

13 March 2024

Superloop announces landmark Origin Energy broadband contract and updates FY24 guidance and FY25 outlook

Superloop Limited (**ASX:SLC**) (**Superloop**) has signed an exclusive six-year contract to provide wholesale internet services to Origin Energy Limited and its subsidiaries (**Origin**).

When combined with the recent significant backhaul contract signed in November 2023, Superloop will now provide wholesale services to two of Australia's largest energy companies.

Key terms of the wholesale contract:

- An exclusive six-year wholesale contract which will see the migration of Origin's broadband customer accounts, currently 130,000 and growing, onto Superloop's network. The transition of Origin's current subscriber base is expected to occur during FY25.
- The contract is expected to add in excess of \$19 million of annualised EBITDA¹ once the current subscriber base is fully transitioned, with further upside based on Origin's rapidly growing broadband customer base.²
- In consideration for the contract award, Origin is:
 - Issued 9,847,690 Superloop shares upfront on signing, another 9,847,690 Superloop shares on the completion of the migration of 130,000 customers, and up to another \$30 million of Superloop shares subject to achieving further customer growth milestones.³ Origin has previously communicated its ambition to grow its broadband customer base to 600,000 subscribers by FY26.
 - Granted 55,672,002 options upfront on signing (equating to approximately 10% of Superloop's diluted share capital),⁴ entitling Origin to purchase the same number of Superloop shares at the prevailing volume weighted average price (**VWAP**) of Superloop shares on the trading day before Origin exercises its option.

"Securing the Origin contract is a key progress milestone in Superloop's three-year growth strategy. It delivers a step-change in our customer numbers and cements our market position as a leading wholesale broadband and backhaul provider. In order to create strong alignment and pursue growth in broadband customers, we are delighted to welcome Origin as a shareholder and to issue it an option to acquire further shares," Superloop CEO Paul Tyler said.

Approximately 130,000 Origin broadband customers will be migrated from Origin's current network provider to Superloop, estimated to increase Superloop's total customer numbers to approximately 560,000 at that time.

The contract contains customary warranties, indemnities and limitation of liability clauses that apply to each party, and customary termination provisions.⁵

"Australia's energy retailers are investing heavily in product bundling and we are very pleased to be the partner of choice for reliability, service and value," Mr Tyler said.

"In addition to Origin's wholesale subscriber base, we are pleased to report that Superloop has continued the strong momentum in its own subscriber base, adding 21,000 subscribers in the first two

¹ Refer Annexure A.

² Refer Annexure A.

³ Refer Annexure A.

⁴ Refer Annexure A.

⁵ Refer Annexure A.



months of this calendar year (in addition to the 40,000 subscribers added in the six months to December 2023). With accelerating growth in our Consumer segment and the record H1 sales backlog (\$9 million annualised new sales) in Wholesale which will all be billing by the end of the half, Superloop expects to continue strong growth in FY25.

“The announcement of this material wholesale contract, coupled with the strong operational performance demonstrated in our existing business, reaffirms our confidence in the delivery of our three-year ‘Double Down’ strategy and the underlying value being created for shareholders.”

Upgrade of FY24 Guidance and FY25 Outlook⁶

The continued strength of Superloop’s trading performance provides the Company with confidence to upgrade its FY24 Underlying⁷ EBITDA from the previous \$49-53 million range to a revised \$51-53 million range.

Importantly, the Company’s cost structure and efficient operating model provides a competitive advantage and is ensuring strong trading momentum is translating to continued earnings growth and cash generation.

The significant incremental contribution from Origin in addition to the annualised benefit of record Wholesale customers wins (\$9 million annualised new sales) in the first half coupled with continued momentum in subscriber growth across our Consumer broadband offering, provides the Company with confidence in strong underlying growth in earnings through FY25.

The Company currently expects Underlying EBITDA year on year growth of 60% - 70% in FY25 (inclusive of the contribution from the Origin contract announced today).

Given the significance of new customer wins, Superloop anticipates that it will spend a one off incremental \$5m of growth Capex, spread across FY24 and FY25 on top of its \$20-22m capex guidance range.

⁶ Refer Annexure A.

⁷ Refer Annexure A.



Annexure A

1. Excluding Share Based Payment expenses relating to equity issue (non-cash).
2. In the half-year ended 31 December 2023, Origin added approximately 28,000 new internet customers.
3. Superloop shares issued upfront and on each milestone achievement are issued as consideration for the transition of broadband customers onto Superloop's network, without further cash consideration payable for the shares. In respect of the Superloop shares to be issued on completion of the migration of 130,000 customers, 8,156,489 Superloop shares will be issued under Superloop's existing placement capacity, with the remaining 1,691,201 Superloop shares subject to shareholder approval. Each subsequent tranche of shares will be subject to shareholder approval and receipt of any required regulatory approvals (with a cash equivalent payout in the event these approvals are not obtained or Superloop ceases to be listed) and will be priced at the 30-day VWAP on the date the relevant milestone is achieved (the milestones being 200,000, 250,000, 300,000, 350,000, 400,000 and 450,000 broadband customers). These shares are also subject to a voluntary lock-up of 12 months from the relevant milestone date, during which Origin will not sell or otherwise dispose of the shares, subject to customary exceptions, including disposal following a recommendation of a takeover or scheme of arrangement by Superloop.
4. Any Superloop shares issued on exercise of the options will be issued under Superloop's existing placement capacity. Origin may exercise any number up to the total of 55,672,002 options on one occasion within a 12 month period from the date of signing. The issue of Superloop shares to Origin on exercise of the options is also subject to receipt of any required regulatory approvals.
5. Including material and persistent breaches (without rectification), insolvency events, and change of control events.
6. All forward looking statements remain subject to no material change in market or operating conditions.
7. Underlying EBITDA is calculated as Statutory EBITDA adjusted for non-recurring transaction costs, restructuring costs, share based payments, expensing of VostroNet acquisition costs and gain on re-calculation of contingent consideration.

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 to learn more.

Contacts

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