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Acquisition of Smart Building Provider VostroNet

Superloop Limited (ASX:SLC) announces that it has entered into a sale and purchase agreement (SPA) to acquire VostroNet Holdings Pty Ltd (VostroNet), a provider of wholesale Fibre-to-the-Premises (FTTP) access networks and purpose built student accommodation broadband. The acquisition consolidates and expands Superloop's strong managed WiFi position into adjacent On-Net broadband markets.

VostroNet is a leading infrastructure owner and internet provider delivering high-speed FTTP and intelligent WiFi networks for multi-dwelling (MDU) and broadacre developments serviced with VostroNet fiber networks. Key customers include UniLodge, Iglu Student Accommodation, Queensland University of Technology and Sunshine Coast Council for WiFi solutions and Billbergia, CBUS and Consolidated Properties for smart FTTP network infrastructure.

The combination of assets will deliver a market-leading position in the supply of broadband in the Tertiary Student accommodation sector, delivering national coverage to approximately 40,000 student beds. As discussed in Superloop's recent earnings call, it is encouraging to note this market segment has now recovered to its pre-COVID levels.

The acquisition represents the next step in Superloop's strategy to develop its On-Net Smart Communities division via the addition of FTTP capabilities, installed base and pipeline to address adjacent markets such as New Developments, Build to Rent, broadacre and MDU markets and associated infrastructure builds.

Consideration for the acquisition is AU\$35 million (before customary completion adjustments), comprising AU\$24.5 million in cash and AU\$10.5 million in Superloop shares. The vendors may also be entitled to 'earn out' payments (capped at AU\$15m in cash), subject to meeting certain take-up targets related to contracted sites and obtaining \$2.1m of run-rate synergies (assumed to be realised within 24 months of completion).

The acquisition will be funded from Superloop's existing cash reserves. Subject to satisfaction of the conditions precedent to sale, Superloop expects to complete the acquisition towards the end of the calendar year.



The vast majority of VostroNet revenues are recurring in nature with on-net economics. On a FY23 full-year pro forma basis, the acquisition will contribute approximately \$4.6m of EBITDA (before synergies). Where the earnout is fully achieved (including delivery of the synergies), the resulting EBITDA multiple is expected to be 7.5x.

Superloop's Managing Director and CEO, Paul Tyler said, "We are extremely pleased with this transaction as in addition to strengthening our position in the provision of on net broadband services to the student accommodation market, it also adds capability in the growing build to rent and MDU markets. We welcome the employees from VostroNet to Superloop and look forward to deepening the relationship."

ENDS

Authorised for release by the Superloop Board of Directors

About Superloop

Founded in 2014, and listed on the ASX since 2015, Superloop's purpose is to enable better internet for Australian homes and businesses, by enabling challenger retail brands (including Superloop and Exetel brands) to take a larger share of the market, leveraging Superloop's Infrastructure-on-Demand platform. Superloop operates in three segments of the market: consumer connectivity, business connectivity and wholesale connectivity. All leverage Superloop's investments in physical infrastructure assets that include fiber, subsea cables and fixed wireless, as well as Superloop's software platforms. Hundreds of thousands of homes and businesses rely on Superloop and Exetel every day for their connectivity needs.

Visit www.superloop.com to learn more.

Contacts

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