

22 February 2022

The Manager
Market Announcements Office
Australian Securities Exchange
4th Floor, 20 Bridge Street
Sydney NSW 2000

ELECTRONIC LODGEMENT

Dear Sir or Madam

Uniti Group Limited – Financial results for the half-year ended 31 December 2021

In accordance with the Listing Rules, I enclose Uniti Group's FY22 Appendix 4D and Half-Year report, for immediate release to market.

Authorised for release by the Board of Directors.

Yours sincerely



Ashe-lee Jegathesan
Company Secretary

UNITI GROUP LIMITED

Appendix 4D and Half Year Report

31 December 2021



Level 1/44 Currie St Adelaide SA 5000
investors@unitigrouplimited.com
www.unitigrouplimited.com/investors

Appendix 4D Half Year Report

1. Company details

Name of entity:	Uniti Group Limited (ASX:UWL) (Company)
ABN:	73 158 957 889
Reporting period:	For the half year ended 31 December 2021
Previous period:	For the half year ended 31 December 2020

2. Results for announcement to the market

				\$'000
Revenue from ordinary activities	up	98.4%	to	109,477
Profit before tax for the half year attributable to the owners of Uniti Group Limited	up	595.1%	to	44,828
Profit after tax for the half year attributable to the owners of Uniti Group Limited	up	649.5%	to	29,306

Dividends

	Amount per security (cents)	Franked amount per security (cents)
There was no dividend declared, or paid for the half year ended 31 December 2021	Nil	Nil

Review of Operations

The Company recorded underlying Earnings before Interest Tax Depreciation and Amortisation (EBITDA) of \$70.5 million for the financial half year ended 31 December 2021, compared to the corresponding period last year of \$29.3 million. Underlying earnings adjusts statutory earnings for one off significant items of expenditure related to one-off restructuring costs, the amortisation of customer contracts acquired as part of an acquisition, and for non-cash share based expenses.

The Company recorded an underlying Net Profit before Tax (NPBT) of \$58.4 million for the financial half year ended 31 December 2021, compared to the corresponding period last year of \$24.7 million, an improvement of \$33.7 million.

Underlying results overview:

\$'000	31 Dec 2021	31 Dec 2020	\$ change	% change
Revenue ¹	109,477	54,566	54,911	101%
Operating expenses ²	(38,974)	(25,308)	(13,666)	54%
Underlying EBITDA³	70,503	29,258	41,245	141%
Depreciation and amortisation ⁴	(6,048)	(3,165)	(2,883)	91%
Underlying EBIT⁵	64,455	26,093	38,362	147%
Net finance costs	(6,037)	(1,394)	(4,643)	333%
Underlying net profit before tax	58,418	24,699	33,719	137%

- (1) For the half year ended 31 December 2020, revenue of \$54.6m excludes dividend income of \$0.6m relating to the Company's acquired interest in Opticomm Limited shares prior to the completion of the Scheme of Arrangement to acquire Opticomm Limited and its controlled entity.
- (2) Operating expenses refers to network and hardware expense of \$21.4m (2020: \$12.4m), employee benefits expense of \$17.9m (2020: \$12.1m) and other expenses of \$4.4m (2020: \$16.4m) less significant items of \$4.7m (2020: \$15.5m).
- (3) EBITDA refers to earnings before interest, tax, depreciation and amortisation.
- (4) Depreciation and amortisation refers to reported depreciation and amortisation expense less amortisation of acquired customer base intangible of \$8.9m (2020: \$3.4m).
- (5) EBIT refers to earnings before interest and tax.

Appendix 4D Half Year Report continued

Reconciliation of underlying to reported results:

\$'000	31 Dec 2021	31 Dec 2020	\$ change	% change
Underlying EBITDA	70,503	29,258	41,245	141%
Significant items				
Acquisition and restructure costs ¹	(122)	(12,509)	12,387	(99%)
Share based expenses	(4,589)	(2,989)	(1,600)	54%
Dividend income	-	621	(621)	(100%)
Reported EBITDA	65,792	14,381	51,411	357%
Depreciation and amortisation	(14,927)	(6,538)	(8,389)	128%
Finance costs	(6,037)	(1,394)	(4,643)	333%
Income tax expense ²	(15,522)	(2,539)	(12,983)	511%
Reported net profit after tax	29,306	3,910	25,396	650%

(1) One-off restructure costs of \$0.1m were incurred during the half year ended 31 December 2021. Costs incurred in the prior corresponding period of \$12.4m relate to the acquisition of Opticomm Pty Ltd (Opticomm), Harbour ISP Pty Ltd (Harbour) and Telstra Velocity and South Brisbane Exchange (Velocity). In addition, \$0.1m one-off restructure costs were incurred in the prior corresponding period.

(2) For the half year ended 31 December 2021, Uniti recorded an income tax expense of \$15.5m. As at 31 December 2021, Uniti has carried forward tax losses of \$65.7m (tax effected: \$19.7m) which may be utilised against future taxable income. As at 30 June 2021, Uniti had tax losses of \$106.8m which have been partially utilised in the current period, resulting in no tax payable for the half year ended 31 December 2021. In addition, as a result of the loss carry back provisions introduced by the Federal Government in the 2020 budget, Uniti is in a tax refund position of \$0.8m for tax paid relating to the financial year ended 30 June 2020.

Underlying earnings per share (EPS):

Cents	31 Dec 2021	31 Dec 2020	Change (cents)	% change
Underlying:				
Basic profit ¹ per share	5.96	3.20	2.76	86%
Diluted profit ¹ per share	5.63	3.04	2.59	85%

(1) Underlying profit used in the calculation of the underlying EPS is underlying NPBT of \$58.4m (2020: \$24.7m) less tax at 30%. A reconciliation of reported to statutory results is included above.

Statutory earnings per share (EPS):

Cents	31 Dec 2021	31 Dec 2020	Change (cents)	% change
Basic profit per share	4.27	0.72	3.55	493%
Diluted profit per share	4.04	0.69	3.35	486%

3. Net tangible assets

	Reporting period (cents)	Previous period (cents)
Net tangible assets per ordinary security	(3.1)	(20.1)

The Issued Capital of the Company at the end of the half year is 687,962,649 fully paid shares (31 December 2020: 662,230,433 shares).

4. Control gained over entities

Not applicable.

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 were subject to a review by the auditors and the review report is attached as part of the Interim Report.

8. Attachments

The Interim Report of Uniti Group Limited for the half year ended 31 December 2021 is attached.

9. Signed

A handwritten signature in black ink, appearing to read 'Graeme Barclay', with a long horizontal stroke extending to the right.

Graeme Barclay, Chairman
22 February 2022

UNITI GROUP LIMITED

And its Controlled Entities

Interim Financial Report
For The Half Year Ended
31 December 2021

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General information

The financial statements cover Uniti Group Limited as a consolidated entity consisting of Uniti Group Limited and the entities it controlled at the end of, or during, the half year. The financial statements are presented in Australian dollars, which is Uniti Group Limited's functional and presentation currency.

Uniti Group Limited is a listed public company limited by shares having listed on the ASX on the 13 February 2019 and is incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office

Level 1, 44 Currie Street
Adelaide SA 5000

Principal place of business

Level 1, 44 Currie Street
Adelaide SA 5000

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 22 February 2022.

Directors' Report

The directors present their report, together with the financial statements of Uniti Group Limited and all controlled entities (referred to hereafter as the 'Company' or 'the Group') for the half year ended 31 December 2021.

Directors

The following persons were directors of Uniti Group Limited during the whole of the financial half year and up to the date of this report, unless otherwise stated:

Name	Position
Graeme Barclay	Non-Executive Chairman
John Lindsay	Non-Executive Director
Kathy Gramp	Non-Executive Director
Vaughan Bowen	Executive Director
Michael Simmons	CEO and Managing Director

Principal activities

During the financial half year, the principal continuing activities of the Group consisted of:

- ▶ the construction, ownership and operation of telecommunications infrastructure, and the provision of telecommunications and technology products and services delivered over this infrastructure as a wholesaler of the infrastructure constructed, owned and operated, as well as the operation of a communications platform as a service for the retail and wholesale supply of premium voice services over 13, 1300, 1800 calling numbers and SMS. The services include a value-added software as a service data analytics and call tracking application, as well as the leasing of phonewords on these numbers.
- ▶ retailing telecommunications products and services to end users, operating the retail business as a functionally separated business under the terms of an enforceable undertaking provided to the ACCC.

Dividends

There was no dividend declared or paid for the half year ended 31 December 2021.

Review of Operations

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During the period ended 31 December 2021, Uniti reorganised its operating segments to two segments, Wholesale, Enterprise & Infrastructure (WEI) and Consumer & Small Business (C&SB). The reorganised operating segments better align to our core customer segments and enable an enhanced customer experience. Comparative balances have been restated to reflect the updated reporting structure.

Directors' Report continued

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Cents	31 Dec 2021	31 Dec 2020	Change (cents)	% change
Basic profit per share	4.27	0.72	3.55	493%
Diluted profit per share	4.04	0.69	3.35	486%

Directors' Report *continued*

Significant changes in the state of affairs

On 27 October 2021 the Company advised the ASX of its intention to undertake an on-market share buy-back. Subject to prevailing share price and market conditions, the Company may buy back up to 10% of shares on issue (being a maximum of approximately 68.7 million shares), over the next 12 months from the date of initial announcement. As at the date of this Director's Report, no shares have been purchased under the share buy-back arrangement.

Impact of COVID-19:

The global impact of the COVID-19 pandemic, and the advice and responses from health and regulatory authorities, is continuously developing. The global economic outlook is facing uncertainty due to the COVID-19 pandemic which has had and may continue to have significant impact on capital markets and share prices. The Company may be impacted both by deterioration in macroeconomic conditions generally and specifically in relation to its operations. Many of the operational and general risks relating to the combined Group are likely to be heightened due to the impacts of the COVID-19 pandemic. To date, COVID-19 has affected, amongst other things, economic conditions, employment markets, equity markets, governmental action, regulatory policy, quarantining, self-isolations and travel restrictions.

In addition, the COVID-19 global pandemic may specifically impact the operations of the Company, including any downturn in the property market which may lead to a delay in the construction of new developments and in the signing of new developer agreements and/or delay in the construction of dwellings under these new agreements, resulting in delays in the realisation of revenue from these contracts. There is also a risk that the operations of the Company may be interrupted by government enforced restrictions (such as lockdowns) or other COVID-19 related health concerns.

Although the Company's construction activities were impacted by restrictions and lockdowns during the period, and noting there is a level of inherent uncertainty with this pandemic as outlined above, there has not been a material adverse impact on the Company's operations or profitability during the period.

There were no other significant changes in the state of affairs of the Company during the financial half year.

Subsequent events

There have been no significant events subsequent to Balance Date.

Rounding of amounts

The Company is of a kind referred to in *Corporations Instrument 2016/191*, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



Graeme Barclay, Chairman
22 February 2022

Auditor's Independence Declaration



Deloitte Touche Tohmatsu
ABN 74 490 121 060
477 Collins Street
Melbourne, VIC, 3000
Australia

Phone: +61 3 9671 7000
www.deloitte.com.au

22 February 2022

The Board of Directors
Uniti Group Limited
Level 1, 44 Currie St
Adelaide, SA, 5000

Dear Board Members

Uniti Group Limited


In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Uniti Group Limited.

As lead audit partner for the review of the financial statements of Uniti Group Limited for the half-year ended 31 December 2021, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review;
and
- (ii) any applicable code of professional conduct in relation to the review.

Yours faithfully


DELOITTE TOUCHE TOHMATSU


Chris Biermann
Partner
Chartered Accountants

Liability limited by a scheme approved under Professional Standards Legislation.

Member of Deloitte Asia Pacific Limited and the Deloitte organisation.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half year ended 31 December 2021

	NOTE	CONSOLIDATED	
		31 Dec 2021 \$'000	31 Dec 2020 \$'000
Revenue	3	109,477	55,187
Expenses			
Network and hardware expenses	4	(21,438)	(12,359)
Employee benefits expense	4	(17,889)	(12,081)
Depreciation and amortisation	4	(14,927)	(6,538)
Other expense	4	(4,358)	(16,366)
Finance costs	4	(6,037)	(1,394)
Profit before income tax expense		44,828	6,449
Income tax expense		(15,522)	(2,539)
Profit after income tax expense for the half year		29,306	3,910
Other comprehensive income		—	—
Other comprehensive income for the year, net of tax		—	—
Total comprehensive income for the year		29,306	3,910

		CENTS	CENTS
Basic earnings per share attributable to the owners of Uniti Group Limited	16	4.27	0.72
Diluted earnings per share attributable to the owners of Uniti Group Limited	16	4.04	0.69

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 2021

		CONSOLIDATED	
	NOTE	31 Dec 2021 \$'000	30 Jun 2021 \$'000
Assets			
Current assets			
Cash and cash equivalents		50,866	57,332
Trade and other receivables		22,423	15,389
Inventories		322	35
Deposits and prepayments		3,578	2,720
Current tax assets		777	1,429
Contract assets		848	961
Total current assets		78,814	77,866
Non-current assets			
Right of use assets	5	3,183	3,837
Property, plant and equipment	6	252,195	234,008
Intangibles	7	881,077	889,931
Total non-current assets		1,136,455	1,127,776
Total assets		1,215,269	1,205,642
Liabilities			
Current liabilities			
Trade and other payables		26,309	33,695
Contract liabilities		4,498	3,581
Employee benefits		2,698	2,598
Contingent consideration	8	-	2,799
Deferred consideration	9	13,124	6,561
Lease liability		1,265	1,554
Total current liabilities		47,894	50,788
Non-current liabilities			
Trade and other payables		-	1,411
Employee benefits		104	107
Contingent consideration	8	33,262	32,808
Deferred consideration	9	6,198	12,500
Borrowings	10	222,685	261,911
Lease liability		3,940	4,435
Deferred tax liability		41,700	25,396
Provisions		-	414
Total non-current liabilities		307,889	338,982
Total liabilities		355,783	389,770
Net assets		859,486	815,872
Equity			
Issued capital	11	789,932	777,917
Reserves	12	17,236	14,943
Accumulated gains / (losses)		52,318	23,012
Total equity		859,486	815,872

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 2021

	ISSUED CAPITAL \$'000	RESERVES \$'000	ACCUMULATED GAINS / (LOSSES) \$'000	TOTAL EQUITY \$'000
CONSOLIDATED 2020				
Balance at 1 July 2020	421,812	6,065	(6,183)	421,694
Profit after income tax benefit for the period	-	-	3,910	3,910
Issue of share capital:				
Contributions of equity	168,122	-	-	168,122
Transaction costs	(4,032)	-	-	(4,032)
	164,090	-	-	164,090
Issue of shares to vendors on acquisition:				
Issue of shares to Opticomm vendors	173,164	-	-	173,164
Issue of shares to Harbour vendors	804	-	-	804
Transaction costs	(4,612)	-	-	(4,612)
	169,356	-	-	169,356
Other:				
Foreign currency translation	-	-	(10)	(10)
Issue of options to Harbour vendors	-	229	-	229
Conversion of share based expense options	156	-	-	156
Share based expenses (Note 12)	-	2,974	-	2,974
	156	3,203	(10)	3,349
Balance at 31 December 2020	755,414	9,268	(2,283)	762,399
CONSOLIDATED 2021				
Balance at 1 July 2021	777,917	14,943	23,012	815,872
Profit after income tax expense for the period	-	-	29,306	29,306
Other:				
Conversion of share-based payment options	12,042	(2,296)	-	9,746
Transaction costs associated with issue of shares to employees	(27)	-	-	(27)
Share based expenses (Note 12)	-	4,589	-	4,589
	12,015	2,293	-	14,308
Balance at 31 December 2021	789,932	17,236	52,318	859,486

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 2021

	CONSOLIDATED	
	31 Dec 2021 \$'000	31 Dec 2020 \$'000
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	112,454	58,986
Payments to suppliers and employees (inclusive of GST)	(47,023)	(30,634)
Dividends received	-	621
Interest received	-	480
Interest and other finance costs paid	(4,505)	(288)
Income tax refund received / (paid)	1,429	(2,582)
Net cash from operating activities	62,355	26,583
Cash flows used in investing activities		
Payment for purchase of business, net of cash acquired	(2,799)	(619,826)
Payments to suppliers for the business acquisitions	(8,865)	(3,219)
Payments for property, plant and equipment	(25,557)	(7,747)
Payments for intangible assets	(362)	(587)
Net cash used in investing activities	(37,583)	(631,379)
Cash flows from financing activities		
Proceeds from borrowings	-	305,625
Transaction costs related to loans and borrowings	-	(4,595)
Proceeds from issue of shares	9,747	168,278
Share issue transaction costs paid	(27)	(7,389)
Repayment of borrowings and lease payments	(40,958)	(783)
Net cash (used in) / from financing activities	(31,238)	461,136
Net decrease in cash and cash equivalents	(6,466)	(143,660)
Cash and cash equivalents at the beginning of the financial year	57,332	189,150
Cash and cash equivalents at the end of the financial half year	50,866	45,490

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

Consolidated Notes to the Financial Statements

31 December 2021

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.

Basis of preparation

The condensed consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain financial instruments. 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 company is a company of the kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, dated 24 March 2016, and in accordance with that Corporations Instrument amounts in the financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

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 2021 annual financial report for the financial year ended 30 June 2021. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

Note 2. Operating segments

Identification of reportable operating segments

Segment information is based on the information that management uses to make decisions about operating matters and allows users to review operations through the eyes of management. Operating segments represent the information reported to the chief operating decision makers (CODM), being the Board of Directors, for the purposes of resource allocation and assessment of segment performance.

Major customers

There were 4 major customers in 2021 that contributed more than 5% of revenue (2020: Nil).

Operating segments

The directors have chosen to organise the Group around the two main business units in which the Group operates. Specifically, the Group's operating and reportable segments under AASB 8 are as follows:

- > Wholesale, Enterprise & Infrastructure (WEI)
- > Consumer & Small Business (C&SB).

During the period ended 31 December 2021, Uniti reorganised its operating segments to two segments, Wholesale, Enterprise & Infrastructure (WEI) and Consumer & Small Business (C&SB). The reorganised operating segments better align to our core customer segments and enable an enhanced customer experience. Comparative balances have been restated to reflect the updated reporting structure.

The reportable segments represent the group's cash-generating units for impairment testing purposes, with corporate income (interest) and costs being allocated to the two cash-generating units. The chief decision maker for the reporting segments are the executives of each of the business units.

Consolidated Notes to the Financial Statements *continued*

31 December 2021

Note 2. Operating segments (continued)**Segment revenues and results**

CONSOLIDATED – 2021	WHOLESALE, ENTERPRISE & INFRASTRUCTURE \$'000	CONSUMER & SMALL BUSINESS \$'000	UNALLOCATED ¹ \$'000	INTER- COMPANY ² \$'000	TOTAL \$'000
Revenue	94,040	29,679	-	(14,242)	109,477
EBITDA (Reported)	72,196	3,880	(10,284)	-	65,792
Depreciation and amortisation	(13,482)	(1,443)	(2)	-	(14,927)
Net finance costs	(6)	(344)	(5,687)	-	(6,037)
Profit/(Loss) before income tax expense	58,708	2,093	(15,973)	-	44,828
Income tax expense	-	-	(15,522)	-	(15,522)
Profit/(Loss) after income tax expense	58,708	2,093	(31,495)	-	29,306

(1) Unallocated costs include corporate services costs, board costs, share based expenses and acquisition costs.

(2) Intercompany revenue is eliminated on consolidation and relates primarily to recurring charges from the WEI business unit to the C&SB business unit for the provision of wholesale telecommunications services.

CONSOLIDATED – RESTATED 2020	WHOLESALE, ENTERPRISE & INFRASTRUCTURE \$'000	CONSUMER & SMALL BUSINESS \$'000	UNALLOCATED ¹ \$'000	INTER- COMPANY ² \$'000	TOTAL \$'000
Revenue	44,068	18,289	1,063	(8,233)	55,187
EBITDA (Reported)	29,698	2,540	(17,857)	-	14,381
Depreciation and amortisation	(4,552)	(1,986)	-	-	(6,538)
Net finance costs	(21)	(182)	(1,191)	-	(1,394)
Profit/(Loss) before income tax expense	25,125	372	(19,048)	-	6,449
Income tax benefit	-	-	(2,539)	-	(2,539)
Profit/(Loss) after income tax expense	25,125	372	(21,587)	-	3,910

(1) Unallocated revenue represents interest income earned in relation to cash and cash equivalents and dividend received as part of the Opticomm acquisition. Unallocated costs include corporate services costs, board costs, share based expenses and acquisition costs.

(2) Intercompany revenue is eliminated on consolidation and relates primarily to recurring charges from the WEI business unit to the C&SB business unit for the provision of wholesale telecommunications services.

Geographical segments

The consolidated entity operated in only one geographical segment during the 2021 and 2020 half years, being Australia.

Consolidated Notes to the Financial Statements *continued*

31 December 2021

Note 3. Revenue

	CONSOLIDATED	
	31 Dec 2021 \$'000	31 Dec 2020 \$'000
<i>Revenue from contracts with customers</i>		
Sale of goods	-	3
Rendering of services – Broadband and fibre access networks	26,977	17,330
Rendering of services – Telecommunications services	15,685	14,882
Rendering of services – Recurring network revenues	55,108	15,024
Construction revenues	10,294	6,118
	108,064	53,357
<i>Other income</i>		
Interest income	-	442
Dividend revenue	-	621
Other revenue	1,413	767
Revenue and other income	109,477	55,187

Revenue from contracts with customers is recognised over time, excluding construction revenues and sale of goods.

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

CONSOLIDATED - 2021	WHOLESALE, ENTERPRISE & INFRASTRUCTURE \$'000	CONSUMER & SMALL BUSINESS \$'000	INTER- COMPANY ¹ \$'000	TOTAL \$'000
<i>Major product lines</i>				
Broadband and fibre access networks	-	27,460	(483)	26,977
Telecommunications services	15,771	806	(892)	15,685
Recurring network revenues	67,975	-	(12,867)	55,108
Construction revenues	10,294	-	-	10,294
	94,040	28,266	(14,242)	108,064
<i>Geographical regions</i>				
Australia	94,040	28,266	(14,242)	108,064
	94,040	28,266	(14,242)	108,064
<i>Timing of revenue recognition</i>				
Goods transferred at a point in time	10,294	-	-	10,294
Services transferred over time	83,746	28,266	(14,242)	97,770
	94,040	28,266	(14,242)	108,064

(1) Intercompany revenue is eliminated on consolidation and relates primarily to recurring charges from the WEI business unit to the C&SB business unit for the provision of wholesale telecommunications services.

Consolidated Notes to the Financial Statements *continued*

31 December 2021

Note 3. Revenue (continued)

CONSOLIDATED - RESTATED 2020	WHOLESALE, ENTERPRISE & INFRASTRUCTURE \$'000	CONSUMER & SMALL BUSINESS \$'000	INTER- COMPANY⁽¹⁾ \$'000	TOTAL \$'000
<i>Major product lines</i>				
Broadband and fibre access networks	-	17,405	(75)	17,330
Telecommunications services	14,233	881	(232)	14,882
Recurring network revenues	22,950	-	(7,926)	15,023
Construction revenues	6,118	-	-	6,118
Sale of goods	-	3	-	3
	43,301	18,289	(8,233)	53,357
<i>Geographical regions</i>				
Australia	43,301	18,289	(8,233)	53,357
	43,301	18,289	(8,233)	53,357
<i>Timing of revenue recognition</i>				
Goods transferred at a point in time	6,118	3	-	6,121
Services transferred over time	37,183	18,286	(8,233)	47,236
	43,301	18,289	(8,233)	53,357

(1) Intercompany revenue is eliminated on consolidation and relates primarily to recurring charges from the WEI business unit to the C&SB business unit for the provision of wholesale telecommunications services.

Consolidated Notes to the Financial Statements *continued*

31 December 2021

Note 4. Expenses

	CONSOLIDATED	
	31 Dec 2021 \$'000	31 Dec 2020 \$'000
Profit before income tax includes the following specific expenses:		
<i>Network and hardware expense</i>		
Network and hardware expense	21,438	12,359
<i>Employee benefits expense</i>		
Employee benefits expense	13,300	9,107
Share based expense	4,589	2,974
	17,889	12,081
<i>Depreciation and plant and equipment write off expenses</i>		
Leasehold improvements	103	35
Plant and equipment and network infrastructure	4,983	2,186
Right of use assets	626	680
	5,712	2,901
<i>Amortisation</i>		
Customer contracts	8,879	3,373
Software	257	191
Other intangibles	79	73
	9,215	3,637
	14,927	6,538
<i>Other expenses</i>		
Restructure costs	122	143
Acquisition costs	-	12,365
Other	4,236	3,858
	4,358	16,366
<i>Finance costs</i>		
Interest on deferred consideration	314	-
Amortisation of borrowing costs	774	115
Interest and finance charges paid/payable	4,949	1,239
	6,037	1,394

Consolidated Notes to the Financial Statements *continued*

31 December 2021

Note 5. Non-Current assets - right of use assets

CONSOLIDATED	OFFICE LEASES \$'000	PLANT AND EQUIPMENT \$'000	NETWORK INFRASTRUCTURE \$'000	MOTOR VEHICLES \$'000	TOTAL \$'000
30 Jun 2021					
Cost	3,783	338	5,261	94	9,476
Accumulated depreciation	(1,856)	(147)	(3,542)	(94)	(5,639)
	1,927	191	1,719	-	3,837
31 Dec 2021					
Cost	3,421	396	5,307	94	9,218
Accumulated depreciation	(2,040)	(227)	(3,674)	(94)	(6,035)
	1,381	169	1,633	-	3,183
Reconciliation:					
Balance at 1 July 2021	1,927	191	1,719	-	3,837
Disposals	(132)	-	-	-	(132)
Additions	-	58	46	-	104
Depreciation expense	(414)	(80)	(132)	-	(626)
Balance at 31 December 2021	1,381	169	1,633	-	3,183

Note 6. Non-current assets - property, plant and equipment

CONSOLIDATED	LEASEHOLD IMPROVEMENTS \$'000	PLANT AND EQUIPMENT \$'000	NETWORK INFRASTRUCTURE \$'000	TOTAL \$'000
30 Jun 2021				
Cost	1,319	2,747	242,208	246,274
Accumulated depreciation	(247)	(911)	(11,108)	(12,266)
	1,072	1,836	231,100	234,008
31 Dec 2021				
Cost	1,324	2,982	265,231	269,537
Accumulated depreciation	(350)	(1,128)	(15,864)	(17,342)
	974	1,854	249,367	252,195
Reconciliation:				
Balance at 1 July 2021	1,072	1,836	231,100	234,008
Disposals	-	(9)	-	(9)
Additions	5	254	23,023	23,282
Depreciation expense	(103)	(227)	(4,756)	(5,086)
Balance at 31 December 2021	974	1,854	249,367	252,195

Consolidated Notes to the Financial Statements *continued*

31 December 2021

Note 7. Non-current assets – intangibles

CONSOLIDATED	GOODWILL \$'000	CUSTOMER CONTRACTS \$'000	BRAND AND TRADEMARKS \$'000	SOFTWARE \$'000	OTHER INTANGIBLE ASSETS \$'000	TOTAL \$'000
30 Jun 2021						
Cost	808,649	84,576	7,982	3,304	1,321	905,832
Accumulated amortisation	-	(14,890)	-	(783)	(228)	(15,901)
	808,649	69,686	7,982	2,521	1,093	889,931
31 Dec 2021						
Cost	808,649	84,576	7,982	3,600	1,386	906,193
Accumulated amortisation	-	(23,769)	-	(1,040)	(307)	(25,166)
	808,649	60,807	7,982	2,560	1,079	881,077
<i>Reconciliation:</i>						
Balance at 1 July 2021	808,649	69,686	7,982	2,521	1,093	889,931
Additions	-	-	-	296	65	361
Amortisation expense	-	(8,879)	-	(257)	(79)	(9,215)
Balance at 31 December 2021	808,649	60,807	7,982	2,560	1,079	881,077

Note 8. Current and non-current liabilities – contingent consideration

	CONSOLIDATED	
	31 Dec 2021 \$'000	30 Jun 2021 \$'000
Current liability		
Contingent consideration for LBNCo acquisition	-	2,799
	-	2,799
Non-current liability		
Contingent consideration for Velocity acquisition	33,262	32,808
	33,262	32,808

Consolidated Notes to the Financial Statements *continued*

31 December 2021

Note 9. Current and non-current liabilities – deferred consideration

	CONSOLIDATED	
	31 Dec 2021 \$'000	30 Jun 2021 \$'000
Current liability		
Deferred consideration for Velocity acquisition	13,124	6,561
	13,124	6,561
Non-current liability		
Deferred consideration for Velocity acquisition	6,198	12,500
	6,198	12,500

Note 10. Non-current liabilities – borrowings

	CONSOLIDATED	
	31 Dec 2021 \$'000	30 Jun 2021 \$'000
Bank loans	225,625	265,625
Capitalised borrowing costs	(2,940)	(3,714)
	222,685	261,911

The Company has a \$290 million revolving syndicated facility agreement with Westpac Banking Corporation, Commonwealth Bank of Australia and Macquarie Bank Limited. The facility includes a \$285 million revolving loan facility and a \$5 million contingent instrument facility. As at 31 December 2021, \$59.4 million of the revolving loan facility was not utilised, with \$225.6 million of the revolving loan facility and \$0.9 million of the contingent instrument facility utilised. The Company repaid \$40 million of the facility in the period ended 31 December 2021. Interest on the facility is incurred at the aggregate of the reference bank bill rate plus a margin.

The key terms of the Facility are summarised below:

Security: Joint and several liability guarantee, with first-ranking security with respect to the Group's present and after acquired property.

Expiry: 18 December 2023.

The Company is subject to and is compliant with financial covenants and undertakings for the period ended 31 December 2021.

Consolidated Notes to the Financial Statements *continued*

31 December 2021

Note 11. Equity – issued capital

	CONSOLIDATED			
	31 Dec 2021 Shares	30 Jun 2021 Shares	31 Dec 2021 \$'000	30 Jun 2021 \$'000
Ordinary shares – fully paid	687,962,649	676,537,743	789,932	777,917

Movements in ordinary share capital (net of transaction costs):

DETAILS	CONSOLIDATED			
	DATE	SHARES	ISSUE PRICE	\$'000
Balance	1 Jul 2021	676,537,743	n/a	777,917
Other				
Exercise of share rights	8 July 2021	160,472	\$1.48	238
Exercise of share rights	8 July 2021	62,233	\$1.41	88
Conversion of share based expense option on exercise	8 July 2021	1,467,563	\$0.38	550
Conversion of share based expense option on exercise	8 July 2021	1,330,942	\$1.48	1,969
Conversion of share based expense option on exercise	8 July 2021	819,410	\$0.25	204
Conversion of share based expense option on exercise	8 July 2021	819,410	\$0.30	245
Conversion of share based expense option on exercise	8 July 2021	535,894	\$1.35	723
Exercise of share rights	15 July 2021	330,000	\$2.17	716
Conversion of share based expense option on exercise	22 July 2021	1,330,942	\$1.48	1,970
Exercise of share rights	22 July 2021	602,213	\$1.48	893
Conversion of share based expense option on exercise	23 July 2021	535,894	\$1.35	723
Conversion of share based expense option on exercise	2 August 2021	144,469	\$1.48	214
Conversion of share based expense option on exercise	16 August 2021	535,893	\$1.35	723
Issue of shares under employee shares	16 August 2021	920	\$2.17	2
Conversion of share based expense option on exercise	1 September 2021	396,987	\$1.35	536
Conversion of share based expense option on exercise	2 September 2021	307,279	\$0.25	77
Conversion of share based expense option on exercise	7 September 2021	277,780	\$0.38	104
Conversion of share based expense option on exercise	7 September 2021	307,279	\$0.25	77
Conversion of share based expense option on exercise	7 September 2021	330,000	\$0.71	234
Conversion of share based expense option on exercise	7 September 2021	210,867	\$1.35	285
Conversion of share based expense option on exercise	7 September 2021	226,120	\$1.48	335
Conversion of share based expense option on exercise	30 September 2021	222,259	\$1.48	329
Conversion of share based expense option on exercise	30 September 2021	330,000	\$1.35	446
Exercise of share rights	30 September 2021	5,911	\$1.48	9
Exercise of share rights	15 October 2021	23,868	\$4.19	100
Exercise of share rights	15 October 2021	76,012	\$1.48	113
Exercise of share rights	4 November 2021	14,917	\$4.19	62
Exercise of share rights	12 November 2021	18,372	\$4.19	77
Share issue transaction costs	Various	n/a	n/a	(27)
		11,424,906	n/a	12,015
Balance		687,962,649	n/a	789,932

Consolidated Notes to the Financial Statements *continued*

31 December 2021

Note 12. Equity – reserves

	CONSOLIDATED	
	31 Dec 2021 \$'000	30 Jun 2021 \$'000
Share Option Reserve	17,236	14,943

The reserve is used to recognise the fair value of share based expenses, in particular options issued to Directors and Management.

Movements in reserves

Movements in each class of reserve during the current and previous financial year are set out below:

CONSOLIDATED	Share Options \$'000
Balance at 1 July 2021	14,943
Share based payments	4,589
Conversion of share based payment share rights	(2,296)
Balance at 31 December 2021	17,236

The Options have been valued using a Black Scholes methodology based on the share price at grant date, exercise price (various based on vesting dates), Risk Free rate and length of term to expiry.

Note 13. Contingent assets and liabilities

As at 31 December 2021, the Company has provided bank guarantees of \$945,455 to landlords and developers under the \$5 million contingent instrument facility (Note 10). There were no contingent assets as at 31 December 2021.

Note 14. Related party transactions

The following transactions occurred with related parties:

	CONSOLIDATED	
	31 Dec 2021 \$'000	31 Dec 2020 \$'000
Payment for network tower right of use assets from Axicom Pty Ltd (director-related entity of Graeme Barclay)	295	221

The following balances are outstanding at the reporting date in relation to transactions with related parties:

Trade payables to Axicom Pty Ltd (director-related entity of Graeme Barclay)	-	91
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Note 15. Events after the reporting period

There have been no significant events subsequent to Balance Date.

Consolidated Notes to the Financial Statements *continued*

31 December 2021

Note 16. Earnings per share (EPS)

	CONSOLIDATED	
	31 Dec 2021 \$'000	31 Dec 2020 \$'000
Profit after income tax	29,306	3,910
Profit after income tax attributable to the owners of Uniti Group Limited	29,306	3,910
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES		
	Number	Number
Weighted average number of ordinary shares used in calculating basic EPS	686,190,256	541,048,662
<i>Adjustments for calculation of EPS:</i>		
Options over ordinary shares	39,570,194	27,696,616
Weighted average number of ordinary shares used in calculating diluted EPS	725,760,450	568,745,278
	Cents	Cents
Basic profit per share	4.27	0.72
Diluted profit per share	4.04	0.69

Directors' Declaration

In the directors' opinion:

- > 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 consolidated entity's financial position as at 31 December 2021 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



Graeme Barclay, Chairman
22 February 2022

Independent Auditor's Review Report



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Independent Auditor's Review Report to the members of Uniti Group Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Uniti Group Limited, which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors declaration as set out on pages 11 to 26.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Uniti Group Limited is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Half-year Financial Report* section of our report. We are independent of Uniti Group Limited in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Directors Responsibilities 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.

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Independent Auditor's Review Report continued



Auditor's Responsibilities for the Review of the Half-year Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any 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 consolidated entity's financial position as at 31 December 2021 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*.

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.

A handwritten signature in black ink, appearing to read "Deloitte Touche Tohmatsu".

DELOITTE TOUCHE TOHMATSU

A handwritten signature in black ink, appearing to read "Chris Biermann".

Chris Biermann
Partner
Chartered Accountants
Melbourne, 22 February 2022

