



UNITI

ASX ANNOUNCEMENT (UWL)

Acquisition of LBNCo & Underwritten \$100M Equity Raising

- Profitable & fast growing private fibre infrastructure company
- LBNCo forecast to deliver \$10M+ EBITDA in FY20 (proforma)
- Forecast greater than 60% EPS* accretive in FY2020
- Fully underwritten \$100M equity raising launched today
- FY19 results date confirmed & release of certain voluntary escrowed shares

19 August 2019: Uniti Group Limited (“UWL”) today announces that it has entered into binding transaction documentation to acquire 100% of LBNCo Pty Ltd (“LBNCo”) and its related bodies corporate for \$100M. UWL will fund the LBNCo acquisition by launching a placement and fully underwritten 1 for 2.35 pro-rata accelerated non-renounceable entitlement offer (“Entitlement Offer”) to raise \$100m before costs.

Acquisition Overview and Strategic Rationale

- Acquisition of LBNCo for \$100M, payable ~\$90M in cash and ~\$10M in UWL shares
- Established, fast-growing, highly profitable builder and wholesale operator of private fibre networks, predominately comprised of fibre-to-the-premises (“FTTP”) high speed data services to multi-dwelling units (“MDU”) and broad-acre residential estates (“Broad Acre”)
- The LBNCo acquisition is strongly aligned to UWL’s published “three pillars” strategic growth agenda, providing UWL’s fibre business (“pillar two”) with a high growth, high margin annuity earnings stream, backed by extensive fibre infrastructure footprint, spanning more than 418 MDU and Broad Acre developments, passing over 65,000 premises.
- A further 22,000 premises are contracted to be connected to LBNCo’s FTTP network over the coming 18-24 months, with an active and growing ‘pipeline’ of additional FTTP deployment opportunities Australia-wide.
- LBNCo has multiple Retail Service Providers (“RSP’s”) connected to its network, supplying voice and high speed data services to consumers and small businesses.
- LBNCo senior leadership team will remain with the business and have each taken UWL shares as consideration, aligning them with the interests of all UWL shareholders.
- Forecast LBNCo FY20 proforma EBITDA is \$10.1M, excluding the contributions of three (3) FTTP business acquisitions made by LBNCo in 2019, which are expected to add to FY20 earnings and considerably more in subsequent periods
- LBNCo has delivered strong double-digit earnings growth year-on-year over recent years, with this trend expected to continue into future periods
- Current regulations stipulate that UWL cannot both own an FTTP network and sell retail services on that network. As wholly-owned Fuzenet does sell retail services on LBNCo’s network currently, UWL has entered into a divestment transaction of relevant customer contracts that is expected to result in a nominal reduction in EBITDA performance in FY20 and beyond.

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Acquisition Overview and Strategic Rationale (continued)

- Combined proforma UWL EBITDA for FY20, including LBNC Co is forecast at \$16.6M, excluding any contribution from the aforementioned acquisitions made recently by LBNC Co
- Based on the above proforma UWL combined FY20 EBITDA, the LBNC Co acquisition is forecast to be greater than 60% EBITDA earnings per share accretive, after allowing for the additional shares to be issued in the equity raising (summarised in the following section)

** EPS accretion calculated using forecast FY2020 proforma EBITDA, net of dilution from issue of new UWL fully paid shares in accordance with the equity raising detailed below*

Details of the Underwritten Equity Raising

The Placement will raise approximately \$18.7m through the issue of 15.5m fully paid ordinary shares to institutional and sophisticated investors while the Entitlement Offer (being an accelerated institutional entitlement offer and retail entitlement offer) will raise approximately \$81.5m through the issue of 67.9m fully paid ordinary shares.

The Issue price for the new shares will be \$1.20 per new share, which represents a discount of 13% to the closing price of \$1.38 on 16 August 2019, and a discount of 11.1% to the 10 day Volume Weighted Average Price ("VWAP").

The Placement and Entitlement Offer are fully underwritten by Bell Potter Securities Limited. Under the Entitlement Offer, eligible shareholders are invited to subscribe for 1 fully paid ordinary share in UWL ("New Share") for every 2.35 ordinary shares held in UWL ("Entitlement") as at 7.00pm (Melbourne Time) on Wednesday 21 August 2019 ("Record Date").

At the time of allotment, the New Shares issued under the Entitlement Offer will rank equally with all existing ordinary shares in UWL.

(i) Institutional Entitlement Offer

The institutional entitlement offer will take place on Monday 19 August 2019 and Tuesday 20 August 2019 ("Institutional Entitlement Offer"). Eligible institutional shareholders will be invited to participate in the Institutional Entitlement Offer and can choose to take up all, part or none of their Entitlement.

Entitlements that eligible institutional shareholders do not take up by the close of the Institutional Entitlement Offer, and Entitlements that would otherwise have been offered to ineligible institutional shareholders, will be sold through the Institutional Shortfall Bookbuild on Tuesday 20 August 2019 ("Institutional Shortfall Bookbuild").

Alongside the Institutional Entitlement Offer, the Placement will be undertaken.

UWL shares have been placed in trading halt whilst the Placement, Institutional Entitlement Offer and Institutional Shortfall Book-build are undertaken.

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(ii) Retail Entitlement Offer

Eligible retail shareholders will be invited to participate in the Retail Entitlement Offer at the same offer price and offer ratio as the Institutional Entitlement Offer ("Retail Entitlement Offer"). The Retail Entitlement Offer will open on Monday 26 August 2019 and close at 5.00pm (Melbourne time) on Friday 13 September 2019 ("Retail Entitlement Offer Period").

Eligible retail shareholders will be those with registered addresses in Australia and New Zealand only. Eligible retail shareholders can choose to take up all, part or none of their Entitlement.

Entitlements which are not taken up by eligible retail shareholders by the close of the Retail Entitlement Offer and Entitlements that would otherwise have been offered to ineligible retail shareholders will be sold through a Retail Shortfall Bookbuild ("Retail Shortfall Bookbuild").

Eligible Retail Shareholders who apply for their Entitlement in full will be entitled to apply for additional Shares under the Retail Shortfall Bookbuild, with such over-subscriptions to be satisfied out of shortfall shares. The over-subscriptions will be capped at 30% of the Eligible Retail Shareholder's Entitlement and subject to scale back if over-subscriptions in excess of the shortfall are received

Eligible retail shareholders wishing to participate in the Retail Entitlement Offer should carefully read the Retail Offer Booklet and accompanying personalised Entitlement and Acceptance Form which are expected to be despatched on or around Monday 26 August 2019. Copies of the retail offer booklet will be available on the ASX website (www.asx.com.au) from Wednesday 21 August 2019.

UWL Chairman, Graeme Barclay said of the acquisition and underwritten equity raising;

"The acquisition of LBNCo is, by every measure, a transformational event for Uniti Group. The FTTP network deployed and continuing to be expanded by LBNCo, is an asset that we feel very privileged to have secured. This acquisition provides our Company with a platform of growing earnings that will underpin UWL's continued ambitious growth strategy".

Mr Barclay continued;

"The capital raising we have launched today has been consciously structured so that all of our supportive shareholders are provided with the opportunity to participate, via the Entitlement Offer, which represents the significant majority of the total equity raising. On behalf of your Board, I thank you for your support to date and do hope that you choose to participate in the Entitlement Offer and continue to be a part of the Uniti Group journey"

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Indicative Timetable

Event	Date
Trading halt commences	19 August
Announcement of Entitlement Offer Institutional Entitlement Offer opens Placement conducted	19 August
Institutional Shortfall Bookbuild	20 August
Announcement of results of Placement and Institutional Entitlement Offer Trading halt lifted Trading resumes on ex-entitlement basis	21 August
Record Date for Retail Entitlement Offer	7.00pm, 21 August
Settlement of Placement and Institutional Entitlement Offer	26 August
Retail Offer Booklet dispatched	26 August
Retail Entitlement Offer opens	26 August
Quotation of New Shares issued under Placement and Institutional Entitlement Offer	27 August
Retail Entitlement Offer closes (Retail Closing Date)	13 September
Announcement of indicative results of Retail Entitlement Offer	16 September
Announcement of final results	18 September
Settlement of New Shares issued under Retail Entitlement Offer	19 September
Issue of New Shares under the Retail Entitlement Offer	20 September
Quotation and trading commence on a normal settlement basis	23 September
Despatch holding statements	24 September

All dates are 2019. The above timetable is indicative only and subject to change. Subject to the Listing Rules, the Directors reserve the right to vary these dates, including the Retail Entitlement Offer closing date, without prior notice.

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Shareholder enquiries

Eligible retail shareholders will be sent further details about the Entitlement Offer via a shareholder letter to be despatched on or around Monday 26 August 2019 and a Retail Offer Booklet to be lodged with ASX on Wednesday 21 August 2019. The Retail Entitlement Offer can be accepted only by shareholders of UWL on the Record Date with registered addresses in Australia or New Zealand.

Eligible retail shareholders who have questions relating to the Retail Entitlement Offer should call UWL' share registry, Boardroom Pty Ltd on 1300 737 760 (within Australia) or + 61 2 9290 9600 (from outside Australia) from 8.30am to 5.30pm (Melbourne time) Monday to Friday during the Retail Entitlement Offer period.

Further information in relation to the acquisition of LBNCo, the Placement and the Entitlement Offer is set out in an Investor Presentation which UWL has filed with the ASX today. The Investor Presentation contains important information including key risks and assumptions and international selling restrictions with respect to the Placement.

Bell Potter Securities acted as lead manager, book runner and underwriter for this equity raising.

Lander & Rogers, acted as legal advisors to UWL on both the acquisition of LBNCo and the equity raising.

UWL Financial Results Release / End of Voluntary Escrow

UWL will release its fully-audited June 2019 financial results on Friday, 30 August 2019.

In accordance with Listing Rule 3.10A, UWL advises that the voluntary escrow of 13,622,506 shares comes to an end on the date UWL releases its full year results.

UWL thanks the holders of these shares for agreeing to voluntary escrow provisions at the time of UWL's ASX listing in February this year, and hopes that they will remain shareholders after the escrow release date.

- ENDS -

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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 deliver high quality, diversified telecommunications products and services to its customers, in order to produce strong and growing returns to shareholders.

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