United Networks Limited

4 August 2020

ASX Release: Acquisition of C3 Innovations

United Networks Limited (UNL) CEO Victor Tsaccounis today announced the acquisition of the business assets of C3 Innovations P/L ("C3 Innovations"), the fourth transaction over the last 12 months in line with UNL's strategy of building recurring revenue by acquiring complementary businesses.

Details of acquisition include: -

- UNL has purchased the assets and database of C3 Innovations
- C3 Innovations is a specialised service provider of unified communications, and hosted and managed data solutions to companies
- Forecast Annualised recurring revenue for FY21 of $0.7M, with a forecast EBIT contribution of $0.25M
- The acquisition consideration payable by UNL for the business assets of C3 Innovations consists of a $0.25M cash payment, issue of 3,750,000 shares in UNL and a 12-month EBIT performance bonus payment of $0.025M if the forecast is achieved.
- The cash consideration will be funded from UNL's cash on hand
- Low double-digit EPS accretion is forecasted in FY21 (proforma).

Victor Tsaccounis the CEO of UNL said "We expect to build on our acquisition momentum and make further positive announcements over the next two quarters. C3 Innovations aligns strongly with our focus on increasing the recurring revenue of the business through both strategic acquisitions and organic growth. The business allows us to leverage our systems know how and scale to generate further earnings to the bottom line.

I look forward to announcing our FY20 full year results for the group later this month."

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

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Note: Earnings Disclosure & Disclaimer
Any financial data released in this update are unaudited management accounts for March Year to Date FY2020

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 1st 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