

ASX Announcement

28 August 2017

FY17 Results Announcement

Superloop Limited (**ASX: SLC**) is pleased to announce its financial results for the year ended 30 June 2017 (FY17) that saw:

- the transformative acquisition of BigAir Group Limited ("BigAir"), with BigAir contributing earnings from 21 December 2016
- the acquisition of SubPartners Pty Ltd
- positive underlying Earnings before interest, tax, depreciation and amortisation (EBITDA) generated
- Singapore network achieve EBITDA break-even before allocation of corporate overheads during 1H17
- Revenue booked on the Hong Kong network following its launch in December 2016.

Commenting on the result, Superloop CEO Bevan Slattery said: "Over the past twelve months we have transformed Superloop into a trusted enabler of connectivity and managed services in the Asia-Pacific region."

"Superloop has achieved major milestones in infrastructure development. The Company's network in Hong Kong was launched, and Singapore network expanded. We have added significant coverage to our Australian network, and successfully acquired BigAir Group."

"Having put the infrastructure in place to underpin our Asia-Pacific growth, our focus for the next 12 months is to integrate Superloop's networks and systems to realise the inherent scale synergies of our infrastructure, refine our broad product set and pursue cross-selling opportunities across the various operating segments, and leverage BigAir's broad cloud and managed services platform," added Mr Slattery.

Growth scaling over FY17

- Revenue from ordinary activities up 755% to \$59.8 million (FY16: \$7.0 million)
- Reported EBITDA of \$4.6 million; \$10.2 million improvement (FY16: loss of \$5.6 million)
- Underlying EBITDA of \$9.0 million¹; \$14.6 million turnaround (FY16: loss of \$5.6 million)
- Reported Net Loss after tax of \$1.2 million; \$6.0 million improvement (FY16: net loss of \$7.2 million).

Australian operations contributed revenue of \$54.8 million (FY16: \$5.5 million), including \$40.6 million from BigAir Group for the period since 21 December 2016, and \$2.9 million from SubPartners from 4 April 2017. The Singapore network contributed revenue of \$3.9 million (FY16: \$1.5 million) having been launched in 1H16, and the Hong Kong network contributed revenue of \$1.0 million, including non-recurring IRU revenue.

Net loss after tax of \$1.2 million includes the benefit of recognising tax credits for temporary timing differences and tax losses not previously recognised.

¹ After adding back \$4.4 million of one-off transaction costs associated with the acquisitions of BigAir Group and SubPartners Pty Ltd

The Group generated positive operating cash flow of \$4.7 million, an \$11.0 million improvement on FY16's \$6.3 million cash outflow. Superloop continued to invest in its network infrastructure, with \$52.6 million invested in network property plant and equipment during FY17, including final payments for the completion of the Hong Kong network, and a further \$16.2 million invested in network access rights and other intangibles.

Strong balance sheet supports growth

At 30 June 2017, the Company held cash and cash equivalents of \$7.1 million, and available debt facility headroom of \$47.2 million, providing sufficient funding flexibility for currently planned projects and future expansion.

Superloop declares maiden dividend

In recognition of ongoing support provided by shareholders, the Board has declared Superloop's maiden dividend of \$0.005 per share, fully franked.

The dividend's record and payment dates will be 4 September 2017 and 18 September 2017 respectively.

Key operational milestones achieved on time and on budget

Over FY17, Superloop achieved the following significant operational milestones on time and on budget:

- Installed over 230 km of fibre, taking total installed fibre to over 610 km
- Completed construction and commissioning of the 110 km backbone fibre cable network (2,000 cores) for launch of the initial Hong Kong network
- Completed construction of TKO Express submarine fibre-optic cable between Chai Wan on Hong Kong Island and the data centre campus located at Tseung Kwan O Industrial Estate on the mainland
- Completed the expansion of the Singapore network to strategic locations including the IO, NTT and Singapore Exchange data centres with diverse paths
- Connected 17 new enterprise buildings in Singapore, with 31 on-net at 30 June 2017.

Additional sites will be added to Superloop's networks in FY18 and beyond to meet customer demand.

Sales and marketing function up-skilled

All sales and product teams have now been integrated under Group GM Sales and Marketing Matt Hollis, who was appointed in March 2017. A number of senior experienced sales executives have been attracted to join the team in Australia, and the Group continues to recruit additional business development people in Singapore and Hong Kong. The team is focussed on refining its broad product set and pursuing cross-selling opportunities across the various operating segments.

Integration of BigAir Group

On 21 December 2016, Superloop successfully completed the acquisition of BigAir Group. Since December, more than \$2.0 million of annualised corporate synergies have been realised, and while further cost savings may be realised, the Group has added experienced operational executives to lead the transformation and integration of service delivery and support functions.

Since December, over \$1.5 million has been realised in annualised network integration cost savings with further network integration progressing carefully. To deliver further savings, a project is underway to ensure the Group has complete and accurate data for all third party provided services and customer contracts.

The combination of Superloop's rapidly expanding fibre and backhaul infrastructure with BigAir's extensive wireless points of presence provides a unique platform to provide high speed data infrastructure using emerging millimetre wave technologies that are today being pioneered by companies like Facebook, Google and AT&T. This network will be designed to provide speeds of up to 10 Gbps and will offer a compelling alternative for businesses and wholesale partners.

Expansion of Australian capacity

The 15-year capacity agreement with Vocus, announced on 22 February 2017, expands Superloop's existing Australian network to a truly national footprint with increased international, inter-capital, regional Ethernet access and metropolitan fibre capacity. The arrangement ensures that Superloop will realise additional cost synergies from the BigAir Group acquisition, and underwrites the business case to provide high speed connectivity solutions to regional Australia. Initial services have been provisioned since July 2017 with savings through costs avoided increasing the annualised network cost savings to over \$1.9 million.

Expansion of International capacity

The acquisition of SubPartners Pty Ltd in April 2017, will deliver Superloop strategic assets including ownership of international submarine cable capacity as a member of the INDIGO consortium which is constructing the INDIGO West cable (Singapore to Perth) and INDIGO Central cable (Perth to Sydney). The cable systems, which are expected to be completed in the first half of 2019, will provide the basis for connectivity between Superloop's existing metropolitan networks, creating a broad fully meshed pan-Asian network.

SubPartners is responsible for the construction of shore end infrastructure in Sydney and has recognised revenue of \$2.9 million for work completed during the 2017 financial year.

FY18 focus on integrating and leveraging infrastructure in place

Having spent the past 12 months putting in place components of Superloop's infrastructure, the Group's focus for FY18 will be on integrating the networks and systems of its acquired businesses to realise the available cost savings and revenue synergies, while ensuring an improved customer experience through the integration and refinement of various service delivery and support functions.

Superloop will continue to expand access networks to major commercial buildings in Singapore, Hong Kong and Australia, and will upgrade and hyperscale its microwave network offering in Australia.

The Group will also leverage its broad managed services capabilities in Australia and expand its product set in Singapore and Hong Kong.

Mr Slattery said: "The opportunity for Superloop across the Asia Pacific region and within Australia is very exciting. We have constructed a high quality network of connectivity infrastructure and will benefit from the economics and control that ownership provides. The completion of the INDIGO international cable systems in mid 2019 will further expand our network so we can offer customers a fully meshed pan-Asian network.

"The BigAir acquisition completed in December last year provides us with an Australian national presence and the ability to take advantage of the increasing appetite for wireless connectivity solutions. I am committed to ensuring Superloop successfully integrates the BigAir businesses and realises the cost savings and revenue synergies on offer," he said.

Superloop will continue to evaluate new markets and potential acquisitions that the Company believes are of strategic value.

ADDITIONAL INFORMATION

For further comment or other information please contact:

Investor enquiries:

Telephone: +61 7 3088 7300

Email: investor@superloop.com

About Superloop

Superloop's vision is to be the most trusted enabler of connectivity and managed services in Asia Pacific.

The Group owns and operates over 600 km of carrier-grade metro fibre networks in Australia, Singapore and Hong Kong, connecting more than 250 of the region's key data centres and commercial buildings.

Superloop has constructed a core network in Singapore connecting major data centres, key enterprise buildings and cable landing stations. The network includes a low-latency, diverse loop to the Singapore Stock Exchange (SGX) for secure, real-time data transactions. It is continually expanding with further diverse connections recently completed to IO and NTT data centres.

In Hong Kong, Superloop has established a 110 km fibre optic network to initially connect 30 strategic sites including the Hong Kong Stock Exchange data centre. The Company has constructed TKO Express, the first submarine cable to connect the traditional carrier hotels located in Chai Wan on Hong Kong Island and the data centre campus located at Hong Kong Science and Technology Park's Tseung Kwan O Industrial Estate on the mainland, providing much needed physical diversity and a low latency path between Hong Kong's major finance and technology hubs. TKO Express is the world's largest fibre core count subsea cable system.

The Group also operates businesses including BigAir Group, APEXnetworks, CINENET Systems and SubPartners.

BigAir Group provides a diverse range of ICT services to small-to-medium enterprises, government, retail, mining and education customers across Australia. It offers network infrastructure, Cloud-based solutions and managed services, including communications and WiFi into student campuses. BigAir owns an advanced, large-scale fixed wireless broadband network, including more than 300 wireless PoPs, delivering business-grade services at speeds up to 1Gbps. The BigAir Group includes CyberHound, a provider of Internet security solutions to primary and secondary schools.

Superloop recently acquired submarine cable infrastructure provider, SubPartners, expanding its trans-Australian and international capacity. The acquisition will give the Company ownership of international submarine cable capacity as a member of the INDIGO consortium which is constructing the INDIGO West cable system (Singapore to Perth) and the INDIGO Central cable system (Perth to Sydney).

For more information, visit: www.superloop.com