

ASX Announcement

11 September 2017

Superloop expands fixed wireless capability with strategic acquisition of NuSkope

Superloop Limited (**ASX: SLC**) is pleased to announce that it has entered into an agreement to acquire NuSkope Pty Ltd and associated entities RA-WIFI Pty Ltd and RA-ADSL Pty Ltd (together “NuSkope”).

NuSkope is a leading fixed wireless Internet Service Provider delivering advanced high-speed Internet access to homes, schools and businesses in South Australia. The company was established in 2007 as a specialist wireless network provider offering broadband to areas of metropolitan Adelaide which were typically in broadband black spots. Its reputation for superior performance and customer service has seen it grow rapidly extending its network coverage to the greater Adelaide regional area.

Bevan Slattery, CEO of the Superloop Group, said that the strategic acquisition of NuSkope delivered Superloop a portfolio of strategic assets including ownership of existing wireless network infrastructure, a sophisticated network coverage service qualification tool and valuable CRM database.

NuSkope also brings an energetic team with substantial retail fixed wireless experience and provides the platform and expertise to expand interstate and into to other geographic areas.

“We are very excited to be working with NuSkope and expanding our reach in the strategically important Adelaide market. This acquisition will drive Superloop’s capability to address the increasing appetite for wireless connectivity solutions and compliment the BigAir wireless infrastructure acquired in late 2016. The NuSkope team has built a leading position in the South Australian market and has developed impressive systems and processes which will enhance our ability to service our wholesale customers and strengthen our ability to compete and meet growing customer demand across the region and in new areas,” Mr Slattery said

Superloop is looking to further invest in expanding the South Australian network and team into the future. “The founders Michael, Rabih and Adam are some of the most innovative and efficient operators in this space and we are all committed to keep that going. I look forward to working with them and expanding their service offering.”

Michael Blake, Chief Technology Officer and Co-Founder of NuSkope, said “We are excited to be a part of the Superloop Group and continue the expansion of our network. Combining Superloop Group’s infrastructure, including BigAir, will help us accelerate into more markets across Australia.”

NuSkope generated customer revenue of over \$7.1 million for the 2017 financial year (up from \$4.1 million for the 2016 financial year) and adjusted earnings before interest, tax, depreciation and amortisation (EBITDA) of over \$2.4 million (up from \$1.6 million for 2016).

Strategic rationale

The acquisition of NuSkope has significant strategic benefits for the Superloop Group and addresses each of the previously stated objectives for investment or acquisition. In particular, the acquisition:

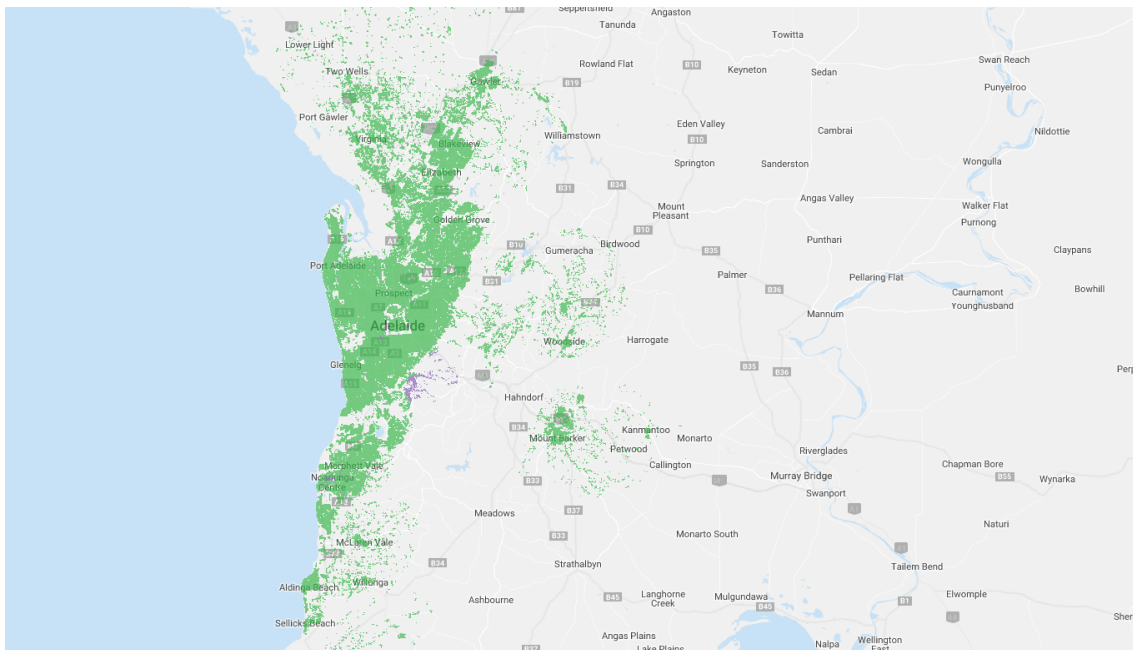
- is strategically aligned to our vision to be the most trusted enabler of connectivity and managed services in Asia Pacific;
- accelerates our ability to significantly expand our fixed wireless coverage in Adelaide and surrounding areas which neatly compliments our BigAir wireless network footprint;

- has a team that is focused, dedicated and culturally aligned with Superloop's existing team;
- is earnings accretive; and
- has technology, software and systems that will add significant value to the combined group and assist in further strengthening our wholesale access offerings to the market.

Ownership of NuSkope's network infrastructure provides Superloop with further network ownership economics and control. It enhances Superloop's existing fixed wireless infrastructure, offers synergies through network cost savings and allows further utilisation of capacity accessed through our long-term agreement with Vocus.

NuSkope will also provide the ability for further opportunities to deploy high bandwidth, low operating cost mmWave and multi-point access technology and allow Superloop to offer a reliable and high-quality experience for customers and wholesale partners.

NuSkope network coverage:



Consideration

Consideration for the strategic acquisition includes \$7.0 million in cash plus \$3.0 million in Superloop shares at an issue price of \$2.457, being the volume weighted average price for the 30 trading days to 6 September 2017. The cash component will be funded from Superloop's cash reserves and available debt facility.

All shares issued as consideration to the vendors of NuSkope will rank equally with existing Superloop shares and be subject to voluntary escrow for 12 months from the date of completion.

The vendors of NuSkope are entitled to receive further deferred consideration, payable in 2 components in cash, representing 33.33% of NuSkope's FY18 EBITDA and 66.67% of its FY19 EBITDA calculated in accordance with the operations of NuSkope prior to completion, to be paid after the end of each financial year.

Total expected consideration represents under 5 times adjusted EBITDA for FY17.

The vendors will enter into employment agreements with Superloop and have agreed to restraints which include the operation of a similar business and the development of similar intellectual property owned by NuSkope.

Conditions precedent to completion

Completion of the acquisition is subject to certain conditions precedent including satisfactory completion of due diligence, regulatory notifications and receiving approval for change of control under certain contracts.

The transaction is expected to complete during October 2017.

ADDITIONAL INFORMATION

For further comment or other information please contact:

Investor enquiries:

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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