



ASX ANNOUNCEMENT (UWL)

Appendix 4C Release – Quarter to 30 June 2019

- 53% increase in like-for-like Net Operating Cash Flow on prior quarter
- 24% increase in like-for-like Net Operating Cash Flow, excluding acquisitions
- Significantly bolstered cash reserves of \$19.1M

31 July 2019: Uniti Wireless Limited (ASX: UWL) (“Company”) is pleased to provide an overview of the June 2019 quarter cash flow and cash position, reflected in its Appendix 4C, released today.

Highlights:

- Positive net operating cash flow of \$1.029M in the June quarter, after excluding one off restructuring costs, a 53% increase on the prior quarter, on a like for like basis
- Excluding the contributions of acquisitions (contributing to the month of June 2019 only), like-for-like positive net operating cash flow of \$833K was recorded, a 24% increase on the prior quarter
- Further cost reductions have been realised in the June quarter, through consolidation of the operational cost base, strengthening recurring positive net operating cash flow.
- The acquisitions of Fone Dynamics, Call Dynamics and Pivit each contributed positively to the operating cash flows in the June quarter, for the month of June only. The contribution of Fone Dynamics was particularly strong in its initial month, exceeding forecast expectations by over 25%
- An oversubscribed placement of new UWL shares was completed in June 2019, raising \$15m (less costs) at \$1 per new share issued. This share placement was for the stated purpose of providing additional funds, to enable UWL to actively pursue its inorganic growth strategy, via the acquisition of businesses which align with the Company’s stated “three pillars” growth strategy, across wireless, fibre and specialty telco services.
- The Company ended the June quarter with \$19.1M in cash, providing substantial additional capacity to pursue its growth agenda.

Summary

UWL's cash position is materially improved since the prior quarter & its recurring operating performance is, as at June 2019, generating a run-rate EBITDA (excluding one-off & non-cash costs) of approximately \$6M per annum. This represents a threefold increase on the UWL Prospectus forecast of (proforma) \$2M EBITDA for FY19. This strong growth has been delivered through driving operational efficiency in the Uniti fixed wireless and FuzeNet businesses together with the stronger than anticipated contributions from the recently acquired businesses, most notably Fone Dynamics.

UWL’s growth-by-acquisition agenda is enhanced by its strengthened balance sheet and substantially increased positive operating cash flows. As a result, several advanced engagements with further strategic acquisition targets are underway and anticipated to be executed over the near term.

- ENDS -



ADDITIONAL INFORMATION

For further information, contact as below:

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ABOUT UWL

UWL is a diversified provider of telecommunications services, specializing in fixed-wireless, fibre and specialty telco services. These are the ‘three pillars’ of strategic growth pursued by UWL.

UWL listed on the Australian Securities Exchange in February 2019 with a stated strategy of becoming a leading provider of niche telecommunications services, via both organic and inorganic (mergers and acquisitions) means. To this end, UWL has brought together an experienced Board and Executive team, to support the identification, execution and integration of the sizeable pool of identified opportunities, across the three growth pillars.

At the core of UWL is a commitment to delivering high quality, diversified telecommunications products and services to its customers, in order to produce strong and growing returns to shareholders.

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

Uniti Wireless Limited

ABN

73 158 957 889

Quarter ended ("current quarter")

June 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (..12..months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	6,809	15,033
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(3,959)	(7,110)
(c) advertising and marketing	(121)	(740)
(d) leased assets	-	-
(e) staff costs	(1,796)	(5,580)
(f) administration and corporate costs	(191)	(2,496)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	20	41
1.5 Interest and other costs of finance paid	(21)	(394)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	1,500
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	741	254

Note 1.2 (e) Included in the staff costs are \$288,000 of Restructuring costs.

2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(113)	(1,816)
	(b) businesses (see item 10)	(630)	(9,607)
	(c) investments	-	-
	(d) intellectual property	-	(134)
	(e) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	-	-
	(b) businesses (see item 10)		
	(c) investments		
	(d) intellectual property		
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	(504)	(904)
2.6	Net cash from / (used in) investing activities	(1,247)	(12,461)

Note 2.5 Other payments made to suppliers for work performed on the Acquisition of Fuzenet Pty Ltd.

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	15,000	28,181
3.2	Proceeds from issue of convertible notes	-	2,938
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	(344)	(1,589)
3.5	Proceeds from borrowings	-	3,000
3.6	Repayment of borrowings and leases	(905)	(2,039)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	13,751	30,491

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of quarter/year to date	5,886	847
4.2	Net cash from / (used in) operating activities (item 1.9 above)	741	254
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,247)	(12,461)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	13,751	30,491
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	19,131	19,131

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	895	5,886
5.2	Call deposits	18,236	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	19,131	5,886

6. Payments to directors of the entity and their associates

6.1 Aggregate amount of payments to these parties included in item 1.2

6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000

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Item 6.1 above includes payments to both Non-Executive (\$65.6k) and Executive Directors (\$86.2k).

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	2,474	2,474
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

South Australian Financing Authority - \$2,460k outstanding as at 30th June 2019, secured by way of general security deed. Interest rate 2.57% pa payable on the drawn down amount.
Quarterly repayments during the four year loan term, maturing on the 15th July 2022.
Bigstone Capital Pty Limited - \$14k outstanding as at 30th June 2019, secured by way of personal guarantee. Interest rate 16.07% pa payable on the drawn down amount.
Weekly repayments during the two year term, maturing on 31st July 2019.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	-
9.2 Product manufacturing and operating costs	(4,974)
9.3 Advertising and marketing	(173)
9.4 Leased assets	-
9.5 Staff costs	(1,931)
9.6 Administration and corporate costs	(255)
9.7 Other (provide details if material)	(947)
9.8 Total estimated cash outflows	(8,280)

Note 9: UWL has consistent and regular quarterly income from existing customers of \$8,346,000. Items 9.1 to 9.6 add to \$7,333,000, resulting in \$1,013,000 normalised net operating cash flow. Item 9.7 – Other - includes Loan repayments, Capital Expenditure, Acquisition Costs and other financing repayments and investing payments to provide a Total estimated cash outflow for the period.

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions \$A'000	Disposals \$A'000
10.1 Name of entity	Call Dynamics Pty Ltd	
10.2 Place of incorporation or registration	VIC	
10.3 Consideration for acquisition or disposal	630	
10.4 Total net assets	205	
10.5 Nature of business	Internet Service Provider	


Note 10: Included in the above consideration is cash consideration. The total purchase price includes shares issued (\$740k) and a deferred cash settlement due in July 2020.

Call Dynamics was acquired with financial effect from 1st June 2019 (ie 1 months of results included above in section 1, 2 and 3).

In addition, the company acquired Fone Dynamics, with financial effect from 1st June 2019 (ie 1 months of results included above in section 1, 2 and 3). Shares will be issued as consideration for Fone Dynamics during the September 19 quarter.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:  Date: ...31st July 2019.....
Company secretary

Print name: Peter Wildy.....

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.