

ASX Announcement

1 August 2019

SUPERLOOP COMPLETES MAJOR NETWORK BUILDS AND UPDATES FY20 GUIDANCE

Key highlights:

- INDIGO subsea cable now carrying live traffic and Australian national backbone network complete
- Infrastructure in place to further leverage Superloop's technology platforms for bandwidth-intensive in-building and on-campus demands in Australia, Singapore and Hong Kong
- Core Fibre Connectivity revenue growth accelerating across all markets (Australia, Singapore and Hong Kong)
- Planned retirement of non-core cloud managed services unit has resulted in a ~30% revenue decline in the Services segment. 'Services' segment carrying value of ~\$60m is being tested for non-cash impairment in FY19 results
- Operational simplification and synergies resulted in Q4 FY19 operating cost reductions of 15% year-on-year
- Updated FY20 underlying guidance doubling year-on-year to \$14-\$16m, excluding infrastructure transactions that are anticipated

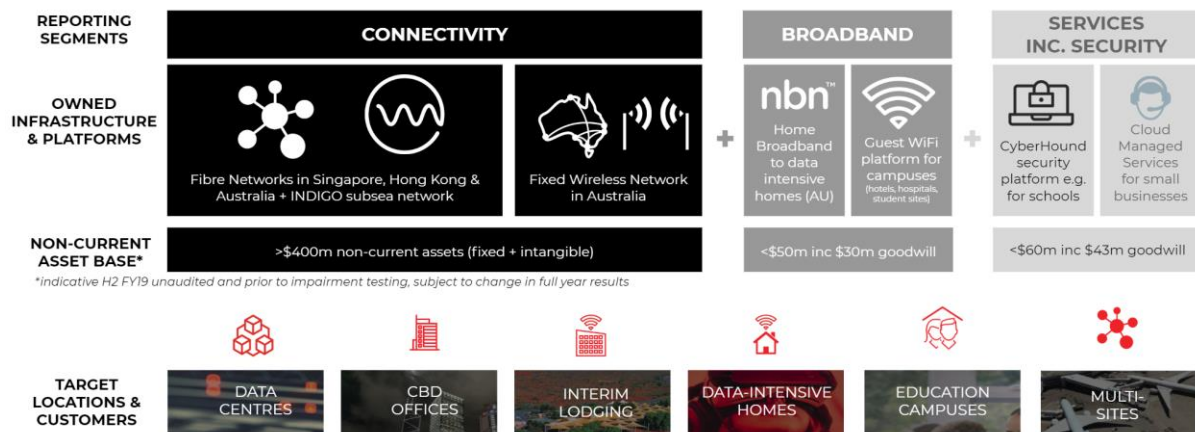
INDIGO LIVE AND AUSTRALIAN NATIONAL BACKBONE COMPLETE

Today, Superloop Limited (**ASX: SLC**) announced the completion of two major network projects that have been years in the making. These transform Superloop's on-net fibre infrastructure across Asia Pacific, with live customer traffic being carried over INDIGO subsea cable from Sydney to Perth to Singapore and across the Australia-wide footprint interconnecting all 121 NBN POIs (points of interconnection).



This is a major step in Superloop's vision to change the way Asia Pacific connects, creating seamless city-to-city, building-to-building fibre connectivity to bandwidth-intensive locations including data centres, CBD buildings, hotels, hospitals and education campuses, as well as homes and businesses across Australia.

Superloop delivers on its vision by owning core fibre connectivity infrastructure and providing complimentary offerings including fixed wireless access connectivity (across Australia), guest WiFi (across APAC), Home Broadband (across Australia) and CyberHound cyber-security (across APAC) to these bandwidth-intensive locations.



FIBRE CONNECTIVITY GROWTH

Superloop's core fibre connectivity growth has accelerated across the Asia Pacific region. "With master service agreements in place with many global service providers, content providers and global enterprises, and with INDIGO and domestic fibre networks now live and billing, we expect to see continued connectivity growth in FY20 and beyond," stated Superloop CEO Drew Kelton.

NON-CORE CLOUD MANAGED SERVICES DECLINE

As previously identified, the retirement of the non-core cloud managed services portfolio that provides outsourced IT to small and medium enterprises, and which contributes approximately 10% of the group's margin, has continued to decline in the second half of FY19. Accordingly, the carrying value of ~\$60m Services segment, including \$43m of goodwill, is being assessed for non-cash impairment as part of the Company's full year results.

FY20 EARNINGS UPDATE: \$14M-\$16M UNDERLYING EBITDA

Superloop is providing new guidance on its FY20 financial year earnings before interest, tax, depreciation and amortisation. The group expects underlying operational EBITDA (adopting AASB16 from 1st July 2019) to approximately double year-on-year to \$14m-\$16m. This is underpinned by strong growth in core fibre connectivity business delivering operating leverage into the future, coupled with a return to growth of complimentary offerings and partially offset by planned further declines in the non-core cloud managed services business.

Additional to the underlying operational EBITDA, the evolution of the way fibre infrastructure is purchased by major customers provides Superloop with a significant opportunity to monetise our high-capacity network assets through large infrastructure transactions that generate both cash and/or EBITDA in the year. At this stage, no such material transactions

have been included in the FY20 guidance and should they occur, would be announced to the market at that time, along with any respective change to earnings guidance.

"Financial Year 2019 has been a transitional year for Superloop and not without its challenges. The integration of our acquisitions and teams with the simplification of processes and systems was a necessity in order to move forward and provide bandwidth-intensive customers across Asia Pacific a differentiated and compelling service offering. I am extremely proud of the efforts of the entire ~300-strong Superloop team who have tackled these challenges voraciously, in a year where the business has delivered two major infrastructure programs for customers," stated Superloop CEO Drew Kelton.

Superloop will release its FY19 financial results on 27 August 2019 and hold its AGM on the 30 October 2019.

ADDITIONAL INFORMATION

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