business is trading ahead of FY 21 budget. Certainly, cash at bank exceeds our estimates, a good signal of effective operation.

Following Implementation later tonight we will immediately commence integration within the Wholesale and Infrastructure business unit of Uniti. Our previous success in undertaking past acquisitions provides confidence we can achieve the estimated cost synergies quickly but just as importantly commence locking in the future growth we identified during the acquisition.

Harbour ISP

On Tuesday this week we announced the acquisition of Harbour ISP, a Retail Service Provider or RSP, which is a current reseller of the OptiComm and Uniti fibre networks, as well as NBN. Completion of this acquisition has also now occurred.

Harbour is a preferred RSP of several major property developers who are either customers of OptiComm or developers we would like to do business with in the future. This acquisition is expected to enhance the probability of Uniti winning greater business from these developers.

Uniti achieving functional separation enabled the acquisition of Harbour. The Harbour business will be able to be integrated within CBE quickly, expected to be within 6 months. This should see the EBITDA earnings contribution from Harbour, after synergy realisation, exceed \$3M per annum for the full year FY22, resulting in an approximately 3 times effective purchase multiple.

The Harbour acquisition aligns with our core strategy as Harbour, and CBE, will be focused on the resale of our owned fibre network assets, including OptiComm, thereby increasing our earnings from owned infrastructure of the Uniti Group.

Organisational Changes

With the implementation of the OptiComm Scheme to occur at midnight tonight, we are today announcing some immediate organisational changes for the Uniti Group.

The CEO of OptiComm, Mr Paul Cross, and the CEO of Uniti's Wholesale & Infrastructure business unit, Mr Steve Picton, will step away from their respective positions with both companies.

I would like to congratulate both Steve and Paul on their outstanding careers, their contribution to the shareholders and the businesses conducted by both Uniti and OptiComm and thank them for the legacy, and the opportunity, they will leave behind.

I am pleased to announce the appointment of Mr Geoff Aldridge as Chief Executive of the Uniti Wholesale & Infrastructure business with effect from tomorrow. Geoff has had a distinguished career with OptiComm and will now lead the Uniti W&I business unit, which includes OptiComm.

Geoff will become part of the Uniti Group Executive Team.

The acquisition of OptiComm is a significant transaction for Uniti, it is the sixth private fibre business to become part of Uniti and by the far the most substantial. I firmly believe we can integrate W&I and OptiComm given the past success we have achieved to realise cost synergies post an acquisition, but more importantly generate the significant earnings growth we see in the long term both as an infrastructure builder and operator and additionally also as a retailer on our expanding, owned infrastructure.

In recognition of the importance of this goal and the market presence and success of OptiComm in the Greenfields market in Australia, the Board of Uniti has agreed to adopt the OptiComm brand as the Uniti Wholesale & Infrastructure operating brand for market facing activities including all network construction, operation, maintenance and wholesale functions. The LBNC, OPENetworks, Pivit, ClubLinks and Capital Fibre Networks brands currently operated by Uniti will be retired.

These changes are the first step in the integration of OptiComm which will now be progressively implemented.

Thank You

I would like to thank you, our shareholders.

Since listing we, the Board and Executive, have often discussed and previously thanked you for your support to enable us to implement the core strategy we identified since listing. And together we built a great company prior to the acquisition of OptiComm.

The acquisition of OptiComm became a huge challenge with the arrival of an adversary resembling Goliath to our fledgling Uniti with the financial firepower of more than \$130B of funds under management.

Your support was fundamental to our success and we will now set about delivering you the returns this support deserves.

Lastly, I would like to thank my fellow Directors and Executive Team members for an amazing outcome over FY20 and CY20 to date. You have all worked tirelessly as we have grown our Company to one which will very soon exceed \$1B in market capitalisation, and, we expect will soon be eligible to join the ASX 200. Who would have thought... but congratulations to you all.

Thank You again.