

**Superloop Limited**  
**ABN 96 169 263 094**  
**Appendix 4D**  
**Half Year Financial Report**

## Results for announcement to the market

For the half-year ended 31 December 2017  
(Previous corresponding period to 31 December 2016)

### SUMMARY OF FINANCIAL INFORMATION

	31 Dec 2017 \$	31 Dec 2016 \$	Change \$	Change %
Revenue from ordinary activities	55,513,618	8,765,003	46,748,615	533.36%
Profit / (Loss) from ordinary activities after income tax for the period attributable to members	1,781,409	(1,977,873)	3,759,282	n/a
Profit / (Loss) after income tax attributable to members	1,781,409	(1,977,873)	3,759,282	n/a
Profit after direct costs	30,750,327	3,078,914	27,671,413	898.74%

### Explanation of profit/(loss) from ordinary activities after tax

Profit after direct costs for the period was \$30.8 million, up from \$3.1 million for the previous corresponding period, with revenue from customers of \$54.4 million offset by direct costs of \$23.6 million.

The Group generated net profit after tax of \$1.8 million for the period, which included one-off transaction costs of \$0.2 million associated with the acquisitions of NuSkope Pty Ltd and GX2 Holdings Pty Ltd and costs associated with the integration of BigAir Group of \$0.5 million. The result reflects the contribution from BigAir for the period from 1 July 2017 while the previous corresponding period included a contribution from 21 December 2016 to 31 December 2016.

Nuscope contributed earnings of \$1.0 million and GX2 contributed earnings of \$0.1 million for the period from acquisition. Operating expenses for the period were \$20.1 million including \$0.2 million in one-off costs associated with the acquisitions of NuSkope and GX2 and \$0.5 million associated with the integration of BigAir Group. Employee costs grew \$9.9 million compared to the previous corresponding period reflecting the increase in employees associated with acquisitions made since the beginning of the last period.

### Explanation of revenue

Superloop's revenue from ordinary activities for the period ended 31 December 2017 was \$55.5 million, up \$46.7 million from the previous corresponding period and included revenue of \$36.4 million from BigAir Group. The previous corresponding period included revenue of \$2.2 million from BigAir Group for the 10 days after acquisition on 21 December 2016.

Revenue from customers grew \$46.7 million from the previous corresponding period and included \$1.9 million from NuSkope which was acquired on 13 October 2017 and \$1.1 million from GX2 which was acquired on 17 November 2017. The Group's Australian businesses, which include BigAir Group, NuSkope and GX2, contributed revenue of \$46.9 million, an increase of \$39.7 million over the previous corresponding period. Singapore contributed revenue of \$3.0 million, an increase of \$2.0 million over the previous corresponding period and Hong Kong contributed \$4.5 million in revenue.

### Dividends

A final dividend for the financial year ended 30 June 2017 of \$0.005 per share was paid during the period. No dividend has been proposed or declared in respect of the period ended 31 December 2017.

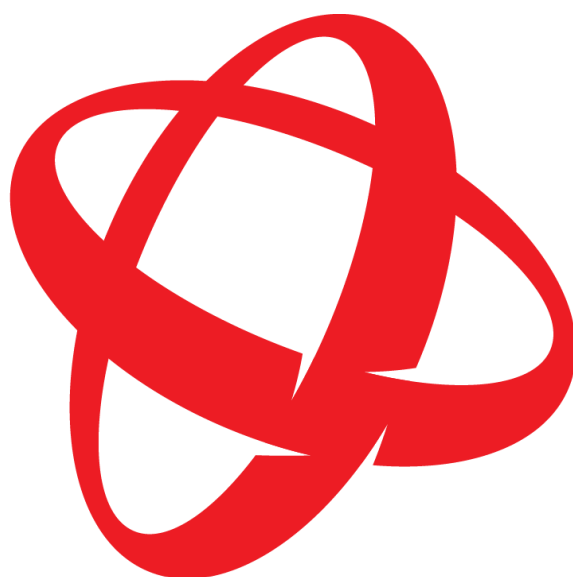
### NTA Backing

	31 Dec 2017	31 Dec 2016
Net tangible asset backing per ordinary share	\$0.51	\$0.66

The number of Superloop shares on issue at 31 December 2017 was 228,486,312 (31 December 2016: 208,490,207).

### Additional Information

Additional Appendix 4D Disclosures can be found in the attached Financial Report which has been reviewed by the Group's auditors.



superloop

**SUPERLOOP LIMITED**

ABN 96 169 263 094

**CONDENSED CONSOLIDATED HALF YEAR  
FINANCIAL REPORT**

**For the period ended 31 December 2017**

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# Directors' Report

The Directors present their report on the consolidated entity (referred to hereafter as 'Superloop' or 'the Group') consisting of Superloop Limited and the entities it controlled at the end of, or during, the half year ended 31 December 2017.

## DIRECTORS

The following persons were directors of the Group during the period:

- Michael Malone
- Bevan Slattery
- Greg Baynton
- Louise Bolger
- Richard (Tony) Clark
- Jason Ashton
- Vivian Stewart
- Matthew Hollis

## FINANCIAL AND OPERATING REVIEW

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

During the period, the Group expanded its coverage and capabilities with the strategic acquisitions of NuSkope Pty Ltd and GX2 Holdings Pty Ltd (GX2) and continued to expand its fibre optic and fixed wireless networks in Australia, Singapore and Hong Kong.

Profit after direct costs for the period was \$30.8 million, up from \$3.1 million for the previous corresponding period, with revenue of \$54.4 million offset by direct costs of \$23.7 million.

Revenue from customers grew \$46.2 million compared to the previous corresponding period, and included \$3.0 million from NuSkope and GX2 since acquisition.

Operating expenses for the period were \$20.1 million and include \$0.2 million of one-off costs associated with the acquisitions of Nuskope and GX2 and \$0.5 million associated with the integration of BigAir. Employee costs grew \$9.9 million compared to the previous corresponding period reflecting the increase in employees associated with entities acquired since the beginning of the last period.

The Group made Net Profit after Tax of \$1.8 million and earnings before interest-paid, tax, depreciation and amortisation (EBITDA) of \$11.8 million.

As at 31 December 2017, the Group held \$6.4 million in cash and cash equivalents. The Group has access to a revolving debt facility of \$80.0 million, with \$30.5 million of the facility utilised at balance date. The Group has sufficient funding flexibility for its upcoming planned projects and further expansion.

The Group continued to invest into its network assets with property, plant and equipment increasing by \$17.5 million (excluding acquisitions) in the period.

As at 31 December 2017, the Group held intangible assets of \$262.4 million including intangible assets arising from the acquisitions of APEXN Pty Ltd,

CINENET Systems Pty Ltd, BigAir Group Limited, SubPartners Pty Ltd, NuSkope Pty Ltd and GX2 Holdings Pty Ltd.

During the period, Superloop:

- Completed the acquisition of NuSkope, a leading fixed wireless Internet Service Provider;
- Completed the acquisition of GX2 Technology, a leading provider of managed connectivity services for hotels, student accommodation sites and schools;
- Raised \$35 million by way of institutional placement and share purchase plan to provide funding support for further customer-led network expansion, possible strategic acquisitions and balance sheet flexibility for future strategic growth opportunities,
- Continued to develop Superloop 360 customer provisioning and network management portal,
- Continued the expansion of the Singapore network to strategic locations with 186 km of fibre connected to 18 data centres and 39 commercial buildings,
- Continued the expansion of the Hong Kong network to strategic locations with 235 km of fibre over 2 cables connected to 14 data centres and 11 commercial buildings,
- Progressed development of the INDIGO subsea telecommunications cable systems connecting Singapore, Jakarta, Perth and Sydney including completing construction of the seaward duct at Coogee Beach in Sydney for the landing of the the INDIGO Central cable,
- Progressed the integration of BigAir Group's products, services, systems and employees, and
- Paid a maiden dividend of \$0.005 per share fully franked.

## DIVIDENDS

A final dividend for the financial year ended 30 June 2017 of \$0.005 was paid during the period.

No dividend has been declared for the period

## ROUNDING OF AMOUNTS

The Group is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the financial report. Amounts in the half year financial report have been rounded off in accordance with that Class Order to the nearest whole dollars.

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## **AUDITOR'S INDEPENDENCE DECLARATION**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 6.

The report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



Bevan Slattery  
Chief Executive Officer

Brisbane  
26 February 2018

The Board of Directors  
Superloop Limited  
Level 17, 333 Ann Street  
Brisbane QLD 4006

26 February 2018

Dear Board Members

## **Superloop Limited**

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Superloop Limited.

As lead audit partner for the review of the financial statements of Superloop Limited for the half-year ended 31 December 2017, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely



DELOITTE TOUCHE TOHMATSU



Stephen Tarling  
Partner  
Chartered Accountants

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# Condensed Interim Financial Report

31 December 2017

These financial statements are the condensed consolidated financial statements of the consolidated entity consisting of Superloop Limited (ABN 96 169 263 094) and its subsidiaries.

Superloop Limited is a company limited by shares, incorporated and domiciled in Australia. These financial statements are presented in Australian dollars.

Superloop's registered office is Level 17, 333 Ann Street, Brisbane, QLD, 4000.

A description of the nature of the consolidated entity's operations is included in the Directors' Report on page 4, which is not part of these financial statements.

The financial statements were authorised for issue by the Directors on 26 February 2018. The Directors have the power to amend and reissue the financial statements.

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# Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half-year ended 31 December 2017

	Note	31 Dec 2017 \$	31 Dec 2016 \$
<b>REVENUE FROM CONTINUING OPERATIONS</b>			
Revenue		54,388,364	8,197,217
Direct costs		(23,638,037)	(5,118,303)
<b>Profit after direct costs</b>		<b>30,750,327</b>	<b>3,078,914</b>
<b>OTHER REVENUE</b>			
Interest income		21,891	503,900
Other income		1,103,363	63,886
<b>Total other revenue</b>		<b>1,125,254</b>	<b>567,786</b>
<b>OPERATING EXPENSES</b>			
Employee benefits expense		(13,641,118)	(3,784,815)
Professional fees		(1,741,180)	(4,509,836)
Marketing costs		(826,808)	(422,959)
Office and administrative expenses		(3,865,599)	(1,442,962)
<b>Total operating expenses</b>		<b>(20,074,705)</b>	<b>(10,160,572)</b>
<b>Earnings before interest-paid, tax, depreciation, amortisation and foreign exchange gains/losses (EBITDA)</b>		<b>11,800,876</b>	<b>(6,513,872)</b>
Depreciation and amortisation expense		(9,709,001)	(1,716,058)
Finance costs		(1,144,835)	(76,808)
Foreign exchange gains / (losses)		(369,945)	153,291
<b>Profit / (loss) before income tax</b>		<b>577,095</b>	<b>(8,153,447)</b>
Income tax benefit / (expense)		1,204,314	6,175,574
<b>Profit / (loss) for the period after tax</b>		<b>1,781,409</b>	<b>(1,977,873)</b>
<b>Other comprehensive income, net of income tax</b>			
<b>Items that may be reclassified subsequently to profit or loss:</b>			
Exchange differences on translating foreign operations		(645,155)	(889,235)
Fair value gain (loss) on hedging transactions entered into the cash flow hedge reserve		(153,663)	455,356
<b>Total other comprehensive income, net of income tax</b>		<b>(798,818)</b>	<b>(433,879)</b>
<b>Total comprehensive profit / ( loss) for the period</b>		<b>982,591</b>	<b>(2,411,752)</b>
<b>Profit / (loss) for the year attributable to:</b>			
> Owners of Superloop Limited		1,781,409	(1,977,873)
		1,781,409	(1,977,873)
<b>Total comprehensive profit / (loss) for the period:</b>			
Attributable to:			
> Owners of Superloop Limited		982,591	(2,411,752)
		982,591	(2,411,752)

	Note	Cents	Cents
<b>Earnings per share attributable to the ordinary equity holders of the Group:</b>			
Basic earnings per share	8	0.82	(1.33)
Diluted earnings per share	8	0.82	(1.33)

Notes to the condensed consolidated financial statements form part of the half-year financial report.



## Condensed Consolidated Statement of Financial Position

As at 31 December 2017

	Note	31 Dec 2017 \$	30 June 2017 (1) \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		6,411,660	7,104,685
Trade and other receivables		21,309,843	10,549,796
Current tax assets		2,952,502	2,898,701
Other current assets		3,727,732	3,141,135
<b>Total current assets</b>		<b>34,401,737</b>	<b>23,694,317</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	4	153,891,245	140,414,377
Intangible assets	5	262,422,815	242,616,684
Other non-current assets		4,429,269	298,714
Deferred tax assets		1,073,052	1,943,363
<b>Total non-current assets</b>		<b>421,816,381</b>	<b>385,273,138</b>
<b>TOTAL ASSETS</b>		<b>456,218,118</b>	<b>408,967,455</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables		21,829,141	21,955,623
Provisions		2,436,300	1,916,767
Deferred revenue		4,381,101	1,957,882
Deferred consideration		1,554,268	3,191,605
Derivative financial liabilities		1,478,208	1,390,638
<b>Total current liabilities</b>		<b>31,679,018</b>	<b>30,412,515</b>
<b>NON-CURRENT LIABILITIES</b>			
Provisions		2,734,005	2,617,708
Deferred revenue		3,788,594	474,691
Deferred consideration		2,945,732	232,521
Interest-bearing borrowings		27,666,412	29,632,910
Deferred tax liabilities		9,374,187	12,124,841
<b>Total non-current liabilities</b>		<b>46,508,930</b>	<b>45,082,671</b>
<b>TOTAL LIABILITIES</b>		<b>78,187,948</b>	<b>75,495,186</b>
<b>NET ASSETS</b>		<b>378,030,170</b>	<b>333,472,269</b>
<b>EQUITY</b>			
Contributed equity	6	395,874,116	351,290,163
Reserves		(5,651,177)	(4,893,516)
Other equity		(3,327,034)	(3,327,034)
Accumulated losses		(8,865,735)	(9,597,344)
<b>TOTAL EQUITY</b>		<b>378,030,170</b>	<b>333,472,269</b>

Notes to the condensed consolidated financial statements form part of the half-year financial report.

(1) Comparative information has been adjusted retrospectively to reflect the fair value adjustments as disclosed in Note 10.

# Condensed Consolidated Statement of Changes in Equity

For the half-year ended 31 December 2017

	Note	Contributed equity \$	Reserves \$	Other equity \$	Accumulated losses \$	Total equity \$
<b>Balance at 30 June 2017</b>		<b>351,290,163</b>	<b>(4,893,516)</b>	<b>(3,327,034)</b>	<b>(9,597,344)</b>	<b>333,472,269</b>
Profit for the period		-	-	-	1,781,409	1,781,409
Other comprehensive income for the period		-	(798,818)	-	-	(798,818)
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>(798,818)</b>	<b>-</b>	<b>1,781,409</b>	<b>982,591</b>
Dividend paid		-	-	-	(1,049,800)	(1,049,800)
Share based payments		-	219,434	-	-	219,434
Issue of ordinary share capital	6	45,264,220	(178,277)	-	-	45,085,943
Share issue costs	6	(680,267)	-	-	-	(680,267)
<b>Balance at 31 December 2017</b>		<b>395,874,116</b>	<b>(5,651,177)</b>	<b>(3,327,034)</b>	<b>(8,865,735)</b>	<b>378,030,170</b>

	Note	Contributed equity \$	Reserves \$	Other equity \$	Accumulated losses \$	Total equity \$
<b>Balance at 30 June 2016</b>		<b>131,186,364</b>	<b>235,031</b>	<b>(3,327,034)</b>	<b>(8,415,106)</b>	<b>119,679,255</b>
Loss for the period		-	-	-	(1,977,873)	(1,977,873)
Other comprehensive income for the period		-	(433,879)	-	-	(433,879)
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>(433,879)</b>	<b>-</b>	<b>(1,977,873)</b>	<b>(2,411,752)</b>
Share based payments		-	564,925	-	-	564,925
Issue of ordinary share capital		221,599,688	-	-	-	221,599,688
Share issue costs		(2,154,647)	-	-	-	(2,154,647)
<b>Balance at 31 December 2016</b>		<b>350,631,405</b>	<b>366,077</b>	<b>(3,327,034)</b>	<b>(10,392,979)</b>	<b>337,277,469</b>

Notes to the condensed consolidated financial statements form part of the half-year financial report.

# Condensed Consolidated Statement of Cash Flows

For the half-year ended 31 December 2017

	Note	31 Dec 2017 \$	31 Dec 2016 \$
<b>OPERATING ACTIVITIES</b>			
Receipts from customers		50,477,970	8,948,772
Payments to suppliers and employees		(43,972,512)	(13,636,339)
Income taxes received / (paid)		(238,031)	-
<b>Net cash inflow / (outflow) from operating activities</b>		<b>6,267,427</b>	<b>(4,687,567)</b>
<b>INVESTING ACTIVITIES</b>			
Interest received		21,891	503,900
Payments for property, plant and equipment		(17,471,022)	(26,044,428)
Payments for other non-current assets		(4,006,916)	-
Payments for intangible assets		(395,915)	(13,461,830)
Net cash outflow on acquisition of subsidiaries	10	(12,355,104)	(43,669,912)
Transaction costs associated with acquisitions		(203,998)	(524,441)
Deferred consideration payments		(1,011,413)	-
<b>Net cash inflow / (outflow) from investing activities</b>		<b>(35,422,477)</b>	<b>(83,196,711)</b>
<b>FINANCING ACTIVITIES</b>			
Proceeds from issues of shares	6	34,999,999	77,830,239
Transaction costs paid in relation to issue of shares		(1,112,590)	(2,154,647)
Dividends paid		(1,049,800)	-
Proceeds from borrowings (net of fees)		18,000,000	11,595,778
Repayment of borrowings		(20,300,000)	(29,950,530)
Interest paid		(1,060,484)	(1,477)
<b>Net cash inflow from financing activities</b>		<b>29,477,125</b>	<b>57,319,363</b>
Net increase / (decrease) in cash and cash equivalents		322,075	(30,564,915)
Cash and cash equivalents at the beginning of the period		7,104,685	45,854,135
Foreign exchange movement in cash		(1,015,100)	(570,111)
<b>Cash and cash equivalents at the end of the period</b>		<b>6,411,660</b>	<b>14,719,109</b>

Notes to the condensed consolidated financial statements form part of the half-year financial report.

# Notes to the Condensed Interim Consolidated Financial Report

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# 1 Significant accounting policies

These general purpose financial statements for the half-year reporting period ended 31 December 2017 have been prepared in accordance with Australian Accounting Standard AASB134 'Interim Financial Reporting' and the Corporations Act 2001. The financial statements are for the consolidated entity consisting of Superloop Limited and its subsidiaries (together referred to as 'Superloop'). Superloop is a public company limited by shares, incorporated and domiciled in Australia.

These condensed financial statements do not include all the notes normally included in the annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2017 and any public announcements made by Superloop during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year ended 30 June 2017.

Superloop has not elected to early adopt any new Accounting Standards or Interpretations that have been announced but are not yet effective.

## 2 Critical accounting estimates and judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be wrong.

In preparation of the interim financial report, the significant judgements made by management in applying Superloop's accounting policies and key sources of estimation uncertainty were the same as that applied to the financial report as at the year ended 30 June 2017.

## 3 Segment information

### (A) DESCRIPTION OF SEGMENTS

Superloop is a trusted enabler of connectivity and managed services in Asia Pacific. During the period, the principal activities of the Group included:

- i) the development and operation of independent connectivity infrastructure and services throughout the Asia Pacific region for wholesale and enterprise customers including fibre optic cable, international submarine cables and fixed wireless networks (Superloop),
- ii) the provision of outsourced cloud and managed services, cyber security and cyber safety (Superloop+), and
- iii) the provision of broadband services for individual end users including retail fixed wireless internet services and connectivity services for hotels, student accommodation sites and schools (Superbb) .

The operations of the Group are reported in these segments to Superloop's executive management team (chief operating decision maker).

During the period, the Group acquired NuSkope Pty Ltd and associated entities on 13 October 2017 and GX2 Holdings Pty Ltd on 17 November 2017. These businesses expand the provision of the Group's broadband services with their contribution to earnings included in the Superbb segment.

Superbb includes earnings from BigAir Community Broadband services which were included in the Managed Services segment for the 30 June 2017 financial year.

Comparative information has been restated to align with the current operating segments.

### 3 Segment information (cont)

(B) SEGMENT INFORMATION PROVIDED TO MANAGEMENT

Operating segments	Superloop (1) (previously Connectivity)	Superloop+ (previously Managed Services)	Superbb (2)	Corporate (3)	Total
	\$	\$	\$	\$	\$
<b>31 Dec 2017</b>					
Revenue from ordinary activities	27,901,919	18,001,704	9,799,618	(189,623)	55,513,618
Direct costs	(7,538,183)	(10,530,722)	(5,806,046)	236,914	(23,638,037)
Employee benefits expense	(6,987,880)	(3,448,288)	(1,064,146)	(2,140,804)	(13,641,118)
Other expenses	(3,889,177)	(1,023,600)	(375,450)	(1,145,360)	(6,433,587)
<b>EBITDA</b>	<b>9,486,679</b>	<b>2,999,094</b>	<b>2,553,976</b>	<b>(3,238,873)</b>	<b>11,800,876</b>
Depreciation and amortisation	(6,484,355)	(1,995,250)	(920,020)	(309,376)	(9,709,001)
Finance expenses	-	(267)	-	(1,144,568)	(1,144,835)
Foreign exchange gains / (losses)	(51,592)	620	(2,527)	(316,446)	(369,945)
<b>Profit / (loss) before income tax</b>	<b>2,950,732</b>	<b>1,004,197</b>	<b>1,631,429</b>	<b>(5,009,263)</b>	<b>577,095</b>

(1) Superloop includes earnings associated with the development of the INDIGO subsea cable system

(2) Superbb includes earnings and assets from BigAir Community Broadband previously disclosed in the Managed Services segment

(3) Corporate includes inter-segment eliminations and unallocated earnings.

Analysis of Superloop Operating Segment	Australia	Singapore	Hong Kong	Sub-total
	\$	\$	\$	\$
<b>31 Dec 2017</b>				
Revenue from ordinary activities	20,358,501	3,045,910	4,497,508	27,901,919
Direct costs	(5,186,306)	(709,587)	(1,642,290)	(7,538,183)
Employee benefits expense	(6,278,898)	(337,500)	(371,482)	(6,987,880)
Other expenses	(3,410,093)	(256,195)	(222,889)	(3,889,177)
<b>EBITDA</b>	<b>5,483,204</b>	<b>1,742,628</b>	<b>2,260,847</b>	<b>9,486,679</b>
Depreciation and amortisation	(4,364,493)	(883,549)	(1,236,313)	(6,484,355)
Finance expenses	-	-	-	-
Foreign exchange gains / (losses)	(51,592)	-	-	(51,592)
<b>Profit / (loss) before income tax</b>	<b>1,067,119</b>	<b>859,079</b>	<b>1,024,534</b>	<b>2,950,732</b>

### 3 Segment information (cont)

(B) SEGMENT INFORMATION PROVIDED TO MANAGEMENT

Operating segments	Superloop (previously Connectivity)	Superloop+ (Australia) (previously Managed Services)	Superbb (1)	Corporate (2)	Total
	\$	\$	\$	\$	\$
<b>31 Dec 2016 (3)</b>					
Revenue from ordinary activities	7,001,125	1,226,000	125,983	411,895	8,765,003
Direct costs	(4,365,833)	(859,847)	(30,558)	137,935	(5,118,303)
Employee benefits expense	(2,381,132)	(230,172)	(29,298)	(1,144,213)	(3,784,815)
Other expenses	(1,455,632)	(81,813)	(22,345)	(4,815,967)	(6,375,757)
<b>EBITDA</b>	<b>(1,201,472)</b>	<b>54,168</b>	<b>43,782</b>	<b>(5,410,350)</b>	<b>(6,513,872)</b>
Depreciation and amortisation	(1,349,952)	(75,866)	(26,306)	(263,934)	(1,716,058)
Finance expenses	-	(1,477)	-	(75,331)	(76,808)
Foreign exchange gains / (losses)	(240,743)	2	-	394,032	153,291
<b>Profit / (loss) before income tax</b>	<b>(2,792,167)</b>	<b>(23,173)</b>	<b>17,476</b>	<b>(5,355,583)</b>	<b>(8,153,447)</b>

(1) Superbb includes earnings and assets from BigAir Community Broadband previously disclosed in the Managed Services segment

(2) Corporate includes inter-segment eliminations and unallocated earnings

(3) Comparative information has been restated to align with current operating segments

Analysis of Superloop Operating Segment	Australia \$	Singapore \$	Hong Kong \$	Sub-total \$
<b>31 Dec 2016 (3)</b>				
Revenue from ordinary activities	5,838,963	1,133,831	28,331	7,001,125
Direct costs	(3,487,282)	(537,660)	(340,891)	(4,365,833)
Employee benefits expense	(1,924,840)	(227,598)	(228,694)	(2,381,132)
Other expenses	(1,007,805)	(217,367)	(230,460)	(1,455,632)
<b>EBITDA</b>	<b>(580,964)</b>	<b>151,206</b>	<b>(771,714)</b>	<b>(1,201,472)</b>
Depreciation and amortisation	(601,405)	(748,120)	(427)	(1,349,952)
Finance expenses	-	-	-	-
Foreign exchange gains / (losses)	(240,743)	-	-	(240,743)
<b>Profit / (loss) before income tax</b>	<b>(1,423,112)</b>	<b>(596,914)</b>	<b>(772,141)</b>	<b>(2,792,167)</b>

## 4 Property, plant and equipment

	31 Dec 2017	30 June 2017
	\$	\$
<b>Cost or valuation:</b>		
Opening balance	147,102,729	68,705,937
Additions	17,929,492	51,867,800
Additions through business combinations (note 10)	1,692,705	31,209,136
Movement in foreign exchange	(478,280)	(4,680,144)
<b>Closing balance</b>	<b>166,246,646</b>	<b>147,102,729</b>
<b>Accumulated depreciation:</b>		
Opening balance	(6,688,352)	(1,855,200)
Depreciation charge (YTD)	(5,673,921)	(4,858,583)
Movement in foreign exchange	6,872	25,431
<b>Closing balance</b>	<b>(12,355,401)</b>	<b>(6,688,352)</b>
<b>Carrying value:</b>	<b>153,891,245</b>	<b>140,414,377</b>

The values of property, plant and equipment assets identified in relation to the acquisitions of the NuSkope Pty Ltd and GX2 Holdings Pty Ltd are provisional as at the reporting date 31 December 2017.

## 5 Intangible assets

	31 Dec 2017	30 June 2017
	\$	\$
<b>Cost or valuation:</b>		
Opening balance	247,416,266	13,009,187
Additions	475,998	14,944,059
Additions through business combinations (note 10)	23,365,213	219,473,204
Movement in foreign exchange	-	(10,184)
<b>Closing balance</b>	<b>271,257,477</b>	<b>247,416,266</b>
<b>Accumulated amortisation:</b>		
Opening balance	(4,799,582)	(645,978)
Amortisation charge (YTD)	(4,035,080)	(4,154,061)
Movement in foreign exchange	-	457
<b>Closing balance</b>	<b>(8,834,662)</b>	<b>(4,799,582)</b>
<b>Carrying value:</b>	<b>262,422,815</b>	<b>242,616,684</b>

The values of intangible assets identified in relation to the acquisitions of the NuSkope Pty Ltd and GX2 Holdings Pty Ltd are provisional as at the reporting date 31 December 2017.



## 6 Contributed equity

### (A) SHARE CAPITAL

	Note	31 Dec 2017 Number of Shares	30 June 2017 Number of Shares	31 Dec 2017 \$	30 June 2017 \$
Fully paid ordinary shares	(C)	228,486,312	208,795,883	401,672,348	356,408,128
<b>Total share capital</b>				<b>401,672,348</b>	<b>356,408,128</b>
Less: Issue costs				(5,798,232)	(5,117,965)
<b>Contributed Equity</b>				<b>395,874,116</b>	<b>351,290,163</b>

### (B) MOVEMENTS IN ORDINARY SHARE CAPITAL

Date	Details	Number of Shares	Issue Price \$	Value \$
<b>30-Jun-17</b>	<b>Balance</b>	208,795,883		356,408,128
11-Aug-17	Shares issued as consideration for SubPartners Pty Ltd	1,161,495	2.56	2,973,427
2-Oct-17	Share placement	8,888,889	2.25	20,000,000
13-Oct-17	Shares issued as consideration for NuSkope Pty Ltd and associated entities	1,221,110	2.37	2,894,030
20-Oct-17	Share purchase plan	6,666,666	2.25	14,999,999
2-Nov-17	Vesting of performance rights	71,597	2.49	178,277
17-Nov-17	Shares issued as consideration for GX2 Holdings Pty Ltd	1,680,672	2.51	4,218,487
<b>31-Dec-17</b>	<b>Balance</b>	<b>228,486,312</b>		<b>401,672,348</b>

### (B) ORDINARY SHARES

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Group in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote. Ordinary shares have no par value and the Group does not have a limited amount of authorised capital.

### (C) DIVIDEND REINVESTMENT PLAN

The Group does not have a dividend reinvestment plan in place.

## 7 Dividends

	31 Dec 2017 \$	30 June 2017 \$
<b>Dividends paid during the period:</b>		
Fully franked dividend for the year ended 30 June 2017, \$0.005 per share	1,049,800	-

## 8 Earnings per share

### (A) EARNINGS PER SHARE

	31 Dec 2017 Cents	31 Dec 2016 Cents
Total basic earnings per share attributable to the ordinary equity holders of the Group	0.82	(1.33)

### (B) DILUTED EARNINGS PER SHARE

	31 Dec 2017 Cents	31 Dec 2016 Cents
Total diluted earning per share attributable to the ordinary equity holders of the Group	0.82	(1.33)

### (C) RECONCILIATIONS OF EARNINGS USED IN CALCULATING EARNINGS PER SHARE

	31 Dec 2017 \$	31 Dec 2016 \$
<b>BASIC EARNINGS PER SHARE</b>		
Profit attributable to the ordinary equity holders of the Group used in calculating basic losses per share	1,781,409	(1,977,873)
<b>DILUTED EARNINGS PER SHARE</b>		
Profit from continuing operations attributable to the ordinary equity holders of the Group	1,781,409	(1,977,873)

### (D) WEIGHTED AVERAGE NUMBER OF SHARES USED AS THE DENOMINATOR

	31 Dec 2017 Number of Shares	31 Dec 2016 Number of Shares
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	217,597,914	148,702,338
Plus potential ordinary shares	815,022	387,304
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	<b>218,412,936</b>	<b>149,089,642</b>

## 9 Commitments and contingencies

### (A) CAPITAL COMMITMENTS

Capital expenditure contracted for at the end of each reporting period but not recognised as liabilities is as follows:

	31 Dec 2017 \$	30 June 2017 \$
Property, plant and equipment	45,507,277	41,385,683
<b>Total capital commitments</b>		

Capital commitments disclosed above relate to contracted capital commitments associated with network expansion.

### (B) CONTINGENT ASSETS

The Group did not have any contingent assets during the period or as at the date of this report.

### (C) CONTINGENT LIABILITIES

The Group did not have any contingent liabilities during the period or as at the date of this report.

## 10 Controlled entities acquired or disposed

During the period, Superloop Limited acquired the following entities:

NuSkope Pty Ltd and associated entities	13 October 2017
Gx2 Holdings Pty Ltd	17 November 2017

If the entities had been acquired at 1 July 2017, the Group would have generated total revenue of \$62.0 million and underlying EBITDA of \$14.0 million for the period ended 31 December 2017, after adjusting for transaction and integration costs and based on unaudited financial information for the period prior to the date of each acquisition.

### **NuSkope Pty Ltd and associated entities (NuSkope)**

On 13 October 2017, Superloop Limited acquired 100% of NuSkope Pty Ltd and associated entities for a total estimated consideration of \$12.4 million, paid as \$7.0 million in cash and \$2.9 million in Superloop Limited shares with further deferred consideration payable in 2 instalments in cash. Deferred consideration will represent 33.3% of NuSkope's Earnings before interest, tax, depreciation and amortisation (EBITDA) for the 2018 financial year and 66.7% of EBITDA for the 2019 financial year, calculated in accordance with the operations of NuSkope prior to completion.

The acquisition of NuSkope delivers Superloop a portfolio of strategic assets including wireless network infrastructure, a sophisticated network coverage service qualification tool and a valuable CRM database. Goodwill of \$11.5 million represents the residual value of the purchase price over the provisional fair value of the identifiable assets and liabilities shown below. The acquired businesses contributed revenues of \$1.9 million during the 11 week period from acquisition and adjusted EBITDA of \$1.0 million. At 31 December 2017, the Company is continuing to receive the information required to assess the fair values of the assets and liabilities acquired.

Accordingly the values identified below are provisional as at the reporting date. Details of the acquisition are:

	Provisional Fair Value \$
<b>a) Identifiable assets acquired and liabilities assumed</b>	
Cash	242,319
Receivables	135,548
Property, plant and equipment	1,411,529
Other assets	24,600
Payables	(718,509)
Provisions and other liabilities	(240,947)
<b>Net identifiable assets acquired</b>	<b>854,540</b>
<b>b) Consideration transferred</b>	
Cash paid	7,000,000
Shares issued	2,894,031
Deferred consideration <sup>(1)</sup>	2,500,000
<b>Total consideration</b>	<b>12,394,031</b>
(1) Estimated deferred consideration is dependent on EBITDA earned by NuSkope in the 2018 and 2019 financial years and is calculated in accordance with the operations of NuSkope prior to completion. The maximum amount payable is unlimited. \$2.5 million has been recognised based on a probability weighted estimate of earnings with a range of deferred consideration outcomes from \$2.2 million to \$2.5 million.	
<b>c) Goodwill on acquisition</b>	
Consideration transferred	12,394,031
Less: net identifiable assets acquired	(854,540)
<b>Goodwill on acquisition</b>	<b>11,539,491</b>

## 10 Controlled entities acquired or disposed (cont)

d) Net cash outflow on acquisition	
Consideration paid in cash	7,000,000
Less: cash and cash equivalent balances acquired	(242,319)
<b>Net cash outflow on acquisition</b>	<b>6,757,681</b>

### **GX2 Holdings Pty Ltd (GX2)**

On 17 November 2017, Superloop Limited acquired 100% of GX2 Holdings Pty Ltd for a total consideration of \$12.2 million, paid as \$6.0 million in cash, \$4.2 million in Superloop Limited shares and deferred consideration of \$2.0 million payable in cash in instalments in the 2 year period from completion.

The strategic acquisition of GX2 accelerates Superloop's existing community broadband campus solution offering to a broader customer base in Australia and overseas and has technology, software and systems that will add significant value to the combined group. Goodwill of \$11.5 million represents the residual value of the purchase price over the provisional fair value of the identifiable assets and liabilities shown below. The acquired business contributed revenues of \$1.1 million during the 6 week period from acquisition and EBITDA of \$0.1 million. At 31 December 2017, the Company is continuing to receive the information required to assess the fair values of the assets and liabilities acquired.

Accordingly the values identified below are provisional as at the reporting date. Details of the acquisition are:

	Provisional Fair Value \$
<b>a) Identifiable assets acquired and liabilities assumed</b>	
Cash	402,577
Receivables	904,993
Property, plant and equipment	281,176
Other identifiable intangibles	288,530
Other assets	1,070,223
Payables	(845,339)
Deferred revenue	(1,024,950)
Provisions and other liabilities	(395,915)
<b>Net identifiable assets acquired</b>	<b>681,295</b>
<b>b) Consideration transferred</b>	
Cash paid	6,000,000
Shares issued	4,218,487
Deferred consideration	2,000,000
<b>Total consideration</b>	<b>12,218,487</b>
<b>c) Goodwill on acquisition</b>	
Consideration transferred	12,218,487
Less: net identifiable assets acquired	(681,295)
<b>Goodwill on acquisition</b>	<b>11,537,192</b>
<b>d) Net cash outflow on acquisition</b>	
Consideration paid in cash	6,000,000
Less: cash and cash equivalent balances acquired	(402,577)
<b>Net cash outflow on acquisition</b>	<b>5,597,423</b>

## 10 Controlled entities acquired or disposed (cont)

### BigAir Group Limited

On 21 December 2016, Superloop Limited acquired 100% of BigAir Group Limited for a total consideration of \$189.6 million, paid as \$45.8 million in cash and \$143.8 million in Superloop Limited shares issued at \$2.74 per share. At 30 June 2017, the fair value of the assets acquired and liabilities assumed were recognised on a provisional basis. During the period, the fair value of assets acquired and the liabilities has been finalised and the effect on the financial statements has been summarised below. The goodwill of \$156.6 million represents the residual value of the purchase price over the fair value of the identifiable assets and liabilities.

	Provisional fair value at 30 June 2017	Fair value adjustments	Final fair value at 31 December 2017 <sup>(1)</sup>
	\$	\$	\$
<b>a) Identifiable assets acquired and liabilities assumed</b>			
Cash	2,134,644	-	2,134,644
Receivables	7,482,719	441,383	7,924,102
Other assets	4,674,065	-	4,674,065
Property, plant and equipment	37,632,555	(7,102,564)	30,529,991
Customer relationships	48,739,000	280,000	49,019,000
Brand name and trademarks	500,000	-	500,000
Other identifiable Intangible assets	5,114,000	(1,943,000)	3,171,000
Payables and other liabilities	(12,493,025)	(232,521)	(12,725,546)
Deferred revenue	(2,899,682)	-	(2,899,681)
Provisions	(4,063,782)	-	(4,063,782)
Deferred tax liabilities	(15,399,000)	(84,000)	(15,483,000)
Term debt funding	(30,055,019)	-	(30,055,019)
<b>Net identifiable assets acquired</b>	<b>41,366,475</b>	<b>(8,640,702)</b>	<b>32,725,774</b>
<b>b) Consideration transferred</b>			
Cash paid	45,804,556	-	45,804,556
Shares	143,769,449	-	143,769,449
<b>Total consideration</b>	<b>189,574,005</b>	<b>-</b>	<b>189,574,055</b>
<b>c) Goodwill arising on acquisition</b>			
Consideration	189,574,005	-	189,574,005
Less net identifiable assets	(41,366,475)	8,640,702	(32,725,773)
<b>Goodwill on acquisition</b>	<b>148,207,530</b>	<b>(8,640,702)</b>	<b>156,848,232</b>
<b>d) Net cash outflow on acquisition</b>			
Consideration paid in cash	45,804,556	-	45,804,556
Less cash and cash equivalent balances acquired	(2,134,644)	-	(2,134,644)
<b>Net cash outflow on acquisition</b>	<b>43,669,912</b>	<b>-</b>	<b>43,669,912</b>

(1) The 30 June 2017 comparative information shown in the Statement of Financial Position and the relevant notes have been revised for the final fair values.

## 11 Fair value of financial assets and liabilities

### Fair value hierarchy

The fair value of financial assets and financial liabilities is based on the lowest level of input that is significant to the fair value measurement as a whole and is the amount at which the asset could be sold or the liability transferred in a current transaction between market participants, other than in a forced or liquidation sale. Due to the short term nature of trade and other receivables and trade and other payables, their carrying amounts are assumed to approximate their fair value.

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities at 31 December and 30 June 2017:

	Level 1 - Quoted prices in active markets \$	Level 2 - Significant observable inputs \$	Level 3 - Significant unobservable inputs \$	Total \$
<b>31 December 2017</b>				
<b>Financial assets measured at fair value</b>				
Derivative financial assets	-	86,791	-	86,791
<b>Total financial assets</b>	<b>-</b>	<b>86,791</b>	<b>-</b>	<b>86,791</b>
<b>Financial liabilities measured at fair value</b>				
Deferred consideration	-	-	4,500,000	4,500,000
Derivative financial liabilities	-	1,478,208	-	1,478,208
<b>Total financial liabilities</b>	<b>-</b>	<b>1,478,208</b>	<b>4,500,000</b>	<b>5,978,208</b>
<b>30 June 2017</b>				
<b>Financial assets measured at fair value</b>				
Derivative financial assets	-	218,740	-	218,740
<b>Financial liabilities measured at fair value</b>				
Derivative financial liabilities	-	1,390,638	-	1,390,638

There were no transfers between fair value measurement levels during the period. No gain or loss for the half year relating to Level 3 asset or liabilities has been recognised in the statement of profit or loss.

## 12 Events occurring after the reporting period

Since the end of the reporting period, no matters have arisen which significantly affected or may significantly affect the operations of the entity, the results of those operations, or the state of affairs of the entity in future financial years.

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# Directors' Declaration

The Directors declare that:

- a. In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- b. In the directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity.

Signed in accordance with a resolution of the directors made pursuant to s.303(5) of the *Corporations Act 2001*.

On behalf of the Directors



Bevan Slattery  
Chief Executive Officer

Brisbane  
26 February 2018

# Independent Auditor's Review Report to the Members of Superloop Limited

## Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Superloop Limited, which comprises the condensed consolidated statement of financial position as at 31 December 2017, and the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of cash flows and the condensed consolidated statement of changes in equity for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 8 to 23.

### *Directors' Responsibility for the Half-Year Financial Report*

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2017 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Superloop Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### *Auditor's Independence Declaration*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Superloop Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.



*Conclusion*

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Superloop Limited is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2017 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

*Deloitte Touche Tohmatsu*

DELOITTE TOUCHE TOHMATSU

*Stephen Tarling*

Stephen Tarling  
Partner  
Chartered Accountants  
Brisbane, 26 February 2018

# Corporate Directory

## DIRECTORS

- **Michael Malone**  
Non-executive Chairman
- **Bevan Slattery**  
Chief Executive Officer
- **Greg Baynton**  
Non-executive Director
- **Louise Bolger**  
Non-executive Director
- **Richard Anthony (Tony) Clark**  
Non-executive Director
- **Vivian Stewart**  
Non-executive Director
- **Jason Ashton**  
Executive Director
- **Matthew Hollis**  
Executive Director

## COMPANY SECRETARY

- **Paul Jobbins**  
Group Chief Financial Officer

## REGISTERED OFFICE

- **Superloop Limited**  
Level 17, 333 Ann Street  
Brisbane QLD 4000  
Tel: +61 (7) 3905 2400

## COMPANY WEBSITE

- [www.superloop.com](http://www.superloop.com)

## AUDITOR

- **Deloitte Touche Tohmatsu**  
Level 25, Riverside Centre  
123 Eagle Street  
Brisbane QLD 4000  
[www.deloitte.com/au](http://www.deloitte.com/au)

## SOLICITORS

- **McCullough Robertson**  
Level 11, Central Plaza Two  
66 Eagle Street  
Brisbane QLD 4000  
[www.mccullough.com.au](http://www.mccullough.com.au)

## SHARE REGISTER

- **Link Market Services Limited**  
Level 21, 10 Eagle Street  
Brisbane QLD 4000  
[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

## SECURITIES EXCHANGE LISTING

- Superloop Limited shares are listed on the Australian Securities Exchange (ASX: SLC)