ASX ANNOUNCEMENT (UWL)

FY19 Financial Results and Appendix 4E

- *260% increase in revenue year-on-year*
- *Pro-forma FY19 EBITDA of $2m, in line with Prospectus forecast*
- *$6m EBITDA run-rate at start of FY20, up 300% on pro-forma FY19 EBITDA*
- *Significantly bolstered cash reserves of $19.1M*

30 August 2019: Uniti Group Limited (ASX: UWL) ("Company", "UWL") is pleased to provide an overview of the 2019 ("FY19") Financial Statements released today and attach its statutory Appendix 4E, detailing the financial performance for FY19.

FY19 has been a completely transformative year for UWL, most notably in the second half of the financial year, commencing with its ASX listing in February 2019. Listing on the ASX enabled the Company to raise the funds required to acquire Fuzenet and then undertake three further acquisitions, which included Pivit, Fone Dynamics and Call Dynamics.

The acquisitions and operational efficiencies implemented in the second half of FY19 have transformed the operating performance of UWL from a business incurring significant losses with negative operating cash flows to one that is now trading profitably and generating positive, growing operating cash flows.

Highlights of FY19 include;

- Met pro-forma EBITDA forecast of $2.05m
- Revenue growth of 260% to $14m (pro-forma revenue of $23m)
- Operating profitability (positive EBITDA) delivered for the first time in H2 FY19
- EBITDA run-rate entering FY20 of $6m (excludes $10m+ EBITDA(f) from LBNCo acquisition, proforma)
- Positive and growing operating cash flow delivered in H2 FY19
- $19.1m cash at bank, as at 30 June 2019
- Four accretive acquisitions completed, with one (LBNCo) to complete in September 2019
- Strengthened executive team with appointment of Michael Simmons, Vaughan Bowen and Darryl Inns

UWL CEO & Managing Director, Michael Simmons said of UWL's FY19 performance;

"By every measure, UWL has been dramatically transformed in the second half of FY19. Since our ASX listing in February, we have seen the business become a diversified, profitable, operating cash-flow positive business, with a clearly defined three pillar strategic growth agenda. Furthermore, we have bolstered our leadership ranks, implemented significant operational efficiencies and have made a number of accretive acquisitions, all directly aligned with our stated strategy."

Mr Simmons continued; *"In August 2019, we announced the acquisition of LBNCo, by far our most transformational transaction to date. LBNCo is comprised of prized fibre assets and growing earnings, which will see a near tripling of the current run rate EBITDA of UWL of $6m to nearly $17m in FY20 (pro-forma). The magnitude of this transformation of UWL over the last six months cannot be overstated, having now achieved both scale and solidity of earnings, with a sizeable cash balance and negligible debt. To have this strong financial platform and a united, proven leadership team places us in an enviable position, one which we intend to aggressively capitalise upon during FY20 and beyond."*

Statutory Financials, Once-Off Items and Key Strategic Events

The statutory loss in FY19 for the consolidated entity after providing for income tax amounted to $13.53m (30 June 2018: Loss of $4.8m).

The statutory loss includes significant once-off items (from actions and transactions undertaken in the second half of the year) including costs incurred in listing the Company on the ASX, the acquisitions of Fuzenet Pty Ltd, Fone Dynamics Pty Ltd and Call Dynamics Pty Ltd and partial impairment of fixed wireless assets (non-cash). It also includes $3m of non-cash share based expenses relating to shares and options issued during the year and certain restructuring costs associated with the rationalisation of existing operations and integration of the acquisitions.

After adjusting for the significant once off items the loss after tax for the consolidated entity for the year was $4.1m compared to the prior corresponding period loss after tax of $4.8m.

The Earnings Before Interest, Tax Depreciation and Amortisation (EBITDA) after adjusting for the significant once off items for the year was $300k compared to negative $1.9m for the prior corresponding period.

In the second half of the year the Group significantly out-performed the first half as a result of the actions and transactions undertaken in the second half of the year. After adjusting for the significant once off items the EBITDA in the second half of the year was $1.86m (first half loss of $1.56m).

The actions and transactions undertaken in H2 FY19 has resulted in UWL now trading profitably and cash flow positively. The Company is now positioned for further growth in earnings and cash flow in the 2020 financial year, including from the acquisition of LBNCo, announced in August 2019.

UWL has a clear strategy for organic growth combined with earnings accretive growth through acquisition, centred around its “3 Pillars” segmentation of markets/products, being (i) wireless, (ii) fibre and (iii) specialty telecommunications products and services.

In the second half of the year the Company undertook two capital raisings, initially on listing on the ASX in February 2019 raising $13.2m (before costs) and a share placement of $15m (before costs) in June 2019. These funds have supported the actions and transactions of the second half of the year and have also resulted in the Group holding significant cash reserves of approximately $19.1m and limited debt (approximately $2.5m) at FY19 year end.

Since the end of FY19, in line with strategy, the Company has announced the acquisition of LBNCo, an owner and operator of fibre infrastructure providing wholesale telecommunications services. The transaction, scheduled to complete at the end of September 2019, is highly earnings accretive, with LBNCo’s FY20 forecast EBITDA being greater than $10m and it is anticipated to be a significant, growing contributor to future earnings of the Group.

At the same time as announcing the LBNCo acquisition, UWL announced a fully underwritten placement of shares and a Non-Renounceable Rights Issue to raise, in aggregate, $100.2m (before costs), to fund the purchase of LBNCo and increase the existing cash reserves of the Company.

UWL now has a strong balance sheet, ownership of both fibre (on completion of LBNCo) and wireless infrastructure, more diverse products and services and a pipeline of acquisition targets. The Directors are confident the Company can capitalise on the transformational work undertaken to date and continue this profitable, sustainable growth into the future.

Appendix 4E

Attached to this announcement is UWL's Appendix 4E, the statutory report encapsulating the key performance measures for the Company in FY19.

- ENDS -

ADDITIONAL INFORMATION

For further information, contact as below:

Peter Wildy – Company Secretary
P - 0438 809 644
E – investors@unitiwireless.com
W – https://investors.unitiwireless.com/

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 4E

Preliminary final report

1. Company details

Name of entity:	Uniti Group Limited
ABN:	73 158 957 889
Reporting period:	For the year ended 30 June 2019
Previous period:	For the year ended 30 June 2018

2. Results for announcement to the market

The consolidated entity has adopted Accounting Standards AASB 9 'Financial Instruments' from 1 July 2018. The Accounting Standard was adopted using the modified retrospective approach and as such comparatives have not been restated. The consolidated entity has early adopted AASB 15 'Revenue from Contracts with Customers' and AASB 16 'Leases' since 1 July 2016.

			$'000
Revenues from ordinary activities	▲ up	262% to	14,295
Loss from ordinary activities after tax attributable to the owners of Uniti Group Limited	▲ up	182% to	(13,531)
Loss for the year attributable to the owners of Uniti Group Limited	▲ up	182% to	(13,531)

DIVIDENDS	AMOUNT PER SECURITY CENTS	FRANKED AMOUNT PER SECURITY CENTS
Final dividend for the year ended 30 June 2018	0	0
Interim dividend for the year ended 30 June 2019	0	0

On 19 June 2019 the directors declared there would be no dividend paid in relation to the 2019 financial year.

Review of Operations

The statutory loss for the consolidated entity after providing for income tax amounted to $13,531,000 (30 June 2018: Loss of $4,801,000).

The statutory loss includes significant once off items (from actions and transactions undertaken in the second half of the year) including costs incurred in listing the Company on the ASX, the acquisition of Fuzenet Pty Ltd, Fone Dynamics Pty Ltd and Call Dynamics Pty Ltd and partial impairment of fixed wireless assets (non-cash). It also includes approximately $3m of share based expenses relating to shares and options issued during the year and certain restructuring costs associated with the rationalisation of existing operations and integration of the acquisitions.

After adjusting for the significant once off items the Loss after Tax for the consolidated entity for the year was $4.1m compared to the prior corresponding period loss after tax of $4.8m.

The Earnings before Interest, Tax Depreciation and Amortisation (EBITDA) after adjusting for the significant once off items for the year was $300k compared to negative $1.9m for the prior corresponding period.

In the second half of the year the Group significantly out-performed the first half as a result of the actions and transactions undertaken in the second half of the year. After adjusting for the significant once off items the EBITDA in the second half of the year was $1.855m (first half loss of $1.555m).

In the second half of the year the Company undertook two capital raisings, initially on listing on the ASX in February 2019 raising $13.2m (before costs) and a share placement of $15m (before costs) in June 2019. These funds have supported the actions and transactions of the second half of the year and have also resulted in the Group holding significant cash reserves of approximately $19.1m and limited debt (approximately $2.5m) at year end.

Appendix 4E
Preliminary final report

Review of Operations (continued)

The actions and transactions undertaken has resulted in the Group now trading profitably and cash flow positively at the end of the year and positioned the Group for further improvement in the 2020 financial year.

The Group has a clear strategy for organic growth combined with earnings accretive growth through acquisition centred around a three pillars segmentation of markets/products being wireless, fibre and specialty telecommunications products and services provision.

Since the end of the financial year, in line with strategy, the Company has announced the acquisition of LBNCo an owner and operator of fibre infrastructure providing wholesale telecommunications services. The transaction is highly earnings accretive based on the FY20 forecast EBITDA of LBNCo and is anticipated to be a significant contributor to future earnings of the Group.

The Group now has a strong balance sheet, infrastructure businesses, more diverse products and services and a pipeline of acquisition targets such that Directors are highly confident the Group can capitalise on the work undertaken to date and continue this growth in to the future.

3. Net tangible assets

	REPORTING PERIOD CENTS	PREVIOUS PERIOD CENTS
Net tangible assets per ordinary security	3.4	6.99

4. Control gained over entities

Name of entity (or group of entities)	Fuzenet Pty Ltd	Control Gained: 11 February 2019
	Fibreworks Pty Ltd	Control Gained: 11 February 2019
	Fuzeconnect Pty Ltd	Control Gained: 11 February 2019
	L K Internet Pty Ltd	Control Gained: 11 February 2019
	Fone Dynamics Pty Ltd	Control Gained: 1 June 2019
	FDX Holdings Pty Ltd	Control Gained: 1 June 2019
	Infotech Pty Ltd	Control Gained: 1 June 2019
	ACN 619 678 787 Pty Ltd	Control Gained: 1 June 2019
	Call Dynamics Pty Ltd	Control Gained: 1 June 2019

	$'000
Aggregate contribution of the above entities to the reporting entity's loss from ordinary activities before income tax during the period was a profit of:	1,487
Aggregate Profit from ordinary activities before income tax of the controlled entities if owned for the whole of the previous period was a profit of:	1,890

Appendix 4E
Preliminary final report

5. Loss of control over entities

Not applicable.

6. Details of associates and joint venture entities

Not applicable

7. Audit qualification or review

The financial statements have been audited and an unqualified opinion has been issued.

8. Attachments

The Annual Report of Uniti Group Limited for the year ended 30 June 2019 is attached.

9. Signed

Graeme Barclay
Chairman

30 August 2019