

3 April 2020

Dear Shareholder,

Given the emerging impacts of COVID-19 throughout the world and the resulting market uncertainty, I felt it important to write to you to provide an interim update on our business operations during these times.

We at Superloop have been relatively fortunate in terms of the conditions experienced to date, with the impacts so far mostly noticed in two main areas being a reduction in Guest WiFi services as foreshadowed in our updated guidance note of 18 February 2020 and an increase in wholesale IP transit and longer-term international capacity leases. Additionally, in early March the Company undertook a number of initiatives to accelerate capital expenditure reductions and achieve cost efficiencies as part of our recently implemented program '*Project Vulcan*'. I am pleased to provide further information on each of these items below.

Guest WiFi / Student Accommodation

As foreshadowed in our guidance update on 18 February 2020, for conservatism, we anticipated a potential temporary reduction in Guest WiFi revenues from possible restrictions on international students returning to Australia for their studies and disruptions to international travel.

With Universities recommencing in late February-early March, Superloop has now been able to quantify the level of that impact to date, which is currently in line with our initial assumptions. Since that time, we have seen consistent device activations during the month of March within the student accommodation facilities we service. We currently expect that international student numbers will remain relatively constant. However, there may be some potential for reduction in numbers arising from domestic students (rather than international) returning to their families during the Easter holidays and deciding to undertake distance learning during the next term. The Company is constantly monitoring these developments and the number of device activations on our Community WiFi networks at these sites.

IP Backbone and International Capacity

Given the move to remote working and video conferencing for many companies over recent weeks, it is not surprising that Superloop has experienced a significant increase in traffic across its network, especially across its global IP transit backbone and international networks.

As a result, Superloop expects to realise increased revenues from its wholesale IP transit and international capacity products during this quarter, particularly its *Indigo* international cable system. These new contracts are predominantly multi-year, recurring revenue agreements, structured with high cash contributions, and are able to be provisioned by Superloop within 30-60 days. The expected increase in revenue has been factored into guidance.

Project Vulcan

In early March, the Board commenced *Project Vulcan* in order to ensure the Company is as well-prepared as possible for potential impacts from COVID-19. This Project includes a series of initiatives that allow the business to operate effectively in a period of market uncertainty by accelerating Superloop's timeline for achieving positive operating cash flow. These initiatives include working to accelerate book-to-bill cycles, identification of further COGS efficiencies, strategies implemented to reduce overall operating costs and a more focused capital expenditure program. Most of these initiatives have already been actioned and the benefits will also begin to be realised in the coming months.

A number of these initiatives would not have been possible without the tremendous support from our whole team. The Board wishes to acknowledge how humbled and appreciative we are of their continued support and commitment during this time.

Funding and Guidance

In an abundance of caution, the Company engaged with our financiers early to discuss the Company's initiatives and our focus on accelerating the milestone of positive operating cash flow. Superloop's financiers remain supportive of the business and have appreciated the various initiatives already being executed as part of Project Vulcan that see the business operating well-within its overall finance facility headroom.

Additionally, despite overall market conditions the Company is currently tracking within guidance. The Board and Management are continually monitoring business performance and will of course provide further updates to the market in the event that any material changes are identified. In the absence of any further interim updates, the Company plans to issue a further Trading Update in mid-May.

Finally, I want to acknowledge and thank the talented team at Superloop who have built an exceptional and unique network capability across the Asia-Pacific region. We are excited that we are now beginning to experience the potential of our vision and your investment in Superloop.

I want to thank you for being a Shareholder and wish you all good health.

Yours sincerely,

Bevan Slattery
Chairman
Superloop Limited