



ASX ANNOUNCEMENT (UWL)

Acquisition of Fone Dynamics

- *Specialist inbound voice services and business-grade SMS provider*
- *Proprietary Communications Platform-as-a-Service IP*
- *Forecast minimum 30% EPS accretive in FY2020*

1 May 2019: Uniti Wireless Limited (“UWL”) today announces that it has entered into binding transaction documentation to acquire 100% of Fone Dynamics Pty Ltd and its related bodies corporate (“Fone Dynamics”).

Fone Dynamics is a fast growing, specialist Communications Platform-as-a-Service (“CPaaS”) company, focusing on modern inbound voice (including: 13, 1300 & 1800) and business-grade SMS services, comparable to global players in the CPaaS segment, such as Twilio, Nexmo and CallRail. Fone Dynamics has developed extensive proprietary intellectual property (“IP”), used to deliver its CPaaS offerings and to provide its customers with advanced data analytics.

Fone Dynamics is Brisbane based and is led by its co-founder Jordan Grives, an accomplished figure in the Australian CPaaS segment. Jordan has enjoyed significant prior success, having built-up and sold a similar enterprise in 2016 to a large, NASDAQ-listed, CPaaS organisation. Jordan will join the UWL executive leadership team and will, as a result of this transaction, become a sizeable UWL shareholder, highly incentivised to continue to grow both Fone Dynamics and the wider UWL business.

The consideration for Fone Dynamics is comprised of (i) a minimum/base consideration (“Base”) based upon the annualised and normalised EBITDA as at June 2019 and (ii) a performance-based consideration (“Earn-Out”), based upon the EBITDA delivered by Fone Dynamics in FY2020 over and above the EBITDA upon which the Base is determined.

Base is expected to be a minimum of \$5.04M, based on forecasted June 2019 EBITDA. The maximum aggregate consideration payable (Base + Earn-Out) for Fone Dynamics is \$8.4M.

Base is payable 100% in UWL ordinary fully paid shares (“OFPS”), applying the Volume Weighted Average Price (“VWAP”) for the 10 trading days preceding today’s announcement. Earn-Out is payable between 70% and 100% in UWL OFPS (at the election of the seller prior to 15 June 2020), applying the VWAP for the 10 trading days prior to 30 June 2020. Any component of the Earn-Out not paid in UWL OFPS will be paid in cash, currently expected to be in July 2020.

UWL OFPS issued as consideration for Fone Dynamics (be it Base or Earn-Out) will be subject to certain holding lock (“Escrow”) restrictions. Further, the Escrow arrangement obliges the seller to utilise a securities broker nominated by UWL, so as to ensure an orderly transition of share ownership, as and when the former Fone Dynamics owner elects to sell any UWL OFPS.

The Fone Dynamics acquisition is forecast to be significantly earnings per share (“EPS”*) accretive to UWL shareholders in FY2020 and beyond. Based on the expected minimum Base consideration, FY2020 EPS accretion will be approximately 30%. In the event that the maximum Earn-Out was achieved, the FY2020 EPS accretion would increase to approximately 50%.



UWL CEO, Michael Simmons said of the Fone Dynamics acquisition;

"This is a fantastic transaction for UWL shareholders, which will deliver sizeable and growing cash earnings, in a space with substantial scope for expansion, given Fone Dynamics has only a small fraction of the available market.

Jordan and his team are proven deliverers, with remarkable year-on-year revenue growth since inception, whilst maintaining very respectable margins and high customer retention. Jordan will become a member of my senior executive line-up, providing UWL with strong pedigree in business-to-business sales, a customer segment into which we are committed to grow.

The Brisbane base of Fone Dynamics also provides us with a Queensland 'beachhead', enabling us to also better support and expand our fixed wireless and private fibre footprints in that part of the country.

Fone Dynamics is a great example of the sort of opportunities which are available to UWL within speciality telco services, the third 'pillar' of our growth strategy."

The Fone Dynamics acquisition is scheduled to complete on 1 June 2019.

- ENDS -

* EPS accretion calculated using forecast FY2020 EBITDA, net of dilution from issuance of new UWL OFPS

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.