

01 August 2023

## Proposal to acquire Symbio and FY23 Earnings Upgrade

Superloop Limited (ASX: SLC) (**Superloop**) announces that it has made a non-binding indicative proposal to acquire all of Symbio Holdings Limited's (ASX:SYM, **Symbio**) shares via a scheme of arrangement (**Proposal** or **Proposed Transaction**).

The Proposal values Symbio at A\$2.85 per share, with consideration for the Proposed Transaction being an equal split of cash and Superloop shares (**Proposed Purchase Price**)<sup>1</sup>. The Proposal also contemplates releasing up to A\$0.15 per share franking credits through the payment by Symbio of a fully franked dividend of up to A\$0.35 per ordinary share to Symbio shareholders prior to scheme implementation (**Special Dividend**)<sup>2</sup>.

The Proposed Purchase Price of A\$2.85 per share<sup>3</sup>, when aggregated with A\$0.15 per share from the release of franking credits through the Special Dividend (combined, A\$3.00 per share of value) represents the following premium to Symbio's recent trading prices:

|                  | <b>Symbio Reference Price (as at 31-Jul-23)</b> | <b>Premium represented by Proposed Purchase Price (\$2.85)</b> | <b>Premium represented by Proposed Purchase Price and franking credits of up to \$0.15 (\$3.00)</b> |
|------------------|---|--|---|
| Last Close Price | 2.38  | 19.7%  | 26.1%   |
| 1 Month VWAP     | 2.02  | 41.4%  | 48.9%   |
| 3 Month VWAP     | 1.94  | 47.1%  | 54.8%   |

The Board of Superloop believes the Proposed Transaction, if completed, would create a leading telecommunications company with a compelling breadth of services and strengthened customer proposition. The Board of Superloop is confident that this combination has potential to create significant value for the shareholders of both Superloop and Symbio near-term through the realisation of significant cost synergies and into the future from an enhanced, sustainable growth outlook.

More specifically, the Board of Superloop believes that bringing together Superloop and Symbio would:

- create a larger and more complete telecommunications company across data, voice and messaging services;
- deliver greater channel depth and deeper product capability across common customer channels;
- create a business with an attractive balance of revenue and profit contributions, with an increased exposure to the wholesale and business segments, whilst also allowing even greater investment in accelerated growth in the consumer segment;

<sup>1</sup> Under the terms of the Indicative Proposal, the Proposed Purchase Price would be payable at the election of Symbio shareholders as a combination of cash and/or shares in Superloop (subject to scale back to achieve an overall equal mix of cash, including any dividend(s) paid, and Superloop shares). The A\$2.85 value per Symbio share is based on Superloop's close price of A\$0.665 per share on 31 July 2023. The share component of the Proposed Purchase Price will be based on a fixed exchange ratio. Based on a 50:50 split, the Proposed Purchase Price will be A\$1.425 in cash (including any dividend(s) paid) and 2.14 Superloop shares for each Symbio share.

<sup>2</sup> The cash component of the Proposed Purchase Price will be reduced by the amount of the Special Dividend. The franking of Symbio's Special Dividend is subject to change depending on the timing of implementation of any scheme and other relevant factors. The potential value of franking credits to Symbio shareholders will depend on their individual tax circumstances.

<sup>3</sup> Based on Superloop's closing share price of A\$0.665 per share on 31 July 2023.



- provide even greater scope for improved operating efficiency delivered through significant cost synergies across the combined organisation;
- deliver significant earnings per share accretion with potential near term cost synergies to create value for shareholders of both Superloop and Symbio;
- position the combined company for index inclusion and investment from a wider universe of investors with positive net profit after tax and enhanced cashflow profile; and
- provide Symbio shareholders with exposure to the upside potential of the combined businesses through receiving a significant portion of the consideration in Superloop shares.

The Proposal, which is non-binding, is subject to a number of conditions including the completion of confirmatory due diligence, the negotiation and execution of customary transaction documentation (including a scheme implementation agreement) and a unanimous Symbio Board recommendation.

Importantly, the Board of Superloop notes that it would only progress the Proposed Transaction on a disciplined basis such that any transaction would be significantly value accretive to Superloop's shareholders.

Superloop CEO and Managing Director, Paul Tyler said, "The Proposal that Superloop has made to potentially acquire Symbio represents an excellent proposition for all stakeholders and the combination of Superloop and Symbio would create a strong and attractive telecommunications business. Superloop and Symbio currently have an excellent working relationship, with Symbio being one of Superloop's largest wholesale clients, and the combination of the two businesses would be highly accretive."

Superloop and Symbio have entered into a 4-week period of reciprocal exclusivity to further progress the Proposal.

Superloop notes that the Proposal is preliminary and incomplete and there is no guarantee that any agreement will be reached or that a transaction will eventuate.

Superloop has appointed Luminis Partners as its financial adviser and Baker McKenzie as its legal adviser.

### **FY23 Upgraded Earnings Guidance**

Superloop continues to perform well across all aspects of its business and is pleased to provide upgraded earnings guidance for the financial year ended 30 June 2023.

Based on unaudited management accounts for the 12 months of trading to 30 June 2023, Superloop now expects that the reported underlying earnings before interest tax, depreciation and amortisation (**Underlying EBITDA**) is likely to be around \$37.0m, which is above the top end of the guidance range (of \$33m to \$36m) provided to the market at Superloop's Annual General Meeting on 11 October 2022.

Paul Tyler, Superloop CEO and Managing Director said, "Superloop has experienced stronger than anticipated organic trading performance in the second half of the year with all three trading segments performing ahead of expectations. We are very pleased with the performance of the business and the financial outcomes that are demonstrating the continuing success of Superloop's turnaround. We are also very excited by the opportunities that lie ahead for Superloop in FY24 and beyond."

### **ENDS**

*Authorised and approved 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. We enable challenger retail brands (including Superloop and Exetel brands) to take a larger share of the market, leveraging Superloop's Infrastructure-on-Demand platform. Superloop provides 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. Hundreds of thousands of homes and businesses rely on Superloop and Exetel every day for their connectivity needs.

Visit [www.superloop.com](http://www.superloop.com) to learn more.

## Contacts

Superloop is at:

Web: <https://www.superloop.com/>  
Twitter: <https://twitter.com/superloopnet>  
LinkedIn: <https://au.linkedin.com/company/superloop>  
Facebook: <https://www.facebook.com/SuperloopHomeBroadband/>  
Instagram: <https://www.instagram.com/superloop.homebroadband/>

## For more information:

Please contact:

- For Investor queries: Luke Oxenham  
CFO  
[investors@superloop.com](mailto:investors@superloop.com)  
Ph: +61 427 444 160
- For Media queries: John Hurst  
Tribune Partners  
Ph: +61 418 708 663