

Discover Asia's New Extraordinary Network

SLC:ASX Recapitalisation Update

Tuesday 24 September 2019

 BRISBANE

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A nighttime photograph of a modern architectural complex in Adelaide. On the left is a tall, illuminated residential or office tower. To its right is a large, multi-level structure with a prominent glass facade and a curved roofline, possibly a shopping center or office building. The scene is reflected in a body of water in the foreground. The sky is dark, and the lights from the buildings create a vibrant glow.

Agenda

- > Overview of Recapitalisation Plan
- > Company Overview
- > FY20 Guidance
- > Placement and Entitlement Offer
- > Appendices

Recap of 27 Aug ASX Update

- Superloop has invested \$256m capital into APAC fibre networks, ~2 years into 20+ year useful asset life
- Strong (89%) growth on core fibre connectivity revenues with operating leverage pulling through as new assets are live and now billing
- In addition, Superloop has acquired adjacent 'platforms' to deliver connectivity, services & broadband to bandwidth-intensive locations across Asia Pacific
- Teams and brands integrated under single Superloop banner
- At 30 June 2019, net debt was \$70.3m plus \$23.2m net payables from completion of major infrastructure projects due for payment in FY20
- As Superloop earnings transition away from legacy towards infrastructure-centric, a recapitalisation is required to better align 'source of funds' with 'use of funds' given long-cycle to build, sell, deliver and bill fibre connectivity



Recapitalisation Plan announced today

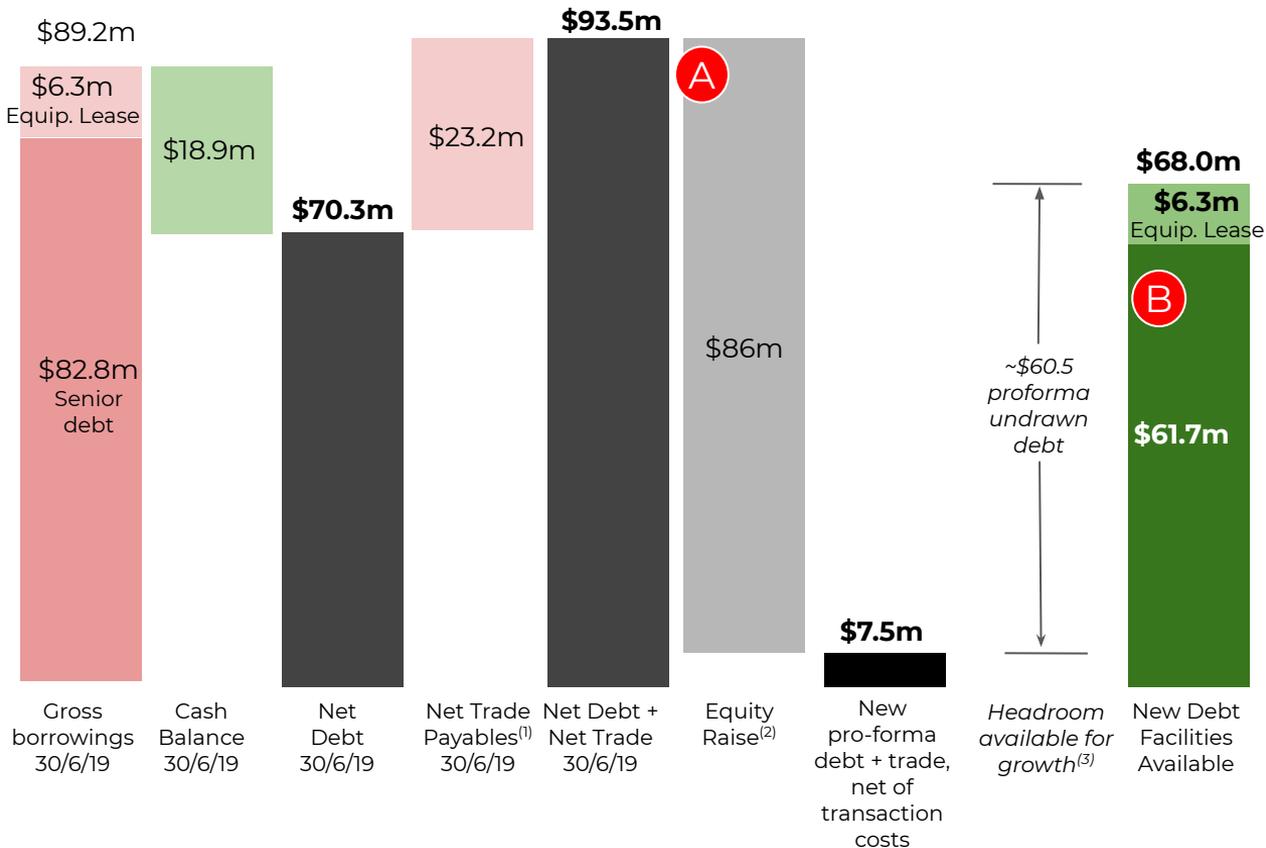
- \$90m Placement and rights issue underwritten by Canaccord Genuity & Morgans
- Restructured 'amend and extend' of senior bank facility with ANZ and Westpac:
 - Tenure extended to 4 years from financial close
 - Financial covenants adjusted to reflect infrastructure nature, in particular incl. pro-forma EBITDA from contracts signed
 - Facility reduced from \$120m to \$61.7m
- *No changes to existing ~\$6.3m equipment financing lease*

Benefits of recapitalisation:

- Reduces pro-forma 30 June 2019 net debt plus net payables from \$93.5m to \$6.5m
- Provides ~\$60m funding runway for future success-based growth capital should customer demand require incremental investment
- Forward-looking covenants to deliver increased headroom for capex investment

Overview of Recapitalisation Plan

Recapitalisation reduces drawn debt below \$10m with >\$60m headroom on a 30 Jun 2019 pro-forma basis



⁽¹⁾ Trade and other payables liability less trade and other receivables asset

⁽²⁾ Equity raise net of transaction costs

⁽³⁾ All figures are actual or pro-forma Jun 30 2019 post capital raise

Net debt plus net payables at 30 June 2019 of \$93.5m

Recapitalisation Plan announced today:

- (A)** \$90m underwritten placement and rights issue (less \$4m transaction costs)
- (B)** \$61.7m amended and extended 4 year senior debt facility (ANZ + Westpac) with financial undertakings reflective of the infrastructure nature of Superloop's business

Provides Superloop with ample forward funding for future success-based capital investments

Proposed Recapitalisation

Capital Plan of \$90m equity raising via Placement and Entitlement Offer coupled with restructured of Senior Bank Facility

General

Restructured Senior Bank Facility

\$61.7m Facility Limit, 4-year term, Available for Capex and General Corp Purposes

Financial covenants amended to reflect infrastructure profile (see key terms) giving the company ability to fund customer demand

Equity Raise

Placement and Rights offering priced at same price: \$0.82 per share

Sources and Uses

Sources	\$'m
Share placement and rights issue	90
Total	90

Uses	\$'m
Repay senior debt	80
Total transaction costs	4
Trade payables	6
Total	90

- \$80m senior debt pay down with the balance to remain on the balance sheet

Restructured Senior Bank Facility- Key Terms (page 1 of 2)



Key Terms

1	Lenders	<ul style="list-style-type: none"> · Australia and New Zealand Banking Group Limited ABN 11 005 357 522 · Westpac Banking Corporation ABN 33 007 457 141 																				
2	Amount	A\$61.7m																				
3	Maturity Date	4 yr maturity																				
4	Facilities and purpose	<table border="1"> <thead> <tr> <th>Facility</th> <th>Type</th> <th>Amount (A\$)</th> <th>Purpose</th> </tr> </thead> <tbody> <tr> <td>B1</td> <td>Revolving capex facility</td> <td>40.0m</td> <td> <ul style="list-style-type: none"> · Success based capital expenditure of the Group · Refinance existing indebtedness of the Group </td> </tr> <tr> <td>B2</td> <td>Revolving working capital / capex facility</td> <td>20.0m</td> <td> <ul style="list-style-type: none"> · General corporate purposes of the Group · Refinance existing indebtedness of the Group · Non-success based (operating and maintenance) capital expenditure of the Group </td> </tr> <tr> <td>C</td> <td>Revolving multi-option working capital facility</td> <td>1.5m</td> <td> <ul style="list-style-type: none"> · General corporate purposes of the Group · To be utilised as revolving L/Cs, bank guarantees and performance bonds </td> </tr> <tr> <td>D</td> <td>Corporate card facility</td> <td>0.20m</td> <td> <ul style="list-style-type: none"> · Business expenses </td> </tr> </tbody> </table>	Facility	Type	Amount (A\$)	Purpose	B1	Revolving capex facility	40.0m	<ul style="list-style-type: none"> · Success based capital expenditure of the Group · Refinance existing indebtedness of the Group 	B2	Revolving working capital / capex facility	20.0m	<ul style="list-style-type: none"> · General corporate purposes of the Group · Refinance existing indebtedness of the Group · Non-success based (operating and maintenance) capital expenditure of the Group 	C	Revolving multi-option working capital facility	1.5m	<ul style="list-style-type: none"> · General corporate purposes of the Group · To be utilised as revolving L/Cs, bank guarantees and performance bonds 	D	Corporate card facility	0.20m	<ul style="list-style-type: none"> · Business expenses
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5	Conditions Precedent to new facility	Subject to customary conditions for a debt facility of this nature. In addition, receipt of at least \$50m of the proceeds of this offer to be used to repay Lenders' existing term loan commitments. A variation to the existing facility is in place to enable the transition																				

Key Terms										
6	Security	First ranking security over all assets and undertakings								
7	Financial Undertakings (Covenants)	<p>SLC undertakes to ensure compliance with the following financial undertakings (tested at 31 December, 31 March, 30 June and 30 September in each year):</p> <table border="0"> <tr> <td style="vertical-align: top;"> <p>Leverage Ratio must not exceed:</p> <ul style="list-style-type: none"> a) as at 31 March 2020, 5.25x; b) from 1 April 2020 to 30 June 2020, 5.25x; c) from 1 July 2020 to 30 September 2020, 4.50x; d) from 1 October 2020 to 31 December 2020, 4.25x; e) from 1 January 2021 to 31 March 2021, 3.50x; f) from 1 April 2021 to 30 June 2021, 3.00x; and g) thereafter, 2.50x times. </td> <td style="vertical-align: top;"> <p>Interest Cover Ratio must not fall below:</p> <ul style="list-style-type: none"> a) from 30 September 2019 to 30 March 2020, 1.00x; b) from 31 March 2020 to 30 June 2020, 2.25x; c) from 1 July 2020 to 30 September 2021, 2.75x; and d) thereafter, 4.00x times </td> </tr> <tr> <td colspan="2"></td> <td> <p>Debt Capitalisation Ratio must not exceed 30%</p> </td> </tr> <tr> <td colspan="2"></td> <td> <p>Guarantor Threshold Test: Guarantors must together hold not less than 90% of the total assets and consolidated EBITDA of the Group</p> </td> </tr> </table>	<p>Leverage Ratio must not exceed:</p> <ul style="list-style-type: none"> a) as at 31 March 2020, 5.25x; b) from 1 April 2020 to 30 June 2020, 5.25x; c) from 1 July 2020 to 30 September 2020, 4.50x; d) from 1 October 2020 to 31 December 2020, 4.25x; e) from 1 January 2021 to 31 March 2021, 3.50x; f) from 1 April 2021 to 30 June 2021, 3.00x; and g) thereafter, 2.50x times. 	<p>Interest Cover Ratio must not fall below:</p> <ul style="list-style-type: none"> a) from 30 September 2019 to 30 March 2020, 1.00x; b) from 31 March 2020 to 30 June 2020, 2.25x; c) from 1 July 2020 to 30 September 2021, 2.75x; and d) thereafter, 4.00x times 			<p>Debt Capitalisation Ratio must not exceed 30%</p>			<p>Guarantor Threshold Test: Guarantors must together hold not less than 90% of the total assets and consolidated EBITDA of the Group</p>
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8	Facility-defined EBITDA	<p>Leverage Ratio and Interest Cover Ratio both use "Bank-Adjusted last 12 months EBITDA", being reported EBITDA adjusted for clauses including:</p> <ul style="list-style-type: none"> a) Exclusion of AASB16 adoption, i.e. operating leases continue to be included as an operational cost not a financing lease b) inclusion of the pro-forma annualised EBITDA from customer contracts signed that haven't yet had 12 months of actual EBITDA c) exclusion of revenue recognised from IRUs where cash has already been received prior to financial close d) other adjustments 								
9	Distributions	Payment of all other dividends and distributions are restricted whilst a default, potential event of default or review event subsists or where the leverage ratio is above 2.75x								
10	Review Event	In addition to other customary review events for a listed entity, the Lenders may review the Facilities if Mr Bevan Slattery ceases to own legally and beneficially 12.5% or more of each class of the issued share capital of Superloop.								
11	Other	<p>Reps & Warranties, Undertakings and Events of Default standard for a debt facility of this nature.</p> <p>The Company will seek shareholder approval at its 2019 AGM for the final tranche of this \$90m capital raise. If such approval is not obtained by 15 November 2019 the Company will provide Lenders with a revised business plan</p>								

Company Overview

 HONG KONG

Company Highlights



Founded in 2014 to connect Asia Pacific to the cloud, with a legacy-free network capable of fulfilling the growth in demand for bandwidth



Invested \$256m in advanced fibre networks connecting bandwidth-intensive properties across Asia Pacific, on average 2 years into 20+ year useful life



Superloop also distributes connectivity within campuses smartly and securely, leveraging \$210m of investments in adjacent platforms through acquisitions



Net book value of assets \$1.37 per share at 30th June 2019; \$346m net assets post \$50.7m impairment of non-core services segment



Core fibre connectivity⁽¹⁾ revenues up 89% year-on-year (YoY)



FY19 EBITDA of \$8.5m & reconfirming FY20 \$14m-\$16m guidance, excluding other one-off transactions that may occur



With core network now in place, Superloop's incremental capital investment is expected to focus on customer-led delivery, maintenance and improvement⁽²⁾

⁽¹⁾Core Fibre Connectivity Revenues excluding INDIGO development revenue, includes installation revenues, IRU revenue (AASB15) and domestic construction revenue

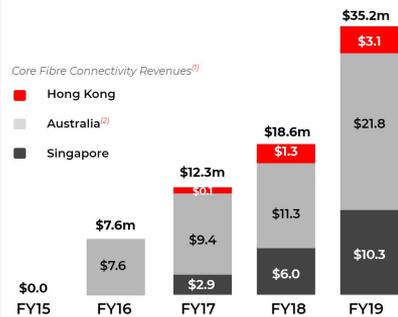
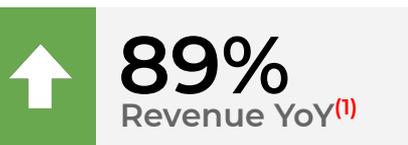
⁽²⁾In the absence of any major new infrastructure opportunities arising

Overview of Superloop's portfolio connecting Asia Pacific



1 Asia Pacific Core Fibre Network

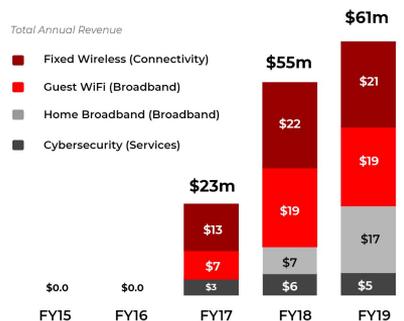
Fibre networks connecting key hubs in Singapore, Australia & Hong Kong and INDIGO subsea cable



\$256m
Invested Capital to date

2 Platforms leveraging Fibre Network

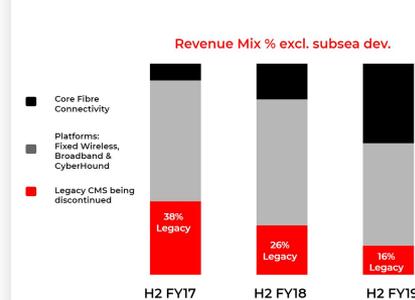
Fixed Wireless (Connectivity), Guest WiFi (Broadband), Home Broadband (NBN & FW) CyberHound Security (Services)



\$214m
Value of Platform Assets⁽³⁾

3 Non-core CMS

Cloud Managed Services providing hosted IT & equipment procurement to small businesses



\$(50.7)m Impairment to \$6m carrying value

Total Group

\$119.8m total revenue

\$58.5m gross margin
49% margin %

\$8.5m EBITDA

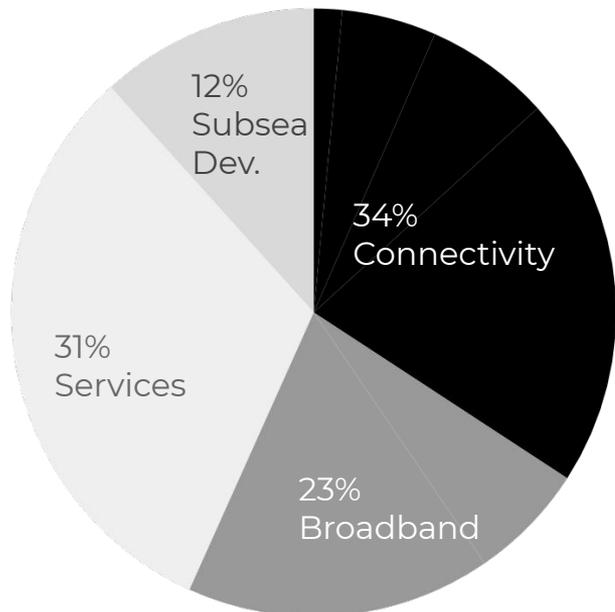
⁽¹⁾Core Fibre Connectivity Revenues excluding INDIGO development revenue, includes installation revenues, IRU revenue (AASB15) and construction revenue

⁽²⁾Gearing ratio = net debt / (net debt + equity)

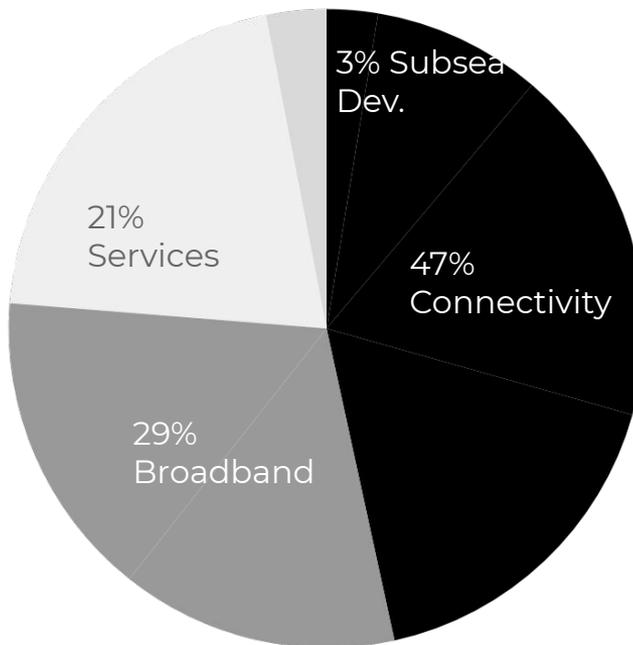
⁽³⁾Non Current Assets at Jun 30th 2019 excluding fibre connectivity assets and Services segment

Changing revenue profile towards infrastructure

FY18 Revenue: \$118.2m



FY19 Revenue: \$119.8m



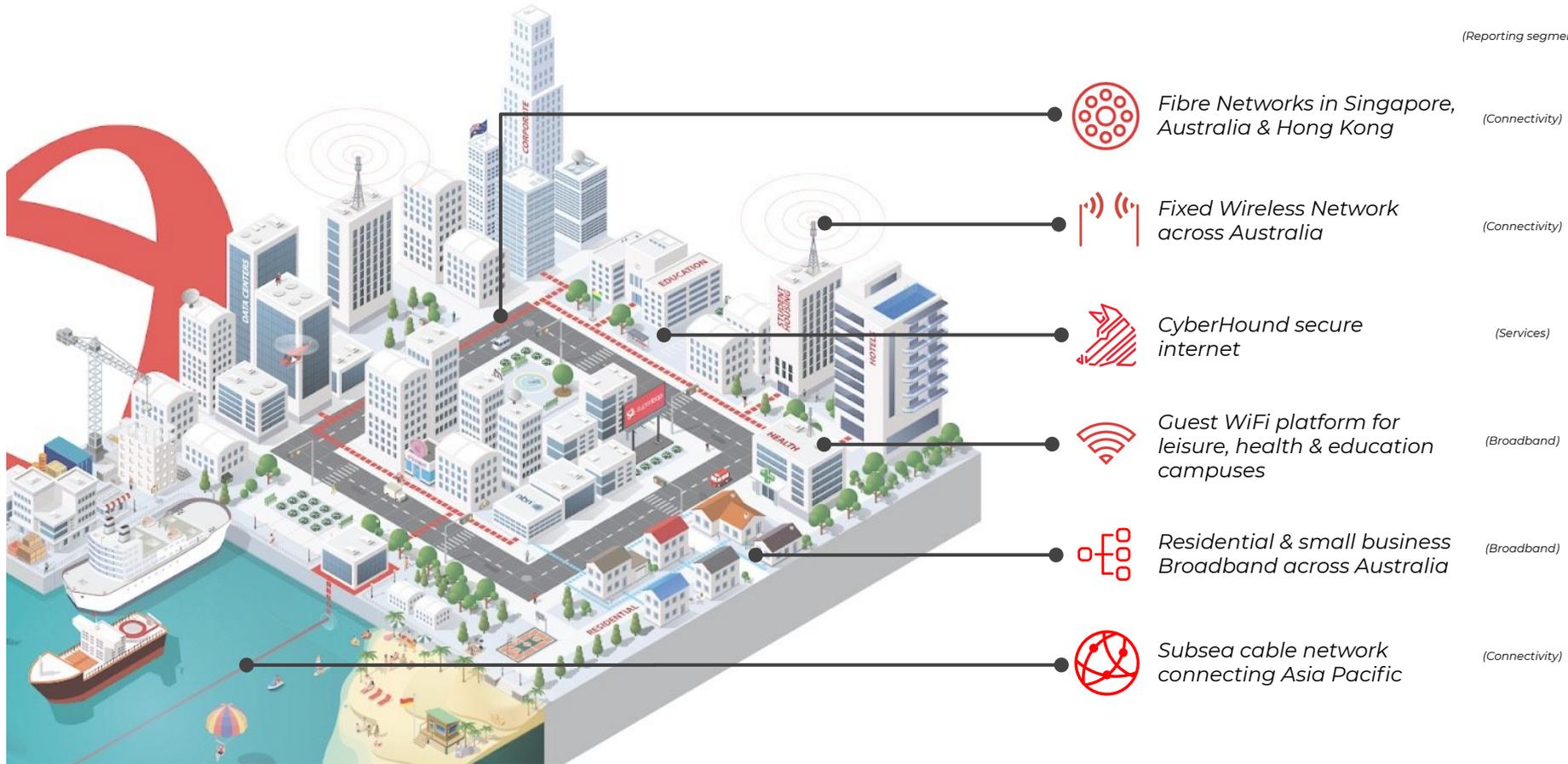
Connectivity revenues from brand new fibre network infrastructure (+ fixed wireless) already contributing 47% of group revenue

Broadband segment, encompassing Guest WiFi in interim lodgings, and Home Broadband now contributing 29% of group revenue

Services segment includes core revenues from CyberHound security, and non-core Cloud Managed Services being retired

Complete connectivity platform for Asia Pacific

(Reporting segment)



FY19 OPERATIONAL HIGHLIGHTS



Completed Asia Pacific
core network loop

INDIGO & AU backbone



On-Net Buildings

~392

↑ +26% YoY



Award-winning
network

Best Telco Innovation
Best Fixed Wireless Provider
Best Virtual Network Operator



Traffic on Network

↑ +1900%
on FY16



Re-launched
portfolio

All products operating
under Superloop brand

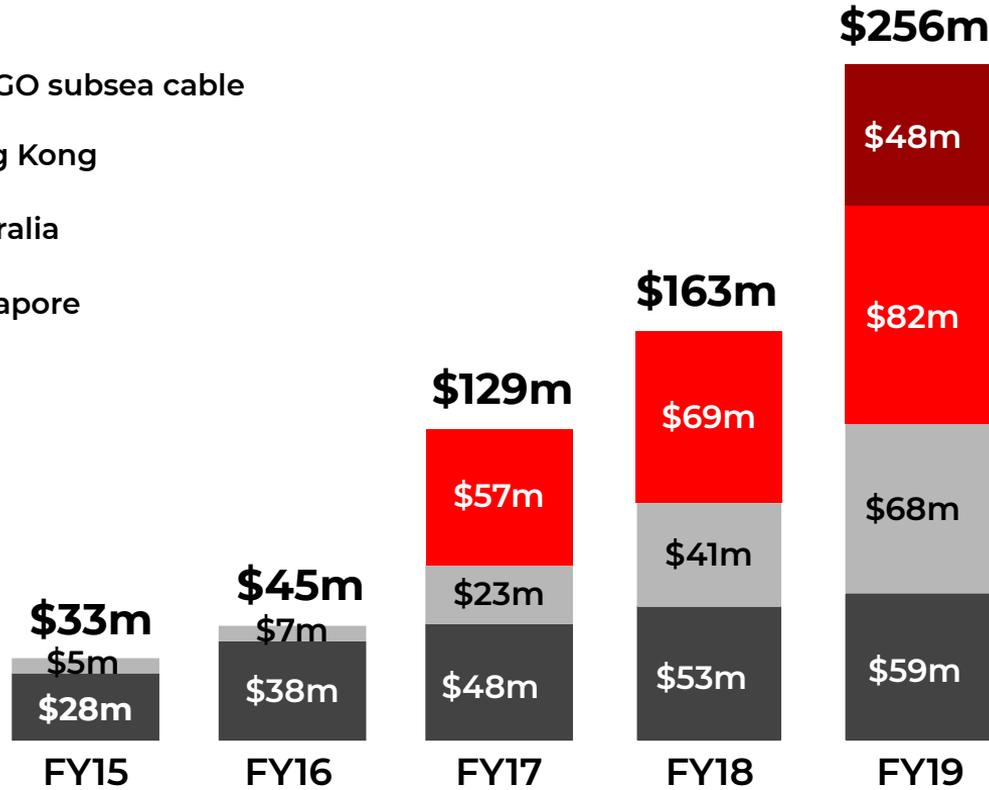


Integrated teams

Unified ~300-strong
organisation

Invested capital in fibre network assets now live⁽¹⁾

- INDIGO subsea cable
- Hong Kong
- Australia
- Singapore



⁽¹⁾ Live defined as when asset is capitalised, i.e. commencing depreciation & amortisation. Includes Network, Communication & Intangible Rights & Licenses Assets, excluding assets in the course of construction

<2 Year Old Network Assets

Weighted average asset age as at 30th June 2019

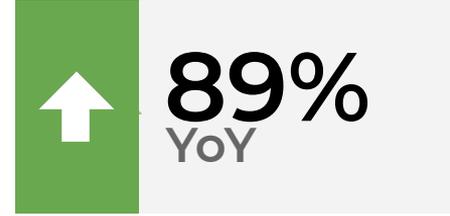
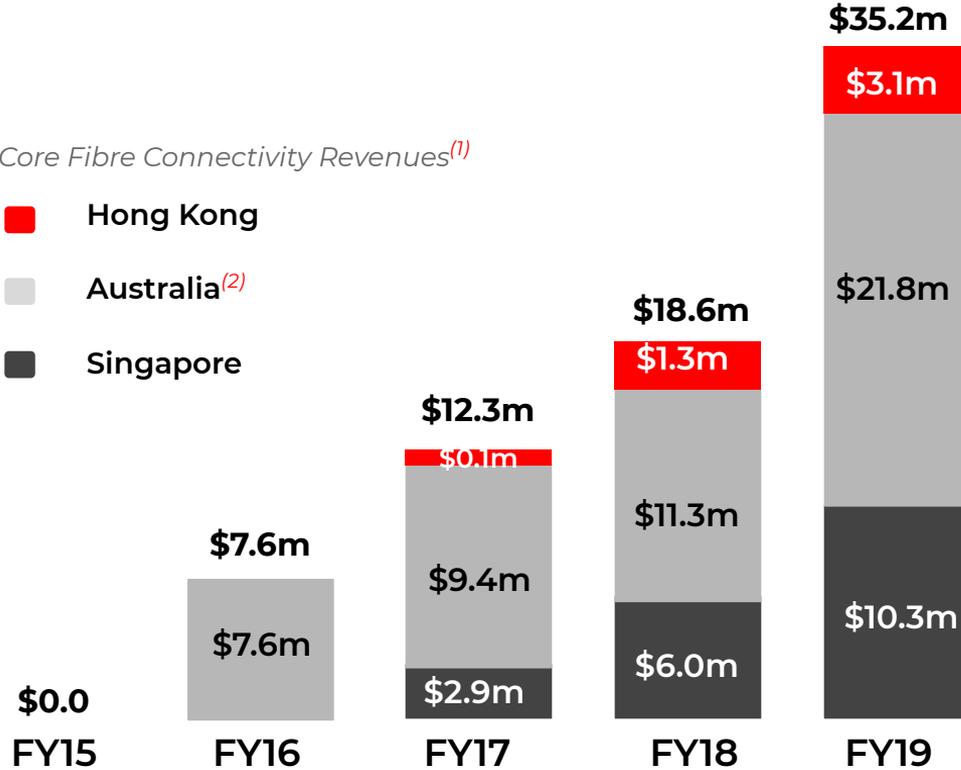
20⁺ Years Useful Life

Weighted average asset useful life

Revenue growth on new fibre network assets

Core Fibre Connectivity Revenues⁽¹⁾

- Hong Kong
- Australia⁽²⁾
- Singapore



Core Fibre Connectivity Revenues⁽¹⁾



⁽¹⁾Core Fibre Connectivity Revenues excluding INDIGO development revenue, includes installation revenues, IRU revenue (AASB15) and construction revenue

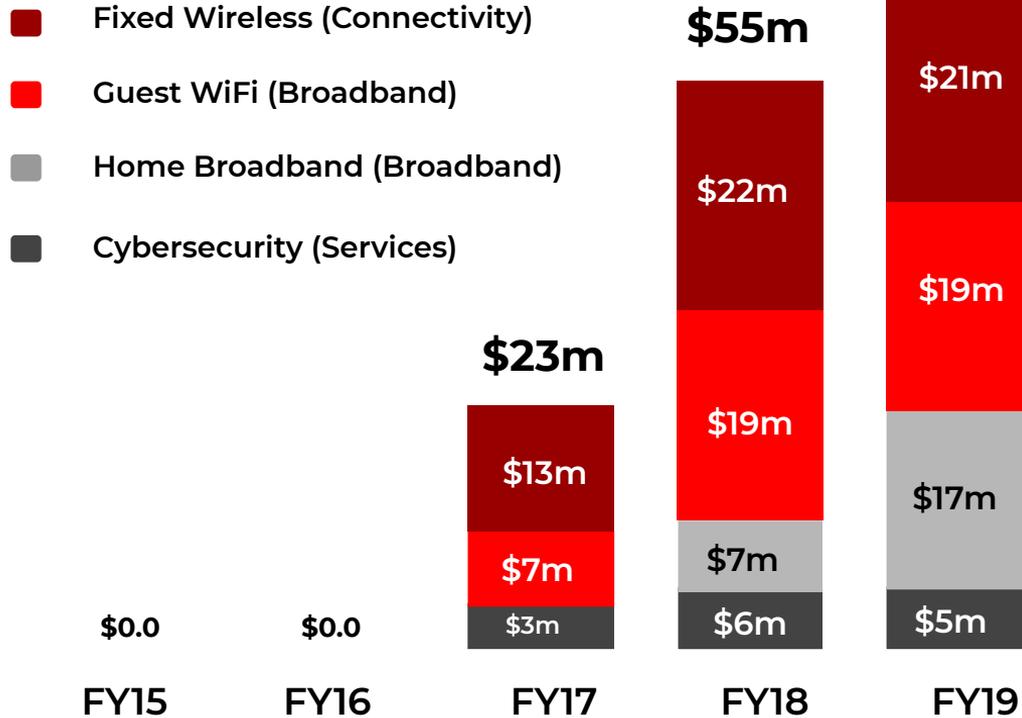
⁽²⁾Australia includes Apex & Cinenet acquisitions

⁽³⁾Compound annual growth rate (CAGR)

Platforms leveraging fibre connectivity foundation



Total Annual Revenue



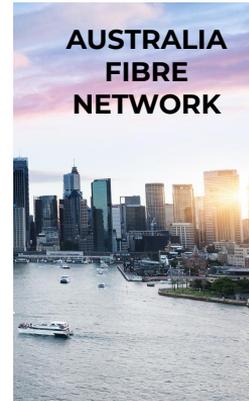
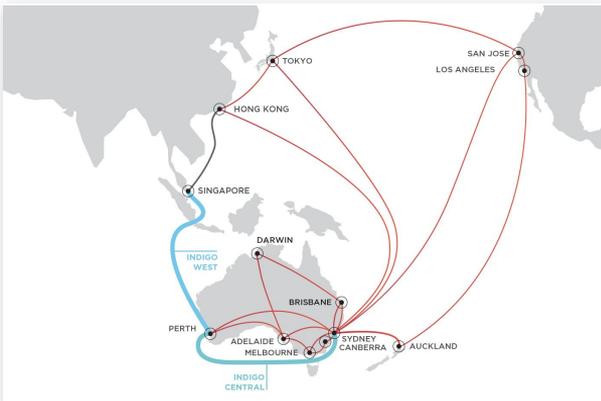
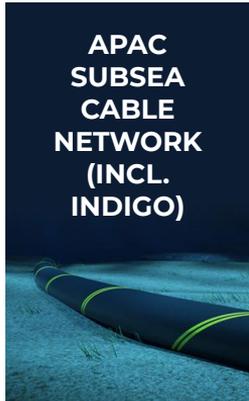
Fixed Wireless Connectivity provides primary and alternative secondary access to businesses across Australia, leveraging the fibre backbone

Guest WiFi Broadband provides a management platform for campuses (universities, hotels, hospitals) to distribute internet to users smartly & securely

Home Broadband leverages Superloop's fixed wireless network and seamless NBN extension, with an addressable market of 10 million

Core Services includes CyberHound providing security filtering for education & other industries

Brand new core fibre networks across Asia Pacific





Australia

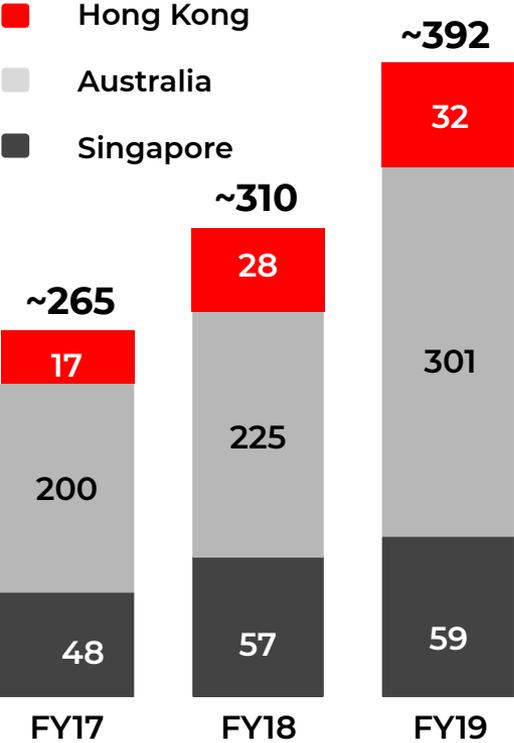


Singapore

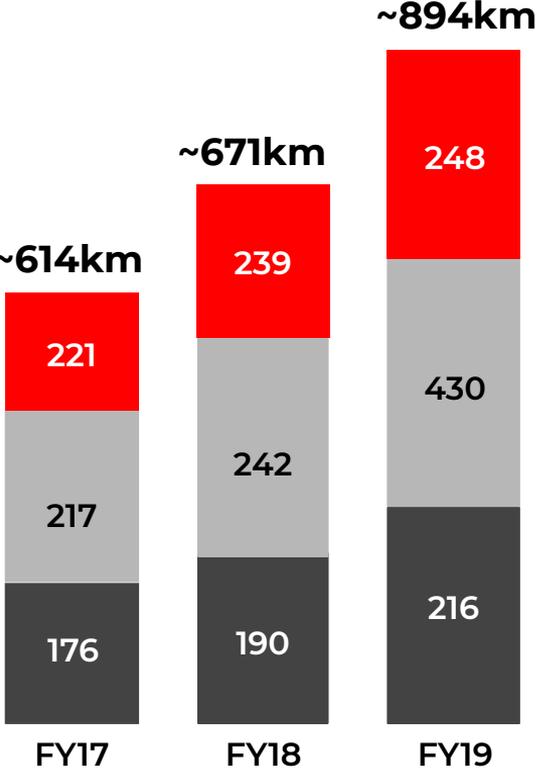


Hong Kong

Buildings Connected



Fibre Kms excluding INDIGO



Singapore



REVENUE FY19

\$10.3million

73% YoY growth

\$59m Invested Capital

15% Utilisation

3.0yrs Avg. Asset Age⁽²⁾

29yrs Avg. Asset Life

Australia



REVENUE FY19

\$20.8million⁽¹⁾

100% YoY growth

\$68m invested capital

12.3% Utilisation

1.0yrs Avg. Asset Age⁽²⁾

16yrs Avg. Asset Life

Hong Kong



REVENUE FY19

\$3.1million

74% YoY growth

\$82m Invested capital

3.5% Utilisation

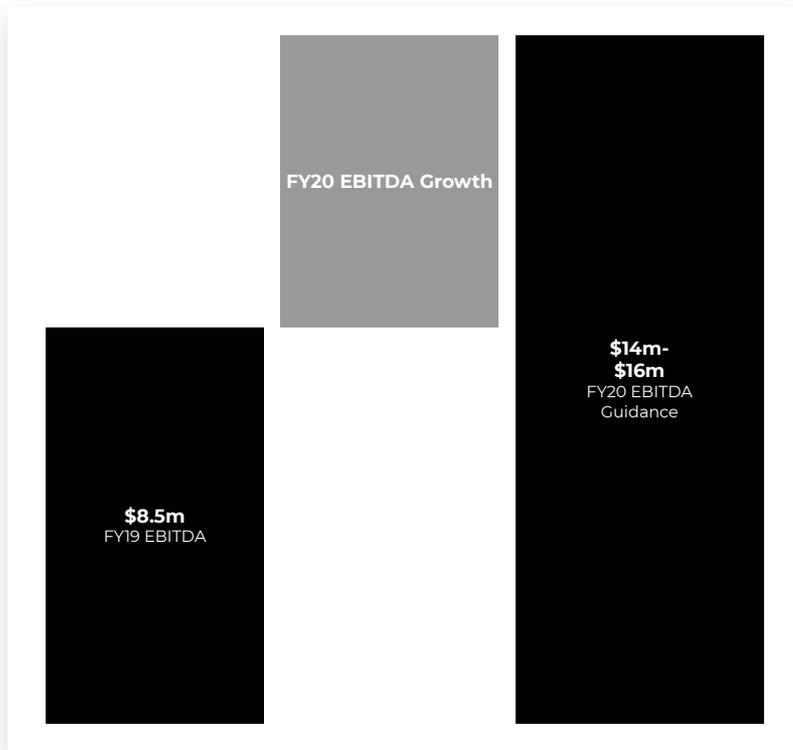
2.2yrs Avg. Asset Age

25yrs Avg. Asset Life

⁽¹⁾Excluding INDIGO development revenue, includes installation revenues, IRU revenue (AASB15) and construction revenue, Apex & Cinenet acquisitions

⁽²⁾Average age of fixed assets since first activated, commencing useful life.

FY20 Guidance



- INDIGO subsea cable live & billing recurring revenues with strong pipeline of opportunities
- Recurring revenue growth from core fibre connectivity networks across Asia Pacific
- Lower direct costs from removing duplication & migration of off-net customers onto Superloop
- Full year benefit of productivity program
- Non-core cloud managed services in planned retirement
- Expect stronger 2H EBITDA performance
- Guidance includes adoption of AASB 16 from 1 July 2019, which treats operating leases as financial leases for accounting purposes, and excludes infrastructure transactions that may arise
- Major network build completed therefore forward capex expected to be significantly lower per annum

Placement and Entitlement Offer

 MELBOURNE

Offer Size and Structure	<ul style="list-style-type: none">• Fully underwritten Placement and 1 for 6 accelerated non-renounceable entitlement offer to raise gross proceeds of up to approximately \$90 million (Offer)• Issue of approximately 110 million new ordinary shares ("New Shares") representing 30% of post-dilution shares on issue
Offer Price	<ul style="list-style-type: none">• A\$0.82 per New Share representing:<ul style="list-style-type: none">◦ 13.9% discount to TERP⁽¹⁾ of \$0.952◦ 18.8% discount to last close price of \$1.01 on 20 September 2019
Institutional & Retail Components	<ul style="list-style-type: none">• The Placement and Institutional Entitlement Offer will be conducted over 24 and 25 September 2019. Entitlements not taken up under the Institutional Entitlement Offer will be offered to new and existing eligible institutional investors at the offer price via a shortfall bookbuild concluding on 25 September 2019• The Retail Entitlement Offer opens 30 September 2019 and closes 14 October 2019.
Underwriters	<ul style="list-style-type: none">• The Placement and the Entitlement Offer are fully underwritten by Canaccord Genuity (Australia) Limited and Morgans Financial Limited
Ranking	<ul style="list-style-type: none">• New shares issued under the Placement and Entitlement Offer will rank pari-passu with existing shares from issue• Placement shares will be issued after the record date and will not rank for participation in the Entitlement Offer
Use of Proceeds	<ul style="list-style-type: none">• The proceeds of the Offer will be applied towards repaying a portion of the existing senior debt, working capital and the costs of the Offer

1. The Theoretical Ex-rights Price ("TERP") is calculated by reference to Superloop's closing price on 20 September 2019 of A\$1.01 per share, being the last trading day prior to the announcement of the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which Superloop's shares trade immediately after the ex-date of the Entitlement Offer and the ex dividend date will depend on many factors and may not approximate TERP.

TERP includes the new shares issued under the placement

Pro Forma Balance Sheet and Use of Funds



Pro Forma Balance Sheet	30 June 2019 (\$m)	Proceeds of the Offer (after costs)	Pro Forma 30 June 2019 (\$m)
Cash & cash equivalents	18.9		18.9
Trade Receivables	27.1		27.1
Property, plant & equipment	228.7		228.7
Intangible Assets (incl IRUs)	234.2		234.2
Other Assets	20.6		20.6
Total Assets	529.5		529.5
Trade Payables	39.1	(6.0)	33.1
Senior interest-bearing borrowings	82.8	(80.0)	2.8
Equip. finance lease	6.3	-	6.3
Other Liabilities	55.1		55.1
Total Liabilities	183.3	(86.0)	97.3
Net Assets	346.2		432.2

Sources	\$'m
Share placement & rights issue	90.0
Total	90.0
Uses	\$'m
Repay senior debt	80.0
Total transaction costs	4.0
Trade Payables	6.0
Total	90.0

Offer Timetable

Milestone	Milestone Date
Trading halt and announcement of Capital Raise	Tuesday, 24 September 2019
Placement Bookbuild and Institutional entitlement offer conducted	Tuesday , 24 September 2019 and Wednesday, 25 September 2019
Record Date for Retail Entitlement Offer (7pm AEDT)	Thursday, 26 September 2019
Retail Entitlement Offer opens	Monday, 30 September 2019
Settlement of Placement and accelerated component of Institutional Entitlement Offer	Monday, 30 September 2019
Information Booklet and Entitlement & Acceptance Form despatched to Eligible Retail Shareholders	Tuesday, 1 October 2019
Quotation of New Shares under the Placement and accelerated portion of Institutional Entitlement Offer	Wednesday, 2 October 2019
Last date to extend the closing date for the Retail Entitlement Offer	Wednesday, 9 October 2019
Closing date for acceptances under Retail Entitlement Offer (5pm AEDT)	Monday, 14 October 2019
Announcement of results of Retail Entitlement Offer and notification of any shortfall	Thursday, 17 October 2019
Settlement of Retail Entitlement Offer	Friday, 18 October 2019
Allotment and issue of New Shares under the Retail Entitlement Offer	Monday, 21 October 2019
Quotation of New Shares issued under the Retail Entitlement Offer and trading commences on a normal basis	Tuesday, 22 October 2019
Annual general meeting	Wednesday, 30 October 2019

The above timetable is indicative only and subject to change. Subject to the requirements of the Corporations Act, the ASX Listing Rules and any other applicable laws, Superloop in consultation with the underwriter, reserves the right to amend this timetable and withdraw the offer at any time.

These risks are a summary of the key risks to Superloop, and are not an exhaustive list of all possible risks faced by Superloop. Shareholders should consult their stockbroker, solicitor, accountant or other professional adviser to evaluate whether or not to participate in the entitlement offer.

Specific risks

- **Competition and disruption**

Superloop operates in a competitive landscape alongside other owners and operators of telecommunications infrastructure with competing offerings and a geographically diverse presence. Superloop, as a now established industry incumbent, also faces the risk of being disrupted by new market entrants, employing new technologies. Technology has reduced barriers to entry and opened up opportunities for new entrants with different operating models. Failure to appropriately respond to these increasingly competitive market conditions could result in a decline in the revenue and margin of Superloop's products and services and ultimately forecast earnings and asset position.

- **Regulatory risk**

There is a risk that government policy could directly and indirectly affect Superloop's product offerings, strategy and business model and the competitive landscape, particularly in markets where the government has significant investment in telecommunications assets (e.g. Australia's National Broadband Network, Singapore's Next Generation National Broadband Network, and the Singapore Government's shareholding in Singtel and Starhub through related investment companies). Regulatory complexity can increase the cost of doing business. Superloop also requires certain licences to operate in the various jurisdictions in which it carries on business, and any modification or cancellation of any of these licences may impact its ability to operate in that particular jurisdiction.

- **Network failure or interruptions**

A significant network, systems failure or interruption could cause both tangible and intangible losses of shareholder value for Superloop through its inability to honour customer contracts, resultant customer churn and reputational damage. Network failure or interruptions can be caused by a variety of events (many outside the control of Superloop), including accidental damage from civil works (cable cuts), intentional damage from vandalism or terrorism and acts of God such as earthquakes or other natural disasters. Superloop is exposed to short, medium or long-term interruptions of this kind as it relies on its infrastructure and technology to provide its customers with a reliable service.

- **Data governance**

Superloop considers the protection of customer, employee and third party data as critically important. Given the recent evolution of the regulatory environment and heightened community awareness of the issue following a number of high profile and highly publicised breaches, the management of data represents a key legal and reputational risk for Superloop that if realised could impact shareholder value.

- **Sales underperformance**

The speed with which Superloop can achieve sales on those of its networks with significant capacity, including Singapore, Hong Kong and INDIGO is, in the short to medium term, a key factor in the market's valuation of Superloop. The occurrence of anything that adversely affects the sales growth in those markets, including lower than expected customer demand and aggressive competition, will adversely affect Superloop's growth prospects and/or the financial performance.

- **Integration risk**

The various acquisitions Superloop has made have not only expanded its product offering, but also offer further value creation through synergies, including the potential to reduce the underlying costs of goods sold (or COGS) in the long term. A key risk in realising this value is the success of the post acquisition integration of systems and processes. Integration may be delayed due to a number of reasons, and such delays may defer the benefit of the acquisition or, in some cases, the benefit may not be realised.

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- **Funding risk**

The continued growth of Superloop's business relies on the acquisition, development and ongoing maintenance of telecommunications and IT infrastructure. Superloop requires access to sufficient capital to fund this expenditure. Failure to obtain capital on favourable terms may hinder Superloop's ability to expand and pursue growth opportunities. There is no assurance that additional funds will be available in the future on reasonable commercial terms. Superloop believes the risk is mitigated, to some extent, through the generation of operating cash flows, negotiation and maintenance of lines of credit at favourable rates and access to other forms of capital. In particular, Superloop expects its capex requirement to have peaked in FY19 and stabilise at approximately \$20m per annum in FY20 and thereafter, excluding major capital investment opportunities including IRUs that may arise. As part of this capital raising, Superloop has reduced the amount outstanding on its senior debt facility with a new \$61.7m facility limit to bring the renegotiated debt/EBITDA and interest cover ratio (ICR) covenants for that facility in line with forecast EBITDA for the business. More details on the terms of the renegotiated senior secured facility are set out on page 8 and 9 of this presentation. Failure to obtain capital on favourable terms may hinder Superloop's ability to expand and pursue growth opportunities, which may reduce competitiveness and have an adverse effect on the financial performance, position and growth prospects of Superloop. Superloop believes the proceeds raised by this entitlement offer will be sufficient to fund the actions described in this investor presentation. However, Superloop may require additional funds for its other activities and future projects. Further funds raised may result in dilution for shareholders, and debt financing, if available, may involve further restrictive covenants which may limit Superloop's operations and business strategy.

- **Changes in technology**

Demand for technology infrastructure can change rapidly because of technological innovation, new product introductions, declining prices and evolving industry standards, among other factors. New solutions and new technology often render existing solutions and services obsolete, excessively costly or otherwise unmarketable. As a result, the success of Superloop depends on Superloop being able to keep up with the latest technological progress and to develop or acquire and integrate new technologies into its fibre optic telecommunications infrastructure. Advances in technology also require Superloop to commit resources to developing or acquiring and then deploying new technologies for use in operations.

- **Increasing business complexity**

As Superloop currently conducts business in Australia, Singapore and Hong Kong, Superloop is exposed to a range of multi-jurisdictional risks such as risks relating to labour practices, environmental matters, difficulty in enforcing contracts, changes to or uncertainty in the relevant legal and regulatory regime (including in relation to taxation and foreign investment and practices of government and regulatory authorities) and other issues in foreign jurisdictions in which Superloop operates. In addition, Superloop operates in a number of different sub-market segments within the telecommunications industry, including fibre infrastructure and network solutions, fixed wireless, cloud and managed services, cyber safety, campus broadband and fixed line residential NBN services. This diversity of geographic location and product offering increases the complexity of Superloop's business, increasing the likelihood that business risks are overlooked or not appropriately managed.

- **Planning, development and construction risks**

Superloop may undertake development of new fibre optic telecommunications infrastructure, and expansion, maintenance, and refurbishment of existing infrastructure. Any delays or unexpected costs associated with planning, construction, and development activities which Superloop pursues in the future may harm growth prospects, operating results, and financial performance.

These risks are a summary of the key risks to Superloop, and are not an exhaustive list of all possible risks faced by Superloop. Shareholders should consult their stockbroker, solicitor, accountant or other professional adviser to evaluate whether or not to participate in the entitlement offer.

- **Relationships with key intellectual property licensors and technology**

Superloop uses intellectual property and technology developed in the course of its business that is owned by Superloop. Superloop also relies on relationships with key intellectual property licensors and technology partners, from whom it licenses the right to use particular intellectual property and technology. Superloop's ability to construct, maintain and manage its fibre optic telecommunications infrastructure is dependent on its ability to use particular intellectual property and technology, and any change in the ability to use intellectual property Superloop relies on may have an effect on Superloop's future financial performance and position.

- **Retention of key personnel**

Superloop is highly dependent upon qualified, technical and managerial personnel. It is essential that appropriately skilled staff be available in sufficient numbers to continue to support Superloop's business. Superloop may not be able to attract and retain the qualified personnel necessary for the continued development of its business. The loss of the services of existing personnel, as well as the failure to recruit additional key technical, managerial and other personnel in a timely manner could harm Superloop's business. There is significant competition for qualified personnel in Superloop's business, and as such, loss of key staff to a competitor may amplify this adverse impact.

General risks

- **Investment risks**

Factors affecting the price at which Superloop shares are traded on ASX could include domestic and international economic conditions. General movements in local and international stock markets, exchange rates, prevailing economic conditions, investor sentiment and interest rates could all affect the market price of Superloop's securities. These risks apply generally to any investment on the stock market. In addition, the prices of a listed entity's securities are affected by factors that might be unrelated to its operating performance, such as general market sentiment.

- **Macroeconomic risks**

Superloop's operational and financial performance is affected by the Australian and other international economies. General and business conditions, inflation, interest rates, monetary and fiscal policy and political circumstances are all matters which may affect Superloop's operating and financial performance. Superloop operates in foreign jurisdictions and as a result, fluctuations in applicable exchange rates could also have an impact on the financial position and performance of Superloop.

- **Taxation and accounting risks**

Tax and accounting laws and other regulations are complex and subject to regular change. A change to the Australian Accounting Standards or the current taxation regime in Australia or in overseas jurisdictions in which Superloop operates may affect Superloop and its shareholders.

- **Bribery, corruption and other improper acts**

Superloop may incur fines or penalties, damage to its reputation or suffer other adverse consequences if its Directors, officers, employees, consultants, agents, service providers or business partners violate, or are alleged to have violated, anti-bribery and corruption laws in any of the jurisdictions in which it operates. Superloop cannot guarantee that its internal policies and controls will be effective in each case to ensure that this does not occur.

Appendix

- > Definitions
- > Foreign Selling Restrictions

IRU: Indefeasible Right of Use: is a permanent contractual agreement, that cannot be undone, between the owners of a communications system and a customer of that system. The word "indefeasible" means "not capable of being annulled, or voided, or undone." The customer purchases the right to use a certain amount of the capacity of the system, for a specified number of years.

AASB15: Australian Accounting Standards Board, standard 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. The core principle of AASB 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Under AASB 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

The standard is applicable to annual reporting periods beginning on or after 1 January 2018 and accordingly the group has applied this standard from 1 July 2018. The group has adopted AASB 15 using the fully retrospective approach and have restated comparative information.

AASB16 (Leases): Australian Accounting Standards Board, standard 16 provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors. The standard introduces three main changes, enhanced guidance on identifying whether a contract contains a lease, a completely new leases accounting model for lessees that requires lessees to recognise all leases on balance sheet, except for short-term leases and leases of low value assets, and enhanced disclosures.

Leases currently classified as operating leases will be capitalised in the Consolidated Statement of Financial Position with a liability corresponding to future lease payments also recognised. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset and an interest expense on the recognised lease liability.

The standard is applicable to annual reporting periods beginning on or after 1 January 2019 and accordingly the Group will apply this standard from 1 July 2019. The Group has elected to apply a modified retrospective transition approach with assessments being carried out at initial application date as to whether a contract contains a lease.

This document does not constitute an offer of new ordinary shares in Superloop Limited (**New Shares**) in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

Australia

The information in this document has been prepared on the basis that all offers of New Shares will be made to Australian resident investors to whom an offer of shares may lawfully be made without disclosure under Part 6D.2 of the *Corporations Act 2001* (Cth) (**Corporations Act**). This document is not a prospectus, product disclosure statement or any other form of disclosure document regulated by the Corporations Act and has not been, and will not be, lodged with the Australian Securities and Investments Commission (**ASIC**). Neither ASIC nor ASX takes any responsibility for the contents of this document. Accordingly, this document may not contain all information which a prospective investor may require to make a decision about whether to subscribe for New Shares and it does not contain all of the information which would otherwise be required by Australian law to be disclosed in a prospectus, product disclosure statement or any other form of disclosure document regulated by the Corporations Act. This document does not take into account the investment objectives, financial situation or needs of any particular person. Accordingly, before making any investment decision in relation to the offer of New Shares or any other transaction in relation to Superloop Limited shares, you should assess whether that transaction is appropriate in light of your own financial circumstances or seek professional advice.

- **New Zealand**

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the *Financial Markets Conduct Act 2013* (**FMC Act**). The New Shares are not being offered to the public within New Zealand other than to existing shareholders of Superloop Limited with a registered address in New Zealand to whom the offer of these securities is being made in reliance on the FMC Act and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016. Other than under the entitlement offer, the New Shares may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

This document does not constitute an offer of new ordinary shares in Superloop Limited (**New Shares**) in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

- **Hong Kong**
WARNING

This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (**SFO**). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the New Shares have not been and will not be offered in Hong Kong other than to 'professional investors' (as defined in the SFO).

No advertisement, invitation or document relating to the New Shares has or will be issued or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to 'professional investors' (as defined in the SFO and any rules made under that ordinance). No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

- **Singapore**

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the *Securities and Futures Act*, Chapter 289 of Singapore (**SFA**), or as otherwise pursuant to, and in accordance with, the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are:

- an existing holder of Superloop Limited's shares;
- an 'institutional investor' (as defined in the SFA); or
- a 'relevant person' (as defined in section 275(2) of the SFA).

In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

This document does not constitute an offer of new ordinary shares in Superloop Limited (**New Shares**) in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

- **United Kingdom**

Neither the information in this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the *Financial Services and Markets Act 2000*, as amended (**FSMA**)) has been published or is intended to be published in respect of the New Shares.

This document is issued on a confidential basis to 'qualified investors' (within the meaning of section 86(7) of the FSMA) in the United Kingdom, and the New Shares may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) of the FSMA. This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to Superloop Limited.

In the United Kingdom, this document is being distributed only to, and is directed at, persons:

- who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the *Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (FPO)*;
- who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO; or
- to whom it may otherwise be lawfully communicated,

(together, **Relevant Persons**).

The investments to which this document relates are available only to, and any invitation, offer or agreement to purchase will be engaged in only with, Relevant Persons. Any person who is not a Relevant Person should not act or rely on this document or any of its contents.

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Thank you

Contact details

investor@superloop.com

<https://investors.superloop.com/Investors/>

Upcoming Events

Superloop Annual General Meeting, Brisbane 30th October 2019