

NetComm Wireless Limited
Appendix 4D
For The Half Year Ended 31 December 2017

1. Company details

Name of entity

NetComm Wireless Limited

ABN or equivalent company reference	Half year ended ('current period')	Half year ended ('previous period')
85 002 490 486	31 December 2017	31 December 2016

2. Results for announcement to the market

\$A'000's

2.1	Revenues from ordinary activities	Up	88.6%	to	88,580
2.2	EBITDA	Up	1252%	to	9,201
2.3	Profit from ordinary activities after tax attributable to members	Up	317.2%	to	3,675
2.4	Net Profit for the period attributable to members	Up	317.2%	to	3,675
2.5	Dividends		Amount per security		Franked amount per security
			N/a		N/a
2.6	+Record date for determining entitlements to the dividend.		N/a		
2.7 Brief explanation					
Details can be found under NetComm Wireless Limited Half-Year Report for the period ended 31 December 2017.					

3. Net tangible assets per share

	31 December 2017	31 December 2016
Net tangible assets per share (cents)	34.70 cents	37.84 cents

4. Dividends

No interim dividends has been paid or provided for during the period or the prior financial period by the Parent Entity.

5. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements were subject to review by the auditors and the independent auditor's review report is attached as part of the financial statements.

6. Attachments

Details of attachments (if any):

The Interim Report of NetComm Wireless Limited for the half year ended 31 December 2017 is attached.

Additional Appendix 4D disclosure requirements can be found in the NetComm Wireless Limited half year report for the period ended 31 December 2017.

The Appendix 4 D is based on the NetComm Wireless Limited half year report for the period ended 31 December 2017 which has been reviewed by Grant Thornton Audit Pty Limited. This should be read in conjunction with the most recent Annual Financial Report as at and for the year ended 30 June 2017.



Sign here:

Date: 21 February 2018

Print name: Kenneth J P Sheridan

CEO & Executive Director

FINANCIAL
REPORT
FOR THE HALF YEAR ENDED
31 DEC 2017

Listen.
Innovate.
Solve.

FINANCIAL HIGHLIGHTS

RECORD RESULTS FOR 1H18:

Record Revenue at \$88m
(up 88.6% vs 1H17)

Record increase in EBITDA
to \$9.2m

Cash held \$13m and no debt



NetComm Wireless Limited Half Year Financial Report

For The Half Year Ended 31 December 2017
ACN 002 490 486

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Directors' Report

Your Directors present their report on the company and its controlled entities for the half year ended 31 December 2017.

1. Directors

The following persons were Directors of NetComm Wireless Limited during the whole of the half year and up to the date of this report unless stated otherwise:

Justin Milne (Non-Executive Director & Chairman)
 Ken Boundy (Non-Executive Director)
 Stuart Black AM (Non-Executive Director)
 David Spence (Non-Executive Director)
 David P J Stewart (Non-Executive Director, appointed 23 December 2017)
 Kenneth J P Sheridan (CEO & Executive Director)

2. Company Secretary

Mr Christopher Last

Mr Peter Kenneth Beveridge

3. Principal Activities

NetComm Wireless Limited (ASX: NTC) is a leading developer of Fixed Wireless broadband, wireless M2M/Industrial IoT and Fibre and Cable to the distribution point (FTTdp / CTTdp) technologies that underpin an increasingly connected world. Our Listen. Innovate. Solve. methodology supports the unique requirements of leading telecommunications carriers, core network providers, system integrators, government and enterprise customers worldwide.

For over 35 years, NetComm Wireless has engineered new generations of world first data communication products and is now a globally recognised communications technology innovator. Headquartered in Sydney (Australia), NetComm Wireless has offices in the US, Europe/UK, New Zealand and Japan.

4. Review and Results of Operations

For the six months ended 31 December 2017 our business has increased its Revenue by over 88% to \$88.6 million, compared to \$46.7 million in the prior year. The Group experienced growth in both of its Broadband and M2M businesses and the results demonstrate that our strategy is working and we have laid the foundations for sustainable growth in our new businesses and also we continue to drive value from our traditional Broadband business.

Group's M2M revenues were up by 107% to \$75.1m while our Broadband business experienced a steady growth of 27% compared to prior year and generated revenues of \$13.5m. The M2M business accounted for 85% (77% in prior year) of the total revenues and the significant growth in the M2M revenues was mainly as a result of ramp up in product deliveries of Group's Distribution Point and Fixed Wireless technologies.

As the Group had previously advised, with all the significant investments made in prior years the Group is well placed to generate growth to the bottom line from FY18 onwards. In line with that we are very pleased to announce the Group has generated Earnings before interest, tax and depreciation (EBITDA) of \$9.2m which represents a growth of 13 times compared to \$0.7m in the prior comparative period. The Group's Net Profit After Tax for the half year ended 31 December 2017 is \$3.7m which is a significant positive turnaround compared to (\$1.7m) loss reported in the prior period.

Directors' Report

5. Financial Position

The Group is pleased to report it ended the half year with a strong Balance Sheet position, the Company had no debt on its balance sheet and \$13.1 million cash held at bank as at the end of December 2017. The debt free position enhances cash conservation with no interest payments and no mandated capital repayment requirements.

The Group is also pleased to announce that during the year it secured \$20 million worth of 3 year "committed" facilities with its current banking partner HSBC, these replaced the previous \$15m facilities which were non-committed in nature. The facilities were not utilised as at 31 December 2017.

Over the significant growth period of six months ended 31 December 2017, NetComm Wireless had just \$0.4m in net cash outflows from its Cash Flows from Operating activities, these were \$6.5m negative compared to cash inflows of \$6.1 million reported in 1H16.

During the year Capital Investment in the areas of additional Plant & Equipment (\$1 million) and in Engineering and Customer Development (\$7.5 million) was undertaken to support further growth and innovation.

Total Shareholder Equity of \$79.8 million increased by 6% or \$4.2 million from \$75.6 million as at 30 June 2017, with Retained Reserves increasing to \$12.5 million in line with the profit generated for the period.

6. Subsequent Events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the group, the results of those operations or the state of affairs of the group in future financial years.

7. Rounding of Amounts

NetComm Wireless is a type of Company referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and therefore the amounts contained in this report and in the financial report have been rounded to the nearest \$1,000, or in certain cases, to the nearest dollar.

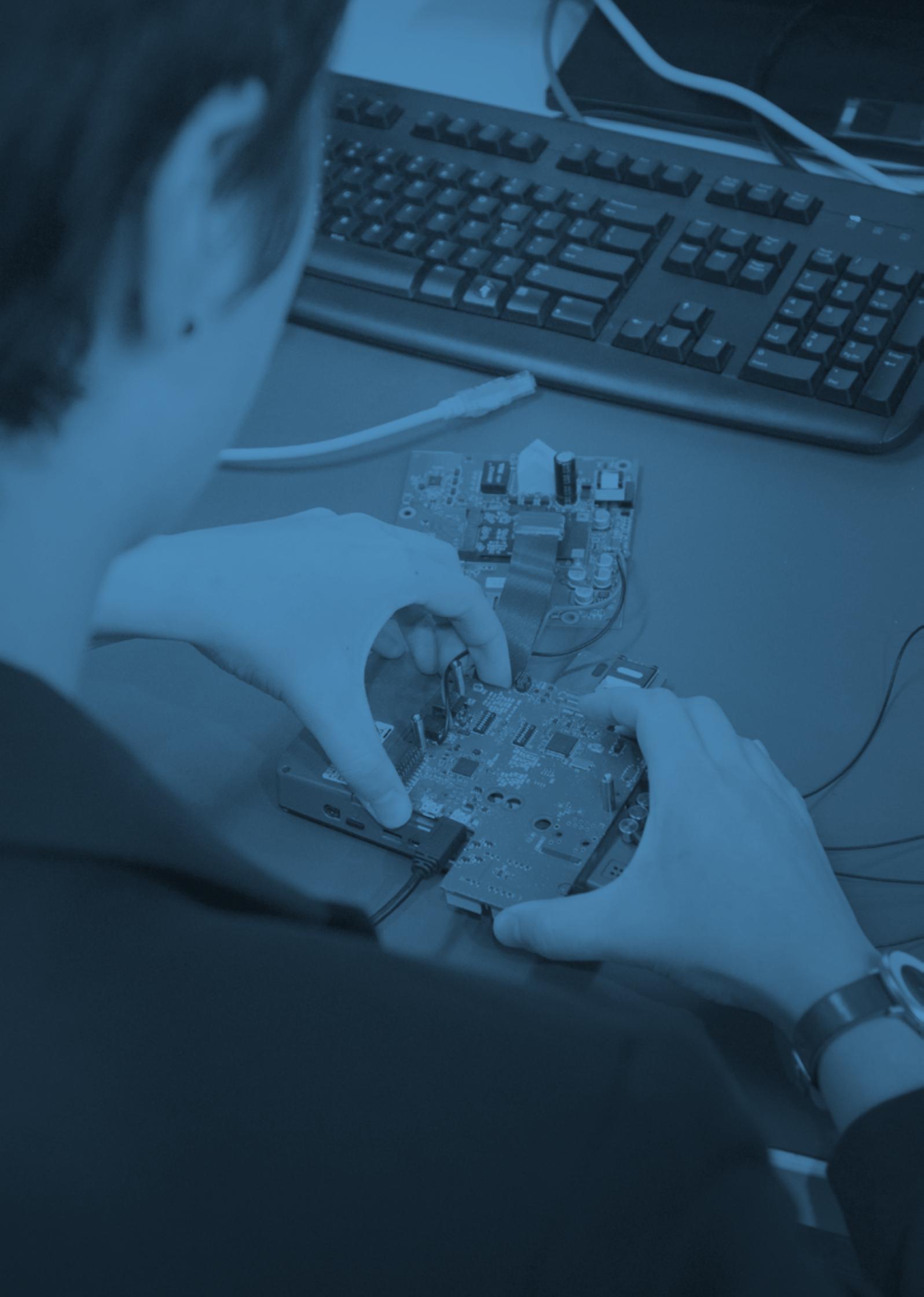
8. Auditor's Independence Declaration

We have received from our auditors an independence declaration as required under Section 307C of the Corporations Act 2001. A copy of the declaration is attached on page 4 and forms part of this report.

This report is made in accordance with a Resolution of the Directors.



Kenneth J P Sheridan
CEO & Executive Director
Sydney, 21 February 2018



Level 17, 383 Kent Street
Sydney NSW 2000

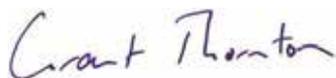
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Auditor's Independence Declaration To the Directors of NetComm Wireless Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of NetComm Wireless Limited for the half-year ended 31 December 2017. I declare that, to the best of my knowledge and belief, there have been:

- a No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b No contraventions of any applicable code of professional conduct in relation to the review.



Grant Thornton Audit Pty Ltd
Chartered Accountants



C F Farley
Partner – Audit & Assurance

Sydney, 21 February 2018

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Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half year ended 31 December 2017

	Note	31 Dec 2017	31 Dec 2016
		\$000	\$000
Revenue from the sale of goods		88,580	46,962
Total Revenue		88,580	46,962
Change in inventories of finished goods and work in progress		476	4,893
Raw materials consumed		(56,839)	(36,444)
Employee benefits		(15,385)	(9,470)
Administrative expenses	3a, 3b	(4,013)	(2,872)
Other expenses	3c	(3,618)	(2,388)
Total Expenses		(79,379)	(46,281)
EARNINGS BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION (EBITDA)		9,201	681
Depreciation and amortisation expense		(5,815)	(4,566)
EARNINGS BEFORE INTEREST AND TAX (EBIT)		3,386	(3,885)
Finance income		41	386
Finance costs		(7)	(3)
NET FINANCE INCOME/(COSTS)		34	383
PROFIT/(LOSS) BEFORE INCOME TAX		3,420	(3,502)
Income tax benefit/(expense)		255	1,810
PROFIT/(LOSS) AFTER INCOME TAX		3,675	(1,692)
Attributable to equity holders of the parent		3,675	(1,692)
OTHER COMPREHENSIVE INCOME			
Exchange differences arising on translation of foreign operations		(49)	(205)
Net change in the fair value of cash flow hedges recognised in equity		157	35
Income tax relating to components of other comprehensive income		(47)	(11)
Other comprehensive income/(loss) for the period (net of tax)		61	(181)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD		3,736	(1,873)
Attributable to equity holders of the parent		3,736	(1,873)
EARNINGS PER SHARE:			
Basic profit/(loss) per share (cents per share)		2.51	(1.16)
Diluted profit/(loss) per share (cents per share)		2.51	(1.16)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

As at 31 December 2017

	Note	31 Dec 2017 \$000	30 June 2017 \$000
ASSETS			
Current assets			
Cash and cash equivalents		13,138	22,125
Trade and other receivables		32,260	22,710
Inventories		17,712	17,237
Other assets		2,456	5,075
Total current assets		65,566	67,147
Non-current assets			
Property, plant and equipment		10,980	11,859
Contract assets		3,279	3,957
Deferred tax assets		8,437	7,953
Goodwill		896	896
Other intangible assets		24,897	20,551
Total non-current assets		48,489	45,216
TOTAL ASSETS		114,055	112,363
LIABILITIES			
Current liabilities			
Trade and other payables		29,343	33,593
Borrowings		42	55
Provisions		2,069	2,195
Income tax liability		237	101
Other current liabilities		1,987	388
Total current liabilities		33,678	36,332
Non-current liabilities			
Provisions		534	453
Total non-current liabilities		534	453
TOTAL LIABILITIES		34,212	36,785
NET ASSETS		79,843	75,578
EQUITY			
Issued capital	5	65,059	65,059
Reserves		2,298	1,708
Retained earnings		12,486	8,811
TOTAL EQUITY		79,843	75,578

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

For the half year ended 31 December 2017

	Note	Ordinary Shares \$000	Retained Earnings \$000	Foreign Currency Translation Reserve \$000	Foreign Exchange Hedging Reserve \$000	Options and Share Rights Reserve \$000	Total \$000
BALANCE AT 1 JULY 2017		65,059	8,811	319	-	1,389	75,578
Profit for the period		-	3,675	-	-	-	3,675
Exchange difference on translation of foreign operations		-	-	(49)	-	-	(49)
Foreign exchange hedging (Net of tax)		-	-	-	111	-	111
Total comprehensive income for the period		-	3,675	(49)	111	-	3,736
Recognition of movement in Share Appreciation Rights		-	-	-	-	528	528
BALANCE AT 31 DECEMBER 2017		65,059	12,486	270	111	1,917	79,843

	Note	Ordinary Shares \$000	Retained Earnings \$000	Foreign Currency Translation Reserve \$000	Foreign Exchange Hedging Reserve \$000	Options and Share Rights Reserve \$000	Total \$000
BALANCE AT 1 JULY 2016		65,059	10,605	587	(24)	1,067	77,294
Loss for the period		-	(1,692)	-	-	-	(1,692)
Exchange difference on translation of foreign operations		-	-	(205)	-	-	(205)
Foreign exchange hedging (Net of tax)		-	-	-	24	-	24
Total comprehensive loss for the period		-	(1,692)	(205)	24	-	(1,873)
Recognition of issuance of Share Appreciation Rights		-	-	-	-	(17)	(17)
BALANCE AT 31 DECEMBER 2016		65,059	8,913	382	-	1,050	75,404

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

For the half year ended 31 December 2017

	Note	31 Dec 2017 \$000	31 Dec 2016 \$000
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		86,836	57,524
Payments to suppliers and employees		(87,121)	(50,658)
Costs to obtain and fulfil contracts		-	(631)
Finance costs		(7)	(3)
Income taxes paid		(145)	(117)
NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES	11	(437)	6115
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest received		41	386
Acquisition of property, plant and equipment		(1,017)	(7,166)
Acquisition of intangible assets		(7,561)	(6,045)
NET CASH USED IN INVESTING ACTIVITIES		(8,537)	(12,825)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Repayment of borrowings		(13)	(12)
NET CASH (USED IN)/PROVIDED BY FINANCING ACTIVITIES		(13)	(12)
NET DECREASE IN CASH AND CASH EQUIVALENTS HELD			
Cash and cash equivalents at beginning of financial period		22,125	36,514
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD		13,138	29,792

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Consolidated Financial Statements

For the half year ended 31 December 2017

Note 1 – Significant Accounting Policies

Statement of compliance

The half-year financial report is a general purpose financial report prepared in accordance with the **Corporations Act 2001** and AASB 134 **Interim Financial Reporting**. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 **Interim Financial Reporting**. The half-year report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report and any public announcements made by the Group during the half-year in accordance with continuous disclosure requirements arising under the Australian Securities Exchange Listing Rules and the Corporations Act 2001.

Basis of preparation

The financial statements have been prepared on an accruals basis and are based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the company's 2017 annual financial report for the financial year ended 30 June 2017 other than as disclosed below. The accounting policies are consistent with the Australian Accounting Standards and with International Financial Reporting Standards.

When preparing the interim financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

The judgements, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty were the same as those applied in the Group's last annual financial statements for the year ended 30 June 2017. The only exception is the estimate of the provision for income taxes which is determined in the interim financial statements using the estimated average annual effective income tax rate applied to the pre-tax income of the interim period.

Revenue Recognition

Revenue from the sale of goods, including communications and networking devices, are recognised at the time goods are dispatched to customers.

Revenue from a contract to provide services is recognised when the service is provided to the customer.

Revenue is measured at the fair value of consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

All revenue is stated net of the amount of goods and services tax (GST).

Customer Contract Acquisition and Fulfilment Costs

Incremental costs incurred in obtaining a contract with a customer and the costs to fulfil a contract are recognised as contract assets when it is probable that the group would recover those costs, the costs incurred would not have been incurred if the contract had not been obtained and the costs incurred directly relate to a contract or an anticipated contract that the group can specifically identify.

Subsequent to initial recognition, contract assets are reported at cost less accumulated amortisation and impairment costs.

Notes to the Consolidated Financial Statements

For the half year ended 31 December 2017

Note 2 – Segment Information

The Group has two reporting segments: Machine to Machine (M2M) and Broadband business. In identifying its operating segments, management generally follows the Group's product mix, which represent the main products and services provided by the Group.

Following the commencement of rolling out the Network Termination Device Business, the information reported to the Chief Decision Maker for the purposes of resource allocation and assessment of segment performance, is separate financial information on each operating segment, being the Broadband business, the M2M business and the Network Termination Device Business. In accordance with AASB 8, for financial statements presentation purposes, the M2M business and the Network Termination Device Business operating segments have been aggregated into a single reportable segment of M2M taking into account the following factors:

- these operating segments have similar economic characteristics;
- the nature of the products and their production process is similar;
- the type of customer for these services is similar;
- the methods used to distribute the products are similar;
- the long-term gross profit margins are similar; and
- the regulatory environment is similar.

As a result of the above, the Directors have determined there are two reportable segment, being the Broadband business and the M2M business.

Notes to the Consolidated Financial Statements

For the half year ended 31 December 2017

Note 2 – Segment Information (continued)

The following is an analysis of the Group's revenue and results by reportable operating segment for the periods under review:

	Revenue		Segment Profit	
	31 Dec 2017	31 Dec 2016	31 Dec 2017	31 Dec 2016
	\$000	\$000	\$000	\$000
TOTAL SEGMENT REVENUE				
Broadband business	13,845	14,082	1,027	139
M2M business	75,115	36,638	8,174	542
	88,960	50,720	9,201	681
INTERSEGMENT REVENUE				
Broadband business	(380)	(3,469)	-	-
M2M business	-	(289)	-	-
	(380)	(3,758)	-	-
SEGMENT RESULT				
Broadband business	13,465	10,613	1,027	139
M2M business	75,115	36,349	8,174	542
CONSOLIDATED SEGMENT RESULT	88,580	46,962	9,201	681
EBITDA			9,201	681
Depreciation and amortisation expense			(5,815)	(4,566)
EBIT			3,386	(3,885)
Finance income			41	386
Finance costs			(7)	(3)
NET FINANCE INCOME/(COSTS)			34	383
GROUP PROFIT/(LOSS) BEFORE INCOME TAX			3,420	(3,502)
Income tax benefit/(expense)			255	1,810
CONSOLIDATED PROFIT/(LOSS) FOR THE PERIOD			3,675	(1,692)

The revenue reported above represents revenue generated from external customers. Intersegment revenues represent transfers between segments which are eliminated on consolidation.

No segment assets and liabilities are disclosed because there is no measure of segment assets or liabilities regularly reported to the chief decision maker.

Notes to the Consolidated Financial Statements

For the half year ended 31 December 2017

Note 3 – Expenses

Included in expenses are the following specific items.

(a) Distribution and selling expenses

	31 Dec 2017	31 Dec 2016
	\$000	\$000
Distribution and selling costs	698	570
TOTAL DISTRIBUTION AND SELLING COSTS	698	570

(b) Administrative expenses

	31 Dec 2017	31 Dec 2016
	\$000	\$000
Insurance expenses	663	290
Legal and professional fees	855	559
Travel expenses	1,232	1,019
Contractor costs	565	434
TOTAL ADMINISTRATIVE EXPENSES	3,315	2,302

(c) Other expenses

	31 Dec 2017	31 Dec 2016
	\$000	\$000
Advertising and marketing	457	231
Property expenses	1,475	1,027
Other expense	1,686	1,130
TOTAL OTHER EXPENSES	3,618	2,388

Note 4 – Dividends

	31 Dec 2017		31 Dec 2016	
	Cents per Share	Total \$'000	Cents per Share	Total \$'000
FULLY PAID ORDINARY SHARES				
Interim dividend	-	-	-	-

No dividends were paid, recommended for payment nor declared during the reporting period.

Notes to the Consolidated Financial Statements

For the half year ended 31 December 2017

Note 5 – Issuances, Repurchases and Repayments of Equity Securities

Issued Capital at 31 December 2017 amounted to \$65,058,928 (146,329,906 ordinary shares). There were no issues, repurchases and repayments of debt securities or equity securities in the half year.

Note 6 – Events Occurring After Reporting Date

From the end of the reporting period to the date of this report, no matter or circumstance has arisen which has significantly affected, or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group.

Note 7 – Contingent Liabilities

The Group has provided certain guarantees totalling \$1,279,517 for rental and performance bonds as at 31 December 2017 (30 June 2017: \$1,260,972).

As advised to the ASX on 6 October 2017 NetComm Wireless Limited has been served in the Australian Federal Court with a statement of claim by Corning Optical Communication Pty Ltd relating to potential infringement of an Australian innovation patent. NetComm Wireless contends that the patent is invalid and also, that it does not infringe the patent. NetComm Wireless regards the claims made by Corning as lacking merit and is vigorously defending the claims made against it. NetComm Wireless will keep the market informed of any significant developments as the case develops.

There were no other contingent liabilities in existence at 31 December 2017 requiring disclosure in the financial statements.

Note 8 – Acquisition of Subsidiary

There were no acquisitions of controlled entities during the period.

Note 9 - Fair Value Hierarchy

AASB 13 requires disclosure of fair value measurements by level of the fair value hierarchy. NetComm Wireless Limited's cash flow hedges are classed as level 2 as the inputs for fair value measurement are based on observable market data (observable inputs).

The Group's financial assets and financial liabilities measured and recognised at fair value at 31 December 2017 on a recurring basis are as follows:

Forward Exchange Options USD 4,227,000

Forward Exchange Contracts USD 8,445,000

(30 June 2017: USD 440,000)

Measurement of fair value of forward contracts

The Group's foreign currency forward contracts are not traded in active markets. The fair values of most of these contracts are estimated using a valuation technique that maximises the use of observable market inputs, e.g. market exchange and interest rates and are included in Level 2 of the fair value hierarchy.

The Group did not measure any financial assets or financial liabilities at fair value on a non-recurring basis as at 31 December 2017.

Notes to the Consolidated Financial Statements

For the half year ended 31 December 2017

Note 10 – Related Party Transactions

In FY17, NetComm Wireless Limited executed an agreement with nbn for the supply of Distribution Point Units (DPUs) in the nbn FTTC network. Mr Justin Milne is the Chairman of NetComm Wireless Limited and a Director of the nbn. Mr Milne recused himself from all Board discussions in relation to the execution of this agreement in accordance with the protocol the Group has in place.

The following aggregate receipts for goods and services occurred with the above party:

	31 Dec 2017	31 Dec 2016
	\$000	\$000
RECEIPTS FOR GOODS & SERVICES (EXCLUDING GST):		
Receipts for goods and services from entities with common key management personnel	45,424	697

Note 11 – Cash Flow Information

Reconciliation of cash flow from operations with (loss)/profit after income tax.

	31 Dec 2017	31 Dec 2016
	\$000	\$000
PROFIT/(LOSS) FOR THE HALF YEAR	3,675	(1,692)
NON-CASH FLOWS IN PROFIT:		
Depreciation and amortisation	5,815	4,566
Interest income disclosed as investing cash flow	(41)	(386)
Change in the fair value of cash flow hedges	111	24
Foreign exchange translation differences	(49)	(205)
Share right reserve	528	(17)
CHANGES IN OPERATING ASSETS AND LIABILITIES:		
(Increase)/Decrease in trade and other receivables	(9,551)	5,267
(Increase) in inventories	(475)	(4,894)
Decrease/(Increase) in other assets	2,619	(46)
(Increase) in contract assets	-	(631)
(Increase) in deferred tax assets	(484)	(2,151)
(Decrease)/Increase in trade and other payables	(4,250)	5,110
Increase in other liabilities	1,574	408
Increase in income tax liability	136	225
(Decrease)/Increase in provisions	(45)	537
NET CASH USED IN/(PROVIDED BY) FROM OPERATING ACTIVITIES	(437)	6,115

Corporate Information

Directors

Position held

Justin Milne	(Non-Executive Director & Chairman)
Ken Boundy	(Non-Executive Director)
Stuart Black AM	(Non-Executive Director)
David Spence	(Non-Executive Director)
David P J Stewart	(Non-Executive Director, appointed 23 December 2017)
Kenneth J P Sheridan	(CEO & Managing Director)

Company Secretary

Mr Christopher Last
Mr Peter Kenneth Beveridge

Registered Office

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Web Address

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Bankers

HSBC Bank Australia Limited
Level 31, HSBC Centre, 580 George Street,
Sydney, NSW 2000

Share Registry

Link Market Services Limited
Level 12, 680 George Street,
Sydney, NSW 2000

Auditor

Grant Thornton Audit Pty Limited
Chartered Accountants
Level 17, 383 Kent Street,
Sydney, NSW 2000

Solicitors

Maddocks
Angel Place
123 Pitt Street,
Sydney, NSW 2000

ASX Code

NTC

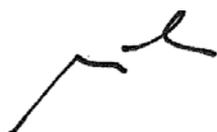
Directors' Declaration

In the opinion of the Directors:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2017 and of its performance for the financial half-year ended on that date; and
- There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the Directors



Kenneth J P Sheridan
CEO & Executive Director
Sydney, 21 February 2018

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Independent Auditor's Review Report To the Members of NetComm Wireless Limited

Report on the Half Year Financial Report

Conclusion

We have reviewed the accompanying half year financial report of NetComm Wireless Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2017, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half year ended on that date, a description of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half year financial report of NetComm Wireless Limited does not give a true and fair view of the financial position of the Group as at 31 December 2017, and of its financial performance and its cash flows for the half year ended on that date, in accordance with the *Corporations Act 2001*, including complying with Accounting Standard AASB 134 *Interim Financial reporting*.

Directors Responsibility for the Half Year Financial Report

The Directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any

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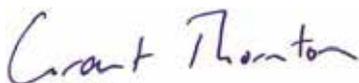
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matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2017 and its performance for the half year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of NetComm Wireless Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

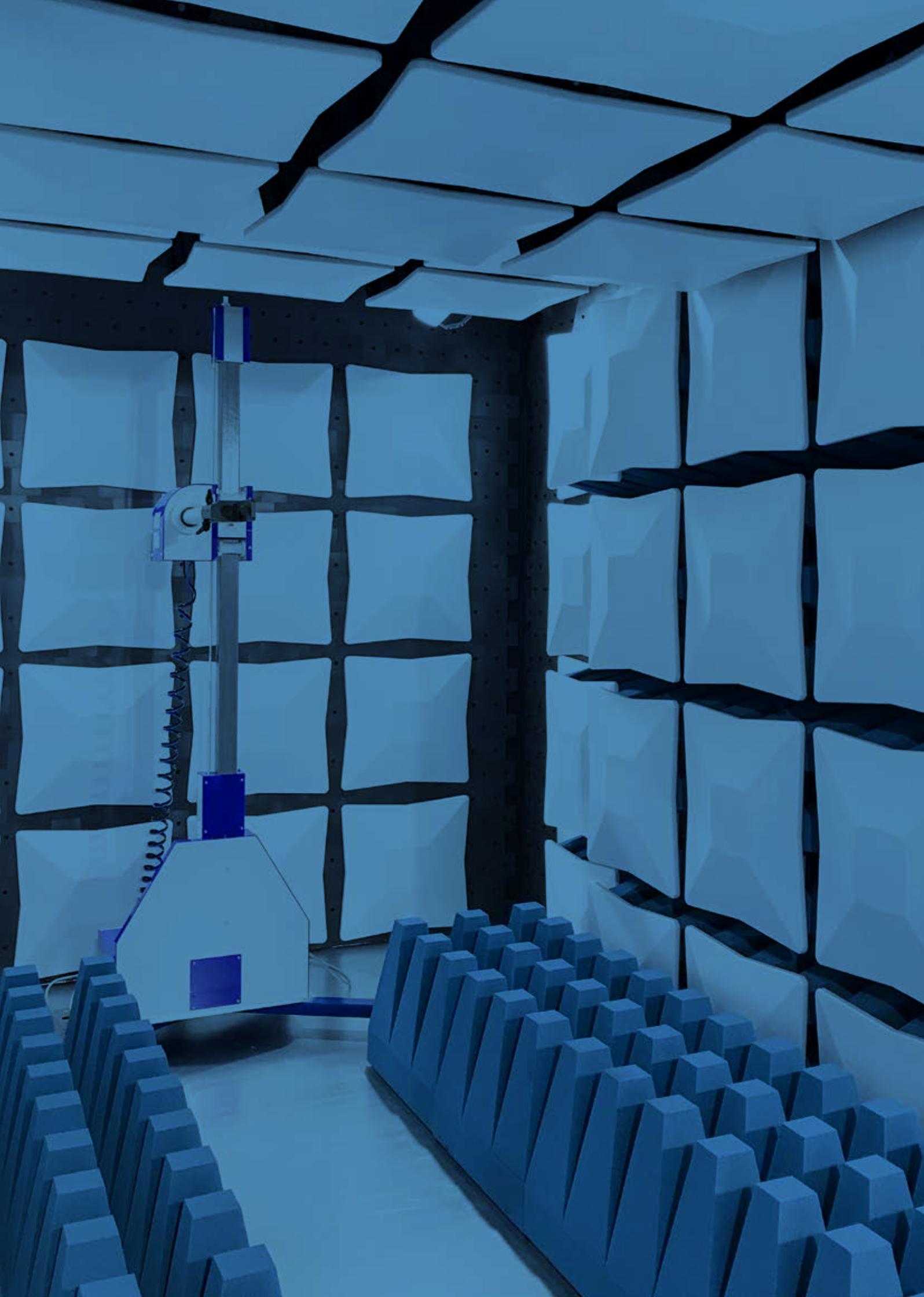


Grant Thornton Audit Pty Ltd
Chartered Accountants



C F Farley
Partner - Audit & Assurance

Sydney, 21 February 2018



OUR INSPIRATION

Off the coast of Angus, Scotland, lies the Bell Rock lighthouse, the world's oldest surviving sea-based lighthouse. Its story is the inspiration driving NetComm Wireless' transformation, on our journey from good to great.

This coast saw many shipwrecks because of the rocks: something had to be done. The Bell Rock lighthouse was deemed impossible to build because of the rough sea, yet was built to such high standards that the masonry work on which it was constructed has not been replaced or adapted in over 200 years.

The challenges faced in the building of the lighthouse had led to it being described as one of the Seven Wonders of the Industrial World.

This story embodies NetComm Wireless values:

- We build to the highest quality standards to enhance customer value.
- We develop bespoke solutions to solve unique problems.
- We thrive on innovation.
- We hire the best people to execute with excellence.



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