

ASX Announcement

18 November 2016

TRADING UPDATE

Superloop Limited (**ASX: SLC**) is pleased to provide a trading update for the quarter ended 30 September 2016.

For the quarter, the Company achieved the following significant outcomes:

- Achieved EBITDA break-even based on contracted revenue before Hong Kong operating costs and transaction costs
- Installed over 184 km of fibre, taking total installed fibre to 521 km
- Added 7 new enterprise buildings in Singapore, with 21 on-net at 30 September 2016 (of initial target of 25 high value buildings)
- Strengthened sales team with key appointments in Singapore and Hong Kong
- Signed additional contracted recurring revenue of \$1.7 million p.a., taking the contracted recurring revenue base to over \$13.6 million
- Increased customer base to 177 active customers
- Grew unweighted sales pipeline to over \$45 million of new client opportunities.

The Company has seen continued improvement in contracted and reported gross margin as utilisation of core networks in Singapore and Australia increase. Reported gross margin for the quarter increased to 34.1%, up from 27.6% for the last financial year, reflecting an increase in on-net revenue from 28% to 33%.

Looking ahead, Superloop remains on track to complete the construction of its Hong Kong network next month and the TKO Express submarine cable in the first quarter of next calendar year.

Superloop has significant cash reserves on hand, and has reached agreement with ANZ Bank to increase its three-year corporate facility to \$80.0 million, ensuring sufficient funds for the BigAir acquisition and currently planned projects.

Commenting on the achievements for the quarter, Executive Chairman and CEO, Mr Bevan Slattery said, "We are very pleased to have reached the important milestone of EBITDA break-even based on contracted revenue before Hong Kong operating costs and transaction costs, in line with our internal targets. We have achieved strong growth in all key operating and financial metrics, and anticipate continued momentum as we expand our network in Singapore and launch our core network in Hong Kong, a key hub for international internet bandwidth and connectivity."

BigAir acquisition

In September 2016, the Company announced that it had entered into a Scheme Implementation Agreement to acquire BigAir Group Limited ("BigAir") by way of Scheme of Arrangement

As previously announced, a number of key milestones have been achieved over the past two months, including:

- Received approval at the First Court Hearing to lodge the Scheme Booklet and convene the BigAir Scheme Meeting to approve the proposed acquisition;
- Released the Scheme Booklet to the ASX and distributed the Scheme Booklet to BigAir Shareholders; and

- Independent Expert opined that the Scheme is fair and reasonable and in the best interest of BigAir Shareholders, in the absence of a superior proposal.

Superloop remains on track to reach financial close in late December 2016, subject to BigAir Shareholder approval, court approval at the Second Court Hearing, and other necessary approvals and conditions precedent.

Indicative completion timetable:

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|---|------------------|
| BigAir Scheme Meeting | 7 December 2016 |
| Second Court Hearing | 9 December 2016 |
| Effective Date | 9 December 2016 |
| <ul style="list-style-type: none"> - Court orders lodged with ASIC - BigAir Shares suspended from trading | |
| New Superloop shares trade on ASX on a <u>deferred</u> settlement basis | 12 December 2016 |
| Implementation Date | 21 December 2016 |
| <ul style="list-style-type: none"> - Payment of cash consideration and issue of New Superloop shares | |
| New Superloop shares trade on ASX on a <u>normal</u> settlement basis | 22 December 2016 |

ADDITIONAL INFORMATION

For further comment or other information please contact:

Investor enquiries:

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About Superloop

Established in 2014, Superloop is quickly becoming one of the leading independent providers of interconnection services in the Asia Pacific region.

The Company owns and operates over 300 km of fibre networks in Australia and Singapore, connecting over 48 of the region's key data centres. The network is continually expanding with further extensions currently underway to connect the Singapore Exchange, iO and NTT data centres in Singapore.

In Hong Kong, Superloop is establishing a 110 km fibre optic network connecting 30 strategic sites including the Hong Kong Stock Exchange data centre, and is on track to commence operations in December 2016. Additionally, the Company is also constructing 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 lowest latency path between Hong Kong's major finance and technology hubs.

The Group also operates two subsidiary businesses, APEXN and CINENET.

For more information, visit: www.superloop.com