

**ASX Release: United Networks Limited (UNL) Interim Results to 31 December 2019****United Networks Generates its First Operating Profit****28 February 2020**

United Networks Limited (United) today announced that it has achieved its first operating profit in the six months to 31 December 2019 with an EBITDA result of \$0.68m. This profit was generated on revenue of \$7.25 million, a 417% increase compared to the reported results of UNL 12 months ago for the corresponding period. NPAT for the half was \$2.0m including the recognition of a \$1.66m income tax benefit. The cash position at the end of the period was \$2.29m.

Commenting on the result, United CEO Victor Tsaccounis said, “The last six months has seen United grow strongly on the back of three accretive acquisitions: the Broadland Group, Symmetry Networks and Next Com. United is now a global mobile service provider focused on growing partnerships combined with a local service provider focused on growing the recurring revenue stream.

“These businesses operate under the brands of Broadland Solutions, Vokal Voice and Data and United Global Sim.

“The combination of the three businesses places United in a strong financial position, with the revenue from the last two acquisitions only booked from December 2019.

“In terms of operational achievements, in the Service Provider Business we continued to achieve organic growth as well as through acquisitions with \$3.59m in revenue yet to be booked from signed contracts under project management. This recurring revenue will be realised over the contract periods which range from 2 to 5 years. The United technology platform was leveraged to deliver our first Internet of Things (IoT) machine to machine (M2M) customer under the Vokal Brand with the first customer agreement signed in December.

“In our Global eSIM business we launched a new insurance partner offering in December with strong forward orders booked. We also launched our mobile virtual network operators (MVNO) affiliates program.

“Looking ahead we will continue to grow organically and through acquisitions. Negotiations are progressing well with an expectation of 1 or 2 more acquisitions prior to year-end. We will continue investing in organic growth to drive recurring revenue which will increase operational expenses in the short term. The March quarter is generally a lower cash generation period due to seasonality which will smooth out in the final quarter”, Mr. Tsaccounis said.

## 1H FY2020 Results Summary

**Key Financial Outcomes** (Compared to the previous corresponding period, unless noted otherwise)

### Statutory result

- **Statutory Revenue** was up 8% to \$7.25 million from \$6.7 million
- **Statutory NPAT** \$2.0m (includes income tax benefit of \$1.66m) up 1097% from \$0.167m.
- **EBITDA** \$0.68m for the period
- **Cash at period end** \$2.29m

### Underlying result (Normalised)

- **Sales revenue** was up 417% to \$7.25 million from \$1.4 million
- Underlying **EBITDA** was up 70% to \$0.68m from \$0.4m
- Underlying **NPAT** was up 2001% to \$2.0m from a loss of (\$0.1m)

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This announcement is authorised for release to the market by UNL Chief Executive Officer, Victor Tsaccounis.

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### Note: Earnings Disclosure & Disclaimer

On 21 October 2019, United Networks Ltd (UNL) completed the acquisitions of the Broadland Group (BLG) which comprises Broadland Solutions Pty Ltd (BLS) and Broadlands Victoria Pty Ltd (BLV), Under the terms of AASB 3 Business Combinations. Broadland Solutions Pty Ltd is deemed to be the accounting acquirer in the business combination. The statutory numbers have therefore been accounted for as a reverse acquisition under AASB3 with Broadland Solutions Pty Ltd being the deemed accounting acquirer and UNL the deemed accounting acquire. Accordingly, the Half Yearly Statutory Accounts include the trading results of Broadlands Solution Pty Ltd for the six months ended 31 December 2019 plus Broadlands Victoria and United Networks Ltd from 1<sup>st</sup> of October until the 31 December and Symmetry Networks from 1 December until the 31 December 2019. The underlying normalised comparative results for FY19 presented are the United Networks Ltd prior period accounts lodged with the ASX.

This update may contain forward-looking statements. Whilst United Networks has no reason to believe that any such statements are either false, misleading or incorrect. It cannot and does not warrant or guarantee that through either the passage of time or actions beyond the control of United Networks they will not become so. You should act and you must refrain from acting in reliance on any of this material. Nothing contained in this presentation constitutes investment, legal, tax or other advice. This overview of United Networks does not purport to be all inclusive or to contain all information which its recipients may require in order to make an informed assessment of the Company's prospects