

28 July 2017

## **United Networks Limited - Quarterly 4C Review (Q4 2017)**

United Networks Limited ("United Networks") (ASX: UNL), has today released its Quarterly Appendix 4C Filing for Q4 FY2017.

### **SUMMARY**

- **Operating Income** of \$1.123m for the June 2017 quarter was up 46% on the March 2017 quarter.
  - Cash receipts from customers of A\$0.769m for the quarter are down 46% as result of cash received in Q3 due to the change in model with key partners.
  - As at 30 June 2017 United had operating unearned revenue of \$0.332m. This is made up of committed orders and prepaid credit from customers not recognised until used or credit expired which is typically 6 months from receipt of cash.
- **Net operating cash outflows** of \$0.475m, increased by \$0.192m or 65% from the previous period.
  - Payment of \$0.082 related to GST from previous periods which was accounted for in December 2016. The GST payment relates to business restructuring for the IPO, change in key partner business model outlined in the previous market update that ensured the operating entities are all Australian Tax Residents.
- **Staff Costs** increased to \$0.411m by 29% on the previous quarter in line with Prospectus . United Networks' strategy is to strengthen management team and grow the global business development team.
- **Administration**, including corporate costs for the quarter was \$0.235m, down by \$0.710m on Q3 as result of Q3 due to the IPO related costs.
- **Investment in other non current assets** for the over the 12 months was \$0.961. This relates to investments in the GAP platform and new product development. Quarterly fluctuations can be expected due to timing of payments and milestones being met in developments.
  - United continues to invest in FY18 in the GAP platform and new products for new clients and countries.
- **Debt repayments** for the quarter were \$0.267m.

### **FOR FURTHER INFORMATION**

**Mr Nicholas Ghattas,**  
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**Mr Anthony Ghattas,**  
Chairman,  
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## Appendix 4C Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

**Name of entity**

United Networks Limited

**ABN**

60 607 921 246

**Quarter ended ("current quarter")**

30 June 2017

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
<b>1</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	769	6,482
1.2	Payments for		
	(a) research and development	-	-
	(b) product manufacturing and operating costs	(493)	(3,354)
	(c) advertising and marketing	(41)	(77)
	(d) leased assets	-	-
	(e) staff costs	(411)	(1,286)
	(f) administration and corporate costs	(235)	(1,993)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	52	59
1.5	Interest and other costs of finance paid	(116)	(136)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(475)</b>	<b>(305)</b>
<b>2</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire:		
	(a) property, plant and equipment	11	(5)
	(b) businesses (see item 10)	-	-
	(c) investments	-	-

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
	(d) intellectual property	-	-
	(e) other non-current assets	(48)	(961)
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	8	14
	(b) businesses (see item 10)	-	-
	(c) investments	-	21
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	(40)
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	<b>Net cash from / (used in) investing activities</b>	<b>(29)</b>	<b>(971)</b>
<b>3</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	-	7,133
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	(1,080)
3.5	Proceeds from borrowings	-	144
3.6	Repayment of borrowings	(267)	(1,214)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	<b>Net cash from / (used in) financing activities</b>	<b>(267)</b>	<b>4,983</b>
<b>4</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of quarter/year to date	4,986	508
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(475)	(305)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(29)	(971)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(267)	4,983

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	<b>Cash and cash equivalents at end of quarter</b>	<b>4,215</b>	<b>4,215</b>

<b>5</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	4,215	4,986
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>4,215</b>	<b>4,986</b>

<b>6</b>	<b>Payments to directors of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to these parties included in item 1.2	124
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Gross Executive director salaries and non-executive director fees
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<b>7</b>	<b>Payments to related entities of the entity and their associates</b>	<b>Current quarter \$A'000</b>
7.1	Aggregate amount of payments to these parties included in item 1.2	71
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	
7.3	Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

Paid to related entities for rent and other operating expenses
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8	<b>Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end	Amount drawn at quarter end
		\$A'000	\$A'000
8.1	Loan facilities	812	812
8.2	Credit standby arrangements		
8.3	Other (please specify)		
8.4	Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

The loan facility is with related party ULG Holdings Limited and secured by a general security agreement  
Interest is charged at the base rate equal to the bid rate for bills plus a margin of 3%

9	<b>Estimated cash outflows for next quarter</b>	\$A'000
9.1	Research and development	291
9.2	Product manufacturing and operating costs	693
9.3	Advertising and marketing	
9.4	Leased assets	
9.5	Staff costs	420
9.6	Administration and corporate costs	199
9.7	Other (provide details if material)	
9.8	<b>Total estimated cash outflows</b>	<b>1,603</b>

10	<b>Acquisitions and disposals of business entities</b> <b>(items 2.1(b) and 2.2(b) above)</b>	Acquisitions	Disposals
10.1	Name of entity		
10.2	Place of incorporation or registration		
10.3	Consideration for acquisition or disposal		
10.4	Total net assets		
10.5	Nature of business		

**Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:



(Company secretary)

Date: 28 July 2017

Print name: Michael Potts

**Notes**

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
- 2 If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
- 3 Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.