



ASX ANNOUNCEMENT (UWL)

Initial Appendix 4C Release – March 2019

- *Strong Positive Net Operating Cash Flow in March 2019 Quarter*
- *Increase in Positive Operating Cash Flow forecast for June 2019 Quarter*

30 April 2019: Uniti Wireless Limited (ASX: UWL) ("Company") is pleased to provide an overview of the March 2019 quarter cash flow and cash position, reflected in its initial Appendix 4C, released today.

Highlights:

- Positive net operating cash flow of \$672k in the March quarter, after excluding one off restructuring costs and Government Grants
- Substantial cost reductions that have been realised in the March quarter and the early part of the June quarter will benefit future periods, further strengthening the base level positive net operating cash flow.
- Business acquisitions recently completed and expected to complete in the June quarter, that are highly cash generative, will generate further improvement in net operating cash flow.

Cash flows from operating activities:

Receipts from customers

During the quarter the Company received \$4.995m in receipts from customers, which included \$3.228m from the newly acquired FuzeNet business (acquired 11 February 2019, receipts included from 1 February 2019), and the balance from UWL normal operations of \$1.767m, up 10.3% on previous quarter.

Receipts from customers in the June quarter will include a full quarter's contribution from FuzeNet and contribution for part of the quarter from completed acquisitions during the June quarter.

One-off Government Grants received for the quarter totalled \$750k received from the South Australian Government.

Payments

Cash Payments in the period for operating activities include one-off costs associated with the restructure of the Company, which totalled \$125k.

Net Operating Cash Flow - March Quarter

Adjusting for the one-off costs for the March quarter, and the Government Grant of \$750k, the normalised net cash from operating activities was \$672k for the quarter.

June Quarter

Operating cash flow will benefit from a full quarter's contribution from FuzeNet as well as expected reductions in operating cash costs providing an expectation of further improvement in net operating cash flow.



Cash flow from investing activities:

The acquisition of FuzeNet occurred on 11 February 2019. The purchase consideration paid in the March quarter for FuzeNet was \$9.5m made up of \$7.9m in cash, and the balance in fully paid share capital in the Company. Transaction cash costs incurred in the March quarter were \$0.5m.

Cash flows from financing activities:

Proceeds from the issue of shares in the Company as part of the capital raising prior to the listing of UWL contributed \$13.2m cash in the quarter, which funded the acquisition of FuzeNet, the costs of the transaction and ASX listing costs, as well as providing working capital for future growth of the Company reflected in a closing cash balance of \$5.9M at the end of the March quarter.

In the June quarter the balance of the FuzeNet acquisition costs and ASX listing costs to be paid is expected to be \$0.32m.

Estimated net cash inflows and outflows for the June 2019 quarter

The anticipated June 2019 quarter net operating cash flow is \$830k assuming receipts from customers of \$5.85m (including a full quarter contribution from FuzeNet) and operating cash outflows of \$5.02m (excluding any one-off costs incurred in the June quarter).

The forecast net operating cash flow for the June quarter represents an estimated quarter-on-quarter improvement of 23.5% from normal operations of the business and excludes any contribution from the completion of recent and expected business acquisitions in the quarter.

Summary

UWL's cash position is strong and is in line with the expectations of management and the Board. The strong cash position is expected to continue into the following quarters with expected top line growth, tight control of costs and capital expenditure and expected contribution from cash generative businesses acquired and expected to be acquired.

- 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")

March 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (..9..months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	4,995	8,224
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(2,533)	(3,151)
(c) advertising and marketing	(121)	(619)
(d) leased assets	-	-
(e) staff costs	(1,440)	(3,784)
(f) administration and corporate costs	(133)	(2,305)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	11	21
1.5 Interest and other costs of finance paid	(232)	(373)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	750	1,500
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	1,297	(487)

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (..9..months) \$A'000
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(271)	(1,703)
(b) businesses (see item 10)	(7,877)	(9,377)
(c) investments	-	-
(d) intellectual property	(16)	(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)	-	-
2.6 Net cash from / (used in) investing activities	(8,164)	(11,214)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	13,181	13,181
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	(820)	(1,245)
3.5 Proceeds from borrowings	-	3,000
3.6 Repayment of borrowings	(629)	(1,134)
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	11,732	16,740

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (..9..months) \$A'000
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	1,021	847
4.2 Net cash from / (used in) operating activities (item 1.9 above)	1,297	(487)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(8,164)	(11,214)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	11,732	16,740
4.5 Effect of movement in exchange rates on cash held	-	-
4.6 Cash and cash equivalents at end of quarter	5,886	5,886

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	5,886	1,021
5.2 Call deposits	-	-
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)	5,886	1,021

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

Current quarter \$A'000
216
-

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

Item 6.1 above includes payments to both Non-Executive (\$49k) and Executive Directors (\$167k). The Executive Director payments include leave paid out on cessation of employment.

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	2,693	2,693
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 - \$2,642k outstanding as at 31st March 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 - \$51k outstanding as at 31st March 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	3,243
9.3 Advertising and marketing	111
9.4 Leased assets	-
9.5 Staff costs	1,590
9.6 Administration and corporate costs	76
9.7 Other (provide details if material)	1,715
9.8 Total estimated cash outflows	6,735

Note 9: UWL has consistent and regular quarterly income from existing customers of \$5,850,000. Items 9.1 to 9.6 add to \$5,020,000, resulting in \$830,000 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	Fuzenet Pty Ltd	
10.2 Place of incorporation or registration	NSW	
10.3 Consideration for acquisition or disposal	9,801	
10.4 Total net assets	83	
10.5 Nature of business	Internet Service Provider	

Note 10: Included in the above consideration is the value of shares issued in lieu of cash payment. Fuzenet was acquired with financial effect from 1st February 2019 (ie 2 months of results included above in section 1, 2 and 3).

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:



 Company secretary

Date: ...30th April 2019.....

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.