



# UNITI WIRELESS LIMITED (ASX:UWL)

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## Financial Results Presentation

**Half Year Ended 31<sup>st</sup> December 2018**  
(Does not include the financial results of FuzeNet acquired  
effective 1st February 2019)

# OVERVIEW

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- UWL listed on 13 February 2019
- UWL acquired FuzeNet on the 11 February 2019
- H1 results do not include any contribution from FuzeNet
- Uniti and FuzeNet currently trading in-line with Prospectus forecast in H2
- Strong growth H2 on H1
- Pro Forma\* EBITDA in H1 is \$0.3m
- Pro Forma\* forecast EBITDA for H2 is \$1.7m
- Business firmly focused on customer acquisition
- Integration of combined businesses has commenced

\*Pro Forma assumes FuzeNet acquired for full period. Actual results will consolidate FuzeNet from 1 February 2019.





# UWL PROFIT & LOSS

SIX MONTHS ENDED 31ST DECEMBER 2018

|   | Half Year 2018 | Half Year 2017 | Underlying<br>Half Year 2018 |
|---|----------------|----------------|------------------------------|
|   | \$'000         | \$'000         | \$'000                       |
| <b>Revenue from continuing operations</b>           | 3,063          | 1,677          | 3,063                        |
| <b>Less Expenses</b>                                |                |                |                              |
| <b>Network and Hardware expense / cost of sales</b> | 912            | 571            | 766                          |
| <b>Employee benefits expense</b>                    | 4,668          | 1,191          | 2,402                        |
| <b>Promotional expense</b>                          | 498            | 406            | 498                          |
| <b>Depreciation and amortisation expense</b>        | 1,105          | 946            | 1,105                        |
| <b>Professional Services expense</b>                | 1,523          | 38             | 97                           |
| <b>Other expense</b>                                | 1,016          | 233            | 855                          |
| <b>Finance cost</b>                                 | 563            | 399            | 471                          |
| <b>Loss before Tax</b>                              | (7,222)        | (2,107)        | (3,131)                      |
| <b>Uniti EBITDA</b>                                 | (5,554)        | (762)          | (1,554)                      |
| <b>FuzeNet EBITDA</b>                               |                |                | 1,849                        |
| <b>ProForma* EBITDA</b>                             |                |                | 295                          |

\*Pro Forma assumes FuzeNet acquired for full period. Actual results will consolidate FuzeNet from 1 February 2019.

#FuzeNet H1 is unaudited. Uniti H1 actual is audit review performed.

# UWL BALANCE SHEET

AS AT 31ST DECEMBER 2018

|                                   | \$'000 | As At<br>31-Dec-18 | As At<br>30-Jun-18 | ProForma Post IPO<br>Pre Consolidation of FuzeNet As At 31/12/2018 |
|-----------------------------------|--------|--------------------|--------------------|--|
| <b>Assets</b>                     |        |                    |                    |  |
| Cash and Receivables              |        | 1,447              | 1466               | 5,025  |
| Other Current Assets              |        | 2,161              | 222                | 236  |
| Investment                        |        | -                  | -                  | 11,003   |
| Property, Plant and Equipment     |        | 6,081              | 5,082              | 6,081  |
| Intangibles                       |        | 289                | 216                | 289  |
| Right of Use Asset (ROUA)         |        | 7,672              | 7,892              | 7,672  |
| <b>Total Assets</b>               |        | <b>17,650</b>      | <b>14,878</b>      | <b>30,306</b>  |
| <b>Liabilities</b>                |        |                    |                    |  |
| Trade, Accruals and Provisions    |        | 2,307              | 1,701              | 1,307  |
| Convertible Note                  |        | 2,938              | -                  | 0  |
| ROUA Borrowings                   |        | 9,520              | 9,619              | 9,520  |
| Loan                              |        | 3,122              | 224                | 3,122  |
| Unearned Income                   |        | 750                | -                  | 750  |
| <b>Total Liabilities</b>          |        | <b>18,637</b>      | <b>11,544</b>      | <b>14,699</b>  |
| <b>Net Assets / (Liabilities)</b> |        | <b>(987)</b>       | <b>3,334</b>       | <b>15,607</b>  |
| <b>Equity</b>                     |        |                    |                    |  |
| Issued Capital                    |        | 12,582             | 11,907             | 31,204   |
| Reserves                          |        | 2,226              | -                  | 198  |
| Retained Profits                  |        | (15,795)           | (8,573)            | (15,795)   |
| <b>Total Equity</b>               |        | <b>(987)</b>       | <b>3,334</b>       | <b>15,607</b>  |





# UWL CASH FLOW STATEMENT

SIX MONTHS ENDED 31ST DECEMBER 2018

One off costs included in Operating Cash Flows were \$0.75m in 2018  
FuzeNet EBITDA for H1 was \$1.85m

|                                     | 2018         | 2017       |
|-------------------------------------|--------------|------------|
| <b>Operating Cash Flows</b>         | (2,535)      | (980)      |
| <b>Investing Cash Flows</b>         |              |            |
| Deposit - Fuzenet Acquisition       | (1,500)      |            |
| Assets                              | (1,549)      | (1,886)    |
|                                     | (3,049)      | (1,886)    |
| <b>Financing Cash Flows</b>         |              |            |
| Borrowings                          | 3,000        | 240        |
| Convertible Note                    | 2,938        |            |
| Grant                               | 750          |            |
| Issue of Shares Net of Costs        | (425)        | 2,420      |
| Repayment of Borrowings             | (505)        | (62)       |
|                                     | 5,758        | 2,598      |
| <b>Cash On Hand as at 31 Dec 18</b> | <b>1,021</b> | <b>234</b> |

‡FuzeNet H1 is unaudited. Uniti H1 actual is audit review performed.

# STRONG ORGANIC EBITDA GROWTH HoH

| \$'000             | Uniti H1<br>Actual<br>(excl one off IPO and Acq costs) | FuzeNet H1<br>Actual | Uniti H2<br>Forecast | FuzeNet H2<br>Forecast |  | UWL FY19<br>Pro Forma | Prospectus<br>Pro Forma FY19 |
|--------------------|--|----------------------|----------------------|------------------------|--|-----------------------|------------------------------|
| Revenue            | 3,052  | 7,771                | 3,505                | 8,773                  |  | 23,101                | 23,067                       |
| Cost of Sales      | -1,199   | -4,989               | -1,197               | -5,366                 |  | -12,751               | -12,784                      |
| Gross Profit       | 1,853  | 2,782                | 2,308                | 3,407                  |  | 10,350                | 10,283                       |
| Operating Expenses | -3,407   | -933                 | -2,982               | -1,009                 |  | -8,331                | -8231                        |
| EBITDA             | -1,554   | 1,849                | -674                 | 2,398                  |  | 2,019                 | 2,052                        |
| Depn & Amort       | -1,105   | -160                 | -1,099               | -173                   |  | -2,537                | -2,533                       |
| Finance Costs      | -472   | -3                   | -465                 | -2                     |  | -942                  | -898                         |
|                    |  |                      |                      |                        |  |                       |                              |
| EBT                | -3,131   | 1,686                | -2,238               | 2,223                  |  | -1,460                | -1,379                       |
|                    |  |                      |                      |                        |  |                       |                              |

‡FuzeNet H1 is unaudited. Uniti H1 actual is audit review performed.

# PRO FORMA\* PROFIT & LOSS



Pro Forma\* H2 EBITDA \$1.4m  
more than 4 x H1



Both FuzeNet and Uniti were slightly  
ahead of forecasts in January 2019



Forecasts assumed customer growth and  
ARPU in line with past performance



June forecast run rate on trend



Forecasts are highly sensitive to  
ARPU more so than customer growth



Forecasts have minimal cost synergies  
and no revenue synergies



H2 forecast profit & loss for Uniti &  
FuzeNet is actual for January and  
forecasts February - June

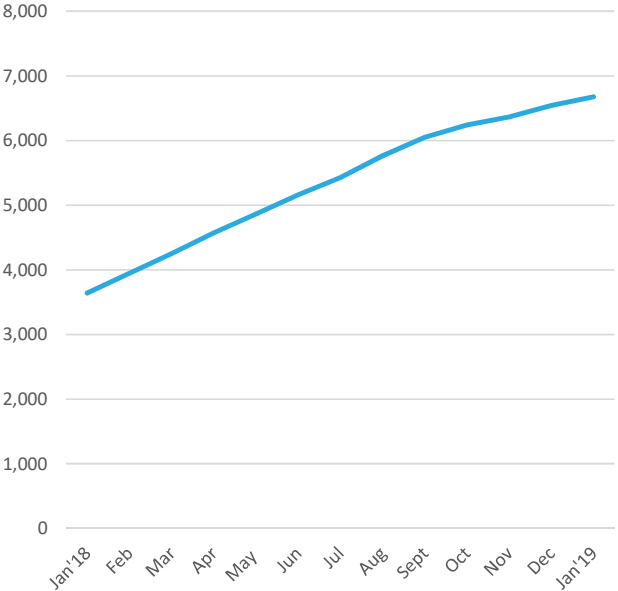
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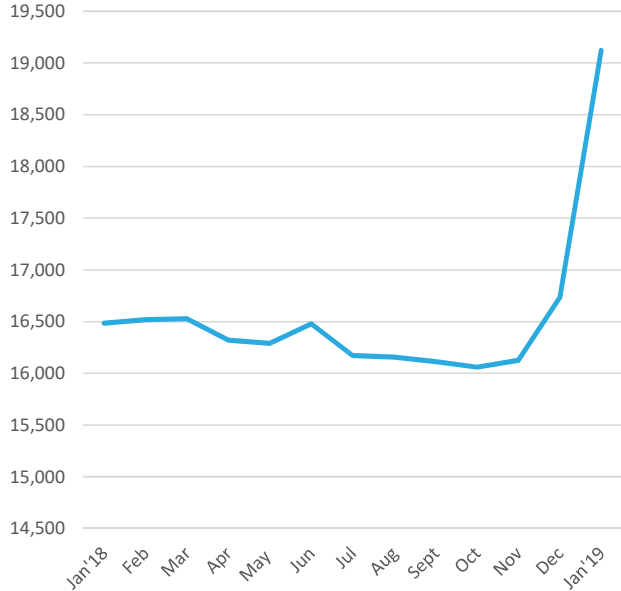


# CUSTOMER ACQUISITION PERFORMANCE

UNITI WIRELESS



FUZE NET

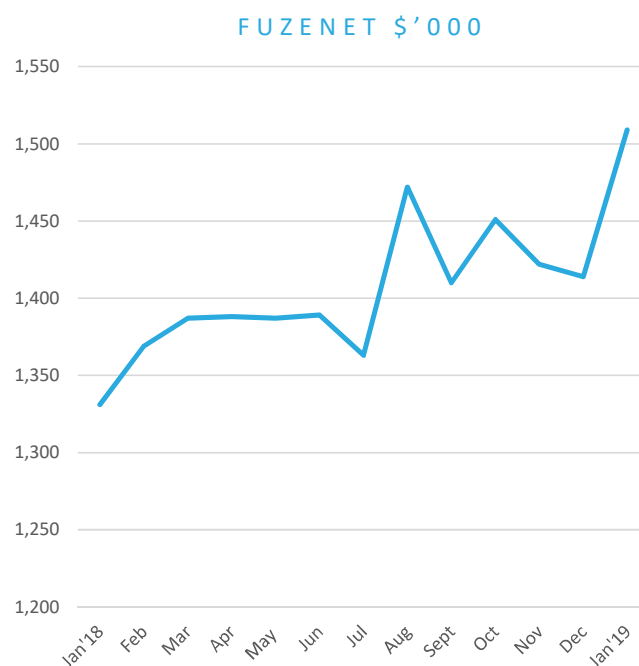
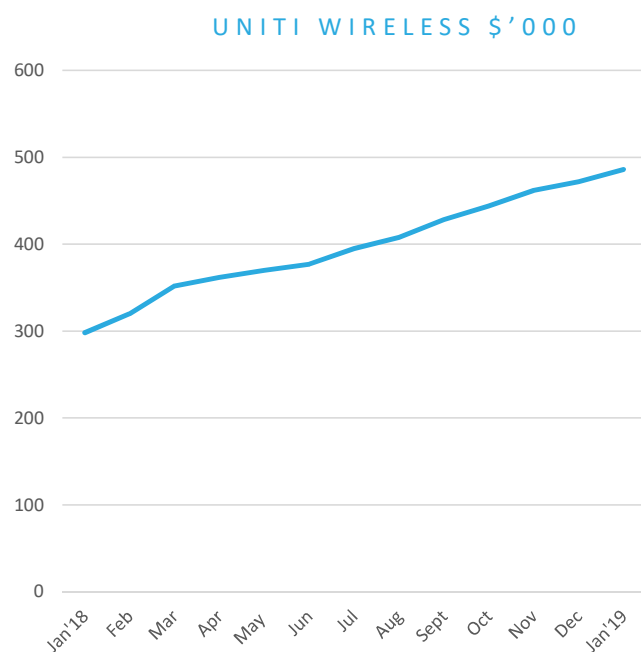


†FuzeNet acquired a customer base in December 2018





# CUSTOMER BILLED REVENUE



†FuzeNet acquired a customer base in December 2018



# RATIONALISATION COMMENCED



Integration of Uniti and Fuzenet has commenced Immediate cost synergies realised



Fibreworks rebranded Uniti enabling expanded products



Dual brand approach being adopted



NBN resale now offered as a default network option only when alternative networks not available



Private fibre networks expected to be available as Uniti branded product in next month



Uniti and FuzeNet to activate customer acquisition across multiple private fibre networks

# RATIONALISATION COMMENCED

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Focus on increasing utilisation for existing towers



Strategic marketing focused on alternative networks including owned wireless



National wireless expansion leveraging building access through FuzeNet acquisition



Uniti retail price increase implemented and expect future increases boosting ARPU's



Evaluation of alternative infrastructure network opportunities



Early acquisition opportunities identified

# IMMEDIATE GROWTH OPPORTUNITIES

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## EXISTING UNITI TOWERS UNDER UTILISED

- U Aim to double customer count
- U Pursue business customers

## SKEW MARKETING TO ALTERNATIVE NETWORKS

- U Regions with high count non-NBN fibre  
& wireless
- U Regions with FTTN technology
- U Increase activity beyond LBNCo

## EXPAND WIRELESS FOOTPRINT

- U Building access advantage
- U National expansion enabled

## BROWNFIELD OPPORTUNITIES

- U Implement wireless on existing technology
- U Mix fibre & wireless opportunities





## IMMEDIATE FOCUS

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- Maximise shareholder wealth
- Create culture of success
- Cost conscious operations
- High performance customer acquisition
- Strategic selling in line with goals
- Higher margin network resale options
- Build leadership team
- Organic value creation
- High margin technology options
- Embrace emerging markets & technology
- Earnings growth by acquisition





UNITI

**FUZE**NET

**THANK YOU!**

## APPENDIX

### CHANGES IN EQUITY, SHARE OPTIONS AND SHARES IN ESCROW

| Share Equity                                   | 01.07.18<br># of shares | 01.07.18<br>\$'000 | # of shares | \$'000 | 31.12.18<br># of shares | 31.12.18<br>\$'000 | # of shares | \$'000 | 13.2.19<br># of shares | 13.2.19<br>\$'000 |
|--|-------------------------|--------------------|-------------|--------|-------------------------|--------------------|-------------|--------|------------------------|-------------------|
| Shares Issued                                  | 2,953,017               | 11,907             |             |        | 45,741,200              | 12,582             |             |        | 131,023,559            | 32,291            |
| Issue of Shares Investment Advice              |                         |                    | 75,000      | 675    |                         |                    |             |        |                        |                   |
| Share Split                                    |                         |                    | 42,713,183  |        |                         |                    |             |        |                        |                   |
| Convertible Note                               |                         |                    |             |        |                         |                    | 17,845,993  | 3,000  |                        |                   |
| Issue of Shares FuzeNet Acquisition            |                         |                    |             |        |                         |                    | 6,600,000   | 1,500  |                        |                   |
| Shares Issued on Listing                       |                         |                    |             |        |                         |                    | 52,724,212  | 13,181 |                        |                   |
| Shares Issued to Management                    |                         |                    |             |        |                         |                    | 8,112,154   | 2,028  |                        |                   |
| Unvested Options to Acquire Shares (1)         |                         |                    |             |        |                         |                    |             |        | 10,644,127             |                   |
| Non Executive Directors – vesting over 3 years |                         |                    |             |        |                         |                    | 4,301,898   |        |                        |                   |
| Founders – vesting over 3 years                |                         |                    |             |        |                         |                    | 1,106,202   |        |                        |                   |
| Executives - – vesting over 3 years            |                         |                    |             |        |                         |                    | 2,458,228   |        |                        |                   |
| Third Parties - – vesting over 3 years         |                         |                    |             |        |                         |                    | 2,777,799   |        |                        |                   |
| Shares Held in Escrow                          |                         |                    |             |        |                         |                    |             |        | 54,398,869             |                   |
| Date of FY19 Results                           |                         |                    |             |        |                         |                    | 13,622,506  |        |                        |                   |
| 7-Sep-19                                       |                         |                    |             |        |                         |                    | 2,871,429   |        |                        |                   |
| 21-Nov-19                                      |                         |                    |             |        |                         |                    | 1,800,000   |        |                        |                   |
| 7-Dec-19                                       |                         |                    |             |        |                         |                    | 471,429     |        |                        |                   |
| 12 Months from Listing                         |                         |                    |             |        |                         |                    | 10,990,447  |        |                        |                   |
| 24 Months from Listing                         |                         |                    |             |        |                         |                    | 24,642,028  |        |                        |                   |

(1) Options exercise prices are \$0.25 and above, other than Founders price at \$0.00