

Superloop Limited.

ABN 96 169 263 094

APPENDIX 4D

Half Year Financial Report

1. REPORTING PERIOD

For the half-year ended 31 December 2023.

(Previous corresponding period 31 December 2022).

2. RESULTS FOR ANNOUNCEMENT TO THE MARKET

	31 Dec 2023 \$'000	31 Dec 2022 \$'000	Change \$'000	Change %
Revenue from ordinary activities	193,135	147,857	45,278	30.6
Earnings before interest, tax, depreciation, amortisation, and foreign exchange gains/losses (EBITDA)	16,511	10,047	6,464	64.3
Loss from ordinary activities after income tax for the half year attributable to members	(18,701)	(21,661)	2,960	13.7
Loss after income tax for the half year attributable to members	(18,701)	(21,661)	2,960	13.7
Comprehensive loss from ordinary activities after income tax for the half year attributable to members	(18,813)	(24,494)	5,681	23.2

Note: Revenue from ordinary activities excludes other income of \$4.4m for the half year ended 31 December 2023 (31 December 2022: \$1.1m).

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

Earnings before interest, tax, depreciation, amortisation, and foreign exchange gains/losses (EBITDA) was \$16.5 million versus \$10.0 million for the previous corresponding period. The net loss after tax was \$(18.7) million against \$(21.7) million in the previous corresponding period.

Explanation of revenue

Superloop's revenue from ordinary activities for the period ended 31 December 2023 was up 30.6% at \$193.1 million, versus \$147.9 million for the previous corresponding period. The significant increase in Revenue was driven by organic growth and the inclusion of the VostroNet business for 6 months as against 2 months in the previous corresponding period.

3. NET TANGIBLE ASSETS

	31 Dec 2023	31 Dec 2022	Change	Change %
Net tangible assets per ordinary share	0.08	0.07	0.01	14.3

The number of Superloop shares on issue at 31 December 2023 was 491,174,540 (31 December 2022: 491,174,540) including 15,613,979 Superloop shares issued upon acquisition of VostroNet and being held in escrow.

4. DIVIDEND

No dividend has been proposed or declared in respect of the period ended 31 December 2023.

5. ADDITIONAL INFORMATION

Additional Appendix 4D Disclosures can be found in the Financial Report which has been reviewed by the Group's auditors and lodged with the ASX today.



SUPERLOOP LIMITED.

ABN 96 169 263 094

CONDENSED CONSOLIDATED HALF YEAR FINANCIAL REPORT

For the period ended 31 December 2023

Contents.

Directors' Report	3
Independent Auditor's Independence Declaration	6
Condensed Interim Financial Report	7
Notes to the Condensed Consolidated Financial Report	12
Directors' Declaration	24
Independent Auditor's Review Report	25
Corporate Directory	27

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 6 months ended 31 December 2023.

DIRECTORS

The following persons have been Directors during the period since 01 July 2023 and up to the date of this report:

- Peter O'Connell
- Richard (Tony) Clark
- Vivian Stewart
- Alexander (Drew) Kelton
- Paul Tyler
- Helen Livesey
- Gareth Turner

ABOUT SUPERLOOP

Founded in 2014, and listed on the ASX since 2015, Superloop's purpose is to unleash the unlimited possibilities of the internet, delivering an exceptional experience for our customers. We enable challenger retail brands (including Superloop and Exetel) to take a larger share of the market, leveraging Superloop's Infrastructure-on-Demand platform. We provide connectivity and services to customers in three segments of the market: consumer, business and wholesale. Our offerings leverage Superloop's investments in physical infrastructure assets that include fibre, subsea cables, and fixed wireless, as well as Superloop's software platforms, all supported by a team of almost 800 talented and passionate internet professionals. Hundreds of thousands of homes and businesses rely on Superloop and Exetel every day for their connectivity needs.

PURPOSE AND VISION

Superloop exists to help customers unleash the unlimited possibilities of the internet by solving pain points and deploying game-changing, award-winning innovations. The Superloop mission is to deliver a better internet experience for all Australians in their homes and businesses. With a stated goal to lead challenger internet players (both traditional and non-traditional) to 30% market share, we're confident that by leveraging our secure Infrastructure-on-Demand (IOD) platform we can refresh the internet experience for residential, business, and wholesale customers and deliver superior capital returns to our investors.

STRATEGY

Superloop delivered its '3 in 3' strategy in FY23 ahead of schedule by restructuring the company around three customer segments, simplifying our portfolio, further investing in our networks and systems, rebuilding our go-to-market capability, and growing our sales capability. As a result, we created a strong, stable, and well capitalised base on which to deliver growth in both revenue and profitability moving forward.

A new 'Double Down' strategy has now been set for FY24 and beyond, with a stated ambition of doubling the size of the business between now and the end of FY26.

With an emphasis on delivering an exceptional customer experience, our ambition is to maintain our cost leadership position, deepen and broaden our market penetration through portfolio richness, and continue to accelerate growth organically and via M&A.

Our three-year goal is to reach cashflow positive operations (excluding M&A), move to NPAT positive, double FY23 revenue and expand EBITDA margin quality to mid to high teens.

CORE OPERATING SEGMENTS

The Group's financial reporting focuses on the Group's three core customer segments.

The **Consumer** segment serves Australian homes and residential customers with fixed broadband, mobile, voice over IP (VOIP) services, and in-home cyber security. The Group's products in the Consumer space are delivered to customers on two retail brands - Superloop and Exetel.

The **Business** segment operates in the three key sub-segments of small business (SMB), medium and large corporate. The Business segment has an ambition to provide an amazing B2B customer experience, simple offerings, and excellent delivery. In the Business segment, the Group offers Internet, Mobile, VOIP, Security, VPN, SASE, Wi-Fi, and Fixed Wireless products through both direct and indirect sales channels.

The **Wholesale** segment predominantly provides products and services to two broad pools of wholesale customers.

- (a) Large domestic and multinational technology and telecommunication customers who require data and connectivity solutions throughout Australia and from Australia to Singapore on Superloop's Indigo subsea cable; and
- (b) Domestic internet service providers who require either data and connectivity solutions or a technological

interface to the NBN through the Superloop Connect platform.

RESPONSIBLE BUSINESS

Reflecting both the general desires of our customers as well as our employees, environmental and social responsibility, coupled with ethical business practices, is an important focus area for Superloop. Equally, we believe that investment in sustainability will create long-term value for all stakeholders.

In FY23, Superloop, with the support of third-party specialists, began the process of identifying what Environmental, Social, and Governance (ESG) considerations should be prioritised. We also invested in additional in-house ESG focused resources to bolster our ability to set criteria and performance metrics which can be reported and measured in the future.

In the same period Superloop joined the Federal Government's School Student Broadband Initiative (SSBI) as one of 7 internet service providers delivering free NBN for 12 months to up to 30,000 families currently without internet at home.

So far in FY24, Superloop has begun rolling out free Business internet for up to 100 Australian charities supporting women and children fleeing domestic violence as part of our sponsorship of the DV Collective, which we announced in early 2023.

In October 2023 Superloop joined the Telco Together Foundation, an industry organisation that seeks to unite telecommunications providers and leverage our capabilities and technology to positively impact complex social challenges across Australia.

The Gender Pay Gap (GPG) as defined by the Workplace Gender Equality Agency is the difference in average earnings between women and men in the workforce. The Superloop average total remuneration GPG is 12.3% for the latest completed reporting period (2022-2023) and the industry comparison is 17% which demonstrates Superloop is outperforming industry.

As the financial year progresses, we will continue to engage with a wide variety of stakeholders to better understand what ESG criteria and performance metrics are important to them.

We look forward to sharing our continued ESG progress as part of our transparent disclosure in FY24 and beyond.

1H FY24 REVIEW OF OPERATIONS

The Group demonstrated strong and consistent growth across all its segments in 1H24. Superloop added over 40k customers across all segments with Consumer representing the best organic growth (~34k customers) in Superloop history. Business added 6.8k customers and Wholesale segment signed an exclusive contract with AGL

as part of the official launch of a new Superloop wholesale product, 'Hosted Backhaul', a new 'Infrastructure on Demand' solution optimised for NBN's new WBA5. The five-year, exclusive contract is expected to generate more than \$30 million in revenue over its term and will see the AGL switch its backhaul arrangements to Superloop.

Consumer Segment

Revenue in the Consumer segment grew 52.6% from \$77.9m in the 6 months to 31 December 2022 to \$118.9m in the 6 months to 31 December 2023. Absolute Gross Margin of \$33.8m grew by 75.3% compared to \$19.3m in the prior corresponding period benefiting from the organic growth and acquisition of MyRepublic subscriber base completed in late December 2022.

The Gross Margin percentage in the 6 months to 31 December 2023 was 28.4%, up from 24.7% in the prior corresponding period.

Further, the Group continues to be impacted by ongoing investment in programs to improve customer experience and cost to serve.

With the network build complete the incremental cost of delivering services to new customers for Superloop is now marginal and the segment is now primed for investment in accelerating profitable customer growth.

Business Segment

Business segment Revenue for the period ended 31 December 2023 was \$52.6m, up 9.2% compared to the prior corresponding period. For the period ended 31 December 2023 absolute Gross Margin was \$21.3m, 22.6% higher than the \$17.4m reported in the prior corresponding period. Gross Margin percentage in period ended 31 December 2023 was 40.5% compared to 36.1% in the prior corresponding period.

Wholesale Segment

Revenue in the Wholesale segment was \$23.0m, increasing 5.3% compared to the prior corresponding period. For the period ended 31 December 2023 absolute Gross Margin of \$13.6m, 6.1% higher than the \$12.8m reported in the prior corresponding period.

The Gross Margin percentage in the Wholesale segment was 59.3% for the 6 months ended 31 December 2023 (Dec 2022: 58.9%).

FINANCIAL AND OPERATING PERFORMANCE

Revenue and Profitability

For the 6 months to 31 December 2023, Superloop reported Revenue of \$193.1m compared to \$147.9m in the prior corresponding period.

The 30.6% increase in Revenue was driven by organic growth and the acquisition of the VostroNet businesses which were completed in late 1H23 respectively.

For the 6 months to 31 December 2023, Superloop reported Gross Margin (including NBN rebate disclosed as other income) of \$68.7m compared to \$49.5m in the prior corresponding period reflecting a Gross Margin growth of 38.9%. This absolute Gross Margin growth was underpinned by growth in the Consumer and Business segments.

The Gross Margin percentage for the Group was 35.3% for the 6 months ended 31 December 2023.

Operating expenses of \$55.4m represent an increase of \$14.9m against the comparative period which was predominantly driven by contingent consideration and share based consideration in relation to acquisition of VostroNet \$5.6m, restructuring costs of \$0.7m, an increase in marketing spend of \$2.2m compared to the prior corresponding period and \$3.4m increase in employee benefit expense as the Group continues to grow and enhance its investment in programs to improve customer experience.

The Group reported statutory Earnings before interest, impairment expense, foreign exchange gains / (losses), tax, depreciation and amortisation (EBITDA) of \$16.5m as compared to \$10.0m in the prior corresponding period.

The Group reported underlying EBITDA of \$23.0m for 1H24 (1H23: \$12.6m) excluding non-recurring transaction costs of \$1.8m (predominantly related to the Symbio proposal), contingent and share based consideration in relation to VostroNet acquisition of \$5.6m, share based payment of \$1m (excluding share based payment in relation to VostroNet), restructuring costs of \$0.7m and gain on remeasurement of contingent consideration liability in relation to Acurus acquisition of \$2.6m.

The Group's underlying EBITDA in 1H24 increased by \$10.5m against prior corresponding period. The increase of 83.3% was driven by strong organic growth and included the impact of VostroNet's results for the entire 6

months period as against 2 months in the comparative period.

Financial position

As at 31 December 2023, the Group held \$42.8m in cash and cash equivalents with borrowings of \$61.4m including lease liabilities of \$14.0m, and Net Assets of \$349.9m.

DIVIDENDS

No dividends have 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 thousand dollars.

AUDITORS 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



Paul Tyler

Managing Director / Chief Executive Officer

22 February 2024

Independent Auditor's Independence Declaration.

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060
Level 23, Riverside Centre
123 Eagle Street
Brisbane, QLD, 4000
Australia

Phone: +61 7 3308 7000
www.deloitte.com.au

22 February 2024

The Board of Directors
Superloop Limited
Level 9, 12 Shelley Street
Sydney, NSW, 2000

Dear Board Members


Auditor's Independence Declaration to 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 condensed consolidated half-year financial report of Superloop Limited for the half-year ended 31 December 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- The auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- Any applicable code of professional conduct in relation to the review.

Yours faithfully



DELOITTE TOUCHE TOHMATSU



Tendai Mkwanzani
Partner
Chartered Accountants

Liability limited by a scheme approved under Professional Standards Legislation.
Member of Deloitte Asia Pacific Limited and the Deloitte organisation.

Condensed Interim Financial Report.

31 December 2023

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 9, 12 Shelley Street, Sydney, NSW 2000.

A description of the nature of the consolidated entity's operations is included in the Directors' Report on page 3, which are not part of these financial statements.

The financial statements were authorised for issue by the Directors on 22 February 2024. The Directors have the power to amend and reissue the financial statements.

CONTENTS

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	8
Condensed Consolidated Statement of Financial Position	9
Condensed Consolidated Statement of Changes in Equity	10
Condensed Consolidated Statement of Cash Flows	11
Notes to the Condensed Consolidated Financial Report	12

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the half-year ended 31 December 2023

	Note	31 Dec 2023 \$'000	31 Dec 2022 \$'000
Revenue		193,135	147,857
Other income	4	4,467	1,063
Total revenue and other income		197,602	148,920
Direct costs		(125,726)	(98,378)
Employee benefits expense		(27,017)	(23,652)
Share based payments expense		(3,625)	(180)
Professional fees		(1,496)	(1,202)
Marketing costs		(9,221)	(7,017)
Administrative and other expenses		(8,494)	(6,118)
Contingent consideration treated as remuneration		(2,956)	-
Restructuring costs		(716)	-
Rebranding costs		-	(529)
Transaction costs		(1,840)	(1,797)
Total expenses		(181,091)	(138,873)
Earnings before interest, tax, depreciation, amortisation, and foreign exchange gains / losses (EBITDA)		16,511	10,047
Depreciation and amortisation expense		(35,513)	(29,930)
Impairment of assets	7	-	(1,833)
Interest expense		(3,362)	(1,826)
Foreign exchange (losses) / gains		(85)	2,218
Loss before income tax		(22,449)	(21,324)
Income tax benefit / (expense)	8	3,748	(337)
Loss for the half year after tax for the period attributable to the owners of Superloop Limited	3	(18,701)	(21,661)
Other Comprehensive loss, net of income tax			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising from translation of foreign operations		(112)	(2,833)
Total Other Comprehensive loss, net of income tax		(112)	(2,833)
Total Comprehensive Loss for the half year attributable to the owners of Superloop Limited		(18,813)	(24,494)
Earnings per share attributable to the ordinary equity holders of the Group:	Note	Cents	Cents
Basic loss per share	12	(3.93)	(4.42)
Diluted loss per share	12	(3.93)	(4.42)

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 2023

	Note	31 Dec 2023 \$'000	30 June 2023 \$'000
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		42,780	32,153
Trade and other receivables		27,258	21,251
Other current assets		12,485	13,232
Total Current Assets		82,523	66,636
NON-CURRENT ASSETS			
Property, plant and equipment	5	124,284	126,693
Intangible assets	6	309,668	324,965
Other non-current assets		10,197	6,619
Deferred tax assets		998	998
Total Non-Current Assets		445,147	459,275
TOTAL ASSETS		527,670	525,911
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		66,144	52,994
Contingent and deferred consideration		1,345	4,041
Employee benefits		13,144	10,481
Deferred revenue		12,528	8,585
Interest-bearing borrowings	9	3,905	46,492
Total Current Liabilities		97,066	122,593
NON-CURRENT LIABILITIES			
Employee benefits		2,009	824
Deferred revenue		13,997	14,917
Interest-bearing borrowings	9	57,523	10,335
Deferred tax liabilities		7,151	10,880
Total Non-Current Liabilities		80,680	36,956
TOTAL LIABILITIES		177,746	159,549
NET ASSETS		349,924	366,362
EQUITY			
Contributed equity	10	615,350	615,350
Reserves		8,502	6,239
Other equity		(3,327)	(3,327)
Accumulated losses		(270,601)	(251,900)
TOTAL EQUITY		349,924	366,362

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the half-year ended 31 December 2023

	Contributed equity	Reserves	Other equity	Accumulated losses	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 30 June 2023	615,350	6,239	(3,327)	(251,900)	366,362
Loss for the period	-	-	-	(18,701)	(18,701)
Other comprehensive income for the period	-	(112)	-	-	(112)
Total Comprehensive Loss for the period	-	(112)	-	(18,701)	(18,813)
Share based payments	-	3,625	-	-	3,625
Treasury shares	-	(1,250)	-	-	(1,250)
Balance at 31 December 2023	615,350	8,502	(3,327)	(270,601)	349,924

	Contributed equity	Reserves	Other equity	Accumulated losses	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 30 June 2022	623,967	4,317	(3,327)	(208,742)	416,215
Loss for the period	-	-	-	(21,661)	(21,661)
Other comprehensive income for the period	-	(2,833)	-	-	(2,833)
Total Comprehensive Loss for the period	-	(2,833)	-	(21,661)	(24,494)
Share based payments	-	180	-	-	180
Share buyback	(8,571)	-	-	-	(8,571)
Share issue costs	(39)	-	-	-	(39)
Balance at 31 December 2022	615,357	1,664	(3,327)	(230,403)	383,291

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 2023

	31 Dec 2023	31 Dec 2022
	\$'000	\$'000
OPERATING ACTIVITIES		
Receipts from customers	209,880	161,467
Payments to suppliers and employees	(184,379)	(148,474)
Transaction / rebranding costs	(1,840)	(2,326)
Income taxes refund*	23	-
Net cash inflow from operating activities	23,684	10,667
INVESTING ACTIVITIES		
Acquisition of subsidiary	-	(23,396)
Interest received	269	438
Payments for property, plant and equipment	(7,068)	(5,892)
Payments for intangible assets	(4,368)	(32,843)
Proceeds received for sale of assets	-	375
Deferred consideration payments	(55)	-
Net cash outflow from investing activities	(11,222)	(61,318)
FINANCING ACTIVITIES		
Purchase of treasury shares	(1,250)	-
Transaction costs paid in relation to issue of shares	-	(39)
Lease payments	(3,706)	(2,528)
Proceeds from borrowings	48,000	15,000
Repayment of borrowings	(42,500)	(12,519)
Establishment fee on credit facility	(616)	-
Share buyback	-	(8,571)
Interest paid	(1,661)	(1,258)
Net cash outflow from financing activities	(1,733)	(9,915)
Net increase / (decrease) in cash and cash equivalents held	10,729	(60,566)
Cash and cash equivalents at the beginning of the year	32,153	83,133
Foreign exchange movement in cash	(102)	1,478
Cash and cash equivalents at the end of the half year	42,780	24,045

*Relates to net refund received from Inland Revenue New Zealand in respect of a Group's subsidiary.

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

Notes to the Condensed Consolidated Financial Report.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL REPORT

1 Significant accounting policies	13
2 Critical accounting estimates and judgement	13
3 Segment information	13
4 Other income	15
5 Property, plant and equipment	16
6 Intangible assets	17
7 Impairment of assets	17
8 Income tax expense	18
9 Interest-bearing loans and borrowings	19
10 Contributed equity	20
11 Dividends	20
12 Earnings per share	21
13 Fair value of financial instruments	22
14 Commitments and contingencies	23
15 Events occurring after the reporting period	23

1 SIGNIFICANT ACCOUNTING POLICIES

These general purpose financial statements for the half-year reporting period ended 31 December 2023 have been prepared in accordance with Australian Accounting Standard AASB 134 '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' or the 'Group'). 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 2023 and any public announcements made by Superloop during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001. Certain comparative figures have been reclassified to conform to the current period presentation.

The principal accounting policies adopted are consistent with those of the previous financial year ended 30 June 2023.

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.

In preparation of the interim financial report, the significant judgments 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 2023.

Going Concern

As at 31 December 2023, the Group's current liabilities exceed current assets by \$14.5 million (30 June 2023: \$56.0 million).

Based on forecast profitability, cashflows from operating activities and available funding capacity under the Group's debt facilities, the directors are of the opinion that no material uncertainties exist in relation to events or conditions which cast doubt on the Group's ability to continue as a going concern. The Group continually monitors the working capital position and expects to be able to manage its cash flows by, amongst other means, controlling uncommitted expenditure to ensure that adequate liquidity is maintained, and all obligations are satisfied as and when they fall due.

3 SEGMENT INFORMATION

Description of segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Executive Management team (the chief operating decision makers) in assessing performance and in determining the allocation of resources. The operating segments are the three "market led" customer segments being Wholesale, Business and Consumer.

Wholesale

The Wholesale segment is defined by large scale telecommunications, data and technology customers who purchase various connectivity services to support their core business services, as well as Retail Internet Service Providers who do not have access to a connectivity network of their own. The products sold in the Wholesale segment include NBN Access, NBN Enterprise Ethernet, Internet Access & IP Transit, Australian Inter-capital Capacity, Dark Fibre, Fixed Wireless Access, International Ethernet, Wavelength and international (including 'Indigo') subsea cable capacity.

Business

The Business segment is defined by small, medium and large corporate customers who purchase connectivity services to facilitate their core business. The products sold in the Business segment include NBN TC2 and Enterprise Ethernet, Internet Access, Dark Fibre, Fixed Wireless Access, Third Party Access, Mobile 4G, SD-WAN, Security, VoIP and Managed Wifi.

Consumer

The Consumer segment is defined by customers who purchase basic internet and mobile phone products for domestic residential use.

The operations of the Group are reported in these segments to Superloop's Executive Management team (chief operating decision maker). Items not specifically related to an individual segment are classified as Group Shared Services. Refer below for details of material items.

Segment information provided to Executive Management

Operating Segments for the half year ended 31 December 2023	Wholesale \$'000	Business \$'000	Consumer \$'000	Total \$'000
Revenue*	22,965	52,596	118,868	194,429
Direct costs	(9,348)	(31,305)	(85,073)	(125,726)
Gross margin	13,617	21,291	33,795	68,703
Other income				3,173
Operating expenses				(40,632)
Transaction Costs				(1,840)
Marketing costs				(9,221)
Contingent consideration treated as remuneration				(2,956)
Restructuring costs				(716)
Rebranding costs				-
Depreciation and amortisation	(6,377)	(12,273)	(16,863)	(35,513)
Impairment expense				-
Interest, FX and others				(3,447)
Loss before income tax				(22,449)
Income tax benefit				3,748
Loss after tax				(18,701)

*Includes Rebate disclosed as other income in note 4.

Operating Segments as at 31 December 2023	Wholesale \$'000	Business \$'000	Consumer \$'000	Total \$'000
NON-CURRENT ASSETS				
Property, plant and equipment	31,790	42,892	49,602	124,284
Intangible assets excluding Goodwill (includes indefeasible rights to use)	32,827	47,212	62,833	142,872
Goodwill	40,167	44,423	82,206	166,796
Total	104,784	134,527	194,641	433,952

Operating Segments for the half year ended 31 December 2022	Wholesale \$'000	Business \$'000	Consumer \$'000	Total \$'000
Revenue	21,801	48,149	77,907	147,857
Direct costs	(8,963)	(30,783)	(58,632)	(98,378)
Gross margin	12,838	17,366	19,275	49,479
Other income				1,063
Operating expenses				(31,152)
Transaction Costs				(1,797)
Marketing costs				(7,017)
Rebranding costs				(529)
Depreciation and amortisation	(6,742)	(11,994)	(11,194)	(29,930)
Impairment expense				(1,833)
Interest, FX and others				392
Loss before income tax				(21,324)
Income tax expense				(337)
Loss after tax				(21,661)

Operating Segments as at 30 June 2023	Wholesale \$'000	Business \$'000	Consumer \$'000	Total \$'000
NON-CURRENT ASSETS				
Property, plant and equipment	32,266	44,057	50,370	126,693
Intangible assets excluding Goodwill (includes indefeasible rights to use)	39,867	49,617	68,685	158,169
Goodwill	40,167	44,423	82,206	166,796
Total	112,300	138,097	201,261	451,658

4 OTHER INCOME

	31 Dec 2023 \$'000	31 Dec 2022 \$'000
Gain on remeasurement of contingent consideration liability	2,641	-
Interest Income	269	438
Rebate	1,294	174
Other income	263	451
Total	4,467	1,063

5 PROPERTY, PLANT AND EQUIPMENT

	31 Dec 2023	30 June 2023
	\$'000	\$'000
Cost or valuation:		
Opening Balance	207,117	185,302
Additions through business combination	-	2,378
Additions during the year	10,038	21,475
Disposals	(1,168)	(2,426)
Movements in foreign exchange	(43)	388
Closing Balance	215,944	207,117
Accumulated depreciation:		
Opening Balance	(80,424)	(58,031)
Depreciation charge	(11,674)	(23,222)
Disposals	488	948
Movements in foreign exchange	(50)	(119)
Closing Balance	(91,660)	(80,424)
Carrying Value	124,284	126,693

Property, plant and equipment includes \$12.9 million carrying value of leased assets. A "right of use" asset is recognised for the leased item and a lease liability is recognised for lease payments due. "Right of use" asset additions during H1 FY24 totalled \$2.9 million.

	31 Dec 2023	30 June 2023
Right of Use Asset	\$'000	\$'000
Opening Balance	13,555	16,527
Additions during the year	2,879	3,716
Depreciation charge	(2,820)	(5,385)
Disposals	(680)	(1,413)
Movements in foreign exchange	(42)	110
Carrying value	12,892	13,555

6 INTANGIBLE ASSETS

	31 Dec 2023	30 June 2023
	\$'000	\$'000
Assets being developed	292	4,264
Rights and licenses	67,088	70,711
Software	24,021	21,839
Customer relationships, brands, and trademarks	51,471	61,355
Goodwill	166,796	166,796
Carrying value	309,668	324,965

	31 Dec 2023	30 June 2023
Goodwill	\$'000	\$'000
Opening Balance	166,796	166,168
Additions through business combination	-	628
Impairment	-	-
Carrying value	166,796	166,796

7 IMPAIRMENT OF ASSETS

During the half year ended 31 December 2022, management had assessed the carrying value of certain assets. Management determined the recoverable amount was less than the current carrying value and booked an impairment in the value of those assets accordingly.

	31 Dec 2023	31 Dec 2022
	\$'000	\$'000
Inventory	-	943
Other assets	-	890
Total	-	1,833

8 INCOME TAX EXPENSE

	31 Dec 2023 \$'000	31 Dec 2022 \$'000
The income tax expense for the half year can be reconciled to the accounting profit as follows:		
Loss before income tax expense	(22,449)	(21,324)
Tax benefit at the Australian tax rate of 30%	6,735	6,397
Non-deductible expenses	(320)	(778)
Effect of different tax rates of subsidiaries operating in other jurisdictions	7	(310)
Deferred taxes arising from unused tax losses and unused tax credits not recognised in the current year	(2,674)	(5,646)
Income tax benefit / (expense)	3,748	(337)

9 INTEREST-BEARING LOANS AND BORROWINGS

The Group had lease liabilities, interest bearing loans and borrowings as at 31 December 2023 of \$61.4 million (30 June 2023: \$56.8 million). The average effective interest rate on bank borrowing is approximately 6.73% (2023: 6.16%) per annum and rates are determined as based on the leverage ratio tiered rate table plus the bank bill swap rate applicable to the term to maturity.

On 21 July 2023, the Group refinanced its three-year revolving facility with Westpac, HSBC and ANZ increasing the committed funding to \$100 million with a maturity date of 30 September 2026. The Group is required to adhere to financial covenants, including leverage ratio, minimum capital requirement and interest cover ratio.

Bank guarantees to the amount of \$2.9 million have been issued under the facility.

	Notes	31 Dec 2023 \$'000	30 Jun 2023 \$'000
CURRENT			
Lease liability		3,905	4,351
Revolving debt facility drawn (net of transaction costs)		-	42,141
Total current interest-bearing loans and borrowings		3,905	46,492
NON-CURRENT			
Lease liability		10,060	10,335
Revolving debt facility drawn (net of transaction costs)		47,463	-
Total non-current interest-bearing loans and borrowings		57,523	10,335
Total interest-bearing loans and borrowings		61,428	56,827
Total revolving debt facility limit		100,000	94,400
Less: bank guarantees issued under the facility		(2,858)	(2,945)
Less: amounts drawn (before transaction costs)		(48,000)	(42,500)
Revolving debt facility available		49,142	48,955

The drawn debt amount is recognised net of transaction costs which are amortised over the term of the facility using the effective interest rate method.

10 CONTRIBUTED EQUITY

(A) Share Capital

	31 Dec 2023	30 June 2023	31 Dec 2023	30 June 2023
	Number of shares	Number of shares	\$'000	\$'000
Fully paid ordinary shares	475,560,561	475,560,561	629,657	629,657
Total share capital	475,560,561	475,560,561	629,657	629,657
Less: Buyback / Issue costs	-	-	(14,307)	(14,307)
Contributed equity	475,560,561	475,560,561	615,350	615,350

Superloop shares issued upon acquisition of VostroNet (15,613,979 shares at \$0.672 per share) and being held in escrow at 31 December 2023 and 30 June 2023 have not been included in ordinary share capital.

(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) Share buyback plan

There were no share buyback during the half year ended 31 December 2023 (31 December 2022: on-market buy-back of 11,246,928 of ordinary shares representing 2.3% of the Company's issued share capital).

(D) Dividend reinvestment plan

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

11 DIVIDENDS

No dividends were paid or declared in the period ended 31 December 2023 (Nil: 31 December 2022).

12 EARNINGS PER SHARE

Basic loss per share

	31 Dec 2023	31 Dec 2022
	Cents	Cents
Basic loss per share	(3.93)	(4.42)

Diluted loss per share

	31 Dec 2023	31 Dec 2022
	Cents	Cents
Diluted loss per share	(3.93)	(4.42)

Reconciliation of earnings used in calculating earnings per share

	31 Dec 2023	31 Dec 2022
	\$'000	\$'000

Basic loss per share

Loss from operations	(18,701)	(21,661)
----------------------	----------	----------

Diluted loss per share

Loss from operations	(18,701)	(21,661)
----------------------	----------	----------

Weighted average number of shares used as the denominator

	31 Dec 2023	31 Dec 2022
	Number of shares	Number of shares

Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	475,560,561	490,361,731
--	-------------	-------------

Effects of dilution from:

Performance rights	-	-
--------------------	---	---

Share options	-	-
---------------	---	---

Weighted average number of ordinary shares and potential ordinary shares used	475,560,561	490,361,731
---	-------------	-------------

13 FAIR VALUE OF FINANCIAL INSTRUMENTS

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 2023:

	Level 1 - Quoted prices in active markets \$'000	Level 2 - Significant observable inputs \$'000	Level 3 - Significant unobservable inputs \$'000	Total
31 December 2023				
Financial liabilities measured at fair value				
Contingent consideration	-	1,000	-	1,000
Total financial liabilities	-	1,000	-	1,000
30 June 2023				
Financial liabilities measured at fair value				
Contingent consideration	-	3,641	-	3,641
Total financial liabilities	-	3,641	-	3,641

There were no transfers between fair value measurement levels during the period.

14 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 2023	30 June 2023
	\$'000	\$'000
Property, plant and equipment	5,582	6,859
Total capital commitments	5,582	6,859

(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, other than contingent consideration which has been recognised in the Statement of Financial Position.

15 EVENTS OCCURRING AFTER THE REPORTING PERIOD

There are no matters or circumstances that occurred subsequent to the end of the reporting period that have significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations or the state of affairs of the consolidated entity in future financial years.

Directors' Declaration.

The Directors declare that:

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

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

A handwritten signature in black ink, appearing to read 'Paul Tyler', with a long horizontal flourish extending to the right.

Paul Tyler

Managing Director / Chief Executive Officer

22 February 2024

Independent Auditor's Report.

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060
Level 23, Riverside Centre
123 Eagle Street
Brisbane, QLD, 4000
Australia

Phone: +61 7 3308 7000
www.deloitte.com.au

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

Conclusion

We have reviewed the condensed consolidated half-year financial report of Superloop Limited (the "Company") and its subsidiaries (the "Group"), which comprises the condensed consolidated statement of financial position as at 31 December 2023, and the condensed consolidated income statement, the condensed consolidated statement of 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.

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

- Giving a true and fair view of the Group's financial position as at 31 December 2023 and of 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*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Half-year Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) ("the Code") that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Directors' Responsibilities 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.

Liability limited by a scheme approved under Professional Standards Legislation.
Member of Deloitte Asia Pacific Limited and the Deloitte organisation.

Deloitte.

Auditor's Responsibilities for the Review of the Half-year Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether 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 Group's financial position as at 31 December 2023 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*.

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.



DELOITTE TOUCHE TOHMATSU



Tendai Mkwanzani
Partner
Chartered Accountants

Brisbane, 22 February 2024

Corporate Directory.

REGISTERED OFFICE

Superloop Limited

Level 9, 12 Shelley
Sydney, NSW 2000

Tel: 1300 558 406

COMPANY WEBSITES

<https://superloop.com>

<https://investors.superloop.com>

FOR INVESTOR RELATIONS

investor@superloop.com

FOR COMPANY SECRETARIAL QUERIES

company.secretary@superloop.com

SECURITIES EXCHANGE LISTING

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

AUDITOR

Deloitte Touche Tohmatsu

Level 23, Riverside Centre
123 Eagle Street
Brisbane QLD 4000

www.deloitte.com/au

SOLICITORS

Baker & McKenzie

Level 8, 175 Eagle Street
Brisbane QLD 4000

www.bakermckenzie.com/australia

SHARE REGISTRY

Link Market Services Limited

Locked Bag A14
Sydney South NSW 1235

Telephone: +61 1300 554 474

Fax: +61 2 9287 0303

Email: registrars@linkmarketservices.com.au